

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

February 13, 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  
   Warren Tenney, Clerk  
   Sheila Willis, Administration Manager

Others Present:              Bud Dooley, Customer  
   Warren Edminster, Architect  
   Michael Lesem, Mesa Del Oro Estates  
   Mark Myers, Consultant  
   Jim Peterson, Town of Oro Valley  
   Donna Pratt, Northwest Fire District  
   Sally Simmons, Brown & Bain  
   Bill Smith, Customer  
   Debbie Smith, Northwest Fire District  
   Debi Ybarra, Seniors Helping Seniors Program

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

- A.      The meeting was called to order at 5:00 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 February 13, 1995. Ms. B. Johnson seconded and the motion passed unanimously.

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

There was no comment from the public.

## **III. CONSENT AGENDA**

- A. Approval of Minutes - January 9, 1995 Board Meeting.
- B. Approval of Minutes - January 17, 1995 Joint Study Session.
- C. Ratification of Billing Adjustments or Small Damage Claims.
- D. Financial Issues - Update on Revenues, Checks and Warrants.
- E. Ratification of Mailing Service Contract.
- F. Ratification of Contract - Wellhead Vulnerability Assessment Project.
- G. Amendment of District Hydrological Contract - Use of ADWR Augmentation Funds for Aquifer Test.

Ms. Cramer made the motion to approve all of the items on the Consent Agenda. Mr. Schlegel seconded the motion and it passed unanimously.

## **IV. OLD BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

- A. Presentation by Seniors Helping Seniors Program regarding District Participation.

Ms. Debi Ybarra, Coordinator of the Seniors Helping Seniors Program, reported that the program began under Governor Babbitt as an effort to assist senior citizens with their concerns about the cost of utilities. The Arizona Energy Office and the Department of Commerce partnered with Southwest Gas initially to create the program, which eventually decided to include water conservation. The water conservation component includes the installation of low flow showerheads, low flow aerators in the bathrooms and kitchen, flappers in the toilets and toilet leak detection. Senior volunteers, a male and female team, are trained to install the devices. The volunteers are reimbursed \$10.00 per home. The program had an agreement with Tucson Water, but wanted to be able to do assist senior citizens with conservation in the District. The program is pleased to be working with the District. Fifteen homes have been accomplished of the seventy-five homes in the agreement, which should be completed by mid-April.

Mr. Schlegel requested some clarification of the \$10.00 paid to the senior volunteers. Ms. Ybarra explained that it is \$10.00 per home per volunteer. The District pays half because half of the time spent in the home is regarding water conservation. Three homes are done a day, approximately two days a week. Mr. Schlegel asked if Tucson Electric Power Company participates. Ms. Ybarra said they do not, but they participate in a similar program with the Urban League. It should be noted that the program is to help senior citizens on a low-fixed income between \$8,000 and \$25,000 a year income. Mr. Schlegel said that the initial concern

was that the volunteers could make a large profit. Ms. Ybarra said that is not possible, there is quality control. It usually takes the senior volunteers one hour and a half at each home and spot checks are done. Mr. Schlegel suggested that the program be monitored for the water saved. Mr. Warren Tenney noted that the program will be monitored closely.

#### **B. Board Member Committees.**

Ms. B. Johnson made the motion to approve the makeup of the Board member committees as designated in the staff's February 13, 1995 report. Ms. Cramer seconded the motion and it passed unanimously.

#### **C. Update regarding the Northwest TAMA Replenishment Program.**

Mr. Mark Myers reported that the Northwest TAMA Replenishment Program (NRP) received additional funding of almost \$350,000 in augmentation grant funds from the Arizona Department of Water Resources (ADWR). This amount was almost 85 percent of the total grant monies awarded. The NRP received notable support because of its multiple participants and focus. The Bureau of Reclamation has been requested to match the ADWR monies for the feasibility study. Due to changes in Washington, D.C., it is uncertain of the status of the federal fiscal funds and if they will be committed this year or the next. Central Arizona Water Conservation District (CAWCD) expects the final report from the geotechnical consultant by mid-February for the Avra Valley Pilot Recharge Project. CAWCD will push the ADWR permitting process for that project and Governor Symington has publicly committed to fast-tracking CAP recharge permits. Financial commitments now total more than \$800,000 in addition to the Bureau's target contribution of \$400,000. CAWCD has committed an additional \$50,000. It is still not certain how involved Tucson Water will be with the NRP. The NRP continues to receive community support. The Board of the Pima County Flood Control District, which is the Board of Supervisors, unanimously supported a resolution regarding its participation in the NRP.

Mr. Myers noted that he would still like to provide a tour for the new Board members. Mr. H. Johnson asked when and how the tour would be conducted. Mr. Myers suggested having the tour in spring.

