



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 James Barry, Chair, on Wednesday, February 13, 2008, 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:

James T. Barry, Chair
Sarah Evans, Vice Chair
Tina Lee
Carol Zimmerman
Francis Boyle
Corina A. Baca
Evan Canfield
John R. Carhuff
James Horvath
Ursula Kramer
Thomas Meixner
Daniel Sullivan

Appointed by:

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

Members Absent:

Martin M. Fogel
Daniel Samorano

Appointed by:

Mayor
City Manager

Others Present:

David Modeer, Tucson Water Director
Marie Pearthree, Tucson Water Deputy Director
Andrew Singelakis, Dept. of Transportation Deputy Director
Steve Pageau, Dept. of Transportation Deputy Director
David Cormier, Tucson Water Department Administrator
Pat Eisenberg, Tucson Water Department Administrator
Sandy Elder, Tucson Water Department Administrator

Barbara Buus, Tucson Water Management Coordinator
Jay Van Echo, DMJM Harris
Mac Hudson, Council Administrative Assistant, Ward 1
Katie Bolger, Council Administrative Assistant, Ward 2
Holly Lachowicz, Council Administrative Assistant, Ward 3
John Thomas, Tucson Water Management Coordinator
Tiki Lawson, Recording Secretary, City Clerk's Office

2. Call to Audience

No one spoke.

Chair Barry announced that Committee Member Martin Fogel was in the hospital. He also announced it was the last CWAC meeting for Barbara Buus, Tucson Water, who was retiring. This was also the last meeting for Committee Member John Carhuff, who is still here today as a voting member.

David Modeer, Tucson Water Director, thanked Committee Member Carhuff for his eight years of leadership and presented him with a Certificate of Recognition from the Mayor in appreciation of his service.

Chair Barry welcomed new Committee Member, Thomas Meixner, from the University of Arizona, who is not yet a voting member.

3. Approval of Minutes: January 22, 2008

Motion, duly seconded, to approve the minutes of January 22, 2007, as presented. Passed by a voice vote of 11 to 0.

4. Director's Report

a. Colorado River Shortage Sharing Agreement

David Modeer, Tucson Water Director, discussed the impact of the Secretary of Interior's decision to allow the Basin States to engage in a process resulting in a new method of operating the River. This method would allow the Basin States to maximize the ability to preserve storage in the two river reservoirs (Lake Mead and Lake Powell) which will lessen the probability of shortages occurring. It was also acknowledged that a shortage would likely occur. It had been an almost two-year process of negotiations among the Seven Basin States in order to come to agreement between the Upper Basin States (Colorado, Utah, Wyoming and New Mexico) and Lower Basin States (Nevada, California and Arizona).

One of the primary concerns of the Upper Basin States was the revenue generated from power sales out of Lake Powell which helps support programs under the Endangered Species Act. They have maintained their position that the level of water of Lake Powell should be maintained to maximize power production. The

Lower Basin States had a different interpretation. Their view was that the priority of the reservoirs was to provide water supply for human use and that power production was a lower priority.

All of the issues in question were eventually resolved, and the Seven States could now go forward and accept the record of decision by the Secretary of the Interior. It appeared from the Lower Basin States that the Secretary of the Interior tended to operate Lake Powell in a way to minimize the chances that Lake Mead would go into shortage. That would mean more water would be held in Lake Powell until such time as Lake Mead would begin to move closer to shortage, and then additional water would be released to the extent that the Secretary of the Interior felt appropriate.

Some of the other Agreement related topics Mr. Modeer brought up were:

- “Intentionally created surplus,” a concept developed by the attorneys for the State of Arizona. Nevada would be allowed to develop their surface water supplies and ground water supplies in northern and central Nevada and put them into Lake Mead where they would be called intentionally created surplus. Without this concept, all three of the Lower Basin States would have access to the created surplus on the river rather than Nevada’s created surplus being preserved for Nevada’s exclusive use.
- Construction of the ‘Drop Two’ reservoir along the All American Canal to capture additional water. Recently, California, Arizona and Nevada agreed to participate in the forming of this non-federally funded project. The twenty eight million dollar cost would be shared four-sixths by Nevada and one-sixth each by California and Arizona. This agreement would be in effect until 2025.

Under the models run by the Bureau of Reclamation, it was anticipated that even when a shortage occurred, and the latest projections have indicated 2011 may be the earliest date for a shortage declaration, that it would take twenty years, perhaps longer, before any municipal subcontractors in Arizona would take any amount of shortage from their contracted amounts of water.

