

**REGIONAL WASTEWATER RECLAMATION ADVISORY COMMITTEE**  
September 18, 2008

**Committee Members Present:**

Sheila Bowen	John Carlson	Marcelino Flores
Barbee Hanson	Rob Kulakofsky	Corey Smith
Mark Stratton		

**Committee Members Absent:**

Adam Bliven	John Carhuff	Brad DeSpain
Armando Membriila	John Sawyer	Ann Marie Wolf
Michael Gritzuk		

**Staff Present:**

Ben Changkakoti	Laura Fairbanks	Mary Hamilton
Suzy Hunt	Melaney Seacat	Lorraine Simon
Lilian Von Rago	John Warner	

**Other County Staff Present:**

Chuck Wesselhoft  
County Attorney's Office

- I. **CALL TO ORDER.** Vice Chair Sheila Bowen called the meeting of the Regional Wastewater Reclamation Advisory Committee (RWRAC) to order at 7:54 a.m. Vice Chair Bowen noted that on August 5, 2008, the Board of Supervisors changed the name of the Committee to the Regional Wastewater Reclamation Advisory Committee.
- II. **APPROVAL OF MINUTES.** The Committee approved the minutes of the August 21, 2008, RWRAC meeting.
- III. **COMMITTEE/SUBCOMMITTEE REPORTS.**
  - A. **Citizens' Water Advisory Committee (CWAC) Update.** A CWAC Report was not presented. Vice Chair Bowen informed Committee members that CWAC would be appointing a replacement for John Carhuff to serve as CWAC representative on the Committee.
- IV. **DISCUSSION.**
  - A. **Old Items/Updates.**
    1. **Water Infrastructure, Supply and Planning Study (Study).** Melaney Seacat, Co-coordinator for the Study, provided an update on the activities of the Study's Oversight Committee. The Oversight Committee has the responsibility of providing direction and oversight on Phase I and Phase II of the Study. Phase I includes presentations on water/wastewater infrastructure by Tucson Water and the Wastewater Reclamation Department. Phase II includes development of a common set of water development and conservation goals.

Ms. Seacat informed Committee members that since the last Committee meeting, the Study's Oversight Committee had held three meetings. The Oversight Committee received presentations at these meetings on land use and population, climate-related impacts and resource uncertainties on the Colorado River, and environmental needs for water.

In addition Ms. Seacat informed Committee members that City of Tucson and Pima County staff were preparing the final report for Phase I of the Study. She also noted that Jim Barry, Chair of the Oversight Committee, had requested the City of Tucson Mayor and Council and the Pima County Board of Supervisors to extend the deadline for submission of the Phase I Final Report. The governing bodies granted the extension.

Staff are also preparing for community outreach – presentation of the Phase I Final Report. Ms. Seacat informed Committee members that Mr. Barry made a proposal at the September 17, 2008 meeting of the Oversight Committee that a joint meeting of the CWAC and the RWRAC be held in January 2009 to present the Phase I Final Report. Vice Chair Bowen suggested this topic could be added as future RWRAC agenda item.

Ms. Seacat also informed the Committee members that the Oversight Committee received a suggestion that a stakeholder panel be put together that would meet to review and critique the Phase I Final Report. Some suggested panel participants included representation from academia (e.g. Arizona Water Institute and/or Water Resources Research Center, and Arizona Department of Water Resources), environmental (e.g. Coalition for Sonoran Desert Protection), water providers (e.g. Southern Arizona Water Users Association), business (e.g., Southern Arizona Leadership Council), and possibly the Pima Association of Governments (PAG) representing other jurisdictions and the Neighborhood Infill Coalition or Sustainable Tucson Coalition. Ms. Seacat informed Committee members that there would also be a series of open houses on the Study's draft Phase I Report that would be geographically dispersed across the community. Discussion followed.

