



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

### MINUTES April 7, 2010

The regular meeting of the Citizens' Water Advisory Committee was called to order by Sarah Evans, Chair, on Wednesday, April 7, 2010, at 7:12 a.m., in the Tucson Water Building, 310 W. Alameda, 3<sup>rd</sup> Floor Director's Conference Room, Tucson, Arizona.

#### 1. Call to Order

##### Members Present:

Sarah Evans, Chair  
Martha Gilliland, Vice Chair  
Thomas Meixner  
Christopher Brooks  
Mark Taylor  
Tina Lee  
Amy McCoy (Departed at 8:17 a.m.)  
Bruce Billings  
Vince Vasquez (Departed at 8:44 a.m.)  
Martin Fogel  
W. Mark Day  
Jeff Biggs, Tucson Water Director

##### Appointed by:

City Manager  
City Manager  
City Manager  
City Manager  
City Manager  
Ward 1  
Ward 2  
Ward 3  
Ward 4  
Mayor  
Mayor  
Ex-Officio Member

##### Members Absent:

Jim Barry  
Jim Horvath  
Evan Canfield  
Michael Gritzuk, Pima County Regional Water  
Reclamation Department Director

City Manager  
City Manager  
Ward 5  
Ex-Officio Member

##### Others Present:

Sandy Elder, Tucson Water Deputy Director  
Fernando Molina, Tucson Water Public Information Officer  
John Thomas, Tucson Water Management Coordinator  
Ralph Marra, Tucson Water Resources Administrator  
Joe Olsen, Tucson Water Planning Administrator  
Stephen Dean, Tucson Water WQ/OPS Administrator  
Pat Eisenberg, Tucson Water Engineering Administrator  
Holly Lachowicz, Ward 3 Administrative Assistant  
Mac Hudson, Ward 1 Aide  
Paul Baughman, Town of Marana Water  
Claire Zucker, Pima Association of Governments  
Deborah Keenan, Recording Secretary, City Clerk's Office

## 2. **Announcements**

No announcements were made.

## 3. **Call to the Audience**

No one spoke.

## 3. **Director's Report**

### 4.

#### (a.) Mayor and Council items

- On April 6, 2010, the Mayor & Council approved rezoning of our water reservoir property at Houghton and Old Spanish Trail on which the Eastside Maintenance facility will be built.
- On April 20, 2010 the Council will be asked to approve the Notice of Intent for the FY 2011 water rate Increase.
- On May 25, 2010, a Public Hearing is scheduled on the rate increase. If approved by the Mayor & Council, the new rates will take effect July 5, 2010.

#### (b.) Other

- On March 31, 2010, the Town of Marana transferred 414.8 acre feet of water credits owed the City of Tucson under the 2000 - 2005 water service IGA. Mr. Biggs and Nicole Ewing-Gavin will meet April 12 with Town Manager Davidson and Dorothy O'Brien, Marana Utilities Director, further discuss the next steps on how to resolve the remaining credits owed Tucson and the future of Tucson serving water to new customers in the Town of Marana.
- Tucson Water staff has met with individual Mayor and Council Members to talk about the proposed water rate increase; so far the Council Members have been very supportive of the rate structure that CWAC recommended to them.
- Water demand: during the 1<sup>st</sup> quarter of this year, the potable demand was about 90% of our normal demand. Demand is getting closer to normal, and a dry spell is expected soon so water demand should increase.

Committee Member Billings asked Mr. Biggs to define "normal" demand. Mr. Biggs explained "normal" was an average of the last 5 years' usage.

Committee Member Taylor asked Mr. Biggs for an explanation of the Marana credit issue. Mr. Biggs stated that Tucson Water began serving water in the northwest area before the Town of Marana incorporated. Tucson Water continued to serve its customers in the Town after the Town incorporated. In 2000, the City and Town entered into a 5-year agreement in which Tucson would serve new customers in the Town in areas where Tucson Water had infrastructure, and in return, the Town would transfer water credits to Tucson Water at the end of every year equal to the amount of water served by Tucson Water to the new Marana customers. The agreement expired in 2005; however, Marana never transferred water credits to Tucson Water for that 2000 – 2005 period when the IGA was in effect. Tucson Water continued to serve new customers in Marana until 2007 when then City Manager Mike Hein said that no new Town customers would be served until the water credit issue was resolved. Mr. Biggs said that Marana had now transferred the water credits owed under the 2000 – 2005 IGA, and that discussions would continue with Town staff to resolve the issue of the remaining credits owed the City.

