

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

**October 11, 2000**

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

**MINUTES**

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

District Staff:                   Christopher W. Hill, Deputy Manager  
  Warren J. Tenney, Clerk of the Board  
  Phil Higdon, Legal Counsel

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

Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 5:12 p.m. Jim Doyle, Dennis Polley, Sam Ray, and Pete Schlegel were present. Marlene Wright was not present.

**Executive Session**

Mr. Ray made a motion for the Board of Directors to move to Executive Session. Mr. Polley seconded the motion and it passed unanimously. The Board went into Executive Session at 5:13 p.m.

Executive Session pursuant to A.R.S. §38-431.03(A)(3) (consultation for legal advice with the attorney or attorneys of the District) and/or pursuant to A.R.S. §38-431.03(A)4) regarding the following:

- A.     Notice of Claims by NAC Construction on the Camino Del Fierro 24-inch Water Transmission Main Project.

## **Regular Session**

Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:00 p.m. Jim Doyle, Dennis Polley, Sam Ray, Pete Schlegel and Marlene Wright were present.

## **II. General Comments From the Public**

There were no comments from the public.

## **III. Consent Agenda**

- A. Approval of Minutes – September 11, 2000 Study Session.**
- B. Approval of Minutes – September 11, 2000 Board Meeting.**
- C. Ratification of Billing Adjustments.**
- D. Approval of Water Service Agreement for Howells Waterline Extension.**

Mr. Doyle made a motion to approve the Consent Agenda. Ms. Wright seconded the motion. The motion to approve the consent agenda passed unanimously.

## **IV. General Business – Items for Discussion and Possible Action**

### **A. Financial Issues.**

Mike Land, Chief Financial Officer, distributed the September revenue/expenditure report to the Board. He stated that the report reflects that revenues are 4% over budget and expenditures were less than 1% over budget. He attributed the increase in revenue to drier than normal weather conditions. Mr. Land reported that Marion Bass had provided staff with four references for their debt service deposit agreement and he had checked with two of those references. He told the Board that both of those references stated satisfaction with Marion Bass and Feld Winters and would probably enter into transactions with them again. Mr. Land said that he would contact the remaining two references and provide a full report to the Board Members.

Ms. Wright inquired as to different checks. Mr. Hill and Mr. Land explained that the checks in question were for employee safety shoes reimbursement, computer backup systems, and OSHA required equipment.

### **B. Presentation of Draft Audit for Fiscal Year 1999-2000.**

Mr. Land stated that a draft audit was prepared for the Board's review. The draft had also been submitted to Pima County for comment. Tom Johnson, representative from Clifton Gunderson, gave a brief overview of the audit. He stated that there were no significant changes in accounting policies and there were five audit adjustments proposed and accepted by the District. He further stated that there were no difference of opinions with staff and no difficulties in

performing the audit. The audit was in compliance with independence requirements and Code of Professional Conduct.

Mr. Ray asked if the District's new accounting software had proven helpful for the audit. Mr. Johnson said yes.

Mr. Schlegel asked if the draft audit would be presented before the public or just County officials. Mr. Land replied that the District's report would be incorporated into the Pima County audit, that the District records were a component of the County's report. Mr. Schlegel expressed his concern that the audit adequately reflect that revenue increases are due to unusually hot weather. Mr. Land indicated he would convey those concerns to County officials.

**C. Ratification of Insurance Policy.**

Mr. Ray made a motion to ratify the insurance policy with the Kemper Insurance Companies for the period of October 1, 2000 through September 30, 2001 in the amount of \$66,975. Mr. Polley seconded the motion. The motion passed unanimously.

**D. Approval of License Agreement with Jonathan Zagorsky for Use of Ingress/Egress at Ina/La Cañada Wellsite.**

Jonathan Zagorsky stated that he reviewed and signed the agreement.

Mr. Ray made a motion to approve the license agreement with Jonathan Zagorsky for an ingress/egress at the Ina/La Cañada Wellsite. Mr. Polley seconded the motion. The motion passed unanimously.

**E. Approval of Janitorial Service Contract.**

Mr. Polley made a motion to approve a janitorial service contract with Southwestern Building Maintenance effective November 15, 2000 for a monthly fee of \$1,250. Ms. Wright seconded the motion and it passed unanimously.

