



## CITIZENS' WATER ADVISORY COMMITTEE CONSERVATION & EDUCATION SUBCOMMITTEE

Wednesday, February 11, 2015, 3:00 p.m.  
Director's Conference Room  
Tucson Water, 3<sup>rd</sup> Floor  
310 W. Alameda Street, Tucson, Arizona

### Legal Action Report

#### 1. Call to Order/Roll Call

The meeting was called to order by Chairperson Amy McCoy at 3:08 p.m. Those present and absent were:

##### Members Present:

Amy McCoy	Chairperson, Representative, Ward 2
Catlow Shipek	Representative, City Manager
Mark Lewis	Representative, Ward 5

##### Members Absent

Mark Murphy	Representative, Mayor
Jean McLain	Representative, City Manager

##### Tucson Water Staff Members:

Jeff Biggs	Interim Deputy Director
Belinda Oden	Business Services Administrator
Fernando Molina	Public Information Supervisor
Melodee Loyer	Chief Planner
Andrew Greenhill	Management Coordinator
Daniel Ransom	Water Conservation Supervisor
Joaquim Delgado	Public Information Specialist
Candice Rupprecht	Public Information Specialist
Tom Arnold	Lead Management Analyst
Kris LaFleur	Staff Assistant

##### Others Present

Steve Arnquist	City of Tucson, Ward 1
Katie Bolger	City of Tucson, Ward 2

2. **Announcements** – Ms. Rupprecht announced that Tucson Water had launched a new social media presence on Facebook, Instagram, and Twitter. She encouraged those present, and their friends, to follow updates and information from Tucson Water.

3. **Call to Audience** – Mr. Arnquist reported that Councilmember Regina Romero had submitted a memo relating to conservation programs and rainwater harvesting, to coincide with the February 18 Mayor & Council Study Session item on the expansion of Tucson Water's Rainwater Harvesting Rebate Program. He indicated that the memo would be distributed to CWAC members when available.

[Mr. Arnquist's comment from the Audience was unintentionally delivered during the Announcements.]

## **Citizen's Water Advisory Committee, Conservation & Education Subcommittee**

Legal Action Report

February 11, 2015

**4. Review of January 14, 2015, Legal Action Report and Meeting Minutes** – Member Lewis moved to approve the Legal Action Report and Meeting Minutes of January 14, 2015. The motion was seconded by Member Shipek and carried by a vote of 3-0.

**5. Monthly Report** –Members and staff discussed the conservation program budget, through December of fiscal year 2015. This report is the mid-year report for Tucson Water's Conservation Programs.

**6. Consideration of Member Lewis' information request** – Discussion was held between Staff and Members to determine the scope of the Subcommittee's response in relation to this item.

Chairperson McCoy advised Member Lewis that the Subcommittee would consider his submission a personal request and outside the scope of the Subcommittee's work. She indicated that the Subcommittee could hear his input later, after the information had been received, and thanked him for bringing the matter to the Subcommittee's attention.

**7. Discussion of proposed new C&E Programs** – Mr. Ransom led a discussion of proposed new Conservation Programs for fiscal year 2016. This included discussion of a proposed residential rebate program for high-efficiency clothes washers, and the proposed launch of a commercial rebate program. Discussion included ideas for increasing low- and middle-income participation in the residential rebate programs. Conversation on this topic was shortened due to time constraints, and the discussion was continued to a future meeting.

**8. Consideration of and Recommendation on Conservation Fee increase** – Ms. Oden and Members discussed the Subcommittee's previous recommendation to increase the Conservation Fee by 1 cent per ccf of potable consumption for FY16.

Member Lewis moved to maintain the Subcommittee's existing recommendation to increase the Conservation Fee to 8 cents per ccf for FY16, as previously approved. Chair McCoy seconded the motion. The motion passed unanimously by a roll-call vote of 3-0.

**9. Conservation & Education Strategic Plan Discussion** – This item was continued to a future meeting.

### **10. Future Meetings/Agenda Items** –

- Continued Discussion of Proposed New Programs and Changes to Existing Programs
- Conservation & Education Strategic Plan Discussion
- Discussion of Future Coordination Between C&E and Council Aides
- Drought Response and Preparedness presentation

**11. Adjournment** – The meeting was adjourned at 4:06 p.m.



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**Tucson Water  
Incentive Program Implementation  
FY 2014-15 Through December**

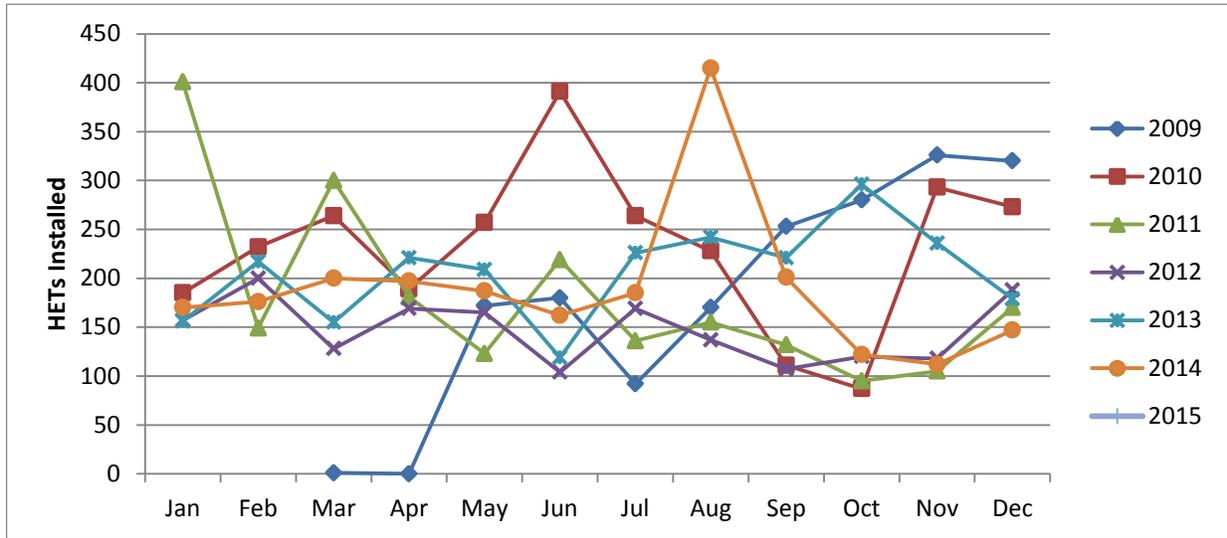
**Single-Family HET**

HETs Installed	1,182
Estimated Gallons Saved	8,844,315
Staff Labor Hours	0
Budget	\$ 200,000
<sup>1</sup> Expenditure/Rebates	\$ 96,523
Percent of Budget	48%

