

**WASTEWATER MANAGEMENT ADVISORY COMMITTEE**  
May 15, 2008

**Committee Members Present:**

Sheila Bowen	John Carlson	Brad DeSpain
Marcelino Flores	Rob Kulakofsky	Armando Membrila
Mark Stratton	Michael Gritzuk	

**Committee Members Absent:**

Adam Bliven	John Carhuff	Steve Halverson
Barbee Hanson	John Sawyer	Ann Marie Wolf

**Staff Present:**

Ed Curley	Laura Fairbanks	Mary Hamilton
Suzy Hunt	Mike Kostrzewski	Jeff Nichols
Melaney Seacat	Lorraine Simon	Lilian Von Rago
John Warner	Eric Wieduwilt	

**Other County Staff Present:**

Chuck Wesselhoff  
County Attorney's Office

- I. **CALL TO ORDER.** Vice Chair Sheila Bowen called the meeting of the Wastewater Management Advisory Committee (WMAC) to order at 7:53 A.M.
- II. **APPROVAL OF MINUTES.** The Committee approved the minutes of the April 17, 2008, WMAC meeting.
- III. **COMMITTEE/SUBCOMMITTEE REPORTS.**
  - A. **Citizens' Water Advisory Committee (CWAC) Update.** A CWAC Report was not presented.
- IV. **DISCUSSION.**
  - A. **Old Items/Updates.**

1. **Water Infrastructure, Supply and Planning Study (Water Infrastructure Study).** Melaney Seacat, Pima County Project Coordinator for the Water Study Study, provided an update on the activities of the Study's Oversight Committee. The Oversight Committee has two responsibilities. These include providing oversight on Phase I and Phase II of the Water Infrastructure Study. Phase I includes inventorying existing condition by Tucson Water and the Wastewater Reclamation Department of their infrastructure. Phase II includes development of a common set of water development and conservation goals.

Ms. Seacat provided Committee members with an updated schedule for the infrastructure inventory and a draft report that will be presented to the City of Tucson Mayor and Council and the Pima County Board of Supervisors on May 28, 2008.

The Oversight Committee has held three meetings since the last WMAC meeting. The April 18, 2008 Oversight Committee meeting focused on getting input on the public process for Phase I of the Study. The April 23, 2008 Oversight Committee meeting was focused on the content of the Study - what is going to be happening between June 2008 and the end of September 2008 to conduct the Study and inform the Oversight Committee

about the Study and get public input on it. The May 12, 2008 Oversight Committee meeting returned to the public process for the Study's Phases I and II, and the draft public outreach report that is being discussed with the Outreach Committee that will be going to the governing bodies on May 23, 2008.

There has been a lot of public input at the meetings of the Oversight Committee. The public has commented extensively about the Phase I versus Phase II public process. The Phase I public process is going to be primarily focused on using the Oversight Committee as a forum for the public to come to hear about the Water Infrastructure, Supply and Planning Study. This is a fact-based collection effort and so questions and answers about the information are going to be the primary focus of public input. Beginning in Phase II, the Water Infrastructure Study then moves into a discussion of public values and goals and conservation-related topics. That discussion and that public process will be different from Phase I.

Ms. Seacat then reviewed the revised schedule and informed the members that topics that will be discussed by the Oversight Committee between the June 11, 2008 and August 13, 2008 meetings will include an overview of water and wastewater systems, history, institutional and regulatory backgrounds. The Oversight Committee will then move into discussing the issue of supply and going into more depth on the delivery system. Currently planned are discussions of new water and wastewater infrastructure – what we have and what do we need for the future, and concluding with the financial aspects and how we are going to fund it.

The last three topics the Oversight Committee will discuss (between August 27 and September 24, 2008) are getting into a range of topics that have a lot assumptions associated with them. These include future population scenarios, planning for growth; future resource scenarios, conservation, environmental needs for water; and sustainable water population. What is being proposed is that the Oversight Committee consider seminars or workshop-type formats to have a little bit more time to spend on those topics and that we bring in additional subject matter experts to provide a regional context and to provide different viewpoints on what those assumptions are.

