

MARANA DOMESTIC WATER IMPROVEMENT DISTRICT
Official Board of Directors Meeting Minutes
January 9, 2012

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, January 9, 2012

1. Call to Order and Pledge of Allegiance

Chairman Mr. Sostarich called the meeting to order at 4:04 P.M.

Mr. Sostarich led the Pledge of Allegiance.

2. Roll Call

Upon roll call, those present were as follows:

Board Members Present were;

Tony Sostarich, Chairman
Gary Kendrick, Vice-Chairman
Don Peetoom
Michael Young
Teresa Ball-Cummings

Staff Members present were;

System Manager, Sig Danielson
Clerk, L. Katy Walker

Two members of the public present

3. Consent Item:

1. Approval of meeting minutes from the December 12, 2011 meeting minutes.

Mr. Sostarich: I didn't find anything wrong with the minutes of the meeting, did anybody else?

Mr. Peetoom: I did.

Mr. Sostarich: What?

Mr. Peetoom: There's too many people talking over everybody else and she can't hear

Ms. Ball-Cummings: Thank you Don.

Mr. Peetoom: the people, so we need to, if a person wants to talk, get permission from the chair and he'll say yes or no.

Mr. Sostarich: Copy. We do need to arrest our excitement here at times, I guess. It was, I think that was the first, never mind, it was a bit of an exciting meeting, wasn't it? Okay does anybody else have anything to say about it, or anybody want to make a move to

Mr. Kendrick: I'll make a move.

Ms. Ball-Cummings: I'll make a move.

Mr. Sostarich: Okay, you want to second that Gary?

Mr. Kendrick: Correct.

It was moved by Ms. Ball-Cummings, seconded by Mr. Kendrick and carried unanimously that; **The minutes of the November 21, 2011 meeting of the Marana Domestic Water Improvement District shall be approved as presented/amended.**

5 Ayes

0 Opposed

5. System Manager's Report.

1. Mr. Danielson reported: We have had one major series of problems with the system since the last BOD meeting. On January 4th, at 8:30 A.M., Southwest Transmission's contractor installing the new power poles on Trico Road broke 2-inch line that services the Rubin Peru and Harry Love homes. We attempted to restore services at 2:00 P.M. that afternoon when we had a major leak occur at the isolation valve for these two homes. We worked unsuccessfully until 7:30 P.M. attempting to isolate this portion of the system before calling it a night. The next morning we isolated the old IM system north of Moore Road and split the Derringer system at the Derringer well. This resulted in shutting off 390 customers east of Derringer Road at 10:30 A.M. At about 10:45 A.M. the air relief valve on the top of the IM well failed resulting in another 90

customers being shut off. We began restoring service at 11:55 A.M. to the Derringer portion and at 12:10 P.M. to IM. Peru and Love had their service restored at 2:00 P.M. The valve failed and I'm going to actually send this back to Dana Kepner and ask them to do a failure analysis on this valve to see if a factory defect existed because this is a 2" pipe going out to the street. Why, it was perfectly dry and everything like that when we shut it off and then this is what it looked like when we finally got to see it the next morning.

2. December billing included 191 late notices, which is higher than average.
3. We did 0 shutoffs in December for nonpayment.

Accounts Payable	\$ 42,941.19
Capital Expenditures	\$ 9,146.12
Accounts Receivable	\$ 36,989.61
Balance	\$ -15,097.70
MDWID Balances Brought Forward:	
MDWID Balance at Pima County	\$ 105,726.57
N B of AZ Checking	\$ 10,000.00
WIFA Reserve Account	\$ 51,670.69
RD General Account	\$ 17,744.86
RD Reserve Account	\$ 14,442.40
RD O&M Account	\$ 9,310.77
RD Replacement Account	\$ 7,854.85
RD Bond Account	\$ 10,365.05
Bills Pending Balance	\$ 3,316.05

The finance sub-committee met at 3:00 this afternoon. We're in pretty good shape through the first six months of the year. Through the first six months of the year our net profit is \$ 21,736.95 and that's after buying a new vehicle, the newest truck.

Mr. Sostarich: Do you want to ask him a question?

Ms. Hicks: Do I need to be here?

Mr. Danielson: Does she need to be here for the Executive Session?

Mr. Sostarich: Is that what you're here for?

Mr. Danielson: No, she's asking a question. She's got to go and pick Donnen up.

Mr. Sostarich: I don't see any reason why, does anybody else see any reason why.

Ms. Ball-Cummings: No

Mr. Sostarich: Nobody sees any reason why.

Mr. Danielson: We'll see you tomorrow.

Mr. Peetoom: Just drive careful.

Ms. Ball-Cummings: Mr. Chairman, I have a question for Sig on the Accounts that he just read off, the balance, why is a negative 15,000? You have a negative 15,097.70.

Mr. Danielson: Yes, that's the difference between the Accounts Payable, which is the what we paid out, the Capital Expenditure that we paid out and the Accounts Receivable.

Ms. Ball-Cummings: And that's what, of the first of the year, or is that of last year?

Mr. Danielson: That was for December only.

Ms. Ball-Cummings: For December only.

Mr. Danielson: Year to date, we're +21,736.95.

Ms. Ball-Cummings: Okay so that was just for the month of December?

Mr. Danielson: Correct.

Mr. Sostarich: Any other questions for Sig?

Mr. Kendrick: Mr. Chairman. I think her question, I don't know this, but I think she's asking why it was 15,000 negative. I mean was it constructional?

Mr. Danielson: Well \$9,146.12 of it was for the new truck which was Capital Expenditure.

Ms. Ball-Cummings: 9000 for the truck?

Mr. Danielson: Uh-huh.