#### **V. New Business -- Items for Discussion and Possible Action**

##### **1. Request to Include Insert in our Billings to Advertise a Multi-Sponsored Safety/Health Fair to Raise Funds for St. Mary's Burn Unit.**

Mr. Doyle said that he would abstain from the discussion and possible vote regarding this agenda item due to a potential conflict of interest.

Ms. Donna Pratt of the Northwest Fire District said that the Northwest Fire District and the Flowing Wells Fire District were hosting a safety/health fair for the St. Mary's Burn Unit. Much community support has been received for the event with businesses helping to sponsor it. Due to the need to advertise for the event, it is requested that the District copy an advertisement

and insert it in the District's billings. The District would be listed as a sponsor of the event.

Ms. Cramer said she was supportive of the request. Many of the topics relate to water and most of the fire districts' boundaries are within the District.

Ms. B. Johnson said she was supportive of the District covering the cost to include billing inserts that would advertise the fund raiser.

Mr. Schlegel said the program was outstanding and that the District may want to have a table at the event for handing out conservation information. He said he was concerned if it is legally possible to give money for the copies to be made or if the District should do the copying at cost. He was concerned about the District being approached by all different charities. Ms. Sally Simmons of Brown & Bain said while there is not a problem of supporting non-profit causes, the District would be setting a precedent. Mr. Schlegel said other non-profit entities may start asking for District support. By including the inserts in its billings, the District would be making more of a \$6,000 contribution because of the cost saved to the Northwest Fire District for doing individual mailers.

Ms. B. Johnson said that the District should not be concerned if other non-profit entities will be requesting financial support. The Board can address each request made for a non-profit cause, which may or may not occur. However, the District should support this request.

Mr. Schlegel said he wanted the Board to realize that the District would be contributing the equivalent of \$5,000 to \$6,000. Ms. B. Johnson said that the cost is approximately \$240 for the copying. We may save the Northwest Fire District \$6,000, but we are not contributing that amount. Mr. Schlegel said we are contributing \$6,000 because if the Northwest Fire District mailed the information to all of the same people we send bills, it would have to pay for the name and address, labels, printing, folding, and postage, which could cost 35 to 50 cents a piece.

Ms. Cramer said that it could be considered that way if tax forms were to be filled out; nevertheless, the cost incurred by our customers is only our cost to copy and have inserted in the billings.

Ms. B. Johnson made the motion to authorize the printing and inclusion of the inserts in District billings for the Swim the Rillito Burn Awareness and Safety Expo. Ms. Cramer seconded the motion and it passed with Ms. B. Johnson, Ms. Cramer, Mr. Schlegel, and Mr. H. Johnson voting in favor and Mr. Doyle abstaining.

## **2. Vehicle and Liability Insurance - Request Bid Proposals.**

Mr. Schlegel made the motion to request bid proposals for vehicle and liability insurance coverage from the period October 1, 1995 through September 30, 1996 with a right of renewal for a three year period according to Board approval. Ms. B. Johnson seconded the motion and it passed unanimously.

**3. Resolution 1995-1 - Establishment of Ultra-Low-Flow Toilet Rebate Program.**

Ms. Cramer made the motion to approve Resolution 1995-1 to establish an ultra-low-flow toilet rebate program. Mr. Schlegel seconded the motion and it passed unanimously.

**4. Award of Sale - Oracle Road Property.**

Mr. Mark Stratton reported that no bids were received for District property on Oracle Road.

**5. Request of Approval for Staff to Pursue Additional Office Space.**

Mr. Schlegel made the motion to request staff to pursue additional office space. Ms. B. Johnson seconded the motion.

Mr. Schlegel said Mr. Warren Edminster, Architect, had provided information regarding the cost of an addition to the existing office structure. Staff should continue to pursue other alternatives since these costs seem expensive. The Board then could examine all alternatives before deciding the best action for providing office space.

Mr. Edminster said that he had been asked to consider enclosing the interior court of the present office as a means to increase office space. Mr. Edminster showed his rendition of such an addition. The structure would provide offices and a conference room, but would need to be self supporting. Approximately 3,200 square feet of additional space could be gained. If a mezzanine and second floor were added an additional 1,000 square feet could be obtained. The District would need to consider if the addition will be adequate for future needs. The other main question is if the District can afford such an addition and still be able to resell the office as residential.

Mr. H. Johnson said that staff will need to evaluate appropriately the various alternatives for obtaining office space.

Mr. H. Johnson called for a vote for the motion regarding additional office space. The motion passed unanimously.

**6. Request to Purchase a Network File Server and Conversion of Network Wiring.**

Mr. Schlegel said that his questions were answered regarding this agenda item prior to the meeting. He was impressed with staff's thorough research for the network to ensure that it would meet the District's current and future needs.

