

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

November 20, 1995
Metro Water District
Conference Room
7235 North Paseo del Norte
Tucson, Arizona 85704

MINUTES

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

District Staff: Michael McNulty, Legal Counsel
 Warren Tenney, Clerk of the Board

I. Call To Order and Roll Call

Ms. Barbara Johnson, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the study session to order at 4:00 p.m. Ms. Marty Cramer, Mr. Jim Doyle, Mr. Herb Johnson and Mr. Pete Schlegel were present.

II. Relationship between Board Members and the General Manager

Mr. Doyle said that he initially requested a study session to discuss various issues confronting the Board about policy. He would appreciate some guidance and instruction regarding what is expected of Board members, the General Manager, and Legal Counsel. He has learned from Mr. H. Johnson and Mr. Schlegel with their experience in forming the District. During the District's formation, the Board needed to be involved especially due to the small staff then. Mr. Doyle said he wanted the Board to clarify what its relationship should be with the General Manager. He noted that he has tried not to bother staff or Board members unless regarding policy matter. On November 27, 1995, the Board will receive a presentation of the management analysis of staff. The Board has an opportunity to start working at defining its role.

Ms. Cramer asked Mr. McNulty of Brown and Bain if the District is charged when a member of the Board calls his office. Mr. McNulty said it costs \$170 an hour. Ms. Cramer said that for better efficiency and to perhaps save some money for the District, she has tried to make the General Manager as the point of contact regarding legal issues because the General Manager has regular contact with the District attorneys. Mr. McNulty noted that one issue may be of more interest to one Board member than another. For example, Mr. Schlegel is involved with the regional water community and he has had frequent phone conversations with Mr. Schlegel. Mr. McNulty said he does call the General Manager regularly to keep him informed of any issue that may concern

the District. One point of contact for communication is usually more efficient. Ms. Cramer said she recognized that exceptions exist, but being mindful of District expenses may be prudent.

Ms. B. Johnson said that the original Board adopted a policy that Board members only talk with the General Manager. She thought that did not exclude legal counsel and consultants; however, going through the General Manager would be prudent for communication. Ms. B. Johnson said that she has been reading the manual, "The Water Board Bible," which the Board received from the General Manager. Then, the General Manager requested more direction from the Board as to his role. The Board needs to give the General Manager a clear definition of his role. If a Board member expects to meet with Mark every two days but the others meet with him when the whole Board is present, then the Board is sending mixed signals and not allowing the General Manager to do his job.

Mr. Schlegel asked if Ms. B. Johnson was inferring that a resolution be initiated that the Board only talk with the General Manager at Board meetings. Ms. B. Johnson said absolutely not, but if the whole Board wants to be able to meet individually with the General Manager anytime, a standard policy needs to be set of what we expect from the General Manager and what he expects from us.

Mr. Doyle asked how they could accomplish such a policy. Mr. Schlegel said he did not know if the Board has authority to impose a restrictive policy on when elected officials can or cannot talk with the General Manager. He noted that Mr. Mark Stratton, General Manager, initiates conversation with Board members. For example, Mr. Stratton has informed Mr. Schlegel of the status of different projects when he has stopped by the office for mail though he did not intend to speak with the General Manager. Additionally, Mr. Schlegel said that he has probably only talked with Mr. McNulty not more than three hours in the last three years. Legal Counsel works at the pleasure of the Board, not staff.

Mr. McNulty said the Board hires and fires legal consul. Legal Counsel is to advise about policy. If the Board is wanting to improve efficiency, sometimes certain people need to be given approval to deal with an issue. Usually the Chair works with legal counsel as an intermediary. The Board can define the parameters.

Ms. B. Johnson said that the study session was requested in the interest of improving efficiency in the District and to have a clear understanding of the role of the Board and the General Manager. This study session gives each member an opportunity to express our opinion about those roles.

Ms. Cramer said that the Board has given the General Manager oversight of expenditures; however, Board members sign checks so the Board retains oversight of expenditures. Other than a spot check, she does not see a reason to examine and question every bill. Ultimately, the Board needs to respect the authority it gave to the General Manager and respect his time.

