



# CITIZENS' WATER ADVISORY COMMITTEE (CWAC)

Wednesday, December 4, 2019, 7:00 a.m.  
Director's Conference Room  
Tucson Water, 3<sup>rd</sup> Floor  
310 W. Alameda Street, Tucson, Arizona

## Legal Action Report and Meeting Minutes

### 1. **Roll Call:**

CWAC Chair Mark Murphy called the meeting to order at 7:04 a.m. Those present and absent were:

#### **Present:**

Mark Murphy, Chair	Representative, Mayor
Jean McLain, Vice Chair	Representative, City Manager
Mitch Basefsky	Representative, City Manager
Rory Juneman	Representative, City Manager
Mark Stratton	Representative, City Manager
Steven Washburn	Representative, City Manager
Mark Taylor	Representative, City Manager
Ryan Lee	Representative, Ward 1
Michelle Crow	Representative, Ward 2
Val Little	Representative, Ward 3
George White	Representative, Ward 4
Timothy Thomure	Tucson Water, Director, Ex-Officio Member
Jackson Jenkins	Pima County Regional Wastewater Reclamation Department Director, Ex-Officio Member

#### **Absent:**

Placido dos Santos	Representative, City Manager
Mark Lewis	Representative, Ward 5
Alison Jones	Representative, Ward 6

#### **Tucson Water Staff Present:**

Silvia Amparano	Deputy Director
Melodee Loyer	Planning Administrator
Kim Sotomayor	Business Services Administrator
Albert Avila	Water Quality & Operations Administrator
Chris Rodriguez	Customer Service Administrator
Jeff Biggs	Strategic Initiatives Administrator
Richard Sarti	Planning and Engineering Administrator
Shawntel Dotson	Solution Center Superintendent
Reyna Woods	Metering Services Superintendent
Andrew Greenhill	Intergovernmental Affairs Mgmt. Coordinator
Kelly Wiehe	Project Manager, Public Information
James MacAdam	Water Program Superintendent
Candice Rupprecht	Water Conservation Supervisor
Jay Nordstram	Finance Manager
Karen Tenace	Management Coordinator
Margaret Carrasco	Staff Assistant
Paul Pier	Project Manager
Beth Scully	Project Manager
Chad Lapora	Water Quality Compliance Superintendent
Jessica Rodriguez	Project Manager
Kris LaFleur	Lead Mgmt. Analyst, Intergovernmental Affairs

#### **Others Present:**

Raye Winch	Community Food Bank
Christopher Avery	City of Tucson Attorney
Jodi Hoskinson	Jacobs

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Wally Wilson  
Holly Thomas-Hilbun

Metro Water  
University of Arizona

2. **Announcements** – Introduction of Raye Winch as the newest member of CWAC. Member Winch provided a brief background. Member Winch will take her oath after the meeting to become a voting member in January.
3. **Call to Audience** – There were no audience comments.
4. **Review of November 6, 2019, Legal Action Report and Meeting Minutes** – Member Stratton moved to approve the Legal Action Report and Minutes. Member Mark Taylor requested the meeting minutes be updated to reflect his attendance at the meeting. The motion was duly seconded by Member Taylor and passed on a voice vote of 11-0
5. **Director's Report** – Director Thomure provided updates on the following topics:

**Mayor and Council Items** – Director Thomure provided an update on the November 5, 2019 council meeting. The Council's interest in the general fund included two slides on the water fund as a part of an overall discussion of city funds. The council continues to provide guidance to all city staff, the Tucson Water budget will be reviewed before council in the spring to include the rate discussion, and financial plan. Items scheduled for consideration at upcoming meetings include: consent of I-10 waterline relocation for Ruthrauff, and a final vote for Green Stormwater Infrastructure (GSI) fund (December 17). The council has also requested a Per and polyfluoroalkyl (PFAS) update based on recent media coverage expected in mid-December or early January.

**Department Updates** – Department vacancies are in the low 40's. The current Human Resources Manager has been transferred to the Police Department and an interim manager has been assigned to the utility. The salary decompression has been completed, a few groups of tenured staff have expressed concern and additional reviews are being conducted based on reclassification and promotions. Member Washburn inquired on the next steps for City of Tucson. Director Thomure advised the city will analyze information comparing salaries to market values and identify those salaries not at market. The next phase will be to identify where monies will come from. Tucson Water budgets 3% in the financial plan to cover the salary capacity.

**Other Items** –Tucson Water has a known area of PFAS contamination referred to as west plume B. The utility samples the area because it is near our pumping areas, sampling found high concentrations and Tucson Water released the data to the public and held discussions with outside agencies. Arizona Department Environmental Quality (ADEQ), and Pima County Environmental Quality (PDEQ) are working together doing additional sampling for private wells. Tucson Water is safe and performs continuous sampling. The headline for Daily Star states spike in PFAS levels, according to Tucson Water no spike has occurred sampling records indicate high concentrations and concentrations remain high. The Daily Star retracted the dollar amounts quoted regarding litigation. Tucson Water continues to rebut the incorrect information. Member McLain inquired on the extension of the plume and future plans. Director Thomure advised the utility is aware the aquifer needs clean up. Tucson Water is testing and proactively working to address the issue. Including ongoing conversations in Washington for legislation to address the PFAS contamination issue. Room discussion continued on PFAS and the federal versus state responsibilities.

