

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

April 12, 1993
5:30 P.M.
7493 North Oracle Road, Suite 219
Tucson, Arizona

MINUTES

ATTENDANCE:

Members:

Herb Johnson, Chairman
Alex Jacome, Member
Kate O'Rielly, Member
Jim Tripp, Member

Others Present:

Michael McNulty, Brown and Bain
Bill Carroll, Cella Barr & Associates
Jim Peterson, Oro Valley
Dan Offrett, Community Watch Committee
David Andrews, Finance Director, Oro Valley
Chuck Sweet, Manager, Oro Valley
Bud Dooley, Customer of MDWID
Mike Jacobs, Customer of MDWID
Pete Hershberger, Oro Valley
Jack Conovaloff, General Manager
Sheila Lewis, Staff of the MDWID
Lucia Spohn, Staff of the MDWID (recording secretary)
Mark Stratton, Staff of MDWID
Bob Gomez, Staff of MDWID
Kathy Tanner, Staff of the MDWID
Dave Tanner, Staff of the MDWID
Larry Tanner, Staff of the MDWID
Marilyn Roberts, Staff of the MDWID

A. CALL TO ORDER AND ROLL CALL

1. The meeting was called to order at 5:40 p.m. by Herb Johnson, Chairman of the Board of Directors. All members were present with the exception of Pete Schlegel.
2. Jim Tripp moved that the Board approve the meeting notice and agenda for April 12, 1993. Kate O'Rielly seconded. The motion passed unanimously with members present.
3. Jim Tripp made a motion that the Minutes of March 1, 1993 be approved if the word "exist" on page 4 in item 6 will

be substituted by the word "consist." An amendment of the Minutes was not required. Kate O'Rielly seconded and the motion passed with members present, except for Alex Jacome.

Jim Tripp moved that the Minutes of March 8, 1993 be approved as presented. Kate O'Rielly seconded and the motion passed with members present, except for Alex Jacome.

Jim Tripp moved that the Minutes of March 17, 1993 be approved as presented. Kate O'Rielly seconded and the motion passed with members present except for Alex Jacome.

B. COMMENTS FROM THE PUBLIC

Introduction of Guests (Please refer to attendance list on page 1).

Alex Jacome held a speech which he felt belonged to the public. (See enclosure)

OLD BUSINESS

C. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Discussion/action on Northwest Water Alliance Agreement.

A proposed organizational structure will be discussed in the next Northwest Water Alliance Meeting which is held on April 13, 1992.

Herb Johnson informed the Board of Directors that the members of the NWWA decided in their last meeting to contribute \$50.00 per member/organization to cover expenses. Mark Stratton and Herb Johnson who are representing Metro Water District will assume the responsibility of being the treasurer for the Town of Oro Valley until the organization for the NWWA is completed.

Herb Johnson requested that a check in the amount of \$50.00 to be issued to the NWWA. Kate O'Rielly moved that the request be approved and Alex Jacome seconded. The motion passed unanimously with members present.

It was agreed on that Metro Water District will set up a separate checking account for the NWWA.

According to the NWWA Meeting held on April 2, 1993, MDWID is required to appoint one person to the Board of Directors of the NWWA. This person will have the

authority to act on upcoming issues concerning the NWWA Agreement.

Herb Johnson was nominated for the position but declined, due to other duties.

Mark Stratton was nominated for the position but declined, due to other duties.

Herb Johnson nominated Alex Jacome. Jim Tripp made the motion that Alex Jacome be appointed as a representative for the NWWA. There was no second. The motion did not pass. For this reason the motion will be continued to the next Board Meeting.

For the interim time Herb Johnson will represent Metro Water District in the NWWA Meetings.

2. Discussion/action on remodel of Paseo Del Norte property.

As reported by Jim Tripp the architect, Warren Edminster, has drawn a projected plan of the extension of the property. The plan incorporates the idea that the property can be turned into a residential home at any time. The plan includes an entryway on the north side of the property, where customers would have direct access to a waiting room, a reception area, bank window for drive-by customers and a record storage area.

A completed set of plans ready to go to bid should be provided to Metro Water District on or about April 23, 1993. With direction from the Board the floorplan could be forwarded to three different contractors for their input as to bidding on the offer.