Mr. Sostarich: Which I believe is

Mr. Danielson: However that still leaves us with a negative \$6000 and that is typical, normally in the winter months, that we lose money in the winter months and make money summer months.

Mr. Sostarich: So essentially, before we get excited about that, you had projected \$12,000 for a new truck and yet you found one for \$9,146.

Mr. Danielson: Correct.

Mr. Sostarich: I have a question myself about item # 1 on your Managers Report here.

Mr. Danielson: Uh-huh.

Mr. Sostarich: Did we have a large number of people calling in whose systems were disrupted, complaining or did they?

Mr. Danielson: Uh-huh, the phone rang off the hook.

Mr. Sostarich; Did any of these people read their water bill newsletters and conclude, I mean we were scheduled for a potential disruption during this period anyway. Were any of them appraised of that?

Mr. Danielson: Huh-uh.

Mr. Sostarich: So they didn't read their

Mr. Danielson: No, they called in, we don't have any water. We got a line break on Sandy Street.

Mr. Kendrick: Mr. Chair

Mr. Sostarich: Yes.

Mr. Kendrick: I think what, in the newsletter, we had given them a specific time, morning hours.

Mr. Sostarich: Yeah.

Mr. Kendrick: I mean, I can see people being upset, but we can't do nothing about it.

Mr. Danielson: We can't call all the customers when we have a break.

Mr. Sostarich: I understand that, my point is, what I'm really fishing for here is, of those that called in, were any of them prepared to deal with it on their own for the duration of the disruption in service?

Mr. Danielson: I don't believe so.

Mr. Sostarich: Okay, does anybody have, first of all is this, your Systems Managers Report concluded?

Mr. Danielson: Yes, sir.

Mr. Sostarich: Does anybody else have any other questions for Sig on the Systems Managers Report? Yeah, go ahead.

Mr. Peetoom: He called at ten after nine and Evelyn and I, and we started filling buckets up. That was it. He wanted to know if I needed to take a shower before I took a nap.

Mr. Danielson: I knew you had plans to go someplace that morning.

Mr. Peetoom: Well that was the wrong morning.

Mr. Young: Mr. Chair.

Mr. Sostarich: Yes.

Mr. Young: Well with a break like this, this is the problem we're having with this old system, the valves, on a major break like this, and you can't shut the valves off. That's the problem with so many places that were shut down. That's why we're trying to get the grant to replace valves. And normally, only those two people would have lost the water if we had a good shut-off valve. But you have to shut the whole system down because of our antiquated system.

Mr. Sostarich: Thank you for the reminder. Yes, I was giving thoughts about this when he appraised me earlier. The system is falling apart.

Mr. Young: Yes.

Mr. Sostarich: It's falling apart, we're having to deal with it now. Which is why, probably why some of the other things that we had scheduled, haven't yet transpired. So if there's no further questions, we'll move on.

6. Call for Public Comment (limit 3 minutes)

Mr. Sostarich: And we've got, first up is Ray House of 9710 N Volk Ave.

Ms. Walker: Sir, would you mind to come up to the microphone, please?

Mr. Ray House: David's gonna speak first.

Mr. Sostarich: Okay. David House, 9770 N Volk.

Mr. David House: 9730.

Mr. Sostarich: Okay.

Mr. House: All right. Okay, well, me and my Father, we have about 10- 12 meters through your water company and we have a complaint. And it's regarding policy. Right now your policy regarding the landlord/tenant act of overdue or unpaid bills, falls on the responsibility of the landlord, if the tenant doesn't pay the bill. You guys have a deposit that is never applied to an outstanding bill. The tenant can leave, owe 2 or 3 months of debt, had turned in a deposit. The deposit never applied to the balance, which I think is unfair. So I think that the water company's responsibility to all customers has been overlooked. The landlords have assumed the responsibility of a parent to provide for the tenants responsibility. So our complaint is on 9710 N Volk and it's regarding Tricia Martinez and an overdue bill and I came down on November 10, I ask if there was an outstanding balance and there was, it was two to

three months. I ask the receptionist if she could turn the water, turn the meter off, if she's not going to pay the bill in full. She said, yes you have that right as a landlord, if she doesn't keep her bill current, that we will turn the water off, because it's your meter, that's in your name. So on the fifteenth, I did a follow-up to verify that the water bill was paid or if the water was turned off. Response: receptionist waived my request, citing Holidays were present and that she didn't feel it was necessary to turn off her water or demand payment in full. November 26, after the Holidays, I done another follow-up. I ask if I confirmed the execution of my request. The response was, we will send Tony on November 28 to record and disconnect. On the 28th, Tony shows up, reads the meter. There was a suggestion, and I'm not sure if he was implying that he was going to pay the water bill. But that was my consensus, his statement was that he would pay the bill because she's got three kids and it was the Holidays and he wasn't going to, he couldn't see disconnecting it and his wife objected to that action. He was going to do it anyway.

Mr. Young: Now, who is he, Tony?

