

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

November 13, 2000

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

MINUTES – STUDY SESSIONS

Board Members Present: Pete Schlegel, Chairman
 Jim Doyle, Vice-Chairman
 Dennis Polley, Member
 Sam Ray, Member
 Marlene Wright, Member

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

I. Call to Order and Roll Call

Mr. Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Study Session to order at 5:03 p.m. Jim Doyle, Sam Ray, Pete Schlegel and Marlene Wright were present. Dennis Polley was not present until 5:50 p.m.

II. Consideration of Cost of Living Adjustment for District Staff

Warren Tenney, Assistant to the General Manager, presented an overview of the compensation analysis and recommendations to the Board. He explained the objective of this project was to see if the District salaries and job descriptions were competitive with comparable positions within the Arizona market. Mr. Tenney stated the last job survey was done over six years ago and based on suggestions of Board members during the performance award reviews last year, the survey was conducted. He stated that the District recognizes the benefit of retaining good employees and the link between providing good water resources with good human resources.

Mr. Tenney said that other water providers and municipal water providers were contacted for this survey. Out of the 25 surveys sent out, the District received responses from 21 entities. He stated that District staff was as objective as possible in analyzing each position to ensure that the salary range was appropriate for all 30 positions. He reported that the findings indicate the

District is competitive statewide based partly on the annual cost of living adjustment (COLA) that has been applied to these salary ranges allowing them to remain competitive.

Mr. Tenney summarized that of the 30 positions analyzed, staff would recommend reducing the starting salary of 3 positions, increase the maximum end range for 3 positions, adjust salary range for 9 positions and make no changes to the remaining 15 positions. He added that if salary adjustments were approved for those 9 positions, and the individuals in those portions would have their salaries adjusted accordingly, no COLA would be awarded for those positions.

Mr. Doyle asked if some positions were reclassified if they would be penalized because of a COLA. Mr. Tenney responded that this salary survey would make adjustments similar to the current market and remain competitive and COLA was factored into that equation. He stated that the average benefit package per employee is \$7,761, with medical insurance being the predominant benefit. He added that this salary survey addressed only base salaries and included only public providers who offered similar benefits to the District.

Mr. Tenney gave a brief overview of each position and the recommendations of staff. With each position, the comparable positions and salary range at other entities were listed. To gain a better understanding of the Arizona market, the averages for statewide, Phoenix area, Tucson area, and rural areas were calculated. The general review and recommendation of positions were as follows. No changes were recommended for the salary ranges of the Customer Service Representative I and II positions, Receptionist position, Administrative Assistant positions, Controller position, Utility Maintenance Worker I and II positions, Electrician position, Water Line Inspector and Water System Project Inspector positions, Development Supervisor positions, Hydrologist II position, Assistant Utility Superintendent position and Utility Superintendent position. An increase to the end of the salary range was recommended for the Deputy manager and District Engineer positions. The salary ranges for the Account Clerk position, Administrative Service Manager position, and the District Hydrologist were recommended to be lowered. Mr. Tenney noted that based on additional information gained since the completion of the report, the end of the salary range for Hydrologist II and District Hydrologist should probably be increased.

The following positions were recommended that the salary ranges be increased in order to remain competitive in the Arizona market: Meter Reader, Utility Supervisor, Backflow Prevention/Safety Inspector, Drafting Specialist, Executive Secretary, Hydrologist I, Civil Engineering Assistant, Civil Engineer, Senior Civil Engineer, Assistant to the General Manager and Chief Financial Officer.

II. Consideration of Cost of Living Adjustment for District Staff

Mike Land, Chief Financial Officer, detailed the different options explored to finance any potential salary adjustments and COLAs that might be awarded by the Board. He explained the impact on the contingency fund for the budget year for two different options.

Mr. Ray asked if any employee would be affected by falling out of their salary range if adjustments were made. Mr. Tenney explained that all adjustments were made on a percentage basis and no employee would be adversely adjusted out of range.

Mr. Schlegel suggested there would be less financial impact if the salary ranges were adjusted at the time of the individual employee's date of hire anniversary. District staff and Board Members discussed the issue of the separation of salary adjustments and merit awards.

Ms. Wright asked if the recommendation stated that employees receiving salary adjustments would not receive COLA increases. Mr. Ray asked if COLA considerations were factored in when considering the salary adjustments. Mr. Stratton replied that staff is recommending no COLA be awarded to individuals who have their salary range adjusted, the only employees receiving COLAs would be those not receiving an individual salary adjustment based on the compensation survey.


Mr. Polley arrived at 5:50 p.m.

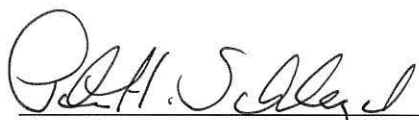
Mr. Land described the second proposal for financing the proposed salary adjustments and COLA. He indicated that the budget provided for a 2.5% COLA and a cap of 4% on merit increases and some money would need to be diverted from the contingency fund. He added that a percentage of funds for the engineering staff would be reimbursed through bond proceeds.

III. Revisions of Personnel Manual for District Employees.

This item was not discussed during the Study Session.

The Study Session adjourned at 6:02 p.m.


Clerk of the Board


Peter H. Schlegel, Chair of the Board