Mr. H. Johnson explained that the original board struggled through these issues. A list of duties was created for the General Manager and the Board, though the list did not work out perfectly. Board member committees were formed to deal with specific problems. If a difference exists between Board members and General Manager, the appropriate Board member committee was

to confer with the General Manager. This system would work better if reports were made of the action of the committee or the General Manager.

Mr. H. Johnson noted he received an outline of the organization and management for publicly owned municipalities that the American Water Works Association produced. The Board is responsible for telling the General Manager his duties, which this Board has attempted to do. The Board should review the rules and regulations on file and edit them to meet the District's present situation. The Clerk of the Board should gather those rules and regulations and distribute them for the Board's review. CAP issues and other extraneous items have involved much of the General Manager's time. If the General Manager delegates more, the question arises if it should be to the Board members, who are not getting paid too much? Expecting Board members to research various projects is not fair. The General Manager's job is to run the utility and the Board should let them function to get the job done.

Ms. B. Johnson said that if members of the Board believe that the General Manager needs to refocus his time, then an executive session should be held to inform him. Mr. H. Johnson said that the Board should outline the things that the General Manager should be involved with. The Board is ultimately responsible for approving policy matters such as the buying of another utility.

Ms. B. Johnson agreed that the Board should review the adopted rules and regulations and then try to find a consensus.

Mr. Schlegel agreed with the suggestions made. Such a study session helps to serve as a reminder of parameters to be used to work most efficiently. He is confident that no Board member, past or present, has done anything intentionally wrong as a Board member.

Ms. B. Johnson said that it appears that there needs to be some clarification regarding who is the appropriate point of contact. Mr. H. Johnson suggested that if a Board member attends a meeting or has an idea that may benefit the District, the Board member should give a written memo to the General Manager. Rather than discussing an issue for an hour, the General Manager can review the memo in only a few minutes. Written requests are much more effective than verbal orders and will save the General Manager time.

Ms. Cramer noted at her work, a chain of command works well if it is flexible both ways. The Board should address in the duties of the General Manager, the appropriate chain of command, with provisions included, such as if a Board member needs to talk with legal counsel.

Ms. Cramer suggested voice mail as an effective time saver. Often a message can be given without requiring a returned call. Mr. Doyle agreed that voice mail has helped at his work.

Mr. Schlegel said that the Board does not have any way to challenge a decision made by the General Manager. Mr. H. Johnson noted that they developed the Board Member Committees for that purpose.

Ms. B. Johnson noted that she received a call at work from Supervisor Ed Moore informing her that he had met with Mr. H. Johnson, and that Mr. H. Johnson and Mr. Schlegel had asked Mr. Mark Myers to give a presentation at a Central Arizona Water Conservation District (CAWCD).

The General Manager had become aware of the issue when she did. She questioned the appropriateness of the procedure for two Board members directing Mr. Myers without informing the other Board members or not having Mr. Stratton direct Mr. Myers. A clear policy for such an issue does not exist. Mr. H. Johnson noted that the Board had appointed him to represent the District at Northwest Water Alliance meetings. Supervisor Moore had requested an appointment and suggested that the District make a presentation to the CAWCD board. Mr. H. Johnson said he took it upon himself to ask Mr. Myers because Mr. Myers was the most expert for making such a presentation. This was done as the representative for Northwest Water Alliance. Ms. B. Johnson said she did not imply that it was wrong, but that the policy was unclear about the role as representative, the specific tasks to be assumed, and communication with other Board members.

Ms. Cramer said that the Chair's role needs to be clarified. Is the Chair just to run the meetings or to be informed of the issues and to be a point of contact for other Board members?

IV. Effective Communication among Board Members

Ms. B. Johnson said concern has been expressed that the Board needs to communicate. As Chair, perhaps she should assume more responsibility. She asked how the Board could better communicate among ourselves and the Chair's role in this matter.

Mr. H. Johnson said that such meetings as the study session allows for communication. Board members could meet once a week or every other week to remain informed.

Ms. B. Johnson said that the Board has not been in that habit of keeping each other involved or informed. This does not mean the Board should be involved all matters of the District, but that they could improve communication.