Mr. House: Tony, your serviceman. So, in December, I received the bill on 9710 with all my other water bills, like ten of them. So when I seen that, my first impression was there had been no attempt to receive payment from Tricia Martinez. Automatically I was responsible for the bill, they knew she was moving. So I have a problem with that. I don't really feel like there was an attempt to collect form Tricia Martinez. I was just automatically gonna take the responsibility. So then on 12-18 Sig called and offered me a deal. He said "I don't usually take the deposits and apply them to outstanding bills, but in this case, I will. I will send her the balance due, but if she doesn't pay it, then you're gonna have to pay it". And I said well Sig I don't agree with that because I feel like the water company took the responsibility of the bill and this is why. There was an absolute refusal to execute a direct request and this established a transfer of responsibility. Another note I have is, the receptionist verified that Martinez was, she was continually late and she failed to follow commitments. So as a landlord and a partial owner of 10-12 meters, you know, we feel like we're a large part of the community and we offer a service, we offer rentals, we try to help people you know, low rent, give them a clean place, but I don't really feel like I should have to pay their bills. And when the electric company shuts them off and they have an outstanding balance, they don't come to me. They go after the person that signed the contract, established the deposits and used the service. And your policy is, disregards that procedure. And I don't even know if it's legal. I haven't researched the landlord/tenant act, but as a landlord I have rights too, as the tenants do. So right now your policy actually encourages people to walk away from a water bill, move across the street

and start up a new service without any responsibility for the outstanding balance. And that's the problem I have, and quite frankly, can't afford it. It might look like we can, but we have taxes, we have overhead, we have insurance and I have other things to do with my money than pay somebody else's water bill. And I would like you guys to review your policy and come up with something that will protect my interest as well. Being that, maybe possible that the deposit will automatically go to assume outstanding debt or if it's a rental, their not allowed to have multiple month outstanding debt, only a singular month. I think it needs to be a rigid rule and that's my request for consideration. So I appreciate your time.

Mr. Peetoom: Thank you.

Mr. Sostarich: Thank you very much. As a matter of a fact, this very subject is coming up during this meeting later on. Your input, which is very well presented, I might add, will certainly add fuel to the kindling fire.

Mr. House: Well the problem, we just feel like we're being the victim.

Mr. Sostarich: Yeah.

Mr. House: You know, and all we're doing is trying, we pay our bills, our water bills and we've always paid the outstanding balances. And it just doesn't, there's something wrong with

Mr. Young: The rule.

Mr. House: If the deposit needs to be increased, and if they're ten days late, shut them off, have no mercy. They will pay their water bill.

Mr. Sostarich: Do you, by the way, have a copy of our, or would you like a copy of our policy here?

Mr. House: I would like a copy of it, I've only been told, through the receptionist.

Mr. Sostarich: This one here is, been written in October of 2001, it's when we applied the policy that we have now.

Mr. House: And I'm not familiar exactly how it is.

Ms. Ball-Cummings: Mr. Chairman, just a second please, excuse me.
That's not a proper copy.
You need to give him a proper copy of the company's policy.
That's just a newsletter, water newsletter, that's not valid, I'm sorry.

Mr. Danielson: She's right.

Ms. Ball-Cummings: He needs to have it properly done,
through Sig and the office, through Sig.

Mr. House: You have articles?

Mr. Kendrick: This is our

(inaudible overlapping statements)

Mr. House: your policies?

Mr. Kendrick: This is our

Mr. Danielson: The policy

Mr. Kendrick: This is our outside balance and shut-off policy right here,
correct? It comes out of our policy.

(inaudible overlapping statements)

Ms. Ball-Cummings: SOB, that's correct.
That's just a newsletter, you need to give him the proper one.

(inaudible overlapping statements)

Mr. Sostarich: Okay well thank you for straightening this out.

Mr. House: This policy, I can already see this policy holds me in jeopardy
and I can't really afford the jeopardy. It may not mean to apply to all but
only the landlord, where there is a rental involved, maybe residents need
a little bit more latitude. But when I'm responsible for the bill and your
latitude puts me at risk then I think there needs to be some room for
consideration. So I appreciate it if you guys would discuss it.

Mr. Kendrick: We are actually are, before you even came in, we were
already even discussing our policy agreement agreement and everything.

Ms. Ball-Cummings: Thank you.

Mr. Kendrick: Can I get your phone number?

Mr. House: 520-245-3216.

Mr. Kendrick: 3216.

Mr. Sostarich: What he is describing is item 10 on today's agenda. Your input will certainly give us something to think about, to discuss.

Mr. House: Well, my position on the outstanding balance with Tricia Martinez is that, she's, I knew that she's moving, she's has an outstanding debt, I ask on several occasions if you guys would address it and you told me, and it wasn't you, but your associates, and told me this is how we're gonna handle this and then when they didn't handle it properly, it ends up putting me at risk and I have a debt that I have been billed. So, Tricia Martinez has moved to another meter, in your district, started up another

Mr. Danielson: Tucson Water.

(inaudible overlapping statements)

Mr. Danielson: She's either on a well or Tucson Water. I sent her an outstanding invoice which she has not responded to.

(inaudible overlapping statements)

Mr. Ray House: This is a problem that we've had for some time. Several years ago, when we first started, I think Tony is one of the original members.

Mr. Sostarich: No.

Mr. House: This is always been to me, something, that is very serious, being a landlord, we're a very small entity, in relationship to the structure here. I appreciate the economic development of the water company and it seems to be very good. Even though there's a minus in the wintertime, that's a normal thing. But, getting back to what we, at one time, the, everybody stood on their own, like every tub sits on its own bottom, that's my Grandfather's expression. Everybody paid their own water bill. If they didn't pay their bill, they had their water turned off, and it wasn't, and then there was a change in the rules. The water bill now is the responsibility of the landowner and that's been in effect for several of years. My bone of contention is that we established this water company, it was never to be a profit making thing. This is a not-for-profit

organization. We're a very small person, entity, we don't have a lot of money and I have created bills for myself and our property just leaving the water on. One time my bill was \$788, it took me six months to pay that thing off and that was my fault. We paid every one of them. But these, we've had a lot of tenants and we've had to pick up these bills of the tenants and this one is an especially a grievous one because we notified you to turn it off through the board. I know not any one of you individually but through the front office and somebody chose not to do that so there again that leaves the landowner responsible as according to everything that goes on. Now all the other utilities, and you people know that, if you have an electric bill, you put on a \$250 deposit and when you go to leave, the last bill comes out of that deposit. Is that correct?

