

**CITIZENS' WATER ADVISORY COMMITTEE
(CWAC)**

Wednesday, June 4, 2025, 8:00 a.m.

Hybrid Meeting – Microsoft Teams

Legal Action Report and Meeting Minutes

1) Call to Order / Opening Statement:

CWAC Chair Val Little called the meeting to order at 8:00 a.m.

2) Roll Call:

Those present and absent were:

Present:

Val Little, Chair	Representative, City Manager
Rory Juneman, Vice Chair (Virtual)	Representative, City Manager
Ed Hendel (Virtual)	Representative, Mayor
Alan Forrest	Representative, City Manager
Juliet McKenna	Representative, City Manager
Steven Washburn	Representative, City Manager
Hilari Varnadore (Virtual)	Representative, City Manager
Raul Ramirez (Virtual)	Representative, Ward 1
Tom Prezelski	Representative, Ward 2
Lisa Shipek	Representative, Ward 3
Melissa Lal	Representative, Ward 4
Robert Jaramillo	Representative, Ward 5
William Ellett	Representative, Ward 6
John Kmiec	Ex-Officio (non-Voting) City of Tucson Water Department Director
James Doyle (Virtual)	Ex-Officio (Non-Voting) Pima County Regional Wastewater Reclamation Department

Absent:

Andrea Gerlak (Virtual)	Representative, City Manager
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- 3) Announcements**—On June 17th, the Differential Rate Hearing is being held, and the committee requested additional information.

- 4) Review and approval of May 7, 2025, Legal Action Report and Meeting Minutes – Motion:** Member Varnador moved to approve the Legal Action Report & Meeting Minutes. Member Juneman duly seconded the motion. **Discussion:** None. The motion passed on a voice vote, 12 – 0.

5) **Director's Report** - Tucson Water Deputy Director Scott Schladweiler provided brief updates as follows:

- a) Mayor and Council items:
 - i) Review of April, May, and June agenda items
- b) Colorado River Update
- c) Potable and Reclaimed water demands

Members asked questions, and Deputy Director Schladweiler fielded them throughout his report to clarify information for the committee and provide updates on water matters. No action was taken on this item.

6) **Rate Class Simplification** - Colin Jones, Administrator, Business Organizational Support Services, provided information relating to the merging of industrial customers into the commercial rate class. Those items reviewed and discussed were:

- a) Industrial customers no longer meet code criteria
- b) TUSD and Raytheon will see financial benefits
- c) Reduces administrative burden (over 1,000 individual rate entries)
- d) Revenue-neutral change to be implemented in FY27

No action was taken on this item.

7) 7. ****Final review and recommendation for Tucson Water Rates and Fee changes** - Colin Jones, Administrator, Business Organizational Support Services, began a presentation

- a) Staff Recommendations
 - i) Delay the July increase to August 4th
 - ii) Adopt new conservation fee (\$0.10 → \$0.15/ccf)
 - iii) Adopt GSI fee increase (\$0.13 → \$0.15/ccf)
 - iv) Adopt a differential rate based on debt-to-equity (40/60)
- b) Rationale:
 - i) Outside-city customers require more infrastructure and cost
 - ii) Legally supported and consistent with peer cities
 - iii) Promotes fairness in cost-sharing

Motion: Member Washburn motioned to accept the staff recommendation as outlined by the staff and send two letters to the council. Member Ellet duly seconded the motion. **Discussion:** Member Hendel wanted to discuss the matter further prior to a vote. Member Washburn shared the finance subcommittee took a deep dive into the information. Member Juneman requested the motion be retracted. Member Washburn tabled the motion. Member Shipek commented the Conservation has heard about this in C&E and the shortage of funds for Conservation and GSI, she is in support of this motion.

Presenter Colin Jones proceeded with his presentations noted that minimal new information had been added to the presentation and that the purpose of this item was to provide a refresher on the previously discussed differential water rates. Following the presentation, the committee

engaged in an extended discussion, sharing their perspectives on differential rates and posing several questions to Tucson Water staff.

Motion: Member Washburn reinstated the motion to accept staff recommendations as outlined and a letter to the council. The **discussion** was reopened: Member Juneman expressed his appreciation for the explanation, which changed his opinion to support. Member Washburn expressed, as a county resident, that he is in support. Member Forrest agreed to lump items together in a single approval letter. Member Hendel requested a robust discussion before a vote; the legal aspect has been addressed, however, there is room for enhancing low-income assistance and climate resilience. Member Hendel is hesitant to continue the vote. Member Ramirez requested that information be added to the letter regarding assistance to low-income families. The motion was restated by Member Washburn, and Chair Little called for a roll call vote. Member Hendel requested an amendment. The amendment was to have an addition to the letter to include funding towards low-income assistance and climate resilience. Member Washburn declined to accept the amendment. A roll call vote was taken. The motion passed 11-1

Motion: Member Hendel motioned to amend the letter to the Mayor and Council with a section on a minority opinion that funds would not be revenue neutral, and the funding should be used for low-income assistance and climate resilience, similar to the policy recommendation in 2020. The motion was duly seconded by member Ramirez. **Discussion:** Member Forrest declined to support based on the minority opinion. Member Washburn agreed and commented on the consultants found this funding to be revenue neutral and balanced. Keeping issues and other initiatives separate. Member Shipek would have appreciated additional conversation and acknowledged Member Hendel's efforts in other initiatives, expanded conversations, and missed opportunities to direct the Mayor and Council. Member McKenna does not support the motion as it is unnecessary to fund low income when funds are unused, and the subject is in relation to rates, not low income, and that is a different subject for discussion. Member Hendel restated the motion. Chair Little called the vote. The motion failed on a roll-call vote, 4-8.

8) **Annual Report and Water Portfolio** - Asia Philbin, Chief Hydrologist, Source Water Division, provided an abridged version of her annual update to the committee. Those items reviewed and discussed were:

- a) Water production breakdown (Potable, Groundwater, Recycled)
- b) Rainwater harvesting program updates
- c) Potable & effluent water "checkbook" balances
- d) Storage credits (CAP & effluent)
- e) Demand projections and supply reliability

No action was taken on this item.

9) **Water Service Area Policy (WSAP)** - Richard Sarti, Administrator, New Area Development, provided his annual review of the WSAP. Those items reviewed and discussed were:

- a) Policy & Background
- b) Denials & reasons

Member Prezelski arrived at 08:15 a.m.

Member Ellett left at 09:01 a.m.

- c) Water Service Area Review Board
No action was taken on this item.

10) **Subcommittee Reports** - This item was delayed because other agenda items exceeded the time.

11) **Member Recognition** - John Kmiec, Tucson Water Director, recognized Chair Little for years of dedicated service to the utility. CWAC members and Tucson Water staff had the opportunity to share stories and recognize Chair Little for all her accomplishments on the Committee and its subcommittees.

- a) Recognized for service (2017–2025)
- b) Praised for advocacy, leadership, and conservation work
- c) Multiple staff and committee members offered tributes

12) **Call to Audience** – This item was delayed because other agenda items exceeded the time.

13) **Future Meeting / Agenda Items** – This item was delayed because other agenda items exceeded the time.

14) **Adjournment** – The meeting was adjourned at 10:08 a.m.