## 5. Presentation – Water Quality Update

Stephen Dean, Water Quality & Operations Administrator, provided an overview of the water system and the utility's water quality monitoring activities. In addition, he discussed Contaminants of Emerging Concern - CEC's - that included pharmaceuticals and 1,4-Dioxane, and potential stronger EPA regulations governing arsenic that would impact groundwater systems in the future.

He said the Tucson Water main system and ten isolated stand-alone systems included 216 wells and served a population of 775,000 people.

Tucson Water's in-house water quality laboratory is certified by the Arizona Department of Health Services. Costs for water quality monitoring in 2009 were \$2.83 million, and reflect 22 full-time lab employees (chemists, water quality analysts, water quality samplers) and 5 full-time staff for regulatory compliance and reporting.

Tucson Water follows a "Multi-barrier" approach to potable water production and protection, which includes (1) Monitoring, including discretionary sampling for emerging contaminants as well as regulatory compliance, (2) Treatment, to maintain chlorine residual using 150 disinfection facilities throughout the system, and (3) Prevention, including participation in research studies, and real-time monitoring of water quality at 21 stations in the system.

The EPA Office of Water coined the term "emerging contaminants" to describe chemicals and other substances that have no regulatory standards. Examples include antibiotics, human drugs, insecticides, pesticides, hormones. Analytical methods have improved to the parts per billion range and the parts per trillion range (one "part per trillion" is equivalent to one second of time in approximately 31,700 years). . No current known health risks based on low detection levels per EPA standards.

Tucson Water's "Sentry Program" monitors for microconstituents that may be present in recovered Colorado River water or wells along the Santa Cruz river that could be influenced by the effluent from local wastewater treatment plants. The microconstituents detected over the last several years are commonly found across the United States: Carbamazepine, Fluoxetine, Sulfamethoxazole, Perfluoro octanesulfonate-PFOS (found in Scotch Guard).

A local contaminant of emerging concern is 1,4-dioxane, which was detected in 2002 in the TCE plume emanating from the Superfund site at the Tucson Airport. (TCE removal has been ongoing since 1995, via a 7 million gallon per day "pump, treat, and delivery facility" located at Irvington and I-19.)

1,4-dioxane was used in solvents and degreasing agents by the defense-related industries along the airport corridor; it is not removed by the existing TCE removal process. EPA has established a "health advisory" of 3 parts per billion. Tucson Water has proactively worked with the 19 member Unified Citizens' Advisory Board (UCAB), a south-side neighborhood board established to monitor the TCE remediation program, regarding the presence of 1,4-dioxane, and is blending water supplies to ensure that water delivered to customers is below the 3 ppb health advisory level. The blending program costs approximately \$500,000 per year.

EPA is considering reducing the 1,4-dioxane health advisory level 17 fold, down to less than can be detected with lab instruments. A pilot 1,4-dioxane treatment process is under construction at the TCE treatment plant that will test two types of treatment methodologies:

UV-Peroxide and Ozone-Peroxide. Estimated potential treatment cost for Tucson Water south side well field is \$6.6 million capital costs and \$830,000 O&M costs per year.

Chairs Evans requested CWAC members receive UCAB meeting notices

Chair Evans asked what circumstances would require treatment of the south well field. Mr. Dean responded that would occur if Tucson Water couldn't maintain 1,4-dioxane levels at or below the health advisory of 3 parts per billion. Ms. Evans asked how far we are from that point. Mr. Dean responded that there are 7 contingency levels, and we are at Level 3 right now. Level 3 requires blending and Level 4 requires treatment. Committee Member Meixner asked if this issue would be coming before CWAC and the Council at some near date in the future. Mr. Dean responded that if higher 1,4-dioxane was detected in the north TARP well fields, Tucson Water would have a hard time maintaining less than 3 parts per billion at the point of entry. He added that it was all contingent on the 5 wells with 1,4-dioxane not increasing their concentration above about 7 parts per billion. Their concentration levels have stopped rising and have stabilized, but new detects were recently found in 2 other wells.

