



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 Francis Boyle, Chair, on Wednesday, June 6, 2007, at 7:02 a.m., in the City Information Technology Building, 480 West Paseo Redondo, First Floor, Pueblo Conference Room, Tucson, Arizona.

### 1. Call to Order – a quorum was established.

Members Present:

Francis Boyle, Chair  
Lori Lustig  
Carol Zimmerman  
Robert Logan  
Evan Canfield  
James T. Barry, Vice Chair  
John R. Carhuff  
Sarah Evans (arrived at 7:05)  
Ursula Kramer  
Daniel J. Sullivan

Appointed by:

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

Members Absent:

Martin M. Fogel  
Corina A. Baca  
Keith Gentzler  
James Horvath

Appointed by:

Mayor  
Ward 5  
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, Tucson Water Department Director  
Bruce Johnson, Tucson Water Department Deputy Director  
Marie Pearthree, Tucson Water Department Deputy Director  
Barbara Buus, Tucson Water Management Coordinator  
John Thomas, Tucson Water Management Coordinator  
Trucynda Hawkins, Tucson Water Management Coordinator

Pat Eisenberg, Tucson Water Department Administrator  
Jeff Biggs, Tucson Water Department Administrator  
David Cormier, Tucson Water Department Administrator  
Sandy Elder, Tucson Water Department Administrator  
Ralph Marra, Tucson Water Department Administrator  
Ray Wilson, Tucson Water Department Administrator  
Tim Thomure, Tucson Water Program Supervisor  
Karen Dotson, Tucson Water Program Supervisor  
Mitchell Basefsky, Tucson Water Program Supervisor  
John O'Hare, Tucson Water Department Staff Assistant  
Karen Tenace, Budget Department Lead Analyst  
Chris Avery, Principal Assistant City Attorney  
Robert Johnson, Pima County Department of Transportation  
Karen Wilson, Pima County Flood Control  
Bill Richardson, Pima Co. Wastewater Dept. Sr. Administrative Services Mgr.  
Deborah Tosline, Reclamation Assistant Program Manager  
Richard Willramra, Red Rock Utility General Manager  
Craig Cannizzaro, URS Corporation Wastewater Engineer  
Ceci Sotomayor, Recording Secretary, City Clerk's Office

**2. Call to Audience**

No one spoke.

**3. Approval of Minutes – May 02, 2007**

It was moved by Vice Chair Barry, duly seconded, and carried by a vote of 10 to 0 to approve the minutes as presented (Committee Members Fogel, Baca, Genztler, and Horvath were absent).

**4. Director's Report**

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

David Modeer, Tucson Water Director reported:

- At the May 10, 2007 for Mayor and Council Strategic Focus Area Subcommittee on Environmental, Planning and Resource Management meeting, there was discussion on groundwater replenishment districts forecasts. The two key issues facing the Central Arizona Groundwater Replenish Board included the total amount of water needed and where the replenishment would occur. The subcommittee also viewed a PowerPoint presentation on the paper water issue and proposed cooperative agreements with Tucson area water providers. The committee received an overview of the status of the utility relocations and related roadway expansions.
- At the Mayor and Council Study Session of May 15, 2007, Tucson Water employees explained Enterprise funds and information on the cost of service fees. During the Mayor and Council regular meeting, restructuring the payment schedule, acquisition of easements for fiber optic communication

lines, and the acquisition of the Y-001A wellsite for replacement potable water supply was also discussed.

- At the Mayor and Council Meeting of June 5, 2007, there was a public hearing on amending the Tucson Code relating to water rate increases.
- The Mayor and Council Meeting of June 19, 2007, Tucson Water would have a presentation on Tucson Water business plan, as requested by Vice Mayor West.
- In September it was projected that the Tucson Water long-range plan would be presented to the Mayor and Council.

**b. Other items of interest**

- There was an initiative petition circulating the community called the Tucson Water Bill of Rights, being sponsored by John Kromko. It has a variety of items related to water and the primary one was that once Tucson Water has reached the one hundred and forty thousand acre-feet of utilization of water in their service area, then no more water connections could be issued.
- A pamphlet was received from the Office of Conservation and Sustainable Development, regarding the Conservation Task Force recommendation that would go to Mayor and Council in early fall. Mr. Modeer was currently working on the cost impacts of the implementation of the number of recommendations, should it be passed.
- The Water Loss Control program was active and would be going to the Mayor and Council with their business plan. The issue that would be looked at was source metering, and Tucson Water would have an update on that in the near future.

**5. Update on Reclaimed Water System (presentation)**

Tim Thomure, Water Program Supervisor, gave an update on the Reclaimed Water System by giving out handouts of his report. This included an overview of the City's Reclaimed Water System and effluent issues and to provide additional background information about the water system. The report framed why reclaimed water was important to the community and what it provided to the utility. He spoke about the following issues:

- Status Report / Background
- Reclaimed Source Availability and System Infrastructure
- Reclaimed Water Customers and Demand
- Current and long-term Issues

Vice Chair Barry asked if the potential reclaimed water would get discharged during a time that there was low demand.

