

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

January 9, 1995  
7235 North Paseo del Norte  
Tucson, Arizona 85704

**MINUTES**

Board Members Present:       Herb Johnson, Chairman  
                                      Marty Cramer, Member  
                                      Jim Doyle, Member  
                                      Barbara Johnson, Member  
                                      Pete Schlegel, Member

District Staff Present:       Mark Stratton, General Manager  
                                      Michael Block, Hydrologist  
                                      Scott Eisenfeld, Development Supervisor  
                                      Alan Forrest, District Engineer  
                                      Christopher Hill, Utility Superintendent  
                                      Marilyn Roberts, Customer Service Representative  
                                      Steve Shepard, Backflow Inspector  
                                      Lucia Spohn, Engineering Secretary  
                                      Larry Tanner, Foreman  
                                      Warren Tenney, Clerk  
                                      Sheila Willis, Administration Manager

Others Present:               Ed Carpenter, University of Arizona  
                                      Bill Carroll, Cella Barr  
                                      Bud Dooley, Customer  
                                      Michael McNulty, Brown & Bain  
                                      Mark Myers, Consultant  
                                      Jim Peterson, Town of Oro Valley  
                                      Ron Wong, Customer  
                                      Gary Woodard, U of A Water Resources Research Center

**I. CALL TO ORDER AND ROLL CALL**

- A.     The meeting was called to order at 5:03 p.m. by Mr. Herb Johnson, Chairman of the Board of Directors of the Metropolitan Domestic Water Improvement District (District). Ms. Marty Cramer, Mr. Jim Doyle, Ms. Barbara Johnson and Mr. Pete Schlegel were present.

- B. Mr. Schlegel moved that the Board approve the meeting notice and agenda for January 9, 1995. Ms. Cramer seconded and the motion passed unanimously.
- C. Mr. H. Johnson asked the members of the Board to introduce themselves. Ms. B. Johnson said she is a newly elected Board member and works for Pima County Development Services Department. Mr. Schlegel said he has worked with the District since its conception. Ms. Cramer said she has been in the District for eight years and works for the Pima County Sheriff's Department. Mr. Doyle said he is a newly elected Board member and works for Pima County Wastewater Management.

## **II. COMMENTS FROM THE PUBLIC**

There was no comment from the public.

## **III. CONSENT AGENDA**

- A. Approval of Minutes - December 12, 1994 Board Meeting.**
- B. Ratification of Billing Adjustments or Small Damage Claims.**
- C. Financial Issues - Update on Revenues, Checks and Warrants.**
- D. Ratification of Agreement with Southwest Gas for the Seniors Helping Seniors Program.**
- E. Ratification of Contract - Bond Arbitrage Rebate Calculation.**

Mr. Michael McNulty noted that he had a suggested change for the minutes of the December 12, 1994 Board meeting. Mr. Schlegel said he had a question regarding the ratification of agreement with Southwest Gas for the Seniors Helping Seniors Program.

Ms. Cramer made the motion to approve items B, C, and E on the Consent Agenda. Ms. B. Johnson seconded the motion and it passed unanimously.

- A. Approval of Minutes - December 12, 1994 Board Meeting.**

Mr. McNulty said that on page 2 of the minutes for the December 12, 1994 Board meeting, the words "have decided" in the third sentence of the first paragraph should be removed and replaced with the words, "are debating the wisdom to seeing". The change better represents the District's negotiations with the City of Tucson.

Mr. Schlegel made the motion to approve the minutes of the December 12, 1994 Board meeting with the corrected change as noted above. Ms. B. Johnson seconded the motion and it was approved unanimously.

**D. Ratification of Agreement with Southwest Gas for the Seniors Helping Seniors Program.**

Mr. Schlegel asked who had drafted the agreement for the Seniors Helping Seniors Program. Mr. Michael McNulty said that the original contract was prepared by Southwest Gas. Mr. Schlegel questioned why the agreement was done twice. Mr. Warren Tenney explained that the original agreement prepared by Southwest Gas included language that did not apply to the District. The agreement was corrected and returned. A second agreement was sent to the District and some minor changes were made to it.