Mr. Kendrick: That's correct.

Mr. House: And I know the gas company does the same thing, because we also, we're almost human now that we have gas too, besides just bean power.

Mr. Kendrick: That's what deposits are for.

(inaudible overlapping statements)

Ms. Ball-Cummings: That's right.

Mr. House: That's what the deposit does and if your policy is as such that the deposit does not go to the last bill then I am requesting that you consider the idea of using the deposit for the last bill. And I would like the board to move to establish the older principal that we started with that everybody pays their own bill, not and don't leave it for the landlord. I like the way you got a plus in all the accounts. That's hard to achieve and we don't have near the amount of capital or investment or anything else that the water company has. So consider the small entities, it's hard for them to deal with bill that are not paid by the tenants. And it would take a policy change to do that. Thank you.

Ms. Ball-Cummings: Thank you.

(inaudible overlapping statements)

Mr. Sostarich: You're welcome.

Mr. Danielson: Thank you for your time.

Ms. Ball-Cummings: Thank you.

Mr. House: Bid you (inaudible overlapping statements).

Mr. Danielson: Thanks Ray.

Mr. Kendrick: Drive safe.

(inaudible overlapping statements)

Mr. House: Do some politicking.

Mr. Sostarich: Okay well that was interesting.

7. Discussion and Possible Board Action to hold Executive Session Pursuant to A.R.S. § 38-431.03 A(1), A(4), and (2) to discuss personnel matters

Ms. Ball-Cummings: Excuse me, Mr. Chairman.

Mr. Sostarich: Yes.

Ms. Ball-Cummings: Can we take a ten minute break before we go in to Executive Session for the rest of the meeting?

Mr. Sostarich: We may.

Mr. Young: Good idea.

Mr. Sostarich: Okay we're gonna stop for ten minutes and then go in to Executive Session. It is 4:31 P.M.

8. Executive Session pursuant to A.R.S. § 38-431.03 A(1), (A), and (2) to discuss personnel matters

9. Discussion and possible action concerning Personnel Matters

Mr. Sostarich: Okay it's now 20

Mr. Kendrick: We're back in session guys.

Mr. Sostarich: Okay we're back in to the regular meeting at 5:25 in the evening and let's see, we'll begin with item 9.

Mr. Kendrick: Mr. Chair.

Mr. Sostarich: Yes.

Mr. Kendrick: We decided that we will table item number 9 until Mays meeting. That way, we'll bring it up in Mays meeting to discuss budget concerns and ideas. Do we need to vote on that to table it?

Mr. Peetoom: Yes.

Mr. Sostarich: Okay, that's your movement. Who wants to second it?

(inaudible overlapping statements)

Mr. Young: I second it.

Mr. Sostarich: Okay, all in favor?

5 yes

0 opposed

0 Abstention

10. Discussion and possible action concerning Outstanding Balances and Collection Policy

Ms. Ball-Cummings: Mr. Chairman what happened to 9?

(inaudible overlapping statements)

Mr. Sostarich: We just tabled it. We have heard from Mr. House tonight. We all have a copy now of the balancing policy.

Due to the, unless anybody has anything otherwise, I suggest we study the policy and understand it and review what was said tonight.

Mr. Kendrick: I do have one question for Sig.

Mr. Sostarich: Okay go ahead.

Mr. Kendrick: I'm trying to think, the whole board is wondering about. He brought it up that his deposit, the question was that whether the deposit did or didn't go toward the final bill.

Mr. Danielson: Yes it did.

Mr. Kendrick: It did go and that's what the deposit is for, correct? Whatever they deposit, if they have no balance, when they terminate the account, then they get that back?

Mr. Danielson: What we tell them, when we get a regular come in, or even a new customer, the story line is identical, the \$50 security deposit is refundable, in one year, if you pay your bills on time. Every month I will sit down, and I will do it here within the next week or two. I'll sit down for all the new accounts that were opened in December of 2010. We'll look at how many penalties they had, how many late payments they had and everything like that and I'll say either refund security deposit or no refund and I'll initial each individual account.

Mr. Kendrick: Okay.

Mr. Danielson: Okay. What I began doing over the summer, when they've had a relatively short term type of a renter in there that the renter been in there less than six months, and if they walked out leaving an outstanding bill, then I said okay, I'll take the security deposit and put that toward the bill. But the landlord has to ask me to do that, it's not something we've done automatically.

Mr. Kendrick: So the deposit, okay, if they don't get the deposit back.

Mr. Danielson: Let's say they were late every month.

Mr. Kendrick: They don't get the deposit back.

Mr. Danielson: They don't get the deposit back.

Mr. Kendrick: What happens to that deposit after, say they leave, or they disconnect service, they're done with that, they don't live there anymore.

Mr. Danielson: If they have been, okay if they move out and they have paid their bill on time, we cut them a check the next month,

Mr. Kendrick: Uh-huh,

Mr. Danielson: if they move out in less than a year. If they're there for a year, we'll review it at the end of one year

Mr. Kendrick: Uh-huh.

Mr. Danielson: and say okay, were they paying on time, were they constantly late, did we have to shut them off for nonpayment, etc.,etc., etc.? I make the decision of refund or no refund.

Mr. Kendrick: Okay, say you choose no refund?

Mr. Danielson: Pardon me?

Mr. Kendrick: Say you choose no refund for that customer.

Mr. Danielson: That particular customer, I don't even look at that particular customer and say whether I would or would not. But the caveat here is, is what she had only been here about three to four months.

Mr. Kendrick: No, what I mean is, in general, what do you do with that deposit if you reject, they don't get it back?

Ms. Ball-Cummings: Yeah.

Mr. Danielson: It goes in our checking account.