Committee Member Brooks asked what the highest concentrations of 1,4-dioxane are that have been seen in the plume south of there. Mr. Dean responded they have seen 12, and the Air Force has built an advanced oxidation treatment plant south of Los Reales at the source so they are treating for 1,4-dioxane. Committee Member Brooks asked if their influent concentration was known. Mr. Dean responded that some are between 12 to 20, and they are going after the source. It was discovered that 1,4-dioxane had already migrated down gradient from Los Reales.

Committee Member Taylor asked about the \$830,000 1,4-dioxane treatment costs and whether that means Tucson Water would save the \$500,000 blending cost. Mr. Dean clarified that the \$500,000 figure reflected power costs for bringing in other water, which requires triple pumping. Mr. Dean commented that the \$500,000 would go away and would be replaced by the \$830,000 O&M cost. Mr. Dean added that some flows would not be treated, but the south well field would be treated because it has the highest concentration of 1,4-dioxane. If we can manage that process well, it would be sufficient to add the blending strategy on top of that. He added that the results of this study should be available within the year. During that time frame Tucson Water would continue to monitor 1,4-dioxane levels on a weekly basis.

Committee Member Taylor asked if money was received from Tucson Airport Authority to help treat 1,4-dioxane since the south well was part of the plume. Mr. Dean answered that Tucson Water was working closely with the EPA Region 9 and the United States Air Force on that issue. Mr. Biggs stated that regardless of whether the Air Force contributes money for a treatment facility, if the EPA substantially reduces the health advisory level, Tucson Water would have to build the treatment facility, and hopefully, would be reimbursed for those funds. Mr. Biggs added an announcement was expected later this calendar year from EPA, and CWAC and the Mayor and Council would be notified.

Committee Member Taylor asked if part of the discussion with the Air Force included reimbursement for the current costs of \$500,000 per year for the power required to blend water supplies to meet the 3 ppb health advisory level. Mr. Biggs responded that the City Attorney's office was working with Air Force attorneys, as well as EPA attorneys, on this issue.

Mr. Dean discussed the potential that EPA would lower the regulatory level for Arsenic, and the potential implications for Tucson Water. Arsenic naturally occurs in geology and so is present in groundwater in the Tucson area between 5 and 10 ppb. Arsenic rule contaminant level was 50 ppb for several decades, and in 2002 EPA announced that the contaminant level would be lowered to 10 PPB effective in 2006. The majority of Tucson Water well fields were below 10 ppb; however, some wells had to shut off to comply.

EPA is now considering reducing the arsenic MCL down to 0.21 ppb. 51% of total Tucson Water supply is currently greater than 0.21 ppb for arsenic. The Tucson well fields above 0.21 ppb are:

- Santa Cruz well field, represents 12 million gallons a day, 8 ppb
- AVRA Valley well field, represents 28 million gallons a day, 6.2 ppb
- CAVSARP recharge/recovery, represents 70 million gallons a day, 4.2 ppb

Committee Member Taylor asked what the current arsenic level was for CAP water. Mr. Dean responded it was 3.5 ppb.

If a lower MCL for arsenic is adopted, Tucson Water would face additional treatment costs. A 2006 American Water Works Association (AWWA) study of treatment options and costs for Tucson Water recommended two treatment methods (activated alumina and granular ferric hydroxide). Preliminary cost estimates for the city indicate each 1 MGD treated will cost \$1 million in capital costs and \$250,000 in annual operation and maintenance costs.

Committee Member Vasquez asked what level would be achieved as a result of treatment. Mr. Dean responded the level would be less than detect. He stated that most places now treat to 75% of the MCL, and a lot of purveyors are treating 8 parts or 7 parts per million with their treatment systems right now.

