



Citizens' Water Advisory Committee
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Citizens' Water Advisory Committee

MINUTES:

May 5, 2010

The regular meeting of the Citizens' Water Advisory Committee was called to order by Sarah Evans, Chair, on Wednesday, May 5, 2010, at 7:11 a.m., in the Tucson Water Building, 310 W. Alameda, 3rd Floor Director's Conference Room, Tucson, Arizona.

1. Call to Order

Members Present:

Sarah Evans, Chair
Thomas Meixner
Christopher Brooks
Mark Taylor (Left at 8:10 a.m.)
Jim Barry
Jim Horvath
W. Mark Day
Tina Lee
Amy McCoy
Bruce Billings
Vince Vasquez
Evan Canfield
Martin Fogel

Appointed by:

City Manager
Ward 1
Ward 2
Ward 3
Ward 4
Ward 5
Mayor

Members Absent:

Martha Gilliland, Vice Chair
Jeff Biggs, Tucson Water Director
Michael Gritzuk, Pima County Regional Water
Reclamation Department Director

City Manager
Ex-Officio Member
Ex-Officio Member

Others Present:

Ivey Schmitz, Tucson Water Deputy Director
Sandy Elder, Tucson Water Deputy Director
Chris Avery, Tucson Water Interim 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
Joan Stauch, Tucson Water Customer Service Administrator
Holly Lachowicz, Ward 3 Administrative Assistant
Deborah Tosline, Reclamation

Karen Dotson, Tucson Water
Deborah Keenan, Recording Secretary, City Clerk's Office

2. **Announcements**

Chair Evans announced the following changes to the order of the agenda: Item #6 would be presented after Item #7 and Item #8 after Item #10 Subcommittee Reports.

3. **Call to the Audience**

No one spoke.

4. **Approval of Minutes: March 24, 2010**

It was moved by Committee Member Billings, duly seconded, and passed by a voice vote of 13 to 0 (Vice Chair Gilliland absent) to approve the March 24, 2010, minutes as presented.

5. **Director's Report**

(a) Mayor and Council items

- On April 13, 2010, discussion was held on the refinements to the water service area, and would go back to Mayor and Council on June 15 after the 30-day public comment period.
- On April 20, 2010, the FY 2011 Water Rate Increase Notice of Intent was adopted to set the rate public hearing for May 25th.
- On May 4, 2010, the IGA with the U of A was approved for water facilities and service to the Bioscience Park, as was the expansion of the Manzo School Garden Project on Tucson Water property. The Mayor and Council also authorized a loan agreement with the Water Infrastructure Finance Authority (WIFA) for \$2.75 million and a sale of up to \$40 million in water revenue bonds.
- On May 11, 2010, Mayor & Council will be asked to approve the extension of the Water Service IGA with the Town of Marana
- On May 18, 2010, three items are scheduled: 1) the purchase of the Rincon Ranch Water System, 2) acquisition of a pipeline easement for the second emergency interconnect between Tucson Water's Sierrita Foothills isolated system and the Miraval private water system, and 3) extension of the IGA with Oro Valley regarding water service in the vicinity of Oracle Road and Magee and Hardy Roads.
- On May 25, 2010, a Public Hearing is scheduled on the rate increase.

Committee Member Brooks asked where the Rincon Ranch Water System is located.

Sandy Elder, Water Department, responded that it was a 2 square mile system east of Houghton Road and south of Old Spanish Trail. CWAC reviewed the proposed acquisition two or three years ago and recommended approval. One of the big issues since that time was that Tucson Water did not have clear access to the pipes and there were no clear easements to where all the pipes were located. The attorneys had to sort through all the issues before it could be presented to the Mayor and Council.

Committee Member Vasquez asked what the final purchase price was, how many customers the system had, and if it was located at Sahuaro Corners.

Mr. Elder responded that the purchase price has always been \$300,000, the system had approximately 240 customers, and it is located at Sahuaro Corners. Mr. Elder said

that the family that owns Rincon Ranch, the Calverts, have agreed to let Tucson Water pay the \$300,000 purchase price in 5 annual installments.

Committee Member Brooks asked if the Rincon Ranch system would be tied into our existing system. Mr. Elder responded that there were Tucson Water service area zones on either side of Rincon Ranch that were currently not connected. By acquiring Rincon Ranch, the boosters serving each zone could be interconnected within the Rincon Ranch area which would achieve redundancy: if one booster were to fail, the other booster could serve both of the zones.

Committee Member Canfield asked if that system would then reduce the ground water pumping in the area. Mr. Elder's answer was yes and no. Because of lack of supply in the Rincon Ranch area, approximately 40% of the water Rincon Ranch serves now comes from Tucson Water, through an interconnect that was established in the late 1970's. The remaining demand is provided by two Rincon system wells. Once Tucson Water acquires the Rincon system and interconnects the Tucson Water boosters north and south of the system, then the existing Rincon Ranch wells will be shut down which will reduce groundwater pumping in the area.

(b) Other

- Large amounts of rain were received during the winter and spring that reduced Tucson Water revenues by about a quarter of a million dollars. However, this revenue shortfall was more than covered by cost-control efforts that reduced expenditures by \$2- to \$3-million.
- On May 4, the Human Resources Director made a presentation about the upcoming City Compensation Plan. Employees will be asked to contribute 3.5% of salary in the form of continuing furlough days through next year unless something changes in subsequent conversations with Mayor and Council.
- Tucson Water also held some vacancies to help balance the utility budget. Tucson Water is at a point now where a number of these vacancies can be filled.
- Regarding the City/County Water Study, the next step will be to pull together a group of City and County staff to develop action plans for implementing the recommendations in the report. Drafts of those action plans will come back to CWAC for review and feedback around the end of August or beginning of September, and an update given to CWAC on the status before the July summer break.