Start Date: Jul-08

**Cumulative Water Saved**

Gallons	390,197,410
Ccfs	521,654
Acre-Feet	1,197



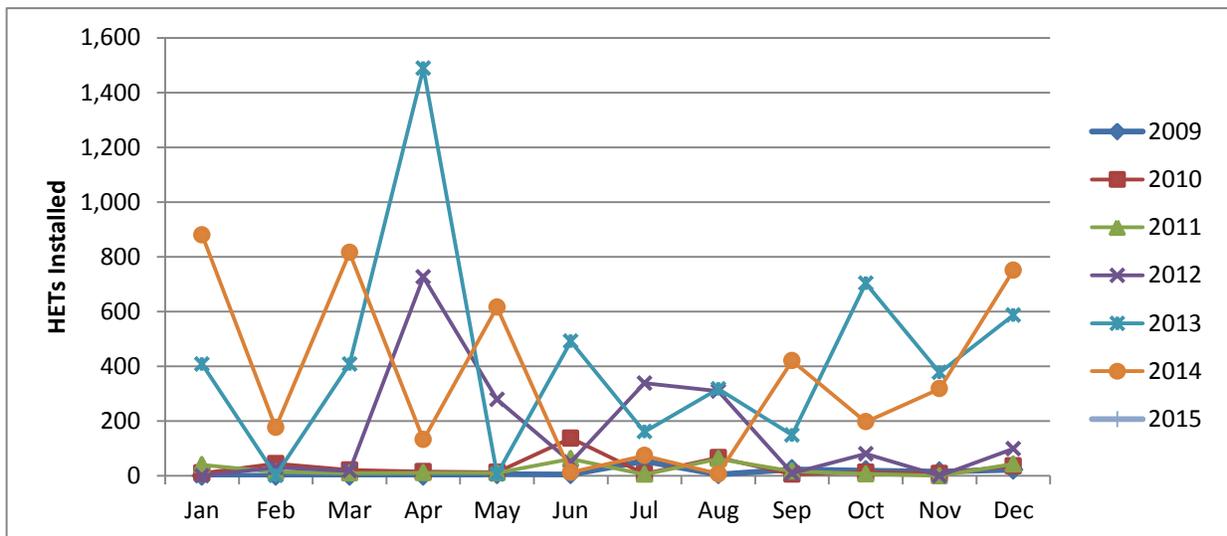
**Multi-Family HET**

HETs Installed	1,767
Estimated Gallons Saved	13,221,578
Staff Labor Hours	0
Budget	\$ 350,000
<sup>1</sup> Expenditure/Rebates	\$ 171,446
Percent of Budget	49%

Start Date: Jul-08

**Cumulative Water Saved**

Gallons	233,798,195
Ccfs	312,564
Acre-Feet	718



**Tucson Water  
Incentive Program Implementation  
FY 2014-15 Through December**

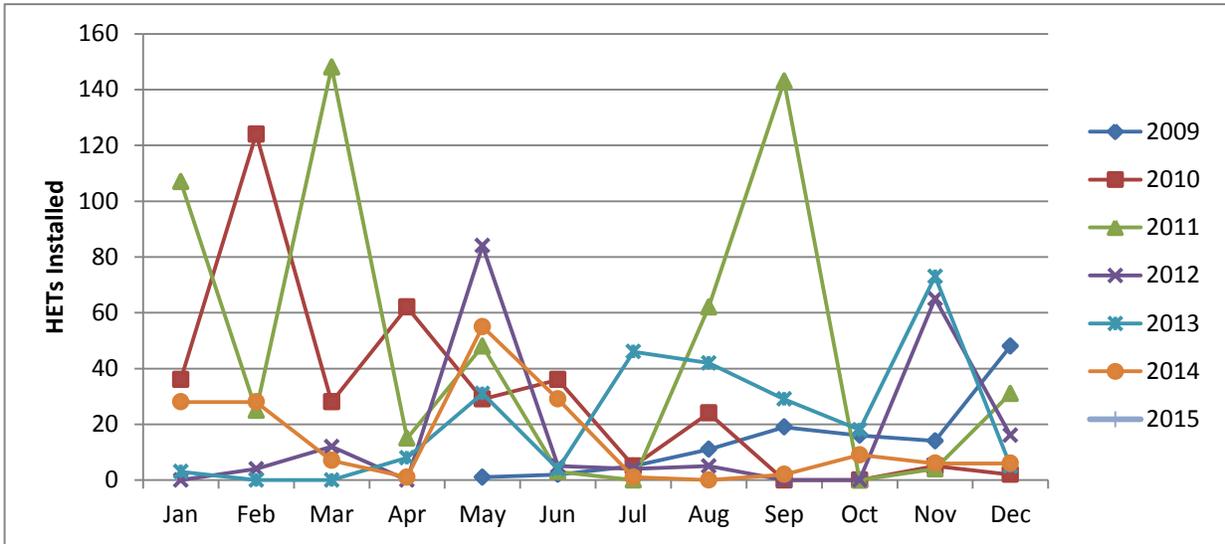
**Commercial HET**

HETs Installed	24
Estimated Gallons Saved	245,280
Staff Labor Hours	0
Budget	\$ 30,000
<sup>1</sup> Expenditure/Rebates	\$ 2,109
Percent of Budget	7%