Mr. Dean stated that If the standard was lowered to 5 PPB (half of the current 10 ppb standard), that would be manageable for Tucson Water. There would be an impact, but we would have strategies that could contain and provide our water supply at less than 5 ppb.

Committee Member Meixner commented that although discussion was being held to reduce the level to 5 ppb that toxicologists would essentially say zero was the only acceptable level. He added that arsenic at any level has toxic effects on human biology.

Committee Member Taylor asked what would happen with all the concentrated arsenic that would be pulled out of the Tucson Water system. Mr. Dean stated that issue would fall under concentrate management, which was another challenge. He added that the majority of water purveyors in Arizona have some arsenic in their wells that are at even lower levels, such as 1 or 2, and this was very common.

Mr. Dean reported that Tucson Water has teamed up with the AWWA and there are ten other water purveyors across the United States that Tucson Water has had conference calls with. A letter was sent recently to EPA Region 9 from AWWA. He added that the water purveyors are basically asking for clarification on why EPA wants to lower it to .021 ppb. They also stated the potential impacts to water purveyors and the water customers.

Chair Evans asked if the arsenic concentration rises as the water table lowers. Mr. Dean responded that arsenic is found in the lower zones of the aquifer, and nitrates are usually in the upper zone. Therefore, the deeper we go there are more hot zones of arsenic.

Committee Member Taylor asked what would happen with the concentrated arsenic as a residual. Mr. Dean responded there are drying beds and then it would have to be hauled to a specified landfill that would accept it, or it could be piped elsewhere. There are some scientists who are saying we could actually put the brine back into the ground at certain locations. Mr. Biggs added that a lot of research and piloting both on removal of arsenic and what would be the consequences of the concentrate were needed before any decisions were made on type of treatment or whether it would be a split stream treatment or the full flow treatment. He added that there was a lot of work ahead, and staff is beginning to look at the Santa Cruz well field because it has the highest concentration right now.

Vice Chair Gilliland asked about the issue of legionella, which was a concern of hospitals. Mr. Dean responded that they have never experienced a legionella outbreak in Tucson, to the best of his knowledge. Sandy Elder, Tucson Water, added that there was an outbreak at the University of Arizona hospital some time ago.

Vice Chair Gilliland asked what was done to maintain the right chlorine levels as the temperature at the faucet goes up and down with the seasons, and what the quality of water is at the faucet compared to bottle water. Mr. Dean responded that Tucson Water has 150 water monitoring sites and staff sample these sites two times a week. They have a hand-held PDA used to check the chlorine residuals that they enter into the system. He also stated there was an alarm set up in the SCADA system at the real-time monitoring stations, and if the residual drops below target level, an alarm is received at the central control operator's facility. They then dispatch a person to investigate. Vice Chair Gilliland commented that it must be difficult given the enormous swings of temperature we get. Mr. Dean added that the ambient temperature does affect chlorine, and adjustments have to be made throughout the year.

Vice Chair Gilliland asked about the quality of water at the tap versus bottled water. Mr. Dean responded by pointing out that bottled water was under the jurisdiction of the Federal Drug Administration (FDA) and their requirements and regulations are less stringent than drinking water purveyors. Mr. Biggs added that in regards to cost, a gallon of tap water is 6/10<sup>th</sup> of a cent and is delivered every day.

Committee Member Lee asked if Tucson Water does any testing at the tap and not just at the distribution sites, and was there any reason to believe there would be a difference between what is being delivered versus what people are drinking. Mr. Dean responded that normally there is no testing at the tap, but if a customer complaint was received regarding the water supply, Tucson Water contacts the University of Arizona who conducts the testing.

Committee Member Meixner asked if water at the tap was tested for lead and copper. Mr. Dean responded that due to lead and copper regulations, specific Tucson Water customers in the system assist by providing a sample, which was then picked up by Tucson Water staff for testing.

## **6. Update: State Funding of Department of Water Resources**

Chair Evans reported that at the last meeting, CWAC suggested that a letter be drafted and sent to the Arizona Department of Water Resources (ADWR). The letter was sent and a copy of the letter was distributed to CWAC members.

