

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

February 14, 1994
7235 North Paseo del Norte
Tucson, Arizona 85704

MINUTES

ATTENDANCE:

Members: Herb Johnson, Chairman
 Jim Tripp, Vice-Chairman
 Pete Schlegel, Member
 Kate O’Rielly, Member
 Alex Jácome, Member

Others Present: Mark Stratton, MDWID Interim General Manager
 Mike Block, MDWID Hydrologist
 Sheila Lewis, MDWID Administration Manager
 Chuck Huckelberry, Pima County/MDWID
 Frank Cassidy, Attorney
 Scott Eisenfeld, MDWID
 George Good, Rural Metro Fire Department
 Mike Fleury, Camp, Dresser & McKee
 John Kaur, Digitgraph Computer Systems
 Michael McNulty, Brown and Bain
 Steve Shepard, MDWID
 Chuck Sweet, Town of Oro Valley
 Dave Tanner, MDWID
 Warren Tenney (recording secretary)

I. CALL TO ORDER AND ROLL CALL

- A. The meeting was called to order at 5:03 p.m. by Mr. Herb Johnson, Chairman of the Board of Directors. Mr. Jim Tripp, Ms. Kate O’Rielly, Mr. Pete Schlegel and Mr. Jácome were present.
- B. Mr. Tripp moved that the Board approve the meeting notice and agenda for February 14, 1994. Ms. O’Rielly seconded and the motion passed unanimously.

C. Mr. Tripp moved that the minutes of the January 10, 1994 meeting be approved. Ms. O’Rielly seconded and the motion carried unanimously.

II. COMMENTS FROM THE PUBLIC

Mr. Steve Shepard of Metropolitan Domestic Water Improvement District (District) suggested that the Board produce a quarterly newsletter to provide information about the District and on-going improvements. Mr. Johnson and Mr. Schlegel agreed with the recommendation and consented to be members of a Board subcommittee to examine the development of a newsletter.

OLD BUSINESS

III. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

A. 1994 Water Rates - Progress, Evaluation and Development.

Mr. Johnson noted that Mr. Mark Stratton, the Interim General Manager, recommended in a February 14, 1994 memorandum that the Board discuss the direction the staff should follow in pursuing the necessary information for the future public hearing regarding rate increases.

Mr. Stratton explained that the Rate Advisory Committee was still considering the information before making further recommendations. Staff sought any additional direction the Board might offer regarding the 1994 water rates.

Mr. Schlegel noted that the District should determine its rates after Tucson Water’s planned increase is known in order that the District’s rate remains less than Tucson Water’s.

Mr. Johnson questioned if a date was proposed for the rate hearing. Mr. Stratton said that will be according to the Board’s decision based on the Rate Advisory Committee’s recommendations. The Rate Advisory Committee and staff should have the necessary information by the March 14, 1994 Board meeting.

Mr. Tripp made the motion that the Board would provide direction regarding 1994 rates at the March 14, 1994 Board meeting upon receiving and considering further information from staff and the Rate Advisory Committee. Mr. Jácome seconded the motion and it passed unanimously.

B. Rancho Vistoso Water Company Condemnation.

1. Oro Valley Town Council Study Session and Efforts regarding the Acquisition of the Rancho Vistoso Water Company.

Mr. Johnson noted that Mr. Stratton recommended in a February 14, 1994 memorandum that the Board continue to support the Town of Oro Valley in condemnation for the Rancho Vistoso Water Company.

Mr. Tripp made the motion that the Board will continue to support the Town of Oro Valley in condemnation of the Rancho Vistoso Water Company. Mr. Jácome seconded the motion.

Mr. Jácome questioned if Resolution 1994-1 should include a statement that the Town of Oro Valley will pay for the District's expenses. Mr. Frank Cassidy noted that could be included.

Mr. Schlegel inquired if the Board should consider billing an entity for net cost or for the incurred expenses multiplied by a factor. Mr. Jácome said that such an arrangement should not be done at a time that the District is establishing a constructive relationship with the Town of Oro Valley. Ms. O'Rielly and Mr. Tripp agreed. Mr. Schlegel said he also agreed but wanted the Town of Oro Valley to recognize that the District deals differently with them than the City of Tucson.