Colorado River contractors had raised concerns over issues dealing with Central Arizona Project (CAP) water and the federal government. Arizona contracts for CAP water were three way contracts among the subcontractor, the Central Arizona Project and the federal government. There is a clause that states that if the River is declared in shortage, then only the amount of subcontract water used in the last non-shortage year would be allowed a subcontractor during the duration of the shortage. Thus, if a shortage was declared this year, Tucson would be limited over the life of the shortage to about eighty thousand acre feet of Colorado River water, which was the amount of Tucson’s subcontract water being used today.

As to where the River stands today, it is hoped that the snow impact will continue in the southern and northern parts of the Rockies. The March and April precipitation

patterns were the key to what would ultimately flow into the Colorado. If it continues as it has been doing, it could be a good year for flows into Lake Powell and Lake Mead.

Committee Member Boyle asked Mr. Modeer what was the most pessimistic scenario where a shortage was actually declared and Arizona would have to take less water than it took the year before.

Mr. Modeer said there were two issues. The most pessimistic estimate, given the current conditions that existed last year and were anticipated to continue, was that the River could be declared in shortage by 2011. If a shortage were declared in either October or April of the next year, then the shortage amount would be taken in three stages:

- The first stage would involve a reduction of water taken off the River of 400,000 acre-feet. Six percent of that amount would be taken by Nevada from their share of the River. The balance (376,000 acre-feet) would be taken by Arizona (and shared by Mexico if such sharing was successfully negotiated). A reduction in Arizona water would come out of the excess water pool, and would mean a reduction in agricultural or water bank water based upon the priorities in the water allocations in Arizona.
- If the drought continued, the second stage reduction to 500,000 acre-feet would be imposed by the Secretary of the Interior. Arizona would receive the same proportional share of the shortage, but again this would impact the “excess water” pool of mostly agricultural or water bank water.
- The third stage of the shortage reduction would be to 600,000 acre-feet. The same shortage sharing scenario would apply: six percent to Nevada and ninety-four percent to Arizona. There is no shortage sharing plan in place beyond this level. States would have to go back to the negotiating process to address further shortages. Theoretically, if the shortage continued from twenty to forty years, Arizona could get down to zero ability to use CAP water, but there are no models that show this would happen.

Committee Member Meixner asked if, within the Agreement, there was any possibility for any organization to buy water for the environment, explicitly for the delta or for in-river flows within the system.

Mr. Modeer did not know of any scenario where this would likely occur. No one could sell Arizona allocations of Colorado River water outside of the state of Arizona under current law.

b. Recent and upcoming Mayor & Council items

On February 5, 2008, there was a significant discussion with Mayor and Council on Tucson Water's long range water plan (which is later agenda item at CWAC today). The Council discussion was lengthy and wide ranging, and will continue over the coming months. It would include a conservation-related public process that was discussed at the February 12, 2008, Mayor and Council meeting.

Also on February 5, staff provided the Mayor and Council with a discussion of issues surrounding the Central Arizona Groundwater Replenishment District (CAGRDR). Tucson Water was working with other utilities to develop legislation to address these issues, especially with regard to CAGRDR's replenishment obligations. These legislative initiatives would be discussed with the Mayor and Council and CWAC as they progress.

In addition, on February 5, 2008 the Mayor and Council adopted the Miscellaneous Fee Study and set the proposed fees for public hearing on March 18.

On February 12, 2008, a large amount of time was spent with the Council discussing the FY 2008-FY2013 Financial Plan. The Council unanimously approved the Plan for 2009, and directed the Utility to come back with a mechanism to set up a designated accounting and funding process encompassing all of the Utility's conservation efforts. Also, the Utility was to conduct a series of town halls and other outreach programs over the next six months to get customer feedback on additional conservation programs. The opinions gathered would address how the conservation program should be implemented, and whether or not additional programs recommended by the Community Conservation Task Force (CCTF) should be implemented. The Utility would then go back to Mayor and Council with that feedback from the public.

Mr. Modeer mentioned that the town halls in each Ward would be supplemented with other activities to obtain feedback from the general public inside the City and residing outside the City. From prior experience, town halls themselves do not generate a high level of attendance.

5. Tucson Water Plant 1 Relocation

Committee Member Zimmerman said the Planning and Policy Subcommittee had been looking at the issue of the Plant 1 relocation for several months now. Street changes at Kino and 22nd Street create a desirable location to move to, and such a move would be beneficial to Tucson Water.

