

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT

Official Board of Directors Meeting Minutes

July 14, 2014

The Board of Directors of the Marana Domestic Water Improvement District met in session at the Marana Domestic Water Improvement District Office 16560 West El Tiro Road Marana, Arizona **at 4:00 P.M. on Monday, July 14, 2014**

1. Call to order and Pledge of Allegiance

Chairman Mr. Sostarich called the meeting to order at 4:05 P.M.

Mr. Sostarich ask Mr. Young to lead the Pledge of Allegiance.

2. Roll Call

Upon roll call, those present were as follows:

Board Members Present were;

Anthony Sostarich, Chairman
Don Peetoom, Vice-Chairman (Absent)
Michael Young
Teresa Ball-Cummings
Michael Sniffen

Staff Members present were;

System Manager, Sig Danielson
Clerk, L. Katy Walker

1 member of Public present

3. Consent items

A. Approval of meeting minutes from the June 9th and 23rd, 2014 meetings.

July 14, 2014

Page 1 of 10

Mr. Sostarich: I didn't see anything wrong with the June 9 minutes. Did anybody find anything?

Mr. Sniffen: I didn't find nothing and I looked twice just to see if I missed it.

Ms. Ball-Cummings: I would agree there because I mean I looked and looked, I even got (Inaudible)

It was moved by Ms. Ball-Cummings, seconded by Mr. Sniffen, and carried that; **the minutes of the June 9th and the 23rd, 2014 meetings of the Marana Domestic Water Improvement District shall be approved as presented/amended.**

4 Ayes 0 Opposed 1 Absent

4. System Manager's Report

1. We have not had any problems with the system since the last BOD meeting.
2. We have repaired five (5) service line leaks. We dug up the very minor main line leak on Single Six and determined that the leak was in a pipe collar. We ordered a repair clamp, which is in and will complete the repairs later on this week.
3. I advised the Board last month that after WIFA had completed their review of our Audited Financial statement that we are in violation of our loan agreement with regard to revenue. I informed them by telephone and email that we had raised rates in January, and that should increase revenue. They called on Tuesday the 8th and requested that we write a letter to formally respond. The letter is in your packet along with the original letter from WIFA. You can read those at your leisure.
4. I received a call from Michelle Martin late on June 30th offering the District an additional \$1,000,000 umbrella on our general liability insurance, The additional cost was within the Budget amount so I agreed to the additional coverage.
5. June billing included 122 late notices, which is lower than normal.
6. We did one shutoff in June for nonpayment.

Accounts Payable	\$ 38,096.44
Capital Expenditures	\$ 0.00
Accounts Receivable	\$ 49,392.06

Balance \$ 11,296.61

MDWID Balances Brought Forward:

MDWID Balance at Pima County \$ 71,026.80

N B of AZ Checking \$ 10,000.00

WIFA Reserve Account \$ 80,917.39

RD General Account \$ 7,184.25

RD Reserve Account \$ 14,708.80

RD O&M Account \$ 9,482.50

RD Replacement Account \$ 7,999.77

RD Bond Account \$ 16,425.84

Bills Pending Balance \$ 2,214.02

Mr. Danielson: That completes the Manager's Report.

Mr. Young: Question, you said an additional, \$1,000,000?

Ms. Ball-Cummings: Yeah.

Mr. Young: What's that on top of?

Mr. Danielson: On top of \$3,000,000.

Mr. Young: Okay.

Ms. Ball-Cummings: Wow.

Mr. Danielson: \$1,000,000 per occurrence, \$3,000,000 total.

Mr. Young: The pipe behind our house, what kind of pipe is that, on Single Six?

Mr. Danielson: PVC. That goes from, no that's the next easement over, goes from Schedule 40 to C900, about halfway down the easement, cause I know the guy that put it in. I'm looking at him.

Mr. Young: Yeah I was much younger then.

Ms. Ball-Cummings: Our younger days.

Mr. Danielson: You remember that day?

Mr. Young: Yeah.

Mr. Sostarich: Any more questions for Sig on item number 4?

Ms. Ball-Cummings: No.

Mr. Sostarich: Any comments on item number 4?

5. Discussion and Possible Action Concerning Financial Sub-Committee

Mr. Danielson: In your Board packet is the last three (3) years' worth of cash flow, Accounts Receivable, Accounts Payable and Capital Expenditures. This year we ended up to the good again, \$2,600.35, which is not a whole lot of money, but it is a positive number. I also, just before the meeting started and I mean these things are still hot off the printer, is the Budget and Actual comparison for the recently completed for the fiscal year of 2013-2014. The meat of it is the last 2 pages which is The Charge of Accounts on where we spent our money. Looking at those last 2 pages we were, we overspent \$5636 on labor, however since we didn't hire a Field Tech, we underspent on the Field Tech II position by \$5500, so we're \$136 over on the second person to help Tony.

Medical is \$5042 over, we knew it was gonna be over cause we just put a 45,000 guess in to just get the budget done a year and we had no idea exactly how much it would be. We are not in the red in any other place except for our answering service and we're 80 bucks over. I realize I gave those to everybody at the start of the meeting. If you want to look them over in your spare time, at your leisure, and have any questions, feel free to give me a call and I'll explain what's going on there. I have nothing else on The Financial Sub-Committee Meeting, Mike?