Ms. Cramer asked who administers the Seniors Helping Seniors Program (Program) and reviews the applications. Mr. Tenney said that the Program administers itself and determines if applicants meet the qualifications. Inserts regarding the Program were mailed with Southwest Gas billings in September 1994. The Program has confirmed with the District the applicants who reside within the District.

Mr. Schlegel asked if the District would pay up front or be billed. Mr. Tenney said that the District would be billed as homes are done. Mr. Schlegel asked if the volunteers receive \$10 per home from each sponsor of the Program. Mr. Tenney said he was not certain of the breakdown. Two senior volunteers, male and female, work at each home; therefore, it is \$5.00 per volunteer. The District pays directly the Program and it reimburses the volunteers.

Mr. Schlegel suggested that someone from the Seniors Helping Seniors Program could make a presentation so that he had more information regarding the Program. Mr. Mark Stratton said that Tucson Water has participated in the Program for two years. He was not certain of how the volunteers were paid.

Mr. Schlegel asked what the volunteers were paid for. Mr. Tenney explained that the Program approached the District about participating. The Program had received favorable responses from Tucson Water customers and it wanted to be able to do water conservation within the District. The senior volunteers conduct a complete energy and conservation appraisal of the home and install conservation devices.

Ms. B. Johnson noted that the July 22, 1994 memorandum to Mark Stratton from Warren Tenney states that the stipend is used to reimburse the volunteer for mileage, tools, clothing damage, and meals. She said that five dollars is a small amount to pay the volunteers.

Mr. Schlegel questioned if the volunteers were being paid \$5 from each utility sponsoring the Program. He asked if the District is committing to pay for a certain number of homes, if more than the minimum number of homes agreed to can be done, and the cost involved. Mr. Tenney said staff was comfortable with initially agreeing to participating in seventy-five homes. If favorable responses are received, we can participate in more homes. The District is only charged for the homes that are completed. The District does need to purchase the conservation devices, which is the only uncertain cost. The District's participation in the Program should only cost \$1,500 to \$2,000.

Mr. Schlegel said he is not against the concept of the Program. He was concerned if the District had to say "no" to somebody because the agreed upon 75 homes had been completed and the other concern was if the organization was making a large profit.

Ms. B. Johnson said the Program appeared worthwhile even if the volunteers were receiving \$15 total from the participants.

Mr. Schlegel said that District staff could complete the installation of conservation devices on its own and do twenty to thirty homes a day. Mr. Tenney said that the volunteers complete about five a day.

Ms. Cramer asked if people in the District have requested participation in the Program. Mr. Tenney said that about 50 people within the District have inquired about participating.

Ms. B. Johnson asked if staff will be monitoring the Program. Mr. Tenney said that the Program will be monitored carefully. Southwest Gas, which Seniors Helping Seniors Program is under, only does the Program until May 1995.

Ms. Cramer noted that an escape clause exists in the Agreement. Mr. Tenney said that there is an escape clause as well as a clause to allow the District to continue the Program if it so desires. Ms. Cramer said she would support approving the Program and then having a Program representative discuss the Program at the next Board meeting.

Mr. Schlegel suggested continuing the item until the next meeting when someone can come to discuss the Program. He said he was concerned about fraudulent acts. Mr. Tenney noted that Program, which is under Southwest Gas, also monitors the Program.

Ms. Cramer made the motion to ratify the agreement regarding Seniors Helping Seniors Program and requested that a presentation be made at the February 13, 1995 Board meeting. Ms. B. Johnson seconded the motion and it passed unanimously.

#### **IV. EXECUTIVE SESSION**

Mr. Schlegel moved that the Board adjourn to go into Executive Session. Ms. B. Johnson seconded the motion and it passed unanimously. The Board went into Executive Session at 5:28 p.m.

Pursuant to A.R.S. § 38-4331.03 (A)(3) (consultation for legal advice with the attorney or attorneys of the District) and/or executive session pursuant to A.R.S. § 38-431.03 (A)(4), (to consider the Board's position and instruct its attorneys in pending or contemplated negotiations or litigation) regarding the following:

- A. Modification to the Asset Purchase Agreement with the City of Tucson.

