

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

**April 29, 2002**

**\*\* Board Room \*\***

**Metropolitan Domestic Water Improvement District  
6265 N. La Cañada Drive  
Tucson, AZ 85704**

**Study Session  
MINUTES**

Board Members Present: Dan M. Offret, Vice-Chair  
Jim Doyle, Member  
Marlene Wright, Member  
Pete Schlegel, Member

Board Members Not Present Dennis Polley, Chair

District Staff: Mark R. Stratton, General Manager  
Warren Tenney, Clerk of the Board  
Alice Stults, Recorder

**I. Call to Order and Roll Call**

Dan M. Offret, Vice-Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Study Session to order at 5:36 p.m. Pete Schlegel, Dan M. Offret, Jim Doyle, and Marlene Wright were present. Dennis Polley was not present.

**II. Status and Budgeting of Security Needs**

Chris Hill, Deputy Manager for the District, provided information regarding the current status of security measures implemented to date, as well as items proposed for the future. Mr. Hill said motion activated lights with timers have been installed, a radio antenna erected, fencing and cages put into place, ladder guards installed, and padlocks used in the appropriate locations. He noted that there are several projects remaining to complete the security measures planned by the District. Mr. Hill said some of the upcoming measures will be completed by District staff, while other planned projects will require completion by outside contractors.

Mr. Hill explained staff is also currently assessing and identifying in-house security procedures, and researching implementation methods. He said consideration is being given to conducting staff training and defining the levels of training needed. The main focus will be on vulnerability

assessment training and response procedures. Mr. Schlegel asked that staff more clearly define the protocol and procedures to be taken once an incident actually occurs. He suggested developing strict guidelines so that staff will be able to quickly respond and be prepared in the event of an emergency. Ms. Wright suggested staff contact the Sheriff's Office to establish communications regarding its procedures when responding to emergencies. Mr. Hill said dialogue has begun with the Sheriff's Office. He noted that letters have also been sent to residents living in the areas of well sites, etc., asking them to be conscious of suspicious activity.

Mr. Hill said \$30,000 is the projected cost needed to complete security projects during the current fiscal year. Mr. Offret asked if the proposed projects could be completed by July 1, 2002 and Mr. Hill said yes. For fiscal year 2002-2003, an additional \$30,000 would be required to complete the remainder of planned security projects. Mr. Schlegel asked staff to also research the cost and effectiveness of portable units that could be used at multiple locations for testing contaminants in the water. Mr. Hill noted that research could be done; however, the technology is new, the cost is extremely high, and variables would need to be factored in.

### **III. Discussion of Draft Fiscal Year 2002-2003 Budget**

#### **A. Budget Items for Administration Division/General Manager's Office.**

Mr. Stratton explained that Resource Strategies recently completed an analysis of the District's computer system. He said the need for a firewall is the first priority, followed by the need for a larger tape back-up server and additional space needed for the file server. Initially, the tape back-up and file server were adequate; however, with the amount of information and use being placed upon the current equipment, the District has outgrown its current capacity. Mr. Stratton explained that since hiring an IS/Telemetry Analyst, the District has utilized the services of Resource Strategies only minimally. He said the \$16,000 included in the proposed budget for general hardware, software and network support would be used to upgrade the District's current computer system.

Mr. Land noted that due to the rising cost of health and dental insurance, staff is researching other options, health care plans and insurance companies. He said that staff has also been asked to respond to a survey to identify what is most important to each individual and their families regarding health care and associated costs. Mr. Schlegel requested that staff also research the amount of insurance coverage provided to an individual should they be out of Arizona and require medical attention. He explained that some insurance companies do not provide adequate coverage for employees who are traveling out of state.

Mr. Offret said he would like to have a review of the District's current process to verify the methods and procedures used by the District for completing job classification compensation studies. Mr. Offret said he did not believe an entire new compensation analysis of District job classifications was warranted at this time, only a review of the processes used by the District. Staff was requested to secure quotes for an analysis of the process and the methods used by the District to complete its compensation analysis.

Mr. Stratton explained the budget request for \$12,500 for the District's ten year celebration. He said one of the suggestions included an invitation only celebration reception to be held at a facility or restaurant in the District, along with ideas for an open house at the District office. Ms. Wright said the ten year celebration should be for District water customers, and did not believe an invitation only event was appropriate, but agreed that an open house celebration would be more beneficial to customers. Mr. Stratton explained that the invitation only event was to recognize those individuals that have contributed, assisted or provided essential services to the District, i.e.; engineers, contractors, consultants.

Ms. Wright said she did not agree with the idea of a banner for the front of the District office building denoting the District's ten year anniversary. However, she believed larger signs placed at the driveways would assist in recognizing the District office building more readily. She explained that the District could show appreciation to the private individuals who have contributed to the District by presenting them with a plaque, but that a celebration reception was too costly. Ms. Wright suggested that an open house type of event planned at the District office could incorporate displays that would provide the District's history and be more beneficial to its customers.

Mr. Schlegel agreed that a ten year open house event held at the District office should be planned. He suggested displaying pictures, charts, and other information regarding the District and water conservation in the Board room. Mr. Schlegel also suggested having food and refreshments available, along with free items such as faucets and other water conservation devices. He believes that a celebration reception is also in order to recognize the District, its accomplishments, and to thank key individuals for their support. Mr. Schlegel suggested donations could be solicited to offset the cost of the reception, and to provide items to be distributed to customers. He added that he believed the two events served separate purposes and were both essential in commemorating the District's past ten years.

Ms. Wright said employees who had been with the District for ten years should be recognized with perhaps a dinner and an award. Mr. Offret agreed and noted that the recognition for all employees as they complete ten years employment with the District should continue on a yearly basis.

