



CITIZENS' WATER ADVISORY COMMITTEE (CWAC)

Wednesday, February 5, 2020, 7:00 a.m.
Director's Conference Room
Tucson Water, 3rd 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 7:00 a.m. Those present and absent were:

Present:

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|--------------------|---|
| Jean McLain, Chair | Representative, City Manager |
| Mark Murphy | Representative, Mayor |
| Mitch Basefsky | Representative, City Manager |
| Mark Stratton | Representative, City Manager |
| Placido dos Santos | Representative, City Manager |
| Rory Juneman | Representative, City Manager |
| Steven Washburn | Representative, City Manager |
| Raye Winch | Representative, City Manager |
| Ryan Lee | Representative, Ward 1 |
| Michelle Crow | Representative, Ward 2 |
| Val Little | Representative, Ward 3 |
| George White | Representative, Ward 4 |
| Mark Lewis | Representative, Ward 5 |
| Alison Jones | Representative, Ward 6 |
| Timothy Thomure | Tucson Water, Director, Ex-Officio Member |

Absent:

| | |
|-------------------------|------------------------------|
| Mark Taylor, Vice Chair | Representative, City Manager |
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Tucson Water Staff Present:

| | |
|-------------------|--|
| John Kmiec | Deputy Director |
| Kim Sotomayor | Business Organizational Support Services Administrator |
| Albert Avila | Water Quality & Operations Administrator |
| Chris Rodriguez | Customer Service Administrator |
| Jeff Biggs | Source Water Administrator |
| Jesus Suarez | Maintenance Administrator |
| Pat Eisenberg | Maintenance IRIS Administrator |
| Richard Sarti | Planning and Engineering Administrator |
| Shawntel Dotson | Solution Center Superintendent |
| Andrew Greenhill | Intergovernmental Affairs Mgmt. Coordinator |
| Candice Rupprecht | Water Conservation Supervisor |
| Jay Nordstrom | Finance Manager |
| Karen Tenace | Management Coordinator |
| Fernando Molina | Public Information Officer |
| Jessica Rodriguez | Project Manager |
| Kris LaFleur | Lead Mgmt. Analyst, Intergovernmental Affairs |

Others Present:

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2. **Announcements** – Member Washburn announced the Gem Show is in full swing. Additional items added out of order. Member Alison Jones acknowledged Marie Pearthree, retired Deputy Director of Tucson Water authored the book, “Tucson Water Turnaround: Crisis to Success”. The book was published by American Water Works Association (AWWA). Member Murphy reported a per- and poly-fluoroalkyl substances (PFAS) workshop and identified active research plants and effects.

3. **Call to Audience** – None

4. **Review of January 8, 2020, Legal Action Report and Meeting Minutes** – Member Stratton moved to approve the Legal Action Report and Minutes. The motion was duly seconded by Member Washburn and passed on a voice vote of 14-0.

5. **Director's Report** – Director Thomure provided updates on the following topics:

Mayor and Council Items – February 4, 2020, the Council's voted 7-0 to approve the Green Storm Water Fee and Fund (GSI). The fees will be charged in April and appear on customer billing in May 2020. The next items for the council are on March 3, 2020. The United States Geological Survey (USGS) agreement for Aquifer Storage at Southeast Houghton Recharge Project (SHARP), a quarterly update on PFAS and Financial Plan, Cost of Service & Rates.

Department Updates – Department vacancies are at 51, with active recruitments, and offers are out for the Utility Account Representative (UAR) positions. Director Thomure provided a screenshot of the Water Production dashboard and provided an explanation of the trends.

Other Items – None

6. **Subcommittee Reports** –

Technical, Planning and Policy Subcommittee (TPP) – Member Dos Santos identified Mitch Basefsky as the newly elected subcommittee chair. Member Dos Santos reviewed the Glyphosate topic and discussion from the January meeting. Member Dos Santos also sent a memorandum as the chair to Director Thomure, thanking the utility for mitigation efforts since 2015. The memorandum will be provided to the entire committee for review. Member Dos Santos opened the floor for Chair Basefsky to discuss the February 13, 2020 tentative agenda items to include Tucson Airport Remediation Program (TARP) and Northwest Area Recharge & Recovery Project.

Finance Subcommittee – Subcommittee Chair Stratton advised the presentation on Cost of Service and Proposed Rates given in January would be provided to CWAC today for review and voting.

Conservation and Education Subcommittee (C&E) – Subcommittee Chair Little reviewed the January meeting topics, the Annual Conservation Report, and a memorandum of support to Mayor and Council. Chair Little acknowledged Candice Rupprecht for her article in the American Water Works Association (AWWA) magazine. Chair Little advised the February meeting moved up to February 6, 2020, at 2:00 p.m. The subcommittee will meet with the City of Tucson Chief Building Inspector to discuss city ordinances.