Start Date: Jul-08

**Cumulative Water Saved**

Gallons	71,877,260
Ccfs	96,093
Acre-Feet	221



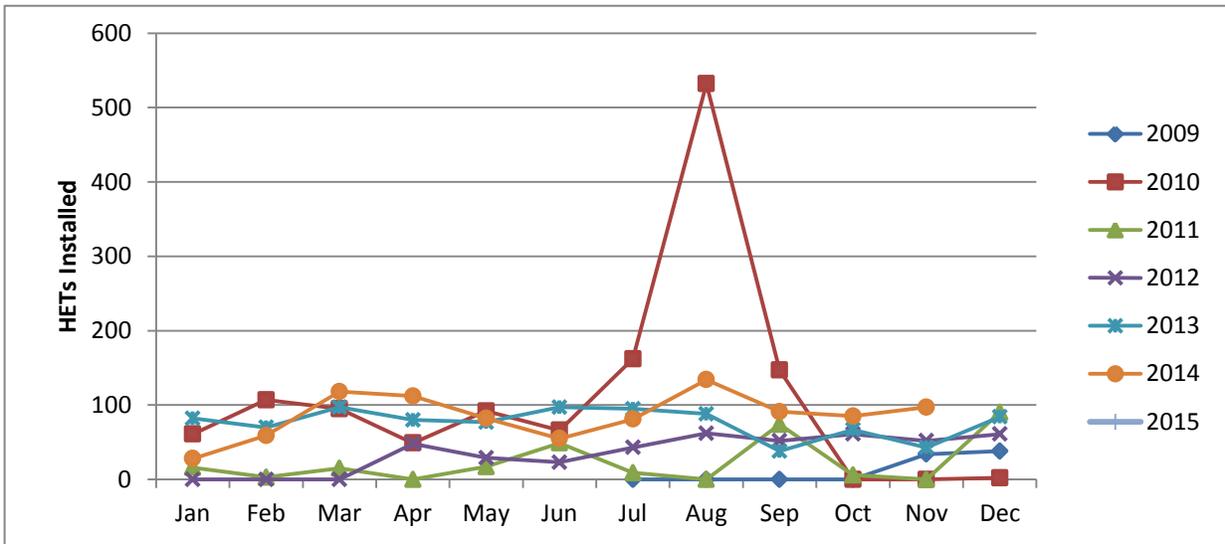
**Low-Income HET**

HETs Installed	488
Estimated Gallons Saved	4,185,820
Staff Labor Hours	0
Budget	\$ 272,000
<sup>1</sup> Expenditure/Rebates	\$ 159,400
Percent of Budget	59%

Start Date: Oct-09

**Cumulative Water Saved**

Gallons	118,463,853
Ccfs	158,374
Acre-Feet	364



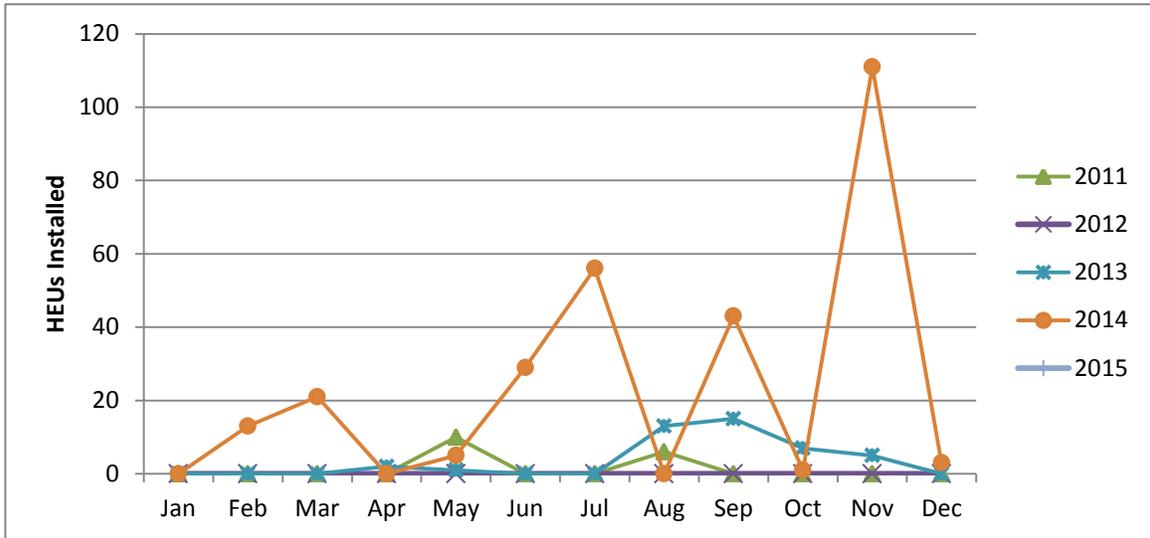
**Tucson Water  
Incentive Program Implementation  
FY 2014-15 Through December**

**High-Efficiency Urinal**

HEUs Installed	214
Estimated Gallons Saved	3,827,390
Staff Labor Hours	0
Budget	\$ 115,000
<sup>1</sup> Expenditure/Rebates	\$ 107,000
Percent of Budget	93%

