

# CITIZENS' WATER ADVISORY COMMITTEE (CWAC)

## Finance Subcommittee

Tuesday, February 3, 2014, 11:30 a.m.  
Tucson Water La Entrada Building  
3<sup>rd</sup> Floor Director's Conference Room  
310 W. Alameda Street, Tucson, Arizona



## Summary Minutes

### 1. Roll Call

The meeting was called to order by Finance Subcommittee Chair Bruce Billings at 11:30 a.m. Those present and absent were:

#### Members Present:

Bruce Billings (Chair)	Representative, Ward 3
Alan Tonelson	Representative, Ward 1
Brian Wong	Representative, City Manager
Catlow Shipek	Representative, City Manager
Chuck Freitas	Representative, City Manager

#### Members Absent:

Mark Taylor	Representative, City Manager
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#### Tucson Water Staff Members:

Belinda Oden	Business Services Administrator
Pat Eisenberg	Chief Engineer
Theresa Bourne	Lead Financial Accountant
Shane Oman	Finance Manager
Kris LaFleur	Staff Assistant
Suzanna Snyder	Staff Assistant

#### Others Present:

Deb Galardi	Galardi Rothstein Group
George White	CWAC / Ventana Canyon Alliance

### 2. Announcements – There were no announcements.

### 3. Call to Audience – George White, member of CWAC and CEO of Ventana Canyon Alliance, addressed the Subcommittee. Mr. White expressed concern about reclaimed water rates and explained that revenues for Tucson-area golf courses are declining, while water costs are increasing. Mr. White pointed out that home values within gated golf communities are tied to the viability of the courses. If courses go out of business, he indicated, real estate values within those communities will plummet. Mr. White offered to act on behalf of golf course interests to answer Finance Subcommittee questions during the reclaimed water rate setting process.

### 4. Review of December 22, 2014, Legal Action Report and approval of Meeting Minutes – Subcommittee Members reviewed the Legal Action Report from the

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December 22, 2014, CWAC Finance Subcommittee meeting. Member Tonelson moved to approve the Meeting Minutes; Member Freitas seconded the motion. The motion was carried by a vote of 5 to 0.

5. **Review Preliminary Summary Cost-of-Service Results** – Tucson Water Business Services Administrator Belinda Oden and Deb Galardi of Galardi Rothstein Group presented a FY2016 Preliminary Summary of Cost of Services & Revenue Targets. Five scenarios were presented for dividing Tucson Water service costs among rate classes. Discussion ensued, with Ms. Oden and Ms. Galardi fielding and answering Members' questions about cost-of-service allocation across various water-user classes. Further discussion included an explanation of the distinction between Reclaimed Standard Rates and Reclaimed Contract Rates.

Member Wong moved to recommend "Scenario 2C," modified to hold the Reclaimed Contract Rate increase to 3.5%. Member Tonelson seconded the motion, which was carried on a voice vote of 5-0.

Following the vote, Ms. Galardi distributed handouts demonstrating average potable use for single family residential accounts, compared to use for duplex/triplex accounts. An additional handout demonstrated potential modifications to rate block thresholds for residential and duplex/triplex classes. The handouts were intended for informational purposes, for discussion at a later subcommittee meeting.

6. **Preliminary Discussion, Reclaimed Pricing** – There was no discussion on this item.
7. **Future Meetings / Agenda Items** –
  - Rate design, block options
  - Utility bill redesign
8. **Adjournment** – The meeting was adjourned at 12:57 p.m.

**Approved 2/18/15**