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Regional Wastewater Reclamation Advisory Committee (RWRAC) Update – CWAC Chair and RWRAC member McLain reported the last meeting held a lengthy discussion on PFAS bio-solids, to be placed in landfills, and will directly affect the budget based on 80,000 tons over a year. The grease collection program produced 1300 lbs. Chair McLain made an announcement the I-10 & Ruthrauff exit is closing.

7. **Financial Plan, Cost of Services & Rates Discussion**– Mrs. Kimberly Sotomayor, Tucson Water Finance Administrator presented the plan. Items and discussion included:

a. Policy Direction

i. Mayor and Council Policies Specific & General

1. Financial: Debt Service Coverage; Cash; Rates and Charges
2. Water Quality: Serve Safe Water; Be Proactive; Go Beyond Regulations
3. Water Supply: Use Renewable Resources; Apply Water Service Area Policy; Store for the Future
4. Conservation: Reduce Demand; Be a Leader
5. Affordability: Low Income Program; Efficient Operations; Low Rates
6. Communication: Customer Engagement; K-12 Education
7. Customer Service: Timely; Accurate; Responsive
8. Infrastructure: Address Aging Infrastructure; Reliable Service
9. City Focus: Quality of Life; Annexation; Cross-Department Efficiencies

b. Financial Plan Goals

- i. Adopt Four Year Rate Adjustment
- ii. Meet anticipated utility O&M needs
- iii. Maintains CIP Budget to meet Investment Target (\$70M/Yr.)
- iv. Maintains Compliance with All Key Financial Metrics
- v. Decreases annual revenue requests, reflecting on-going process improvement and efficiency
- vi. Reduce Reliance on Debt Financing, Peaking of Debt Service and Achieves Pay-As-You-Go (PAYGO) CIP in FY24

c. Financial Plan Summary

- i. Operations and Maintenance - \$203.2 million (FY21)
- ii. Capital Improvement Program - \$70/yr. million
- iii. Meet Financial Metrics
- iv. Debt Service Coverage – 221%
- v. Operating Days Cash – 223 days
- vi. Low Income Assistance - \$1.5 million
- vii. Conservation Program – No changes in rate

d. Traditional vs. Smoothing

- i. Table

e. Rate Recommendation

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Mrs. Sotomayor, Director Thomure and other Tucson Water staff fielded questions on the following subjects prior to a motion being placed before the subcommittee.

- Total increase of rates over four years
- Four-year versus two-year recommendation
- Possible solutions for golf courses and reclaim water usage
- Policy direction towards economic development
- Inflation and downward trends on revenue
- Conservation Program
- Pay as you go debt
- Low income

Motion: Member Stratton motioned to approve the Finance subcommittee recommendation of Scenario C, a rate increase over four years. The motion was seconded by Member Washburn. Discussion: Member Lewis requested a reduction from four years to two years. The request was unsupported. The motion stands unamended and was taken to a vote. A voice vote was taken and passed 14-0.

Additional discussion on the Low-Income determination on rates, the committee requested a separate briefing.

8. One Water 2100 – (Item was taken out of order) Presented by Tucson Water Project Manager Jaimie Galayda. The items presented and discussed were:

- Three Major Areas of Participation
- Stakeholder Engagement
- One Water Tucson
- Conservation Plan Update
- Scenario Planning
- Public Outreach
- Technical Memorandums
- Master Plan Review and Schedule

9. Sewer Line Warranty of America (SLWA) - This Item was deferred to March 2020

10. Conservation Report Review – (Item was taken out of order) Presented by Water Conservation Supervisor, Candice Rupprecht. Mrs. Rupprecht discussed key points in the Conservation Snapshot and did not review the entire report. Items presented included:

- Rainwater Harvesting
- Toilet Rebates
- Zanjero Training

Mrs. Rupprecht fielded questions on the below subjects prior to a motion.

- Rebates by customer by jurisdiction
- Rainwater Harvesting Rebates benefits

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- Toilet Rebates
- Zanjero Training
- Low income rebates and quality of life
- One water out reach
- Reallocation of grant monies
- Technical Memorandums

Motion: Member Lewis motioned to approve the Conservation Report and send to Mayor and Council with the provided inputs from the committee. The motion was seconded by Member Stratton. Discussion: None. A voice vote was taken and passed 14-0.

Deputy Director John Kmiec acknowledged CWAC member Mark Murphy whom completed his eight-year term.

11. Future Meetings / Agenda Items

- Glyphosate
- Low Income
- SLWA

12. Adjournment – Meeting ended at 8:57 a.m.