The schedule of reports for the Phase I Study includes: 1) a Report on Public Participation to be submitted to the governing bodies at the end of May 2008; 2) a follow-up Report on Public Participation with a focus on Phase II to be submitted in October 2008; and 3) a final Report on Phase I Inventory and Assessment to be submitted in December 2008. The final Phase II report is due in July 2009.

Ms. Seacat informed the members that the Water Infrastructure Study website is now operational and the URL is <http://www.tucsonpimawaterstudy.com/>. She said it contains comprehensive information including draft and final study reports, background information and relevant links, meeting notices, handouts and meeting minutes and audio recordings, an on-line comment form and a way to join the mailing list. Discussion followed.

Ms. Bowen asked if staff would be available to make presentations on the Study to other civic groups. Ms. Seacat responded that staff are available to make presentations and all Oversight Committee meetings are open to the public. All future meetings of the Oversight Committee will be held at the Randolph Golf Course Club House.

WMAC members appointed to the Oversight Committee then gave their perspective on Oversight Committee activities.

John Carlson informed the members that the Oversight Committee has decided to meet on a twice monthly basis, on the second and fourth Wednesday, with alternating morning and evening meetings. Mr. Carlson commented further that there had been tremendous outreach to the public and anybody that wanted to participate. He said part of his orientation has been to involve all of the other entities in the County. The Oversight Committee is now talking about involving experts and possibly having a panel of experts.

Brad DeSpain asked if there was a list of interested parties available on the Water Infrastructure Study website. Ms. Seacat responded that the database was not available on the website. Mr. DeSpain asked how someone would know if they were included. Ms. Seacat offered to share database information with Mr. DeSpain.

Armando Membrilla asked how civic groups could arrange for presentations. Ms. Seacat suggested that interested civic groups contact WMAC Coordinator, Suzy Hunt. Ms. Seacat said she would add to the Water Infrastructure Study website that presentations are available to civic groups.

2. **Regional Optimization Master Plan (ROMP) Update.** Mr. Gritzuk provided the ROMP Update. There are three major components of the ROMP Program. They are the upgrade and expansion of the Ina Road Water Reclamation Facility (WRF), the Roger Road to Ina Road Plant Interconnect and the new Water Reclamation Campus in the vicinity of the Roger Road site.

Design of the Plant Interconnect is approximately 30 percent complete. The Department has selected Sundt/Kewitt as the Construction-Manager-At-Risk (CMAR) contractor for the Interconnect Project. The County Cultural Resources Office has retained a cultural resources consultant for this project.

The County Cultural Resources Office has retained another consultant for cultural resources work at the Ina Road WRF. This cultural resource evaluation has the potential of being quite elaborate. In addition, the Department has completed negotiations on the scope of work with the design consultant, CH2M Hill, for the Ina Road WRF expansion and upgrade. This contract is in the signing phase. The cost of this very complex six year contract is approximately \$18 million.

The contractor, Montgomery Watson and Harza (MWH) Constructors, is the CMAR for the Ina Road WRF project. The Department has negotiated this scope of work and the contract is in the process of being signed/executed.

The next step is to retain a project manager to manage the Ina Road project and also to provide the full-time inspection for the project. Qualification Statements for that effort have been received. The week of May 19, 2008, the Procurement Department will announce the three finalists that will be invited for interviews.

The Department is in the process of determining the project delivery method for the Water Reclamation Campus in the vicinity of the Roger Road site. The Department held an all day workshop with the Consultant, Greeley and Hansen, et al. on May 14, 2008. There will be one more workshop at which time a recommended procurement method will be made. The Department is looking at the design-build method for this project and alternates within the design-build family (i.e. design-build-operate, and design-build-finance-operate). These methods are being evaluated from a risk and cost effective point of view. The Department hopes to have the procurement method selected in June 2008. The interest in this project is both national and international. Discussion followed.