Start Date: Jan-11

<b>Cumulative Water Saved</b>	
Gallons	9,175,005
Ccfs	12,266
Acre-Feet	28

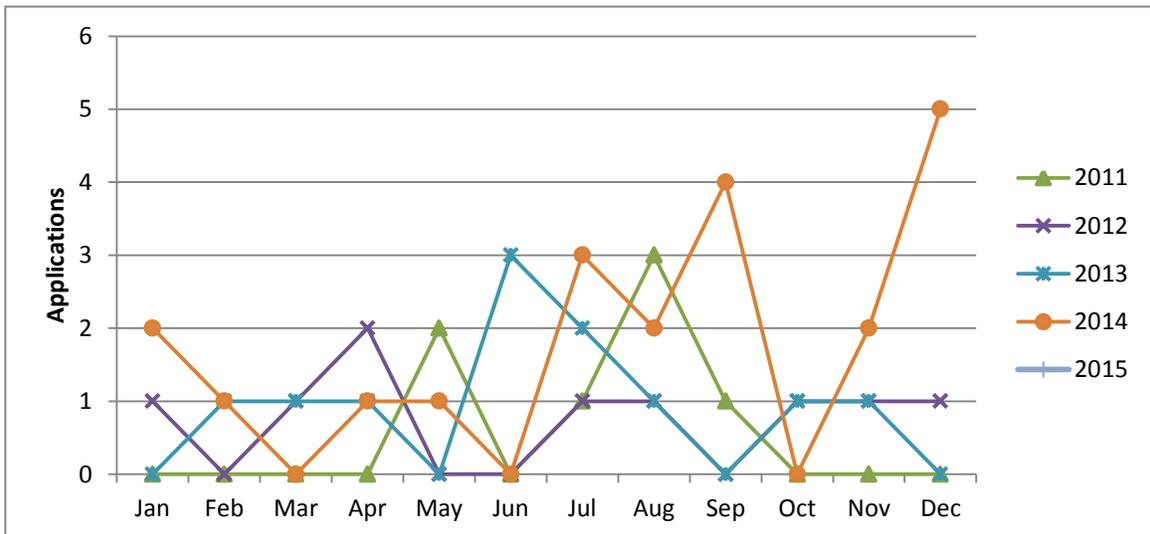


**Gray Water**

Applications	16
Estimated Gallons Saved	208,496
Staff Labor Hours	0
Budget	\$ 10,000
<sup>1</sup> Expenditure/Rebates	\$ 5,991
Percent of Budget	60%

Start Date: Jan-11

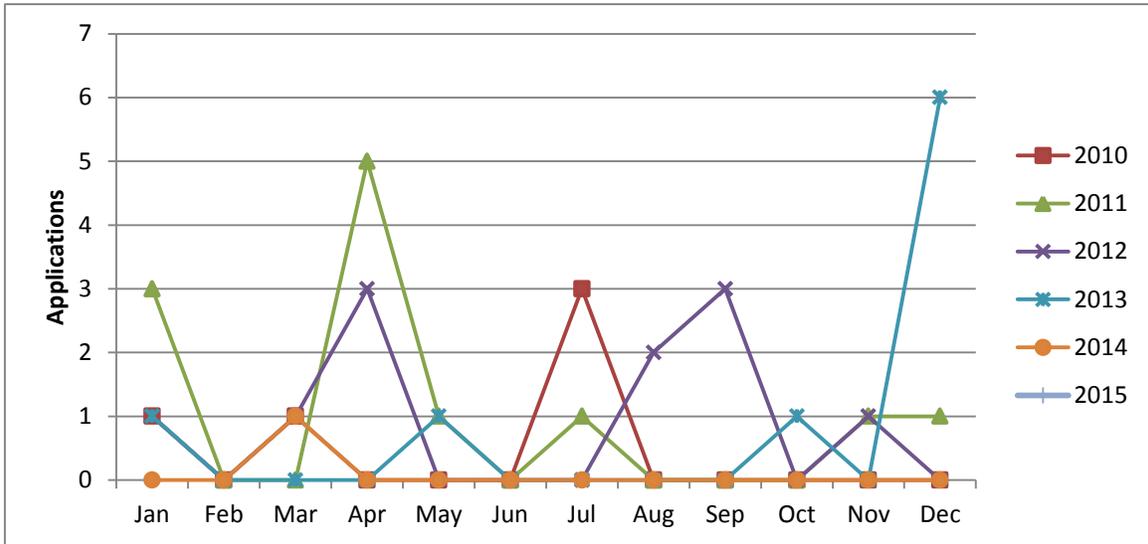
<b>Cumulative Water Saved</b>	
Gallons	1,498,565
Ccfs	2,003
Acre-Feet	5



**Tucson Water  
Incentive Program Implementation  
FY 2014-15 Through December**

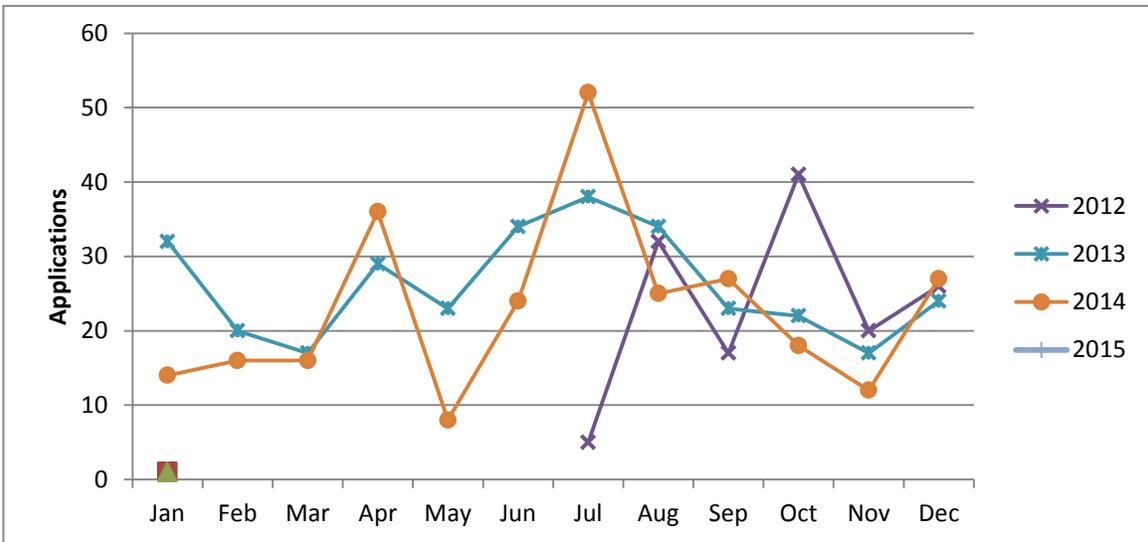
**Irrigation Efficiency**

Applications	0	Start Date: Jul-08		
Estimated Gallons Saved	0			
Staff Labor Hours	0			
Budget	\$ 50,000	<b>Cumulative Water Saved</b>		
<sup>1</sup> Expenditure/Rebates	\$ -		Gallons	33,112,800
Percent of Budget	0%		Ccfs	44,268
			Acre-Feet	102



