

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

**July 10, 2000**

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

**MINUTES**

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

Board Member Not Present:       Pete Schlegel, Chair

District Staff:                     Mark R. Stratton, General Manager  
   Warren J. Tenney, Clerk of the Board  
   Phil Higdon, Legal Counsel

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

Jim Doyle, Vice-Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board meeting to order at 5:31 p.m. Jim Doyle, Dennis Polley, Sam Ray and Marlene Wright were present. Pete Schlegel was not present.

**Executive Session**

Marlene Wright made a motion for the Board of Directors to move to Executive Session. Mr. Ray seconded the motion and it passed unanimously. The Board went into Executive Session at 5:32 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**

Jim Doyle, Vice-Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District) called the Board meeting to order at 6:10 p.m. Jim Doyle, Dennis Polley, Sam Ray and Marlene Wright were present. Pete Schlegel was not present.

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

There were no comments from the public.

### **III. Consent Agenda**

- A. Approval of Minutes – June 13, 2000 Board Meeting.**
- B. Ratification of Billing Adjustments.**
- C. Ratification of Armored Car Service Contract.**

Mr. Ray made a motion to approve the consent agenda. Mr. Polley seconded the motion and it passed 3-0, with Ms. Wright abstaining from the vote.

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

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

Mike Land, Chief Financial Officer, stated that revenues for 1999-2000 are up about \$92,000, which is 1% over budget. He reported that as of this date, Capital Improvement Projects expenditures are approximately \$5.2 million, which is roughly 40% of the \$13 million approved by bonds and the District is on target.

Ms. Wright questioned the checks written to Osco Drug, Concentra Medical, Graham Community Hospital and Dos Geckos. Mr. Land responded that the Osco Drug check was for a refund due to a billing error; Concentra Medical checks were for employees random and pre-employment drug screens; Graham County Hospital was issued a check for a pre-employment physical performed for an employee who resided in Safford. Mark Stratton, General Manager, stated that the check to Dos Geckos was for shirts for District employees.

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

Mr. Ray made a motion to direct legal counsel to send a letter to NAC's legal counsel that by the deadline of August 10, 2000 a punch list for the Camino Del Fierro 24-inch water transmission main project is to be completed as a condition to arbitrate the dispute between NAC and the District. Ms. Wright seconded the motion.

Steve Mellum, a member of the audience, stated to the Board that he had been retained to work with NAC regarding this claim. He asked the Board if it was their intention to agree to binding

arbitration. Mr. Ray explained that when the punch list is completed, the Board would then consider arbitration.

Mr. Doyle called for a vote on the motion to direct legal counsel to write a letter with a deadline of August 10, 2000 for punch list to be completed as a condition to arbitrate. The motion passed unanimously.

**C. Approval of Contract for Water Policy Consulting.**

Ms. Wright made a motion to approve a one-year contract extension with Mark Myers for water policy consulting for the period of July 1, 2000 to June 30, 2001 for an amount of \$20,000, which will be paid monthly. Mr. Ray seconded the motion and it passed unanimously.

**D. Request for Ingress/Egress and Utility Easement with Jonathan Zagorsky through the Ina/La Cañada Wellsite.**

Mr. Stratton stated this was a request from Jonathan Zagorsky to access the southern portion of his property through an ingress/egress easement. He added that staff had contacted the residents at 1330 W. Maximillian Way who had voiced an objection to granting of this easement to Mr. Zagorsky. Mr. Stratton said that staff has not taken a position on this matter as it does not have an impact on the operation of the well site and that the decision on whether or not to grant this easement request was up to the Board.

Jonathan Zagorsky addressed the Board requesting this ingress/egress easement for easier access to the planned temporary storage shed on his property. He stated that he felt it would be easier to pursue an easement request through the District than to go through the regulations required by Pima County. He added that in exchange for the easement he would be willing to keep the area free of debris.

Mr. Doyle asked if his property was a commercial site and if there was a home on the property. Mr. Zagorsky responded this property was to be used for a temporary storage facility. He owned two lots. One with a house was being sold. The one on the southeast corner of Ina and La Cañada Drive he was retaining and where he wanted to put the storage shed.

Mr. Ray inquired as to what type of storage it would be used for. Mr. Zagorsky replied that appliances and furniture would be stored in this 16'x30' storage facility. Mr. Ray stated that the concern expressed by neighbors was that access to his property through this proposed easement would create more trash and debris.

Ms. Wright asked why Mr. Zagorsky did not start the easement process through the County now since he had future plans for development. Mr. Zagorsky explained that he only wanted the easement to his property so he could access his temporary storage building and he would get permanent access from Pima County off of Ina Road when that property is being developed. He also stated he would install a gate thereby limiting access to the easement.

Mr. Doyle and Ms. Wright questioned why he did not retain an easement from his own property that he was selling with the existing house.

Ms. Wright suggested that Mr. Zagorsky put his proposals in writing, distribute it to his neighbors, and bring this issue back before the Board. She stated she felt the neighbors might be more amenable to his proposals if they could have guarantees in writing. Mr. Polley agreed with this proposal.

**E. Approval of Change Order No. 1 to the Contract with Gilbert Pump for the Well Modifications to the Tucson National Well Sites.**

Mr. Ray made a motion to approve Change Order No. 1 to the Well Modifications for the Tucson National Wells (MW-99-02) contract with Gilbert Pump and Equipment Co., in the amount of \$232,450. Ms. Wright seconded the motion and it passed unanimously.