Marcelino Flores asked if there was a panel committee that recommends the selection of contractors. Mr. Gritzuk responded in the affirmative and informed Committee members that for every one of the Department's selections (whether it is a CMAR, design engineer, etc.), the Department creates a multi-disciplined selection committee that has components of engineering, operational and financial staff. The selection committee does extensive review of the qualification statements which includes independent scoring in accordance with a scoring format developed by the County Procurement Department. The Procurement Department then tallies/selects the highest scoring contractor.

Mr. Membrilla asked about projects where a consultant is responsible for project oversight - how are these projects structured so that the County is guaranteed that the consultants are doing what they are supposed to. Mr. Gritzuk responded that beside the consultants mentioned in the ROMP, the Department also has a program manager for the ROMP CIP implementation that is a consortium of consultants. The program manager establishes the standards for the overall ROMP Program. Those standards are then given to the various design engineers. They also establish the quality assurance/quality control and they monitor the schedule and the budget. The intent of the program manager is to have an over-arching view of ROMP to make sure that it is all coming together with the budget and schedule for the overall program. Internally, the Department has a senior staff engineer that is the in-house program manager. This in-house program manager is in day-to-day contact with the consultant program manager. As projects are developed within ROMP, normally a senior staff member that is the in-house project manager then works with the consultant project manager. This entire process is regularly discussed on a weekly basis with the Department's Executive Team.

3. **System-Wide Odor Control Program.** Conveyance Division Deputy Director, John Warner, provided an update on the System Wide Odor Control Program. He reviewed the Department's Odor Control Management Plan and Odor Control Management Program. WMAC members received copies of this information.

The Odor Control Management Plan (Plan) that was developed as a result of the Odor Control Study conducted by Greeley and Hansen and CH2M Hill. The Plan provides for an integrated and consistent approach implemented by a system-wide process focused on odor management to provide a standardized source of policies, goals, process selection, performance monitoring, assessment and reduction of lifecycle costs throughout the Department.

The Plan emphasizes that odor control shall have the same priority as regulatory compliance for reclamation facilities or pumping stations. Public education and outreach is included in the Plan and it identifies how the Department is going to maintain the customer odor call line, information management – databases will keep track of everything within the odor program. The next quarterly odor control report will contain all of the expenditures of the Plan to-date. Odor CIP projects and training of staff are identified in the Plan. The Plan holds the Department to the promise of developing not just the Odor Control Management Program but insures that the Department will effectively manage the program.

Mr. Warner then reviewed the Odor Control Management Program (OCMP). The OCMP describes an integrated approach to improving odor control and reducing odor control system lifecycle costs and defines key performance measures. It establishes the Odor Control Management Program and emphasizes that the control of odor and emissions shall have the same significance as regulatory compliance for wastewater facilities or

pumping stations. The OCMP Core Team will be responsible for coordinating the development, improvement and implementation of the OCMP with respect to regulatory compliance, information management and CIP planning and budgeting for the Capital and Operations and Maintenance (O&M) with the Odor Plan Team This is a system-wide odor control program and plan involving numerous staff throughout the Department.

Mr. Warner informed the WMAC members that the OCMP is a changing/living document and the Conveyance Division will be looking for continuous improvements/additions to the OCMP. Discussion followed.

Mr. DeSpain asked about one member of the OCMP Core Team, LambTech. Mr. Warner responded LambTech is the odor consultant that has worked with the Department for several years. LambTech has worked closely with the Department as well as with the odor consultants, CH2M Hill, which firm is also the design engineer for the Ina Road expansion. CH2M Hill will be designing all of the odor facilities to be incorporated into the Ina WRF expansion design and upgrade.

Mr. Flores asked whether the public would be allowed to attend the OCMP Core Team meetings. Ms. Fairbanks responded that those meetings get very technical. However, staff do respond to customers' odor control complaints and information is included about the OCMP in customer bills.

