cwac

Citizens' Water Advisory Committee
City of Tucson
P.O.Box 27210
Tucson, AZ 85726-7210

DATE: March 18, 2014

TO: Honorable Mayor and
Council Members

FROM: Chris Brooks
Chair, CWAC

SUBJECT: 2013 CWAC Annual Report

The Citizens' Water Advisory Committee (CWAC) is pleased to transmit its 2013 Annual Report to you. The report summarizes the actions and decisions taken by the Committee.

CWAC and its subcommittees worked on a wide range of topics this year including Tucson Water's Financial Plan, rate structure and fees, the Long Range Water Resources Plan, Recycled Water Master Plan, and the Conservation Program.

During the year, staff members from two Council ward offices and the mayor's office gave presentations to CWAC. These sessions provided considerable insight into the concerns of the Mayor and Council about water-related issues that the committee members highly value.

On behalf of CWAC, I would like to thank Alan Forrest and the Tucson Water staff for their work and support throughout the year. I would also like to thank my predecessor, Mark Taylor, for his able chairing of the Committee in 2013.

Attachment: 2013 CWAC Annual Report

cc: Richard Miranda, City Manager
Albert Elias, Assistant City Manager
Alan D. Forrest, P.E., Director, Tucson Water
Roger Randolph, City Clerk
CWAC

2013 CWAC Annual Report

Membership

Membership of the Citizens' Water Advisory Committee (CWAC) for 2013 is shown in the table below.

Member	Role	Appointed by	Classification
Mr. Bruce Billings, PhD.	Member	Ward 3	
Mr. Christopher Brooks, J.D.	Chairperson	Mayor and Council	City Manager nominee
Mr. Evan Canfield, PhD., P.E.[1]	Member	Ward 5	
Mr. W. Mark Day[2]	Member	Mayor and Council	City Manager nominee
Mr. Michael Dunne[3]	Member	Ward 4	
Mr. Alan Forrest	Ex-Officio (Non-Voting)	Tucson Water Director	
Mr. Chuck Freitas	Member	Mayor and Council	City Manager nominee
Mr. Jackson Jenkins	Ex-Officio (Non-Voting)	Pima County Regional Wastewater Reclamation Director	
Ms. Kelly Lee	Vice Chair	Ward 6	
Ms. Amy McCoy, PhD.	Member	Ward 2	
Ms. Jean McLain	Member	Mayor and Council	City Manager nominee
Mr. Mark T. Murphy, PhD, R.G.	Member	Mayor	
Mr. Herman Ortiz[4]	Member	Mayor and Council	City Manager nominee
Mr. Catlow Shipek	Member	Mayor and Council	City Manager nominee
Mr. Mark Taylor, P.E.	Member	Mayor and Council	City Manager nominee
Mr. Alan Tonelson	Member	Ward 1	
Mr. Vince Vasquez[5]	Member	Ward 4	
Mr. Brian Wong	Member	Mayor and Council	City Manager nominee

[1] Term expired December 2, 2013
[2] Term expired December 6, 2013
[3] Appointed September 12, 2013
[4] Appointed March 5, 2013
[5] Resigned January, 2013

Meetings

CWAC met on ten occasions in 2013: , January 9th, February 6th, March 20th, April 3rd, May 8th, June 19th, September 4th, October 2nd, November 6th, December 4th.

Actions

Formal votes were taken on the following:

January	voted to approve draft letter to Mayor & Council Promoting Action on 9 Refinements to the Water Service Area Policy.
February	voted to adopt miscellaneous fee increase. voted to adopt financial plan.
March	voted to recommend three proposed rate increase schedules to Mayor and Council.
April	voted to adopt FY 2013-2018 Conservation Fund Financial Plan.
December	(The Finance Subcommittee) voted to issue letter to City of Tucson Finance requesting the Full Cost Allocation Report for 2012 and justification for the increase in the Administrative Cost allocation for FY 2014/15. voted Chris Brooks as Chair and Kelly Lee as Vice-Chair.

