



Citizen's Water Advisory Committee
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Citizen's Water Advisory Committee

MINUTES

The regular meeting of the Citizen's Water Advisory Committee was called to order by Frank Boyle, Chairperson, on Wednesday, December 6, 2006, at 7:04 a.m., in the Tucson Water Building, 310 West Alameda Street, Third Floor, Director's Conference Room, Tucson, Arizona.

1. Call to Order

Members Present:

Martin M. Fogel
Robert Emanuel (arrived at 7:15 a.m.)
Carol Zimmerman
Frank J. Boyle, Chair
Robert Logan
Evan Canfield
James T. Barry (arrived at 7:45 a.m.)
John R. Carhuff (arrived at 7:20 a.m.)
Sarah T. Evans
Keith Gentzler, Vice Chair
James Horvath
Ursula Kramer
Daniel J. Sullivan (arrived at 7:12 a.m.)

Appointed by:

Mayor
Ward 1
Ward 2
Ward 3
Ward 4
Ward 6
City Manager
City Manager
City Manager
City Manager
City Manager
City Manager
City Manager

Members Absent:

Corina A. Baca

Appointed by:

Ward 5

Others Present:

Tina Lee, Council Administrative Assistant, Ward 2
Holly Lachowicz, Council Administrative Assistant, Ward 3
Andy Squire, Council Administrative Assistant, Ward 4
David Modeer, Tucson Water Department, Director
Marie Pearthree, Tucson Water Department, Deputy Director
Bruce Johnson, Tucson Water Department, Assistant Director
Adam Smith, Citizen
Barbara Buus, Tucson Water Department
Belinda Oden, Tucson Water Department
Bill Richardson, Pima County Wastewater Department, Sr. Administrative Services Mgr.
Byron Howard, City Manager's Office, Special Projects Manager
Chris Avery, City Attorney's Office
Chuck Freitas, Citizen
David Cormier, Tucson Water Department
Dennis Rule, Tucson Water Department
Diane Kusel, Arizona Department of Water Resources
Erik Glenn, Tucson Chamber of Commerce
Frank Kern, City Attorney's Office

Geoff Gonzales, City Clerk's Office
Jeff Biggs, Tucson Water Department
Joan E. Stauch, Tucson Water Department
John O'Hare, Tucson Water Department
John Thomas, Tucson Water Department
Karen LaMartina, Tucson Water Department
Linda Smith, Tucson Water Department
Lori Lustig, Southern Arizona Home Builders Association
Melodee Loyer, Tucson Water Department
Patricia Eisenberg, Tucson Water Department
Patricia Pittenger, Recording Secretary, City Clerk's Office
Ralph Marra, Tucson Water Department
Ray Wilson, Tucson Water Department
Richard Gelpke, Citizen
Rolanda Mazeika, Recording Secretary, City Clerk's Office
Trucynda Hawkins, Tucson Water Department

2. Approval of Minutes – November 1, 2006

It was moved by Committee Member Horvath, duly seconded and carried by a vote of 9 to 0 (Corina A. Baca, James Barry, John Carhuff, Robert Emanuel, and Daniel Sullivan were absent) to approve the minutes as presented.

3. Call to Audience

Lori Lustig from Southern Arizona Home Builders Association (SAHBA) distributed a letter explaining their position on impact fees, such as credits, waivers and offsets. SAHBA would like the Citizens' Water Advisory Committee (CWAC) to recommend to Mayor and Council to take a step back and look at all the issues that needed to be considered about water. They should look at issues concerning not just the acquisition of water, but the infrastructure to go along with it and come up with a cost that would be allocable for growth.

4. Director's Report

a. Recent and Upcoming Mayor & Council Items

- On November 9, Tucson Water staff presented to the Mayor and Council's Environment, Planning, and Resource Management Subcommittee the Tucson Water's Drought Preparedness and Response Plan. Staff also gave them a briefing on the elements that made up the Central Arizona Groundwater Replenishment District (CAGRDR), the Legislation that established that process, and the current status of the ten-year plan for the CAGRDR. An update was given on the work of the Central Arizona Water Conservation District Board of Directors.
- On November 14, at the Mayor and Council Study Session, staff gave a substantial presentation regarding the reclaimed water system. It covered the rates, the contracts, the outlook for serving reclaimed water to the community and the status to date.
- On November 21, the Mayor and Council adopted the University of Arizona Science and Tech Park annexation that included water elements related to serving that annexation.

- On November 28, at the Mayor and Council Study Session, there was a discussion on the elements of the potential separation of the Environmental Services Division and the Tucson Water Division of the Utility Services Department. The separation was approved at that evening's Regular Session. The separation will not become complete until the hiring of a Director for Environmental Services. Also presented and approved was Tucson Water's Drought Preparedness and Response Plan that responds to new requirements in State Law. An update on the Water Resource Plan was also given.

(Daniel Sullivan arrived at 7:12 a.m. and Robert Emanuel arrived at 7:15 a.m.)

