

PROPOSED ORDINANCE

RELATING TO TUCSON WATER; AUTHORIZING AND ADDING NEW PROVISIONS TO THE TUCSON CODE., SPECIFICALLY CHAPTER 27, WATER, ARTICLE I, GENERAL, SECTION 27-20 AND 27-21, LARGE QUANTITY WATER USERS AND ADDITIONAL REMEDIES; DECLARING AN EMERGENCY AND SETTING AN EFFECTIVE DATE.

WHEREAS, On June 17, the Mayor and Council held a “Discussion on Water Conservation Requirements for Large Quantity Water Users” as Item 6 of that meeting’s Study Session, and directed staff to return with options in the Fall of 2025; and

WHEREAS, On August 6, the Mayor and Council unanimously directed staff to place a “Large Quantity Water User Ordinance” for consideration during Regular Session at the meeting of August 19, 2025; NOW, WHEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON ARIZONA, AS FOLLOWS:

SECTION 1. Mayor and Council authorize adoption of large quantity water user program for new connections to the Tucson Water service area after August 19, 2025.

SECTION 2. These amendments will take effect on August 19, 2025.

SECTION 3. The Tucson Code, Chapter 27, Water, Section 27-20 is amended to add the following new sections:

Section 27-20. Large Quantity Water Users.

A. A large quantity water user may not connect to the City public water system or use City water except as provided by this Section.

B. *Application to become a large quantity water user.*

1. An applicant must submit to the Director a sustainable water service application, which must include a water conservation plan, if any of the following apply:

a. An applicant will be a new customer, and the applicant’s projection of the applicant’s aggregate water use at a premises, campus, or location, as reviewed by the Director, equals or exceeds 10,0002,500 centum cubic feet (“ccf” with each “ccf” being 748 gallons) per month average annual use.

b. An applicant is an existing customer and requests water-meter upsizing that will allow for water

use that equals or exceeds 40,0002,500 ccf per month average annual use at a premises campus, or location.

c. An applicant is an existing customer whose water use equals or exceeds 40,0002,500 ccf per month average annual use and requests water-meter upsizing.

2. For undeveloped property, a sustainable water service application must be submitted at the time the applicant submits for any development entitlements. An applicant who will become or is a large quantity water user on previously developed property must submit a sustainable water service application at the time the applicant requests water-meter upsizing.

3. The sustainable water service application must identify the phasing of construction or development, the approximate number and size of the structures to be served, a reasonable description of the nature and type of water use proposed on the property, and a reasonable estimate of the projected annual, monthly, and daily water demand.

4. The water conservation plan must include techniques and technologies that will reduce the overall consumption of water, offset reduce the consumptive loss portion of potable or reclaimed water within the Tucson Water service area by at least a ratio of 2:1 or waste of water, and improve the overall efficiency in the use of water. The plan may also include, or establishing the use of reclaimed water by the large quantity water user, however, reclaimed water may not be used to offset potable water resources. The techniques, and technologies, and strategies identified in the plan need to have direct benefit to the hydrologic system within the Tucson Water Service Area of the Tucson Basin and obtain at least a 2:1 water demand offset.

a. Consumptive water use is water permanently removed from available supplies without return to a water resource system such as a stream, river, or water treatment facility. It is potable or recycled water withdrawn that is evaporated, transpired, incorporated into products or crops, consumed by humans or livestock, or otherwise not available for immediate use.

b. A water demand offset is a strategy to replace consumptive water use through either 1) reducing an existing off-site water use; 2) increasing recharge of water that was not previously recharged, such as stormwater or recycled water; or 3) developing a new water supply, that provides measurable and reliable water benefit. A new water supply is a measurable and verifiable increase in water available for use that results from capturing or recovering a water source that was not previously available for that use.

c. Consumptive water offsets will be at least a 2:1 ratio to increase resilience in times of drought, account for decreased Colorado River allocations, and ensure improvements to our already degraded watershed and diminished aquifer.

