

MEETING REPORT
WATER COMMITTEE
MONDAY, DECEMBER 5, 2011
8:15 A.M.

Directors: Barbara Balen
Ralph Retherford

Staff: Pete Kampa
Kelly Klyn
Melissa McMullen
Lisa Westbrook

Public: Ron Ringen
Leigh Shampain, Superintendent Sonora Elementary

Review Agreement Regarding Treated Water Meter, Backflow Device and Service Charges for Sonora Elementary

Kelly Klyn stated that recently Sonora Elementary School installed a raw water line on their campus for the purpose of fire flow. The school extended the raw water line, which has pressure from Phoenix Lake, to the front of the campus. Then the school added onto this raw water line so that it would run onto the campus to serve more raw water outlets. Mr. Klyn stated that within the agreement it states TUD and Sonora Elementary School agree to the following:

1. School shall install a new 8" diameter treated water service and backflow device at or near the property line of the campus per the Districts' specifications. Upon completion of the installation, District shall install an 8" compound meter.
2. District agrees that the larger 8" water meter is not for increased domestic use but to reduce restriction of flow available to the schools existing fire hydrants on their treated water pipeline and the District shall therefore continue to charge the monthly base rate for a 4" water meter.
3. School agrees that the raw water pipeline which school recently extended into the campus shall be used solely for the purpose of fire suppression. School agrees to notify District if school desire to use the onsite hydrants for any reason other than fire suppression, and shall not make any connections to said raw water pipeline without prior District approval.

Director Retherford questioned why the agreement states that the recently extended raw water pipeline shall be used solely for the purpose of fire suppression and not for other purposes like irrigation. Pete Kampa responded by saying that this is only the first step, and at this time the school district has not currently requested the fees for other usage of the raw water. Mr. Kampa stated that he encouraged the school district to pursue this option, which could entitle them a savings up to 20%.

Director Retherford and Director Balen stated they were in favor of the agreement with Sonora Elementary School.

Recommendation: To present to the TUD Board on Consent Calendar at a future Board meeting for review and consideration.

Clarification of the Various Ditch Customer Categories and Associated Rates

Director Retherford stated one of the issues he would like clarification for is customers who, like himself, are on irrigation/supplemental water. Director Retherford stated that he would like an explanation on how the irrigation/supplemental water customer's rates are to go up the same as all other water customers and is it really justified? Director Retherford stated that he felt this large of an increase was unreasonable. Pete Kampa stated that the rate study had initially proposed a much higher increase in raw water rates based on the associated expense and revenue, but at a Fiscal Committee meeting Sasha Farkas presented facts that require further analysis. Therefore, as was practiced in the past, raw water rates were proposed to be increased the same percentage as the average treated water customer at 23%.

Director Retherford stated that another issue of concern is for the past twenty years, TUD has been paying approximately \$165,000 per year starting in 1992 until 2012 on the pipeline from Phoenix Lake to the Sonora water treatment plant. This payment is now near completion and this amount should be taken off the raw water calculation, meaning \$165,000 less TUD has to contribute. Director Retherford stated that he wanted to make sure this reduction in cost has been figured into the raw water cost. Pete Kampa responded by saying that this is separately listed in the revenue requirements debit service and peaks in 2012 with \$1,105,900 and then decreases by approximately \$200,000 by 2013 and then decreases again down to \$500,000 by 2015. Mr. Kampa also stated that the cost of the pipeline was paid by all customers.

Director Retherford stated that his last item of concern is the base rate fee of \$17.00 per month he personally is paying when using supplemental water, and he believes this is the same fee that other customers with ditch contracts pay per month. Director Retherford wanted clarification on this fee. Pete Kampa responded by saying the base rate is used to help fund the maintenance of the ditches and so that TUD staff is prepared to respond to an emergency. Mr. Kampa stated that this is a base benefit whether you're using water or not and that there is always some monthly ongoing expense.

Director Retherford stated that he is looking for consistency in rates for all customers.

Director Retherford inquired if Director Balen would support his request that the raw water rates not be increased by 30%. Director Balen responded what she didn't like about the rate increase is that TUD is down to 600 ditch customers. Director Balen stated that she feels all TUD customers are in this together. So, when she hears that ditch customers are stand-alone she fundamentally disagrees. Also, Director Balen noted that there used to be a larger amount of ditch customers but over time they have left when treated water became available, now the 600 ditch customers must shoulder the increase. Director Balen stated, however she could not support Director Retherford's request to not increase the raw water rate by 30%. Pete Kampa responded that the increase is actually closer to 23.4%.

Committee Recommendation: The various ditch customer categories and associated rates will continue to undergo a process of clarification.