



MAYOR AND COUNCIL Study Session Minutes

Approved by Mayor and Council
on April 18, 2023.

Date of Meeting: August 23, 2022

The Mayor and Council of the City of Tucson met in study session on Tuesday, August 23, 2022. The meeting was called to order by Mayor Romero at 12:04 p.m.

OFFICIAL MEMBERS

PRESENT:

Mayor Regina Romero
Vice Mayor, Council Member Lane Santa Cruz (Ward 1)
Council Member Paul Cunningham (Ward 2) (arrived at 12:28 p.m.)
Council Member Kevin Dahl (Ward 3) (electronic attendance)
Council Member Nikki Lee (Ward 4)
Council Member Richard G. Fimbres (Ward 5) (electronic attendance)
Council Member Steve Kozachik (Ward 6)

OFFICIAL MEMBERS

ABSENT:

None

STAFF:

Michael J. Ortega, City Manager
Michael Rankin, City Attorney
Suzanne Mesich, City Clerk

Suzanne Mesich, City Clerk, announced that Council Members Dahl and Fimbres would be participating electronically through Microsoft TEAMS.

1. **Executive Session – Worker’s Compensation Claim: ICA No. 20043-010873. Applicant: David Lewis vs. Employer City of Tucson, City of Tucson c/o Tristar Risk Management (City Wide) SS/AUG23-22-146**
3. **Executive Session – Annual Review and Evaluation of the Performance of the City Manager (City Wide) SS/AUG23-22-138**

(This item was taken out of order.)
5. **Executive Session – Goodman v. City of Tucson, Notice Claim Nos. 26860 and 26861; Pima County Superior Court Case No. 20194826 (City Wide) SS/AUG23-22-141**

(This item was taken out of order.)

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 6 to 0 (Council Member Cunningham absent/excused), to enter into executive session as noticed on the agenda.

(NOTE: Council Member Cunningham arrived at 12:28 p.m.)

RECESS: 12:05 p.m.

RECONVENE: 2:02 p.m.

MAYOR AND COUNCIL: All present

STAFF: All present

Executive Session was held from 12:10 p.m. to 1:46 p.m.

It was moved by Council Member Lee, duly seconded, and carried by a voice vote of 7 to 0, to return to open session.

2. **Mayor and Council Direction Regarding Executive Session – Worker’s Compensation Claim: ICA 20043-010873. Applicant David Lewis vs. Employer City of Tucson, City of Tucson c/o Tristar Risk Management Wide) SS/AUG23-22-147**

It was moved by Council Member Fimbres, duly seconded, and carried by a voice vote of 7 to 0, to direct the City Attorney to proceed as discussed in Executive Session and to move forward with the settlement of this workers’ compensation claim.

3. **Executive Session – Annual Review and Evaluation of the Performance of the City Manager (City Wide) SS/AUG23-22-138**

(This item was taken out of order.)

4. **Mayor and Council Direction Regarding Executive Session – Annual Review and Evaluation of the Performance of the City Manager (City Wide) SS/AUG23-22-139**

Mayor Romero stated that this particular evaluation of the city manager was a little bit on the special side. She stated that a 360-degree evaluation approach was used that included a number of City employees, business stakeholders and the community, to provide feedback on Mr. Ortega’s performance.

Mayor Romero stated that she would like to put into record; when the city manager's contract comes up for renewal, that they include the feedback from employees and stakeholders groups, including the perspective and reflection of his years of service to the residents of the City of Tucson. She stated that she wanted to congratulate the City

Manager, for being an incredible asset, not just to Mayor and Council, but to the City of Tucson and all of our residents. She said she was grateful for all of the work that you do for our community, for your solutions, your oriented approach and to the issues that affect us and for the incredible years of service that you've done. For being able to take our organization, where you found it, which was in a financially unstable place, with concerns about [people's] jobs and the culture in the organization, to where we have it now. I just commend you for it."

She stated that she wanted to make sure that this was on record, because she wants to ensure that Mr. Ortega remains with the city for many more years.

She went on to say, "I thank you so much and I'm happy that we're extending your contract and hopefully you'll continue to want to serve us for many more years to come."

Mayor Romero asked if anyone else wished to speak on this item.

There was no one.

It was moved by Vice Mayor Santa Cruz, duly seconded, and carried by a voice vote of 7 to 0, that the City Manager's performances had met and exceeded expectations and the City Attorney is directed to prepare a renewal to the City Manager's Employment Agreement as discussed in Executive Session and return the item at the next available meeting for Mayor and Council approval.

