



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, November 14, 2007, at 7:05 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
James T. Barry, Vice Chair
Martin M. Fogel
Lori Lustig
Robert Logan
Corina A. Baca
Evan Canfield
John R. Carhuff
Sarah Evans
Daniel Sullivan

Appointed by:

Ward 3
City Manager
Mayor
Ward 1
Ward 4
Ward 5
Ward 6
City Manager
City Manager
City Manager

Members Absent:

Carol Zimmerman
James Horvath
Ursula Kramer

Appointed by:

Ward 2
City Manager
City Manager

Others Present:

David Modeer, Tucson Water, Director
Marie Pearthree, Tucson Water Deputy Director
John Thomas, Tucson Water Management Coordinator
David Cormier, Tucson Water Administrator
Barbara Buus, Tucson Water Rates Manager
Trucynda Hawkins, Tucson Water Management Coordinator
Tim Thomure, Water Program Supervisor
Fernando Molina, Tucson Water Conservation/Information Supervisor,
Tiki Lawson, Recording Secretary, City Clerk's Office

2. Call to Audience

No one spoke.

3. Approval of Minutes: October 10, 2007

Motion, duly seconded to approve the minutes of October 10, 2007 as presented, passed by a voice vote of 10 to 0 (Committee Members Horvath, Kramer and Zimmerman absent).

4. Director's Report

David Modeer, Tucson Water Department Director reported:

a. Recent and Upcoming Mayor & Council Items

There were no recent items on the Mayor and Council agenda. Three routine items are scheduled for the Mayor and Council.

- Continuation of a Joint Funding Agreement with the U.S. Geological Survey (USGS) to monitor subsidence by GPS and changes in aquifer storage. This is a 3-year agreement that has been ongoing for many years.
- Continuation of a second Joint Funding Agreement with the USGS for a cooperative program to monitor stream flows and to monitor subsidence using extensometer wells.
- Acquisition of several easements related to a development on East 22nd Street and Pantano Wash.

b. Other items of interest

The Bureau of Reclamation released its Environmental Impact Statement relative to the operation of the Colorado River. The dispute between the upper and lower basin states has not been resolved. Arizona awaited a decision in particular due to its disagreement regarding the operation of the two reservoirs on the river. The agreement that was reached over a year ago was not currently standing. The matter was with the Secretary of the Interior.

At the Central Arizona Project (CAP) Board of Director's Meeting, the budget for the next two years was approved and included the same rates that were adopted last year. The Board also authorized the beginning of a process by which a study would be undertaken to determine the steps necessary to achieve an additional supply of water over and above the CAP. This process would be a lengthy one that would involve a stakeholders group that would address

allocation and cost methodology. It would probably be several years before a decision would be reached.

Committee Member Logan asked for clarification regarding new information suggesting the drought would be longer than previously expected.

Mr. Modeer stated that the predictions of a number of institutions relative to the effects of climate change indicate a longer-term drought. The current predictions for the Colorado River over the next five years had not changed since last summer. There was still potential for a shortage within the next three to five years.

5. Response to Questions regarding other Cities' Use of CAP Allocations

Tim Thomure, Water Program Supervisor, provided information in response to the questions that were asked at the last CWAC meeting regarding what other Arizona cities were doing with their CAP allocations. He distributed a handout with information taken from the CAP web site <www.cap-az.com> that showed how much CAP water was being taken by holders of the five largest M&I (Municipal and Industrial) allocations in the state as well as in the Tucson region.

Chair Boyle asked how Metro Water and Oro Valley physically receive the CAP water they were scheduled for.

Mr. Thomure replied that at this time it did not go into their physical service area. They recharged it or used it for ground water savings facilities in parts of northern Marana, and through State law, they were allowed to use credits from that activity to pump ground water from their local service areas.

Chair Boyle wanted to know more about the price and duration of purchases by Scottsdale and Phoenix for additional allocation from Indian tribal leases.

Mr. Modeer replied leases were typically for ninety-nine years. Scottsdale's price was something over \$1,500 per acre-foot on the right to lease the water. The price of the actual CAP water could not be increased over that charged by the state for the water.

Chair Boyle confirmed that the \$1,500 per acre-foot was a one-time up front payment. Then there was the payment of the annual delivery cost. He recognized that this price was cheap as it was over a ninety-nine year period and that maybe Tucson should do this.

Mr. Modeer said that the Ft. McDowell Indian reservation had offered Tucson Water a lease of part of their allocation, but it was a year to year lease that was not attractive.

Committee Member Lustig asked if the prices for Tucson would be locked in if we

were to go ahead and take advantage of this lease opportunity.

Mr. Modeer replied that they would not. This was an annual year-to-year lease so it would not have assisted our long term water supply.

Committee Member Lustig asked whether there was any possibility of Tucson getting a ninety-year lease like Scottsdale has.

Mr. Modeer mentioned that at the present time the Gila River community notified all the water providers in the Phoenix metro areas that they were no longer interested in entering into any leases. This situation might change over time.

Committee Member Barry confirmed that Flowing Wells had been negotiating transfer of a portion of their allocation – about 1,500 acre-feet. Tucson was scheduled to get 19 acre-feet and Marana was scheduled to get the rest.

6. Briefing on Proposition 200 Election

Committee Member Barry requested that this item be continued to the next meeting as Carol Zimmerman was unable to attend this meeting.

Concerning next week's meeting, Committee Member Sullivan requested that the agenda also include a discussion of the meeting time for the committee, and that all agendas include a standing item called 'Future Agenda Items'.

