



**TOWN OF MARANA UTILITIES BOARD
BOARD NOTICE AND AGENDA**

5100 W. Ina Road, Tucson, AZ 85743, Palo Verde Room
December 20, 2016, at or after 3:00 p.m.

Pursuant to A.R.S. § 38-432.02, notice is hereby given to members of the Marana Town Council and to the general public that the Marana Utilities Board will hold a meeting open to the public on December 20, 2016, at or after 3:00 p.m., located in the Palo Verde Room of the Marana Operations Center, 5100 W. Ina Road, Tucson, Arizona.

ACTION MAY BE TAKEN BY THE BOARD ON ANY ITEM LISTED ON THIS AGENDA. Revisions to the agenda can occur up to 24 hours prior to the meeting. Revised agenda items appear in *italics*. The meeting room is wheelchair and handicapped accessible. Any person who, by reason of any disability, is in need of special services as a result of their disability, such as assistive listening devices, agenda materials printed in Braille or large print, a signer for the hearing impaired, etc., will be accommodated. Such special services are available upon prior request to the Town Clerk at (520) 382-1999 as early as possible to arrange the accommodation.

This Notice and Agenda posted no later than Monday, December 19, 2016 at 3:00 p.m. at the Marana Municipal Complex, 11555 W. Civic Center Drive, the Marana Operations Center, 5100 W. Ina Road, and at www.maranaaz.gov under Agendas and Minutes.

AGENDA

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **APPROVAL OF AGENDA**
4. **APPROVAL OF MINUTES**
 - 1 Approval of June 21, 2016 Meeting Minutes (Amanda Jones)
5. **UTILITIES DEPARTMENT STATUS UPDATE**
 - a. Water and Water Reclamation System Overview
 - b. Enterprise Management
 - c. Capital Improvement Program

- d. Resources
- e. Department Initiatives

6. CALL TO THE PUBLIC

At this time any member of the public is allowed to address the Utilities Board on any issue within the jurisdiction of the Utilities Board, except for items scheduled for a Public Hearing at this meeting. The speaker may have up to three minutes to speak. Pursuant to the Arizona Open meeting Law, at the conclusion of Call to the Public, individual members of the Board may respond to criticism made by those who have addressed the Board and may ask staff to review the meter or may ask that the matter be placed on a future agenda.

7. FUTURE AGENDA ITEMS

8. ADJOURNMENT



Utilities Board

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Meeting Date: 12/20/2016

To: Mayor and Council

Submitted For: Amanda Jones, Management Assistant

From: Suzanne Sutherland, Assistant to the Town Clerk

Date: December 20, 2016

Subject: Approval of June 21, 2016 Meeting Minutes (Amanda Jones)

Attachments

Draft Utilities Meeting Minutes 06-21-2016



TOWN OF MARANA UTILITIES BOARD
MINUTES

5100 W. Ina Road, Tucson, AZ 85743, Palo Verde Room
June 21, 2016, at or after 3:00 p.m.

John Kmiec, Chairman
Jeff Biggs
Brad DeSpain
Eliot Longacre
Ryan Benavides
Erik Montague
Jamsheed Mehta

1. **CALL TO ORDER.** **Chairman Kmiec** called the meeting to order. Jocelyn Bronson called roll. All members were present except Jeff Biggs, who was excused.
2. **PLEDGE OF ALLEGIANCE.** Led by **Chairman Kmiec**.
3. **APPROVAL OF AGENDA.** *Motion to approve by Brad DeSpain, second by Jamsheed Mehta. Passed unanimously 6-0.*
4. **APPROVAL OF MINUTES** from December 21, 2015. *Motion by Brad DeSpain, second by Erik Montague. Passed unanimously 6-0.*
5. **MARANA WATER DEPARTMENT STATUS UPDATE**

Enterprise Management. Presented by **Amanda Jones** who gave an update on the average monthly water customers: 6,622; average monthly sewer customers: 2,614, and the overall water department budget.