Mr. Ralph Marra, Tucson Water, reported that the financial situation for ADWR has not improved and that a significant number of layoffs in the Tucson AMA office have occurred. The employees who did not get laid off would be transferred to Phoenix.

Mr. Marra added that Tucson Water received a response from ADWR regarding the Department's letter of concern. The Southern Arizona Water Users Association also wrote of letter of concern on this issue, and there was a possibility the City of Tucson and Pima County Wastewater would be sending letters also. There has been some discussion with Arizona Municipal Water Users Association (AMWUA), which is basically the municipal water providers' lobbying group in the Maricopa area. He also stated that a GUAC (Groundwater Users Advisory Council) meeting was scheduled for April 7, and significant items were on the agenda in regards to how and where they would continue to meet.

Chair Evans asked about the timeline for closure of the Tucson AMA office. Mr. Marra said it would likely occur in mid to late April, but certainly before June 30. Mr. Biggs added he has read the letter ADWR sent to the Southern Arizona Water Users Association in response to their letter of concern, and it appeared to be similar in content to the response received by Tucson Water. He also said the Pima County Wastewater Advisory Committee asked for a copy of the CWAC letter of concern to assist in development of their letter. Chair Evans stated that would be acceptable to CWAC.

Chair Evans reported that at the last CWAC meeting there was discussion about the possibility of having a greater coalition put together a letter that extended beyond CWAC and asked if there are any additional thoughts on that suggestion. Committee Member Vasquez commented that he felt sending additional letters at this point was futile and that unless a letter was going to be sent that contains a revenue source to meet a line item to keep the Tucson AMA office open that we are just "pushing paper". He added that a meeting was held with the Tucson Regional Water Coalition and they would be supportive of a larger coalition approach if a revenue solution was identified that was something they could agree to. To the extent that anyone was able to come up with whatever number was needed and then figure out where was the "handle" for that funding.

Committee Member Meixner commented that Mr. Guenther's (ADWR) response letter indicated the "handle" by mentioning the water use assessment and bottled water tax. He added that it seemed rational that the bottled water tax would meet political opposition, but in regards to the water use assessment, an agency was necessary that would govern long-term water resources availability in the state. He said it would be a simple "quid pro quo". Committee Member Vasquez asked what this would be based on, for example pumping or whatever total amount was used under your right, whether it was pumped. CM Meixner responded that "water deliveries" was the way he would describe it. CM Vasquez mentioned a potential formula utilizing the ADWR reported number for the Tucson AMA for rights, service area rights, and groundwater rights, etc., as divided by whatever the number was needed to keep the office open. Committee Member Billings commented that the challenge was getting the legislature to agree to anything of that sort and was really a political question as to what were they willing to try. Committee Member Vasquez added that if southern Arizona came with a proposed revenue number we would be a lot closer to getting something accomplished than just sending a letter.

Mr. Marra stated that ADWR would likely not do something for the Tucson AMA office only that was not done for all the AMA offices. Committee Member Vasquez stated that the ADWR annual report showed \$3.00 in revenue for every acre-foot that was served. He

added that if it was increased to \$3.20, could the Tucson AMA office remain open and was this something that all the right holders in the AMA would be amenable to?

Chair Evans asked if there was an interest in pursuing that proposal, would Tucson Water staff be available for assisting in putting the numbers together. Mr. Marra responded that they would be able to assist in gathering the needed information. Committee Member Vasquez volunteered to participate if Holly Lachowicz was also available, as she has been very proactive on this subject. Chair Evans added that further updates on this proposed project will be given to CWAC as needed.

## **7. Discussion of Refinements to Tucson Water's Service Area**

Nicole Ewing-Gavin, Assistant to the City Manager and City Coordinator for the City-County Water & Wastewater Study, reported that discussion of refinements to Tucson Water service areas was scheduled for the Mayor and Council Study Session on April 13, 2010. She stated staff would be recommending a 30-day comment period following that meeting so input could be obtained after the Council discussion.

