

**METROPOLITAN DOMESTIC WATER IMPROVEMENT DISTRICT  
BOARD OF DIRECTORS MEETING  
JOINT STUDY SESSION  
WITH ORO VALLEY TOWN COUNCIL,  
ORO VALLEY WATER UTILITY COMMISSION  
AND MARANA TOWN COUNCIL**

**APRIL 28, 1999**

**\*\* Oro Valley Town Council Chambers \*\*  
11,000 N. La Cañada Drive  
Oro Valley, Arizona 85737  
April 28, 1999**

**MINUTES**

Board Members Present: Sam Ray, Chair  
Marlene Wright, Vice-Chair  
Herb Johnson, Member  
Pete Schlegel, Member

Board Member Not Present: Jim Doyle, Member

District Staff: Mark R. Stratton, General Manager  
Chris Hill, Deputy Manager  
Warren Tenney, Clerk of the Board

**Call To Order and Roll Call**

The joint study session of the Metropolitan Domestic Water Improvement District (District) Board of Directors with the Town Council of Oro Valley, Oro Valley Water Commission and Town Council of Marana was called to order by Paul Loomis, Mayor of Oro Valley, at 7:10 p.m. Of the District's Board of Directors, Sam Ray, Chair of the Board, Herb Johnson, Pete Schlegel and Marlene Wright were present. Jim Doyle was not present at the meeting.

Mr. Loomis noted that the joint study session was an opportunity for the three governing bodies to hear a presentation by Pima County regarding reclaimed water and to discuss issues related to the County's proposed reclaimed water distribution system.

**I. Ina Road WPCF Reclaimed Water Distribution System Feasibility Study – Pima County**

Chuck Huckelberry, Administrator for Pima County, explained that Pima County wanted to examine an opportunity for Northwest water users to have access to reclaimed water, which had not been present to date. Malcolm Pirnie was hired as a consultant to look at the option of

bringing reclaimed water to the Northwest as a substitute for groundwater. Mr. Huckelberry noted that the County is presently in litigation with the City of Tucson regarding an intergovernmental agreement dealing with effluent. However, the effluent considered for this study was not the effluent given to the City of Tucson under the intergovernmental agreement but rather 28,000 acre feet of effluent being discharged per the SAWRSA agreement. The County wanted to determine if it was feasible to actually purchase the SAWRSA effluent and repay the capital cost necessary to provide this reclaimed water for turf irrigation within the Northwest area. Based on Malcolm Pirnie's report, it does appear feasible and economically viable to construct a separate reclaim system from the Ina Road Treatment Plant to the Northwest area. Pima County wants to be the facilitator to bring about this project. The County wants to see less effluent discharged into the Santa Cruz River and more actually used so less groundwater is depleted. The study is still in draft form with more economic analysis needed and discussions on how to gain the access to the SAWRSA water. Mr. Huckelberry said that by looking at the report, it is hoped that the Northwest water users will want to build a relationship to do this project.

Steve Davis of Malcolm Pirnie reported that his firm had been hired by the County in November 1998 to do an economic feasibility assessment of a proposed Ina Road reclaimed water distribution system. Mr. Davis along with Glenn Hoeger of Malcolm Pirnie gave an overview of the study. The conclusion of the study was that a new Ina Road Water Pollution Control Facility-based reclaimed water distribution is technically and economically viable. The consultants looked at three alternative delivery systems. The first entailed delivering solely to the Cañada del Oro basin, the second to solely the Lower Santa Cruz area, and third is a combined alternative that involved the CDO, Santa Cruz as well as along the Rillito to La Cañada Drive.

Mr. Davis explained that the study concluded that the 30-year economic unit costs, including the purchase cost of wastewater effluent, could range from \$313 per acre-foot to \$427 per acre-foot based on a 15-year bond repayment term at 4 percent interest, an interruptible power rate of \$0.0525/kWh, delivery of 16,000 acre-feet per year, and effluent value ranging from \$34 per acre-foot to \$129 per acre-foot. Power costs due to deregulation may lower the cost range slightly. The maximum annual reclaimed water delivery capacity for the combined alternative is approximately 23,100 acre feet to meet peak demand. Maximum capacities for the distribution system for each of the service areas are approximately 14,700 acre feet per year for the CDO service area, 2,800 acre feet per year for the Rillito service area, and 5,600 acre feet per year for the Santa Cruz service area. The CDO service area appears to have the most existing and potential reclaimed water demand. The Santa Cruz service area can receive reclaimed water by gravity and, as demand grows, provides opportunity to reduce unit costs for the whole study area. The distribution system for the Santa Cruz service area could be pressurized to increase the delivery capacity to this service area. Achievement of proposed water quality standards for effluent end uses through enhancement of the Ina Road Treatment Plant is technically and economically viable.

Mr. Dick Johnson, Council Member for Oro Valley, Mr. Loomis and Mr. Schlegel raised questions about utilizing Central Arizona Project water in the proposed system and the overall

need to upgrade the Ina Road Treatment Plant. Mr. George Brinsko, Director of Pima County Wastewater Management, noted that CAP water had been looked at based on the lines, once in place, can be used for any water resource. Regarding the Ina Road Treatment Plant, it will be expanded and upgraded no matter what is decided with the reclaimed system. The expansion process is independent and will be done in part as a response to anticipated higher quality standards. The idea for the reclaimed system to the Northwest has been discussed for a number of years. The study was to actually begin putting effluent to use.