**F. Approval of Miscellaneous Annual Services and Materials for Utility Division Fiscal Year 2000-2001.**

Mr. Ray made a motion to approve the annual quotes for barricade rental, chlorine, aggregate, paving, and equipment rental from the corresponding low bids per items as presented by staff, and direct staff to use another appropriate bidder for a particular service or material if performance or quality of a service of the low bidder does not meet the District's needs. Mr. Polley seconded the motion.

Mr. Ray suggested that staff document any and all instances where the suppliers have not met expectations of staff and to present this information to the Board.

Mr. Doyle called for a vote on the motion to approve the annual quotes for barricade rental, chlorine, aggregate, paving and equipment and it passed unanimously.

**G. Reauthorization of Second Year of the Five-Year Agreement for the Meter Replacement Program.**

Mr. Polley made a motion to approve again the agreement for the purchase of 5/8", 3/4" and 1" meters and parts for the second of five years, which will remain in force until June 30, 2004. This agreement shall be reviewed again next fiscal year. Mr. Ray seconded the motion and it passed unanimously.

**V. General Manager's Report**

Mr. Stratton stated that staff had been discussing an agreement between Heritage Hills Fire District and the District for the installation of fire hydrants. The terms of the agreement are similar to the one with La Cañada Fire District. Most of the issues have been worked out, but information is still being gathered regarding permit costs.

Mr. Stratton indicated that discussions are still continuing with Touchstone Energy regarding auxiliary power. He stated that staff met with Southwest Gas to provide them with additional data regarding costs and consumption. Mr. Stratton said it would be a while before Touchstone Energy officials would be able to provide a firm proposal on an alternative power source using gas operated generators. He told the Board that staff was still exploring the possibility of interruptible rates with Tucson Electric Power, but unfortunately they are having difficulty with correspondence. He stated he would keep the Board apprised of any developments.

Mr. Stratton informed the Board that there would be a SAWUA on July 11, 2000. He noted that representatives from CAWCD met with the SAWUA board last month to discuss CAP issues, groundwater issues and pricing policies and several board members stated they enjoyed the dialog with those representatives. Marybeth Carlile and Steve Weatherspoon both said they were pleased to have a central point to meet and discuss Tucson issues regarding CAP.

Mr. Stratton stated that staff is exploring the possibility of returning to use of two-way radios using our own antennae. He said that the Nextel radios provide inadequate coverage and do not seem to operate when they are needed the most as signal strength is intermittent and field staff cannot communicate with office personnel without interference. Mr. Stratton indicated that staff was investigating the costs of installing an antennae, using two-way radios and the length of payback period and any reduction in operating and maintenance expenses. He said that the Board would be presented a total financial package on this information in the future.

Mr. Stratton noted that Chris Hill, Deputy Manager, prepared a discussion paper for the Board to show what the arsenic levels were in the District's wells. He said another sampling of the wells would be performed in October to see if there are any changes. Mr. Stratton stated that staff is working with WestCAS on comments to the proposed Arsenic Rule that are due September 20, 2000.

Mr. Stratton updated the Board regarding the break-in at the District campus last month. He stated that the District's insurance policy would not cover the on-call employee's damage to his vehicle. Staff is looking into the insurance policy and perhaps change the clause covering personal vehicles of District staff.

Mr. Stratton stated that petitions could be taken out for the two open Board seats. The time frame for circulation of the petitions is July 10, 2000 through August 9, 2000 and 106 signatures are needed. Mr. Stratton advised that anyone interesting in obtaining the petitions could pick one up from Warren Tenney or the Division of Elections.

Mr. Ray questioned the advantages of installing fire hydrants for fire districts. He noted the District has experienced difficulties with the fire districts regarding fire flow testing procedures. Mr. Stratton stated that the Capital Improvement Program provided for the installation of hydrants along newly installed transmission mains and the District's regular fire hydrant installation program provided for hydrants to be installed along pipelines that have the capacity but no hydrants. Mr. Ray expressed his concern that the fire districts do not want to pay a hydrant fee and the cost is passed on to the rate payers. Mr. Stratton responded that the rate



payers are District customers and they are entitled to receive the benefits of fire hydrants whether they pay through hydrant fees or water rates and the District considers hydrants a benefit to customers.

Mr. Doyle stated that the District was a utility and a pro-active stance was beneficial to the community and made the utility a more valuable commodity. He further stated that District staff should be responsible for policing infractions of fire flow testing of hydrants by the fire departments.

Ms. Wright said that a better partnership is formed between the District and fire departments with the installation of fire hydrants.

Mr. Ray asked for the status of the communications firm that requested to put up an antennae on District property. Mr. Stratton responded that it was Nextel who made that request, but they have never pursued it. He stated that Nextel also promised to put up an antennae at Foothills Mall, but to date, that has not been installed.

Mr. Ray requested a list of contributing SAWUA members. Mr. Stratton replied that the Board would be provided with a membership list.

#### **VI. Legal Counsel's Report**

Phil Higdon, Legal Counsel, had nothing to report.

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

The next regular Board meeting will be held Monday, August 14, 2000 at 6:00 p.m.

Mr. Ray asked about the status of the Study Session regarding the debt service agreement discussions with Marion Bass. Mr. Land replied that representatives from Marion Bass would not be available to meet for a couple of months. Mr. Ray requested that staff schedule a study session when a Marion Bass representative was in town.

#### **VIII. Adjournment**

The meeting was adjourned at 7:00 p.m.

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