



PRESS RELEASE

FOR IMMEDIATE RELEASE

Rex Scott, District 1

Tuesday, June 8, 2021

Supervisor Scott Statement to City of Tucson Mayor and Council

PIMA COUNTY- Honorable Mayor Romero and honorable members of the Tucson City Council, thank you for the opportunity to address you tonight regarding my opposition to the proposal you are considering imposing higher water rates on Tucson Water customers in the unincorporated regions of its service area. These higher water rates, which are unfair, inequitable and illogically conceived, would affect many of the people that I represent. I am going to focus on just three of the reasons for opposing this proposal in my remarks to you.

First, many of you have asserted that Tucson Water has never been formally designated as a regional water provider. This assertion ignores the practices of the utility dating back to the late 1970's, when Arizona jurisdictions were asked to outline their service areas to justify their requested allocations of Central Arizona Project water. Tucson Water designated a service area that stretched from Catalina to the north and Corona de Tucson to the south. As a result, the city receives almost 80% of our region's industrial and residential CAP allocation. It has been providing water to people in that service area since that time and has never charged higher rates to the customers who live outside the city limits. These citizens, who make up more than a third of the utility's ratepayers, have a reasonable expectation that they will be treated fairly and equitably regarding the rates they are charged. If they use more water, they pay more under the utility's tiered rate system, which is just and reasonable, unlike this proposal.

Second, there is no "cost of service" rationale for these higher rates. This fact has been acknowledged by city officials and has been noted in the minutes of the Citizen's Water Advisory Committee. Despite the assertions of some of this proposal's supporters in the community, it does not cost Tucson Water more to deliver water to its customers outside the city limits. In fact, there are many areas within the city limits that are as remote or elevated as those outside the city limits that are often cited

by those who defend this proposal. Utilities are supposed to set rates that are “just and reasonable” and that do not generate revenue in excess of the “costs of service” they incur. I have been urged by some of my constituents to support higher sewer rates for city customers as either a retaliatory measure or to exert leverage on all of you. I will never support rates that exceed our utility’s costs of service. Neither should you.

This brings me to the third reason to oppose this proposal, which is that it has been poorly and illogically conceived. When this proposal was first put forth, many of you touted it to induce either annexation or incorporation. This explained why higher rates were not being proposed for Tucson Water customers in Marana, Oro Valley, or South Tucson, even though they are also ratepayers outside the city limits. There have also been claims that the city’s general fund incurs costs for water infrastructure needs outside the city limits, ignoring the fact that residents in unincorporated areas contribute a significant share of the sales tax revenue that supports general fund expenditures. Significantly, there has also been no clearly designated need for the revenue these excessive rates would generate. Your own Citizen’s Water Advisory Committee said, just six days ago, that, “In the past, increasing water rates has been proposed to address a specific need. In this case, it is not clear to CWAC what need Mayor and Council wish to address.”

As city and county leaders, we need to be collaborative and productive, working together on positive measures to benefit the people we serve. We will certainly have opportunities to discuss such possibilities in the future. I ask you to reject this divisive and unjust proposal that will punish Tucson Water ratepayers solely because they live in unincorporated Pima County.

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