5. **Executive Session – Goodman v. City of Tucson, Notice Claim Nos. 26860 and 26861; Pima County Superior Court Case No. 20194826 (City Wide) SS/AUG23-22-141**

(This item was taken out of order.)

6. **Mayor and Council Direction Relating to Executive Session – Goodman v. City of Tucson, Notice Claim Nos. 26860 and 26861; Pima County Superior Court Case No. 20194826 (City Wide) SS/AUG23-22-140**

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to authorize and direct the City Attorney to proceed as discussed in Executive Session, to include securing the additional information as discussed and returning to the Mayor and Council for further discussion and direction in September.

7. **City Manager's Report and Update on COVID-19, Monkeypox Virus, Ongoing City and County Mitigation Measures; Funding and Appropriations; and Related Legal Matters (City Wide) SS/AUG23-22-142**

Comments were made by Mayor Romero. She gave information on COVID-19 testing, vaccine availability and provided the online portal information for the Monkeypox virus.

Information was provided by Michael J. Ortega, City Manager, who fielded and answered questions regarding updates on COVID-19, Monkeypox and how to get updated information regarding those items.

Discussion was held; no formal action was taken.

8. Discussion of Fiscal Year 22/23 Supplemental Requests (City Wide) SS/AUG23-22-148

Opening comments were made by Mayor Romero. She reported on how the city got to this place with the supplemental budget and said it was a historic opportunity to continue investing in the community with innovative solutions and long-term transformative changes. She said the supplemental budget highly reflected their priorities as a team.

Information and presentations were provided by Michael J. Ortega, City Manager. He said the framework (\$150 million) for the conversations were important, but the needs far exceeded that. It was the context he wanted to continue coming back to. He suggested one approach was to invest this over five years, simply because it was an opportunity to turn those dials and give the Mayor and Council flexibility and opportunities as time went on.

Mr. Ortega identified some of the investment areas and broke these down into just a few. In giving the Mayor and Council an inkling, if they were to take the \$150 million and divide it into the current year and the dollars set aside as part of the budget for supplementals and how all of that broke down. He said they were investing in affordable housing, public safety, and community services (not just on the parks side, but also on the support side).

Mr. Ortega reminded everyone it was only the supplemental budget, not the base budget, not federal dollars received through the United States Department of Housing and Urban Development (HUD) and/or the American Rescue Plan Act (ARPA) or any other opportunities. He said looking at that and taking it in its entirety, those numbers were significant in how they were being invested over time. He said they were not necessarily asking for direction at this point and discussions could be held into September if the Mayor and Council so wished. He said his goals were having it completed by October 1 and it was not a “one and done” situations but would be ongoing discussions and dialogues.

Discussions were held regarding cancer screenings for Tucson Fire Department (TFD), funding for Target Turner in Planning and Development Services Department (PDSD), wellness in public safety/communications, cost of living adjustments, community safety, health and wellness, affordable housing, water issues, vacancies in Environmental and General Services Department (EGSD), 311, retiree health insurance benefits, and Parks and Recreation amenities.

It was moved by Council Member Cunningham, duly seconded, and carried by a voice vote of 7 to 0, to move forward with the City Manager's recommendation on the FY 22-23 Supplemental Budget requests as presented.

Discussion continued; no further action was taken.

9. **City of Tucson's 2023 Central Arizona Project (CAP) Water Order; and Update on Colorado River System Conservation Efforts and Related Direction to Proceed with Agreements with Other CAP Customers and Water Rights Holders to Enhance System Conservation Relating to Lake Mead (City Wide and Outside City) SS/AUG23-22-150**

Mayor Romero stated this item had been reserved for the Mayor and Council to receive status updates and provide direction to staff on the City's 2023 Central Arizona Project water purchase.

Michael J. Ortega, City Manager said hearing from everyone at the last study session on the importance of water, was an opportunity to keep everyone in real time. He said this was changing fairly quickly, but it gave them a direct opportunity with things that were going on. He suspected there would be future conversations and it could even become a standing item, at least for the foreseeable future and with that he turned it over to John Kmiec, Tucson Water Department Director.