Mr. Young: It goes in the general fund.

Mr. Danielson: It goes in our general fund.

(inaudible overlapping statements)

Mr. Kendrick: It doesn't get put aside to go towards that bill?

Mr. Danielson: No.

Ms. Ball-Cummings: Excuse me, Mr. Chairman.

Mr. Danielson: Not unless the landlord asks me to do it. Now if you instruct me differently tonight.

Mr. Kendrick: I think that's something we need to look in to, is change the policy.

Mr. Danielson: Change that policy

Mr. Kendrick: To where it automatically goes toward that final bill.

Mr. Sostarich: I think we ought to do that immediately and forget about refunding it at the end of the year. He said a good customer will, at the end of the year, I think we ought to, the deposit should be like Mr. House said, if somebody splits, leaves, or whatever, and doesn't pay their bill, especially a renter, we should hold their deposit until they terminate their services, and we should apply the deposit to pay bill that they skipped out on.

Mr. Kendrick: Correct.

Mr. Sostarich: That's what Mr. House was saying.

Mr. Kendrick: Yeah

Mr. Sostarich: And we're not doing that?

Mr. Danielson: We're not doing that.

Mr. Sostarich: Then we should correct that immediately.

Mr. Kendrick: I think we should do that.

Ms. Ball-Cummings: Right Gary.

Mr. Kendrick: I think we should make the policy where that deposit is held off to for the entirety of that stay. And then it's determined, okay they have no outstanding balance,

Mr. Sostarich: Right now we're talking about renters, what I suggest is for renters. The person who owns their property and has paid it off, maybe we can keep this existing policy. If you've paid your house off, you're not gonna skip out and neither are you or you.

Mr. Kendrick: Well you're gonna, you're able to know which ones are renters and which ones aren't?

Mr. Danielson: Yes.

Mr. Kendrick: Okay then.

Mr. Sostarich: I move that, go ahead Don.

Mr. Peetoom: It's in the, when you, when they bring the signed stuff up, they got to have their driver license and if it's a renter, it shows renter.

Mr. Kendrick: Okay.

Mr. Peetoom: Another paper will show it's a homeowner, an owner and that's the way it is.

Mr. Sostarich: Okay I move this evening that we immediately change the policy regarding renters. If they are renting, we hold their deposit until they terminate their services and if they skip out, we apply the deposit to their bill.

Mr. Kendrick: Correct.

Mr. Young: Tony, I think the deposit should be raised to \$100.

Mr. Kendrick: Yes I was thinking that.

Mr. Young: Because one month, they could burn up 50, \$60 of water and you'll still be out.

Mr. Sostarich: Is that true, should it be raised?

Ms. Ball-Cummings: No, it should.

Mr. Danielson: I agree.

(inaudible, overlapping conversations).

Mr. Sostarich: Okay we'll add that to the movement that I just made. Anybody else want to add something?

Ms. Ball-Cummings: Make it \$100, yeah and, because when I was, after Gary had spoke, I was trying to get your attention.

Mr. Sostarich: Go ahead and speak.

Ms. Ball-Cummings: Okay when I first moved here, Don Perry had told me, and this is what Roxanne had told me too, before I came in signed that paper. Because when I first moved down here, I was not able to get off the couch, okay, so I came out here in very ill health, compared to what I have been. Anyway they told me that deposit will go toward my bill, if I ever move out, it will go towards my bill and be applied to whatever was remaining balance, if I could not pay it. Well when I came in, it was a whole different story. It's what Sig is saying now and I was fit to be tied and I told Roxanne and I told Don Perry and Roxanne had told Sig that my payments were going to be late because I wasn't able to come in before the fifteenth or even the first of the month to make my payments. And Roxanne said that's not a problem, we'll work with you. So what had happened after 2 or 3 years had went by, I got a letter from the office stating, this was before I was even a board member, stating that due to the fact that you were late making your water payment, you

would not receive your \$50 deposit. And so, you know, I ask her why, I said "Roxanne I called you faithfully every month and told you I was going to be late". She goes "I know". I said well then why did you tell me two different things? Don Perry told me it and Roxanne told me. And I said somebody's got to get their stories straight here in the office and this was way before

Mr. Sostarich: Well we're getting it straight right now.

Ms. Ball-Cummings: So I agree with Mike, we need to increase it to a hundred.

Mr. Sostarich: Okay.

Ms. Ball-Cummings: And should not let the landlords

Mr. Sostarich: Write this down

Ms. Ball-Cummings: Should not let the landlords be liable for the renters.

Mr. Sostarich: Okay.

Mr. Young: And the water will be shut off before the second bill is due so to have some kind of leverage?
We don't want it to role in to the second bill where they will

Ms. Ball-Cummings: Yes.

Mr. Sostarich: They will be billed the 15th, if they don't pay by the 30th, we shut them off on the 31st. That's 15 days, sound good to you?

(inaudible, overlapping conversations)

Mr. Danielson: We bill on the last business day of the month.

Mr. Sostarich: Okay well, okay.

Ms. Ball-Cummings: Pay by the 15th, or you get a late penalty.

Mr. Sostarich: Due by the 15th.

Mr. Kendrick: This is for renters?

Mr. Sostarich: Yeah.

Mr. Danielson: Renters only, okay.

Mr. Sostarich: Their grace period from beginning to, they are informed around the first of the month. They've got til the 15th to pay and if they don't pay on the 16th, their water is shut off on the 16th.

Mr. Danielson: Actually it's about the 17th or the 18th, because it takes us a couple of days to do all the paperwork.

Mr. Sostarich: Okay.

Mr. Kendrick: Okay, so they get their bill, it's up to date. If they don't pay that bill fifteen days later, they're going to be shut off, is that what you're saying?

