

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

Wednesday, October 7, 2026, 8:00 a.m.

Hybrid Meeting – Microsoft Teams

Legal Action Report and Meeting Minutes

1) Call to Order / Opening Statement:

CWAC Chair Steven Washburn called the meeting to order at 8:00 a.m.

2) Roll Call:

Those present and absent were:

Present:

Steven Washburn (Chair)

William Ellett (V. Chair)

Alan Forrest

Andrea Gerlak

Hilari Varnadore

Claire Zucker

Raul Ramirez

Lisa Shippek

Robert Jaramillo

John Kmiec

James Doyle

Representative, City Manager

Representative, Ward 6

Representative, City Manager

Representative, City Manager

Representative, City Manager

Representative, City Manager

Representative, Ward 1

Representative, Ward 3

Representative, Ward 5

Ex-Officio (non-Voting) City of Tucson Water
Department Director

Ex-Officio (Non-Voting) Pima County Regional
Wastewater Reclamation Department

Absent:

Tom Prezelski

Melissa Lal

Representative, Ward 2

Representative, Ward 4

- 3) Announcements** — Chair Washburn made an announcement regarding tracking drought in Lake Powel, and the Governor's announcement about the state's standing in water.

- 4) Review and approval of September 2, 2026, Legal Action Report and Meeting Minutes – Motion:** Member Gerlak moved to approve the Legal Action Report & Meeting Minutes. Member Ellett duly seconded the motion. **Discussion:** None. The motion passed by voice vote, 9–0.

- 5) Director's Report** - Tucson Water Director John Kmiec provided brief updates as follows:
a) Mayor and Council items

- b) Colorado River
- c) Water Demands

Committee members asked questions throughout the presentation. No action was taken on this item.

- 6) **Finance 101** – Colin Jones, Administrator, City of Tucson Water Department provided an update on Tucson Water’s current financial structure. Tucson Water runs under an enterprise system, selling potable water to finance operational costs. Tucson Water has two main budgets: the operating budget, which covers day-to-day operations, and the capital budget, which mainly covers projects and asset replacement. Most of Tucson Water’s revenue comes from sales and fees for providing potable water. Tucson Water additionally receives revenue from connection fees/development impact fees, water supply fees, grants, bonds, other capital funding sources, conservation fees, and green infrastructure fees. There are four prominent categories the revenue goes to: Operations and Maintenance (O&M), Debt Service, Capital Improvement Program (CIP), and Reserves.

Mr. Jones also described the rate-setting process. Tucson Water primarily sets rates based on cost-of-service, tiered/conservation-based structures, and the rate-change process. Cost-of-service rates are tied to the actual cost to serve different customer classes.

Tiered/conservation based rates are structured to incentivize water conservation among customers. Affordability considerations include low-income assistance programs and a fixed vs. variable revenue based on circumstances. The rate-changing process included how rates are proposed, reviewed, and approved. Additionally, Tucson Water is within a healthy range of debt (40-60% days of O&M on hand), which positively impacts its bond rating around AA and debt coverage around 4.4%.

- 7) **Subcommittee Reports** - Each subcommittee chair reviewed agenda items and discussions held at previous meetings and updated the committee on future subcommittee topics.
- 8) **Call to Audience** –
- 9) **Future Meeting / Agenda Items** – Future meeting agenda items are Capital Improvement Projects (CIP), Advanced Water Purification (AWP), Asset Management, Elections, 1W2100.
- 10) **Adjournment** – The meeting was adjourned at 9:52 a.m.