



Citizen's Water Advisory Committee  
 P.O. Box 27210  
 Tucson, Arizona 85726-7210  
 (520) 791-4213  
 (520) 791-2639 (TDD)  
 (520) 791-4017 (FAX)

**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, February 21, 2007, at 7:04 a.m., in the City Information Technology Building, 481 West Paseo Redondo, First Floor, Pueblo Conference Room, Tucson, Arizona.

**1. Call to Order**

Members Present:

Frank J. Boyle, Chair  
 James T. Barry, Vice Chair  
 Martin M. Fogel  
 Lori Lustig  
 Carol Zimmerman  
 Corina A. Baca  
 Evan Canfield  
 John R. Carhuff  
 Sarah T. Evans  
 Keith Gentzler  
 Adam Smith  
 Daniel J. Sullivan (Left at 8:30 a.m.)

Representing:

Ward 3  
 City Manager  
 Mayor  
 Ward 1  
 Ward 2  
 Ward 5  
 Ward 6  
 City Manager  
 City Manager  
 City Manager  
 City Manager  
 City Manager

Members Absent:

Robert Logan  
 James Horvath  
 Ursula Kramer

Representing:

Ward 4  
 City Manager  
 City Manager

Others Present:

Tina Lee, Council Administrative Assistant, Ward 2  
 Holly Lachowicz, Council Administrative Assistant, Ward 3  
 C.T. Revere, Council Administrative Assistant, Ward 6  
 David Modeer, Director, Tucson Water Department  
 Marie Pearthree, Deputy Director, Tucson Water Department  
 Barbara Dildine, Tucson Water Department  
 Barbara Gilstrap, Capitol Consulting  
 Belinda Oden, Tucson Water Department  
 Bill Richardson, Pima County Wastewater Management Department  
 Bruce Johnson, Tucson Water Department  
 Cecilio Flores, Tucson Water Department  
 Chris Avery, City Attorney's Office  
 Chuck Freitas, Falcon Pools  
 David Cormier, Tucson Water Department  
 Dennis Rule, Tucson Water Department  
 Emily Ryan, Capitol Consulting

Deleted: 1

Fernando Molina, Tucson Water Department  
Frank Kern, City Attorney's Office  
Ilene Grossman, Tucson Water Department  
Joan Stauch, Tucson Water Department  
John O'Hare, Tucson Water Department  
John Thomas, Tucson Water Department  
Karen Tenace, Finance - Budget and Research  
Karen Wilson, Pima County Regional Flood Control District  
Kathleen Skinner, Tucson Metropolitan Chamber of Commerce  
Mitch Basefsky, Tucson Water Department  
Patricia Eisenberg, Tucson Water Department  
Patricia Pittenger, Recording Secretary, City Clerk's Office  
Sandy Elder, Tucson Water Department  
Trucynda Hawkins, Tucson Water Department  
Vince Vasquez, Diamond Ventures

**2. Approval of Minutes – January 10, 2007**

Motion by Committee Member James Barry, duly seconded, to approve the minutes passed 12 to 0. (James Horvath, Robert Logan and Ursula Kramer were absent)

**3. Call to Audience**

No one spoke.

**4. Director's Report**

**a. Recent and Upcoming Mayor & Council Items**

David Modeer, Director of Tucson Water, reported:

- At the January 11, 2007, Mayor and Council's Environment, Planning and Resource Management Subcommittee meeting, a presentation on the proposed Water Resource Fee was given along with an update on Central Arizona Project issues. The subcommittee will be meeting twice a month for the time being, with the second meeting of each month to focus on water issues.
- At the January 17, 2007 Mayor and Council meeting, there were Study Session and Regular Session items concerning the proposed increase to the Water System Equity Fee and the new CAP Water Resource Fee. The notice of intention to increase or establish the fees were approved, and public hearings on each fee were set for March 20, 2007.
- At the February 6, 2007 Mayor and Council meeting, Sarah Evans was re-appointed for another term on CWAC as a City Manager's nominee.
- At the February 21, 2007 Mayor and Council meeting later today, there would be a discussion about the process to appoint members to the Citizens' Water Advisory Committee (CWAC) as had been requested by Vice Mayor West. As part of this item, the Council would also discuss a proposal by the Manager to be able to reappoint or replace those Manager nominees that were made by a previous City Manager. In a separate item, the Council would discuss ideas for using donations to

Deleted: 1

the City to enhance or promote open space that were made through the water bill.

- At the February 22, 2007 Environment, Planning and Resource Management Subcommittee meeting, the Water Financial Plan and the Community Conservation Task Force Executive Summary would be discussed.
- At the February 27, 2007 Mayor and Council meeting, there would be a discussion of the different interest components in the proposed CAP Water Resource Fee.