Mr. Dick Johnson asked if everything was successfully brought to fruition, when did it appear the reclaimed water would be delivered to the end users. Mr. Brinsko said the design and construction would take about two and a half years; however, the negotiation with the federal government for the SAWRSA effluent would take an undetermined amount of time. Additionally, it is not known what type of financing arrangement with the interested parties would eventually be decided. Mr. Huckelberry said the discussion of SAWRSA effluent will take time. The litigation from the City regarding it is misplaced since that effluent is not the City's, it is SAWRSA. Based on those negotiations and if everyone works together, he thought to complete the whole project would take probably five years.

Mr. Dick Johnson noted that for entities in the Northwest, time is of the essence to begin using effluent. The jurisdictions involved need to develop a partnership despite the litigation between the City and County. Mr. Brinsko agreed noting that the City said in 1985 it would construct a reclaimed system line up the CDO but that has not happened. The County knows this project is viable so we need to now talk about how to move it forward.

Mike Reuwsaat, Council Member of Marana, and Wayne Bryant, Council Member of Oro Valley, questioned how the project would be affected if the State or Federal standards change for treatment of reclaimed. Mr. Davis said that the study of this reclaimed system assumes the new standards to meet open access requirements for reclaimed water. The County will continue to have to and intends to meet all standards set by the State or Federal government.

Paul Parisi, Council Member of Oro Valley, said that when the Town of Oro Valley discussed extending their reclaimed system, which would be a shorter distance than that proposed by the County, the cost of effluent per acre foot was well over \$600. Mr. Brinsko said the City has established its rate structure. The County wanted to look at what such a reclaimed system and its study shows its reclaimed system could be done at a reasonable cost.

Francis Lasala, Council Member of Oro Valley, questioned if the study's projections were based on a worst-case scenario. Mr. Huckelberry said that this study is a draft but if someone wants to purchase effluent it is probably within the range from \$313 to \$427 per acre-foot stated in the report. The only downside is the issue of capitalization built in a 15 year period. Whoever issues the debt for this system pays for it in the first 15 years but with the average cost of 30 years. It is unlikely that those costs would double.

Mr. Dick Johnson wanted to know the next step in the process to move forward a Northwest reclaimed system. Mr. Brinsko said the consultant needs to address additional questions before

the report is finalized. Then, pursue negotiations with the Secretary of the Interior for the SAWRSA effluent. The County realizes the importance of using the resource of effluent. In the last 17 years, a million acre feet of effluent has gone down the Santa Cruz River. While one can say it was recharged, it was not used to replace groundwater.

Mr. Bryant asked if the Roger Road Treatment Plant can be used for the reclaimed system. Mr. Brinsko said due to continual new federal requirements, the Roger Road plant has been under construction for twenty years. He did not feel the Roger Road treatment plant would be an alternative since the City is using it for its reclaimed system

Mr. Schlegel noted that wet water is needed for golf courses and the region needs to look at identifying all renewable supplies necessary to meet safe yield. Mr. Davis agreed that safe yield needs to be considered and looking at the Northwest entities' assured water supply designations is needed. He noted that the whole area is in a quandry over CAP water and trying to decide how much more to spend on recharge projects when already a lot has been spent to use CAP water.

Ed Honea, Council Member of Marana, said that wet water is needed, but cost is the key factor to determining who will pay for this system. Perhaps a special district needs to be formed. Mr. Brinsko noted that many communities, including in the Phoenix area, have one wastewater treatment facility that is jointly owned by a number of municipalities. Mr. Huckelberry said that the presentation was not to determine who paid, but first decide if the project is fundamentally feasible to proceed. If the Northwest entities wish to pursue it, then they should. The County does not want to be in the lead.

Mr. Bryant questioned how long the cost would be locked in and who would control the system after it is paid for. Mr. Huckelberry said that the price would be locked in for 30 years. It is not known how it would be paid for. After the system is paid for, the capital costs goes away and only O&M would be factored, cutting the cost in half.

David Hook, Director of Oro Valley Water, asked if additional costs to delivery to each customer would be added to the \$313 to \$427 per acre foot. Mr. Hoeger said that the study looks at key individual turn out points. Additional pipes line may be necessary to bring it to exactly where the entities want the water. Mr. Parisi again noted that the cost figures for effluent seem to vary so widely between the City and the County. Mr. Huckelberry noted that the County is paying \$475 per acre foot to the City for reclaimed water at the ballpark but had to pay another \$1 million for extending the delivery line.

Mr. Hugh Holub said that the main factor is obtaining the right to use the SAWRSA water from the Secretary of the Interior, which would involve lengthy negotiations with the Indian community. Mr. Huckelberry agreed that initiating such discussions is important. The point is that the Northwest community has to start at some point.

Mr. Lasala asked when the final report would be done. Mr. Brinsko said as soon as possible.

Mr. Schlegel asked if any action was needed in the near future from any of the involved governing bodies. Mr. Brinsko said presently the County wanted to let the District, Oro Valley and Marana know the status of the study and periodic updates would be given.


**II. City of Tucson vs. Pima County Lawsuit Alleging Breaching of Intergovernmental Agreement**

This item was not discussed because the Town of Oro Valley and Town of Marana did not have the item listed on their respective agendas for the joint study session.

**III. Adjournment**

The meeting adjourned at 8:29 p.m.

  
\_\_\_\_\_  
Clerk of the Board

  
\_\_\_\_\_  
Sam R. Ray, Chair of the Board