After discussing parking availabilities of the Paseo Del Norte Property the Board of Directors decided to turn that matter over to the architect and proceed according to his advice.

3. Discussion of Sub-Regional Recharge Facility.

Michael McNulty received a letter from Pima County to the Bureau of Reclamation asking that the storage study, which is an environmental impact study should be expanded to look at the feasibility of having an additional CAP storage in the northwest area. It would benefit all the members of the Northwest Water Alliance.

The two legislations that tie into the Sub-Regional Recharge Project is Senate Bill 1425 and Senate Bill 1163. SB 1425 would allow the Central Arizona Water Conservation to provide an assured water supply to any land owner or any utility that joins the district. By enrolling MDWID in that program the CAP would commit to bring in as much CAP water as the District would draw from the ground water. MDWID would pay an importation

fee for the water that is recharged on their behalf.

Senate Bill 1163 will provide the Improvement Districts with the same power as that of a municipality for purposes of the groundwater code.

Michael McNulty will keep the Board of Directors informed of the status of the Senate Bill 1425 and 1163.

Michael McNulty suggested to have a Special Meeting scheduled once the Senate Bills pass to find out how it is going to impact on the individual water user as well as the water companies/districts.

4. Discussion on Canada Hills Water Company and Rancho Vistoso Water.

According to Herb Johnson's 1993/94 estimate based on Canada Hills Water Company's report of 1991/92 the purchase of the utility for \$13,000,000 is out of discussion. Canada Hills Water Company's book value comes to \$6,200,000.

To maintain negotiations with the Water Companies the Board of Directors decided to create a committee consisting of members from the Advisory Committee of MDWID and the Town of Oro Valley. Alex Jacome recommended to consider Jim McCollough from the Westward Look Resort. A meeting will be scheduled by either the Town of Oro Valley or MDWID to appoint the members. The Board of Directors will approve of who will be appointed as a member. Once the committee is created negotiations with the water companies will be commenced.

5. Discussion/action on the method of calling special meetings (five days notice or in writing by majority).

The Board Meeting from March 17, 1993, page 7, item B7 attests that this item had been discussed and settled by the Board of Directors.

6. Approval of Hiring Black & Veatch to conduct an asset allocation study to classify the purchase price of the Metro Water Company.

Sheila Lewis reported that the accounting firm Cotton, Parker & Johnson recommended Black & Veatch for the allocation study of Metro Water District.

Herb Johnson informed the Board that the purchase price of approximately \$14,000,000 has to be evaluated and placed in different categories and different accounts according to what the District has bought. If Black &

Veatch allocates the costs they will be doing it in accordance with a uniform accounting system that is required of utilities like the District. Herb Johnson proposed to hire Black & Veatch for the allocation study of the District.

Alex Jacome opposed the proposition. He feels that MDWID does not need to have an audit done by a company like Black & Veatch, that MDWID does not have to deal like a public utility, that MDWID does not have to deal with the problems of depreciation that a private company would have to deal with. He suggested, that if MDWID is going to hire an outside firm for this allocation that it should be openly bid on so other firms could bid on as well.

Herb Johnson entertained a motion to accept the services of Black & Veatch.

Alex Jacome made a motion to bid on the project. The motion was not seconded and did not pass.

Due to time constraints on this project Kate O'Rielly moved that Black & Veatch be hired for the allocation study of the District. Jim Tripp seconded. Alex Jacome voted against the motion. The motion passed with two Board Members voting.

7. Discussion/action on:

a. MDWID "Policy Manual."

Jim Tripp asked to continue this item until he has obtained the program featuring a policy manual that Metro Water District ordered.

Kate O'Rielly recommended to add an employee evaluation process to the Policy Manual to include the General Manager and the District Engineer since their contracts did not include this item.

Jim Tripp made the motion to continue the item. Alex Jacome seconded and the motion passed with members present.

b. MDWID "Standard Operating Procedures."

Alex Jacome made the motion to appoint Jim Tripp as the person in charge for the finalization of the draft of the "Standard Operating Procedures." Kate O'Rielly seconded and the motion passed with members present.