Mr. Johnson noted that a February 2, 1994 letter from Mr. Chuck Sweet to Mr. Stratton states the Town of Oro Valley's willingness to pay the approximately \$6,000 for the District's legal services.

Mr. Johnson called for a vote regarding the motion to continue to support the Town of Oro Valley in condemnation of the Rancho Vistoso Water Company. The motion passed unanimously.

2. Resolution 1994-1 - Authorizing the Substitution of the Town of Oro Valley as the Acquiring Entity in Proceedings to Acquire Rancho Vistoso Water Company by Purchase or Condemnation; and Providing for the Waiver of Counsel Conflict of Interest.

Ms. O'Rielly made the motion to approve Resolution 1994-1. Mr. Tripp seconded the motion.

Mr. Cassidy recommended adding the words, "and upon payment by the Town of Oro Valley of the Metropolitan Domestic Water Improvement District's costs incurred to date," after the first phrase in Section 1 of Resolution 1994-1.

Mr. Schlegel questioned if the resolution should refer to only the Town Council and not to Mayor and Council. Mr. Cassidy explained that the term "Mayor and Council" constitutes one governing body that acts according to majority decisions.

Mr. Stratton noted that the Oro Valley Town Council will discuss the Rancho Vistoso Water Company condemnation at its February 16, 1994 meeting.

Ms. O'Rielly amended her motion to include the words, "and upon payment by the Town of Oro Valley of the Metropolitan Domestic Water Improvement District's costs incurred to date," after the first phrase in Section 1 of Resolution 1994-1. Mr. Tripp seconded the amended motion. The motion passed unanimously.

C. Resolution 1994-2 - Approving and Authorizing the election for electing members of the Board of Directors to fill the seats currently held by Alex Jácome, Kate O’Rielly and James Tripp to be held November 8, 1994.

Mr. Jácome made the motion to approve Resolution 1994-2. Mr. Tripp seconded the motion.

Mr. Schlegel questioned when the newly elected members of the Board will take office and what happens if a Board member leaves in mid-term. Mr. Michael McNulty of Brown & Bain said the new elected members would be seated in January 1, 1995. The Board of Supervisors would appoint a new member for the remaining term of a Board member that leaves in mid-term.

Mr. Jácome asked how many signatures are required on the nominating petitions. Mr. McNulty said that the number has to be calculated since this is the first such election but it will not be more than 250 signatures. The District should request Pima County’s assistance in order to provide the most cost effective election for the District.

Mr. Johnson called for a vote regarding the motion to approve Resolution 1994-2. The motion passed unanimously.

The Board decided to discuss some legislative issues at this time.

IV. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

D. Legislative Issues

4. Other Legislative Matters.

Mr. McNulty distributed a summary of the most important bills that could affect the District. The Arizona Senate and House of Representatives have considered legislation that would allow both residents and property owners (who are registered Arizona voters) to vote in domestic water improvement district elections. Logistic problems exist in determining the property owners that are registered Arizona voters. Some form of legislation will pass in 1994 to enfranchise property owners within the District along with residents.

Mr. Johnson questioned if the District should take a position on the above mentioned legislation. Mr. McNulty said the Board should become involved if a major impact upon the District is foreseen. Mr. Johnson noted that some District water users will favor the legislation and others will not. He said that the District should not use its funds to support either position regarding the issue. A poll of the Board indicated that the District should not be involved.

1. District Proposed Legislation.

Mr. McNulty distributed information regarding the District’s proposed legislation. He reported that S.B. 1563 provides for the District to serve water within the boundaries of cities or towns. S.B. 1562 would allow the District to have revenue bond financing. The revenue bond bill

would require a vote of the electors for any new revenue bond issuance but not vote would be required to refinance any existing debts. Special assessment bonds that we have issued could be refinanced without a vote of the residents. Mary Okoye, lobbyist from the City of Tucson, informed him that the City of Tucson would not oppose, but would monitor, both bills. Hearings for both bills are scheduled for February 17, 1994.

Mr. Schlegel noted that Senator Ann Day told him that the City of Tucson had indicated that the District bills were not necessary. He explained to Senator Day that the revenue bond legislation is important to the District's future needs and provides the same ability that the City of Tucson has for gathering revenue.

