



CITIZENS' WATER ADVISORY COMMITTEE (CWAC)  
Finance Subcommittee

Thursday, February 16, 2023, 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 2:01 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 – None**

**3. Review & Approval of October 20th, 2022, Legal Action Report and Meeting Minutes** – Member Stratton moved to approve the Legal Action Report and Meeting Minutes; Member Little duly seconded the motion. The motion passed on a roll-call vote of 4 – 0.

**4. FY24 Draft Budget and Financial Analysis** – Josh Pischke, Tucson Water, XX and Amber Kerwin, Tucson Water Rates Manager reviewed and discussed the following:

- a. FY23 and FY24 comparison
  - Change drivers from FY23- FY24
  - FY20-24 Budget vs Actuals/Projection
  - Forecast Factors for Financial Plan
- b. Impacts to the financial model
  - Forecast Factors for Financial Plan
  - Financial Plan Update: Prior Plan vs Updated
- c. FY24 budget decisions
  - Staff required decisions and evaluation
  - No action was taken on this item

**5. Commercial Rate Analysis: Phase 1** – Amber Kerwin, Tucson Water Rates Manager

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provided an update from the last meeting which identified the scope. Items reviewed and discussed were:

- a. Mayor and Council Direction October 18, 2022, Mayor and Council Direction
  - b. Parameters
  - c. Alternative Rate Structures to be evaluated
    - o Modification to current summer surcharge structure
    - o Splitting the commercial class amongst new sub-classes on consumption
    - o Splitting commercial class amongst new sub classes based on meter size
  - d. Disclaimer
  - e. Alternative Rate structures evaluated
  - f. Evaluation Criteria and potential Weighting
  - g. Current Commercial Rate Structure
  - h. Current Structure in Context of Residential Rates
  - i. Framework for Modifications to current Structure
    - o Revisiting Average Winter Consumption (AWC) Period - Irrigation Services
    - o Revisiting AWC – Regular Water Services
    - o Modifies Rates: Revising AWC Period
  - j. Framework for Modification to current Structure (option 1)
    - o Sample Rate Option 1: Current Rate Structure
  - k. Framework for Subclass Rate Structure (Option 2)
    - o Subclass Water Use
    - o Sample Rate Option 2: Subclass Structure
  - l. Sample Bill Analysis
    - o Sample Bill Impacts
  - m. Preliminary Evaluation of Options
  - n. Sample Customer Impacts
  - o. Scoring of Options
  - p. Timeline
6. **Call to Audience** – none.
7. **Future agenda items** – FY24 Draft Budget
8. **Adjournment** – The meeting was adjourned at 4:00 p.m.