Sub-Committee Activities

The *Finance Sub-Committee* reviewed the water revenue forecast and revenue requirements, operating and capital budgets, of the Water System and recommended a rate adjustment to the full CWAC. The full CWAC supported the recommendations which included three rate schedule options and forwarded them to the Governing Body.

The *Technical, Planning, and Policy Subcommittee* continued its focus on obtaining full beneficial use of the City's potable and effluent supplies. The Subcommittee discussed potential changes to the Annual Water Checkbook reporting process, which was established in June 2008 as a way to track annual available supplies from year to year. It also provided insight to staff about an industry presentation and discussion on water-softening. The Subcommittee also reviewed the projected Colorado River shortages reflected in the Long Range Plan. In 2014, the Subcommittee will continue working with staff to develop and support efforts to enhance preventative maintenance and address system reliability, with the goal of ensuring continuity of water service to the Utility's customers.

The *Conservation and Education Subcommittee* worked with staff to develop and approve the conservation program budget for fiscal year 2014, and approved the conservation five-year financial plan. They also reviewed and approved revisions to the water conservation chapter of the Long Range Plan. Additionally, the subcommittee worked with staff to

modify the rainwater harvesting incentives rebate program. The subcommittee continues to review the strategic goals and objectives. This will allow for development of recommendations for policies that will better guide program development and project evaluation.

The *Urban Agriculture Subcommittee* completed its task as assigned by CWAC. Chuck Freitas reported that the Sub-Committee produced its recommendation by submitting a letter with a conclusion – "Urban Agriculture as defined by the City's Planning and Development Services Department, as well as Pima County Wastewater's option for secondary metering to ensure accurate/minimum wastewater fees, provides for the lowest possible water rates for Urban Agriculture use. There is little that the Water Department can provide in way of discounts or additional benefits for Urban Agriculture." No action is recommended. Committee is disbanded.

Presentations

The committee received the following presentations throughout the year:

Presentations by members:

May — Pima County Regional Wastewater Reclamation Department project update, Jackson Jenkins, Director, Pima County Regional Wastewater Reclamation Department, Ex-Officio Member

Presentations by Ward Office Staff:

Throughout the year, staff from the ward offices presented to the committee on their council member's perspectives on water issues. The presentations were in: November - Ward Six and December - Ward Two.

Presentations by external parties:

February — Claire Zucker, Pima Association of Governments Watershed Management Coordinator presented on the Shallow Groundwater Report prepared by PAG

March — Kathy Carlisle, IBM Smarter Cities Challenge Team Member reported on progress of the collaboration with Tucson Water

May — Mark Stratton, General Manager, Metro Water District presented on RTA waterline relocation costs for Metro Water

June — Julie Brugger, University of Arizona along with Mark Taylor, CWAC Member and Dick Basye, Pima Association of Taxpayers spoke during Call to the Audience

Ted Cooke, Assistant General Manager, Central Arizona Project (CAP) presented on CAP finances and resulting rate impacts

Presentations by COT Staff:

April — CAP revenue in 2012 and projected for 2013, Chris Avery, Assistant City

Attorney

October Mayor's water priorities, James MacAdam, Policy Advisor to Mayor Rothschild

Presentations by TW Staff:

January **Debt Issuance** - Staff provided a presentation on debt issuance.

FY 2013 Miscellaneous Fees Study, Installation and Service Fees - Staff provided the proposed FY 2013 Miscellaneous Fees Study, Installation and Service Fees.

February **Miscellaneous Fee Increase** - Staff provided a presentation on the miscellaneous fee increase based on the cost study.

Financial Plan - Staff provided a presentation on the Financial Plan.

March **Cost of Service Results & Proposed Rate Schedules** - Staff reviewed the cost of service results and discussed three proposed rate schedules designed to recover the overall 8.3 percent revenue increase in Tucson Water's FY 2014 Financial Plan.