Mr. Gritzuk reminded the members that the Citizens Involvement Committee (CIC) was sunsetted, but it had made a number of recommendations to the Board of Supervisors. One of the recommendations was to have a permanent oversight committee overseeing the Odor Control Management Program. The Board of Supervisors charged the WMAC to review those recommendations and forward a recommendation to the Board. The WMAC decided that it would be the oversight committee. The Department produces a quarterly report on the Odor Control Management Program which the Committee and the Board of Supervisors receive.

Mr. Warner added that within a year the Department hopes to have a website for the Conveyance Division so that the public can contact the Division directly regarding odor concerns. Continuing public outreach and education (especially when requested) is an important part of the OCMP.

Mr. Flores said previously the WMAC was informed that potable water was being used to flush conveyance lines. He asked if the use of non-potable water had been addressed yet. Mr. Warner responded the Department has been meeting with Tucson Water to discuss this issue. He was hopeful staff would be able to provide a status report on this issue by the end of Summer 2008. He added that this was more of an O&M task than an odor control management issue.

Mr. Membrilla asked the level of staff that are involved with the individual OCMP Core Teams. Mr. Warner responded that the lowest level of the team that will be involved are the plant supervisors, working supervisors and staff (including operators) as well line staff.

Mr. Carlson complimented the Department on how it has addressed the odor problem and asked if odor complaints were down. Mr. Warner responded in the affirmative. The majority of complaints that the Conveyance Division has responded to since Fall 2007, have been from private sources (e.g. commercial strip malls and grease traps) and that is why the Industrial Waste Control Section plays a big role in the OCMP.

Mr. Warner informed the members that within approximately two weeks the second bio-tower will be up and running, which is ahead of schedule. He complimented Treatment Division staff for their efforts on the bio-towers project. Mr. Gritzuk added that the way that odor complaints are being managed and the statistics of it, it is very clear that more than 50 percent of the complaints received are for odors from the private sector.

4. **FY 2008/09 Budget Update.** Jeff Nichols, Controller, provided the FY 2008/09 Budget Update. He reminded WMAC members that in addition to its base budget package for FY 2008/09, the Department was also required to submit two supplemental budget packages detailing possible budget reductions of two percent and five percent to the County Administrator. Neither of these budget packages was accepted; instead, the Department's requested budget was the one received. However, Tom House, the County Budget Director, requested that the Department cut its in-state travel and training budget to 50 percent of the FY 2007/08 level. The Department's other travel and training budget already complied with that request. The Department put together a packet of proposed cuts and informed Mr. House that the Department has staff that need to maintain certifications. Mr. House took what was cut out of in-state training budget and put in another area of the budget which meant that the Department's budget was not cut. The O&M budget for FY 2008/09 is approximately \$81.7 million and the debt service budget for FY 2008/09 is approximately \$26 million. Projected total revenue is \$124.4 million. This does not include \$15 million of developer contributions which the Department believes it will receive. The Department has already exceeded the \$15 million in developer contributions (i.e., when a developer puts in a sewer system and deeds it over to the County) for FY 2007/08. Therefore, the Department has approximately \$17 million of actual cash outlays that the Department is looking to receive as revenues. That will go to fund the Department's pay-as-you-go CIP projects, not only projects that do not have bond funding but to assist those bond funded projects that may need additional funding.

The Department had a bond sale of \$75 million on May 13, 2008. The interest rate the Department received on the bond sale was 4.08 percent, which is a better rate than the Department received on its first bond sale of \$50 million. This brings the Department's total 2004 bond sales to \$125 million of the \$150 million 2004 Bond issuance. When the bond plans are floated out, they are basically 10 year plans. The Department is more than two-thirds of the way through its 2004 Bond Program which started in 2006. Of the \$75 million, \$22 million is going to be reimbursed to the Department on day one – it is money that the Wastewater Management Fund has fronted for the bond program. This helps the Department with arbitrage. By being able to front-end fund those projects with cash and seek reimbursement, the Department is way ahead of the curve as far as the spending rates required by arbitrage. Discussion followed.

Mr. Stratton asked if the bonds were open market or Water Infrastructure Finance Authority (WIFA) bonds. Mr. Nichols responded they were open market bonds.