Mr. Thomure stated that yes; some of the water would get discharged to the Sweetwater facilities.

Vice Chair Barry asked if there would be a limit of how much effluent the community could use of reclaimed water. With the demand in the community, would there be projection of an amount that the community could expect to use of the effluent.

Mr. Thomure said that one of the interesting things about projected future reclaimed demand was that from the time that the reclaimed system started up until now, they have essentially captured all of the community's demand. All of the golf courses in the service area, and a large portion of the turf area, were on reclaimed water. New developments and new golf courses drive a lot of the future reclaimed water, so there was not a good future projection for the future reclaimed water estimate.

## **6. Pipeline Relocation Costs: Background and Current Status**

Chris Avery, City Attorney's Office, gave a presentation on the current status and background on the pipeline and relocation costs. With the 1982 Supplement to License Agreement, the Resolution No. 11774 was an Inter-Governmental Agreement (IGA) with the City of Tucson and Pima County. The agreement clarified that the City of Tucson and Pima County would share the cost of any Pima County construction project and County rights of way other than sewer construction projects. Under the terms in the IGA, for any County construction project and County rights of way for adjustment or relocation it maintained that the existing large capacity of the costs would be shared equally. The idea was that if the road construction impacted the sewer or water infrastructure then the cost of replacing these things would be split equally. If the infrastructure itself needed to be replaced then it was the entity that was responsible for the type of piping to replace it. Now, if there were a road construction project that was set to occur over a sewer or water pipeline, which has been deteriorating then the responsibility would fall to the entity that would normally replace it.

Mr. Avery said, a few years ago, there was an issue on what costs actually meant, in terms of sharing costs. Between 1982 and 2003 the City and the County have been billing each other for what they consider hard costs. This does not include the planning, design or overhead of the project. It was the actual cost of the pipe, materials, and the work needed to put in the pipe. Then a little after 2003, the County began billing the City for what was considered soft costs, like the planning and design. The City and the County seemed to have already come to an agreement in lieu of the 1982 Supplement to License Agreement, to just bill each other for the hard costs of a project.

Mr. Avery said, with the new Regional Transportation Authority (RTA) projects, the estimated cost of construction, the cost of replacing the infrastructure under the construction projects were built in. Cost estimates were prepared with the following assumptions: All water system infrastructures within RTA projects will

be relocated or replaced; Water infrastructure included transmission and distribution pipes, pressure reducing valves, and pump stations; Land and easement costs were omitted during cost estimation; and Contingency costs were omitted during cost estimation. Cost estimated were given in today's dollars and were not adjusted for inflation. Project costs such as planning, design, traffic control, inspection and other soft costs were not included. Cost estimates were made for projects beginning phase after 2008. Projects in progress were not included in the cost estimate.

Mr. Avery said, of the total costs that were in the RTA budget, the amount came to 1.9 billion and included about sixty-six million dollars in water and sewer utility relocation costs. Of the thirty-five RTA projects there were only five or six projects that were more than sixty-six million dollars. Even though it was not a huge amount of money, within the RTA standards, it was a substantial amount in the RTA budget for the utility relocation costs. After the RTA was adopted in May 2006, the RTA enacted policies. In June of 2006, the policy that RTA enacted said that the RTA was to pay for the utility relocation costs where required by law or by prior agreement. The only prior agreement that existed in Pima County for utility relocation costs would be the 1982 License Agreement, which was between the City and the County. Some of the people that were involved in the development of that policy said that the RTA intended to cover utility relocation costs under the IGA, and others have said that the policy did not intended to cover these costs. Last January, Pima County introduced a proposal to change the policies so that the RTA would pay for utility relocation cost only where required by law. The point of this was that there has not been any legal obligation for the RTA to follow the 1982 License Agreement between the City and the County. The RTA recently adapted that policy into law, which meant that the City and County may have a dispute about projects, especially the ones that were administered by the City and County, but use RTA funds, and are really RTA projects. The respective utilities could be asked to pay the costs related to these relocation costs on the projects.

Committee Member Sullivan interjected that the RTA cost estimates that were used during the first presentation was from a 2005 document. The only value of the information would be a historical document and one that was in play to develop current RTA policies, regarding the utility relocations. The evolution of the policy that was adopted in June 2006 resolved the issue that the RTA would not pay for the utility relocation cost, except if there was a prior agreement or required by law. What the County was seeking was to restate the current legal interpretation to make the statement more blunt and clear. The policy represents the majority of the RTA board, so that the utility costs would be borne by the actual utility not by the RTA. The majority of the RTA board believed that the money should be used for roads and transit, that was the intention of the voters.

Sandy Elder, Tucson Water Administrator, finished off the presentation by defining the costs for the infrastructures. Several years ago, Tucson Water started digitizing their water system and every pipe had a record in the database. They called this database the GIS system and each record has attributes with the diameter, length of the pipe, material used, plans and calculated field of installing

these. With those records as a backdrop, they have all of their pipes in the water system in the database. When the RTA projects started, Tucson Water drew lines to figure out where this affected them and created a buffer of one hundred feet on top of their pipes, and selected all of the pipes in that buffer. Then using the GIS system, they accumulated all the data and summed up all of the pipes that it affected. Then from the current roadway modifications they summed up the costs of what it would be to replace the piping. The costs of roadway modifications were different than the costs that they incur on their capital funds.