Information was provided by John Kmiec, Tucson Water Department Director, who fielded and answered questions. He updated the Mayor and Council on the City's potential Central Arizona Project (CAP) water order. As in the past, he was assuming that the full allocation owned by the city, which was 144,191-acre feet, was available for their purchase. He also gave an update on the situation with the Colorado River and said by the city ordering their full allocation, it showed the City's intent to do just that.

Mr. Kmiec stated what they had learned the past couple of weeks from the Bureau of Reclamation, was when they made their 24-month modeling study of Lake Mead and where the lake elevation would be on January 1st, it could move the City into what was called a Tier 2A drought status, which was based on the 2019 Drought Contingency Plan. He said in a 2A drought status, they anticipated that besides an excess water pool the CAP canal was gone, and the agricultural pool was gone where they would then start dipping into the Municipal and Industrial contracts which was where the City was. He said he anticipated there would be approximately a 1 to 2% reduction, but he would not know until everyone submitted their orders.

Mr. Kmiec said the Secretary of Interior had not come out with the mandated cuts based on the failure of the seven (7) basin states to come up with two to four million shortage agreements. He said it was his understanding that Arizona and Nevada each provided a proposal to at least reach a two- million-acre foot reduction to save and shore up the lake elevations in the basin, but the other states did not either participate

or simply ignored it. He said it was unclear, but he thought the Secretary of Interior would not impose mandated cuts for 2023 and they were simply leaning to a voluntary system reduction.

Mr. Kmiec stated there were two things he was asking for: 1) Tucson Water moving forward with its desire to purchase its full available allocation, if available; as laid out in the Plan and 2) related to the other side of the discussion which was to reaffirm authority to pursue Compensated System Conservation if available and met with the conditions previously expressed by the Mayor and Council.

Chris Avery, City Attorney's Office, Principal Attorney, gave a brief update on how the Compensated System Conservation came about and provided certain conditions be met as set by the Mayor and Council. He said all conditions would be met with the exception of the requests that system conservations be achieved without any impact from CAP to the City's operational rates. He said in discussions with CAP, there was a proposal they would be considering on September 1st that would set the levels of compensation for operational and maintenance expenses from CAP. He said when CAP orders were reduced late in the year, they incurred a certain amount of expenses, either expenses already incurred to date or expenses they planned to incur that would not be compensated through rates due to those costs.

He stated the questions were how those costs would be allocated and basically, he felt there were three proposals:

- 1) Have all costs compensated through Central Arizona Project's reserve funds or their tax revenues. He said the proposal met the intent of the Mayor and Council and the City back in July.
- 2) A proposal at the extreme to not compensate any of it. He said the proposal was not within the scope of the authority obtained in July and if the proposal was decided upon, staff would come back to the Mayor and Council for authorization to proceed.
- 3) Lastly, was a middle ground proposal similar to what the CAP had already done for system conservation, which was a 50/50 share. He said staff wanted to proceed with the proposal should CAP decide to proceed with the 50/50 share.

Mr. Avery stated a 50/50 share was what CAP had by contract, a rate reconciliation process. He said at the end of the calendar year, when final calculations were done, CAP sends a bill for what the actual costs were to reconcile those rates. He stated it was almost as if the City were able to retroactively bill water customers for additional expenses. He said the idea was in the rate reconciliation process, if the CAP contributed some of those costs basically out of its reserve tax funds, the City could proceed. If the City received a full bill for reconciliation, then staff would return to the Mayor and Council for discussion for what the exact financial impacts would be.

Mr. Kmiec stated the two being brought before the Mayor and Council were for Tucson Water to continue with plans to order its full available allocation for calendar year 2023; and the authority to continue to pursue system conservation for the current year and next year, and if CAP could provide some type of subsidies on the delivery charges.

Discussion was held regarding putting water back into the CAP, but not Lake Mead since none of the other basin states had stepped up; water for tribal neighbors; Pinal County agriculture; Hohokam Irrigation District; and rates.

Comments were made by Council Members Cunningham, Lee, Vice Mayor Santa Cruz and Mayor Romero.

Mayor Romero thanked Tucson Water staff for all of the work they had done currently and in the past years in getting the City to this point. She spoke about the One Water 2100 Master Plan and pushing the envelope in terms of what they were doing as a community. She also touched on the possibility of having to pass on costs to the customers in an equitable way for water if the federal government did not intervene in creating a basin-wide plan to reduce water demands in jurisdictions.

It was moved by Council Member Lee, duly seconded, to move forward with requesting the City's full CAP allocation for FY 2023.

