



Citizens' Water Advisory Committee  
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## Citizens' Water Advisory Committee MINUTES

The regular meeting of the Citizens' Water Advisory Committee was called to order by Francis Boyle, Chair, on Wednesday, September 5, 2007, at 7:03 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:

Francis Boyle, Chair  
Lori Lustig  
Carol Zimmerman  
Evan Canfield  
Corina A. Baca  
James T. Barry, Vice Chair  
John R. Carhuff (arrived at 7:10 a.m.)  
Sarah Evans  
Ursula Kramer  
Keith Gentzler  
Martin M. Fogel (departed at 8:35 a.m.)

Appointed by:

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

Members Absent:

Robert Logan  
Daniel Sullivan  
James Horvath

Appointed by:

Ward 4  
City Manager  
City Manager

Others Present:

Tina Lee, Council Administrative Assistant, Ward 2  
Holly Lachowicz, Council Administrative Assistant, Ward 3  
Karen Masbruch, Assistant City Manager  
David Modeer, Tucson Water Department Director  
Marie Pearthree, Tucson Water Department Deputy Director  
Bruce Johnson, Tucson Water Department Assistant 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  
Melodee Loyer, Tucson Water  
Diane Kusel, ADWR  
John O'Hare, Tucson Water Department Staff Assistant  
Karen Tenace, Budget Department Lead Analyst  
Chris Avery, Principal Assistant City Attorney  
Karen Wilson, Pima County Flood Control  
Bill Richardson, Pima Co. Wastewater Dept. Sr. Administrative Services Mgr.  
Joan Stauch, Tucson Water  
Nancy Gradillas, Tucson Water  
Belinda Oden, Tucson Water  
Barbara Dildine, Tucson Water  
Fernando Molina, Tucson Water  
Tim Thomure, Tucson Water  
Linda Smith, Tucson Water  
Ralph Marra, Tucson, Water  
Vince Vasquez, Diamond Ventures, Inc.  
Ceci Sotomayor, Recording Secretary, City Clerk's Office  
Tiki Lawson, Recording Secretary, City Clerk's Office

**2. Call to Audience**

No one spoke.

**3. Approval of Minutes: June 6, 2007**

Motion by Vice Chair Barry, duly seconded, and carried by a vote of 10 to 0 to approve the minutes as presented (Committee Members Carhuff, Logan, Sullivan and Horvath were absent).

**4. Director's Report**

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

David Modeer, Tucson Water Director reported:

- Since the June 2007 CWAC meeting, Tucson Water's business plan was presented and discussed with the Mayor and Council. Small real property purchases were approved to correct the boundaries of the La Paloma reclaim water reservoir facility and to provide better vehicle access to a booster station at Sabino Canyon and Snyder Roads. There was also an amendment to a ground water savings project with BKW Farms in which BKW will take additional CAP water to help the City move closer to using its full CAP allocation. Finally, two continuing water conservation program agreements with the University of Arizona were extended, the SmartScape program for landscape professionals and homeowners, and the Project WET (water

education for teachers) program that targets both students and teachers.

- The Mayor and Council's Subcommittee on Environment, Planning and Resource Management considered some regional water supply activities at their August 7, 2007 meeting. Tucson Water was working with Avra Valley and Metro Water discussing the potential of wheeling their CAP allocations through Tucson Water's Avra Valley facilities. This was in the preliminary stages and it would take time to reach a conclusion on this matter.
- Upcoming items for Mayor and Council approval include several easements for pipelines to serve existing customers and an amendment to a pre-annexation development agreement with the Kolb Road Business Park (near Interstate 10) to clarify some provisions of water service to subdivided parcels.