The Board returned from Executive Session at 6:55 p.m. Ms. B. Johnson made the motion to return to the regular session of the Board meeting. Ms. Cramer seconded the motion and it passed unanimously.

**V. OLD BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

**A. Modification to the Asset Purchase Agreement with the City of Tucson.**

Ms. B. Johnson made the motion for the Board to hold a joint study session with the Town of Oro Valley Mayor and Council to discuss the modification to the Asset Purchase Agreement. Mr. Schlegel seconded the motion and it passed unanimously.

Ms. Cramer noted that staff will schedule the meeting and notify the Board of the date and time for the meeting.

**B. Update regarding the Northwest TAMA Replenishment Program.**

Mr. Mark Myers noted that the Board had received his update regarding Northwest TAMA Replenishment Program (NRP) activities during December 1994. He reported that a meeting with CH2M Hill will be held January 11, 1995 regarding the second project management plan for the feasibility study, which will be the basis for cost sharing agreements among the various participants. A joint augmentation grant for the NRP was submitted to the Arizona Department of Water Resources (ADWR). ADWR's Groundwater Users Advisory Council (GUAC) will meet on January 23, 1995 to review the grant proposals and it is hoped that the joint augmentation grant will be awarded, which will provide technical data for the feasibility study as well as be counted as additional funding for the study. The Pima County Board of Supervisors passed a resolution supporting unanimously the NRP and committed continued financial participation.

Mr. Myers said that he had provided the Board with a briefing white paper regarding the NRP. He would like to schedule a tour of the NRP project sites in the spring for the new Board members as well as a time to discuss the briefing paper.

Mr. Schlegel asked what the financial contributions were from each participant. Mr. Myers explained the various contributions and noted that each contribution should increase. The District's \$120,000 contribution included fees for a consultant, staff time, the District's hydrological study for an assured water supply, and the joint grant with ADWR. Pima County Flood Control District's \$100,000 contribution includes a consultant and staff time. Ms. Julia Fonseca is supervising the project management study. ADWR's \$50,000 contribution includes grant funds and the legislated regional hydrology study. Town of Marana, along with Cortaro-Marana Irrigation District (now a formal sponsor), are to contribute \$73,000 for their assured water supply study. The Town of Oro Valley has pledged \$20,000. Rancho Vistoso and Cañada Hills Water Companies are each contributing \$20,000 for their assured water supply study. The City of Tucson's staff states a \$100,000 commitment, but we do not know the form of the contribution. Central Arizona Water Conservation District (CAWCD) approved \$50,000

for this type of study and it is anticipated that we should receive the majority of the funds. The Bureau of Reclamation has also committed for the current fiscal year funds of approximately \$240,000. The Bureau is paying CH2M Hill's cost for the project management study.

Mr. Schlegel asked if the feasibility study will include an examination of extending a pipe up the Cañada del Oro Wash. Mr. Myers said that three different alignments will be considered in the feasibility study.

## **VI. NEW BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

### **A. Administration and Management**

#### **1. Schedule of Board Meetings for 1995.**

Mr. Schlegel made the motion to approve the dates for the regular 1995 Board meetings as noted in the staff report, which are scheduled for the second Monday of each month at 5:00 p.m. Ms. B. Johnson seconded the motion and it passed unanimously.

#### **2. Election of Board of Directors' Officers for 1995.**

Ms. Cramer made the motion to schedule the election of the chairman and vice-chairman for the March 13, 1995 Board meeting. Mr. Schlegel seconded the motion and it passed unanimously.

#### **3. Board Member Committees.**

Mr. H. Johnson said that the Board had received a report regarding the formation, purpose and procedure of the Board member committees. Five committees have been established that deal with business administration, operation & maintenance, quality control, capital improvement program, and financial. The committees' main purpose is to resolve a conflict or disagreement between the General Manager and member of the Board regarding a specific matter or to provide direction requested by the General Manager regarding a particular issue. Mr. H. Johnson noted that he had submitted a memorandum listing two Board members for each category for the Board's consideration. The Board may want to take time to review the suggestions. Ms. B. Johnson noted that she would prefer to wait to make a decision.

Mr. Schlegel made the motion to continue the item until the next regular Board meeting. Ms. Cramer seconded the motion and it passed unanimously.