- On December 7, Tucson Water will provide the Environment, Planning, and Resource Management Subcommittee with the latest action taken by the Southern Arizona Water Users Association (SAWUA) relative to a regional cooperative plan. Also, the proposed new Water Resource Fee, the System Equity Fee increase, and an update on the Central Arizona Water Conservation District Board of Directors will be presented.

(John Carhuff arrived at 7:20 a.m.)

- On December 12, there will be a Mayor and Council Public Hearing on the water miscellaneous fee increases that have already been approved by the Citizen's Water Advisory Committee (CWAC).

b. Other items of interest

- Relative to the Southern Basin States and the Lower Basin States agreements on the shortage on the Colorado River, a tentative agreement had been reached between Arizona and Nevada about shortage sharing. Nevada would take a portion of any shortage, but did not accept language that requires they take a percentage of the shortage; rather, they would take an amount that somewhat equaled the percentage that Arizona was comfortable with. In return Nevada would give Arizona eight million dollars to purchase additional water to be stored and banked in anticipation of any shortage that would be declared on the river. The Colorado River Water Users Association will have a meeting in Las Vegas, Nevada and all the Southern Basin States will attend. The details would be worked out at that meeting.
- The State Water Advisory Group was coming close to the end of their discussions and it looked like there would be very little regulation adopted for rural areas, but there was a proposal for funding infrastructure needs in the rural areas that was causing a great deal of concern for municipalities. The Advisory Group was looking at cities to help fund the development of rural water resources and infrastructures. Phoenix area cities were opposed to that, and Tucson had not taken a position yet.

5. Recommendation regarding Regional Water Study

Committee Member Zimmerman presented the Technical, Planning and Policy Subcommittee report on the Regional Water Study and distributed it to the committee members.

(James Barry arrived at 7:45 a.m.)

Discussion followed.

It was moved by Committee Member Carhuff, duly seconded, that the Citizens' Water Advisory Committee (CWAC) recommend the Mayor and Council agree to the establishment of an independent and objective appointed commission. The role of this commission would be to outline critical issues related to water and wastewater services and supplies, and to outline a scope of work for a regional water plan. The commission would be charged with defining the scope of work for the study of a regional water plan. The scope should include an analysis of funding sources.

Committee Member Sullivan withdrew his second to Committee Member Carhuff's motion, and moved, duly seconded, that the Citizens' Water Advisory Committee (CWAC) forward the Technical, Planning and Policy Subcommittee's recommendation to the Mayor and Council. In response to concerns about including a funding recommendation, Committee Member Sullivan amended his substitute motion to delete the reference to funding from his motion.

The substitute motion was to recommend the Mayor and Council agree to the establishment of an independent and objective appointed commission. The role of this commission would be to outline critical issues related to water and wastewater services and supplies, and to outline a scope of work for a regional water plan. The commission would be charged with defining the scope of work for the study of a regional water plan. The scope should include an analysis of funding sources. If the Mayor and Council proceed with the establishment of such a commission, CWAC would be pleased to participate in the oversight of the committee, scope of the study and community process. If a study was completed, it was requested that CWAC review the study recommendations on behalf of the ratepayers.

The substitute motion passed by a voice vote of 12 to 1 (John Carhuff dissenting and Corina Baca absent/excused).

6. Proposed "Waiver Letter" Policy regarding Exempt Wells

David Modeer, Director of Tucson Water, gave background on exempt wells.

It was moved by Committee Member Zimmerman, duly seconded, that CWAC recommend Tucson Water shall not grant waiver letters to allow a property owner to disconnect from the Utility's distribution system in order to drill an exempt (private) well on the property, as required by A.R.S.§45-454(D)(4), except under extenuating circumstances as determined by the Water Director. Also, that Tucson Water shall not grant waiver letters to allow a property owner to drill an exempt (private) well on the property in lieu of connecting to the Utility's distribution system, as required by A.R.S. §45-454(D)(4), except under extenuating circumstances as determined by the Water Director.

David Modeer, Director of Tucson Water, clarified this policy would apply to the Tucson Water service area.

The motion passed by a voice vote of 13 to 0 (Corina Baca absent/excused).

7. Election of Chair and Vice Chair positions for calendar year 2007

Committee Member Evans gave the Nominating Subcommittee report. Members of the Nominating Subcommittee were Evan Canfield, Martin Fogel, Dan Sullivan and Sarah Evans, Chair. The committee met on November 21, 2006 to discuss nominees for the positions of Chair and Vice Chair. Committee Member Evans presented the nominees for the 2007 year. The nominating committee recommended Francis Boyle continue as

Chair and James Barry serve as Vice Chair.

It was moved by Committee Member Evans, duly seconded, to appoint Francis Boyle as Chair and James Barry as Vice Chair.

Chair Boyle called for a roll call vote for James Barry as Vice Chair.

Upon roll call, the results were:

Aye: Committee Members Boyle, Gentzler, Fogel, Emanuel, Zimmerman, Logan, Canfield, Kramer, Horvath, Barry, Carhuff, Sullivan, and Evans

Nay: None

Absent/Excused: Committee Member Baca

Passed 13 to 0.

Chair Boyle called for a roll call vote for Francis Boyle as Chair.