**Rainwater Harvesting**      Level 1      Level 2

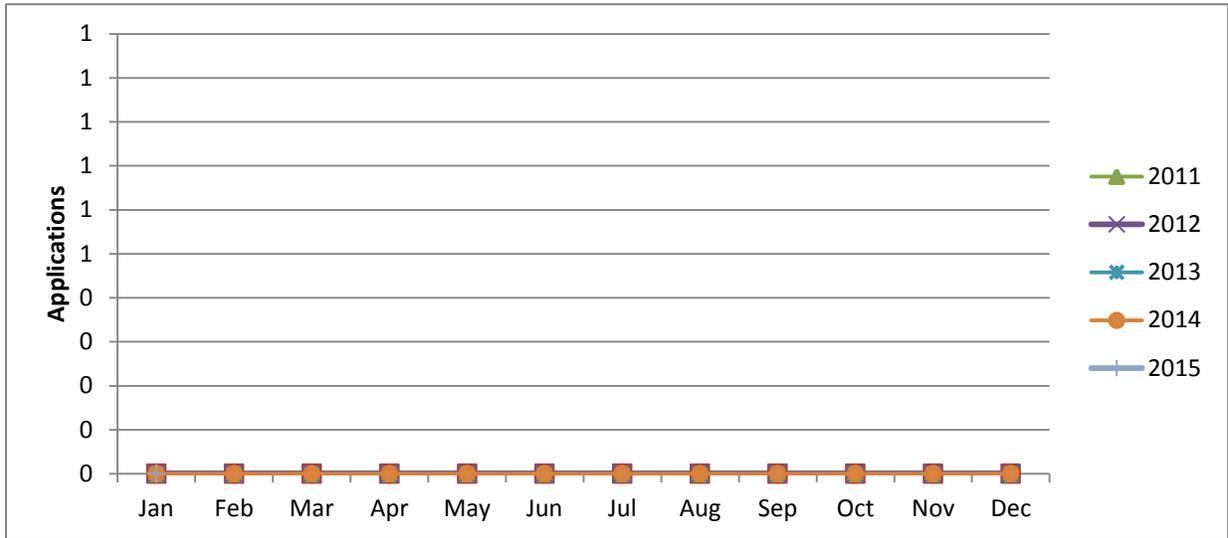
Applications	23	138	Start Date: Jun-12		
Estimated Gallons Saved	0				
Staff Labor Hours	0				
Budget	\$ 350,000		<b>Cumulative Water Saved</b>		
<sup>1</sup> Expenditure/Rebates	\$ 184,126			Gallons	0
Percent of Budget	53%			Ccfs	0
				Acre-Feet	0



**Tucson Water  
Incentive Program Implementation  
FY 2014-15 Through December**

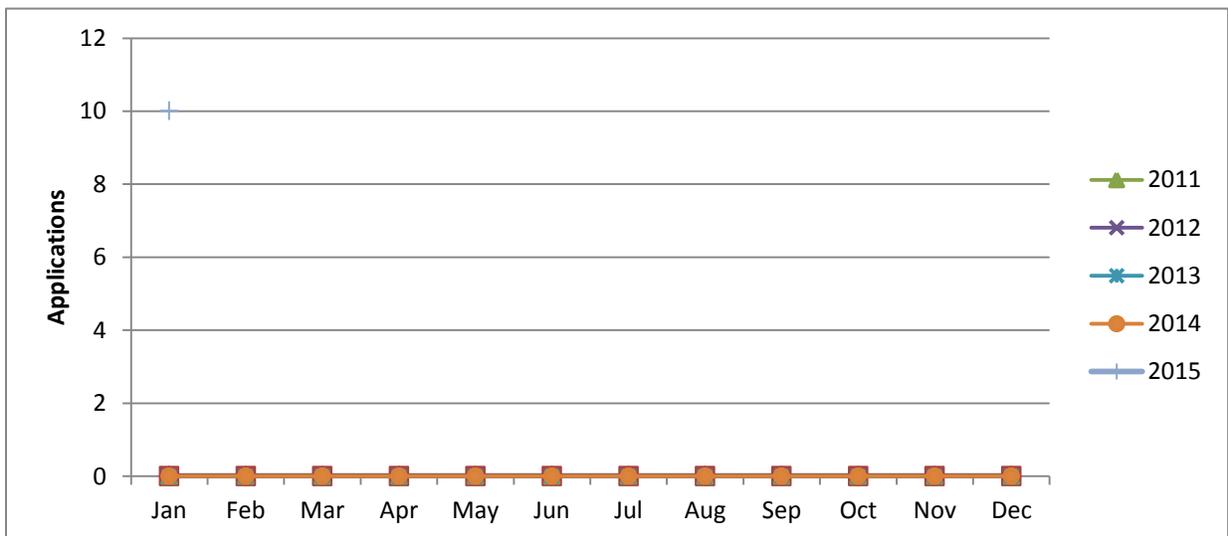
**High-Efficiency Clothes Washer**

Applications	0	Start Date: TBD
Estimated Gallons Saved	0	
Staff Labor Hours	0	
Budget	\$ 65,000	<b>Cumulative Water Saved</b>
<sup>1</sup> Expenditure/Rebates	\$ -	Gallons
Percent of Budget	0%	Ccfs
		Acre-Feet
		0
		0
		0



**Commercial Efficiency Upgrade**

Applications	10	Start Date: TBD
Estimated Gallons Saved	0	
Staff Labor Hours	0	
Budget	\$ 65,000	<b>Cumulative Water Saved</b>
<sup>1</sup> Expenditure/Rebates	\$ -	Gallons
Percent of Budget	0%	Ccfs
		Acre-Feet
		0
		0
		0