Ms. Ewing-Gavin reported that since 2007, the City has had a water service area policy in place that basically retracted the water service areas to the legally obligated areas of service. A map was shown depicting what areas are currently being served and where we are legally obligated to serve. This was adopted as an interim policy in 2007 pending the outcome of the City-County Water & Wastewater Study. When the Council adopted the City-County Study in February 2010, they directed staff to come back in 45 days with recommendations for refining that obligated service area. The City-County Study suggested several factors that should be considered when making recommendations to extending water service beyond the legally required area:

- Suitability of Growth Area
- Appropriateness of Timing/Phasing of Development
- Impacts on water resources
- Fiscal sustainability of Development and Potential for Future Annexation
- Economic Impact/Benefits
- Quality and Sustainability of Urban Form
- Environmental Implications of Development
- Environmental Implications of Not Providing Water Service
- Social Equity and Social Justice Considerations

She stated that over the past 45 days, a staff team consisting of Sandy Elder, Joe Olsen, Chris Avery, Jeff Biggs, Albert Elias, Byron Howard, and herself has been meeting to come up with recommended extensions for water service per the previously stated criteria. Ms. Ewing-Gavin added that a map was shown to different groups for input and staff would be looking for Council feedback on April 13th. This map depicts areas recommended for water service expansion, and includes areas where the City has potential to annex in the future. One of the goals was to better line up city boundaries and water service boundaries over time. Also noted were areas where jobs/employment and industry, as well as future growth would be located, and areas where Tucson Water was clearly the water provider and there were no other water service options. Areas where failure of Tucson Water to extend service would lead to additional sinking of wells and environmental impact were also depicted. The areas that are not recommended for service generally are those where the City was unlikely to annex and areas that are closer to another jurisdiction or water provider.

She further explained the various aspects of the "Proposed Tucson Water Service Area" map, which included the both the obligated areas and recommended areas for Tucson water service extension outside of the Obligated Service Areas. Recommended areas for extension outside were defined as water service with required annexation (or pre-annexation) to the City, water service with annexation reviewed on a case-by-case basis, areas where water service would not be extended in unincorporated Pima County, and areas belonging to other municipalities, private water companies, and tribal lands.

Committee Member Vasquez asked about the legal obligation to serve areas defined as "infill". Ms. Ewing-Gavin responded that the tests for obligation were whether the City surrounds the property on three sides, and the property was less than 20 acres. Committee Member Billings inquired about legal obligation to areas that were fully surrounded by City property, but more than 20 acres. Ms. Ewing-Gavin responded that there would be no legal obligation. Committee Member Billings commented that those property owners could sink their own well, and Ms. Ewing-Gavin said that was correct, but some areas are more suitable for sinking wells than other areas.

Committee Member Meixner asked about the southwest area where there was no other municipality to start annexation. Ms. Ewing-Gavin stated a lot of discussion had occurred regarding this area, and meetings were also held with county staff. She said the main reason it was designated as a "no service area" related to the unlikelihood that the area would ever be included in City of Tucson. It is located on the other side of the Tucson Mountain range and Drexel Heights was situated between city limits and the southwest area. She added that the County had plans for development of that area for up to 80,000 to 100,000 people. The City had a concern regarding development of that scale taking place in unincorporated areas as it places negative impact on city residents in terms of having to subsidize the roads and public services that would be required. The City view was that if the area would be developed at that scale, it should incorporate into the city or find ways to find revenues to be self-supporting. Committee Member Meixner asked if the City of Tucson would be willing to waive the six-mile requirement to allow for the incorporation, and she responded yes.

Committee Member Vasquez asked Ms. Ewing-Gavin about Pre-annexation Development Agreements (PADA) for the proposed service area extensions, the timing of annexation, and for development in the county. She responded that if it was a PADA situation, the applicant would be able to develop in the county, pay all fees to the county and annex into the City after completion of the development. She added that more negotiations would be required if annexation was required immediately due to being adjacent to city limits. In this situation, development would more than likely occur in the city, and development fees would be paid to the city.

Mr. Biggs responded to an earlier comment that there was no other water provider in the southwest area; he stated that Metro Water just purchased the Diablo Water Company in that area. Ms. Ewing-Gavin added that Tucson Water had already extended service in the southwest area and was now recommending no new extensions. Where Tucson Water has an infrastructure in place, the City was willing to partner with entities like Metro, Oro Valley, or Marana to help wheel water and to use our infrastructure to get water to those areas.

