



**Independent Audit and Performance Commission (IAPC)
Wednesday, February 5, 3:00 PM**

**Hybrid Meeting
Location: 255 W. Alameda St., Tucson, AZ, 85701; City Hall, 5th Floor**

Minutes

1. Call to Order and Roll Call— 3:01 p.m.

COMMISSION MEMBERS PRESENT: Bruce Burke (Ward 2), Robert Clark, Vice Chairperson (Ward 5); Lois Pawlak, Chairperson (Ward 6)

COMMISSION MEMBERS ABSENT/EXCUSED: Mayor's Appointee (Vacant); Ward 1 Appointee (Vacant); Ward 3 Appointee (Vacant); Ward 4 Appointee (Vacant)

COMMISSION MEMBERS LATE: N/A

COMMISSION MEMBERS EXCUSED EARLY: Vice Chairperson Robert Clark, adjourned at 4:25 p.m.

A quorum was established.

STAFF MEMBERS: Sarah Denman, Executive Assistant to City Manager Timothy Thomure, City Manager's Office; Aaron Williams, Deputy Director, Business Services Department; Scott Schladweiler, Deputy Director, Tucson Water; James DeGrood, Transportation Administrator, Transportation and Mobility; Silvia Amparano, Deputy Director of Water, Tucson Water

2. Approval of the February 5, 2025, IAPC Meeting Minutes – 5 minutes

Chairperson Pawlak noted that previous meetings were canceled due to scheduling conflicts and external delays, specifically waiting for Tucson Water updates. The minutes from the November 6, 2024, meeting were reviewed. Commissioner Burke moved to approve the minutes as presented, and Vice Chairperson Clark seconded the motion. The motion carried unanimously.

3. Staff Update – 5 minutes

Aaron Williams from Business Services provided updates:

- Key recruitments completed for the Finance Administrator and Finance Manager positions.
- The City of Tucson's financial statements for FY24 are now published online. A link will be provided to the Commission.
- The Single Audit (A-133 Report), reviewing federal grant compliance, is currently under audit and on track for completion.
- FY26 Budget development is underway, with department leadership submitting funding requests to city management.

Chairperson Pawlak inquired about the status of hiring two internal auditors. Staff confirmed recruitment is ongoing within the City Manager's Office, and an official update will be provided at the next meeting. Chairperson Pawlak asked about access to department-level budget reports. Staff

clarified that detailed department budgets are available on the city's website, and they will share a direct link.

4. Tucson Water Presentation- 30 minutes

Tucson Water, led by Deputy Director Scott Schladweiler, provided a detailed overview of infrastructure replacement efforts:

- Tucson Water serves nearly 750,000 residents across a 400-square-mile service area, primarily using groundwater.
- **Water infrastructure age:**
 - Several areas have water lines over 60 years old, with failure rates increasing with age.
 - Pipelines from the 1950s–70s are the most vulnerable to leaks and failures.
- **Pipeline Replacement Strategy:**
 - Tucson Water uses an AI-based tool (VOTA) to prioritize replacements based on pipe age, material, failure history, and soil conditions.
 - The department replaces lines before they fail, ensuring minimal disruption and coordinating with road paving projects.
- **Budget & Coordination with Prop 411:**
 - Over \$100 million is allocated to pipeline replacements over five years.
 - Tucson Water and the Department of Transportation and Mobility (DTM) meet weekly to align projects, reducing costs and avoiding unnecessary street excavations.
 - Joint projects ensure new water lines and fresh pavement are installed together, reducing long-term maintenance costs.
 - In contrast to a road paving project, a water line replacement project has greater complexity due to regulatory preclearance and approval requirements, which impact and extend the timeline for project completion.
 - When a road project is undertaken it often requires Tucson Water to participate because water lines run under streets and can be disrupted by paving work.
 - It is unclear whether Tucson Water has adequate capital funding to keep pace long term with DTM's residential street paving projects that impact waterlines within a DTM project area.
- **Commissioner Discussion:**
 - Commissioner Burke asked about Tucson Water's long-term capital investment needs. Tucson Water estimated system-wide replacement would cost nearly \$1 billion, but current funding focuses on critical and high-risk areas first.
 - Commissioner Pawlak asked about public notification. DTM and Tucson Water confirmed that public outreach efforts include mailings before work begins, though improvements in transparency are needed.

• DTM Presentation – Supplemental Remarks

Jim DeGrood, Deputy Director of Department of Transportation and Mobility (DTM) made a brief presentation to further explain the coordination between Tucson Water and DTM with respect to Prop 411 residential road improvement projects.

- Prop 411 has a 10-year timeline within which to treat and improve all residential roads. That 10-year plan includes a 1-year phase followed by three 3-year phases. The 1-year phase has been completed, which served as a “test run” to determine the best plan elements to pursue in the next three phases.
- DTM is currently in the first year of the first 3-year phase. To date there have been a few road improvement projects that were put on hold due to the inability of Tucson Water to keep pace. As a result of improved coordination between the departments these challenges are being better met.

5. Call to the Audience – 10 minutes

No members of the public were present; no action taken.

6. Future Agenda Items – 15 minutes

Chairperson Pawlak led a discussion on potential future agenda items, including:

- FY24 Budget Book Presentation
- Review of Tucson Code sections related to IAPC functions and reporting requirements
- Update on Internal Auditor Hiring Progress
- Public Notification Process for Water & Road Infrastructure Projects

7. Adjournment

Meeting adjourned at 4:52 p.m.

Commission Members Representing the Office of:

(Mayor) Vacant; (W1) Vacant; (W2) Bruce Burke; (W3) Vacant; (W4) Vacant; (W5) Robert Clark, Vice Chairperson; (W6) Lois Pawlak, Chairperson

Staff Liaison(s):

Sarah Denman, Executive Assistant to the City Manager, City Manager's Office

Note:

Persons with a disability may request a reasonable accommodation by contacting the City Clerk's Office at 791-4213 or (520) 791-2639 for TDD. Requests should be made as early as possible to allow time to arrange the accommodation.