2. Santa Cruz Valley Groundwater Replenishment District.

Mr. McNulty reported that legislation for a Santa Cruz Valley Groundwater Replenishment District has been postponed for a year in order to determine the effectiveness of CAWCD's replenishment district in the region.

Mr. Jácome inquired into the status of reallocations for CAP water. Mr. McNulty and Mr. Stratton explained that the Arizona Department of Water Resources (ADWR) has not made any decision. Mr. Schlegel noted that the District may want to consider purchasing the City of Nogales' allocation that is for sale.

NEW BUSINESS

IV. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

A. Administration and Management

1. Ratification of Billing Adjustments or Small Damage Claims.

Mr. Johnson questioned the need for the Board to review monthly the billing adjustments. Mr. Chuck Huckelberry noted that originally the Board was asked to ratify the billing adjustments but not make judgement. The General Manager has already taken the action for the billing adjustments; however, the Board should ratify financial decisions. If a problem is noted, that should be discussed with the General Manager. It is not necessary to discuss in detail each billing adjustment during a Board meeting.

Mr. Tripp made the motion to accept the billing adjustments as presented in the February 14, 1994 memorandum. Ms. O'Rielly seconded the motion and it passed. (Mr. Jácome was not in the room at the time of the vote.)

2. Financial Issues.

a. Update on Revenues, Checks and Warrants.

Ms. Sheila Lewis noted that the Board had received the reports for the sales of January 1994 with a comparison to December 1993 and January 1993, the number of new connections in January 1994, the daily deposits in January 1994, and the checks issued in January 1994.

Mr. Schlegel questioned why the payments to Bank One were "approximately \$142,520." Ms. Lewis explained that Bank One adjusts the payments based upon the amount of interest accrued from the \$1.6 million dollar reserve account.

Mr. Johnson noted that it costs the District's 14,000 users \$10.00 per month (totaling \$142,520) to pay off the \$18.3 million dollars worth of bonds.

Mr. Schlegel questioned the fluctuating difference in meter installations as listed in the table for monthly meter installations. Ms. Lewis said it is based on the number of new meters purchased that are generally purchased by developers. The list is only a list of new accounts, not retrofitted meters.

Mr. Jácome questioned the check issued for \$58,000. Ms. Lewis explained that it was to the City of Tucson for Northwest Area fees for approximately eight to nine months.

Mr. Jácome inquired about checks issued to Mr. Johnson, Mr. Tripp and Mr. Schlegel on January 28, 1994. Ms. Lewis explained that the checks are for quarterly reimbursements for fax machines. Mr. Jácome questioned the purchase of fax machines for only three board members and why the decision was not done during a Board meeting. Mr. Johnson noted that it was a miscellaneous item left to the judgement of the General Manager. Mr. Stratton said that the decision to purchase fax machines was made by Mr. Jack Conovaloff when he was the General Manager. Mr. Huckelberry explained that he would have made the same decision because of the amount of information that the Board needs to be informed about. Fax machines were not provided to Mr. Jácome and Ms. O'Rielly because of their access to a fax machine at their employment. The District pays for the base quarterly telephone charges. Mr. Jácome said that he was unaware of the decision and thought it should have been discussed at a Board meeting.

Mr. Schlegel questioned if the daily deposits were wisely invested. Ms. Lewis and Mr. Huckelberry explained that the funds are pooled through the Pima County Treasurer's office and earn two to three percent interest, which is the highest possible return for liquid assets.

b. Check Signing

Mr. Johnson noted that Ms. Lewis recommended that all checks will be available for Board members to sign on the Thursday afternoon or the Friday morning corresponding with payroll. Mr. Johnson and Mr. Jácome noted approval for the plan.

c. Financial Statements

Ms. Lewis noted that the Board received for their review a statement of revenues and expenses for the first four months of the 1993-1994 fiscal year. The statement was updated with an additional three months that are not finalized but should not require many changes.

Mr. Johnson said that the information is vital for carrying out the almost completed Capital Improvement Program. Information needs to be prepared for the financial consultant to establish a program.

