

**CITIZENS' WATER ADVISORY COMMITTEE  
(CWAC)**

**Bill Redesign Ad Hoc Subcommittee**

Tuesday, April 28, 2015, 12:00 p.m.

2-North Conference Room

Tucson Water, 2<sup>nd</sup> Floor

310 W. Alameda Street, Tucson, Arizona



**Legal Action Report**

**1. Roll Call/Call to Order**

The meeting was called to order by Subcommittee Chair, Alan Tonelson, at 12:00 p.m. Those present and absent were:

**Present:**

Alan Tonelson	Chairperson – Representative, Ward 1
Mark Taylor	Representative, City Manager
Chuck Freitas	Representative, City Manager
Catlow Shipek	Representative, City Manager
Bruce Billings	Representative, Ward 3

**Absent:**

None

**Tucson Water Staff Present:**

Belinda Oden	Water Administrator
Nancy Gradillas	Lead Financial Accountant
Candice Rupprecht	Public Information Specialist
Johanna Hernandez	Staff Assistant
Kris LaFleur	Staff Assistant

**Others Present:**

Brian Wong	Representative, City Manager (not a member of subcommittee)
Mark Lewis	Representative, Ward 5 (not a member of subcommittee)
Claire Zugmeyer	Sonoran Institute

**2. Announcements – None.**

**3. Call to Audience –** Chairperson Tonelson recognized Claire Zugmeyer and Mark Lewis as members of the audience during Item 5.

**4. Review Current Utility Services Statement –** Chairperson Tonelson summarized the two issues that he believes prompted the CWAC review and modification of the current utility services statement. The two issues are, firstly, that the appropriate information is present on the statement, and secondly, that the calculation of the sewage fees based on winter quarter averages taken from usage graphs on the statement may be inaccurate. Tucson Water staff members Belinda Oden and Nancy Gradillas discuss the current statement in regards to water usage graphs and how they relate to the winter quarter average and impacts on sewage fee calculations. It was explained that

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depending upon the read dates of the meters (early and late cycles), the usage graph will display usage from the previous month, thus affecting the winter quarter average and calculation of sewer fees. Staff proposed modifying the labels on the graph to reflect read date, which will more accurately reflect usage. Members agreed that modification of the graph labels is necessary; however, that will not correct the issue with the winter quarter average and calculation of sewer fees. Subcommittee members and Staff agreed to have a representative of sewer present at a future meeting. Chairperson Tonelson clarified that proposed modified statement options will be provided to stakeholder groups for feedback, as opposed to requesting open-ended feedback on the current statement. Staff concurred that there would be developed options for modifications to the statement prior to focus groups. Member Taylor initiated a review on the reasons for formation of this Subcommittee, as well as other external factors influencing the modification of the statement. External factors include, further differentiation on the separate charges reflected on the statement, conservation measures, and representation of winter quarter averages for calculation of sewer fees. It is noted the County currently uses the lowest of either actual usage *or* winter quarter average to calculate fees. Staff will provide members with information regarding having the County recalculate the winter quarter average based upon actual usage. Members discussed possible solutions to the calculation of winter quarter averages. Possible solutions discussed are as follows:

- Software/system modifications to calculate winter quarter average based on actual usage during the winter months, and not usage billed for during those months
- Work with County to calculate winter quarter average by taking the three lowest of the four included months – this raises questions of revenue impact for the County

Members and Staff agreed that customers need to be informed of any changes affecting their statement, but that those explanations may not need to be reflected on the statement itself. Staff will follow up on these options and report back to the Subcommittee.

Member Taylor arrived at 12:05 p.m.

Member Billings arrived at 12:15 p.m.

**5. Discuss Potential Modifications to Utility Services Statement** – Chairperson Tonelson began discussion of what information members believe should be reflected on the statement. It is noted that the electronic bill presentment is an exact copy of the paper statement; however, the online bill-pay system does not allow the open space/riparian donation. This Subcommittee is tasked with addressing the actual statement, and not the bill-pay system. The following list of ideas was produced by members, and discussion was held on the items.

- Total due
- Detail breakdown of charges on first page of statement
- Consider removal of duplicate summary charges (top line/account activity)
- Dates of service
- Average temperatures
- Number of days in cycle
- Allow for recurrent donation or round-up as opposed to monthly selection

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- Multi-colored (sewer, trash, water)
- Better explanation of proration during rate changes
- Consider clarification/representation of the value of a Ccf
- Line item reflecting government expenses
  - Administrative service costs
  - PILOT
  - Low Income
  - Other expenses not directly related to water deliveries
- Impact of conservation (usage graph)
  - Smiley/frowny faces based on comparison of previous years usage for the same month
  - Set Y-Axis
  - Show block boundaries
  - Average (annual or monthly) TW volume for appropriate class
  - Consider making graph bigger and possibly moving it to page 2

Staff noted that there may be limitations to modifying the display of charges on the statement based on how the charges are codified. Brief discussion held on what might be appropriate to include in the trifold. Staff will reflect upon these suggestions and come back to the Subcommittee with options. Brief discussion held on the formation of focus groups and providing them in Spanish as well as English.