7. Update on Tucson Water FY 2008-FY 2013 Financial Plan

David Cormier, Tucson Water Department Administrator, provided an update on the development of the FY 2008 - FY 2013 Financial Plan. He indicated that revenue shortfalls, increased capital improvement needs, and the purchase of 100% of our CAP allocation starting in July 2008 have contributed to a challenging plan development process. The Plan will be first presented to the Finance Subcommittee on November 27, 2007, and then to CWAC at the December 5, 2007 meeting.

Trucynda Hawkins, Tucson Water Management Coordinator, distributed a handout covering the FY 2008 Monthly Water Rate Process Calendar. She gave an overview of the dates involved.

Barbara Buus, Tucson Water Management Coordinator, presented an overview of Tucson Water's three major revenue streams: water sales revenues, development fees and miscellaneous revenues.

Committee Member Barry mentioned that he sent the Finance Subcommittee an e-mail stating he would not be available on the date of their meeting.

Committee Member Evans asked what the current energy cost impact on the

budget looked like in addition to the impact of moving up the allocation.

Mr. Cormier said that because staff was able to negotiate a special rate with Trico, the power budget for 2009 and 2010 was actually a little lower than what was in the previous financial plan by about a half a million dollars.

Council Member Lustig wanted to know by how much this year's revenues were off from plans.

Mr. Cormier said he did not have exact figures. The bigger question was how the utility was going to deal this year with lower revenues which would involve spending reductions and changes to the financing of the capital program.

Committee Member Lustig asked for the figures at the next Finance Subcommittee Meeting.

8. Community Conservation Task Force Recommendations

Fernando Molina, Tucson Water Conservation/Information Supervisor, distributed a memorandum with attachments from Committee Member Canfield, Chair of the CWAC Conservation and Education Subcommittee. He also gave a PowerPoint presentation with background information about the CCTF recommendations. He mentioned that procedurally, the Task Force recommendations were intended to come through CWAC, and be forwarded with comment to the Mayor and Council.

He said that Tucson Water's long-range plan called for a more aggressive water conservation program. The CCTF had used a planning methodology and new cost benefit model developed by the American Waterworks Association Research Foundation.

Committee Member Canfield advised that his memorandum was based on the Subcommittee's recommendation and included the Motion that they wanted to put on the table for a comment. He discussed why the recommendation was important and justified.

He made the following motion:

"The CCTF Report shall be accompanied by the following comment from CWAC:

CWAC supports implementation of the Community Conservation Task Force (CCTF) recommendations as described in the September 15, 2006 report from the CCTF: *Water Efficiency: Water Conservation Program Recommendations for Tucson's Future*. CWAC recommends that the programs be funded at not less than \$455,000 the first year, and fully funded within five years."

The Motion was duly seconded.

After a clarification of the figures contained in the Memorandum from Committee Member Canfield, discussion began regarding this Motion.

Chair Boyle identified that it was not only the cost of the program in the short term; it was the lost revenues because of lower water sales that had to be considered.

Both Committee Members Evans and Lustig agreed they felt uneasy with that \$455,000 approval based on what was known about the budget. They fully supported conservation efforts but were uncomfortable with the numbers.

Committee Member Logan asked if staff could implement \$455,000 with current staffing levels. Mr. Molina replied that they could but would need to fill an existing vacancy.

Committee Member Evans would also feel uncomfortable if there were no numbers at all and wanted to know if they could come up with something of a compromise number.

Committee Member Barry then suggested that he would make a motion that would delete the dollar amount.

Chair Boyle said they would know either next month or in January more about the budget. He would be in favor of Council Member Barry's suggested amended Motion that did not include a number now, but would leave open the possibility of putting in a number as part of the submission of the financial plan.

Committee Member Baca was not in favor of giving a number, as it was only a recommendation at this point.

Committee Member Barry then offered an amended version of the Motion which read as follows:

“CWAC supports the implementation of the Community Conservation Task Force (CCTF) recommendations as described in the September 15, 2006 report from the CCTF: *Water Efficiency: Water Conservation Program Recommendations for Tucson's Future*. CWAC further recommends that program implementation start in FY 2009 at a level to be determined in subsequent CWAC discussions over the next five-year financial plan. Further out-year funding levels will be determined by program success and budget realities.”

This Motion was amenable to the maker of the first motion and duly seconded. After a roll call vote on this amended Motion, the motion did not pass on a 5 to 5 vote.

Committee Member Sullivan suggested another amendment to the original Motion, leaving out the last clause:

“CWAC supports implementation of the Community Conservation Task Force (CCTF) recommendations as described in the September 15, 2006 report from the CCTF: *Water Efficiency: Water Conservation Program Recommendations for Tucson's Future*. CWAC recommends that the programs be funded at not less than \$455,000 the first year.”

This Motion was amenable to the maker of the first motion and duly seconded. Upon a roll call vote, the Amended Original Motion that passed by a vote of 7 to 3 in favor.

9. Nominating Committee Report

Committee Member Lustig as Chair of the Nominating Committee noted that this Committee met and unanimously voted to recommend Council Member Barry as Chair and Council Member Sarah Evans as Vice-Chair for next year.

Motion to recommend the new Chair and Vice-Chair as per the Nominating Committee was duly seconded and approved by a unanimous hand vote of 10 to 0.

Chair Boyle congratulated the new Chair and Vice-Chair and thanked everyone for the opportunity of serving as Chair. Committee Members thanked him for doing such a good job.

10. Subcommittee Reports

Committee Member Canfield mentioned that Ward 3 would have an Open House on Water Harvesting on December 1, 2007 from 4:30 to 6:30 p.m. There would be an Education & Conservation Subcommittee meeting on November 28, 2007.

11. Call to Audience

No one spoke

12. Adjournment at 8:50 a.m.