Vice Chair Bowen asked if a decision had been made on the map and boundaries of the Study area. Ms. Seacat responded that the Oversight Committee was still deliberating this issue; there are a couple of proposals under consideration. She noted that while the scope of work for the Study's Phases I and II is looking at the City and County water/wastewater service areas, the Study scope also is asking the Committee to look at critical factors related to sustainability which includes looking at things like groundwater dependent ecosystems which may be outside the existing service areas of the two utilities but within unincorporated Pima County. To the extent that the inventory needs to address those issues, the Oversight Committee is going to be looking at the Study area. Committee members who serve on the Oversight Committee then gave their perspectives on this issue.

Rob Kulakofsky felt the Oversight Committee was close, after their September 17 meeting, to being able to make a decision about whether to address the inventory needs for unincorporated Pima County. Originally, the Oversight Committee's discussion was focused on the County's and Tucson Water's service areas. However, the Oversight Committee learned that there are individuals that have septic tanks and/or private (non municipal or utility) wells that would not be included. What these individuals do may impact the Study area and what happens in the Study area may impact them as well as environmental resources in the area.

John Carlson agreed and noted that 30 percent of Tucson Water's customers do not have a vote because they reside outside the city limits and we have to be sensitive to that.

Mark Stratton commented that another issue is that some of Pima County's wastewater reclamation service area lies within other jurisdictions; moreover, other jurisdictions and private water utilities are not included at the table. There is a disconnect that these entities are not involved in the process – the Study is discussing things that may have impacts on these other service areas.

Marcelino Flores felt the presentations made to the Oversight Committee had been excellent. He expressed the hope that the Oversight Committee was moving toward an inventory that would include some biological resources that are considered important for the community.

Vice Chair Bowen informed the Committee members that during the week of September 22, 2008, Ms. Seacat will present an update on the Study to the annual meeting of the Arizona Society of Civil Engineers.

Ms. Seacat informed the Committee members that the other topic discussed at the last Oversight Committee meeting was Phase II of the Study. Staff will present a report in October 2008 to the Oversight Committee that provides recommendations on the substantive issues and the process for Phase II.

At this point in the meeting, Vice Chair Bowen introduced Ben Changkakoti who recently joined the Department. Formerly, Mr. Changkakoti was the Comprehensive Plan Administrator for Pima County in the Development Services Department.

2. **Regional Optimization Master Plan (ROMP) Update.** Mr. Changkakoti provided the ROMP Update on behalf of Mike Gritzuk, Department Director. 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. Mr. Changkakoti elaborated on information included in the July/August 2008 Staff Report, which Committee members received prior to the meeting.

A direct select contract with Partnerships BC for the Water Reclamation Campus in the vicinity of the Roger Road site is under consideration for on-going service to prepare alternative contract documents.

The Board of Supervisors has approved an amended Capital Improvement Program (CIP) budget of over \$41 million for the Roger Road to Ina Road Plant Interconnect Project. Department (in-house) staff is serving as project manager for the Plant Interconnect Project. Completion of the 100 percent design documents is scheduled for September 30, 2008. The Real Property intergovernmental agreement (IGA) between the County and the City of Tucson is under review by the Tucson Mayor and Council. Mr. Changkakoti informed Committee members that the Department anticipates the IGA will be considered for approval by the Board of Supervisors in October 2008. The Construction-Manager-at-Risk (CMAR) contract for pre-construction services with Sundt/Kewit for the Plant Interconnect Project was finalized on April 9, 2008. Design completion is expected by September 2008. The CMAR guaranteed maximum price (GMP) is expected by December 2008. Cultural Resources clearance is expected by February 2008. Construction is expected to begin by March 2009. Substantial completion of the Plant Interconnect Project is expected by December 2010.

Cultural resources site work has begun on the Ina Road WRF Expansion and Upgrade Project. Completion of site work is expected in eight to 10 weeks. Design work for the interim bio-solids is complete. The 30 percent design work is due to the County in October 2008.