Ms. Ball-Cummings: Okay wait one second, Mr. Chairman, Vice Chairman, okay here we have this piece of paper stating here that MDWID outstanding balance shutoff policy. You're looking at a 40 day grace period that does not apply to accounts with outstanding balances. We need to review this carefully and start over I think.

Mr. Kendrick: We're not changing this, we're changing this for

(inaudible, overlapping conversations)

Ms. Ball-Cummings: for the renters.

Mr. Sostarich: Yeah we're just talking about renting policy right now. We're going to go through this when we got more time. This may be an Executive Session issue that we really need to hash out.

Ms. Ball-Cummings: I really think we really need to hash this out.

(inaudible, overlapping conversations)

Mr. Sostarich: This is a major a

Ms. Ball-Cummings: change in policy

Mr. Sostarich: Yeah, right now we're talking about renters and Mr. Addison and what her was talking about. This might be one of the cracks where that money is going through.

inaudible, overlapping conversations).

Ms. Ball-Cummings: The owners that has the renters that skip out, more or less.

Mr. Sostarich: Yes.

Mr. Kendrick: Mr. Chairman.

Mr. Sostarich: Yes.

Mr. Kendrick: Do I have that correct, so on the renters new policy, what we're coming up with is back to their fifteen days late.

Mr. Sostarich: First of all we're gonna ratchet up their deposit, new renters on this.

Mr. Kendrick: New renters, \$100.

Mr. Sostarich: \$100., the deposit will go toward if they skip out. The deposit will be held until they terminate their services here with us. and if they skip out, they lose their deposit.

Ms. Ball-Cummings: Good deal.

Mr. Sostarich: All of it.

Mr. Young: They have two weeks to pay their balance. If they don't pay their balance within two weeks, they get shut off.

Mr. Kendrick: That's what I was asking.

Mr. Sostarich: That's the next level of this, we're talking about here.

Mr. Young: We don't want them to get in to the second month.

Ms. Ball-Cummings: No.

Mr. Sostarich: Right, so if they

Mr. Kendrick: They have a fifteen day grace period.

Mr. Sostarich: Yes, everybody has fifteen days grace period.

Mr. Kendrick: Renters.

Mr. Sostarich: Well everybody already does, you get, the owner will get a shutoff notice. The renter will get cut off.

Mr. Kendrick: Now, we need to make it to where if they're fifteen days late, we need to notify that landlord.

Ms. Ball-Cummings: If at all possible.

Mr. Sostarich: Tell them we're gonna shut the water off on the 16th if this person doesn't

inaudible, overlapping conversations).

Mr. Young: If the meter is in the renters name, you don't need to contact the owner, if the meter's under the renters name.

Ms. Ball-Cummings: When they rent the place, that's correct.

Mr. Kendrick: Correct, okay. So as it is right now, everybody has a fifteen day grace period, correct?

Ms. Ball-Cummings: Yes, correct.

Mr. Danielson: Actually you have a 45 day grace period.

Mr. Kendrick: Yeah, 45 day, I'm sorry, 45.

Ms. Ball-Cummings: I have a paper here stating 45.

Mr. Kendrick: But we don't want renters getting in to

Mr. Sostarich: The second month.

Mr. Kendrick: The second month.

Mr. Sostarich: Right, that is right.

Mr. Kendrick: We don't want them owing two months.

Mr. Sostarich: We don't want somebody like Ray House coming in here saying we got a problem of this magnitude.

Mr. Kendrick: We don't want renters getting

inaudible, overlapping conversations).

Mr. Sostarich: He is providing a service and he presented himself very well, okay.

Mr. Kendrick: So after thirty days, renters will get fifteen extra days to pay their bill.

Mr. Young: No, no.

Mr. Danielson: No, that's what we have right now.

Ms. Ball-Cummings: Yeah.

Mr. Sostarich: What it will be is

Mr. Danielson: The thing is, excuse me, can I interject something?

Mr. Sostarich: You may.

Mr. Kendrick: I'm sorry, before you do, what I was referring to is, once they get their bill, they have until the 15th of that month, cause they get it the first of the month. They have until the 15th to pay that or they get shut off.

Mr. Peetoom: They get a late notice.

Mr. Kendrick: No

inaudible, overlapping conversations).

Mr. Sostarich: Well the policy that we're discussing right now is

Mr. Kendrick: just for renters.

Mr. Sostarich: What we're gonna change for the renters policy.

Mr. Kendrick: I didn't get the additional thirty days.

Mr. Sostarich: Yeah the homeowners and landlords and all that, we're gonna discuss that.

Mr. Kendrick: Let me rephrase that, after they get their bill, they have fifteens days grace to pay that or it will be shut off.

Mr. Sostarich: Yes.

Mr. Kendrick: After bill is due, fifteen days grace, and if not paid, will be shut off.

Mr. Sostarich: Okay and the deposit will go toward paying their bill. Okay what have we got?

Mr. Kendrick: I got after bill is due

Mr. Sostarich: Take it from the top.

Mr. Kendrick: Okay we are increasing the renters deposit to \$100., all new renters that sign contracts with us.

Mr. Sostarich: Okay.

Mr. Kendrick: They will pay \$100. deposit. When the renters first month, or when the renters month bill comes due and it is not paid, they have fifteen days additional to come up with the funds.

Mr. Sostarich: No, no, they've got, when their bill comes due, they've got fifteen days to pay it.

Mr. Kendrick: Correct, but we're giving them a fifteen day grace period after

Mr. Sostarich: In other words, if I give you a bill, it's due in fifteen days.

Mr. Young: It's not a grace period, you have fifteen days.

Mr. Sostarich: Yeah, you've got fifteen days to pay the bill. I'll make the move, all right?

