

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

December 12, 2005

**** Board Room ****

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

MINUTES

Board Members Present: Suzanne Downing, Chair
 James Tripp, Vice Chair
 Judy Scrivener, Member

Not Present: Jim Doyle, Member
 Dan M. Offret, Member

District Staff: Mark Stratton, General Manager
 Keri Silvyn, Legal Counsel
 Warren Tenney, Clerk of the Board

Study Session

I. Call to Order and Roll Call

Suzanne Downing, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 5:38 p.m. Suzanne Downing, James Tripp, and Judy Scrivener were present. Jim Doyle and Dan M. Offret were not present.

II. General Comments from the Public

There were no comments from the public.

III. Review and Discussion of Billings Adjustment Policy

Mark Stratton, General Manager, explained that at the November 14, 2005 the Board requested a study session to provide it an opportunity to review and discuss the District's current billing adjustment policy in respect to commercial accounts. This was as a result of Highgate Home Owners Association requesting an adjustment on their billing after receiving three months of higher than normal billings.

Mike Land, Chief Financial Officer, explained that since 1998 the District had a policy in place wherein there was no billing adjustments made to commercial accounts. He said that to date the few requests for billing adjustments to commercial accounts were declined and no further request

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was made after the policy was explained. Mr. Land noted that the Board requested staff to provide information on commercial accounts, multi-family accounts, irrigation accounts, and home owners associations that makes up approximately 5% of the District's accounts. These accounts generate approximately 32% of the Districts total revenue.

Mr. Land noted that the existing policy regarding commercial accounts has worked well in the past seven years for the District. Regarding Highgate Home Owners Association, the District was not made aware of its change in property management companies. The billings were being made to the prior property management company and they were forwarding the billings on to the new property management company.

Ms. Downing suggested including in the existing billing adjustment policy that prior to the second high billing, if the District has not heard from the customer regarding the high billing, the billing will not be adjusted. She noted that in the case of the Highgate Home Owners Association it did not contact the District until a third high water usage billing was received. Ms. Downing said she believes that Highgate Home Owners Association needed to bear some of the responsibility for notifying the District of the high water usage in a timely manner.

Mr. Tripp said that he does not believe that any changes need to be made to the existing policy and that at this time the Board should follow its existing policy. He read the existing policy and noted it said that all commercial accounts would be considered on a case-by-case basis and then decided by the General Manager. He was unsure if that had happened regarding the Highgate Home Owners Association. Mr. Tripp said that he believes the policy should remain as it is.

Mr. Stratton said that after staff was contacted by Highgate about the high water usage, staff did respond to check the area for leaks and placed a data logger on the meter. Mr. Stratton noted that the request from Highgate to adjust the payment amount did not come to him, but rather was made directly to the Board of Directors. Mr. Tripp suggested that staff be made aware that requests for payment adjustments for commercial type accounts be forwarded in the future to the General Manager for his consideration.

Ms. Downing said that when she and District staff met at the Highgate Home Owners Association they looked closely at the system for any indication of a problem or explanation for the high water usage. Nothing was located that would indicate what happened to the water.

Mr. Stratton said that in the case of a small home owners association, or any customer account, the customer should react on that first bill and not wait for three months of high billings to question and seek an answer.

Ms. Downing explained that depending on who is responsible for paying the water for the home owners association, they may have not known that the billings had significantly increased for the past three months. However, she also does not feel the District should be responsible for the high

billing, nor should the District be responsible for suggesting to the home owners association how they should manage their properties.

Warren Tenney, Clerk of the Board, explained that this agenda item is not specific to Highgate Home Owners Association but rather for discussion of the Districts billing adjustment policy in general. Keri Silvyn, Legal Counsel, agreed and said a motion was not necessary to amend the policy if the policy in general was not going to be changed by the Board. During the regular meeting of the Board, it could use the suggestions from these discussions in making a determination on Highgate's request for a billing adjustment.

Ms. Downing asked if these discussions should be added to the District policy. Ms. Silvyn said it is up to the Board on whether it wants to add any additional verbiage to the current policy.

Mr. Stratton said that he believes if a home owners association does have a property management company overseeing the property, it should assume responsibility for the property and resulting billings. Ms. Downing noted that she agreed.

The Board agreed not to change the existing District billing adjustment policy.

IV. Adjournment

The meeting adjourned at 5:53 p.m.

Suzanne Downing, Chair of the Board

Warren Tenney, Clerk of the Board