Projections for the water budget include 295 new water customers, an infrastructure impact fee of \$570K and a renewable resource impact fee of \$548K, a rate increase, fees, including groundwater resource and acquisition fees for total of \$4.3M in revenue. Anticipated expenses are for implementing the asset management, Honea West electrical upgrades, acquiring 808 AF from Avra Water and the vehicle replacement program.

Projections for the water reclamation budget are \$1.1M in revenue coming from an impact fee of \$889K, current and projected new customers including Saguaro Bloom. However, Saguaro Bloom will not be included until later in the year. Expenses are for sludge hauling which will increase with the Saguaro Bloom connections, miscellaneous expenses related to the Saguaro Bloom connections and general operating expenses.

With respect to the 3rd Quarter Financials, overall, water revenues are on track or 65% of budget through the third quarter. Water reclamation revenues are also on track with prior years at about 79% of budget. Expenses are a little over budget for this period.

Resources. Presented by **Asia Philbin** who provided the update on resources with an additional handout of the 2015 annual water report summary. With respect to renewable water supplies, we are still using a little grand-fathered groundwater at the Heritage Park. Total pumped water this year was 1978.79AF. Next she reviewed the history of water use and total production. The total paid to the state with this report is with respect to water reallocation, Marana Water hopes to obtain 808 AF of CAP water from Avra Water. To convey the entitlements to the water, the cost will be between \$850K and \$1M as a one-time fee. The draft environmental assessment for NIA has been completed. There is a meeting on June 22 in Casa Grande for a projected 515 AF for Marana. We don't expect to get it for this year. Marana WRF Recharge Project update to construction schedule (effluent). This was originally intended to be constructed this fiscal year. Now we have determined it is more cost-effective to complete it to coincide with the plant upgrade with completion in calendar 2018.

Next she briefly discussed the Lake Mead drought/shortage planning. She provided a link to the website for greater detail. In that vein she continued with the 2007 projected Tier 1 shortage impact based on CAP delivery priorities. In Tier 1 we have M&I priority and possibly NIA priority. In the near term under Tier 2, shortage cuts will most likely come from the agriculture pool. In the Tier 3 scenario, there is an anticipated 3,000 NIA pool shortage. She then presented a chart on the natural flow at Lee Ferry, noting that we might see less water in the Colorado River over the next 12 years. Arizona, California and Nevada are currently in discussions. Under the plan being discussed, the Lower Basin Drought Contingency Proposal (LBDCP) is looking at water use reductions. The current elevation for Lake Mead is 1074, and Arizona and Nevada are scheduled to take reductions now, while California is not scheduled for reductions until the elevation reaches 1045. This is the first time California has agreed to reductions. Ms. Philbin then showed projections if no action for reductions were taken under the Tier 1, 2 and 3 shortage impacts. Talks are continuing among user groups; however, any plan will have to be approved by legislation. With CAP/Avra Water and NIA, Marana's allocation would be 2,851.

With respect to Energy, Ms. Philbin handed out a use and cost monthly billing for FY 2015 from TEP and TRICO. For TEP, most of the use is from non-Marana accounts. Currently, Marana users are not able to use all of the TEP allocation, averaging about a quarter of a megawatt. The remainder of the allocation is handled by AEPCO which they can use and which we get credit

for. TRICO billing is fairly consistent through December 2015. She also reported on meeting with TEP on the emergency credit demand shed program.

Regarding Assets, staff is currently working on a catalog process of inventory for Cartegraph and GIS projects (the maintenance, management system) for existing assets and new infrastructure. Staff is working internally and with consultants on this.

