

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

July 24, 1995  
7235 North Paseo del Norte  
Tucson, Arizona 85704

**MINUTES**

Board Members Present:           Barbara Johnson, Chair  
  Marty Cramer, Vice-Chair  
  Jim Doyle, Member  
  Pete Schlegel, Member

Board Member Not Present:       Herb Johnson, Member

District Staff:                   Mark Stratton, General Manager  
   Phil Higdon, Legal Counsel  
   Michael McNulty, Legal Counsel  
   Warren Tenney, Clerk of the Board

**I.     Call To Order and Roll Call**

The special meeting was called to order at 7:33 a.m. by Ms. Barbara Johnson, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District). Ms. Marty Cramer, Mr. Jim Doyle and Mr. Pete Schlegel were present. Mr. Herb Johnson was out-of-town.

Ms. Johnson explained that the special meeting was called as an emergency session due to recent developments involving the negotiations with the City of Tucson regarding the Asset Purchase Agreement, which required immediate discussion and possible action by the Board of Directors

**II.    Executive Session**

Ms. Cramer moved that the Board of Directors goes into Executive Session. Mr. Schlegel seconded the motion and it passed unanimously. The Board went into Executive Session at 7:35 a.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.     Negotiations with the City of Tucson regarding the Asset Purchase Agreement.

The Board returned from Executive Session at 8:01 a.m.

**III. Negotiations with the City of Tucson regarding the Asset Purchase Agreement -- Discussion and Possible Action**

Legal Counsel had drafted a letter for the Board's consideration regarding the Asset Purchase Agreement with the City of Tucson.

Mr. Schlegel asked if another approach had been contemplated. Mr. Michael McNulty said that the letter strives to protect the District's rights given that the City of Tucson has failed to construct the Northwest Supply System as designed in 1979 and reaffirmed in 1989. The City has always proposed constructing the Northwest Supply System along the northwest side of the District's service area. The letter presents some equities and provides an opportunity for the City to amend its current understanding. It is not known how the City will respond.

Mr. Doyle made the motion to send the letter as drafted to Tucson Water regarding the scheduling of water deliveries. Ms. Cramer seconded the motion.

Ms. Cramer said that the letter presents a reasonable approach given the City's inability to provide the originally agreed upon water.

Ms. Johnson called for a vote for the motion regarding the letter. The motion passed unanimously.

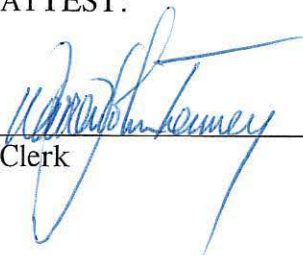
The Board decided to schedule another special meeting on July 31, 1995 due to the August 1, 1995 deadline within the Asset Purchase Agreement.

**IV. Adjournment**

The Board adjourned at 8:08 a.m.

  
Barbara L. Johnson, Chair

ATTEST:

  
Clerk