#### **4. District Survey.**

Mr. Stratton reported that Mr. Ed Carpenter and Mr. Gary Woodard had a presentation regarding the recent survey conducted by the District.

Mr. Woodard provided a draft report to the Board regarding the preliminary findings of the survey, though it is unlikely that the findings would change. Mr. Carpenter designed the survey and Mr. Woodard analyzed the data.

Mr. Carpenter explained that development of the survey began in September 1994. Approximately 12,100 surveys were mailed and a remarkable 60 percent were returned. The high return rate indicates that District customers are quite interested.

Mr. Schlegel asked if any follow-up would be needed to confirm the results. Mr. Woodard and Mr. Carpenter discussed different methods that could be used to determine the opinions of the 40 percent of customers who did not respond. If the issue is to use the numbers in a legal case, some random survey could be done of the 40 percent. Mr. Schlegel asked if Mr. McNulty was comfortable with the numbers. Mr. McNulty said that the numbers look good.

Mr. Carpenter reported that the survey provides a socio-demographic profile of District customers. Over 95 percent of the respondents said they own their home, which is probably tied to owners being the ones who pay water bills. The median home age in the District is between 11 and 15 years; however, an impressive 30 percent of all respondents has resided in their current homes for 2 years or less; half have resided in their homes for 5 years or less. Only 6 percent report having lived in their current homes for 20 years or more. The average reported household size is 2.64 persons. Some 59.5 percent of these persons are between 18 and 64 years of age, with 26.0 percent under 18 and 14.6 percent over 65 years of age. Some 37 percent of all households have one or more children, and 25 percent of all households have one or two persons of retirement age. The median income of District residents is between \$40,000 and \$49,000, with 78 percent of District residents earning above \$30,000. The survey asked the importance of landscaping, pools and fountains, and tap water quality to the customer's life quality. Landscaping is considered very important or somewhat important to 87 percent of respondents. Only 54 percent view pools, spas, and fountains as important to their quality of life. Quality of tap water is considered very important by 90 percent of respondents and somewhat important by 9 percent; only 1 percent do not consider it to be important.

Mr. Woodard said another group of questions examined the customer's opinion about the water quality. The majority of customers ranked the water taste, smell and appearance of the water as very good or good. Some indicated on the survey a displeasure with the recent addition of chlorine to the water. A more negative ranking was given to hardness of the water, which is typical for the Southwest. Seventy percent of the customers say they drink tap water and 30 percent do not. The survey then inquired to why the 30 percent did not drink the tap water. The 30 percent indicated an average of three reasons for not drinking the water with smell/taste and chlorine being highest on the list.

Mr. Woodard reported that 22 percent of the respondents said they bought bottled water, which compares to 27 percent of Tucson Water customers. However, 23 percent of District customers have one or more in-home water treatment system. The District and Tucson Water have the same percentage of customers using in-home water treatment systems and purchasing bottled water. The higher number of in-home water treatment systems in the District is due to a

concentrated marketing effort, higher incomes, CAP issues, and that due to the high number of new residents possibly retaining their habits learned in other areas.

Mr. Woodward explained the priorities indicated by customers regarding District policies. District customers were asked three questions about acceptability of three alternate strategies for securing an renewable water supply, willingness to pay to continue receiving groundwater, and relative importance of three capital improvement categories. Regarding options to renewable water supply, the options of replacing mains and accepting CAP water is somewhat or totally unacceptable to nearly 70 percent of the respondents. Relying on Tucson Water to improve the quality of CAP water is somewhat or totally unacceptable to 61 percent. Recharging CAP water and continuing to pump groundwater is either totally acceptable or somewhat acceptable to 80 percent of respondents.

Mr. Woodard noted that Question #13 asked "If Metro Water District had to go to court to ensure that you will continue to receive pumped groundwater rather than treated CAP water, would you be willing to pay \$x more per month?" One-fifth of each survey had a different dollar amount - \$3, \$6, \$9, \$12 and \$15. A high support was given for \$3 and \$6. For monthly water bill increases above that, the median respondent is undecided. For increases of \$12 and \$15 per month, there are more respondents opposed than supportive. Customers with higher income were more supportive of paying a higher amount.