## 6. **Subcommittee Reports** –

**Technical, Planning and Policy Subcommittee (TPP)** – Subcommittee Chair Dos Santos was absent, the subcommittee recalled the discussions on Santa Cruz River Heritage Project update.

**Finance Subcommittee** – Subcommittee Chair Stratton reported that the subcommittee reviewed the financial plan and expect to go over the mid-year budget review at the December meeting. January topics include the cost of service and rate recommendations.

**Conservation and Education Subcommittee (C&E)** – Subcommittee Chair Little reported the committee discussed Conservation Program and the One Water workshop. Member Little requested additional follow up in January.

**Subcommittee membership:** Chair Murphy identified shortages in committee membership and flux in the membership due to the newly reelected council. Jessica Rodriguez provided a list of members with pending terminations. Members are expected to follow up with the elected official to confirm continued participation on the committee or advise Mrs. Rodriguez of new appointment requests. Mrs. Rodriguez also explained the city

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clerk's office and the Mayor and Council rules and regulations do not allow the use of "floating members" to attain quorum and fill in for subcommittee members, proxy voting creates a conflict.

**Regional Wastewater Reclamation Advisory Committee (RWRAC) Update** – Member McLain advised the meeting was not held in November.

7. **Officer Elections** – Mrs. Rodriguez advised no official chair nominations had been accepted and the position was open to self-nomination. Member McLain requested a consideration of herself as Chair for six months and Vice Chair would serve after her term completed in June. Member Mark Taylor would like to be considered as the second chair after six months. Discussion continued and ballots were distributed and collected for chair elections. Vice chair ballots were distributed and additional discussion took place on member terminations and renewals. A brief five-minute recess took place, while ballots were counted by Mrs. Rodriguez and Kris LaFleur. The tallies for votes were counted and the outcome was as follows: Chair Jean McLain, 3 votes, Combination Chair Jean McLain and Mark Taylor, 8 votes. Vice Chair Mark Taylor 11 votes.

**Motion:** Jean McLain to preside as chair in January 2020 until her membership termination in June 2020, and Mark Taylor to preside as chair after the position has been vacated. Mark Taylor will be vice chair until he takes on the role as Chair in June 2020. Member Little moved and member Juneman seconded the motion. A roll call vote was taken 10-0

8. **Five-year Financial Plan** – Presented by City of Tucson Business Services Administrator Kim Sotomayor and Deputy Director Silvia. The items presented were:

Five-year Financial Plan-

- a. Review of Financial Plan Rate Modeling
- b. Overview Rate Setting Process
  - i. Financial Plan Components
  - ii. Cost of Service
  - iii. Rate Design
  - iv. Policy Framework
    1. M&C Policies
    2. Bond Covenants
- c. Five-year Financial Plan
  - i. Components
    1. Revenues
    2. Expenses
    3. Guidelines
  - ii. Financial Goals
    1. Adopt a Four-year Rate
    2. Meet Anticipated O&M Needs
    3. Maintain CIP Budget
    4. Maintain Compliance with Key Financial Metrics
    5. Decrease Annual Revenue
    6. Reduce Reliance of Debt Funding
  - iii. Details
  - iv. FY21 Proposed Budget
    1. Distribution Buckets
  - v. FY2021 – FY2025 CAP budget
    1. Distribution Buckets
- d. Current and Future Debt
  - i. Bending Down the Debt Curve
  - ii. Meeting Bond Covenant Requirements
- e. Consumption Forecast
  - i. Potable Customers by Fiscal year
  - ii. Billed by Fiscal Year
  - iii. Reclaim Water Billed by Fiscal Year
  - iv. Annual Revenue Requests – Reference Draft Attachments Financial Summary
  - v. Revenue Estimates/Five-year Projections

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- vi. Forecasting Revenue – Average Monthly Use
- f. Conservation Plan
  - i. Conservation Program
- g. Green Stormwater Infrastructure (GSI)
  - i. Managed by TW/Separately Funded
  - ii. Draft Fund
- h. TW C.A.R.E.S.
  - i. Customer Assistance Relief & Emergency Hardship (attachment)
- i. Next steps
  - i. Finance Subcommittee review Nov.
  - ii. CWAC review of the Financial Plan (Dec)
  - iii. CWAC review of Rate Package (January-February)
  - iv. M&C review of Financial Plan/Notice of Intent (March)
  - v. M&C Public Hearing (April & May)
- j. Questions & Discussion

**9. Future Meetings / Agenda Items –** Topics recommended for discussion at future meetings included:

- Follow up request from Member Little on the Sewer Line Warranty of America (SLWA)
- Mayor and Ward Office updates and focuses

Member Stratton thanked Chair Murphy for presiding over the meetings and expressed appreciation for his confidence and trust.

**10. Adjournment –** Chair Murphy adjourned the meeting at 9:02 a.m.