8. Discussion/action on Cella Barr Charges.

In January a meeting with Bill Carroll, Paul Cella, Sheila Lewis and Alex Jacome was conducted in the MDWID office concerning the discrepancies in what people thought they were getting and people thought they were paying for in the final bill from Cella Barr. As a result of this meeting a letter was issued from Cella Barr offering to rectify the problems that MDWID felt existed. Alex felt that the offer was very fair and made the motion that the final bill from Cella Barr & Associates be paid. Kate O'Rielly seconded the motion and the motion passed unanimously.

9. Discussion/action on Oro Valley's request for funding.

Chuck Sweet, the Town Manager of Oro Valley, reported that back in January the town sent a request for funding to take care of some matters that MDWID felt it may be subject to under the Intergovernmental Agreement to share some of the financing. He feels that there are expenses he should talk to the Board about and see if something can be arranged.

David Andrews, Finance Director of the Town of Oro Valley reported that by going through the IGA between the Town of Oro Valley and the MDWID he identified some of the town's responsibilities under the IGA. These responsibilities were the financial services, the budgetary review, the management committee, legal responsibilities and rate setting.

He hopes that if expenses occur that the Town of Oro Valley could submit an invoice to MDWID and get reimbursed for it on an as-incurred-basis.

Alex Jacome feels that MDWID should not pay in terms of expenses incurred by Oro Valley in regards to its management committee. However, the management committee is set up to settle any disputes between the Town of Oro Valley and the MDWID. In that instance each of them, Oro Valley and MDWID, should pay the cost for their management committee.

Jim Tripp offered that the Town of Oro Valley may submit their bills to MDWID. The Board of Directors will act on it and decide whether they want to pay for it or not.

Herb Johnson entertained a motion that a letter be addressed to the Manager of the Town of Oro Valley summarizing what was said in this meeting. Alex Jacome made the motion and Jim Tripp seconded.

NEW BUSINESS

C. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Discussion on pending legislation.

This item was discussed under "OLD BUSINESS", item C3, Discussion of Sub-Regional Recharge Facility.

At this time Mr. Jacome was excused from the meeting which continued with Jim Tripp, Board Member, Kate O'Rielly, Board Member and Herb Johnson, Chairman of the Board.

2. Discussion on Computer Equipment/Systems.

Jim Tripp stated that MDWID were presented with two (2) different systems. One presentation was from Data West and the other one from TAABS, a Totally Automated Accounting and Billing System. MDWID staff feels that TAABS is the better software system.

Jim Tripp recommended to obtain the hardware system for MDWID from Micro Age. Micro Age offers the better prices, better maintenance service and is a local business. The system will be able to accommodate our needs and purposes for at least the next 10 years including the possibility to add the CADD system.

Note: After this paragraph the Minutes of the Board of Directors Meeting are transcribed by notes only.

Jim Tripp made the motion to cooperate with MDWID staff in reviewing the computer systems and when coming to a conclusion to proceed with the purchase of the systems. Kate O'Rielly seconded and the motion passed with members present.

3. Update on Deposits, Checks, Warrants and Projected Expenditures.

Jim Tripp made the motion to approve the report on deposits, checks, warrants and projected expenditures as presented by Sheila Lewis. Kate O'Rielly seconded and the motion passed unanimously with members present.

4. Audit Committee Report.

Mr. Johnson distributed a memorandum that informed the Board Members of the Status of the Audit Committee Report which is in process.

5. Discussion and action on lobbying issues.

This item was discussed under "OLD BUSINESS", item C3, Discussion of Sub-Regional Recharge Facility.

6. Staff Report.

1. Construction Projects.

The Board of Directors approved of the completion for the La Cholla/Omar projects and agreed that once the bids are open and the bonding for the contractors is verified that the Chairman will be authorized to sign the contract documents.

2. Request for Proposals (RFPs)

The review for RFP for the structural tank survey, which is due on April 9, 1993 is in process. To expedite the project the Board of Directors authorized the Chairman to sign the contract documents once the review committee (Herb Johnson, Pete Schlegel, Jack Conovaloff and Mark Stratton) has selected a consultant/contractor.

The RFP for Miscellaneous Water System Design, which is due on April 16, 1993, is also in the process of being reviewed by the same committee with the addition of Jim DeGroot. Approval for the recommended contractor/consultant will be obtained in the May 10, 1993 Board of Directors Meeting.