Two different demand curves were developed from the results of Question #13. One was "conservative" by assuming that all respondents marking "undecided" to the questions were actually negative responses. The other demand curve was "liberal" by assuming that all respondents marking "undecided" were actually voting "yes". Under the conservative demand curve, people were willing to pay between \$7.31 and \$9.32. Under the liberal demand curve, customers were willing to pay between \$11.65 and \$19.60. The actual number is difficult to determine because of the high percentage of "undecided" responses. A strong majority of those marking "undecided" wrote on the survey to inquire how long the additional rate increase would be necessary. If a year is being contemplated, then more support could be gained for a higher rate increase. If the rate increase is with no time frame, then between \$5 and \$6 increase would probably receive acceptance.

Mr. Woodard reported that the final question involved ranking the relative importance of three categories of capital improvement projects. The three categories are clearly differentiated with the results indicating that staying on groundwater is the first priority, building storage reservoirs is second, and constructing water lines and installing hydrants is third. The strength of preference for staying on groundwater is very strong.

Mr. Stratton said that much information had been presented to the Board. He requested that the Board review the draft report to determine if there are some additional analysis to ask of Mr. Woodard and Mr. Carpenter.

Mr. Schlegel asked if it was in the best interest of the District to hold a press conference regarding the survey results. Mr. Woodard and Carpenter said that it depended upon what the

District would want to gain from a press conference. The survey had indicated that the results would be provided to the customers through a newsletter and such a summary should be shared first with the customers.

Ms. Cramer noted that a significant aspect of the survey is that the District sought to ask its customers. Mr. Woodard and Mr. Carpenter agreed and again noted that the high response should be congratulated and indicates that customers are interested.

**5. Recommendation by the Management Advisory Committee regarding Modification of Fiscal Year 1994-1995 Budget for Non-Budgeted Capital Projects.**

Mr. Stratton said that his report to the Board noted the non-budgeted capital projects that the Management Advisory Committee had recommended to be incorporated into an amended Fiscal Year 1994-1995 budget. The projects have received various levels of authorized support from the Board. The modification to the budget is to incorporate the projects in the Fiscal Year budget.

Mr. Schlegel inquired about the explanation for the \$360,000 excess revenue from the rate increase to be used for funding the non-budgeted capital projects. Mr. Stratton explained that the Fiscal Year 1994-1995 budget was adopted before the rate increase was known. Since the rate increase was higher than anticipated, the additional revenue had not been included in the adopted budget.

Ms. Cramer made the motion to approve the amendment to the Fiscal Year 1994-1995 budget to include the capital projects known as the Magee/La Cholla replacement well, one million gallon storage reservoir for Magee/La Cholla, 12" main on Ina Road, Alcott booster facility, and design of Linda Vista 5 million gallon reservoir. Ms. B. Johnson seconded the motion and it passed unanimously.

**6. Toilet Rebate Program.**

Mr. Stratton noted that the water conservation survey conducted by the District during Fall 1994 indicated that a toilet rebate program may be advantageous for the District's conservation efforts. Mr. Schlegel had requested that the item be brought before the Board for consideration. In a memorandum, Mr. Tenney had outlined of Tucson Water's toilet rebate program and a potential similar program for the District. Since it is not known how many District customers would want to participate, an upper limit per fiscal year should be determined in order to establish a budget for the program. The recommendation is based on a cost of \$50 per unit for 200 toilets per year. Tucson Water's program was based on a percentage of the cost of the program. Mr. Tenney said that Tucson Water's program rebates for half of the price of the toilet up to a \$100, but the average price was at \$64. Tucson Water is planning to recommend a flat \$50 rebate.

Ms. Cramer asked if the program would apply to new construction. Mr. H. Johnson asked if the toilets should be required in all new construction. Mr. Stratton said that the program would be for only existing homes and that it is required statutorily for new construction.

Mr. Schlegel said he was not concerned about a high number of people responding to the program, but was concerned about having to turn someone away because the program is based on a first-come, first-served basis. He would prefer to have the program offered for a period of time with the option to renew it. He does not want someone complaining because they were turned away from the program. The program will probably not save a tremendous amount of water but it is more of a public relations program. Mr. Tenney noted that having a first-come, first-served basis could encourage more participation in the program.