Mr. Young: Nope.

Mr. Sostarich: Any questions or comments for Sig on The Financial Sub-Committee?

Ms. Ball-Cummings: No.

6. Discussion and Possible Action Concerning Itemized Breakdown on Customer Water Bills

Mr. Sostarich: This has been brought up last week and it has been mentioned in the past I believe, I retract that comment. Part of what was mentioned in the past was Debit Cards to use to pay this and what have you got for us Sig?

Mr. Danielson: Well the last time we looked at Debit Cards which was about a year and a half ago, it was felt absolutely that we would not take Credit Cards because of what the Credit Companies charge us in order to accept Credit Cards. Debit Cards we would have to raise rates about a dollar on the base rate just to cover the cost that the bank does with Debit Cards so we have not pursued it any further because at that time the Board felt that that was an unneeded expense, everybody's pretty much used check, cash, money order.

Mr. Sostarich: It's economically inviolable.

Mr. Danielson: That's correct.

Mr. Sostarich: Itemizing the water bills, is that economically inviolable as well?

Mr. Danielson: We sent an email to, I didn't know what the Board wanted to do with it, but for instance, I just grabbed somebody's bill and it's an old one but it showed that that particular customer in October of 2012, were charged \$48.32 for water and they made a payment of on November 15th for 48.32 which brought their Account Balance to 0. Then we billed for Residential Water Use and they had no use that particular month so they paid just the base rate which was 22.40 and it showed the previous year that they used 1800 for November of 2011 and the tax on it which was the sales tax, well on this particular one there's sales tax only, there's no use tax because there was no use and that gives them a total bill of 23.99 if paid by the 15th. If paid after the 15th, it's 24.33 because we have a one and a half per cent per month late fee so to me the bill is fairly straight forward. It says when the service was from and you know the, from over here of 10/25 was when we read the meter in October. The 11/23, which was when we read it in November. The billing date, the read date again is there, and the due date, and the next read date is anticipated to be 12/21 so I don't know what more additional detail would go in there unless we would like to break out the base and commodity charge and I'm sure that Frey would like to charge us some extra money in order to set that up in our computer system.

Mr. Sostarich: Any questions for Sig on item 6? Does anybody have any suggestions or see any reason why we should add more to the water bill than what is already there?

Mr. Young: I think it's fine the way it is.

Mr. Sostarich: Teresa?

Ms. Ball-Cummings: I have no comment, period in the conversation for me. I'm the one who brought it up and I'm the one who's gonna end it because to me this is BS and so it doesn't matter, this is not what I was pertaining to. This isn't even what regular, normal bill. A normal does not show 22.40 base rate, I'm sorry, it does not, not on my bill it does not. Someone should have brought one of their bills in and let's see instead of Sig bringing a bill from 2012. Someone should have brought a bill in of their own bill and show a base rate showing of 22.40. It does not show that on my bill at all.

Mr. Sostarich: Okay, well it must matter.

Mr. Sniffen: Did you bring your bill with you?

Ms. Ball-Cummings: No I don't have, I didn't have time to think about bringing my bills, I have enough time to think about my health, you know keeping that up, you know taking care of myself. I mean that's the job I have to do at home, but I mean, just to look at my bill, I don't see a 22.40 base rate on my bill, period. I'm sorry to say but I do not and David's looked it over and he goes, show me where that base rate is and I said there's not one. All there is the previous balance and the balance and that's it there's no 22.40 base rate and there never has been on this bill as long as I've been here. There's never been a base rate, it's always been the amount, the previous amount you owe and then the amount you owe you know that's owed now, the bill 43 or 53 or 63, whatever you use. There's never been a residential, and then of course they have the numbers, which is correct but they're never been a base rate of 22.40, not that I see on my bill at all.

Mr. Danielson: We've never shown it, not since I've been here.

Ms. Ball-Cummings: Well that's what I'm saying and here it's showing it right now and this

Mr. Danielson: It's showing, it is, I said that happens to be the base rate because the man had no use.

Ms. Ball-Cummings: Yeah but there should be base rate.

Mr. Danielson: If he had used 5000 gallons of water, it would have been the 22.40 plus the commodity charge for 5000 gallons of water and you would have seen a number of, well 5000 gallons worth of water is probably gonna be about, where it says here 22.40, bill water residential, that would have probably been about \$28, \$29, for 5000 gallons of use.

Ms. Ball-Cummings: Well I understand that Sig. Well what more is he gonna charge us, just to put a base rate on there, so someone knows what their base rate is, I mean?

Mr. Danielson: Well I discussed it with Annette prior to the meeting and we do not have the rates and the fees on the website and I will arrange to get that email to her tomorrow so anybody who wants to can refer to the website for their rates and fees.

Ms. Ball-Cummings: I'm just wondering how come it was never put on the bill.

Mr. Sniffen: You don't pay the base rate if you're using the water, right, you pay what water usage?