Mr. Offret said he disagreed with a celebration reception if it were held at the Westward Look due to the cost. He noted that if vendors were willing to assist with the cost the idea would be more appealing. Mr. Stratton explained that there may be legal implications should the District solicit and accept donations from private individuals or companies. He said staff would consult with legal counsel to determine if there were any legal ramifications. Ms. Wright suggested having the event at Tohono Chul and Mr. Stratton said staff would contact them regarding availability and pricing.

Mr. Offret offered that for the open house event, a drawing could be considered as an attraction to bring in customers, and perhaps a Saturday event would gain more customer involvement. He suggested offering six months of free water, and explained that food would draw a larger number of people than having workshops. Mr. Stratton said that giving away six months of free water

may be looked upon as a waste of water, and suggested retrofitting a customer's house for water harvesting or graywater.

Mr. Stratton said the contract with Mark Myers, water policy consultant for the District, was sometimes difficult in that Mr. Myers also contracts with other water utilities in the area. He said that during the managed effluent recharge meetings, Mr. Myers attended and represented the Town of Marana. Ms. Wright suggested that Mr. Myers address the Board at an upcoming meeting to discuss potential conflicts of interest, and to provide the Board with updates on the latest issues. Mr. Schlegel said he believed Mr. Myers was a valuable asset for the District.

Mr. Offret asked why the District was asking for \$7,000 in the budget for training when only a small amount had been expended out of the 2001-2002 budget to date. Mr. Stratton explained that a large number of seminars and conferences are offered in the spring, and the expenditures had not yet been recorded.

Mr. Land said that a new windows based billing system and software was being researched. He noted that the current billing system is inefficient and cumbersome.

#### **B. Budget Items for Utility & Engineering/Hydrology Divisions.**

Mr. Stratton said staff considered purchasing a used forklift. Staff located a used forklift and had it examined by a professional who reported it appeared to be in very good condition. Mr. Stratton said the cost for the used forklift was less than \$10,000. After discussion, the Board agreed with staff's decision to proceed with the purchase of the forklift.

Mr. Offret asked that since the capital projects appeared to be winding down, would there be employees whom would be considered for possible layoffs. Mr. Stratton said most of the affected positions were in the Engineering/Hydrology Division. He noted there is currently a vacant Engineer position. He said staff has been considering how quickly the projects were winding down and the amount of work left to do. Mr. Stratton also said there are a couple of staff members who could retire within the next few years in the Engineering/Hydrology Division. He said there is approximately three years left on the capital improvement projects before the work begins to slow down.

#### **IV. General Manager's Evaluation and Possible Approval of Merit Award**

Mr. Offret explained that the maximum amount which could be placed into the General Manager's deferred compensation account as part of a merit award would be 2.86%. Any amount above the 2.86% would be in the form of a bonus. Mr. Stratton said he was comfortable with 2.86% being placed into the deferred compensation account and felt this amount was more than adequate.

Mr. Schlegel made a motion to grant Mark Stratton, General Manager for Metro Water District, a merit award increase of 2.86% to be included in Mark Stratton's deferred compensation account. Ms. Wright seconded the motion and it passed unanimously.

**V. General Manager's Report**

Mr. Stratton said the contract for the acquisition of the Green Valley Water Company (GVWC) is being completed. Dave Williamson, owner, reviewed the contract and has agreed with its terms. Mr. Stratton said a \$30,000 non-refundable, escrow amount is required within 30 days after the contract is signed. Mr. Offret said he was not comfortable with the \$30,000 being non-refundable. Mr. Stratton explained that the District could require a clause to be included in the contract that stated if the acquisition did not occur for reasons or actions not caused by the District, the \$30,000 would be refunded to the District.

Mr. Stratton said the Municipal Property Corporation (MPC) met on April 23, 2002. The newly appointed members have a great deal of experience in public finance, banking, and bond issuance.

Mr. Stratton said Gilbert Pump had agreed to a settlement of \$34,080 in liquidated damages. Brown & Bain is currently working on the contract language used by the District to better protect the District in the future.

Regarding the effluent managed recharge meetings, Mr. Stratton said the water utilities involved want to submit a permit application by the middle of May 2002. Mr. Stratton said the application completed by Tucson Water appeared to be the most complete and better prepared for submitting. Mr. Stratton asked the Board for direction on whether it agreed with the District being a co-applicant on the managed recharge permit application. Mr. Schlegel said after attending the managed recharge meetings, he believes it is in the District's best interest to be a co-applicant on the permit. He added that if the IGA was not completed, the permit could be pulled with no liability on the part of the District. The Board agreed to be a co-applicant on the permit application.

Mr. Hill said the District is participating in a voltage suppression system process which is guaranteed to save the District 20% of its current electrical energy. Four of the District sites, including the District office, will be included in the testing of the system during the next four months. If successful, it would save the District approximately \$500 per month.


Mr. Hill said the District had submitted an item in the "Gimmicks and Gadgets" contest being conducted by the American Water Works Association (AWWA). The valve sleeve identification unit, submitted by Mr. Hill, passed the preliminary rounds of the contest. The finalist entries will be judged in June 2002 at the AWWA conference.

Mr. Hill noted that the recent trip he made to Washington D.C. to attend meetings on radon was very interesting and informative. He explained that there is an excellent chance at this time of

getting an Environmental Protection Agency Proposed Rule change regarding radon. He said if the change were made, the District would not be required to treat its water for radon.

**IV. Adjournment**

The meeting adjourned at 8:02 p.m.

  
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Clerk of the Board

  
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Dennis Polley, Chair of the Board