Mr. H. Johnson asked the percentage of residential customers paying only the minimum bill. Mr. Stratton said he would investigate it, but probably it is less than five percent during the summer.

Mr. Stratton said that staff would prepare a program to authorize a toilet rebate program as well as provide information on water usage.

## **B. Engineering and Planning**

### **1. Award of Contract - Mainline Replacement for Ranch House Estates.**

Mr. Stratton reported that bids were received for the mainline replacement for the Ranch House Estates subdivision. The low bidder is NAC Construction in the amount of \$79,665. The high bid was \$112,140. A significant component of the overall cost is the pavement replacement for the project, which is approximately one-third of the total project cost.

Ms. B. Johnson made the motion to award contract for construction of the Ranch House Estates mainline replacement project to NAC Construction in the amount of \$79,665. Mr. Schlegel seconded the motion and it passed unanimously with the members present. Ms. Cramer was not present at the time of the vote.

### **2. Wellhead Vulnerability Assessment Project.**

Mr. Michael Block said that to meet federal and state regulations under the District's water quality program, the District had completed quarterly Synthetic Organic Compounds (SOCs), which comprises of herbicides and pesticides, for the majority of its wells in December 1994. The approximate cost for this sampling process was \$120,000. The Arizona Department of Environmental Quality (ADEQ) deferred the required monitoring of Dioxin until 1995. This required monitoring could be waived if the District shows that Dioxin was not used in the area. The wellhead vulnerability assessment project is to be conducted by Pima Association of Governments (PAG) and includes filling a form that would allow the District to defer that cost of compliance, which is in the range of \$50,000 and \$80,000. The majority of the project is to seek waivers in 1997 for the constituents tested in 1994. The projects estimated cost of

\$5,000 could save the District \$120,000 to \$200,000. If the District does not make the waiver criteria for Dioxin, the District will not be penalized for starting the testing late.

Mr. Stratton noted that the amount of the contract is approximately \$5,000. After the scope of work meets staff approval, the contract will be on the agenda of a future meeting for ratification by the Board.

Mr. Schlegel said he was uncertain of PAG's role with the project. Mr. Block explained that PAG has a contract with Tucson Water for a similar study. The District approached PAG about having them conduct a well vulnerability assessment project. PAG's Board gave consensus for such a project with the District. Mr. Schlegel asked how PAG could deny our request. Mr. Stratton said that if PAG does not have enough staff and resources, it does not have to commit. Mr. Schlegel questioned PAG being able to do a project for the benefit of one entity such as Tucson Water and not for all of Pima County. Mr. Block said that although we are a county improvement district, we do not have a direct line to Pima County. Mr. Schlegel said that our contract with Oro Valley could be used. Mr. Block and Mr. Stratton noted that PAG's response has been positive to the District and that PAG seeks participation in such regional projects.

Ms. B. Johnson asked if the State could respond as promised within two weeks after the application for deferment is filed. Mr. Block said he was surprised by their promised two week time frame. Initial samples have indicated Dioxin does not exist in the area.

Mr. H. Johnson asked if staff was requesting action on this item. Mr. Stratton said that the contract is for under \$10,000 and he will be signing it. The Board will be asked to ratify the contract at a future Board meeting. This item was included on the agenda to provide information to the Board because it was a relevant, beneficial item.

Mr. Schlegel asked for the time frame for the waiver. Mr. Block said the waiver is for the year it is requested and three years later when testing is required again, the District will have to apply for another waiver.

Mr. H. Johnson said that the public often wonders what is being done to confirm the quality of water. He suggested that the next newsletter contain information regarding the District's water quality efforts. Mr. Tenney noted that the newsletter currently being printed does mention the District's 1994 expenses for assuring quality water.

### **3. Ratification of Contract - Drilling of Stiller Well.**

Mr. Stratton said at the December 12, 1994 Board meeting, Legal Counsel expressed concern regarding the Board awarding a contract for the drilling of Stiller Well for which a new Board would have to accept within their next fiscal year budget. For this reason, Legal Counsel recommended that the Board of Directors ratify the award of contract to Layne Western for the drilling of the Stiller well in the amount of \$205,060.

