

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

**April 14, 2004**

**\*\* Board Room \*\***

**Metropolitan Domestic Water Improvement District  
6265 N. La Cañada Drive  
Tucson, AZ 85704**

**PUBLIC HEARING**

**MINUTES**

Board Members Present: Sue Downing, Vice Chair  
James Tripp, Member  
Jim Doyle, Member  
Reb Guillot, Member

Board Members Absent: Dan M. Offret, Chair

District Staff Present: Mark R. Stratton, General Manager  
Keri Silvyn, Legal Counsel  
Warren Tenney, Clerk of the Board  
Alice Stults, Recording Secretary

**PUBLIC HEARING**

**I. Call to Order and Roll Call**

Suzanne Downing, Vice Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Public Hearing to order at 6:02 p.m. Suzanne Downing, James Tripp, Jim Doyle, and Reb Guillot were present. Dan M. Offret was not present due to illness.

**II. Presentation Regarding Proposed Adjustments to Rate Structure**

Mark Stratton, General Manager, said the rate hearing was based upon staff direction from the Board of Director's to look at water conservation and financial issues. During 2003, a public hearing was held and 1,000 gallons of the 2,000 gallon water allowance in the base rate was removed. Recently, the Board again asked staff to examine the tier structure in hopes of reducing excess water usage. Staff examined possible adjustments including lowering the tiers in the water rate structure, the addition of a fourth tier, and removal of the remaining 1,000 gallon allowance in the base rate. Fees charged for large meters were also examined, as was the system development

fee. Mr. Stratton said it was determined that the system development fee will not generate a great deal of revenue since there is not a lot of new construction occurring.

Mr. Tripp asked if the AWWA factor was examined and adjusted pertaining to the rate tier structure. Mike Land, Chief Financial Officer, said staff did look at increasing the AWWA factor and found that an adjustment could be made to the 1½ and 2 inch meter categories that would have less impact on those customers. However, the base rate for those meter sizes is also based on the AWWA factor. Therefore, if the factor is changed, customers that use less water have a greater increase, and the high users do not. This minimizes the objective to promote conservation. Mr. Land said various scenarios were examined when considering changing the AWWA factor. Staff concluded to continue to recommend the original proposed structure.

Jim Doyle arrived at 6:10 pm.

Included in the scenarios was the removal of the 1,000 gallon allowance. Mr. Land said 66% of customers with 5/8 inch meters use under 12,000 gallons per month. The rate structure was designed to have the least impact, if any, on customers using 12,000 gallons or less. Residential customers with 2 inch meters that are high users will see the most impact. Staff focused on the larger meters when re-structuring the rates in an attempt to encourage water conservation.

Ms. Downing asked if customers with larger meters will be assisted through education by the District so they have the necessary information available to assist them in lowering their water consumption. Warren Tenney, Clerk of the Board, said the District notifies customers by way of the newsletters that staff is available to assist them with water conservation. Staff can also assist customers in adjusting their systems. Ms. Downing said she believes some of the systems were built many years ago and perhaps need updating. Mr. Tripp said he believes staff does an excellent job with conservation efforts. He noted how his HOA was assisted by staff with its conservation efforts.

Mr. Guillot said he read the letter received by the District from a customer suggesting ways to change the rate structure. He thought the suggestions were good. Mr. Guillot said he believed staff did a good job on re-structuring the rates.

Mr. Stratton said from a monetary point of view, adjusting the tier rate structure does not add a significant amount of revenue; however, elimination of the 1,000 allowance will generate a greater amount of revenue.

Chris Hill, Deputy Manager, noted the District has a program in place for customers with larger meters that do not typically use a large amount of water. Staff can test the meters and recommend smaller meters, if warranted, to save customers money and water usage.

### **III. Comments from the Public Regarding Proposed Adjustments to Rate Structure**

There were no comments from the public as there was no public in attendance.

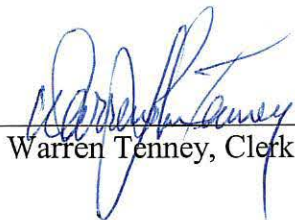
Mr. Tenney said the District did receive three comments, two by telephone and one comment in writing. One of the customers that telephoned relayed to staff they were supportive of an increase to the rate structure. Another telephone call was made to the District and that customer was against any increase. Mr. Tenney said this particular customer had a number of citrus trees and thought it was unfair that he should be expected to pay increased rates or possibly have to remove the trees. The third customer wrote a letter to the District, which was distributed to the Board, in favor of having high users pay more.

**IV. Consideration and Possible Action Relating to Water Rates and Fees**

Mr. Tripp made a motion to approve Resolution 2004-3 to make adjustments to the established water rates and system development fee, and modify the tier rate structure for the Metropolitan Domestic Water Improvement District effective May 1, 2004. Mr. Guillot seconded the motion. Motion passed unanimously.

**V. Adjournment**

Mr. Doyle made a motion to close the Public Hearing. Mr. Tripp seconded the motion. Motion to close the Public Hearing passed unanimously. The Public Hearing adjourned at 6:25 p.m.

  
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Dan M. Offret, Chair of the Board  
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Warren Tenney, Clerk of the Board