3. Billing Systems Modification - Mailing Equipment and Contract Services.

Ms. Lewis explained that based on a recommendation by the Rate Review Committee, she investigated different types of mailing equipment that allows for an insertion of a return envelope. Both Pitney Bowes and Moore Business Forms have equipment that the District would need to purchase or lease. Another alternative is to contract the service of mailing the bills. This would save the District staff time and trying to find office space for the equipment.

Mr. Tripp made a motion that staff should prepare contract bid specification for a mailing contract. Ms. O'Rielly seconded the motion.

Mr. Jácome questioned the need and the cost for the District to change its present system for mailing bills without return envelopes. Ms. O'Rielly noted that customers request return envelopes and other utilities supply return envelopes with their billings. Mr. Stratton and Mr. Schlegel said that the new mailing system will allow for inserts to be placed in the envelopes, including conservation information. Mr. John Kaur of Digitgraph Computer Services, Mr. Johnson, Mr. Jácome and Ms. O'Rielly discussed different mailing options. Ms. O'Rielly recommended that staff examine the various options and their costs.

Mr. Tripp withdrew his motion. Mr. Johnson directed staff to provide the Board with additional information and a list of the options for the March 14, 1994 Board meeting.

4. Staff Organization - Job Descriptions including Salary Ranges; Evaluation of Needs for Additional Personnel.

Mr. Stratton explained that the Board received a February 14, 1994 memorandum explaining job descriptions and salary ranges for the District. Descriptions were provided for all jobs except for the two administrative assistant positions and the engineer secretary.

Mr. Schlegel questioned if the District employees are meritorious. Mr. Huckelberry said that the employees are not protected under a merit system. The Board can establish rules for a code of conduct that could be addressed by the General Manager after establishing the fundamental framework of staff organization including job descriptions and salary ranges.

Mr. Schlegel inquired if employees would advance to the next salary class every six months. Mr. Stratton explained that Southwest Gas Corporation did that with their employees in order to keep staff turnover at a minimum. The recommendation to the Board is that the General Manager work with two members of the Board to determine salary increases based upon merit and certification.

Mr. Jácome made the motion to approve the job descriptions and salary ranges as proposed by the staff in the February 14, 1994 memorandum. Ms. O'Rielly seconded the motion.

Mr. Schlegel questioned the District's final salary range being equal to or greater than the City of Tucson and Pima County's top salary range. Mr. Jácome and Mr. Johnson noted that the proposal provides a salary range and does not mean that employees will receive the highest salary. A two board member committee will work with the General Manager on salary increases. Mr. Schlegel said he was concerned about public perception that the District's high salary ranges are more expensive than other regional entities. Mr. Stratton explained that currently most employees' salaries are at the low end of the proposed ranges. District staff is required to perform many tasks requiring a broad range of knowledge and experience that Tucson Water and other utilities' staffs do not demand because they have numerous graduated levels.

Mr. Schlegel said he was concerned that the Board did not have time to review the various job descriptions and classifications. He requested that the committee consider reviewing the classifications of the job descriptions.

Mr. Johnson called for a vote regarding the motion to approve Mr. Stratton's recommendations regarding staff organization. The motion passed with four votes, with Mr. Schlegel requesting further review.

5. Election of Board of Directors' Officers for 1994.

Mr. Tripp made the motion to continue the item until after the November 1994 election. Mr. Jácome seconded the motion and it passed unanimously.

6. Board Policy on Noninterference in Administrative Affairs.

Ms. O'Rielly explained that as a grass roots organization grows, Board members are naturally involved in the organization. The Board should adopt a policy to prevent itself from becoming too integrally involved in the administrative affairs of the District.

Ms. O'Rielly made the motion that the Board approve a policy of noninterference in administrative affairs. Mr. Jácome seconded the motion.

Mr. Johnson noted that he had distributed to the Board a February 14, 1994 memorandum from himself to Mr. Stratton that expressed his support for the policy of noninterference. The Board has an opportunity to study recommendations put forth by the General Manager and provide

general policy. The General Manager has the responsibility to oversee the operational day-to-day issues of the District. If a Board member is aware of a problem or has a suggestion, it should be taken only to the General Manager for his action. The Board is to approve purchases and contracts of \$10,000 or more. Subcommittees of the Board are established to allow for Board involvement.

