MEMORANDUM

Date: October 6, 2021

To: The Honorable Chair and Members
    Pima County Board of Supervisors

From: C.H. Huckelberry
    County Administrator

Re: Tucson Water Proposed Discriminatory Water Rates

As initially adopted by the City of Tucson Mayor and Council, differential water rates that singled out Tucson Water customers in the unincorporated area were discriminatory. The proposed rates made specific distinctions between classes of water users based solely on geographic location. Additional actions now taken by the Tucson Mayor and Council have made the differential water rates grossly discriminatory as described in this communication.

When first adopted, the rates applied to the entire unincorporated area of Pima County. That adoption has now been modified to further exempt certain specific geographic areas within the unincorporated area to differential water rates. These exemptions are lands of the Tohono O’odham Nation, Pascua Yaqui Nation and Tucson Unified School District properties.

Attachment 1 shows unincorporated Tucson Water connections adjacent to those that will be exempted. They are adjacent to either the Pascua Yaqui Nation, Tohono O’odham Nation or a Tucson Unified School site. In these examples, the water services adjacent to an exempt site are in the same geographic location, generally the same elevation and served by the same Tucson Water distribution system. There is no logical reason to explain the exemption other than discriminatory intent.

For example, in the case of Sabino High School and Collier Elementary School, they are at an elevation higher than a majority of the Tucson Water service area and at a distance far from primary Tucson Water sources. Yet the surrounding connections will pay differential water rates as compared to the exempt high school and elementary school that are at the same elevation, same distance and served by the same Tucson Water distribution system. Development adjacent to Sabino High School such as Tres Lomas has been served by Tucson Water for 40 years and has not paid differential water rates at any time during this service period.

To further understand how discriminatory the proposed differential water rates are within the context of the exclusions, we examined approximately 115 of the largest Tucson Water customers in the unincorporated area of the County and find that there are a number of charitable organizations, the Tucson Airport Authority, Marana and Catalina Foothills School Districts, St. Philips in the Hills Church, St. Thomas the Apostle Church, the Gospel Rescue
Mission and a number of retail establishments that have store locations in both cities and towns in the unincorporated area (Eegee’s, Circle K, Safeway, Walmart and many others).

We will continue to monitor the development of the Cost of Service Study. As previously reported, it continues to be advanced with serious technical and foundational flaws. The Cost of Service Study fails to take into consideration the cost of service of exempted Tucson Water customers and their cost of service compared to a Tucson Water customer who may be across the street from an exempt user. It also fails to consider the cost of service of existing Tucson Water customers within the City of Tucson where the actual cost of service or delivery of water exceeds the cost of service of most if not all unincorporated Tucson Water users.

CHH/anc

Attachment

c: Jan Lesher, Chief Deputy County Administrator  
   Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
   Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer, Health and Community Services  
   Yves Khawam, PhD, Assistant County Administrator for Public Works  
   Jackson Jenkins, Director, Regional Wastewater Reclamation  
   Kathy Chavez, Water Policy and Resources Manager, Office of Sustainability and Conservation
Tucson Exempt Client Characteristics in the Unincorporated County

City of Tucson has exempted certain customers within the unincorporated County from their proposed differential rate. This document shows the characteristics of these exemptions based on number of customers, as well as the characteristics of non-exempt unincorporated development in close proximity to the exempted entities.

Tucson Unified School District
- Number of Tucson Water meters: 29
- Schools: Fruchthendler Elementary; Collier Elementary; Sabino High School; White Elementary; Warren Elementary; Lawrence Elementary; Johnson Primary; Vesey Elementary; Banks Elementary.
- Development example in close proximity to Sabino High School: Tres Lomas, platted in 1980.
- Development example in close proximity to Warren Elementary School: Mountainside Village, platted in 1984.

Pascua Yaqui Tribe
- Number of Tucson Water meters: 1,056
- Development example in close proximity: Tierra Valencia, platted in 1968

Tohono O’odham Nation
- Number of Tucson Water meters: 38
- Development example in close proximity: L-S Acres, platted in 1958
Tucson Exempt Client Characteristics in the Unincorporated County

- Tucson Water Meters within Subject Parcels

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<th>Jurisdiction</th>
<th>INCORPORATED</th>
<th>UNINCORPORATED</th>
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Pima County
INFORMATION TECHNOLOGY
DEPARTMENT

9/27/2021
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- INCORPORATED
- UNINCORPORATED

Pima County
Information Technology Department
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9/27/2021
Tucson Exempt Client Characteristics in the Unincorporated County

- Tucson Water Meters within Subject Parcels

**Jurisdiction**

- Indian Nation
- School Location
- Subdivision within 1,000ft

0 0.5 Miles

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INCORPORATED

UNINCORPORATED

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