The Department believes if it stays on track this coming fiscal year, probably by the end of FY 2009/10, the Department may be selling its last \$25 million in 2004 bonds that it has authorized.

Mr. Nichols informed the WMAC members that Tom Burke, the County Finance Director, has decided to issue some Certificates of Participation (COPs). This is short-term financing where you sell and lease back your assets. This changes the Department's 2007/08 Financial Plan and its budget.

Mr. Nichols anticipated that Mr. Burke would be issuing \$50 million of COPs in June 2008. In lieu of the Department spending its cash for CIP projects, the Department will use the cash generated by the COPs and then use its cash to retire the COPs when the debt service becomes due – basically giving itself short-term loans of at least a 12-month period in order to satisfy the debt service. The reason the Department is doing this is to not exceed the expenditure limitation County-wide. Discussion followed.

Mr. Membrilla asked for further clarification. Mr. Nichols responded as example, if you own your home and you want a line of credit, you put your home up as collateral for that line of credit. When you pay back your debt service – loan – you get the equity back in your home. That is the same thing the County is doing on a much greater level.

Mr. Nichols commented further that the O&M budget for FY 2008/09 was \$81.7 million. The sewer user fees projected to be collected in FY 2008/09 are \$87.7 million. These projected monthly sewer user fees are more than enough to pay for O&M costs next fiscal year.

Mr. Nichols also reminded the members that the Board of Supervisors had authorized a Connection fee rate increase of nine percent in January 2008 and another 9.5 percent in July 2008. The Department is projecting similar increases next fiscal year. The Department now has to recalibrate its 2007/08 Financial Plan to take into account the COPs because there will be additional related interest expense, but the Department will also have interest earnings on the System Development Fund. With these rate increases, if the Department is not going to be using its cash for a 12 to 13 month period, Mr. Nichols' concern is that the public may think the Department does not need any more rate increases because they will not be looking at the long-term picture.

Mr. Carlson said the Department has to keep faith with the public and let them know that Connection Fee revenues are used primarily for capacity even though there may be delay in using the revenue.

Mr. Nichols informed the members that on May 12, 2008, the Department requested that the Board of Supervisors authorize significant increases and extensions to both of the Job Order Contracts to maintain and rehabilitate both small (15 inch diameter and below) and large (15 inch diameter and above) pipe.

Mr. Gritzuk added the Department has a very aggressive, extensive closed circuit televised (CCTV) inspection program of the sewer system. The Department has completed CCTV inspection of 40 percent of the system. As noted by Mr. Nichols the Department has on-going contracts for rehabilitation and repair of the conveyance system.

5. **2008/09 Bond Authorization Election and WMAC Letter to Board of Supervisors.** Mr. Nichols presented on the 2008/09 Bond Authorization Election and WMAC letter to the Board of Supervisors.

He noted that at the previous WMAC meeting, members decided to send a letter to the Board of Supervisors in support of a 2008 Bond Election. At this point in the meeting, Ms. Bowen informed the members that Chair Bliven asked that the Committee postpone sending the letter (which had been previously drafted/reviewed by the members), until this new information regarding the bond election was received through Mr. Nichols.

Mr. Nichols informed the members that individual members of the Board of Supervisors have indicated a lack of support for holding a 2008 Bond Election. In addition, the

Governor is moving ahead with a ballot initiative for the November 2008 election for a one cent sales tax increase for transportation and transit. Also on the November 2008 ballot, is an override for the Tucson United School District. Therefore, it might be difficult to get voter approval of a sewer revenue bond authorization in 2008. Discussion followed.

Mr. Stratton expressed that the letter needs to be revised to state that the bond election is necessary as soon as practicable. He felt support for the bond election needs to stay in the forefront of the Board of Supervisors attention.

Mr. Gritzuk suggested that an alternate to sending a letter to the Board of Supervisors would be to send a letter to the Bond Advisory Committee with a copy to the Board of Supervisors.