Mr. Schlegel made the motion to approve the purchase of the file server and network rewiring from DataFlex Corporation for the price of \$16,120, which includes two additional gigabytes and a one year service support agreement. Ms. Cramer seconded the motion.



Ms. Cramer noted that the staff report included a comparison chart of the bids received. Some categories did not indicate receiving a bid and she questioned if that was because the bidder could not provide a quote for that item. Mr. Stratton said that was correct. Many of the companies deal with just computers and not also networks. Ms. Cramer asked if an alternative would be to purchase the items from different sources, though she recognized that purchasing for one company would provide better technical support. Mr. Scott Eisenfeld said Dataflex was the only local company to provide bids and the only company to provide a complete bid package. Bids for computers and other parts were received from other companies, but the best service could be gained from using one company. Ms. Cramer asked if the service agreement is renewable. Mr. Eisenfeld said that it is and the server will have a three year warranty.

Mr. H. Johnson called for a vote for the motion regarding the purchase of the network server and wiring. The motion passed unanimously.

#### **7. Request to Purchase Vehicles.**

Ms. Cramer made the motion to purchase a three-ton dump truck from Don Mackey at the cost of \$45,793-76 and a one-ton utility truck from Don Mackey at the cost of \$23,820.09. Ms. B. Johnson seconded the motion.

Ms. Cramer asked for clarification regarding the funding for the vehicles. She questioned if the General Manager recommended the same source of funding as Mr. Hill had in his February 7, 1995 memorandum. Mr. Stratton said that his report had noted Mr. Hill's recommendations, which he agreed with. The funds for the three ton dump truck would come from the remainder of the excavation contract and remainder of the electrical contract line item. The funds for the one-ton utility service vehicle would come from the vehicle purchase line item and excess funding in the meter purchase line item. It is intended that purchases be justified by showing what funds will be used. Ms. Cramer asked if the monies in the vehicle purchase line item would be needed to replace another vehicle. Mr. Stratton said he did not anticipate that occurring at this time in the fiscal year. The District vehicles are in fairly good condition.

Mr. H. Johnson called for a vote for the motion regarding the purchase of two vehicles. The motion passed unanimously.

#### **8. Schedule of Projects in Progress.**

Mr. H. Johnson noted that he had requested a detailed list of the District's current projects in order to demonstrate what the District needs to accomplish. The number of projects and work involved should be evidence of the need for more staff.

Mr. Michael Lesem of the Mesa Del Oro Estates inquired about the status of the Linda Vista Reservoir. A sign was noted that a reservoir was planned at Linda Vista and Camino del Tierro. Mr. Stratton explained that a five million gallon underground reservoir and booster station is planned for that area. The reservoir is necessary because the District lacks adequate storage capacity in its northwest area in order to meet peak summer demands and fire flows. Mr.

Lesem said that he wanted to know how the reservoir would impact the Mesa Del Oro Estates. Mr. Stratton said that only the preliminary design of the reservoir has begun. District staff wants to meet with residents in the Mesa Del Oro Estates and the Linda Vista Estates. The District's consulting engineer is aware of our concern to minimize the visual and aesthetic impacts to the properties to the south of the site. Preliminary indications are that the reservoir will be eight feet above the ground on its south side. The reservoir will be primarily underground and not a steel tank. Efforts will be made to retain the natural vegetation. The District is interested in understanding the concerns of the residents in that area particularly regarding the visual impacts.

Mr. Lesem asked if a well will be drilled. Mr. Stratton said there are no plans for a well by the reservoir. A well will be constructed further east of La Cholla, but not in the Mesa Del Oro area.

Ms. B. Johnson said that it was useful to review the District's projects and suggested that it be done periodically. Mr. Stratton said that the list of current projects does not address many of the routine day-to-day activities even though they do take much time. Staff should be commended for the amount of work it is accomplishing, though more could be done if we had the resources.

#### **9. Request to Hire Additional Staff.**

Mr. H. Johnson noted that the first step needed for hiring additional staff is to hire a Chief Financial Officer. The District has to arrange for long-range financing, which is beyond present staff's capability. Often a consultant is hired to handle finances, but it could be more economical if done by staff.

Ms. B. Johnson questioned the proposed salary range for this position. Mr. Stratton said that it would probably be \$40,000 to \$55,000.

Mr. H. Johnson said that the approximate cost for preparing the \$18 million bond issue for the District was \$250,000. The District will attempt to do another bond for much less because the District will be able to seek revenue bonds rather than a special assessment. Revenue bonds will require approval by District customers. The Chief Financial Officer will also be involved in providing a public information campaign. Hiring a financial officer would be more economical than seeking a consultant. It has been projected that a \$40 million capital improvement program is needed over the next 25 years.