6. **Future Meetings / Agenda Items** – Staff will send a doodle poll for an early June meeting.
7. **Adjournment** – Meeting adjourned at 1:05 p.m.

# Overload: State balances budget on backs of county taxpayers

By Chuck Huckelberry  
SPECIAL TO THE ARIZONA DAILY STAR

**N**ow that Gov. Doug Ducey signed the bills that comprise the state budget and the Legislature has adjourned, it is important that Pima County taxpayers know how much it cost them. It's also important for county taxpayers to realize how much of their local tax bill is taken by the state to support its programs.



**Chuck Huckelberry**  
Pima County administrator

Pima County taxpayers are subsidizing the state this year by an additional \$23 million, for a total of \$106 million.

The governor and the Legislature faced a large budget deficit at the start of the session. They essentially had three choices: cut spending, raise revenue or do some of both. The governor didn't want to raise taxes, so he and the Legislature balanced the budget solely with spending cuts. Or so they said.

What they really did was shift state costs to the counties, forcing Arizona's 15 counties to cover \$47 million of the state's deficit. For reasons not explained, Pima County is paying almost half of the total bill. Maricopa County, which has 60 percent of the state's

population, is required to pay only \$13 million as compared to \$23 million for Pima County, which has 16 percent of the state's population. This is very unfair. Here's some of what the state has you paying for:

- **Juvenile corrections: \$1.8 million**

This is supposed to recapture some of the cost of county juvenile offenders sent to the state system, but we have a very effective juvenile deferment program that seeks to keep juveniles out of the state system and reduces recidivism. We send few juveniles to the state, and they cost the state very little. Our reward is to pay the state more.

- **Department of Revenue operating costs: \$1.5 million**

This requires the counties to pay for state collection and distribution of county sales taxes. Pima County doesn't have a sales tax, which makes this transfer particularly unfair. Again: Pima

## BUDGET HEARINGS

The remaining hearings will be held at 1:30 p.m. on April 14 and 21 and May 5 and 12. Hearings will also be held at 9 a.m. on May 19 and June 16. These hearings will be televised on Cox channels 12 and 96 and Comcast channel 96 and webcast at [www.pima.gov](http://www.pima.gov)  
**Note:** On Cox channel 12, the April 21 and May 5 county budget hearings may be pre-empted by Tucson City Council meetings.

County is the only Arizona county without a sales tax — hence, we are paying for absolutely nothing.

- **2016 presidential preference election: \$1.1 million**

The state previously covered the entire cost of this election, which is conducted for the political parties. The state reduced its funding of this election and required the county to pay for it. This popularity contest election will cost local taxpayers more than \$1 million and means nothing.

- **1 percent homeowner tax rebate: \$18.6 million**

Arizona's constitution limits the total property tax residential property owners pay to 1 percent

of the assessed value. If their total tax is more than that, the state pays the overage. For the past 34 years, the state has always considered this a state cost and paid it without question. Now, suddenly, the Ducey budget changes that and passes this state cost to local taxpayers, which is an outrageous evasion of state responsibility. The Property Tax Oversight Commission, appointed by the governor and state House and Senate leadership, has interpreted part of the new law such that Pima County is stuck paying the entire overage amount for all jurisdictions within the county. This state-cost transfer seems purposefully punitive to Pima County taxpayers.

These cost transfers have significantly unbalanced the county budget, and we now face the same difficult choices the governor and Legislature refused to face in the session. Later this month, I will submit a budget to the Board of Supervisors that takes all of this into account, and the board will have to decide where to cut county services or raise taxes. Unlike the state, we cannot pass our bills off to someone else to pay. State leaders have proudly boasted they balanced their

budget without raising taxes. In reality, they are unfairly requiring other governments to do it for them. It's important that county taxpayers know that.

To help county taxpayers understand how much of their local property tax goes to the state, I intend to show state-required local property tax transfers on the property tax bills taxpayers will receive this September. One-third of your county property taxes — \$106 million — is being sent to the state. Truth in taxation and budget transparency are good for everyone, including the governor and the Legislature.

Finally, the county has begun to hold budget hearings. A total of seven hearings are scheduled during normal business hours for public comment. The Legislature held two public hearings for the State budget — one in the House and one in the Senate. Each of these hearings occurred around midnight, which was not particularly convenient for the public. I invite every taxpayer to attend one or all of our budget hearings.

Chuck Huckelberry is the Pima County administrator. Contact him at [Chuck.Huckelberry@pima.gov](mailto:Chuck.Huckelberry@pima.gov)

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