Ms. Cramer made the motion to ratify the award of contract to Layne Western for the drilling of Stiller in the amount of \$205,060. Ms. B. Johnson seconded the motion.

Mr. Schlegel noted that the City of Tucson had considered drilling a well at a public park site and when the Mayor and Council contemplated not drilling the well, the well contractor claimed the City was breaking the contract and threatened to sue. Mr. Schlegel hoped that Layne Western was not the same contractor and would not take a similar approach toward the District.

Mr. Block said he did not know who the contractor was that Tucson was using. He noted that in his discussions with Layne Western, they indicated that they would be willing to drill the Stiller well the same time as the Magee/La Cholla well and then bill the District for the Stiller well in the new fiscal year. This would save them the cost of hauling in their drilling rig twice into the area.

Mr. H. Johnson requested that Legal Counsel have language placed in the contract that would allow an arrangement as mentioned by Mr. Block as well as prevent any problem similar to Tucson's as mentioned by Mr. Schlegel.

Mr. H. Johnson called for the vote regarding the ratification of the award of contract. The motion passed unanimously.

### **C. Utilities**

#### **1. Backflow Prevention Program - Status of Compliance Schedule.**

Mr. Steve Shepard explained that to date approximately 660 service connections are part of the District's Backflow Prevention Program. A backflow assembly has been installed and has been tested in 425 services. No assembly is required at present at 162 services, though they will be reinspected annually to verify no changes in their water system. Seven services are currently being installed. Ten services are installed but need to be tested. The District is inspecting the installation of 53 services at La Cholla Hills. All backflow prevention assemblies are required to be tested annually. On December 15, 1994, the District began mailing the test notices that are due in January. Annual test notices will be sent out the 15th of each month. Pima County Department of Environmental Quality (PDEQ) has inspected the District's Backflow Prevention Program. PDEQ was verbally pleased with the program. Their written report should be received shortly. The only comment noted by PDEQ was that our bulk stations have no Backflow Prevention, but steps have been taken to correct that discrepancy. The District has requested well information from ADWR to determine if there are any cross-connections with a private well.

Mr. Schlegel asked for Mr. Shepard's assessment of the Program's acceptance and if a letter from the Board would be useful. Mr. Shepard said that many businesses did not understand why such a program was being implemented despite the explanations made. There has only been minor resistance. Most people were cooperative. A letter may be useful to secure annual test results are returned sooner.

## **VII. GENERAL MANAGER'S REPORT**

Mr. Stratton noted that he had provided to the Board a General Manager's report that discussed the Magee/La Cholla storage reservoir, attempted theft at Latamore Wells, water line extension on Shannon, annexation of additional properties to the District boundaries, service area disputes with Tucson Water, and staffing levels in the Utilities Division.

Mr. Schlegel asked why the insurance company was notified of the attempted theft and suggested sensor lights for the well sites. Mr. Stratton said it was because damage was done that required repair.

## **VIII. DISTRICT LEGAL COUNSEL'S REPORT**

Mr. McNulty provided a report outlining the various expenses incurred by the District. The County Clerk has suggested that financial disclosure forms should be filled out by the members of the Board though this was not requested last year. The County Attorney has been asked to provide an interpretation of if the District must follow the County ordinances of filing financial disclosures.

Mr. McNulty noted that negotiations regarding boundary disputes with the City of Tucson, particularly the right to serve the Rancho Arboleda subdivision will require more action in the next few months. Tim Delany, Legislative Lobbyist, is no longer working for Brown & Bain.

Mr. H. Johnson asked if the formation of a county water authority may occur this legislative session. Mr. Stratton and Mr. McNulty said that while it may be an advantageous time to seek such an authority, Pima County has not taken any action to seek such legislation.

## **IX. FUTURE MEETING DATES; FUTURE AGENDA ITEMS**

The next regular Board meeting is scheduled for February 13, 1995. Mr. Stratton will inform the Board of when a joint study session is scheduled with the Town of Oro Valley.

## **X. ADJOURNMENT**

The meeting was adjourned at 8:52 p.m.

  
Herb Johnson, Chairman

ATTEST:

  
Clerk