At this point in the meeting, Mr. Changkakoti provided an update on Planning and Engineering Division activities on behalf of Eric Wieduwilt, Deputy Director of Planning and Engineering. Planning staff are participating on the Technical Team for the Joint

City/County Water-Wastewater Study. Staff continues to work on a number of long-range projects, including the Verano Development, the Houghton Area Master Plan (HAMP), and the Mt. Lemmon Wastewater Facility Service Area Watershed Study. Staff has also begun a specific planning project for the Pima County Fairgrounds.

Mr. Changkaoti provided an overview of key Engineering/CIP projects. The 4.0 million gallons per day (MGD) expansion effort at the Avra Valley WRF continues. The Contractor, Sundt, is on time and on budget for this project and has completed approximately \$20 million in construction work of a \$46 million contract. The Santa Cruz Interceptor, Phase II, is ahead of schedule and below budget. Project completion is scheduled for the end of September 2008. Design of the Santa Cruz Interceptor, Phase III, will be updated to comply with Arizona Department of Environmental Quality (ADEQ) regulations. Value engineering incorporating Phase II construction techniques, utility confirmation, and construction services will be included in the new contract. Construction is planned for 2009. Final operating issues with the Marana WTF BIOLAC® regarding automation and floating solids have been resolved. Construction of the Roger Road WRF clarifier, headworks, bio-towers I and II, and flow structure and thickener GAC (general activated carbon) unit have been completed. Discussion followed.

Mr. Stratton asked about issues related to the Verano Development and the HAMP. Mr. Changkakoti responded that approximately three years ago the Board of Supervisors approved an amendment to the Comprehensive Plan for the Verano Development. The developer then prepared a specific plan for the Development. Based on the Verano Development Specific Plan, the County entered into a development agreement with the developer. Discussions are underway between the Department and the developer regarding the design, construction and operation of a wastewater facility to serve the Verano Development.

Mr. Stratton informed Committee members that Mr. Carlson had brought up an issue at the last Oversight Committee meeting about the Vail area and the possibility of utilizing a resource of reclaimed water in a more localized area. He asked how specifically the HAMP was planned to be sewered due to the distance to the Roger Road WRF. He also asked whether or not, from the Department's standpoint, it would make more sense to look at a regional facility so that the reclaimed water could be used in a more immediate location instead of going all the way down to the Ina or Roger Road facilities and then pumped all the way back to the Vail area. He added that the whole issue of how much power would cost and the time it would take to pump wastewater to the other side of town should be considered.

Mr. Stratton noted that Julia Fonseca, Pima County Environmental Planning Manager, gave a presentation at the September 17, 2008 Oversight Committee meeting regarding saving the Cienga Creek Area. Currently, surface water is being applied to the nearby Rancho del Lago Golf Course. Reclaimed water is not there for use on the Golf Course, but Mr. Stratton guessed there was an obligation in the zoning that they would need to switch from potable to reclaimed water when it was available. Mr. Stratton felt that all of these issues needed to be considered when looking at what the specific needs are for the HAMP area.

Mr. Carlson said sometime ago the Department looked into placing a wastewater facility in the Vail area, and determined it was not cost effective to have an up-stream treatment facility that would turn around treated water for the Houghton-Vail area instead of going 10-15 miles and increasing the interceptor capacity to the Roger Road WRF. He added as things change, we need to keep these issues in mind.

Mr. Stratton observed that sometimes cost is not the over-riding factor when there is additional community benefit that can be derived out of construction of a reclamation facility to meet water resource needs and also to protect long-term environmental needs.

Mr. Kulakofsky expressed that the current population base in the HAMP area did not warrant a facility, but if growth continues in the next few years and becomes focused in the southeast corridor, then it would make economic sense. At this time it would be hard to rationalize. He said it makes a lot of sense for the future but who knows what the future will be and that is the dilemma we are currently in.

Mr. Stratton expressed that the HAMP area is all in the future so that is why he felt planning really needed to take place now on how the area will be provided with wastewater service.

Vice Chair Bowen suggested a HAMP update be included on a future agenda.