Mr. Young: We'll send Teresa over there.

Mr. Sostarich: I move before the board that we, all new renters that sign contracts with this company will be charged \$100. deposit and they will have fifteen days to pay their bill, and if they don't pay their bill in fifteen days, the water will be shut off and the deposit will go to pay the bill. That's the movement that I make. Does anybody want to second that?

Mr. Young: I'll second it.

inaudible, overlapping conversations).

Ms. Ball-Cummings: Let's make sure that's for the new renters.

Mr. Sostarich: That's what I said.

Ms. Ball-Cummings: As of 2012.

Mr. Kendrick: I'll second it.

Mr. Sostarich: Okay, motion has been made and seconded, all in favor?

5 yes 0 opposed 1 abstained

Mr. Sostarich: Okay the next issue on this particular problem is how are we going to handle the Ray House issue? Should we handle that now, discuss it now? He's kind of been

Mr. Kendrick: What's his bill?

Mr. Danielson: Thirty-six bucks.

Mr. Sostarich: And is it, were you able to ascertain whether what he said was accurate, regarding Tony saying he would pay this bill?

Mr. Danielson: That's the first I had ever heard of it.

Mr. Peetoom: I think we should go by what he's saying.

Mr. Kendrick: We need to tell Tony not to do that.

Ms. Ball-Cummings: Mr. Chairman, that's Tony's own personal inaudible, overlapping conversations).

Mr. Sostarich: If he told this man he's gonna do that then he should pay the bill.

Mr. Kendrick: Correct.

Ms. Ball-Cummings: He was doing this out of the goodness of this heart.

Mr. Sostarich: That's fine, nobody's

Ms. Ball-Cummings: You know, we should not condemn him.

Mr. Young: We could take his raise away.

Mr. Sostarich: So you're saying that he's

Ms. Ball-Cummings: He was just trying to help, because he knows what it's like to have kids to worry about bills, water, electric, gas, you know.

Mr. Kendrick: I understand that. Mr. Chair?

Mr. Sostarich: Speak.

Mr. Kendrick: If Sig tells him to go turn a meter off, he needs to turn the meter off.

Mr. Sostarich: He does.

Ms. Ball-Cummings: But there was a problem, if you remember correctly, the water did not get turned off when he had been asked to.

Mr. Kendrick: Mr. Chairman?

Mr. Sostarich: Yes.

Mr. Kendrick: If he is asked to go turn a meter off, and he has a problem with that, and he wants to pay that bill out of his pocket right then and there and leave that meter on, that's up to him.

inaudible, overlapping conversations).

Mr. Sostarich: I agree, I agree, but he should be held to it. You want to pay the womans bill, fine, pay her bill.

Ms. Ball-Cummings: Don't let him be held to it, it was from the goodness of his heart.

Mr. Sostarich: I'm not going to pay for it, I don't know this person.

Ms. Ball-Cummings: It's only thirty dollars, we can

Mr. Sostarich: That's a different tune than what you were saying a couple months ago.

inaudible, overlapping conversations).

Mr. Kendrick: Mr. House is complaining, what's the total outstanding balance?

Mr. Danielson: About thirty some dollars.

Mr. Kendrick: Okay.

Mr. Danielson: After we apply the \$50. to it. It was \$86, let me make one thing clear, what Mr. House said. We put a door hanger on Martinez's door, saying that if she didn't pay it, we would shut it of. Normally that gets everybody in. You know, we'll do the paperwork. Okay, bills are due on the 15th, by the time we get everything out of the drop box, hopefully Don gets in here early with the mail and everything like that.

It's normally early afternoon on the 16th, when we put the late charges in to effect, on the computer. At the end of the previous month we have a list of who had not paid. Okay, next week, we will look at the list for December, on who did not pay their water bill in December. And did we receive both the December and January payment prior to the 15th. And if the case is yes, then we're done, you know.

Mr. Kendrick: Are we sure that

Mr. Danielson: That's under that 45 day rule.

Mr. Kendrick: Are we sure that that door hanger that was put on her door, are we sure that he put it on there, with him saying that he was worried about her

Mr. Danielson: He would have put the door hanger on there, yes.

Ms. Ball-Cummings: Yeah.

Mr. Danielson: We always put the door hangers on.

Mr. Kendrick: Okay.

Mr. Danielson: Now what Martinez did, is she called in here and says, and this is where I'm gonna need guidance from the Board. She says, well I don't get paid til the 21st or something like that. Can you wait until, or the 28th, can you wait til then? And normally we'll let everybody go until that particular date that they set. And 99+ % of the time, that works. Okay, in this case, it didn't, the day that she said she would pay the bill, she wandered in with a credit card or a bank card, wanting us to take a debit card. Well, I'm sorry, no we don't take debit cards. She says well, I don't want to pay the fee, or some sort of song and dance that she didn't want to pay the fee for the ATM down the street that she had to get the bank in the next couple three days and she moved out during that period.

Mr. Kendrick: The song and dance just to move out without paying.

Mr. Danielson: Yep, just to move out without paying.

Mr. Kendrick: That's why we're changing the renters agreement so this doesn't happen.

Mr. Danielson: Right, okay.

Mr. Young: Question, well Mr. House, now, he's talking about this T, what's her name?

Mr. Danielson: Tricia Martinez.

Mr. Young: Martinez, okay, was that meter in his name or her name?

Mr. Danielson: I don't know.

Mr. Kendrick: That makes a big difference.

Mr. Young: Well yeah.

Ms. Ball-Cummings: Check and see.

Mr. Danielson: I think it was in her name.

Mr. Kendrick: If it was in her name

Mr. Danielson: Yeah, if I applied the security deposit to the outstanding balance, yes it had to be in her name.