**Tucson Water  
Incentive Program Implementation  
FY 2014-15 Through December**

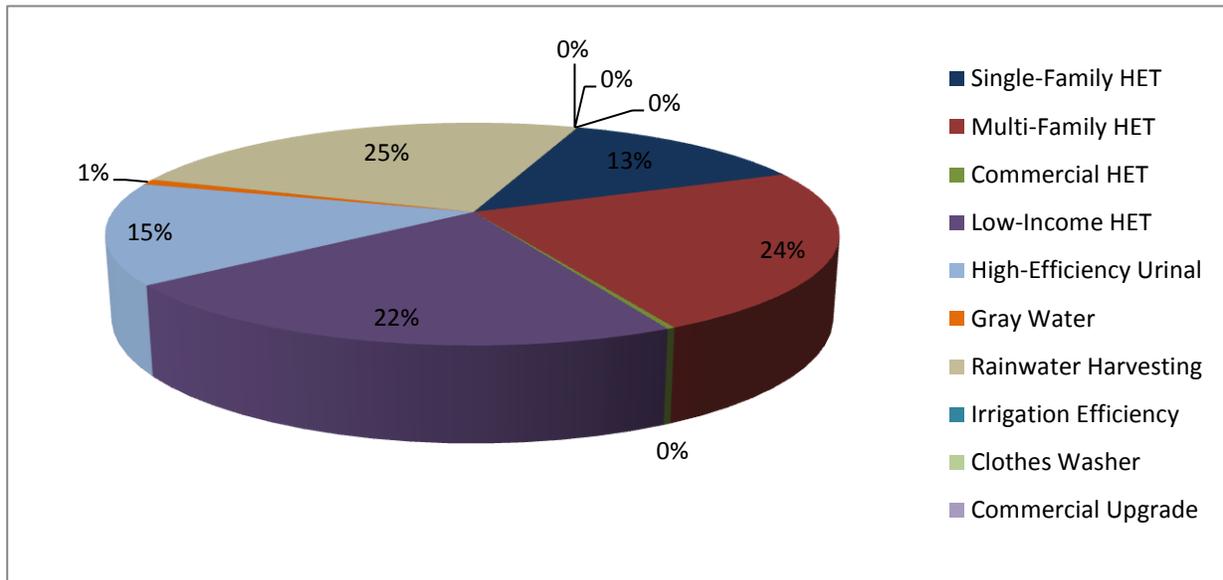
**Program Totals**

HETs/HEUs Installed	3,675
Estimated Gallons Saved	30,532,879
Staff Labor Hours	0
Budget	\$ 1,507,000
<sup>1</sup> Expenditure/Rebates	\$ 726,596
Percent of Budget	48%

**Cumulative Water Saved**

Gallons	858,123,088
Ccfs	1,147,223
Acre-Feet	2,633

**Expenditures by Program**



<sup>1</sup>The expenditure does not include the cost of staff time

## Request for Documents / Information

This request is being made by Mark Lewis, Tucson Water ratepayer, member of the Citizens Water Advisory Committee (CWAC) and member of the Conservation & Education Subcommittee of CWAC, (CED).

Purpose: It is my intention to gather the documentation and information necessary to ensure the following:

- 1) That the funds collected from Tucson Water customers under the Conservation Fee (CF) program has been properly accounted for, audited, and expensed.
- 2) The any monies expensed from the CF fund to third party contractor has been through contracts that were awarded through the proper COT bidding process, that these contracts were current at the time the expenditures were made, that the contractors have complied with the requirements of their respective contracts, and that the amounts paid to these contractors was based on GAAP invoicing and validation procedures.
- 3) The CED and CWAC have been provided accurate and complete financial information regarding the CF fund.
- 4) The CED and CWAC have been provided accurate and complete information regarding the data associated with the various reports, including but not limited to the number and type of rebates and the number of educational sessions and students.
- 5) That the CED and CWAC have been asked to participate and approve expenditures in excess of \$5,000.00 (not including COT staff costs, and previously approved rebate programs). This will include third party contractors and matching fund programs.
- 6) The ratepayers of Tucson Water, the CWAC members, Tucson Water Senior staff, the general public and Tucson's Elected Officials can rely upon the reports and financial information provided through the CWAC in regard to the CF program and that all related expenditures are being properly tracked, recorded, and audited.

### Specific Requests:

NOTE: The following list will be identified as "review" or "copy of". If "copy of", a copy is being requested. If "review" the opportunity to simply review the document is all that is being requested. In the event a copy of a page(s) was needed after a "review" that limited copy would be requested. I am available to review documents at whatever place of business is desired by COT and TW.

#### Group A: Accuracy of Financial Records

- A1) Review the last three TW audits, full audits, not summaries.
- A2) A Copy of the final 2013-2014 Tucson Water financial reports related to the CF funds. This includes reserves, roll over's, budget, and detailed GL report identifying each expenditure by vendor and amount. (At this time, no invoices are being requested unless specifically identified later in this document request).

A3) A Copy of the YTD reports for 2014-2015 for the same criteria as above.

Group B: Contracts/Vendor

B1) A Copy of all third party contracts in which any CF funds were spent in FY2013-2014 and 2014-2015. This request specifically includes any amendments and extensions of said contracts. It is understood that some of these contracts will be exclusive to the CF program, while others will be from contractors who have a blanket contract with the COT and/or TW. Both types of contracts are requested if there were any CF monies paid to the contractor in FY 2013-2014 and 2014-2015 ytd. (While there may be more, this list will include CHRPA, **SERI contract. (Sonora Environmental Research Institute, EEE, WET, Water Smart, PR Firm, etc.)**)

B2) A copy of all Benjamin Supply invoices which are reflected in the FY2013-2014 and 2014-2015 ytd CF financials. I was told that Benjamin Supply was the sole vendor associated with the materials aspect of the CF program (low income programs). If there are other vendors involved with (materials aspect) of the low income program(s), please provide those invoices as well for the same time periods.

B3) A Copy of any documentation related to the Contracts in B1 in which either TW or the Contractor has been in violation of such contracts.

B4) A Copy of ALL invoices processed (paid) to the contractors identified in B1 & B2 associated with the same FY years (2013-2014 & 2014-2015 YTD). It is understood that these may be dedicated invoices to CF program, or an invoice in which an "allocation" has been made for the CF program. Both are requested, with applicable designation as to the CF fund obligation percentage, if allocated. (Invoices should match financial report details in A2 of this document request).

Group C: Rebate Recipient Tracking

D1) A copy of the rebate lists, as reflected in the 2013-2014 and 2014-2015 ytd financial reports and Annual Conservation Report (these two reports would presumably be created from the exact same list of rebates, but to the degree they are not, please identify distinction). These reports list the type of rebate, the address of the rebate receiver, the number of fixtures per rebate, the amount of the rebate and the amount of the qualifying expenditure associated with the rebate. To the degree this reports includes information that is determined to be unavailable through the Freedom of Information Act, please redact that specific information.

Document Delivery / Timeline

I am ready to receive this information via hard copy, CD, email, whatever medium is desired by TW. I am happy to receive this information and documentation piecemeal, or in segments, with the request that the information provided include a reference to the specific request(s) above and as soon as practical under the FOIA guidelines. If any information requested in this communication is not going to be provided, please note same, as reason for information request denial.