3. **System-Wide Odor Control Program.** Mr. Warner provided an update on the System-Wide Odor Control Program on behalf of Mr. Gritzuk. The Department's overall Odor Control Program is now in place and all of the interim odor control projects are operational. These projects included placement of permanent odor control devices in the conveyance system and also interim facilities at the Roger Road WRF. The cost of these projects was approximately \$7 million.

At this point in the meeting, Mr. Warner provided an update on Conveyance Division activities. There were five sanitary sewer overflows (SSOs) in August which is 32 percent less than August 2007. The Department is in discussions with Tucson Water regarding the use of reclaimed water for conveyance system flushing. Mr. Warner was hopeful that the Department would have one of its first stations in operation by the end of December 2008. Two locations are being considered – one at Randolph Park and the other is at the Brandi Fenton Park. Where to locate the first station and what kind of reclaimed volume we can get to reduce dependency on potable water for flushing of the sewer system is being evaluated by Department and Tucson Water staff.

Construction of the Division's new administrative building, located on North Dodge Boulevard, is underway. Completion of this project, which is currently under budget at \$1.85 million, is scheduled for February 2009. The new building will house the Conveyance Division's administrative, computer and engineering staff. The existing building, located on Richey Road, will be expanded for use by the Division's Field staff to include new shower facilities, etc.

Odor control process testing by Conveyance Division in-house staff has extended the operational life of some of the granulated activated carbon (GAC) units. Vendors previously targeted the life of the GAC units from six to 12 months. This will help control the Department's annual operations and maintenance costs because the units can be replaced less frequently than anticipated. Mr. Warner informed Committee members that, compared to previous years, complaints about odors are dropping significantly. There are still some "hot" areas that are being addressed. The next Odor Control Quarterly Report will be issued in October 2008.

Mr. Warner informed Committee members that during the month of August 2008, the Conveyance Division's Internal Audit Team completed audits of all 27 operational processes to evaluate their continued compliance with International Standards Organization (ISO) 9001 Quality, ISO 14001 Environmental and Occupational Health & Safety Assessment Series (OHSAS) 18001 Safety with an emphasis on continued

improvement. Results were favorable and showed continuous improvement as dictated by the three standards. A follow-up external audit has been scheduled for November 2008 with TÜV SÜD America, Inc. This is the first external audit after acquiring the ISO and OHSAS certifications. Mr. Warner added that it is critical that the Division continue with the continuous improvement of the ISO program to maintain ISO certification.

4. **Annual Report to Board of Supervisors.** Suzy Hunt, RWRAC Coordinator, referred Committee members to the revised draft of the FY 2007/08 Annual Report to the Board of Supervisors, which they received prior to the meeting. Discussion followed.

The Report was unanimously approved (Yes – 7, No – 0).

## **B. New Items.**

1. **FY 2008/09 Financial Plan.** Mr. Warner provided an update on preparation of the 2008/09 Financial Plan on behalf of Jeff Nichols, Deputy Director of Administration and Finance. Mr. Warner informed Committee members that the Department provided preliminary financial data at the end of June 2008 to Raftelis Financial Consultants. This data was used by Raftelis to analyze/assure that the Department was staying in a positive cash flow in anticipation that the sewer revenue bond election will be held in 2009. (Staff distributed copies of this preliminary data to Committee members.)

Mr. Warner informed Committee members that Raftelis was in the process of drafting the 2008/09 Financial Plan. Mr. Nichols will present a more in-depth update at the next Committee meeting on the 2008/09 Financial Plan.

Mr. Warner also informed Committee members that since the beginning of FY 2008/09, the Department has had a decline in connection fees. At the request of County Administration, the Department's Administrative team and CIP group analyzed the Department's FY 2008/09 CIP in the amount of \$117 million and developed a backup plan that can be implemented, if necessary, to maintain the Department's financial balance. This backup plan would decrease the FY 2008/09 CIP to \$93 million and conserve \$24 million which would be allocated to the ROMP Program as needed. The decrease in connection fees does not have as negative an impact on the Department as it does on other departments. Discussion followed.