Mr. Johnson called for a vote regarding the motion to approve a Board policy of noninterference in administrative affairs. The motion passed unanimously.

The Board of Directors discussed that Board policy remains that two members are to be present for the opening of sealed bids in order to provide for greater propriety.

Mr. Johnson noted that Item IV.A.4. provided for a discussion for an evaluation of needs for additional personnel. Mr. Johnson said that present staff, particularly in the Engineering Division, have more work than they are capable of completing, especially with the upcoming Capital Improvement Program. An additional engineer is needed because the District Engineer is serving as Interim General Manager. One suggestion is to use an engineer from Pima County on loan. Also, a draftsman is needed to support the Engineer Assistant.

Mr. Jácome said that the hiring of additional staff was premature. No hiring should occur until after Mr. Huckelberry's six month leave. Mr. Johnson explained that the Capital Improvement Program should not be understaffed and the Engineering Division is having difficulty maintaining necessary work.

Ms. O'Rielly questioned the means for hiring an engineer. Mr. Stratton said that Pima County Wastewater Management could loan an engineer for a temporary basis until the six month period is completed. The District would reimburse Pima County for the person's salary. Mr. Johnson said the District needs to hire an additional engineer regardless of whether Mr. Huckelberry returns. The engineer could be paid an annual salary between \$30,000 and \$35,000. Mr. Huckelberry explained that the District could temporarily replace Mr. Stratton as engineer by hiring an engineer on a temporary loan basis from Pima County or the District could hire another engineer. A draftsman needs to be hired regardless due to the amount of current draft work. Mr. Johnson said that without adequate personnel, the District risks losing money. The Board needs to take action during the present Board meeting.

Mr. Schlegel questioned if the District has enough engineering projects. Mr. Huckelberry and Mr. Stratton noted that the pending discussions regarding the renegotiation of the Northwest Water Agreement as well as the rapid progression of the Avra Valley Pilot Recharge Project will require plenty of engineering work.

Mr. Jácome suggested continuing the discussion after the Board discussed Items IV.B. and IV.C.

B. Engineering and Planning

1. Update on the Water System Management Plan.

a. Report on the January 24, 1994 Public Technical Workshop.

Mr. Mike Fleury of Camp Dresser & McKee explained that the District conducted a public technical workshop on January 24, 1994 regarding the Water System Management Plan. The focus of the workshop centered on the alternative concepts for future water service. Alternative #3C was the preferred choice at the public workshop.

b. Status of the Project.

Mr. Fleury reported that the draft report of the Water System Management Plan will be completed by February 25, 1994. The Capital Improvement Program will be completed shortly thereafter.

Mr. Schlegel inquired if the Board should take a position regarding Alternative #3C. Mr. Fleury said he would appreciate Board direction.

Mr. Schlegel made the motion to support Alternative #3C for the Water Systems Management Plan. Mr. Tripp seconded the motion and it passed unanimously.

c. Status of the Northeast Reservoir Conceptual Design.

Mr. Stratton reported that the Technical Review Committee has not yet provided any substantial comments to the Northeast Reservoir conceptual design report. A letter is being drafted to the homeowners association in the area to create dialogue between them and the District regarding the Northeast Reservoir.

Mr. Fleury noted that the geotechnical investigation is critical for validating the cost estimate for the facility and the height of the facility. The geotechnical investigation has not occurred for the nearby school gymnasium. The same geotechnical firm could possibly be used to lower cost.

Mr. Johnson noted that he had requested that Alternative #3C would be all inclusive as the ultimate system for the District as well as the cost for the complete system to be included in the Capital Improvement Program. Mr. Fleury said that the draft Water System Management Plan is to provide a conceptual summary of the alternatives. The Capital Improvement Program will be flexible and will provide a fully developed summary of Alternative #3C.

Mr. Jácome said that an education program needs to be instituted regarding the Northeast Reservoir. Mr. Stratton and Mr. Fleury noted that the first reservoir to be constructed will be based on the Capital Improvement Program and may not be the Northeast Reservoir. Capacity increases and economic feasibility will be determining factors.

Mr. Schlegel asked if the system will be capable to receive delivery from Tucson Water if necessary. Mr. Fleury and Mr. Johnson noted that the system must be able to utilize either a hundred percent CAP water or groundwater.