Upon roll call, the results were:

Aye: Committee Members Boyle, Gentzler, Fogel, Emanuel, Zimmerman, Logan, Canfield, Kramer, Horvath, Barry, Carhuff, Sullivan, and Evans

Nay: None

Absent/Excused: Committee Member Baca

Passed 13 to 0.

8. FY2007 - FY2011 Tucson Water Financial Plan

David Modeer, Tucson Water Director, gave some background information on the Tucson Water Financial Plan.

Marie Pearthree, Tucson Water Deputy Director, gave a brief overview of how the Financial Plan supported both the capital investment and operational portion of the budget. Ms. Pearthree distributed the draft Tucson Water Business Plan and invited members to review the Business Plan and provide any comments back to staff.

David Cormier, Tucson Water Administrator, gave a report outlining elements of the Financial Plan.

Discussion followed.

Chair Boyle requested that they move on to Items 9 and 10 and come back and consider any action items on Item 9 and 10.

9. System Equity Fee Update

Barbara Buus, Tucson Water Rates and Revenue Manager, introduced Trucynda

Hawkins from the Rates and Revenues Unit. Ms. Hawkins presented the System Equity Fee report. A copy of the System Equity Fee report was distributed.

Discussion followed.

The vote for the System Equity Fee was taken during discussion in Item 10.

10. Proposed CAP Water Resource Fee

David Modeer, Director of Tucson Water, gave background information on the proposed Water Resource Fee.

David Cormier, Tucson Water Administrator, distributed and discussed the CAP Water Resource Fee Report.

Chair Boyle announced the Finance Subcommittee had not reached a decision on the Water Resource Fee and the CWAC members would need to come up with a recommendation.

In relation to Item 10, it was moved by Committee Member Carhuff, duly seconded, that CWAC ask the Water Department to present to the Finance Subcommittee what other alternatives they have considered and rejected, or some indication that this is consistent with best industry practice.

In relation to Item 9, Committee Member Carhuff moved, duly seconded, that since the Finance Subcommittee had unanimously endorsed the System Equity Fee study, that the Citizens' Water Advisory Committee (CWAC) pass a recommendation to Mayor and Council to approve the System Equity Fee.

Discussion followed.

Chair Boyle asked for a vote on Committee Member Carhuff's motion from Item 9, that all those in favor of increasing the System Equity Fee by 7.9% indicate by saying aye. The motion passed 13 to 0 (Corina Baca absent/excused).

Discussion followed.

In relation to Item 10, a substitute motion was presented by Committee Member Horvath, duly seconded, that the Citizens' Water Advisory Committee (CWAC) recommend adoption of the Water Resource Fee as proposed, while continuing to look at alternatives to expand the fee to include the infrastructure and possibly spreading additional costs over the entire system.

Chair Boyle asked for a roll call vote on the substitute motion by Committee Member Horvath.

Upon roll call, the results were:

Aye: Committee Members Gentzler, Kramer, Horvath, Barry, Sullivan, and Evans

Nay: Committee Members Boyle, Fogel, Emanuel, Zimmerman, Logan, Canfield, and Carhuff

Absent/Excused: Committee Member Baca

The substitute motion failed 6 to 7.

Committee Member Carhuff restated his original motion, duly seconded, that the Citizens' Water Advisory Committee (CWAC) defer action on the Water Resources Fee and request that the Tucson Water Department look at the fee and make a determination whether this is consistent with best industry practice and that they indicate what other fees of this type they had studied.

David Modeer, Director of Tucson Water, indicated Tucson Water would make a presentation on the Water Resource Fee to the Mayor and Council's Environment, Planning & Resource Management Subcommittee on December 7, 2006.

Upon roll call, the results were:

Aye: Committee Members Boyle, Emanuel, Zimmerman, Logan, Canfield, Kramer, and Carhuff

Nay: Committee Members Gentzler, Fogel, Horvath, Barry, Sullivan and Evans

Absent/Excused: Committee Member Baca

The motion passed 7 to 6.

11. Subcommittee Reports

Council Member Emanuel gave the report for the Conservation Education Subcommittee:

- Drought Plan went to the Mayor and Council
- Citizens' Conservation Task Force report needed to be presented – it was under discussion in the Tucson Water Finance Division. He recommended that CWAC consider this early in the spring

Committee Member Emanuel announced that this would be his last meeting due to his moving out of state. Mr. Emanuel recommended that Evan Canfield be nominated as the Chair of the Conservation Education Subcommittee and for the committee to consider that.

Chair Boyle thanked Mr. Emanuel for his service to the committee.

Chair Boyle proposed the next meeting would be held January 10, 2007. Hearing no objections the next meeting was scheduled for January 10, 2007.

12. Call to the Audience

Chuck Freitas asked the committee to consider a new venue with a larger room for the meetings next year to accommodate more of the public at the meetings. He also stated for those members who were discussing the cost of water, one Ccf (a water billing unit that equals 100 cubic feet or 748 gallons) in Tucson was less than four dollars and in Bermuda it was sixty dollars per Ccf.

13. Adjournment 9:18 a.m.