



CITIZENS' WATER ADVISORY COMMITTEE (CWAC)
Finance Subcommittee

Thursday, October 20, 2022, 2:00 p.m.

Virtual Meeting via MS Teams

Legal Action Report and Meeting Minutes

1. Call to Order/Roll Call

The meeting was called to order at 2:00 p.m. by Chair Washburn. Those present and absent were:

Present:

Steven Washburn, Chair	Representative, City Manager
Rory Juneman	Representative, City Manager
Mark Stratton	Representative, City Manager
Val Little	Representative, City Manager

- 2. Announcements** – (item was taken out of order) Member Juneman shared information on the recent Mayor and Council meeting on October 18 study session; the council discussed commercial tier rates and asked staff to do an analysis and return in six months.

- 3. Review & Approval of August 18, 2022, Legal Action Report and Meeting Minutes** – (Item was taken out of order) Member Juneman moved to approve the Legal Action Report and Meeting Minutes; Member Stratton duly seconded the motion. The motion passed on a roll-call vote of 4 – 0.

- 4. Preliminary FY22 Year End Financial Report & FY23 First Quarter Results** – Josh Pischke, Tucson Water Finance Specialist, reviewed and discussed the financials; the presentation and discussion included:
- Financial Snapshot - FY22 Year-End Results (prelim unaudited)
 - Storylines - Revenues vs. Expenses FY22 Year-End Results (prelim unaudited)
 - Financial Snapshot – FY23, Q1 Projections
 - FY23 Tucson Water Revenues Budget vs. Actual vs. Prior Year
 - Consumption by Month - Potable
 - Consumption by Month Reclaim
 - FY23 Tucson Water Operating Expenses Budget vs. Actual vs. Prior Year

- h. FY23 Tucson Water Capital Expenses Budget vs. Actual vs. Prior Year

Committee members and staff engaged in discussion. The subcommittee took no action.

- 5. **Rate Increase Updated and Commercial Water Rates** – Water Administrator Colin Jones lead the discussion, generally those items discussed were:
 - a. Review Current Rate Update Status – Motions from Mayor and Council October 18th meeting
 - b. Discussion of Commercial Rate Structure
 - o Cost of Service Parameters
 - o Consumption
 - c. Next Steps
 - d. Townhalls
- 6. **Call to Audience** – Citizen Mark Day commented on appreciation for the rate discussions and relation to conservation. He also commented on AWWA drought surcharges in relation to the commercial rate discussion.
- 7. **Future agenda items** – Budget Impacts of full staffing with the assumption of 0 vacancies, possible trends from 2018 to date. Impacts to revenues or declining revenues based on water conservation and decreased water sales, standing quarterly item. PFAS mitigation impacts on revenues. I-11 funding and effects.
- 8. **Adjournment** – The meeting was adjourned at 3:47 p.m.