Mr. DeSpain felt the story needed to be gotten out to the public that you have to have water and wastewater infrastructure/services to survive – may have to push harder than we ever have before.

Mr. Stratton made a motion to amend the letter to be sent to the Bond Advisory Committee with copies to the Board of Supervisors reflecting that that the bond election should be held no later than 2009. Discussion followed.

Mr. Membrilla asked if a bond election is not approved by the Board of Supervisors and the Department has to come up with other alternatives, what are those alternatives. Mr. Gritzuk responded that the alternative – if the bond election is not held by 2009 - is to continue funding the regulated program with cash. This would require a very substantial increase of approximately 70 percent in the user fee rates.

Mr. Nichols suggested that COPs financing would be another alternative to short-term finance the Department and keep under the State's expenditure limitation. The Department is going to see if that would be feasible as well.

Mr. Gritzuk reminded the members of one additional alternative – the regulatory portions of ROMP will happen. One of the alternatives is that if the Department does not make it happen, the regulatory agencies will step in and make it happen under a consent order or consent decree.

Mr. Kulakofsky suggested including in the letter that the WMAC considers a 70 percent increase in rates as an unacceptable alternative, should the bond election not be held in 2009.

A revised motion was unanimously approved that a letter be addressed to the Bond Advisory Committee with copies to the Board of Supervisors noting that the election needs to be held no later than 2009. If the election is not held by 2009, the alternative is a 70 percent increase in User Fees that the Committee does not feel is appropriate.

Mr. Curley said staff would rework the letter and send it to Vice Chair Bowen and Chair Bliven for approval.

Mr. Stratton expressed that it would be good to include language from the County Administrators April 11, 2008 memo regarding the 70 percent increase in the WMAC letter.

Ms. Bowen asked if the Board of Supervisors authorized a bond election for 2009, when the public relations component would begin. Mr. Nichols responded that the Department cannot take a position on a bond election. It can have an educational campaign to inform the public about the critical nature of water and wastewater infrastructure.

Mr. Stratton asked what authority the WMAC has in promoting support for the bond election, since the members are not County employees. Charles Wesselhoft, Deputy County Attorney, responded that WMAC members are quasi County employees. Mr. Stratton felt that could potentially impact the members and they needed to know where their limits were. Mr. Carlson noted that as individuals, members could express their opinions.

Mr. Membrilla asked what kind of outside influence the WMAC can use in order to promote the bond election and what kind of public relations the Department is considering. Ms. Fairbanks responded that staff is not allowed to promote or launch any kind of public relations campaign in support of the bond election.

Ms. Bowen asked if the Department could speak to civic groups and speak about the conditions of the Department including the impact of environmental regulations. Ms. Fairbanks responded in the affirmative and said in the past when there have been bond elections, the Department has been invited to speak and identify bond projects.

Mr. Membrilla expressed that as soon as the November 2008 election is over, the Department/Committee should do some public education on the importance of wastewater infrastructure. Ms. Fairbanks informed the members that recently the Department took out a full page ad in a local newspaper. She suggested that, if okayed by legal counsel, maybe the Department could do some public education through that venue.

Ed Curley reminded the members that the Department does have a program to disseminate information - staff have been giving presentations to the Pima Association of Governments (PAG) Environmental Advisory Committee and the Chamber of Commerce on both the Financial Plan and the ROMP (including the regulations and the \$1 billion dollar price tag).

6. **Capital Improvement Program (CIP) Staffing and Allocation for "Hard to Fill" Positions.** Planning & Engineering, Deputy Director, Eric Wieduwilt, provided an update on CIP Staffing and Allocation for "Hard to Fill" Positions. He reminded Committee members that staff was requested at the last WMAC meeting to discuss staff problems the Department is having with hiring project managers to deliver large capital projects scheduled for FY 2008/09. Mr. Wieduwilt then reviewed a CIP Project Management Resource Summary. (Committee members received copies of the Summary.)