5. ~~If the location is within one mile of the Tucson Water Reclaimed Water Distribution System,~~ The water conservation plan shall include information about ~~the cost of a connection to the Reclaimed Water Distribution System and about~~ the suitability of reclaimed water for use at the facility.

6. The water service application and water conservation plan are public records, subject to disclosure under the Arizona Public Records Law, A.R.S. Section 39-121, *et seq.*

C. *City review of sustainable water service applications and water conservation plans.*

1. The Director will review properly completed sustainable water service applications and water conservation plans. ~~The~~ The Director will provide a status update to the applicant within 90 days. Director may require additional information to be submitted as the Director deems necessary, and the applicant must submit any additional information requested within 60 days of receiving the request.

2. The Director will schedule the water service application and water conservation plan for consideration by the City of Tucson Mayor and Council as a numbered item on a Mayor and Council regular session within two months after ~~reviewing completion of review of~~ the following elements of the water service application and water conservation plan and determining that these elements have been completely and correctly addressed by the applicant:

a. That the sustainable water service application and water conservation plan demonstrate that the large quantity water user will ~~undertake to implement at least a 2:1 water demand offset for any~~ ~~consumptive water use,~~ use water as efficiently as is practicable, and to ensure that water is not wasted. ~~This may include treatment or reuse.~~ -In determining whether water will be used as efficiently as is practicable, the Director will consider if the applicant's facility is existing and the practicability of retrofitting the existing facility with water conserving technologies and practices.

b. That the proposed water use is consistent with the City's available water resources. ~~Reclaimed~~ ~~water use will have priority over use of potable water and is preferred for all non-potable applications, such as process water and cooling.~~ ~~However, reclaimed water cannot be used to offset potable water use and any consumptive use of reclaimed water requires an offset.~~

c. That the applicant's water use would be of sufficient economic benefit to warrant the large quantity use of water. In reviewing this element, the Director must determine whether the applicant's water use would be consistent with the strategies outlined in the City's Climate Action Plan ("Tucson Resilient Together") the One Water 2100 Plan.

ed. That the applicant has agreed to use reclaimed water ~~to offset at least 30 percent of its water use or, in such other~~ percentage as the Director determines is the maximum use of reclaimed water that is warranted for the applicant's facility, given the facility's proximity to the reclaimed water system.

ee. That the proposed water use will support a key industry ~~or a public service, such as health care, education, or local environmental stewardship,~~ consistent with the City's economic development and education strategic plan.

ef. That the impact of the water use is consistent with the City's designation of assured water supply under A.R.S. Section 45-476.

g. During periods of local drought where the majority of the Tucson Water service area is classified by Arizona Department of Water Resources (ADWR), as "severe" or greater for long-term (quarterly) drought status or where the Bureau of Reclamation has declared a shortage on the Colorado River, as Tier 2 or greater, a moratorium on new Large Water User applications and approvals will be enacted.

h. That the water use does not reduce Tucson Water Service Area groundwater aquifers.

i. That the water use does not diminish the surface waters of the Santa Cruz River, Rillito River, Tanque Verde Creek, or Sabino Creek.

fg i. That the applicant has proposed extraordinary conservation techniques and technologies ~~or environmental mitigation or adaptation strategies~~ in the water conservation plan.

kg. Whether the applicant will convey or assign to the City all legal rights to a physical water supply that ~~can be recharged in the Tucson Water Service Area and~~ will fully offset the applicant's projected water use, which water supply, when assigned to the City, will meet all requirements of A.R.S. Section 45-476, and the regulations adopted by DWR to implement that section.

hl. The applicant's technical, financial, and managerial competence to implement the elements of an application and conservation plan.

mi. Any other information the Director deems relevant.

D. Mayor and Council Approval of Water Service Application and Water Conservation Plans.

1. The Mayor and Council shall consider whether a Water Service Application and Water Conservation Plan meet the criteria established above in subsections 27-20(C)(a) through (C)(i). The Mayor and Council may approve, deny, or return a Water Service Application and Water Conservation Plan for submission of additional information to the Director. A Mayor and Council-approved Water Service Application and Water Conservation Plan will be signed and executed by the applicant and the City and will be a binding water service contract.

