

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

MONDAY, FEBRUARY 13, 2023

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

MINUTES

Board Members Present: Lee Jacobs, Chair
Scott Schladweiler, Vice Chair
Jim Doyle, Member (Participated Electronically)
Bryan Foulk, Member
Richard Sarti, Member (Participated Electronically)

District Staff: Joseph Olsen, General Manager
Sheila Bowen, District Engineer
Diane Bracken, Chief Financial Officer (Participated Electronically)
Steve Shepard, Utility Superintendent
Theo Fedele, Clerk of the Board
Lucas McCabe, Utility Administrative Planner
Mark Patton, Legal Counsel

Regular Session

I. Call to Order and Roll Call

Lee Jacobs, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:00 p.m. Jim Doyle, Bryan Foulk, Lee Jacobs, Richard Sarti, and Scott Schladweiler were present.

II. General Comments from the Public

Bob Butler, a District resident in the Casa del Oro Norte community, inquired about the process and timeframe to downsize the meters within his community. Mr. Olsen provided an overview of the downsizing process and asked Ms. Bowen to follow up with Mr. Butler to provide further assist with his request.

III. Consent Agenda

- A. Approval of Minutes – January 9, 2023 Board Meeting**
- B. Ratification of Billing Adjustments**

Mr. Schladweiler moved to approve the consent agenda. Mr. Foulk seconded the motion. Motion passed by a roll call vote of 5-0.

IV. General Business – Items for Discussion and Possible Action

A. Monthly Status of the District

Mr. Olsen stated that the fiscal year-to-date consumption compared to last year is 2.6% lower in Metro Main, 2.5% lower in Metro Hub, and 6.9% higher in Metro Southwest. When all service areas are taken into account, the current fiscal year-to-date consumption is 2.1% lower.

The Customer Service team implemented a new protocol that sends a text to customers whose payment is overdue and previous notices have been mailed. The notification is to provide a final notice that their water will be turned off if payment is not made that day. The text was sent to 45 customers and only 15 customers' water was shut off. The customer response to the message was positive and enabled the majority of delinquent customers from having an interruption to their water service.

A customer letter was received inquiring about the ability to monitor the meter after the customer experiencing a number of leaks. The leaks were not disputed; the customer wished to have a way to oversee the meter to possibly discover future leaks sooner and save money. Staff followed up with the customer and plans to meet in person to explain the District's initiatives including pursuing the WaterSmart grant that would provide a portal to track real-time usage.

Discussion ensued and staff answered questions.

Mr. Shepard provided an update on noteworthy maintenance projects.

Ms. Bowen provided an update on the Northwest Recharge, Recovery, and Delivery System (NWRRDS) and the Metro-only portion, the E&T 22 well replacement, and the Ironwood blend well.

B. Financial Report

Ms. Bracken stated that revenue and expenditures as of the end of December are both favorable when compared to a straight-line projection with revenue \$530,717 over budget and expenditures \$611,796 under budget. The revenue in excess of expenditures is favorable by \$1,142,513. When comparing the total revenue to the same month in the prior fiscal year, revenue through December was higher by 0.66% or \$80,627. The metered water revenue is lower by 1.33% or \$133,001 when compared to the same month in the prior fiscal year. The historic average of budgeted water revenue billed by the end of December is 54% and the District has billed 52.97% of the budgeted metered water revenue. The operating expenditures in December were \$349,353 higher than they were at the end of December in the prior fiscal year. The January cash deposit balance was \$26,710,034.63, which is \$989,358.82 lower than the December balance with the \$1,029,778.49 of WIFA loan payment made at the beginning of the month. The investments as of the end of January totaled \$18,359,679.70, which is \$1,089,212.88 higher than the December balance. The Arizona State Treasurer Pooled Collateral Program Statement for December included \$17,532,100.54 of cash on deposit with collateralization coverage of \$17,372,742.55 in addition to the \$500,000 FDIC coverage.

The Capital One Bank MasterCard's were used to purchase \$22,325.14 on the January statement with up to 1.25% cash back earnings. The inception-to-date cash back total is \$21,467.34.

Five new meter applications were received in January for the Metro Main service area. There were three new meter applications received in January of the prior fiscal year. Fiscal year-to-date, 56-meter applications have been received compared to 64 at the same time in the prior fiscal year.

Additional mid-year review data was included in the Financial Report including a budget to actual comparison for each general ledger account and the percentage of budget spent for each line along with the year-to-date revenue listed by account. The District has spent 46% of the budgeted operating expenses and has billed 51% of the budgeted revenue, which is following the Adopted Budget plan closely with half of the fiscal year completed. Staff are not requesting any deviations from the adopted budget.

C. Authorizing the General Manager to Negotiate an Analytical Laboratory Services Contract with Legend Technical Services, Inc.

Mr. Foulk moved to authorize the General Manager to negotiate and enter into an Analytical Laboratory Services Contract with Legend Technical Services, Inc. for Fiscal Years 2024-2025 in the amount of \$60,000 to complete analytical services not exclusively related to 1,4-dioxane, SOCs, VOCs, and UCMR-5 constituents and to authorize the General Manager to solicit services

and negotiate pricing for other routine chemical analyses from Legend Technical Services, Inc. Mr. Schladweiler seconded the motion. Motion passed by a roll call vote of 5-0.

D. Approval of the Education Assistance Policy

Mr. Foulk moved to approve the Education Assistance Policy. Mr. Schladweiler seconded the motion. Motion passed by a roll call vote of 5-0.

E. Repealing Resolution 2002-6 and Adopting Resolution 2023-2 to Increase the Compensation for the District's Board of Directors

Mr. Schladweiler moved to approve Resolution 2023-2 to repeal Resolution 2002-6 and to increase the compensation to \$50.00 for the Directors of the Board for attending Board Meetings. Mr. Foulk seconded the motion. Motion passed by a roll call vote of 5-0.

F. Presentation on the District's Utility Team

Mr. Shepard provided a presentation regarding the District's Utility Team.

Discussion ensued and staff answered questions.

VI. General Manager's Report

Mr. Olsen stated that last month the Board was updated on the draft compensated system conservation agreement with the Bureau of Reclamation for the District to forego 5,000 acre-feet of the District's CAP obligation and receive \$400 per acre-foot or \$2 million per year up to three years. The agreement will be scheduled in March for the Board to discuss and approve.

Mr. Olsen updated the Board on the state level discussions and proposals regarding the cuts to Colorado River water.

The District did not receive the grant that would support NWRDAS. The Bureau of Reclamation provided an out-brief and feedback to staff that could assist in future grant opportunities.

The 96th Annual AZ Water Conference & Exhibition is scheduled for May 9-11, 2023. The May Board Meeting will be held the following week on May 15, 2023.

VII. Legal Counsel's Report

Mr. Patton stated he had nothing to report.

VIII. Clerk of the Board Updates; Future Meetings

The next regularly scheduled Board meeting will be held on March 13, 2023.

IX. General Comments from the Public

There were no comments from the public.

X. Adjournment

The meeting adjourned at 7:07 p.m.

Lee Jacobs, Chair of the Board

Theo Fedele, Clerk of the Board