Discussion ensued. The motion carried by a voice vote of 6 to 1 (Council Member Kozachik dissenting).

Mayor Romero asked again what the 2nd part of the asking for a motion was.

Mr. Kmiec stated it was for authority to continue to pursue system conservation for this year and next year, and if CAP could provide some type of subsidies on the delivery charges.

It was moved by Council Member Kozachik, duly seconded, and carried by a voice vote to 7 to 0, to authorize Tucson Water to pursue system conservation for this year and next year, and if CAP could provide some type of subsidies on the delivery charges.

Mike Rankin, City Attorney, commented that by approving that motion, the Mayor and Council also reaffirmed the other terms and direction that they provided on July 12th that were to be embedded in any of the system conservation agreements that staff would sign off on.

(NOTE: Vice Mayor Santa Cruz departed at 3:03 p.m. and returned at 3:06 p.m.)

10. Update on PFAS and the City of Tucson Water Supply (Ward 5) SS/AUG23-22-149

Introductory comments were made by Michael J. Ortega, City Manager.

Information and updates were given by John Kmiec, Tucson Water Department Director, who fielded and answered questions on Per-and polyfluoroalkyl substances (PFAS) and Perfluorooctane Sulfonate (PFOS) efforts during April 1st and June 30th of 2022. He reminded everyone that Tucson Water was a proactive water quality utility, and the community water supply was safe. He said to date, they had removed at least twenty-five (25) wells from service completely or placed them on highly restrictive status. He stated PFAS and PFOS were now less than two-part per trillion and was less than the Environmental Protection Agency (EPA) methods that they used in their standards for measuring fluorinated compounds.

Mr. Kmiec also reported on Perfluorohexanesulfonic acid (PFHxS) and Perfluoro heptanoic acid (PFHpA) were 7 parts per trillion, Perfluoro hexanoic acid (PFHxA) was 200,000 parts per trillion, perfluoro butane sulfonate (PFBS), which received the EPA health advisory, was 420. He said the City was still more conservative than what the EPA was. He said Generation X (GenX) was the 7th compound added into their operation guideline portfolio and that was 10 parts per trillion. He noted they had yet to see GenX in the Tucson area. He reported the Arizona Department of Environmental Quality (ADEQ) continued to move closer to developing final plans for a larger plant for plume containment for the plume emanating from Davis Monthan Air Force Base (DMAFB).

Mr. Kmiec said that with regards to Tucson Airport Remediation Plant (TARP), the city and ADEQ, during the quarter, continually requested assistance from the EPA Region 9 and they had been voicing their concerns on the elevated levels of PFAS moving towards and continuing to enter into the TARP recovery well field.

Discussion ensued regarding meetings with the EPA, ADEQ, Davis-Monthan Air Force Base, Arizona Air National Guard (AZ ANG) regarding Tucson's remediation process and receiving compensation for the work, process for a bell weather community, Region 9 EPA, TCE and 1,4-Dioxine.

No formal action was taken.

RECESS: 3:56 p.m.

RECONVENE: 4:09 p.m.

MAYOR & COUNCIL: Council Member Cunningham arrived at 4:11 p.m.
Council Member Kozachik arrived at 4:14 p.m.

STAFF: All Present

11. Climate Action and Adaptation Plan Update (City Wide) SS/AUG23-22-151

Opening comments were made by Michael J. Ortega, City Manager.

Information and presentation were given by Tim Thomure, Assistant City Manager, who fielded and answered questions regarding an update on the Climate Action and Adaptation Plan titled *Tucson Resilient Together*. He said the Plan was being developed with two main strategies, two overarching lenses through which they were approaching the work. One was it was community centered, and the goal was to develop and implement actions that were supported by our communities and had the most impact and had to be right for Tucson and the second, that it was equity focused. The bulk of their outreach was to underrepresent communities, any of whom would be impacted first and worst by climate change.

Mr. Thomure introduced the members of the consulting team, Chris Rhie and Louis Spanias of Buro Happold, who updated the Mayor and Council with the processes to date.

(NOTE: Council Member Kozachik departed at 4:21 p.m. and returned at 4:27 p.m.)

Discussion ensued regarding the process, the number of groups/people involved, the expertise and experiences brought to the table, all of which were important to the process and the communities in becoming a zero-emission city by 2030.

No formal action was taken.