Committee Member Brooks asked if in the course of putting this report together was Tucson's current water supply reviewed to identify water availability to serve those areas. Ms. Ewing-Gavin responded that because of the quick turn-around to provide the report to Mayor and Council, it was more of a qualitative analysis than quantitative. She stated

Tucson Water used the most recent data from the 2050 Plan Update to estimate what the proposed service areas would require in terms of resources. The Mayor and Council were told that over the next 30 days, staff would return with better numbers. She added that there were so many different factors at play it was hard to predict exactly, but they saw that these areas of extension were pretty low water use, with fairly low residential density. Potentially this area would require more water resources if future economic, job, industrial, and commercial development occurred there so it would be important to allocate water to that area for those purposes, but exact numbers were not currently available.

Joe Olsen, Tucson Water Planning & Engineering Administrator, reinforced Ms. Ewing-Gavin's statement that the analysis was more qualitative at this point because of the time restraints of reporting back to Mayor and Council. He also referred to the undeveloped areas the utility was required by contract or law to serve, and made reference to the Water Checkbook analysis that has been presented to Mayor and Council on an annual basis. This was basically a portfolio of our available renewable water supplies and remaining capacity for future development. He added that further analysis would be done to achieve more precise numbers.

Committee Member Vasquez commented that when he first saw the Proposed Tucson Water Service Area map, his thoughts were that the Pima County fairground area was not likely to be developed. He added that he did not know when, if ever, the state land adjacent to the fairgrounds would come on-line. In regards to the parcels where development was imminent, he stated that population and water demand numbers could be plugged in versus holding off water supplies for that entire south land area which may or may not be developed per the scenario planning performed in the City-County Water Study. Ms. Ewing-Gavin responded that there are other reasons besides water supply, such as environmental and economic. She added that it was important to know or have a general idea of the numbers, but we would not want that to be the sole deciding factor. Mr. Olsen, Tucson Water, added that each council office reviewed the map, and adjustments were made. However, further refinements would still need to be made.

Ralph Marra, Tucson Water, commented that when future projections were made that the areas currently served by Tucson Water would increase in density and additional supply would be needed to address that increase.

Committee Member Vasquez added that this could be made a quantitative exercise so the numbers could tell the story of what we can and can't do and should and shouldn't do. He recommended that instead of trying to force the question of whether we want these parcels to annex because there are certain revenue benefits associated with that, it should be water management discussion and whether Tucson Water should be the service provider for those areas given that infrastructure is available and the supply is available to serve those parcels. He added that there are general economic benefits associated with providing service to those parcels and getting them as part of the developed land supply. Once you have the rational water management piece, you can pursue the rationale for annexation.

Ms. Ewing-Gavin responded that one of the things staff tried to do with the study was to connect water policy with the long-term interest of the City. We have not necessarily thought that way in the past, and now we have an \$80 million problem because we have so much unincorporated development here that we don't get state-shared revenues that Maricopa County receives.

Mr. Biggs asked Ms. Ewing-Gavin to mention other groups that Tucson Water has met with. She stated they met with the Tucson Regional Water Coalition, whose members generally expressed support for the expansion of the Tucson Tech Corridor, reserving water for economic growth and for jobs. Once this boundary was adopted, there would be greater certainty for developers as to where water would be served. This raised the point, does it always make sense for a property to annex and should we be so rigid in our forcing annexation for water? Staff also met with an environmental coalition that Ward 2 convenes that also included some residents of the Tucson Mountains neighborhood. Ms. Ewing-Gavin stated that their general sentiment was that more data was needed on what the water resource demand would be for the proposed service areas, and why should we move beyond the areas currently being served until we are really certain we have the necessary resources? She showed a map depicting the County's Conservation Land System. She indicated that the County liked the fact that the City is trying to line up water with where roads would be going and then trying to hold off on the "no service" green areas of the map.