Mr. Fleury said that further details regarding the Northeast Reservoir are difficult to provide without the completion of the geotechnical investigation. Mr. Schlegel inquired about the estimated cost for the geotechnical investigation. Mr. Fleury estimated that the cost would be under \$10,000. He suggested that he work with the District Engineer to determine the level of geotechnical investigation needed.

Mr. Jácome made the motion to authorize the District to proceed to obtain the necessary geotechnical investigation for the Northeast Reservoir. If the investigation will cost over \$10,000, a report should be provided to the Board at the March 14, 1994 Board meeting. If the investigation is under \$10,000, the investigation should proceed. Mr. Tripp seconded the motion and it passed unanimously.

2. Avra Valley Pilot Recharge Project.

Mr. Stratton reported that the Avra Valley Pilot Recharge Project is progressing swiftly. The Board of the Central Arizona Water Conservation District (CAWCD) unanimously supported the concept of the pilot recharge project. Discussion will occur with CAWCD to determine their role in the project. Support is sought from Southern Arizona Water Resources Association (SAWARA). The District is continuing discussions with the Bureau of Reclamation.

Mr. Jácome asked if the El Camino del Cerro Landfill posed any problems for the District. Mr. Huckelberry said it should not be a problem.

Mr. Johnson commended staff for advancing the Avra Valley Pilot Recharge Project.

3. Sale of the Santa Cruz Valley Water District's Portion of the CMID-CAP Intertie.

Mr. Jácome made the motion to direct staff to investigate the possibility of submitting a bid to the Santa Cruz Valley Water District for the purchase of its share of the CMID-CAP intertie. Mr. Tripp seconded the motion and it passed unanimously.

4. Ranch House Estates Replacement Program.

Mr. Stratton reported that the first of four main line replacement programs will affect twenty-six homes at the Ranch House Estates. The location of the two inch mains are within easements in the backyards of the existing residents; however, substantial vegetation growth has occurred that would not be easily replaced once a backhoe has destroyed it. The replacement mains are envisioned to be located in the public road right-of-way. A public meeting with the homeowners has been scheduled for February 23, 1994 at 7:00 p.m.

Mr. Jácome left the meeting at 7:20 p.m.

Mr. Scott Eisenfeld used drawings to demonstrate visually the proposed replacement for the main line. The new main line would be six and eight inch lines. The new main line would provide for fire protection. Since many residents have landscaped to the roadway, anything removed will need to be replaced in kind. Mr. Eisenfeld said he would meet with each owner and would determine where each owner's lines should connect. The District may coordinate the replacement with Southwest Gas Corporation because it wants to replace some of its two inch gas lines.

Mr. Tripp asked if any other utilities would be affected in the area. Mr. Eisenfeld said that electric and television cable lines were overhead.

Mr. Schlegel questioned if it was standard for the District to pay the cost of the lines from the house to the street. Mr. Eisenfeld, Mr. Stratton and Mr. Huckelberry noted that the District should assume the cost because it is the District's modifications and improvements to the District's system. Mr. Schlegel asked if a new location for the main lines was necessary. Mr. Eisenfeld said that the existing lines are in difficult terrain with heavy vegetation growth in the easements. To maintain customer rapport, staff recommended that mature trees and vegetation not be destroyed.

Mr. Johnson questioned the total cost of the replacement project. Mr. Eisenfeld said the total cost is not known. Approximately 3,000 feet of line need installation at about \$15.00 a foot.

Mr. Stratton, Mr. Eisenfeld and Mr. Johnson agreed that work would not begin on any lot until a signed agreement exists between the District and each property owner that will be impacted by a new water service line. A video record will be kept of the property.

Mr. Johnson noted that an engineer's fees are generally ten percent of the project cost. The project should provide a guide for staff's capabilities regarding such projects. Mr. Johnson asked if Mr. Eisenfeld has the time for such a project. Mr. Eisenfeld noted that he does not have enough time to be field person, draftsperson, designer and project manager. A record is being kept of the time spent on the project.

Mr. Tripp made a motion for the staff to proceed with the Ranch House Estates main line replacement project. Ms. O'Rielly seconded the motion and it passed unanimously with the members present.