April **Water Supply and Demand** - Staff gave a presentation and power point on underscored significant trends in water supply and demand. Ninety percent of Total Water Demand in 2012 was sourced from renewable supplies (78 percent CAP Water and 13 percent Reclaimed Water). As a consequence of the shift towards renewable supply, withdrawals of groundwater have been reduced to levels last seen in the 1940's and 50's.

Conservation Mid-Year Report - Staff presented the Conservation Mid-Year Report. They discussed the re-branding of the program, increases in outreach efforts, and an increasing focus on youth education. Planned change to the Graywater and urinal rebates was also described

Fiscal Year 2013-2018 Conservation Fund Financial Plan - Staff introduced the Fiscal Year 2013-2018 Conservation Fund Financial Plan.

May **Open Meeting Law** – Staff explained the City Clerk's requirements regarding LARs and Minutes for CWAC and its sub-committees. A recording will not suffice as a permanent record. After each meeting, a LAR must be completed and submitted to the Clerk's office within three days. Minutes of meetings, or 'Extended LARs, must be approved at the next meeting and submitted to the Clerk's office within two days.

June **AMR/AMI Strategic Plan** - Staff, along with Steve Davis, consultant with Arcadis, reported on the AMR/AMI Strategic Plan. The Plan addresses the costs and benefits of different meter-reading configurations, including all-AMR, all-

AMI, or a hybrid system. The plan will be expanded to include consideration of an "opt-out" for customers. A power point was presented.

Long Range Plan - Staff provided an update on the revision to the Long Range Plan. This iteration incorporates explicit modeling of potential shortages. A power point was presented

September **Hexavalent** Chromium - Staff gave an update on Hexavalent Chromium/Chrome 6. Chrome 6 is naturally occurring and is a result from industrial use in the vicinity of the Tucson International Airport. Tucson Water is under the 10 parts per billion per the Environmental Protection Agency (EPA). Tucson Water will be keeping close track of the levels of Chrome 6.

Avra Valley Land Management - Staff presented a power point to the CWAC members on an update on Avra Valley Land Management, including Tucson Water's new approach in contracting services and opening certain properties to hunting. Project management and property inspection services have been provided under contract since April 2013. Tucson Water has a limited budget to address near term concerns to control invasive species and nuisance vegetation, plans to budget increased funding in future for priority improvements, and is seeking partnerships and grant opportunities to efficiently manage the lands. Joe Sacco, Wildlife Manager Supervisor with the Arizona Game and Fish Department, joined in the presentation, sharing background information about his agency's programs and goals and the cooperative effort to develop an MOU between the City and Arizona Game and Fish. The MOU allows for certain hunting opportunities and to provide ways for the agencies to work together to fund wildlife improvements.

AMI Project Update and the Opt-Out Option - Staff presented a power point on the AMI Project Update and the Opt-Out Option. On July 23rd Tucson Water met with Malcom Pirnie Arcadis to discuss the pilot project with Tucson Electric Power (TEP). On August 29th Tucson Water, Malcom Pirnie, Itron and TEP met. TEP acknowledges their network software version requires an upgrade to 5.0 and plan on doing an upgrade soon. Tucson Water/TEP agrees a propagation study is necessary considering both steel and plastic meter box lids. Itron indicated a study requires a 30 day lead time. Tucson Water, Malcom Pirnie, Itron, and TEP agreed that a follow up meeting was required to flush out all of the IT requirements for the success of this pilot.

IGA with the Central Arizona Groundwater Replenishment District - Staff, along with Chris Avery, discussed a credit purchase IGA with the Central Arizona Groundwater Replenishment District. Over a 20 year period, with an optional 5-year extension, the City will sell CAGRD water resources of up to 5,000 acre-feet annually, up to a total ceiling of 100,000 acre-feet. This agreement enables the monetization of stranded water resource credits, both potable and effluent, in Northern Marana, where the City does not have recovery infrastructure, at a purchase price indexed to any changes in the CAP