Mr. Young: Okay.

Mr. Sostarich: So we got that changed, renters will be paid by

Mr. Danielson: You are saying the 15th, I'm saying probably the 17th or 18th before we get the door hangers on and maybe the 19th or 20th before we do the actual shut off?

Mr. Kendrick: That's just gonna be what it's with, the 15th, next couple of days.

Mr. Danielson: Administrative, we can't do it on the 15th.

Mr. Kendrick: We'll put approximately.

Mr. Danielson: Yeah, when we put a door hanger on there, say the 17th, and they call in and say they can come in and pay it on the 27th.

Mr. Kendrick: No we need it on the 17th, we need it now, payment now.

Mr. Young: They need to plan ahead.

Mr. Kendrick: Or should we let Sig use his better judgment?

(inaudible, overlapping conversations).

Mr. Young: We just can't let them get in to the second month.

(inaudible, overlapping conversations).

Mr. Danielson: It has to be paid in full no later than

Mr. Kendrick: Extra five days, yeah.

Mr. Danielson: say the 28th.

Mr. Kendrick: Yeah.

Mr. Young: You be the Captain of the Ship.

Mr. Kendrick: Yeah.

Mr. Danielson: Okay.

(inaudible, overlapping conversations).

Mr. Sostarich: Right now the compartments are empty.

Mr. Kendrick: No more two months bills.

Mr. Danielson: Yeah, two month bills for renters no longer exist.

Mr. Sostarich: Okay.

Ms. Ball-Cummings: Let's get back.

Mr. Sostarich: We're

(inaudible, overlapping conversations).

Mr. Kendrick: That's gonna help with that, stop that \$8000. or whatever.

Mr. Sostarich: We're gonna have to put the rest of this on next months, because the rest of this issue, including Mr House, because we're running out of tape here and we need to keep everything brief, all right? We used the other side of this tape.

11. Discussion and possible action concerning Emergency Response Plan

Mr. Sostarich: All I have to offer at this time is the radios are ordered and things have been too hectic for Sig to get the fuel totalizers and usage and all that. The only question I have for you, Mike, is can you document that 500 gallon trailer issue that you brought up last month?

Mr. Young: Sure.

Mr. Kendrick: Mr. Chairman, we need to get together to do that operative

Mr. Sostarich: Okay you and I are the sub-committee for that and that will be at his discretion when he can fit it in to his active lifestyle.

Mr. Kendrick: We got to do it soon before you go back to

Mr. Sostarich: Right, right, well I've got latitude there, okay.

12. Discussion and Possible Action Concerning WIFA Grant Program

Mr. Danielson: The survey has been done, unfortunately they only found about a million gallons worth of leakage, I was hoping for about five million. Waiting on the final report.

Ms. Ball-Cummings: A million for the year?

Mr. Danielson: Yeah for a year.

Mr. Kendrick: Is that good or bad?

Mr. Danielson: It's not what I was looking for, I was hoping for, to find about five million.

Mr. Kendrick: And that would help us get more

Mr. Sostarich: Is the State gonna gouge us for losing a million gallons?

Mr. Danielson: No, not if

Mr. Kendrick: Good question.

Mr. Danielson: Not if we're, the State wants us to be less than a 10% difference between what is pumped and what is billed, okay.

Mr. Young: You can send them that bill.

Mr. Kendrick: Yeah right.

Mr. Danielson: If we're, but as long as we're trying to, with the meter replacement program, leak detection program, etc., etc., etc. As long as we're making a good faith effort to reduce our water losses, they will tell us to just keep going.

Mr. Young: I can't believe they didn't find that one there when they done the leak detection on site. You know that's been pumping a lot of water.

Mr. Kendrick: They said it was dry it had

Mr. Young: Look at the way it cut the valve, water has been running over it for a long time.

13. Discussion and possible action concerning USDA-RD Grant and Loan Program/Application

Mr. Danielson: Tried to call Jeff today, he wasn't in the office. Leonard had already left for the day. I don't know.

14. Discussion and possible action concerning Administrative Details.

Mr. Peetoom: I don't think we got anything.

Ms. Walker: We received a letter from the Pima County Clerk of the Board. She says Pursuant to ARS §38-431.01(G), please be advised that the Arizona Agency Handbook, Chapter 7: Open Meetings, and Chapter 8: Conflict of Interest, are posted on our website at www.pima.gov/cob. Please provide this information to your elected officials and I need to know if everybody has all three of these books. If you do not, you need to

Mr. Sostarich: I do.

Mr. Kendrick: I've got the bible, I don't know, I've got those, I just need the Roberts Rules.

Mr. Peetoom: I've got those two, but I don't have the Bible.

Mr. Young: Yeah, me either.

Ms. Walker: Nobody has the Bible?

Mr. Kendrick: I have the Bible.

Mr. Sostarich: I have all three.

Ms. Walker: So we need three Bibles. Everybody has these two?

Mr. Kendrick: Yes.

Mr. Kendrick: That's not the Roberts Rules is it? That's the one Sig is going to get for me.

Ms. Ball-Cummings: That letter, would it be possible, and I think it would not be a problem, we would all get a copy of that, letter?

Mr. Kendrick: Yeah, please.

15. Announcement of Next Scheduled Meeting

The next scheduled meeting of the Marana Domestic Water Improvement District Board of Directors shall be on Monday, February 13, 2012 at 4:00 P.M., at The District Offices.

16. Adjournment

It was moved by Mr. Peetoom, seconded by Ms. Ball-Cummings and unanimously carried that;
This meeting of the Board of Directors of the Marana Domestic Water Improvement District shall be adjourned.
The meeting was adjourned at 5:55 P.M.

Minutes prepared by
L. Katy Walker
Clerk of the Board