5. Update on Status of Backflow Prevention Program.

Mr. Shepard reported that the District has begun inspecting customers' facilities as part of its Backflow Prevention Program. Ninety-two services have been inspected as of February 7, 1994.

Mr. Tripp inquired about Foothill Mall and backflow prevention. Mr. Shepard said he had contacted the Foothill Mall management. They are to provide a design showing which meters serve which stores.

Mr. Shepard said that 344 facilities termed actual businesses need to be contacted by July 1994 according to Arizona Department of Environmental Quality (ADEQ). There are also 600 services attached to the businesses. A more accurate report of the Backflow Prevention Program will be provided at the March 14, 1994 meeting. The goal is to inspect all business facilities by mid-May 1994 and to have the necessary retrofitting done by July 1994.

Mr. Shepard distributed examples of pamphlets that explain backflow prevention. Board input is requested for developing a pamphlet that could be distributed to property owners with information about backflow prevention. The needed quantity for pamphlets is not presently known. The Board discussed various possibilities for the pamphlet. Mr. Johnson commended Mr. Shepard for his efforts.

C. Operations and Maintenance

1. Report on Escondido Pressure Tank and Direction to Staff on the Repair of the Pressure Tank.

Mr. Stratton noted that the Board received a February 14, 1994 memorandum explaining the damage done at the Escondido Pressure Tank on February 4, 1994. The District is waiting for information from the insurance company. The insurance company is sending a review specialist to review the site because internal explosions are not covered by the insurance policy. One contractor's general estimate for repairs is \$35,000. Mr. Dave Tanner explained that the cost difference between having certified and uncertified tank is about \$2,000 though there is no variation in the tank itself.

Mr. Tripp said the tank needs to be repaired as soon as possible in order not to have any problems in the system during summer. Once repaired, the District can deal with the insurance company.

Mr. Stratton and Ms. Lewis noted that the review specialist from the insurance company wants to see the site without anything moved. The specialist will complete his work by February 18, 1994.

Mr. Schlegel questioned if the tank should be replaced or repaired. Mr. Tanner said that it needs to be replaced. Mr. Schlegel said the order for the tank could be made immediately.

Mr. Tripp made the motion that the District should proceed with repair of the Escondido Pressure Tank as soon as possible. Ms. O'Rielly seconded the motion and it passed unanimously with the members present.

2. Report on Well Pump Maintenance Contract; Award of Contract.

Mr. Stratton said the Board received two February 14, 1994 memorandums, one of which requests that the Board authorize contracts with both Far West Pump and Gilbert Pump Companies and split the work load between the two in order to expedite the well maintenance work before the high peak season begins. The District will be able to compare the expertise of the well maintenance companies for a potential annual well maintenance contract. The cost difference is not significant enough to impact the District budget.

Mr. Tripp made the motion to authorize contracts with both Far West Pump Company and Gilbert Pump company for the well pump maintenance contract work for the four wells specified at the January 10, 1994 Board meeting. Ms. O'Rielly seconded the motion.

Mr. Johnson questioned if Far West Pump Company's previous work was satisfactory. Mr. Stratton and Mr. Tanner said that the majority of Far West Pump Company's work has been satisfactory. They have corrected problems that have arisen, including issues regarding OSHA and wearing of hard hats. Staff has attended safety seminars that provides them the necessary knowledge to demand compliance to safety regulations.

Mr. Schlegel questioned the time table for the well maintenance. Mr. Stratton said the work should be completed by the end of March 1994 or first of April 1994. Mr. Mike Block and Mr. Dave Tanner will supervise the maintenance.

Mr. Johnson questioned the total cost for the contract. Mr. Stratton said that based on the 1993 well maintenance work, the average cost per well was between \$6,000 and \$8,000. The level of maintenance required will not be known until after the well has been pulled.

Mr. Johnson called for a vote regarding the motion to authorize well maintenance contract for Far West Pump Company and Gilbert Pump. The motion passed unanimously with the members present.

3. Repair of Marlene Storage Tank.

Mr. Stratton explained that the contract for the repair of Marlene Storage Tank should be completed within a week to ten days.