E. A large quantity water user who becomes a customer of the City is subject to all terms and conditions of service as specified by this Section. As a term and condition of continued water service for a large quantity water user, both of the following must occur:

1. A large quantity water user must submit an updated water conservation plan to the Director every five years.

2. The Director determines, after consultation with the City's Chief Resilience Officer that the updated water conservation plan demonstrates that the large quantity water user will use water as efficiently as is practicable ensure the consumptive use portion of water use is offset at a minimum of 2:1 and ensure that water is not wasted.

F. Terms and conditions of service for large quantity water users.

1. In addition to the other terms and conditions of water service as specified by this chapter, the following are terms and conditions of service of a large quantity water user:

a. The large quantity water user may not in any year use water in excess of 120 percent of the amount set out in the applicant's water service application and water conservation plan.

b. The large quantity water user must meet their consumptive water use offset, as approved and adopted by the Mayor and Council.

cb. The large quantity water user must implement, operate, and maintain all use of reclaimed water, techniques, and technologies consistent with the large quantity water user's most recently approved water conservation plan.

2. In addition to any other sanction available under this chapter, the Director may suspend water service to a large quantity water user who violates this subsection. The Director will provide notice of any discontinuation of water service, which may be reviewed under Section 27-50 of the Tucson City Code. If

water service is suspended under this subsection, the water service will not be restored until the large quantity water user has come into compliance with the requirements of this subsection.

3. A Director's Notice of Non-Compliance under this chapter is a public record and will be reported to Mayor and Council.

4. Water consumption numbers, sourcing, and water offset accounting shall be made public in annual reporting.

5. A consulting third party, approved by Mayor and Council will conduct an annual review of large quantity water user's annual use and water offsets and present to the Citizens' Water Advisory Committee (CWAC).

Sec. 27-21 .Additional remedies.

A. A large quantity water user who violates any provision of this division, in addition to any other sanction authorized by this chapter, is subject to a civil sanction, subject to a City Court proceeding, of not more than the following amounts:

1. Two hundred percent (200%) of the monthly charges for water used, or estimated to have been used, in violation of this division, if the violation is the large quantity water user's first violation of this division and the violation continued for less than one year.

2. Five hundred percent (500%) of the monthly charges for water used, or estimated to have been used, in violation of this division, if the violation is the large quantity water user's second violation of this division or if the violation continued for more than one year but less than two years.

3. One thousand percent (1000%) of the monthly charges for water used, or estimated to have been used, in violation of this division, if the violation is the large quantity water user's third violation of this division or if the violation continued for more than two years but less than three years.

4. Two thousand percent (2000%) of the monthly charges for water used, or estimated to have been used, in violation of this division, if the violation is the large quantity water user's fourth or more violation of this division or if the violation continued for more than three years.

5. After any violation of this section under Section A(2), above, Tucson Water may install, at the user's expense, a water restricting device to restrict flow rates to those parameters established in the approved water user agreement and water conservation plan. The applicant will pay for Tucson Water's cost to install the device, whether by Tucson Water staff or through a City of Tucson Job On-Call ("JOC")

Contractor.

B. If, as a result of a large quantity water user's violation of this division or State law, the City is assessed a civil penalty or is ordered to take remedial action by DWR, the large quantity water user must pay to the City the amount of the civil penalty, along with all costs and expenses incurred by the City due to the large water user's violation.

SECTION 4. The various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this Ordinance.

SECTION 5. If any provisions of this Ordinance, or the application thereof to any person or circumstance is invalid, the invalidity shall not affect other provisions or

applications of this Ordinance which can be given effect without the invalid provision or circumstance, and to this end, the provisions of this Ordinance are severable.

SECTION 6. .WHEREAS, it is necessary for the preservation of the peace, health, and safety of the City of Tucson that this Ordinance become immediately effective, an emergency is hereby declared to exist and Ordinance shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona,

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MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

REVIEWED BY:

CITY ATTORNEY

CITY MANAGER

CA/dg
8/13/25