



**REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE
FINANCIAL SUB-COMMITTEE**

Public Works Building
201 N. Stone Avenue, 7th Floor Conference Room

MEETING MINUTES

Wednesday, September 4, 2013

COMMITTEE MEMBERS PRESENT:

John Lynch	Mark Taylor
Amber Smith	Ann Marie Wolf
Mark Stratton	

A. CALL TO ORDER. John Lynch called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) Financial Sub-Committee to order at 1:32 p.m. Veronica Lopez took the roll call and a quorum was present.

B. PLEDGE OF ALLEGIANCE.

C. SAFETY SHARE. Patrick McGee reminded everyone to be cautious of pedestrians in or out of crosswalks.

D. APPROVAL OF MINUTES

1. Meeting Minutes of May 1, 2013
2. Meeting Minutes of May 7, 2013

ACTION: Ann Marie Wolf made a motion to approve the minutes of the May 1, 2013 and May 7, 2013 meetings. Mark Stratton seconded the motion. Motion passed unanimously.

E. DISCUSSION/ACTION.

- 1. REVIEW OF REVENUES.** Tom Burke, Director, Finance and Risk Management Department (FRMD), distributed financial handouts to the Sub-Committee. Mr. Burke first discussed the Revenue Growth Calculation spreadsheet and explained how the total projected sewer revenues are calculated. Mr. Burke discussed how the trends have been decreasing between 2011 and 2013. For FY 2014/15, staff is projecting that the average volume per user will be 10.500 ccf per month per customer. Mr. Lynch asked if this trend can be gaged as a continuing decrease. Mr. Burke stated staff tends to do that midway through the year when doing the budget for the next year. The FRMD staff has estimated that there will be a 1.0% growth increase this year and a 1.4% increase in FY 2014/15. These are the Pima Association of Governments' estimates. Next year's budget for the County-wide level is just starting to be put together. Mr. Burke stated when the recommended budget goes to the Board of Supervisors in March or April, the 1.4% growth estimate should be evaluated to assure if it is a good estimate.

Mr. Burke went on to discuss one of the handouts regarding total revenues for FY 2013 through 2015 and what was projected in the Financial Plan for FY 2012/13 and the actuals as of August 28, 2013. Discussion ensued regarding revenue projections and population growth.

- 2. REVIEW OF SELECTED CIP.** Ed Curley, Program Manager Sr., RWRD, introduced Jaime Rivera, Project Manager, RWRD, to the Sub-Committee. The Sub-Committee was provided with a Capital Improvement Program (CIP) Summary spreadsheet and Mr. Curley explained the layout of the information, which is included on the spreadsheet.

Mr. Stratton asked if all of the projects on the list are funded projects. Mr. Rivera stated yes they are and \$113 million is the planned expense for FY 2013/14. Mr. Burke explained what the process is for funding these projects. With regards to the decline in expenses after FY 2013/14, Mr. Taylor asked if this was due to no determination being made on where the funds would be allocated yet. Mr. Rivera stated the Regional Optimization Master Plan (ROMP) project is close to completion and this was a big source of the CIP spending. The Department will then focus on smaller projects. There will be many more projects, but less costs associated with these projects. Mr. Lynch asked if there was data available that shows all the CIP projects, without the ROMP data included, to get a better picture of what the CIP projects really looks like. Mr. Curley stated the Sub-Committee was previously provided with that information and that can be distributed again. Discussion ensued regarding the Department's plans over the next few years with regards to CCTV rehabilitation projects. Mr. Rivera explained how the projects are prioritized and each project is rated on a number scale, 1-5, with 5 being the highest priority. Mr. Lynch asked what the flexibility is with regards to funding. John Warner, Deputy Director, RWRD, stated there is some flexibility and discussed the increase of emergency reserves, which is now \$20 million.

Mr. Stratton stated there had been discussion regarding a possible postponement of the Roger Road facility demolition, which would reduce the need for a revenue increase next fiscal year. Mr. Rivera stated the Department will do a clean closure of the facility, which should take place the end of this year or early next year. This project is also being delayed at this time due to the many different options being proposed for the re-purposing of the facility. The Sub-Committee continued to ask various questions of Mr. Rivera and Mr. Warner regarding CIP projects.

Mr. Curley asked Mr. Warner to discuss the North and South Rillito Interceptors. Mr. Warner stated a contractor has been selected and staff is waiting for the appropriate approvals by all parties to continue with the negotiations on the project. The main rehabilitation on both projects is to reline the pipes. Staff has determined that 55% of the manholes require full rehabilitation and some replacements.

Ann Marie Wolf stated she would be interested in hearing more about the individual projects, specifically the non-ROMP projects. Mr. Warner went down the list of projects and discussed each project in more detail. Mr. Lynch asked how staff develops the cost estimates for the CIP projects. Mr. Rivera explained how the Department comes up with the costs for each project. Discussion ensued regarding CIP projects. Mr. Taylor asked how Pima County RWRD compares with other municipalities in the West when it comes to ongoing maintenance, etc. Mr. Warner stated he is proud of what the Department is doing and discussed the progress that RWRD has made. Mr. Warner let the Sub-Committee know that if they wish to discuss or receive further explanation on any CIP projects or other related matters, to please contact him or his staff, and they will be happy to meet with them. Mr. Lynch added that if Mr. Warner has information that he feels the Sub-Committee should be aware of, to please feel free to share that with them.

3. **OTHER RWRD BUDGET ISSUES.** Patrick McGee, Division Manager, FRMD, distributed the FY 2013/14 Period 1, Expense and Revenue Comparisons Summary for the Sub-Committee's review for discussion at the regular monthly RWRAC meeting.
4. **OTHER ISSUES.** The Sub-Committee and staff discussed the proposed agenda items for future Sub-Committee meetings. The Sub-Committee and staff determined that the December meeting may be re-scheduled at a later date depending on the timing.

F. FUTURE AGENDA ITEMS.

- Expenses
 - CIP (Continued)
 - Three-year O&M

G. CALL TO THE AUDIENCE. There were no comments from the audience.

ACTION: Mark Stratton made a motion to adjourn the meeting. Ann Marie Wolf seconded the motion. Motion passed unanimously.

H. ADJOURNMENT. The meeting was adjourned at 3:10 p.m.