

**BOARD OF DIRECTORS
METROPOLITAN DOMESTIC WATER IMPROVEMENT DISTRICT
PIMA COUNTY, ARIZONA**

MONDAY, MAY 11, 2020

****BOARD ROOM**
METROPOLITAN DOMESTIC WATER IMPROVEMENT DISTRICT
6265 N. LA CAÑADA DRIVE
TUCSON, ARIZONA 85704**

MINUTES

Board Members Present: Judy Scrivener, Chair
Richard Sarti, Vice Chair (Participated Electronically)
Jim Doyle, Member (Participated Electronically)
Dan M. Offret, Member (Participated Electronically)
Bryan Foulk, Member (Participated Electronically)

District Staff: Joseph Olsen, General Manager
Sheila Bowen, District Engineer (Participated Electronically)
Diane Bracken, Chief Financial Officer (Participated Electronically)
Steve Shepard, Utility Superintendent (Participated Electronically)
Theo Fedele, Clerk of the Board
Jeffrey L. Sklar, Legal Counsel (Participated Electronically)

Public Hearing

I. Call to Order and Roll Call

Judy Scrivener, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Public Hearing to order at 5:30 p.m. Jim Doyle, Bryan Foulk, Dan M. Offret, Richard Sarti, and Judy Scrivener were present.

II. Presentation about Proposed Adjustments to Rates and Fees

Mr. Olsen stated that on March 16, 2020, the District's Finance Oversight Committee (FOC) voted unanimously for the Board to consider approving the proposed adjustments to fees.

Staff has continued to discuss with customers the plan to sunset the Regional Transportation Authority (RTA) Fee on December 31, 2020. We are keeping our promise to customers by ensuring the \$3.00 RTA fee sunsets at the end of this year while continuing our efforts to address water infrastructure challenges.

The District maintains water infrastructure, which includes all the elements required to recover water from the aquifer, disinfect and pump the water to one of our storage facilities, and then convey this water to customers. Between all the service areas, we have 15 million gallons of storage, approximately 400 miles of water lines, two thousand fire hydrants, and 8,000 valves. This extensive inventory is maintained via the Capital Improvements Program (CIP).

To ensure continued and stable investment in the District's water infrastructure, the creation of an Infrastructure Rehabilitation Fee of 95¢/month for the standard residential customer was recommended to begin in January 2021. As this fee would go into effect after the RTA fee has sunset, customers in Metro Main and Hub would see over a \$2.00 decrease in their monthly water bill. As the RTA fee did not exist in the Metro Southwest service areas, the Southwest customers would see less than a dollar increase in their monthly water bill.

In addition, staff recommended an increase to the Customer Deposits, which is currently \$50.00 and has not changed since May 2004. This deposit is for new customers only is fully refundable after 12 consecutive months of on-time paid in full payments. The new residential customer deposit amount would be \$132.00, which is the equivalent to 2.5 times the average customer's monthly bill based on average consumption. This will cover the approximate time period the customer had not paid their bill and will protect other District residents from subsidizing these delinquent accounts.

COVID-19 has presented a challenge in being able to provide service to customers. District staff has demonstrated true agility by embracing innovative solutions to serve District residents while protecting the health of customers and staff.

Staff addressed customer inquiries regarding the proposed fees. Some were clarifications that the customer deposit increase applies to new customers only and not to current customers. One Metro Main customer was concerned that their bill was increasing and the District's Customer Service Representative explained that their bill was actually decreasing by over \$2.00. The customer was very appreciative.

III. Comments from the Public Regarding Proposed Adjustments to Rates and Fees

There were no comments from the public.

IV. Consideration and Possible Action Regarding Water Rates and Fees

Mr. Sarti moved to approve and adopt Resolution 2020-1 to create the Infrastructure Rehabilitation fee with an effective date of January 1, 2021, applied in full to the January 9, 2021, billing cycle

and to change the customer deposit amounts with an effective date of July 1, 2020. Mr. Offret seconded the motion. Motion passed by a roll call vote of 5-0.

V. Adjournment

The meeting adjourned at 5:49 p.m.

Judy Scrivener, Chair of the Board

Theo Fedele, Clerk of the Board