Mr. Danielson: You pay the base rate period, whether you use water or not.

Ms. Ball-Cummings: But you pay it so many gallons, explain to him.

(Inaudible, overlapping statements)

Mr. Danielson: how many gallons you use is added on top of the base rate.

Ms. Ball-Cummings: Exactly, exactly.

Mr. Sostarich: Sig, I have a question for you, When a customer comes in and starts receiving our services, they get some kind of a notice or a contract of sorts and does that spell out that you will be charged this as a base rate and the tier and all that?

Mr. Danielson: Correct. Oh yes.

Mr. Sostarich: Okay so the customer is informed that

(Inaudible, overlapping statements)

Mr. Danielson: When a new customer comes in and signs up for service, it's a 4 page packet that they receive. They fill out the first page which is a water service agreement.

Mr. Sostarich: Yeah.

Mr. Danielson: Rental is different than if you own the property verses renting the property.

Mr. Sostarich: Yeah.

Mr. Danielson: The second page is, explains the security deposit and what you do in order to receive it back and how it works and again rental is different than owner. Then page 3 is the outstanding balance policy and 4 is the residential water rates.

Mr. Sostarich: So Teresa's concerns are answered in the contract then, right?

Mr. Danielson: Correct.

Ms. Ball-Cummings: No not when I was here there was not, I received only, when I first came here and there wasn't very many people on here, and this was the year, what 1999.

Mr. Danielson: That was a successor company, I'm sorry.

Ms. Ball-Cummings: There was one piece of paper.

Mr. Danielson: That was a successor company.

Mr. Sostarich: Would you like a copy of the contract?

Ms. Ball-Cummings: Oh Tony, would you get off it? No that's not my point, the customers

Mr. Sostarich: I'm trying to be friends here Teresa.

Ms. Ball-Cummings: No, friends has nothing to do with being business at hand, has nothing to do with being friends.

(Inaudible, overlapping statements)

Mr. Sostarich: It has something to do with communicating with each other.

(Inaudible, overlapping statements)

Ms. Ball-Cummings: Irregardless if you're my friend, we're still communicating and I'm still making my point. My point is when I first came here there was nothing of the such stating the base rate was this amount. All there was, was a piece of paper saying I was gonna pay a deposit, my water was going to be turned on and that was the end of it and I will receive my deposit if my bill was paid every month on time.

(Inaudible, overlapping statements)

Mr. Sostarich: Okay, since you came here, you been on the Board, right, you've known past base rates and all this?

(Inaudible, overlapping statements)

Ms. Ball-Cummings: No, not since I have been here, I have not been on the Board, since I first moved here, no since 2005.

(Inaudible, overlapping statements)

Mr. Sostarich: No, since you moved in here, between the time you moved in here and now, you've been on the Board and you've seen the base rates and everything else, right?

Ms. Ball-Cummings: Well since I've been on the Board, yeah prior to, after I moved here, yes. but.

(Inaudible, overlapping statements)

Mr. Sostarich: Since you didn't get a copy when you originally signed on

(Inaudible, overlapping statements)

Ms. Ball-Cummings: We've had a couple of base rates.

Mr. Sostarich: Would you like a copy of what he's talking about?

(Inaudible, overlapping statements)

Ms. Ball-Cummings: No, I understand it totally, it's the customers that don't understand it, I mean even the new people that come out here, you can read a Trico bill, you can read a gas bill, even a Tucson Electric, it has right on it a base rate, ours does not, period. I mean they can look at it and they say where's the base rate, how do you read these bills, I mean, that's all I'm stating, I mean, what does it hurt that and?

Mr. Sostarich: Okay, earlier when we brought up this item, you said that you were prepared to end it, are you, wish to stand on this statement now so we may move on?

Ms. Ball-Cummings: Well yeah because irregardless whether I say, whatever I say or not say, there ain't gonna be nothing changed about it, it's gonna stay the same, it's, we're talking money here and you know it ain't gonna happen, just like with the bills and the checks I mean, those can be changed too, just as far as I'm concerned. If you want to save some money, there's 2 ways to do it right there, do a different person to make out the water bills and the checks. I'm mean that's my opinion.

Mr. Sostarich: Okay, does anybody else have anything on item 6?

7. Call for Public Comment

Ms. Ball-Cummings: Does she have anything, Annette don't have no comment.

Mr. Sostarich: The member of the public does not wish to make any comments.

8. Discussion and Possible Actin Concerning Administrative Details

Mr. Sostarich: I have nothing on that subject, does anybody else?

Mr. Danielson: No.

Mr. Young: No.

9. Announcement of Next Meeting

The next special meeting of the Marana Domestic Water Improvement District Board of Directors shall be on Monday, August 11., 2014 at 4:00 P.M. at the District Office

10. Adjournment

It was moved by Mr. Sniffen; seconded by Ms. Ball-Cummings and carried that; **This meeting of the Board of Directors of the Marana Domestic Water Improvement District shall be adjourned at: 4:26 P.M.**

4 Ayes

0 Opposed

1 Absent

Minutes prepared by
L. Katy Walker
Clerk of the Board