

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

MONDAY, SEPTEMBER 13, 2021

****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
Jim Doyle, Member (Participated Electronically)
Bryan Foulk, Member
Lee Jacobs, Member

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

Regular Session

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 Board Meeting to order at 6:00 p.m. Jim Doyle, Bryan Foulk, Lee, Jacobs, Richard Sarti, and Judy Scrivener were present.

II. General Comments from the Public

There were no comments from the public.

III. Consent Agenda

- A. Approval of Minutes – August 16, 2021 Board Meeting**
- B. Ratification of Billing Adjustments**

Mr. Foulk moved to approve the consent agenda. Mr. Sarti 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 2022 consumption compared to last fiscal year-to-date is lower in all service areas and makes sense considering the significant amount of precipitation received this year compared to last year. In particular, Metro Main is 15.6% lower, Metro Hub is 26% lower and Metro Southwest is 8.3% lower compared to last year.

Mr. Shepard provided an update on noteworthy maintenance projects.

Ms. Bowen provided an update on the Oracle Road Project and the Northwest Recharge, Recovery, and Delivery System (NWRDSD) Project including the Metro-only portion of the project.

B. Financial Report

Ms. Bracken stated that revenue and expenditures for July are both favorable when compared to a straight-line projection with revenue \$316,798 over budget and expenditures \$108,081 under budget. The revenue in excess of expenditures is favorable by \$424,879. When comparing the total revenue to the same month in the prior fiscal year, revenue through July was lower by 6.94% or \$167,221. The Metered Water Revenue is lower by 0.01% or \$116 when compared to the same month in the prior fiscal year. The historic average of budgeted water revenue billed by the end of July is 10% and the District billed 10.19% of the budgeted Metered Water Revenue as of the end of July. The operating expenditures in July were \$242,619 higher than they were at the end of July in the prior fiscal year. The August cash deposit balance was \$24,243,428.22, which is \$1,050,678.03 higher than the July balance. The investments as of the end of August totaled \$12,424,767.42, which is \$213,510.24 higher than the July balance.

The Arizona State Treasurer Pooled Collateral Program Statement for July included \$12,174,977.31 of cash on deposit with collateralization coverage of \$11,908,476.86 in addition to the \$500,000 FDIC coverage.

The Capital One Bank MasterCards were used to purchase \$ 36,998.63 on the August statement with up to 1.25% cash back earnings. The cash back received from transactions processed in July totaled \$347.63 or 0.96%, with an inception-to-date cash back total of \$15,664.97.

Ten new meter applications were received in August with nine meter applications for the Metro Main service area and one meter application for the Metro Southwest service area. There were 76 new meter applications received in July of the prior fiscal year. Fiscal year-to-date, 31-meter applications have been received compared to 129 at the same time in the prior fiscal year.

C. Approval of Liability Insurance

Mr. Olsen stated that each year, the District must renew its liability insurance coverage for property, automobile, and commercial general. It is recommended that the Board approve the liability insurance coverage to Glatfelter Public Practice, who has provided this service to the District since before 2013. After a careful review of the District's policy, Glatfelter was able to offer the same coverage elements as the previous year for \$147,194, which is a decrease of \$1,273.

Mr. Sarti moved to approve the Liability Insurance Policy with Glatfelter Public Practice with a total annual premium cost of \$147,194 from October 1, 2021 through September 30, 2022. Mr. Jacobs seconded the motion. Motion passed by a roll call vote of 5-0.

VI. General Manager's Report

Mr. Olsen stated that each year, Central Arizona Project (CAP) performs maintenance activities on the canal and supporting infrastructure. During these maintenance outage periods, that normally last four weeks, deliveries are typically halted to underground storage facilities, such as the Avra Valley Recharge Project (AVRP), and groundwater savings facilities. This year, the outage period will take place between October 17, 2021 and November 28, 2021. The reason for the longer maintenance outage is because CAP is planning to perform a damage assessment on a portion of their canal lining that was damaged during the recent rain events as well as removing sediment from the canal, performing a lining replacement, and other associated work. Even with this longer outage period, the District on track to store all of the City of Phoenix's inter-AMA firming water at AVRP by the end of the year.

Registration has opened for the annual Colorado River Water Users Association (CRWUA) annual conference, which will be held in Las Vegas from December 14-16, 2021. This year's conference is of particular importance given the recent Tier 1 shortage declaration and the negotiations that will continue to take place at the conference between the seven basin states, the Government of Mexico, and the Ten Tribes Partnership. If you are interested in attending, please let Ms. Fedele or me know.

VII. Legal Counsel's Report

Mr. Patton provided an update on the NWRRDS related condemnation matter. The only remaining action is to file the appropriate motions and the court will make the final judgement in the matter

VIII. Clerk of the Board Updates; Future Meetings

The next regularly scheduled Board meeting will be held on Wednesday, October 13, 2021.

IX. General Comments from the Public

There were no comments from the public.

X. Adjournment

The meeting adjourned at 6:15 p.m.

Judy Scrivener, Chair of the Board

Theo Fedele, Clerk of the Board