**b. Other items of interest**

David Modeer, Director of Tucson Water, reported:

- In June 2007, the Central Arizona Water Conservation District (CAWCD) Board of Directors considered property tax rates. The Central Arizona Project (CAP) was funded fifty percent by property taxes and fifty percent by water sales revenues. A move to lower the tax rate concluded with the CAP property tax rate being lowered by two cents. It was hoped revenues would remain steady so that CAP water rates would not have to be raised.
- There was some controversy with the Arizona Department of Water Resources (ADWR) regarding implementation of recent exempt well legislation. ADWR had originally interpreted the legislation differently than water providers in a three county region, by allowing drilling of wells in residential areas of the water providers' service areas. Tucson Water, as well as other water providers, protested this interpretation, and ADWR subsequently agreed. Now the legislation is being interpreted so that the water providers have responsibility regarding whether to deny the authority to drill a well within their service area.
- The pricing of agricultural (ag) pool CAP water was discussed at the August 2007 CAWCD Board of Directors meeting. About 400,000 acre-feet of excess ag pool water is set aside for ag users until approximately the year 2025. Agricultural users pay a low price for this water - \$40 an acre foot in 2006, compared to the \$114 an acre-foot paid by municipal users. The ag pool prices are subsidized by other revenues, like water sales revenues that are paid by everyone. Ag users had wanted to have their costs lowered further to \$35 an acre-foot, but they compromised to pay \$36 an acre-foot for one year. The additional subsidy would come from the sale of sulfur dioxide credits from the electrical generating plant in Page, Arizona. Whether or not this additional subsidy to ag users will continue beyond one year will be discussed by the CAWCD Board early next year.

- It was almost nine months ago that the seven basin states reached an agreement for the operation of the Colorado River under shortage conditions. The proposed agreement was submitted to the Secretary of the Interior as part of an Environmental Impact Statement (EIS) process being conducted by the Secretary. However, the seven states, including Arizona, now disagree on this issue, and the State of Arizona sent a letter to the Secretary of the Interior asking for a process called 'consultation'. If the Secretary of the Interior agrees to consultation on the issues under dispute, it would delay the release of the EIS and the record of decision by the Secretary of the Interior on the shortage criteria. (The record of decision was supposed to come out in December, and it had been delayed at least for 60 days.) The worst case scenario was that this issue could end up going to the Supreme Court next year. The best case scenario was that the stakeholders would agree on an interpretation of the language in the agreement, but this could be difficult to achieve given the opposing opinions in the upper basin and lower basin states, including Arizona.

**c. Other items of interest**

David Modeer, Director of Tucson Water reported:

- Marana had not yet addressed the agreement on effluent use with Tucson Water because they did not think they were subject to the Southern Arizona Water Rights Settlement Act (SAWRSA). However, the Town of Marana's water utility was named in that lawsuit that prompted SAWRSA, along with every other ground water pumper in this region. This disagreement does not involve a significant amount of water, but this issue has interfered with a larger issue of Marana wanting to exercise their option in their intergovernmental agreement with Pima County to take over the sewer collection system and the Marana treatment plant. There was currently a standoff between Marana, Pima County, and the City. The City had told Marana that if they wanted to be on their own, then they could take the water system from the City of Tucson, pay for the investment the City had put into it, but they would not be provided any water, under any conditions, from the City.

**5. Summary: FY 2007 Financial Results**

David Cormier, Tucson Water Business Services Administrator, distributed a handout and gave a presentation on the Preliminary FY 2007 Fiscal Year End Financial Results.

**8. a. Rate Calendar ( Note: This item taken out of order)**

Trucynda Hawkins, Tucson Water Management Coordinator distributed and discussed the rate calendar.

Committee Member Barry commented that he was pleased to see so much interaction with the City Manager's Office.

**8.b. Meeting Date changes (Note: this item taken out of order)**

Chair Boyle proposed a change to three upcoming meeting dates which were changed as follows:

- From Wednesday October 3, 2007 to Wednesday October 10, 2007
- From Wednesday January 2, 2008 to Wednesday January 9, 2008
- From Wednesday February 6, 2008 to Wednesday February 13, 2008

**6. Requested FY 2009 – FY 2013 CIP Budget**

The CIP document was distributed. David Cormier discussed CIP handouts:

- An overview of the 5 Year Capital Budget
- Major projects
- Breakdown of the use of 2005 bond authorization

He also distributed three handouts relating to this item. Discussion followed led by Sandy Elder and Pat Eisenberg, Tucson Water Administrators. Ms Eisenberg continued with a discussion on CIP projects in backlog.

