

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

August 31, 1992
5:00 P.M.
245 East Ina Road
Tucson, Arizona

MINUTES

ATTENDANCE: Members: Herb Johnson, Chairman Pro-Tem
 Kate O'Rielly, Clerk
 Pete Schlegel
 Jim Tripp
 Guests: Christopher Brozek, New World Development, Inc.
 Paul Cella, Cella Barr Associates
 Jim Chilton
 Bud Dooley, Oro Valley
 T. James Eaton, Consultant
 David Furrey, FWID
 Lawrence Leung, New World Development, Inc.
 Robert Logan, Consultant
 Michael McNulty, Brown & Bain
 Dan M. Offret, Community Watch Committee
 John B. Oder, New World Development, Inc.
 Jim Peterson, Oro Valley
 Jon Robson, Northwest resident
 Nemesio A. Trevino, C.B.A.

A. CALL TO ORDER AND ROLL CALL

1. The meeting was called to order by Herb Johnson, Chairman Pro-Tem. Kate O'Rielly moved that Alex Jacome's absence be excused. Jim Tripp seconded. The motion passed unanimously.
2. Mr. Tripp moved that the Board approve the meeting notice and agenda for August 31, 1992. Peter Schlegel seconded. The motion passed unanimously.
3. Mr. Tripp moved that the minutes, August 24, 1992 be approved as presented. Mr. Johnson seconded. The motion passed unanimously.

B. PRESENTATION OF INFORMATION AND DISCUSSION

1. Michael McNulty reported that negotiations between Oro Valley and Metropolitan Domestic Water Improvement District are proceeding well. Mr. McNulty expects to reach agreement soon. Robert Logan will meet at least weekly with Oro Valley representatives.

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2. Mr. McNulty reported that the meeting focused on the District working with Arizona Department of Water Resources on water management in the Tucson Area. Arizona Department of Water Resources does not know if the District is a city, town or private district. They have advised Mr. McNulty that they do not want to litigate.

Arizona Department of Water Resources will take no action on October 1, 1992 as long as the District continues to work with them. Bud Dooley and Jim Peterson, who attended on behalf of Oro Valley, reported that Arizona Department of Water Resources plans to base their strategy on their interpretation of the Northwest agreement. Arizona Department of Water Resources would like to see an agreement with the District by October 1, 1992. Arizona Department of Water Resources expected more distance in negotiations between the District and the City. Mr. Logan suggests we involve Arizona Department of Water Resources in our negotiations with the City.

3. Nemesio Trevino, Cella Barr Associates, reported on the posting process. It was completed on August 22, 1992. Ms. O'Rielly reported that the notice was published in the Territorial. Some property owners now receiving City water may require clarification of their legal situation. Some confusion on the part of land owners as to whether or not they are within the Metropolitan Water Company franchise or may have been caused by informal agreements made by Metropolitan Water Company without amending the map.
4. Mr. Logan reported that a meeting on financing was held last week with Fred Rosenfeld, Bruce Kelly and Mr. McNulty. Mr. Kelly will meet with City Water and Finance staff regarding the bonds.

C. ITEMS FOR DISCUSSIONS AND POSSIBLE ACTION

1. Mr. Logan reported on the letter sent to Michael Tubbs, city Water, on August 28, 1992. Mr. McNulty distributed a draft contract. Mr. Logan reported that his response to the Districts most recent letter is positive. It will be distributed to the City Council on Friday, September 4, 1992. Mr. Tripp moved that the reply be ratified. Mr. Schlegel seconded. The motion passed unanimously.
2. Mr. McNulty reported that the town of Oro Valley has not responded regarding the intergovernmental agreement at this time.
3. Mr. Tripp moved that the review and approval of contracts with Cella Barr Associates and authorization for additional services be approved. Mr. Johnson seconded. The motion passed unanimously.

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4. Ms. O'Rielly discussed oversight and progress payments to Cella Barr for professional services. She suggested Mr. Johnson as the District's representative to meet regularly in an effort to ensure that the feasibility report would reflect the needs and expectations of the District.

D. COMMENTS FROM THE PUBLIC

1. Christopher Brozek, John Oder and Lawrence Leung discussed their planned residential subdivision in the area of Hardy and Thornydale. They asked to be excluded from the District. It would cost \$60K in additional infrastructure costs for the developers. The District would have to apply to the Arizona Corporation Commission for a boundary change.

Mr. Logan suggests we request a written proposal from the developers. Mr. Brozek described his appearance as a courtesy to the District, suggested by Metropolitan Water Company. Mr. Leung also expressed his support for the District, and his intent to be cooperative. Mr. Logan suggested that alternative may exist.

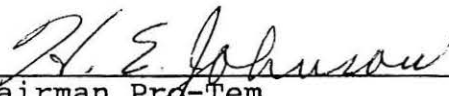
E. EXECUTIVE SESSION

1. Ms. O'Rielly moved that the Board go into executive session. Mr. Tripp seconded. The motion passed unanimously. The Board discussed information faxed by Fred Rosenfeld.

Mr. Tripp moved that the Board return to open session of the meeting. Ms. O'Rielly seconded. The motion passed unanimously.

F. ADJOURNMENT

The next meeting date is scheduled for September 15, 1992. Mr. Tripp moved that the meeting, August 31, 1992, be adjourned. Ms. O'Rielly seconded. The motion passed unanimously. Mr. Johnson adjourned the meeting at 7:10 pm.



Chairman Pro-Tem
Metropolitan Domestic Water Improvement District

ATTEST:

Acting Clerk
Metropolitan Domestic Water Improvement District