Mr. Stratton asked if the Department was focusing on decreasing the non-bond funded projects. Mr. Warner responded in the affirmative. Anything related to the ROMP or critical facility rehabilitation was retained on the CIP list for FY 2008/09. As the Department went through the re-analysis process, the top seven CIP projects identified for this fiscal year, which were pre-planned last year, stayed exactly where they were.

Mr. Warner informed Committee members that a negotiated contract could not be reached with Parsons for the Ina Road project manager/construction inspection. Negotiations with the second ranked firm, Jacobs, began in September 2008. He was hopeful that Jacobs would be under contract shortly. Discussion followed.

Mr. Stratton said it bodes well that the Department is really scrutinizing these negotiations to protect not only the monetary side but the integrity of the Department as well.

Mr. Carlson reiterated his position, expressed at the last Committee meeting, that there is going to be a huge drop in connection fees. He felt the Department had spent a good amount of time looking into this situation as a result. Mr. Warner responded that is why the Department has the game plan of decreasing the CIP so it can have available cash.

Again, there were only about six weeks of data available for review since the beginning of the new fiscal year. Historically, July is a low month as are December/January. Mr. Warner informed Committee members that Mr. Nichols was working closely with the County Procurement and Central Finance Departments on monitoring the Department's financial picture.

Mr. Smith asked what the assumption was for connection fees – growth or absolute numbers. Mr. Warner said he did not have exact data available, but would ask Mr. Nichols to present this information at the next Committee meeting. Mr. Smith said knowing the assumption and what the likely numbers were going to be, given that Connection Fee revenues are down 10 or 20 percent, as an example, would be helpful. Mr. Smith added that knowing the absolute number of hook-ups and the associated dollars would also be helpful.

Vice Chair Bowen suggested this could be a future agenda item.

2. **Staffing Levels.** Mr. Warner presented the update on Staffing Levels on behalf of Mr. Nichols. He referred Committee members to information they received prior to the meeting. Currently the Department has 70 vacancies. Discussion followed.

Mr. Smith asked about the Department's total number of employees. Mr. Warner estimated the Department had approximately 570 employees. Mr. Smith commented that means the Department has an approximate vacancy rate of 12 percent. Mr. Warner responded in the affirmative and said that is an improvement over previous years.

Mr. Warner informed Committee members the Department has had 10 new hires (including one promotion) and two terminations. He added that staffing levels are within acceptable norms within the industry at a 12 percent vacancy rate. He noted that the County has been under a hiring freeze for several months, but the Department has been able to hire for critical positions.

Vice Chair Bowen said staff had previously provided the Committee with benchmarking information and a comparison of where the Department stands, related to other comparably-sized wastewater utilities as far as staffing. She felt it would be helpful to have updated benchmarks on Department staffing levels.

Mr. Flores asked if there was any one area within the Department that had a higher vacancy rate. Mr. Warner responded Engineering is still the most critical area for vacancies.

Mr. Stratton asked if there has been discussion, if it does get to a critical level, of looking at contract operations to supplement staffing if qualified operators could not be found or if there is a hiring freeze. Mr. Warner responded, to his knowledge this has not been discussed. He added that the Conveyance Division has 22 vacancies and has been approved to do some in-house promotions and hire some new employees for training.

Mr. Stratton asked what the total workforce was for the Conveyance Division. Mr. Warner responded the Division has 116 employees. He added that staff would provide benchmark staffing numbers at the next Committee meeting.

Mr. Smith asked if the Department's total of 570 employees, included the 70 vacancies. Mr. Warner responded in the affirmative. Mr. Smith asked if that was relatively flat year-over-year, 2007 to 2008. Mr. Warner felt the vacancy number has dropped a little over the last couple of years.

