

CITIZENS' WATER ADVISORY COMMITTEE (CWAC)

Finance Subcommittee

Monday, December 22, 2014, 9:30 a.m.
Tucson Water La Entrada Building
3rd Floor Director's Conference Room
310 W. Alameda Street, Tucson, Arizona



Legal Action Report

1. Roll Call

The meeting was called to order by Finance Subcommittee Chair Bruce Billings at 9:32 a.m. Those present and absent were:

Members:

Bruce Billings (Chair)	Representative, Ward 3
Alan Tonelson	Representative, Ward 1
Brian Wong	Representative, City Manager
Catlow Shipek	Representative, City Manager
Chuck Freitas	Representative, City Manager

Absent:

Mark Taylor	Representative, City Manager
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Tucson Water Staff Members:

Belinda Oden	Business Services Administrator
Pat Eisenberg	Chief Engineer
Melodee Loyer	Chief Planner
Theresa Bourne	Lead Financial Accountant
Dee Korich	Staff Assistant
Kris LaFleur	Staff Assistant

Others Present:

Deb Galardi	Galardi Rothstein Group
Tony Wong	City of Tucson, Office of Budget and Internal Audit

- 2. Announcements** – There were no announcements.
- 3. Call to Audience** – There were no audience statements.
- 4. Review of December 16, 2014, Legal Action Report and approval of Meeting Minutes** – Subcommittee Members reviewed the Legal Action Report from the December 16, 2014, CWAC Finance Subcommittee meeting. Member Tonelson moved to approve the Meeting Minutes; Member Freitas seconded the motion. The motion was carried by a vote of 5 to 0.
- 5. Review Preliminary FY 2015-2020 Financial Plan Options** – Belinda Oden and Melodee Loyer of Tucson Water led a brief discussion of CIP projects with revised carryforward figures for FY 2016-20.

Citizens' Water Advisory Committee (CWAC) Finance Subcommittee

Legal Action Report and Minutes

December 22, 2014

Deb Galardi of Galardi Rothstein Group and Ms. Oden presented Tucson Water's preliminary financial plan options for FY 2015-2020 to Members of the Subcommittee. Four financial plan options were presented – Minimum Rate Increase, Minimum Rate Increase without In Lieu of Tax Fee (ILT), Alternative Plan, and Alternative Plan w/o ILT. Projected rate adjustments for the four plans were 7.0%, 6.8%, 7.3%, and 7.1%, respectively.

Members and Staff discussed various factors included in Tucson Water's FY2015-20 Financial Plan, including anticipated CAP cost increases.

Member Tonelson moved to send the Alternative Plan (7.3% rate adjustment) and the Alternative Plan without In-Lieu of Tax Fee (7.1% rate adjustment) to full CWAC for consideration, with a Finance Subcommittee recommendation of the Alternative Plan without In-Lieu of Tax Fee. Member Freitas seconded the motion, which passed on a roll-call vote of 5-0.

7. * **Preliminary Discussion, Reclaimed Pricing** – Members and Staff discussed broad topics and various stakeholders to be involved in upcoming considerations of Reclaimed Water rate adjustments.

6. **Follow-up, FY 2016 Requested Operating Budget** – Ms. Oden presented additional budget details for discussion, in response to Member requests during the November 24, and December 16, 2014, Finance Subcommittee meetings.

8. **Future Meetings / Agenda Items** –
 - Utility Services Bill redesign
 - Presentation of projected costs for proposed customer service upgrades

9. **Adjournment** – The meeting was adjourned at 10:58 a.m.

* Item taken out of order