**8.c. Potential CWAC Agenda for 2007-2008 (Memo from Jim Barry, Vice Chair)**

Committee Member Barry distributed a handout covering his meeting with the three sub-committee chairs regarding possible agenda items for CWAC from September 2007 until June 2008. They discussed items that concerned Tucson Water's future and what CWAC should be addressing, including a series of presentations to CWAC to build their knowledge base and expertise such as:

- The 2008 Rate Process
- Proposition 200
- Relocation of Water Plant #1

Mr. Barry then spoke about the following items to be considered for the 2007-08 agenda:

- Water supply and knowledge of drought issues
- New water sources
- Unaccounted for water
- Leak management
- Financial issues and impact fees
- Cost of utility relocation
- New bond election
- Water treatment options
- Potential CIP costs

- Regionalization

Chair Boyle said that the idea was to get all the sub-committee chairs together to come up with a framework of what issues were to be covered over the next 12 months.

## **9. Sub-committee Reports**

Committee Member Zimmerman reported that the Technical, Planning & Policy sub-committee did not meet but would schedule another meeting to get an update on costs associated with a relocation of Plant #1.

Evan Canfield said the Education & Conservation sub-committee did not have a meeting but would meet later in September 2007 to discuss the Citizens Conservation Task Force report.

John Carhuff noted that the Finance sub-committee met last week, submitted questions to staff, and would address the issues at another meeting tomorrow.

### **9.a. Appreciation to Keith Gentzler, outgoing CWAC member**

Committee Member Gentzler is resigning from CWAC due to other commitments. Chair Boyle and David Modeer expressed their gratitude for Committee Member Gentzler's contributions over the years, and gave him a small memento and book from CWAC as a token of their appreciation.

Mr. Gentzler thanked everyone and said it had been a real pleasure working with CWAC and especially with the staff.

## **7. Proposition 200 (Note: this item taken out of order)**

Mr. Modeer began the discussion explaining that everyone was aware of Proposition 200, an initiative that was certified for placement on the November ballot. He reminded everyone that staff could speak to the factual impact of this initiative but were not able to speak to whether it should or should not be supported.

One question was whether Proposition 200 limited growth and ensured sustainable supply of water in the Tucson region. Mr. Modeer replied categorically that it would not limit growth; it only prevented growth inside the Tucson Water service area. Growth would be pushed into the outer areas of the community, would promote sprawl, and would deplete the ground water resources in this region.

Another issue raised in the proposition is "toilet to tap". The City of Tucson has never proposed putting treated effluent into the potable water system, and, in fact is prevented from doing so by state law. The only use of effluent in a potable system that is allowed in Arizona is the surface recharge of A+ effluent that is then eventually pumped out of the ground somewhere as recovered ground water. However, as the effluent in Tucson is not A+, Tucson Water could not do

even that. The plus on A+ means the effluent was de-nitrified, which the County is considering in their future development of wastewater treatment facilities. Hence, toilet to tap was never proposed; what has been said in the long-range plan was that effluent was a valuable resource that needed to be protected and preserved for the future. It may be needed for augmentation of groundwater supply as is done in other Arizona communities.

Proposition 200's limits on the use of reclaimed water was discussed. Mr. Modeer said it limited reclaimed use to irrigation only, and only to an extent to keep the vegetation alive. The only other permitted use would be to put it into the river. Effluent could not be used for fire suppression, dust control or toilet flushing or any other use. It would require Tucson Water to dispose of a valuable resource without putting it to potential positive uses that could be developed in the future.

He added that Tucson was not running out of sustainable water supplies, and in fact had just received an expanded assured water supply designation from ADWR.

A dialogue then ensued regarding whether Tucson would lose its access to water as indicated in the initiative if a shortage were declared on the Colorado River. Mr. Modeer said that it would not. The shortage criteria that had been proposed and would be approved in some format once issues were resolved was a staged shortage on the river. This provided that the shortage would be shared between Nevada, Mexico and Arizona from 400,000 acre-feet in the first stage, to 600,000 acre-feet in the third stage, but it was not estimated to hit municipal supplies for twenty-five to thirty years if the shortage stayed that long. If a drought continued beyond twenty-five to thirty years, no one could say what would happen to any supply. Based on modeling by the Bureau of the Interior and by the Central Arizona Projects, estimates of when a shortage would occur range from 2009 (worst case scenario) to 2015 (best case scenario), with 2011 being the middle range case. Even when a shortage is declared, the shortage would not impact Tucson's supplies for the foreseeable future. The issue for Tucson is that when a shortage is declared, access to our contracted water would be limited to what was used in the previous year. Therefore, the City must make certain it is able to take all of our CAP allocation prior to the declaration of a shortage on the River. Further, other CAP users would be reduced before municipal users like Tucson Water. The initiative requires all new connections to stop immediately when a shortage is declared, even though a shortage would not directly impact Tucson's water supply.