End of FOIA Request

## Update on Incentive Program Changes

February 6, 2015

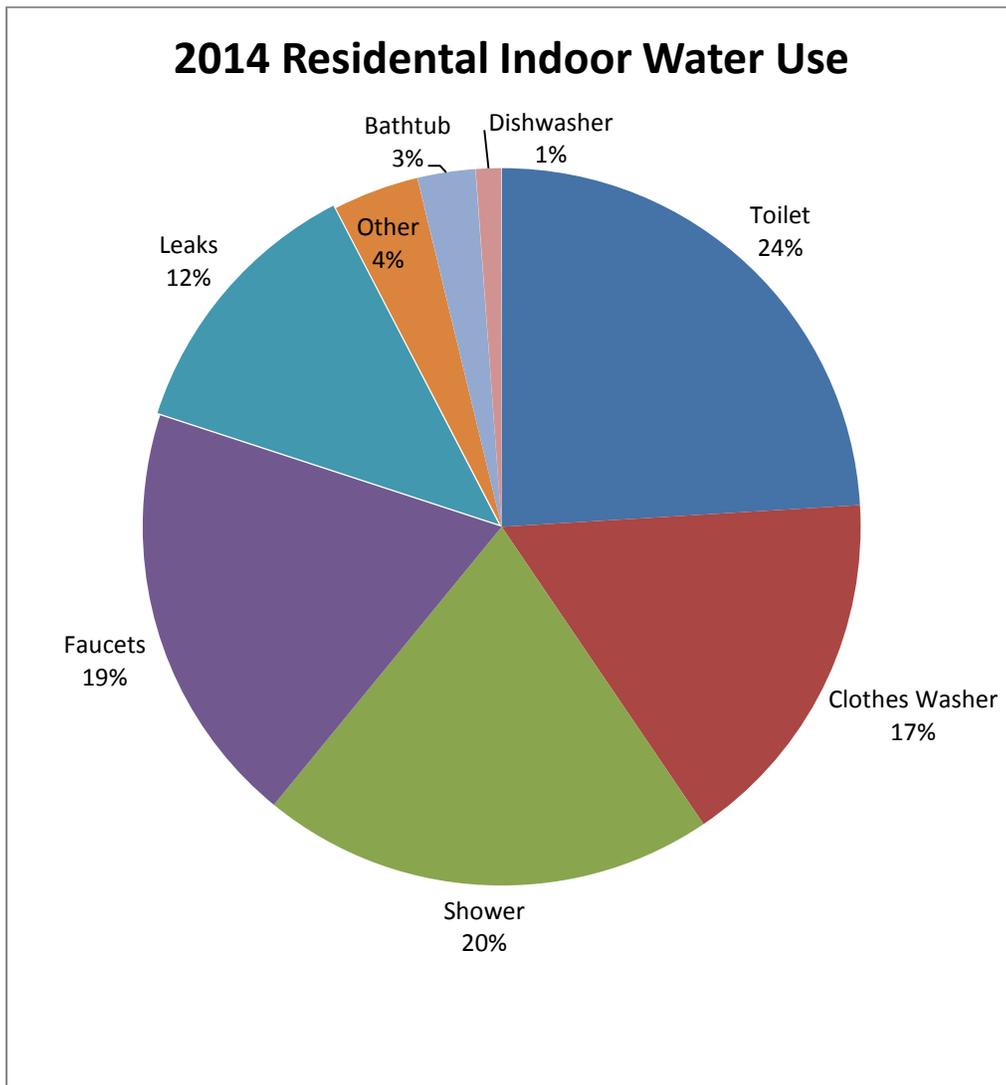
### New Planned Programs:

- Residential Clothes Washer Rebate Program
  - Timeline: The plan for this program is to launch at the beginning of FY 2016.
  - Update: Rebate language has been drafted and promotional materials are being developed. This rebate was initially to be available for residential, commercial and multi-family customers, however given that the Flexible Commercial rebate program may include clothes washers if they are identified as an efficiency opportunity during an audit, the specific clothes washer rebate program will only apply to residential customers. A \$100 rebate will be available for all clothes washers that meet the Consortium for Energy Efficiency Tier 3 standard for washing machines. Initial contact has been made with many of the retailers that sell clothes washers and 23 retail locations have been identified in the service area. Signage and training will be provided to all of these locations in advance of the rebate launch.
- Commercial Rebate Program
  - Timeline: The plan for this program is to launch at the beginning of FY 2016.
  - Update: The RFP has been drafted and a review committee assembled for selection of a contractor to conduct the necessary commercial water audits for this program. This program may be marketed in collaboration with the EPA WaterSense “H2Otel Challenge” campaign. The Commercial Rebate Program will be linked to the WaterSmart Business Program and to the Drought Preparedness and Response Plan. Commercial customers using more than 325 Ccf/month must conduct an audit of their facility and develop a water management plan. This program is designed to assist them with meeting that requirement. To qualify for a commercial rebate, participants will participate in the WaterSmart Business Program and have Tucson Water staff or a professional auditor under contract with Tucson Water conduct an audit of the property. The results of the audit will determine the potential for saving water, and the rebate will be based on the amount of water saved. Rebate amounts will be calculated based on estimated water savings to ensure program cost-effectiveness.

### Existing Program Changes:

- Single-Family High-Efficiency Toilet Program
  - Timeline: Rebate changes will go into effect March 1<sup>st</sup>.
  - Update: New rebates will be \$75 for each WaterSense-certified high-efficiency toilet, up to two per household. Home must be built in 1991 or older. Rebates submitted after March 1<sup>st</sup> with receipts for toilets purchased before March 1, 2015, will qualify for the old rebate policy of 50% of the cost, up to \$120 per toilet or \$200 per household.
- Multi-Family & Commercial High efficiency Toilet Program
  - Timeline: Rebate changes will go into effect March 1<sup>st</sup>.
  - Update: New rebates will be \$75 for each WaterSense-certified high-efficiency toilet (gravity-tank type and pressure assist-tank type) and \$150 for flushometer-valve type toilets (flushometer-valve types only for commercial sector). Rebates submitted after March 1<sup>st</sup> with receipts for toilets purchased and installed before March 1, 2015, will qualify for the old rebate policy of 75% of the cost, up to \$100 per toilet.
- Multi-Family & Commercial High-Efficiency Urinal Program
  - Timeline: Rebate changes will go into effect March 1<sup>st</sup>.