3. Auto-CADD System.

Mark Stratton, the District Engineer acquainted the Board of Directors with what was concluded as the most beneficial proposal at the meeting held by Pima County Engineering and Geographic Information systems (EGIS) (see April 12, 1993 staff report).

The Board of Directors authorized the District Engineer to prepare a proposal.

4. Improvements to Daily Operations.

Jack Conovaloff reported on the following improvements within the District:

- a. Quarterly meetings with fire districts to improve communication
- b. Safety meeting and classes are being held on a monthly basis at the office

- c. The repairing/replacing of pump meters on all well sites for accurate measurements
- d. The installation of a Blue Stake Printer in the District's office

5. Board of Directors Meeting Notice and Agenda

Mark Stratton informed the Board of Directors that MDWID staff will be mailing the "Board of Director's Meeting Notice and Agenda" on the Thursday prior to the Board Meeting on the following Monday. The posting will be done on the Friday, no later than 3:00, prior to the Board Meeting the following Monday.

6. Bypass Units.

Jack Conovaloff explained the history of the large meters in the District and the length and time since the last meter calibration had occurred. In addition, the General Manager had a computer listing that showed that the majority of the residential meters were at least 9 years old. Some of the meters indicated that they might be 20 - 30 years old. Mr. Conovaloff presented a proposal from Metering Services Incorporation to test and prepare bypass facilities for the large meters.

It was moved and seconded that the proposal from Metering Services Incorporation be accepted for the work related to the large irrigation meters and that staff be authorized to initiate a meter replacement program with no more than 2000 meters. The motion passed with members present.

Addendum to the Staff Report.

1. Design Contract.

Mark Stratton explained the need for a back-up safety plan for providing water service during the structural tank survey. It was determined that the Deconcini well/storage system does not have a back-up system to supplement the Bell and Blackwell service areas. The District Engineer recommended in order to provide this back-up system it was necessary to extend the 12" main from Shannon and Ina to Mona Lisa. To expedite this construction Mr. Stratton proposed to consult Cella Barr & Associates to design the project, since they already have plans for the extension of the main to

the southwest corner of the Shannon and Ina Intersection for the Casas Adobes Terrace project.

It was moved and seconded that Mark Stratton be allowed to negotiate this work proposal. The motion passed with members present.

2. Metering Services.

This item was covered under item 6 of the original staff report "Bypass units."

3. Request for New Position.

Based on the need of the Backflow prevention program Jack Conovaloff finds it necessary that the program be overlooked and handled by an existing MDWID staff member (Steven Shepherd, due to the certification in backflow prevention). To replace the MDWID employee in the operation division the meter reader who has been a full time employee the longest will be promoted and a new meter reader will be hired. The starting salary for the new meter reader will be \$7.45 per hour. The starting salary for the promoted employee will be \$8.00 per hour.

It was moved and seconded that the General Manager proceed with this plan of action. The motion passed with members present.

4. Well Abandonment.

MDWID staff will provide more update on this item at the next Board Meeting.

5. Chlorination Systems.

This item is still under investigation and will be discussed at the next Board Meeting.

6. SAWARA. (Southern Arizona Water Resource Association)

Mark Stratton was directed to determine if this presentation could be executed at the May SAWARA Meeting.

7. Summer Work Programs.

Kate O'Rielly supported the concept of summer work

programs. She requested that staff attend a summer youth program "Kick-off" breakfast and offered to provide MDWID with details of the program.

Following the staff report Jim Tripp distributed a memorandum to the other Board Members signifying his concern of the operation of the system. The memorandum states that the statutes require to have a certified class four operator who shall have direct responsible charge of the operation of the treatment plant, or the collection or distribution system. To be in compliance with the statutes Jim Tripp requested to appoint Dave Tanner to the position of operations manager. His request was supported by the Board Members and direction was given to the General Manager to put Dave Tanner in the control of operations. It was also requested by Herb Johnson that the operations manager is to report directly to the General Manager.

E. EXECUTIVE SESSION

No business was discussed in the executive session.

G. ADJOURNMENT

As there was no further business to come before the Board, the meeting was adjourned at 9:15 p.m.. It was moved and seconded. The motion passed with members present.

Chair

ATTEST:

Clerk