7. Division Orientation – Customer Service Division (Item taken out of order)

Joan Stauch, Customer Service Administrator, gave an orientation on the activities in the Customer Service Division. She reported that the Division was generally the first point of contact for Tucson Water customers, sometimes the only contact, and often the last point of contact. She stated that they provided the monthly utility billing services and responded to all customer calls with complaints. The Division also assisted with the conservation and education programs by providing in-home water audits.

Ms. Stauch's presentation included the following topics:

- Division's organizational structure
 - Field side and the Office side
 - West satellite and east satellites divided between meter service and meter reading
 - Responsibilities of Utility Services and Meter Service Representatives
- Vacancies and the effects on the Department

- Statistics on activities performed by the billing office (number of calls answered, types of problems encountered, walk-in customers, etc.).
- Impact of furlough days on the Division
- Call Management System
- Interactive Voice Response System (IVRS)
- Field visits
- Naviline billing system
- High Water Bill Adjustment Policy
- Metering Services and Emergency Line
- Meter Reading Program and replacement of meters
- Landlord/Tenant Agreement as it relates to water bills

Discussion was held and a question and answer period followed. No action was taken.

6. Report Out – April 28 CAP Water Forum: Challenges facing CAP and Southern Arizona

Ralph Marra, Tucson Water Resources Administrator, provided the Committee with a handout that detailed what was discussed at the April 28 CAP Water Forum in Tucson. The meeting included the four CAP board members from Pima County who used the opportunity to inform constituents about the larger CAP issues and how they could potentially impact residents in Pima County.

Mr. Marra reported on discussions held regarding the:

- Navajo Generating Station and the cost of power
- Anticipated regulations on carbon and other coal-related pollutants
- Colorado River shortage that could theoretically occur in 2012, and CAP and the Bureau of Reclamation speculations
- The Acquire, Develop and Deliver (ADD) Water Process
- CAGR D
- Update to current concept of terminal storage or reliability

Discussion was held and a question and answer period followed. No action was taken.

8. Presentation: Tucson Water Reclaimed System

(a) System overview; related City-County Water & WW Phase 2 Report Recommendations

This item was postponed to the next CWAC Meeting of June 2, 2010.

9. Tucson Water Participation in Governor's Blue Ribbon Panel on Water Sustainability

John Kmiec, Regulatory Compliance Supervisor in the Water Quality and Operations Division, gave an update on Governor Brewer's Blue Ribbon Panel on Water Sustainability. He reported the following:

- Governor Brewer's decision to create a water sustainability blue ribbon panel comprised of about 40 representatives from across the state from utilities, energy companies, large agricultural organizations, and other non-profit groups, including the City of Tucson (COT), Phoenix, Scottsdale, and Flagstaff.
- Governor Brewer's purpose for creating the panel was to be able to increase water reuse and recycling across the state of Arizona by 2020.

- Goals established for the panel were:
 - Increase the volume of reclaimed water reused for beneficial purposes in place of raw or potable water
 - Advance water conservation, increase the efficiency of water use by existing users, and increase the use of recycled water for beneficial purposes in place of raw or potable water
 - Reduce the amount of energy needed to produce, treat, and deliver reclaim and recycle water by the municipal, industrial, and agricultural sectors
 - Reduce the amount of water required to produce energy by Arizona power generators.

Mr. Kmiec added that Tucson had been engaged in this issue for about thirty years now, and twenty-seven years with the reclaimed water system. The Blue Ribbon Panel would prepare a final report by November or December of this year that would go before the Governor and the legislature with policy suggestions, including proposed rule changes or statute changes. Also included in the report would be a discussion of the future of water sustainability in Arizona and what issues may prevent us from getting to that next step.

Mr. Kmiec further reported that the Blue Ribbon Panel had five working groups – Public Perception, Economics, Infrastructure, Conservation, and Regulatory/Permitting – that would work on identifying what could be changed across the state so communities could start to look more proactively at recycling and reusing water. The COT was participating in all five of the working groups. A couple of these working groups include key staff from Tucson Water:

- Public Perceptions - Karen Dotson, Co-Chair
- Conservation – Fernando Molina
- Mark Titus was the lead for on-site reclaimed water integration for infrastructure needs at private homes and golf courses

Discussion was held and followed by a question and answer period. No action was taken.

10. Subcommittee Reports

(a) Conservation and Education

Committee Member Canfield reported that the:

- CCTF programs are finally catching up and doing very well, and the low-income toilet replacement program was exceeding targets.
- Single family target of 2,500 HET toilets was exceeded, and multi-family and irrigation retrofits were catching up.
- New television marketing program had already increased the number of individuals calling in to inquire about the rebate programs.
- Other projects are in progress included the single family gray water incentive program and a waterless urinal program.

Chair Evans thanked the members of the subcommittee for their time and efforts. Member Canfield responded that everyone on the subcommittee had contributed their ideas.

(b) Technical, Planning & Policy

Chair Evans announced that Committee Member Brooks had agreed to chair this committee due to the resignation of Committee Member Barry.

Committee Member Brooks stated the subcommittee was re-initiated about 6-8 months ago and their goal was for the committee to be a sounding board for Tucson Water staff on technical planning and policy issues that they plan to present to the full CWAC Committee.

Chair Evans asked if the subcommittee was looking for committee members and if there were any upcoming subcommittee meetings planned.

Committee Member Brooks responded that membership was complete if all the current members remained on the committee.

11. Future Agenda Items

- Division update by Tucson Water staff
- Presentation of the Tucson Water Reclaimed System postponed from this meeting.

12. Call to Audience

No one spoke.

13. Adjournment

The meeting was adjourned at 8:42 a.m.