The Department has three structures/models that staff developed to manage the Department's capital projects. These include: 1) a project manager who manages a project; 2) a project liaison who is a member of the CIP team who assists a third-party project manager contract consultant who manages a project; and 3) a mentor who is that same member of the capital project delivery team who helps another member of the Department's staff manage projects. The Department implemented this process because it is resource constrained at this point in time.

The Department's CIP Section currently has eight full-time project managers and six additional staff members who support delivery of the CIP Program and handle the procurement process. The Section has four vacancies.

Mr. Wieduwilt informed the members that, while the County is under a hiring freeze, County Administration has authorized the Department to advertise/fill one of the four vacancies in the CIP Section.

The Department reviewed two benchmarking studies to see where the Department fit within the industry. This included the volume of the total capital projects against the number of full time equivalents (FTEs) that the Division has as project managers. The rule of thumb is \$1.2 million in the industry. The Department has eight CIP project managers and a CIP budget of \$117 million for FY 2008/09 that would equal approximately \$14 million per FTE. If we did the straight-forward program project management approach, the Division would be way off. That is why the Division moved to the third-party project manager model and also farmed out some of the projects to in-house Department staff.

By doing this, the next benchmark is per individual project manager within the Department's CIP Section. By doing these adjustments and utilizing other available staff resources, the Division has met the benchmark of \$4 million to \$6 million with \$5.6 million per FTE. This comes within the benchmark as far as capital dollars per project managed.

Mr. Wieduwilt then reviewed the complete list of CIP projects and staff assignments from each of the Department's divisions. He informed the members that the Department just recently moved to a model of having a Civil Engineering Manager from the Treatment Division take the lead on coordinating the Treatment Division's smaller Job Order Contracts. The CIP Section will provide support by training the Civil Engineering Manager to train Treatment Division staff on how to do CIP delivery. The ROMP has a unique project delivery approach. Ron Riska is the liaison to a third-party program manager who then oversees the individual ROMP projects. Discussion followed.

Ms. Bowen commented that even if the Department filled the four vacancies, the ratio compared to the benchmark is still much higher; therefore, the Department still needs to use third-party resources. Mr. Wieduwilt expressed agreement with Ms. Bowen's assessment.

Mr. Nichols then responded to a question brought up at last month's WMAC meeting – what is the Department doing to fill hard to fill positions. He informed the members that the Department had sent a request to the County Administrator regarding some project inspector positions that it was having difficulty filling. The Department was just recently informed by County Administration to hold on these positions.

Mr. Nichols also complimented Mr. Wieduwilt and his staff for doing a very good job and managing a very difficult situation at this point in time.

## **B. New Items.**

- 1. Nominating Committee Appointed.** Mr. DeSpain, Mr. Kulakofsky, Mr. Membrilla and Mr. Stratton volunteered to serve on the Nominating Committee to select nominees for WMAC Chair and Vice Chair.
- 2. Committee Name Change.** Ms. Hunt reminded Committee members that at the last meeting, Mr. Stratton requested that the WMAC discuss changing the Committee's name to reflect the name of the Department. Members were referred to information they received prior to the meeting which included a draft ordinance amendment. Members were asked to forward their suggested name changes to Ms. Hunt. Further discussion of this item was continued to the next regularly scheduled WMAC meeting.

At this point in the meeting, Mr. Gritzuk informed the members that the Arizona Water and Pollution and Control Association (AWPCA) awarded the Department and the consultant, Greeley and Hansen, the project of the year award for the ROMP Program at AWPCA's annual conference. Normally the award is given for a specific project; however, the Department received the award for the entire ROMP Program.

Mr. Warner also informed the members that Mr. Gritzuk received the Arthur Sidney Bedell Award from the Water Environment Federation at the AWPCA conference. This is one of the most prestigious awards given by WEF to association members. Mr. DeSpain informed the members that Mr. Stratton had received the engineer of the year award at the AWPCA conference.

Mr. Membrila asked what the Department was doing to inform the public that we are an award-winning agency. Ms. Fairbanks responded the Department's ISO certificates were going to be presented to the Board of Supervisors on May 19, 2008. In addition, the Department is going to hold a press conference on May 21, 2008, at which a mention of the awards will also be included.