Capital Improvement Program. Presented by **Scott Schladweiler** who introduced the newest member of their team, Jesse Schultz, Civil Engineer, and then gave an update on current water projects beginning with the W+ to X Zone Booster and PRV Station. This project hasn't started yet, as staff is looking for property on Tangerine. Eventually, we will need a connection under the freeway. The San Lucas Interconnect is on the east and west sides of the Interstate and it will be going out to bid next month. The Pioneer Well at Twin Peaks will be equipped at 900 gallons per minute. Testing was just completed, and development will begin in the next few months. The Twin Peaks Reservoir and Booster Station is waiting on Vintage Partners. This will be a 1M gallon well to include the Z to Y Zone for additional capacity if needed. The Picture Rocks Interconnect design and alignment has started. There is a slight issue with the Army Corps of Engineers that staff is trying to work through. The Continental Reserve Interconnect project depends on the Picture Rocks Interconnect. The East Tangerine Water System is done. Next is the Tangerine Business Park to Tangerine Technical Park is expected to start in August. The Willow Vista Booster Station is a developer financed project of 60-80 lots and can serve the area in the Z zone. The town will have to contribute some money to this project.

With respect to the Steel Storage Tank Rehabilitation, this is the beginning of a \$1.7M 5-year program. The exterior of the Marana Park and the Airport tanks will be completed in FY 2016. The Springs, Lambert and Airline reservoirs will begin in FY 2017. Paul Martinez is supervising this. Other water projects include 30 boy scouts painting hydrants this summer for their Eagle Scout badge, electrical upgrades at Oshrin, La Puerta and Sandario Wells and air valve maintenance and relocation.

Regarding the Metro Water CAP Recharge, Recovery and Delivery System to recover CAP water from underground storage facilities, Marana is partnering with Metro, Oro Valley and the Flowing Wells Irrigation District to acquire up to 12,400 AF per year into the various water systems on a 10-mile pipeline. Marana is asking for 2,400 AF capacity. This project is currently in the concept stage.

The SCADA Master Plan is in the first phase of Project 1 – the HMI (Human Machine Interface). Edgar Duarte is doing the testing on that now, and we are ready to move forward with Project 2, the server implementation. The Tangerine Downtown Sewer Conveyance System Phase I is halfway done and should be completed in August. Advertising for Phase 2 will begin next week. Referencing the Marana Water Reclamation Facility Master Plan, there were three options provided when presented to Council. Council directed staff to pursue the 1.5MGD

conventional activated sludge option. Kick-off for design treatment of the plan began today. Design will take about nine months before construction starts. Construction could start earlier. It just depends on how fast dirt can be moved into the lagoons because there is a lot of dirt to be moved. Mr. Schladweiler then presented the conceptual design for the expansion of the reclamation facility. He concluded his presentation with a brief overview of other water reclamation project including cleaning over six miles of sewer mains, identifying 23 manholes in need of further evaluation as well as observing a segment on Sanders Road that contains up to nine sags. An additional needs assessment will be performed on these items.

Department Initiatives. Amanda Jones presented on department initiatives over the last six months which included posting a news page every Tuesday, sending weekly notifications through MailChimp, updating the logo and purchasing new uniform patches and stickers. She noted that 2017 will be the 20th anniversary of the creation of the water department. They will also be looking at evaluating and adjusting the impact fee and preparing for a final rate increase in January 2017. The last fee and rate study was done in 2009. Staff will be looking at potential fee adjustment and regional trends.

6. CALL TO THE PUBLIC. There were no members of the public who wished to speak.

7. FUTURE AGENDA ITEMS. Brad DeSpain suggested a background study on the Hoover Dam allocation and to work with CMID on conversion of irrigation of grandfathered type 2 M&I rights and approving future water conversion.

8. ADJOURNMENT. *Upon motion by Jamsheed Mehta, second by Ryan Benavides, the meeting adjourned at 4:23 p.m. Passed unanimously.*

CERTIFICATION

I hereby certify that the foregoing are the true and correct minutes of the Town of Marana Utilities Board meeting held on June 21, 2016. I further certify that a quorum was present.

Jocelyn C. Bronson, Town Clerk