Vice Chair Bowen asked if the Department was anticipating impacts from employee retirement. Mr. Warner responded the Department's Administrative team has discussed this issue and is developing a "succession plan." He noted that in the next five to 10 years there will be a negative impact on the Department and almost every utility in the nation, because the generation that dealt with water and wastewater utilities is nearing retirement age. He felt a number of Department staff could retire but have not done so due to their commitment to the industry and the community.

**V. FUTURE AGENDA ITEMS.** 2008/09 Financial Plan; Water Infrastructure, Supply and Planning Study; Federal/State Legislative Update; Regional Optimization Master Plan Update; and Odor Control Plan Update.

At this point in the meeting, Mr. Stratton requested that staff provide an update on staffing levels and filling some of the vacancies at the next meeting.

Committee members requested that the next Committee meeting be held at the Roger Road WRF in combination with a tour of the Facility.

Committee members requested a HAMP update at a future Committee meeting.

Mr. Smith asked if a bit more time could be spent on the Financial Plan update to go through all the sources of revenue and all of the line items of expenses to really understand what the assumptions are as well as, if in fact, there are budgetary areas that need to be reduced. Also, what options are being given consideration? He felt getting information a piece at a time makes it difficult to understand. Vice Chair Bowen noted that staff in the past provided individual briefings on the Financial Plan to Committee members.

Ms. Hanson said she had always been impressed at each meeting with how proactive Mr. Nichols has been in anticipating what the Committee's questions are going to be.

Mr. Stratton said in the past, Committee members regularly received a spreadsheet breakdown of the financial outlook for the Department and suggested that reinstating this practice might provide a little more background on a more current basis.

Mr. Carlson said the Oversight Committee has been discussing the pharmaceutical issue. He said that he would like the Department to continue presenting regular updates on this issue to the Committee. Mr. Kulakofsky suggested that the sharing of any new information that becomes available to the Department would be helpful.

Mr. Kulakofsky asked if the Committee needed to vote on a joint CWAC/RWRAC meeting to receive the Study's Phase I Final Report. Vice Chair Bowen said the Committee would need to include this as a future agenda item.

Mr. Kulakofsky said he would like to see as a future agenda item, some more information about pre-treatment. He noted that every month pre-treatment settlements for fines are included in the Board Agenda summaries that the Committee receives. Most of the fines are related to restaurants and grease getting into the sewer system. He commented further that, of course the Department has to be careful about this because grease increases the risk of SSOs. Also there is pre-treatment for industrial waste, and the Committee has not had an update on how this area works and what types of agreements the Department has for different industries. Mr. Kulakofsky noted that there is a batch release where industries can hold onto their release and release all at once. Also, Raytheon pumps some of their waste into the ground and he would like to know if the

Department has an agreement with Raytheon and all of the different types of industrial waste agreements.

Mr. Kulakofsky said he would also like information about the interaction of all the different chemicals that are in wastewater (e.g. personal care products and pharmaceuticals). Mr. Warner suggested that Jeff Prevatt, Manager of the Compliance and Regulatory Affairs Office of which Industrial Wastewater Control (IWC) is a section, could provide an update at a future meeting. Mr. Kulakofsky suggested staff provide the update at the February or March 2009 meeting. Vice Chair Bowen suggested that an overview – “ IWC 101” - would be beneficial. Mr. Flores asked if this overview was something that would play into the work of the Oversight Committee; if so, he would like this information before February 2009.

Mr. Smith asked about the Department’s 2007 Annual Report, which Committee members received at the meeting. He noted that the Annual Report is reporting on the year end 14 months ago and asked if the timeline could be compressed. Ms. Fairbanks responded that the 2007 Annual Report was the first produced by the Department, and the 2008 Annual Report was scheduled for publication the first part of 2009. Mr. Smith asked that staff provide the cost for publication of the 2007 Annual Report.

- VI. CALL TO THE AUDIENCE.** There being no response from the audience Vice Chair Bowen adjourned the meeting.
- VII. ADJOURNMENT.** The meeting adjourned at 9:11 A.M.