3. **Summer Meeting Schedule.** This item will be discussed at the next regularly scheduled WMAC meeting.

- V. **FUTURE AGENDA ITEMS.** Staffing Update, Legal Limitations on Promoting Bond Elections, FY 2008/09 Budget; Water Infrastructure, Supply and Planning Study; Nominating Committee Report and Election of Officers; State/Regulatory Update; Regional Optimization Master Plan; and Odor Control Plan Update.

At this point in the meeting, Mr. Carlson noted that Steve Leal sent the Water Infrastructure Committee a letter regarding pharmaceuticals in water. Mr. Carlson then asked what the Department was going to do regarding this issue. Mr. Gritzuk responded that (because of the recent media coverage regarding pharmaceuticals in groundwater, surface water and wastewater), the Department was directed to advise the Board of Supervisors on the issue. In response, the Department prepared a white paper. He suggested that staff could send the paper to the WMAC and/or provide a presentation on this issue. (Note: WMAC members received copies of the white paper in the meeting package for the June 19, 2008 meeting.)

Mr. DeSpain informed members that the U.S. Geological Survey (USGS) provides a report each year that is available sometime in the fall through the University of Arizona.

Ms. Fairbanks added that the Department's Industrial Waste Control Section is currently surveying local hospitals and nursing homes as to their disposal procedures. She said they are going to be pulling together a group of stakeholders (including local jurisdictions and nursing homes) to look at this situation.

Staff will distribute the pharmaceuticals white paper and then provide a presentation at a future meeting as requested.

At this point in the meeting, Mr. Membrila expressed concern about the Department's budget position. He commented that when the Department cannot fill positions and staff is being asked to do more with less – at some point in time that will catch up with you. He asked if the Department has looked at the impact down the road with not being able to fill all of the FTEs or pulling money from one area because we do not have it to spend. Mr. Gritzuk responded that this is not a new issue for the Department. Over two years ago, the Department retained a national consultant to

look at the way the Department manages its CIP Program (including staffing levels, tools, procedures and also how other departments within the County interact with the CIP Program). Various recommendations came out of that study. When the ROMP started to rollout, the Department had the ROMP program manager also look at the way we can manage the massive projects within the ROMP. The Department has made and continues to make adjustments in staffing. Unfortunately, in areas where the Department cannot fill project manager positions, the alternative is to go to a consultant to provide more costly project management. There is a central County project management contract that the Department can use. The larger more complicated projects within ROMP are going out to consultants. The Department continues to try to fill these positions.

Mr. Nichols also informed the members that the Department will have 58 vacant positions by May 16, 2008. For the most part, the efforts taken by the Department during the last year have brought salaries more in line with the market.

Mr. Membrilla asked if the Department can do no more than what it has done so far, what will be the impact in five to 10 years. Then when we have that information if it is available, his intent would be to educate the public.

Ms. Bowen said staff had previously prepared an analysis of the cost to the Department which the Committee received. She asked if it could be sent back out to the members.

## **VI. CALL TO THE AUDIENCE.**

John Holland, Pima County resident, commented that at the last WMAC meeting, Mr. Gritzuk discussed alternative delivery methods for the ROMP that included design-build. He said today he heard the Department might have to request a 70 percent User Fee rate increase if the bond election was not held in 2009 and the Department had to pay in cash for projects. He asked if there was another option (e.g., design-build-finance-operate or "DBFO") where you could finance the money over a 20 year period at a higher rate and possibly have a rate increase of something less than 70 percent. Mr. Gritzuk responded with DBFO, there is private sector financing or some component of private/public sector financing. He noted that the tax code allows that financing to go out as far as 35 years. Over a longer period of time, you can dampen the rate increases, but in the long term you are paying more for the project. The Department is actively considering this option for the Water Campus.

There being no further response from the audience, Vice Chair Bowen adjourned the meeting.

## **VII. ADJOURNMENT.** The meeting adjourned at 9:51 A.M.