**F. Incentive Recharge Water Contract between Metropolitan Domestic Water Improvement District and the Central Arizona Water Conservation District.**

Ms. Wright made a motion to ratify the Incentive Recharge Water Contract between the Metropolitan Domestic Water Improvement District and the Central Arizona Water Conservation District and that the contract be in effect until December 31, 2001. Mr. Doyle seconded the motion. The motion passed unanimously.

**G. Discussion of Improvement for District Two-Way Radio Coverage.**

Chris Hill, Deputy Manager, explained that the proposed antennae would be 65 feet, not the 5 feet indicated in the report. He explained that the District sought to improve its communication

capabilities to ensure better efficiency and safety. Staff recommended pursuing new options for communications.

Mr. Schlegel asked if other sites were considered for this tower. Mr. Hill responded that sites throughout the entire District were considered with the intent that the Metro-Hub service area could be serviced as well as Metro-Main service area. He stated that the consultant recommended the site located at First and Magee as the best location. Mr. Hill stated that neighborhood issues were being considered and the consultant is negotiating with TEP to install a taller port in lieu of a stand-alone antennae.

Mr. Schlegel stated that there was no action needed other than to instruct staff to continue exploring this option.

#### **H. Discussion of Possible Acquisition of Los Cerros Water Company.**

Mr. Ray complimented staff on its comprehensive report and detailed information on Los Cerros Water Company.

Mr. Ray made a motion to direct staff to discontinue analysis for the acquisition of Los Cerros Water Company. Mr. Doyle seconded the motion.

Mr. Schlegel and Mr. Ray stated their concerns regarding the age of the equipment, lack of growth potential and arsenic rule requirements.

Mr. Schlegel called for a vote on the motion to direct staff to discontinue analysis of the Los Cerros Water System. The motion passed unanimously

#### **I. Notice of Claims by NAC Construction on the Camino Del Fierro 24-inch Water Transmission Main Project.**

Mr. Schlegel stated that there being no objections stated at this time, the Board directs Legal Counsel and staff to proceed as previously directed.

#### **V. General Manager's Report**

Mr. Hill stated that an effluent agreement with the City of Tucson is being reviewed and revised by Mr. Stratton and Ms. Chase. Warren Tenney advised that the latest revision was e-mailed by Ms. Chase to Mr. Stratton for review and it would be forwarded to City of Tucson for their comments.

Mr. Schlegel asked if SAWUA has entertained any ideas of jointly building a treatment plant. Mr. Tenney stated that it had not been discussed but might be addressed in the future. Mark Myers, a District water consultant, stated that SAWUA might be a facilitating entity, but not an actual physical entity to construct and maintain a treatment plan.

Mr. Hill stated that Mr. Stratton was working with Pima County on the Sonoran Desert Conservation Plan. He reported that the District's Board Room was only being used a little bit, the latest non-profit group to start using it is the Girl Scouts.

Mr. Hill stated that staff was working on a salary survey that would be presented to the Board in November. Mr. Tenney said that staff was pursuing a suggestion made by Board to do a comprehensive salary survey. He stated that he attended an AWWA workshop on compensation for water utilities and found it to be very useful. He suggested that a study session be set prior to next month's regular Board Meeting to discuss staff's findings.

Mr. Hill informed the Board that New Linda Vista Well was not functioning and is undergoing emergency repairs. Mr. Doyle asked if the well was still under warranty. Mr. Hill replied that an investigation is taking place to determine if the warranty is applicable. If not, the District will have to assume repair costs.

Mr. Hill reported that the surveillance system was being installed and invited Board Members to inspect the system.

**VI. Legal Counsel's Report**

Mr. Higdon had nothing to report.

**VII. Future Meeting Dates; Future Agenda Items**

The next regular Board Meeting will be held Monday, November 13, 2000 at 6:00 p.m. There will be a Board Study Session on Monday, November 13, 2000 at 5:00 p.m.

**VIII. Adjournment**

The meeting adjourned at 6:41 p.m.

  
Clerk of the Board  
Peter H. Schlegel, Chair of the Board