Ms. Cramer made the motion to authorize the hiring of a Chief Financial Officer. Ms. B. Johnson seconded the motion and it passed unanimously.

#### **VI. Executive Session**

Ms. B. Johnson moved that the Board go into Executive Session. Mr. Schlegel seconded the motion and it passed unanimously. The Board went into Executive Session at 6:05 p.m.

Executive Session 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.
- B. Negotiations regarding Boundaries between District and Tucson Water Service Areas.
- C. Acquisition, construction, reconstruction or repair of waterworks for the delivery of water for domestic purposes.

The Board returned from executive session at 7:08 p.m.

**VII. Modification to the Asset Purchase Agreement with the City of Tucson - Discussion and Possible Action**

Mr. Stratton said that a letter dated February 2, 1995 had been sent to Mr. Marvin Cohen from Michael McNulty regarding the District's position on the Asset Purchase Agreement. The verbal response from Mr. Cohen was generally positive.

Mr. Schlegel made the motion to direct staff to continue in the same direction it has taken regarding the Asset Purchase Agreement with the City of Tucson. Ms. B. Johnson seconded the motion and it passed unanimously.

**VIII. Negotiations regarding Boundaries between District and Tucson Water Service Areas - Discussion and Possible Action**

Mr. Schlegel made the motion to direct staff to continue in the same direction it has taken with respect to negotiations regarding boundaries between the District and Tucson Water service areas. Ms. Cramer seconded the motion it passed unanimously.

**IX. Acquisition, Construction, Reconstruction or Repair of Waterworks for the Delivery of Water for Domestic Purposes - Discussion and Possible Action**

Mr. Stratton said that regarding the discussions to date for this item, no action is necessary.

**X. General Manager's Report**

Mr. Stratton noted that he would provide his report orally. The main activity has been reviewing with staff regarding their projects. Work has begun on drafting the Fiscal Year 1994-1995 budget. Once staff has drafted the budget, it will be reviewed with the Business Administration Board Member Committee and presented to the Management Advisory Committee. Upon receiving comments from those committees, the budget will be presented to the Board in order to gain approval prior to the April 30th deadline required for presenting it to the Town of Oro Valley.



Mr. Stratton noted that he had attended a productive Western Coalition of Arid States (WESTCAS) seminar regarding various federal water and environmental legislation. One bill that will need to be followed closely is the reauthorization of the Endangered Species Act. Clarification is needed regarding if a replenishment or effluent project must continue in perpetuity if that project created a riparian area that has become a home for an endangered species.

#### **XI. District Legal Counsel's Report**

Ms. Simmons noted that Michael McNulty was out of town and there was nothing significant to report.

#### **IV. OLD BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

##### **B. Board Member Committees.**

Mr. H. Johnson noted that the Board had wanted to consider appointing a representative to the Northwest Water Alliance when discussing the Board member committees.

Ms. B. Johnson asked if the Northwest Water Alliance was the only meeting a Board member officially attends. Mr. H. Johnson said that it has not been determined which meetings are necessary. The District is represented on different committees of the Southern Arizona Water Resources Association (SAWARA). Since there are so many meetings, it has been feared that the General Manager could only attend meetings and not accomplish anything else. Board members have volunteered to attend meetings.

Ms. B. Johnson asked if the Northwest Water Alliance meetings are generally once a month and on a Friday morning. Mr. H. Johnson said that is correct.

Mr. Schlegel made the motion to appoint Herb Johnson as the District's representative to the Northwest Water Alliance. Mr. H. Johnson said that he would like to continue what has been developed by working with the Northwest Water Alliance. Ms. B. Johnson seconded the motion and it passed unanimously.

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

Mr. H. Johnson asked if there were additional comments from the public. Mr. Jim Peterson of the Town of Oro Valley noted that at the Northwest Water Alliance Management Committee meeting, a position paper regarding the Northwest Water Agreement was presented and another position paper was drafted by Mr. Hugh Holub after the meeting. Mr. H. Johnson said that he had been asked to give his opinion regarding the Northwest Water Agreement. He had noted that the private water companies had not appeared too involved with the matter for their own reasons. After presenting his opinion of the District's position, Mr. Holub decided to draft a position statement. Mr. Schlegel said he was pleased to see that the two papers were not too different.

**XII. FUTURE MEETING DATES; FUTURE AGENDA ITEMS**

The next regular Board meeting is scheduled for March 13, 1995.

**XIII. ADJOURNMENT**

The meeting was adjourned at 7:29 p.m.

  
Barbara Johnson, Chairman

ATTEST:

  
Clerk