Mr. Modeer said the Proposition significantly affected regional cooperation. The initiative says Tucson could not provide water to any other water provider which meant that Tucson was prevented from supplying water that was currently supplied to entities that were listed as water providers by the Arizona Department of Water Resources. These included the University of Arizona, the Veterans Administration and some trailer parks. It limited Tucson Water's ability to assist other water providers only in an emergency and only for ten days. Tucson Water would not be able to enter into cooperative agreements with other agencies to "wheel" their CAP water through our system and back to them.

Committee Member Lustig asked a question regarding this supply of water to other water providers. Mr. Modeer replied that they were in communication with the University of Arizona, the Veterans Administration and similar entities that receive this water. Upon passage of this initiative, it is likely they would no longer be provided water. Committee Member Lustig asked if these entities were making other arrangements to go elsewhere and if they had other options. Mr. Modeer said that the VA went to Tucson Water's system from their own system because of arsenic and TCE contamination in the area. The University of Arizona was not equipped any longer to provide their full water supply. Staff will continue to coordinate with these entities regarding this issue.

Mr. Modeer said that the proposition would eliminate twenty three million dollars in environmental service fees that would have to be made up from the General Fund. The Mayor and Council would have to decide how to accommodate this reduced funding.

Vice-Chair Barry said if this initiative passed then the Mayor and Council and the City Manager had the issue of raising or requesting this twenty three million dollars to make up these funds. This money would have to be found somewhere.

Chair Boyle asked Chris Avery, Assistant City Attorney, to comment on what limitations were placed on CWAC and its members regarding talking about the proposition.

Chris Avery said CWAC members were entitled as individual members or as a group not meeting in an official capacity to say that, as members of CWAC, they were opposed to this issue. However, CWAC was not allowed to pass a resolution saying CWAC formally opposes or supports this issue.

Committee Member Canfield asked about writing a letter to the Editor expressing their views. Chris Avery replied that a Letter to the Editor from CWAC or on CWAC or Committee letterhead was okay if individual members or as a group expressed an opinion. As long as it was not a formal CWAC position, anyone was entitled to express an opinion. Membership in CWAC could be referenced as a credential when expressing an opinion.

Vice-Chair Barry asked if CWAC members could place an ad in the Daily Star stating their opposition and sign their names and titles.

Chris Avery replied that they could do this but state they are CWAC members. They could not, however, take a position adopted by CWAC. Individual members could take this action on an informal basis.

Committee Member Zimmerman spoke about her campaign against Proposition 200, which was actively underway. Mr. Avery reiterated that CWAC was not entitled to take a formal position. She then noted what the campaign had been doing adding that the web site: [www.200.org](http://www.200.org) could be accessed.

Chair Boyle then asked when early voting started. Committee Member

Zimmerman replied that ballots could be obtained by mid-October.

Vice-Chair Barry asked what a reasonable expectation of voter turnout would be. Committee Member Zimmerman replied that the number of thirty to thirty-five percent was a good estimate.

In response to this question, Committee Member Carhuff asked about public information on this subject.

Mr. Modeer replied that his office or the City Manager could be contacted to speak to a group such as a city club or neighborhood association. If it concerned the garbage fee issue, the Environmental Services Director, Andy Quigley could come. They had already received a number of requests that had been scheduled.

Committee Member Carhuff asked if the information on this issue was available on line. Mr. Modeer replied that it would be up on the City's web site and on Tucson Water's web site once it was completed. The City was producing a brochure related to the FAQ which would be available to the general public and likely be completed in the next few weeks.

Chair Boyle said this would be sent out to members by John Thomas, Tucson Water Management Coordinator. Chair Boyle asked if there would be any opportunity for debate between the sponsors of Proposition 200 and the people opposed to it.

Committee Member Zimmerman replied that there already have been and that John Kromko is scheduled to speak again on this matter.

**10. Call to the Audience**

No one spoke.

**11. Adjournment 9:03 a.m.**