



## Meeting Notes

May 27, 2010

- I. Chair Snider called the meeting to order at 1:00 PM. (7 present in person, 2 telephonically)  
Attendance list attached.
- II. Presentations and Updates on Homework Assignments from April 26, 2010.
  - a. Bonnie O'Connor, Southwestern Utility Management, Inc. - Privately-held Small Utilities. Presentation on ADWR website. Some additional presentation and discussion points:
    - Limited options available to small utilities. ACC rate increase process very difficult for small utilities. Small utilities are class D and E, earning less than \$250,000.
    - Problem if reduce water use, reduce revenue. Is reclaimed water a feasible option if a small utility does not have a large customer to buy the reclaimed water, because resewering to customers is very expensive?
    - Possible ideas/solutions: Rate setting similar to electrical utilities that use demand side management and can fund programs beyond a rate case. A clearinghouse of contact information, including contacts for grants or loans. Encourage local commercial banks to invest in local wastewater treatment plants.
    - From May 24, 2010 presentation meeting, Steve Olea from ACC brought up that certain "green" costs can be recoverable under the current ACC, such as water conservation measures or fees associated with CAP allocation because seen as a benefit to customers.
    - Bonnie O'Connor will research with the ACC on how many small privately-owned wastewater treatment plants there are.
  - b. Chair David Snider (on behalf of Doug Toy) presented information on costs related to new and retrofit plumbing for grey water use, obtained from Ron Doba, Chair of the Regulations and Permitting Working Group. Stormwater collection costs range broadly, from a \$50 rain barrel someone gets from the water provider to more extravagant collection systems for large commercial rooftops.
  - c. Evan Canfield, Pima County - Grey Water Matrix. Presentation on ADWR website.
  - d. Pat Eisenberg, City of Tucson Water Department - Modeling Results (included information from Tom Arnold, City of Tucson.) Presentation on ADWR website. Some additional presentation and discussion points:
    - Reclaimed water extends the life of the potable water source.
    - Without a large customer, transportation and storage costs can be prohibitive. Also diurnal concerns because reclaimed water supply runs in peaks in early morning and evening (residential use increases), but demand may not run at the same peaks.

- Modeling used data from reclaimed water plants in Pima County. Modeling for comparison of different sized plants is very difficult because of the number of variables, such as land constraints for recharge basins, or proximity of large customer. Residential customers usually are not enough, unless have a lot of large residential lots needing irrigation.
- Certain costs are unavoidable and don't change because the wastewater has to be treated.
- Investment in reclaimed water is justified when new potable water supply will cost more than reusing and treating water. If reclaimed water costs more than potable water than need to subsidize the reclaimed water from all the rate payers down to a rate similar to potable water.

III. Next meeting: June 21, 2010, 1:00 pm

IV. Adjourn