Ms. Ewing-Gavin stated that residents in the Tucson Mountains basically felt that Tucson Water should not extend beyond Tucson City limits anywhere in the Tucson Mountains. They did not feel it was an appropriate growth location. Staff also met with Pima County staff and discussed Pima County's interest in expanding the proposed service area further west, perhaps even as far as the CAP canal. She added that the suggestion would be further looked at and discussed. Generally they liked that it was consistent with the conservation land system.

Chair Evans asked what the next steps would be. Ms. Ewing-Gavin responded that they would be recommending a 30-day comment period, and during that time, City staff would try to get a handle on more quantitative numbers related to water supply. They would return to Mayor and Council in late May or early June with a revision, including additional data and public comments. Following Mayor and Council endorsement of a map, a formal resolution would be presented that would adopt this as the Tucson Water Service Area. She added that staff is recommending that each year in June, as part of the Council reviewing the update of the Water Checkbook (i.e., the analysis of available renewable water supplies), staff would also revisit the map to see if there was a need for adjustments.

Committee Member Taylor asked if the City was seeing more success with annexation based on this water policy, and are they hopeful that annexation will improve and continue. Ms. Ewing-Gavin responded that the policy has helped with certain annexations.

Joe Olsen, Tucson Water, commented that since the policy went into effect they have been PADAs (Preannexation and Development Agreements) established for areas that would not have otherwise been served, primarily south of Davis-Monthan. There have been approximately six or seven PADAs that will lead to annexation when there are enough parcels to meet the correct length/width requirements to come into the City.

Committee Member Vasquez commented that he was assuming annexation was really a pressing goal, and that the water management pieces are second to the real desire for annexation. He stated if that was the case, then working out the terms of a PADA and the ability to annex post development presents a really good compromise.

Ms. Ewing-Gavin stated the City Manager's idea was that once this refined service area policy is adopted, the City would try to get buy-in from the County about the City's area of interest and where it wants to grow and annex. She added the agreement could then be worked out ahead of initial developments.

Sandy Elder, Tucson Water, commented that recently a candidate was considering PADA, but a few years back they were not interested at all. They watched others go through the process without harm, and they came back to the table with questions about the contract or PADA language. The contract was clarified and revised by Tucson Water that made it a better document, and they were comfortable. He added that the momentum toward annexation was building, and before there was negative momentum.

Committee Member Billings asked if Tucson Water has any leverage to encourage the people on the west side of the Tucson Mountains to form a city. Mr. Elder responded that the biggest leverage would be the state-shared revenues and the benefits that communities get from being an incorporated jurisdiction. Ms. Ewing-Gavin added that by not providing service was a piece of leverage, but that this area needs to start looking at not only its water, but how it would do its roads, etc.

Committee Member Meixner asked if there could be another category if that area was willing to incorporate, Tucson Water might be willing to extend water service in that situation. Mr. Elder responded they would deal with that in the same fashion as with Oro Valley, Marana, and the Pasqua Yaqui. They are independent jurisdictions and have access to some services. Those renewable resources can be renewed through our system, whoever they are, and receive the same benefits as any other big players.

Ms. Ewing-Gavin reminded the Committee of the 30-day comment period and stated the map and informational memo would be available April 8 on the City web site.

## **8. Subcommittee Reports**

Conservation/Education Subcommittee: Fernando Molina, Tucson Water Public Information Officer, announced the Conservation-Education Subcommittee would meet on April 19. He said the Subcommittee is starting to prepare recommendations for the end of year report to Mayor and Council. He added that in February, the Subcommittee's submitted its mid-year report Mayor and Council. The Council approved recommendations to allocate funding for marketing of Tucson Water rebate programs and to hire two additional conservation positions. Within the next week, three 30-second television spots will be aired that promote the residential rebate program, the toilet rebate program, and the commercial rebate programs. Mr. Molina also reported they are starting discussions on how to revamp the "Beat the Peak" program.

## **9. Future Agenda Items**

The agenda for the next meeting on May 5, 2010 would include a Division Update by Tucson Water staff.

## **10. Call to Audience**

No one spoke.

## **11. Adjournment**

8:46 a.m.