- Update: New rebates will be \$200 for each WaterSense-certified high-efficiency urinal. Rebates submitted after March 1<sup>st</sup> with receipts for urinals purchased before March 1, 2015, will qualify for the old rebate policy of \$500 per urinal.
- Multi-family & Commercial Irrigation Efficiency Incentive Program (formerly the Irrigation Upgrade Rebate Program)
  - Timeline: This program is planned to “go live” at the beginning of FY 2016, with a soft roll out this spring.
  - Details: Over 50 commercial and multi-family customers are on a waiting list to be informed about the launch of this program. The contractors who will conduct irrigation audits as a part of this program are engaged and TW staff is working on final edits to the program language. Participation will begin with an irrigation system evaluation including recommendations that customers should adopt to qualify for the rebate. Equipment rebates are based on fixed costs and technology rebates will be 50% of the cost. Customer rebate cap for retrofits will be \$10,000 and considering an additional annual incentive to be available for customers who meet the water budget designed for them by TW staff. This program may be marketed in collaboration with the EPA WaterSense “Sprinkler Spruce Up” campaign.



Water Research Foundation Project 4309, Single Family Residential End Uses of Water Study  
Update from the WaterSmart Innovations Conference, 2014.

Budget FY2016

2/6/2015 11:20 AM

Water Conservation Program

Actual FY14

FY15 (0.07)

FY16 (0.07)

FY16 (0.08)

	Actual FY14	FY15 (0.07)	FY16 (0.07)	FY16 (0.08)
<b>Operating (196)</b>				
Water Conservation Staff (6 FTEs)	\$ 410,490	\$ 540,000	\$ 540,000	\$ 596,000
Zanjero Water Audit Program (Residential)	\$ 220,000	\$ -	\$ -	\$ -
<i>Subtotal</i>	\$ 630,490	\$ 540,000	\$ 540,000	\$ 596,000
<b>Efficiency Programs - Incentive/Rebate (212)</b>				
High-Efficiency Toilet (Single-Family)	\$ 201,955	\$ 200,000	\$ 200,000	\$ 200,000
High-Efficiency Toilet (Multi-Family)	\$ 492,806	\$ 350,000	\$ 400,000	\$ 400,000
High-Efficiency Toilet (Commercial/Industrial)	\$ 28,886	\$ 30,000	\$ 30,000	\$ 30,000
High-Efficiency Urinals (Pilot)	\$ 52,400	\$ 115,000	\$ 50,000	\$ 50,000
Rainwater Harvesting Incentive (Pilot)	\$ 352,858	\$ 350,000	\$ 350,000	\$ 375,000
Gray Water Incentive (Pilot)	\$ 4,678	\$ 10,000	\$ 10,000	\$ 10,000
Irrigation Efficiency Incentive (Pilot)	\$ 83,676	\$ 50,000	\$ 50,000	\$ 50,000
Water Harvesting Demonstration Sites	\$ 31,289	\$ 25,000	\$ 25,000	\$ 25,000
<b>New Programs (Pilot) (212)</b>				
City Irrigation Demonstration (Pilot)	\$ 33,583	\$ -	\$ -	\$ -
High-Efficiency Clothes Washer (Pilot)	\$ -	\$ 65,000	\$ 100,000	\$ 100,000
Commercial Efficiency Upgrade (Pilot)	\$ -	\$ 65,000	\$ 100,000	\$ 240,000
<b>Planning (212)</b>				
Pilot Study of Automated Meter Reading	\$ 16,321	\$ -	\$ -	\$ -
Program Evaluation	\$ -	\$ -	\$ 35,000	\$ 90,000
<i>Subtotal</i>	\$ 1,298,452	\$ 1,260,000	\$ 1,350,000	\$ 1,570,000
<b>Professional Services (219)</b>				
Project WET	\$ 200,216	\$ 210,000	\$ 210,000	\$ 210,000
EEExchange	\$ 159,785	\$ 240,000	\$ 240,000	\$ 240,000
SmartScape	\$ 171,573	\$ 200,000	\$ 200,000	\$ 200,000
WaterSmart Business Workshops	\$ -	\$ 6,000	\$ 10,000	\$ 10,000
WaterSmart Business Audits	\$ -	\$ 100,000	\$ 75,000	\$ 175,000
Irrigation Efficiency Incentive Audits	\$ -	\$ 5,000	\$ 25,000	\$ 25,000
Low-Income Toilet Replacement	\$ 147,500	\$ 127,000	\$ 150,000	\$ 150,000
<i>Subtotal</i>	\$ 679,074	\$ 888,000	\$ 910,000	\$ 1,010,000
<b>Community Outreach (263, 266)</b>				
Public Relations (263)	\$ 124,059	\$ 60,000	\$ 50,000	\$ 50,000
Advertising (266)	\$ 45,282	\$ 60,000	\$ 50,000	\$ 50,000
<i>Subtotal</i>	\$ 169,341	\$ 120,000	\$ 100,000	\$ 100,000
<b>Non-Office Supplies (359)</b>				
Low Income HET Materials	\$ 140,261	\$ 145,000	\$ 145,000	\$ 150,000
TEP Toolkits	\$ 9,955	\$ 20,000	\$ 20,000	\$ 20,000
Signage	\$ 296	\$ 4,000	\$ 4,000	\$ 4,000
Promotional Materials	\$ 8,935	\$ 15,000	\$ 20,000	\$ 25,000
Landscape Irrigation Training Materials	\$ -	\$ 4,000	\$ 4,000	\$ 4,000
Food	\$ -	\$ 2,000	\$ 2,000	\$ 2,000
<i>Subtotal</i>	\$ 159,447	\$ 190,000	\$ 195,000	\$ 205,000
<b>Other</b>				
Misc.	\$ 30,139	\$ 52,000	\$ 59,000	\$ 59,250
<i>Subtotal</i>	\$ 30,139	\$ 52,000	\$ 59,000	\$ 59,250
<b>Total Budget</b>	<b>\$ 2,966,943</b>	<b>\$ 3,050,000</b>	<b>\$ 3,154,000</b>	<b>\$ 3,540,250</b>