Mr. Schlegel said that when the District was formed, the Board was forced to work together because events happened so quickly. The present Board has not had the opportunity to meet frequently. When formed, all Board members had the same authority and responsibility with no distinction of chairman other than signing documents. Originally, the unwritten idea was to rotate the position among Board members since it can be a time-consuming burden. Therefore, Ms. B. Johnson should not feel guilty if she has not been able assume much responsibility because nothing has been specified that the Chair should. Each Board member as Chair may have done things differently than others.

Ms. Cramer suggested that the Board could meet two weeks after each regular Board meeting to discuss overall the affairs of the District. Board members could inform the Chair of any reports to be presented. Ms. B. Johnson said that a written, short memorandum can also be helpful to ensure that the Board is communicating.

Mr. Schlegel said that he was under the impression that if he went to a meeting, other Board members expected a report from him on those meeting. Mr. Warren Tenney has been providing reports on such regional meetings. Without compensation, duplicating those reports seems unnecessary. If something important is discussed at a meeting, he always shares it with Mr. Stratton or usually Mr. Stratton calls him. Since it is a personal decision to attend, the Board

should not expect a report. Ms. B. Johnson said that the policy was if a Board member is requested to represent the District at a meeting, then a short report should be written.

Mr. Schlegel said the Board needs a flow chart of ongoing activities so the Board knows the status of projects. The Board needs feedback regarding the various projects, such as the status of the carry-over projects. The Board takes various action at meetings and knowing the results would be helpful. For example, he was surprised to see all the activity at the Magee/La Cholla reservoir site. Ms. Cramer noted that at her work a software reporting system provides the status of the various projects. Ms. B. Johnson said that if the Board wants that information, the Board needs to communicate it to the General Manager.

Mr. H. Johnson said that the Board was involved with the process to develop the Capital Improvement Program. A report is completed and the Engineering Division, with a limited staff, is trying to implement the program. With the necessary work involved for staff, it should be understood why he chastens Mr. Myers for trying to use District staff. Staff presented at the November 13, 1995 Board meeting a list of \$20 million worth of projects for the bond election. The General Manager is investigating with local banks how to get some of these projects started. The Board has been kept informed of these projects.

Ms. Cramer summarized that the Board is requesting Mr. Tenney to provide copies of past regulations. Each Board member is to review them and provide suggestions. Then the Board will meet again to make specific revisions, if necessary. The Board is resolved to have more communication among Board members through the Chair. A one hour meeting, two weeks after regular Board meetings, is to be held at 4:00 pm on a Monday. The Chair can update Board members during the other weeks. These meetings are to encourage increased communication and allow the Board to deal less frequently with the General Manager and lawyers, and thus increase the efficiency of District.

Mr. Schlegel asked if anything has been done regarding a financial consultant. Mr. Tenney noted that Mr. Stratton requested Mr. Mike Land, Chief Financial Officer, to investigate potential financial consultants as requested by the Board. Mr. Schlegel noted that the City is looking to go to bond in February 1996 and the Board should encourage dialogue with the new City Council.

Mr. Tenney said that he would provide the requested information. He noted that the discussion had perhaps raised the question of who would handle such major issues as Cañada Hills Water Company or Tucson Water if the General Manager is to devote his time to other matters. Mr. McNulty said that clarification is needed because Mr. Stratton had directed him to develop an IGA for "X" amount; however, Mr. H. Johnson and Mr. Schlegel had said not to start at "X" amount. It was awkward in knowing from whom to take direction.

III. Board Members as District Representative in the Community


Mr. H. Johnson said that the District needs a representative to the water community and he believed that Mr. Tenney could do the job. However, Mr. Tenney would no longer be able to provide secretarial support to the General Manager. He noted that Mr. Schlegel has donated much of his time, which is not fair because since he has other things he could be gainfully

employed in. If Mr. Tenney could attend meeting, it could be beneficial for the District. Mr. Tenney said that Mr. Stratton hoped to have a similar proposal before the Board soon.


Mr. Schlegel said that having Mr. Tenney attend meeting has been beneficial. He has tried personally to attend meetings rather than rely totally on staff to ensure that the information is not filtered and to know the mood of the meeting. Tucson City Council often makes decisions based on incorrect information.

V. Adjournment

The Board adjourned at 5:17 p.m.


Barbara L. Johnson, Chair

ATTEST:


Clerk