Mr. Elder said, capital funding projects were single projects that have a lot of footage and were bid out and lower costs were obtained. The roadway modifications were typically done with a contractor and have pipeline in shorter lengths, so the costs were actually higher. They used the roadway modification cost to figure out how much it would overall cost of replacing the actual pipes in that area. They derived the overall cost for the RTA, for today's cost in the amount of one hundred and sixty-six million dollars, and those were just the hard costs. This was to figure out how much it was going to cost overall for the infrastructure to be replaced.

David Modeer, Tucson Water Director, summarized the report by stating that it was reality that the water lines and the sewer lines would need relocation or replacing. Then there were the future costs of that happening, it may be one hundred and sixty-five million today, but they did not know what would it be in the projected three years that it would take to finish these projects. It was an important issue for the committee because the one million dollars increase in the Capital Improvement Plan (CIP) would potentially equate to one-percent water rate increase.

Chair Boyle asked how much money did the CIP contain for pipe relocation, out of the one hundred sixty six million dollars for projects.

Mr. Elder answered that it was about six million a year and half of the six million covered existing City and County bond projects and modifications.

Chair Boyle asked if that meant that there was approximately three million for RTA projects.

Mr. Elder answered that he was correct.

Chair Boyle said that the RTA schedule that Mr. Elder handed out the first year was considered year zero.

Mr. Elder explained the reasoning was that there are current projects on going at this time, and interchange projects that they do not have actual years set for them.

Chair Boyle stated that twenty million dollars a year for the CIP within five years was declared on the last page of the handout. He asked if this was the correct number

Mr. Elder explained the amount from start to finish would be approximately eight million dollars per year.

Committee Member Sullivan commented that the narrative that was sent to Mayor and Council was quoted for thirty-two million dollars for the RTA projects for the years of 2007 to 2012.

Mr. Elder said that he would look into that, because he thought that the Mayor and Council materials would have been the same information as in the pamphlet.

Chair Boyle asked Mr. Modeer what the amount of money was for RTA projects.

Mr. Modeer stated that the thirty-two million was a correct monetary amount for all of the County and City road and bond projects.

Committee Member Sullivan stated that the narrative that was brought to Mayor and Council was thirty-two million dollars per year as RTA funds.

Committee Member Zimmerman asked if there was initial money for these costs, and if where was it now.

Vice Chair Barry stated that yes there was money, but there was never enough allocated for all the utility relocations.

Committee Member Zimmerman asked where the money was now, considering that there was money initially.

Committee Member Sullivan said that there were some meager allocations, and some of those monies were still available.

Committee Member Lustig asked if there had been money that was supposed to be designated from both municipalities for this purpose. She asked how much was the contributions were from both entities.

Committee Member Zimmerman asked if the committee could get that answered at another meeting, if it was not available now.

Vice Chair Barry explained that there were allocations in addition to the RTA funds. As an example, he brought up Valencia Road and said that Pima County would pay the majority of the impact fees. He said that it did not answer the question if the impact fees and the RTA funds should be used to pay the total cost of utility relocations. He said that was because the general rule, at least from the roadway construction side not the utility side, was that unless the utility had prior rights, the utility paid for the relocation of lines or pipes.

Committee Member Sullivan said that he could provide the information from the RTA for the next meeting.

Chair Boyle said that he did not think that it would be the next meeting. He said that he wanted everything on the table, but there were disputes between the County and City.

Committee Member Sullivan answered that all they could do, would be to figure out the maximum liability for RTA projects. He said with the vast disagreement with the cost itself, the service that they could provide to everyone was to find some mechanism that would be neutral base, so that they could go from there.

Chair Boyle said that later this summer the Finance Subcommittee would be inserted in the process with the City of Tucson.

**7. Summer Meeting Schedule (possible cancellation of August 1 meeting as well as July 4)**

It was moved by Vice Chair Barry, duly seconded, and carried by a vote of 10 to 0 to cancel July and August scheduled meeting dates.

**8. Identification of Possible CWAC agenda items: Next 12 months**

Vice Chair Barry suggested that each of the subcommittee chairs meet sometime between June and weeks prior to the September meeting to come up with a detailed list of agenda items.

Committee Member Carhuff stated that the Finance subcommittee they would be having an item on their agenda considering the lost and unaccounted for water. He said that it would need to be put on the future agenda of the full commission.

Committee Member Carhuff said that from the information that was shared at this meeting there would be a subcommittee meeting prior to the September full commission meeting to discuss the Capital Improvement Program and the utility relocation costs.

**9. Subcommittee Reports**

Committee Member Zimmerman said the Technical, Planning & Policy subcommittee met a couple of weeks ago and would meet again in Mid-August.

Committee Member Canfield said that there was no report on the Education & Conservation subcommittee.

Committee Member Carhuff said that there was no report for the Finance subcommittee.

**10. Call to the Audience**

No one spoke.

**11. Adjournment 8:45 a.m.**