12. Pima Association of Governments (PAG) Management Committee Recommendation to the PAG Regional Council and Regional Transportation Authority (RTA) Technical Management Committee Recommendation to the RTA Board (City Wide) SS/AUG23-22-152

Mayor Romero stated time had been set aside to discuss the recommendations from the Pima Association of Governments (PAG) and the Regional Transportation Association (RTA) management committees, as well as the upcoming PAG Regional Council and the RTA Board.

Opening comments were made by Michael J. Ortega, City Manager.

Information was provided by Samuel Credio, Department of Transportation and Mobility Director, who fielded and answered questions on an update from the Technical Management Committee (TMC) discussions that occurred two weeks prior. He said the two main topics discussed were the Citizen Advisory Committee (CAC) guiding principles, for the development of the RTA Next. He said for the CAC guiding principles, the TMC discussed and reviewed the guiding principles and there were a couple of comments that the city had that primarily revolved around the conversation regarding inflation as well as the conversations about the usage of the

words “should” and “must” as it related to safety, and because of that, there were some tweaks made to the principal guidelines.

Mr. Credio spoke about the RTA Next workshop that was scheduled to be held on September 22, 2022.

Mr. Ortega informed that as members of the TMC, that meeting was a day away as an opportunity for the TMC to organize in providing the support that the RTA board needed in moving forward. He said for future discussion, the RTA board had asked that the Pima Association of Governments (PAG) staff reach out to City staff and have discussions about projects that the city would be alright moving into from RTA 1 to RTA Next. He said he advised them that he was not comfortable making those decisions without discussions with the Mayor and Council. He recommended in the not-too-distant future, the City invite RTA staff to come and have those discussions with them on the delivery of RTA 1 and strategize on how to possibly move into RTA Next.

Discussion ensued regarding First Avenue, status and shortfall of RTA 1, inflation being included in the guiding principles and status of City projects.

No formal action was taken.

**13. Updates on State and National Legislation and Regional Committees (City Wide)
SS/AUG23-22-145**

Information was provided by Andrew Greenhill, Intergovernmental Relations Manager, regarding the City of Tucson being approved for two federal transportation grants, one for the \$25 million for the 22nd Street bridge and another \$12 million for electric buses. He informed the Mayor and Council, that President Biden signed the Inflation Reduction Act of 2022, the bill passed and also passed by the Senate, which meant it included the \$4 billion for drought response and Colorado River Conservation. This also included \$369 million for energy security and climate mitigation investments. He said some of those funds may be available to city departments and he had already provided some information about some of the opportunities. Mr. Greenhill also announced the United States Postal Service were cancelling their area mail processing studies, so it meant the Cherry Bell Post Office would remain open.

Mr. Greehill fielded and answered questions.

Discussion ensued.

No formal action was taken.

14. **Mayor and Council Discussion of Regular Agenda (City Wide) SS/AUG23-22-144**

No items were identified.

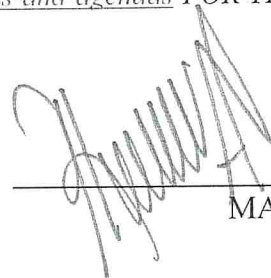
15. **Mayor and Council Discussion of Future Agendas (City Wide) SS/AUG23-22-143**

Council Member Kozachik announced he and Council Member Dahl were submitting a request for an item at the September 13th Study Session on the Grant Road Overlay process.

Council Member Fimbres asked about his request on the renaming of I-10 and Ruthrauff Overpass for fallen Department of Public Safety Officer, Juan Cruz.

16. **ADJOURNMENT: 5:07 p.m.**

AUDIO RECORDING FOR THIS MEETING IS AVAILABLE ON-LINE AT <https://www.tucsonaz.gov/gov/meeting-schedules-and-agendas> FOR TEN YEARS FROM THE DATE OF THIS MEETING.



MAYOR

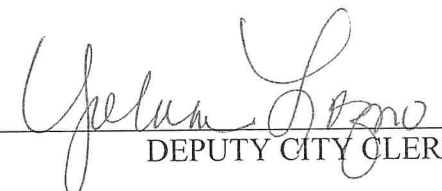
ATTEST:



CITY CLERK

CERTIFICATE OF AUTHENTICITY

I, the undersigned, have read the foregoing transcript of the study session meeting of the Mayor and Council of the City of Tucson, Arizona, held on the 23rd day of August 2022, and do hereby certify that it is an accurate transcription.



DEPUTY CITY CLERK

SM:ds:jc