Mr. Tripp made a motion to authorize the Chairman of the Board to sign the contract as recommended at the January 10, 1994 Board meeting. Mr. Schlegel seconded the motion and it passed unanimously with the members present.

4. Variable Frequency Drive Units for System Operations.

Mr. Stratton and Mr. Tanner reported that they have met with a representatives of firms that manufacture and supply variable frequency drive units. The variable frequency drive unit's function is to reduce overall cost related to power and provide better efficiency in the motor

operation of electrical equipment. Cost saving would also occur through prolonging the life of the motors by allowing for a more even distribution of the power loading and lower the heavy start up cost. Data analyzed from the Oracle Jayne well's running time indicates that the \$15,000 to \$16,000 cost for the unit would be paid back within a year and half or less. The unit would reduce the frequency and torque on electric motor so that it would act the same as a twenty horse power unit rather than sixty horse power.

Mr. Tripp said he approved of the concept.

Mr. Schlegel questioned the time frame for the District's conversion to a gravity system. Mr. Stratton said it would take at least two years if the work began today. The variable frequency drive units can be transferred to and used at a different well site. Until the Capital Improvement Program is received from CDM, the District will not know when the various systems will be phased out of service. The money spent on the units would be obtained in cost saving. Staff would like to view the unit in operation.

Mr. Johnson questioned how many variable frequency drive units are needed. Mr. Stratton said one is needed for Oracle Jayne Station and another for Campo Bello West station. Mr. Johnson noted that the Oracle Jayne well will be needed even under the Capital Improvement Program.

Mr. Johnson inquired about the cost. Mr. Stratton said that the preliminary numbers are \$5,000 for the Campo Bello system and \$15,000 for Oracle Jayne Station. Staff is still gathering information regarding the variable frequency drive units.

Mr. Schlegel made the motion to purchase the variable frequency drive units for the Oracle Jayne and Campo Bello stations on a trial basis. Mr. Tripp seconded the motion and it passed unanimously with the members present.

Ms. O'Rielly requested that the Board return to Item IV.A.4.

Ms. O'Rielly made the motion for the District to request a loan engineer from Pima County for the period of Mr. Huckelberry's leave in order that staff can maintain the present and future work load. The District would pay for the engineer's salary to be between \$30,000 to \$45,000 while on loan. Mr. Tripp seconded the motion and it passed unanimously with the members present.

Mr. Tripp made the motion for the District to hire a draftsperson to assist in the Engineer Division. Ms. O'Rielly seconded the motion.

Mr. Schlegel questioned how an entry level draftsperson could be located. Mr. Eisenfeld noted that he is aware of possible candidates available through a program at EGIS. Mr. Johnson noted that Mr. Stratton and Mr. Eisenfeld should be able to hire a capable draftsperson.

Mr. Johnson called for a vote regarding the motion for hiring a draftsperson. The motion passed unanimously with the members present.

Ms. O'Rielly left the meeting at 8:25 p.m.

D. Legislative Issues

3. Santa Cruz Active Management Area.

Mr. Stratton reported that Mr. Hugh Holub requested the Board's support for legislation creating a Santa Cruz Active Management Area.

Mr. Schlegel made a motion that the District would support legislation creating the Santa Cruz Active Management Area. Mr. Tripp seconded the motion and it passed unanimously with the members present.

E. General Manager and Staff Report

Mr. Stratton reported that the February 14, 1994 General Manager Report is self explanatory about Phase II and Phase V Water Quality Testing, the Water Level Monitoring Program, storage building, ADWR Gallons per Capita Rate for 1992, and office identification improvement. Mr. Stratton requested that the Board authorize the purchase of the storage building for the purpose of District inventory.

Mr. Tripp made the motion to authorize the purchase of a storage building for inventory purposes. Mr. Schlegel seconded the motion and it passed unanimously with the members present.

Mr. Stratton noted that Mr. Warren Edminster provided a design for the office identification improvement. The estimate from Zurlinden Builders was \$8,000. The design will be taken to other general contractors for bids.

VI. ADJOURNMENT

Mr. Tripp moved that the open session of the Board meeting be adjourned. Mr. Schlegel seconded and the meeting was adjourned at 8:30 p.m.



Herb Johnson, Chairman

ATTEST:



Clerk