**b. Other items of interest**

David Modeer, Director of Tucson Water reported:

- There was a bill before the State legislature to give non-Active Management Area (AMA) counties the authority to regulate development as it pertains to available water supplies. That bill, which had a great deal of conflict associated with it, was amended by Senator Flake to require unanimous approval by the County Board of Supervisors to approve water adequacy for development. It was met with opposition from the Board of Supervisors Organization.
- Another bill before the Legislature would establish a quasi-water infrastructure funding mechanism for any water utility, including those in Active Management Areas, to access low interest funding to build water projects to enhance water supply. It was directed towards rural AMA's. It would be set up out of the General Fund, not the Federal Revolving Fund. This bill was likely to be approved.
- Another bill before the Legislature would put further restrictions on the drilling of new wells or replacement wells in or approximate to areas of ground water contamination. This bill was likely to be approved.
- The O'Halleran bill (SB 1508 relating to the water resource element of municipal general plans) did not look like it would be approved.
- Another bill that would have put municipal water utilities that served outside of their town boundaries under the jurisdiction of the Arizona Corporation Committee, did not make it out of committee.
- The last major bill was a bill that needed to be passed by the Senate and the House to have a joint resolution to permit the Department of Water Resources to enter into forbearance agreements with the states of Nevada and California regarding shortage sharing on the Colorado River. The bill passed out of the house and would likely be passed in the Senate. It would then come together to form a joint resolution giving approval to the state to enter into such forbearance agreements.
- The drought continues. The latest forecast was somewhere in the sixty-percent range of normal run-off in the Colorado River Basin. In the state of Arizona it was worse, in the forty-percent range. The outlook continues to worsen, so that intra-state and inter-state shortage sharing agreements would be very important over the next five years or so.

Deleted: 1

- The City of Tucson was awarded nineteen acre-feet of the Flowing Wells CAP Allocation that was up for re-allocation because Flowing Wells gave it up. The Town of Marana was awarded the balance of fifteen hundred acre-feet. Tucson Water had no plans to appeal the award even though we were not satisfied with the process and the way it was awarded. The City would protest the process if the same criteria were used in future allocations.

**5. Community Conservation Task Force Update**

This item was moved to the next meeting to be held March 7, 2007.

**6. Mid-year Financial Report / FY 2007 - FY 2012 Financial Plan**

David Cormier, Tucson Water Department, gave a presentation on mid-year financial results and reported on the proposed FY 2007 - FY2012 Financial Plan with the following schedule:

- February 21, 2007 – CWAC receives Final Financial Plan
- March 7, 2007 – CWAC votes on the Final Financial Plan
- On March 22, 2007 – Staff would present the preliminary Final Financial Plan to the Mayor and Council's Environment, Planning, & Resource Management Subcommittee; CWAC letter to be provided
- April 17, 2007 – the Mayor and Council would consider the Final Financial Plan and water sales revenue increases in the plan; CWAC letter to be provided
- March 2007 – Staff, Rate Consultant, Finance Subcommittee, Customer Rate Design group: develop class revenue targets and proposed water rate schedule
- April 4, 2007 – Staff would present proposed class revenue targets and proposed rate schedule to CWAC
- April 18, 2007 – Special CWAC meeting scheduled for a vote on the proposed rate schedule
- May 1, 2007 – Mayor and Council would receive CWAC's recommendations on rate schedules for FY 2008 in Study Session, then in Regular Session would vote on the notice of intention to increase water rates, filing the supporting report, and setting the public hearing for June 5, 2007
- May 11, 2007 – Staff would run the notice of Public Hearing in the newspaper
- June 5, 2007 – Mayor and Council would hold a Public Hearing on the proposed water rate changes. Following the Public Hearing, the Council would vote on the water rate schedule
- July 9, 2007 – If adopted, new rates would become effective

Chair Boyle asked if it was agreeable to the CWAC Committee to meet twice in April, once on the fourth and once on the eighteenth. The group agreed to both meetings.

Committee Member Lustig asked if the Finance Subcommittee would also need to meet more often. David Cormier confirmed that a number of extra Finance Subcommittee meetings would also need to be held in order to complete the rate process work needed for a July rate change.

Committee Member Carhuff stated they would be meeting frequently.

Chair Boyle asked David Cormier to prepare a schedule of Finance Subcommittee meetings and send it out to the Subcommittee members.

Deleted: 1

David Cormier presented the following in regards to FY 2007 midyear results

- Revenues were lower than had been forecast in two areas; water sales and in the issuance of new meters
  - Potable water sales were down
  - Reclaimed water sales were steady
- Operations & Maintenance was forecast to require its full budget
- Capital spending was up
- Tucson Water has applied for and received preliminary approval for 24.3 million dollars of WIFA funding for Fiscal Year 2008

Committee Member Sullivan requested a one-page summary of the mandates and regulatory controls.

David Modeer said they could provide that for the committee.

## 7. Acquisition of the Rincon Ranch Water Company

Sandy Elder, Tucson Water Department, gave a review of the acquisition of the Rincon Ranch Water Company.

Discussion followed.

Vice Chair Barry moved, duly seconded, to acquire the Rincon Ranch Water Company.

Chair Boyle called for a roll call vote.

Upon roll call, the results were:

Aye: Committee Members Baca, Barry, Boyle, Canfield, Carhuff, Evans, Fogel, Gentzler, Smith and Zimmerman

Nay: Committee Member Lustig

Absent/Excused: Committee Members James Horvath, Robert Logan, Ursula Kramer and Daniel Sullivan were absent.

Motion passed 10 to 1.

## 9. Subcommittee Reports

Committee Member Canfield stated the Tucson Water financial staff did not have a chance to do the rate impact assessment of the Community Conservation Task Force (CCTF) recommendations. This analysis will be developed as part of the FY 2008 – FY 2013 Financial Plan.

## 10. Call to the Audience

No one spoke.

## 11. Adjournment 8:59 a.m.

Deleted: 1