Steve Pageau, Deputy Director of Transportation, gave a short presentation explaining where Plant 1 was located and its historical background as the Utility's base of operations throughout the years. About seven years ago, Tucson Water started to look at other opportunities for a future Plant 1 type facility elsewhere, with emphasis on the 22nd Street – Kino Boulevard corridor.

Andrew Singelakis, Deputy Director of Transportation and his consultant, Jay Van Echo of DMJM Harris, spoke about the proposed 22nd Street and Kino location. They described the three intersection design alternatives being considered:

- Alternative 1: a single point urban or a compressed interchange used in urban areas.
- Alternative 2: a tight diamond involving ramps coming off Kino Parkway into two traffic signals. These were similar to all traffic interchanges being currently reconstructed on I-10.
- Alternative 3: a partial Cloverleaf. This was a plan that had been on City books for about twenty years.

From a traffic standpoint, two of the alternatives – the single point and the partial Cloverleaf - were far superior to the tight diamond alternative.

Sandy Elder, Tucson Water Administrator, discussed relocation issues involved in such a move. Locating utility crews at 22nd and Kino facilities would reduce drive time and increase “wrench time”, but the big issue is cost – a new facility would cost in the area of fifty million dollars. The challenge would be the funding source.

Karen Masbruch, Assistant City Manager, said the City Manager’s Office was interested in utilizing the property that Plant 1 is currently using, which is City property. There was opportunity to save in this relocation project and make it work for both the City and for Tucson Water. There would be continued talks on phasing and working with the costs. A discussion followed regarding the time frame, and financial aspects of the Plant 1 property. There was a possibility to use some Rio Nuevo money to help fund this project. The issue will be addressed again in greater detail, with a better idea of how this project could be put together.

6. Proposition 200 Polling Results – Lessons for CWAC

Committee Member Zimmerman spoke about the polling results and issues that came out of this Proposition. Over fifty thousand households were spoken to by phone during this campaign, and the voter turnout was larger than usual at about thirty-five percent.

The core of concern about water management is still present. Many of those polled felt that should a drought occur, their water would be cut off. There was a lot of misunderstanding about what was in place in terms of managing the Utility’s water. There was also concern about trust in government, especially related to the garbage fee. While the garbage fee was a separate issue, people did not like how it was put forward.

Committee Member Horvath spoke about advertising and public relations for Tucson Water. If there was a way to promote what Tucson Water was doing in a

positive way, this could result in keeping issues like this from being placed on the ballot in the future. There would be no incentive if the perception of the public was a positive one of what was happening with the Utility.

7. Tucson Water Long Range Plan Update

Due to lack of time, this item was deferred to the next meeting.

8. “Water Use in New and Existing Housing”

Val Little, Director, Water Conservation Alliance of Southern Arizona (WATER CASA) gave a presentation. Her organization, affiliated with the University of Arizona College of Architecture and Landscape Architecture, was formed over ten years ago and had been completely funded by its members such as the satellite water providers around Tucson Water, in addition to Pima County and the Town of Sahuarita. Her presentation focused on:

- WATER CASA’s long term project to study actual indoor versus outdoor water use
- Retrofitting the existing neighborhoods of Sewell, Mitman and Thunderbird with HET toilets (“high efficiency toilets”) that use twenty percent less water than ULF (“ultra low flow”) toilets
- EcoBA Study of evaluation & cost benefit analysis of water conservation programs, including federal incentives to augment those already existing in Arizona

Committee Member Boyle asked Ms. Little why she thought Tucson Water’s per capita use of water had been declining in recent years.

Ms. Little replied that she thought there were several factors, some of which had to do with the efforts of the Utility in conservation and public information. In general, the drought had raised people’s awareness. In addition, new houses were more efficient, and smaller lots and houses used less water. It was accurate to say there would be declining water use per capita.

9. Discussion of CWAC Meeting Times

Chair Barry discussed the various meeting times that committee members said they were happy with. He suggested the committee members think on this matter some more and at the next meeting come up with a time that all fifteen members could work with.

10. Future Agenda Items

The next meeting was scheduled for Tuesday, March 18, 2008. The major action item would be the discussion of water rates.

Chair Barry suggested other future items to cover would be conservation, regionalization and finance issues.

Committee Member Horvath asked if CWAC could get a handle on the true costs and benefits to go to a water saving code, and what the savings to the customer and the Utility would be.

Committee Member Carhuff pointed out that this analysis was in the CCTF Report. Chair Barry suggested the committee members read this economic analysis contained in the Report.

11. Call to Audience

Michael Toney spoke about the water supply and acre foot capacity of Lakes Mead and Powell with the help of some charts and graphs.

12. Adjournment – 8.52 a.m.