

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

July 11, 1994  
7235 North Paseo del Norte  
Tucson, Arizona 85704

**MINUTES**

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

District Staff Present: Mark Stratton, General Manager  
Michael Block, Hydrologist  
Scott Eisenfeld, Development Supervisor  
Alan Forrest, District Engineer  
Chris Hill, Utility Superintendent  
Sheila Lewis, Administration Manager  
David Tanner, Operations Supervisor  
Warren Tenney, Clerk

Others Present: Jim Doyle, Customer  
Mike Fleury, Camp, Dresser & McKee  
Michael McNulty, Brown and Bain  
Mark Myers, Consultant  
Jim Peterson, Town of Oro Valley  
Ed Roll, Urban Engineering  
Ralph Wong, Customer

**I. CALL TO ORDER AND ROLL CALL**

- A. The meeting was called to order at 5:00 p.m. by Mr. Herb Johnson, Chairman of the Board of Directors. Mr. Jim Tripp, Mr. Alex Jácome, Ms. Kate O'Rielly and Mr. Pete Schlegel were present.
- B. Mr. Tripp moved that the Board approve the meeting notice and agenda for July 11, 1994. Mr. Jácome seconded and the motion passed unanimously.

Mr. Johnson suggested postponing Item II, Comments from the Public, to provide more of an opportunity for members of the public to arrive.

Mr. Mark Stratton introduced Mr. Chris Hill, the new Utility Superintendent of Metropolitan Domestic Water Improvement District (District) to the Board.

### **III. CONSENT AGENDA**

- A. Approval of Minutes - June 13, 1994 Board Meeting.**
- B. Ratification of Billing Adjustments or Small Damage Claims.**
- C. Financial Issues - Update on Revenues, Checks and Warrants.**
- D. Resolution 1994-6 - Approval of Credit for Notification of Illegal or Unauthorized Use of District Water.**
- E. Ratification of Agreement - MagneTek, Variable Frequency Drive Unit for Campo Bello West.**
- F. Ratification of Agreement - Earl H. Williams Well Drilling, Work at Magee/La Cholla.**
- G. Ratification of Contract - Digitgraph, Mailing Service.**
- H. Ratification of Contract - The Home Office, Answering Service.**

Mr. Schlegel requested that Item III.D. regarding Resolution 1994-6 be removed from the Consent Agenda for discussion. Mr. Johnson said the item would be addressed under New Business.

Mr. Tripp made the motion to approve all of the items on the Consent Agenda except for Item III.D. Ms. O'Rielly seconded the motion and it passed unanimously.

### **IV. OLD BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

- A. Status of Renegotiations with the City of Tucson regarding the Asset Purchase Agreement and the Northwest Area Agreement.**

Mr. Mark Stratton reported that he has met twice with Mr. Dennis Rule of Tucson Water to discuss the amendment to the Asset Purchase Agreement. It appears prudent to word the amendment in such a way to avoid future approval of further changes to the Asset Purchase Agreement by the Tucson City Council. A primary concern is the establishment of wholesale water rates for untreated and treated CAP water. At the June 13, 1994 Board meeting, the Board authorized staff to work with Cañada Hills and Rancho Vistoso Water Companies to hire a rate consultant to work with the rate consultant hired by Tucson Water. Mr. Rule wants the amendment to deal with the purchase of water, whether untreated or treated, at the prevailing wholesale water rate; thereby, if and when the District accepts treated CAP water, Tucson City Council would not need to amend again the Asset Purchase Agreement. The City of Tucson Attorney's staff is in the process of drafting an amendment and will work with the District's Legal Counsel.

Mr. Tripp inquired about the status of hiring a rate consultant. Mr. Stratton said that he is waiting for further communication with Mr. Hugh Holub (who initiated the concept of hiring a rate consultant), Ms. Shirley Seng of Cañada Hills Water Company and Mr. Dick Maes of Rancho Vistoso Water Company. Mr. Michael McNulty added that Mr. Holub recommends that the private water companies select the consultant.

Regarding the Northwest Area Agreement, Mr. Stratton noted that the District has publicly stated its willingness to amend the Northwest Area Agreement by whatever means it would benefit the involved parties. Unfortunately, the two private water companies have limited resources for their involvement in the Northwest Area Agreement negotiations. The private water companies do not know what cost the Arizona Corporation Commission (ACC) will allow to be passed on to their customers. Regarding the wholesale water rate issue, Tucson Water needs to determine the volume of treated and untreated CAP water that would be utilized in the Northwest area in order to establish the water rates, but the Northwest water providers do not know how much CAP water they will use until they know the cost. To avoid an impasse, Tucson Water staff has requested information regarding different scenarios. District staff will generate a number of scenarios utilizing the information sheet and will note what each scenario involves.

Mr. Stratton and Mr. Schlegel said that the Southern Arizona Water Resources Association (SAWARA) discussed at a July 6, 1994 meeting the possibility of SAWARA acting as a facilitator in order to expedite the process. Frustration was expressed that the negotiations have not been proceeding according to a time line.

Mr. Stratton noted that the Asset Purchase Agreement will impact the District as of July 1, 1995, but whatever is negotiated regarding the Northwest Area Agreement will have a long-term effect upon the District. If the Northwest Area Agreement is not renegotiated, the District's long-term assured water supply may be questioned. The District would have to contract with the Central Arizona Groundwater Replenishment District (CAGRD) for future needs assuming that the hydrology study would meet the immediate needs for the assured water supply.

Mr. Mark Myers said that the SAWARA Board will be proposing a resolution at its July 13, 1994 meeting. A number of issues and projects involving the District will be determined according to the resolve of the Northwest Area Agreement. With the short time frame, the District needs to seek aggressively a settlement with the City of Tucson.

Mr. Stratton said that another issue is the passing of the City of Tucson's bond allowed for the allocation of funds for continued expansion into the Northwest area. Mr. John Jones, Acting Director of Tucson Water, has indicated that he does not want to spend money if it is not to be used. While the District could utilize a portion from the A zone system off of the Thornydale line, the private water companies are not indicating if they want that line extended. Tucson Water will probably not extend the line if it is not used and this will cause the private water companies to seek a renewable supply for their high growth area from the CAGRD.

Mr. Johnson said that the District needs money to do the necessary work for the Northwest Water Alliance. The ACC does not allow Rancho Vistoso and Cañada Hills Water Company to participate, one alternative is for Oro Valley to convert them into a municipal system, and thereby, removing ACC from the picture. The other way is to request cash donations from developers within the two water providers' jurisdictions. These utilities have been subsidized previously by developers and they would merely be increasing their subsidy. The Board should request Mr. Michael McNulty to investigate the possibilities of either of these two sources.

Mr. Jim Peterson of the Town of Oro Valley noted that the Town Council will discuss and could take action regarding the condemnation of the Rancho Vistoso Water Company at a July 13, 1994 meeting.

Mr. Schlegel said Mr. Johnson's ideas are worth pursuing; however, the District could be accruing all the legal cost. Cooperation should be considered between the water providers so that the District does not pay for the legal investigations that benefit everyone. These other water providers need to recognize that deadlines are encroaching rapidly. Mr. Johnson noted that Mr. McNulty's involvement would guarantee that everything is done properly. Ms. O'Rielly said that the District needs to proceed because it has been noted the difficulty in receiving participation from the private water companies. Mr. Peterson suggested that Mr. McNulty work with Mr. Chuck Sweet, Town Manager of Oro Valley, regarding this matter in order to have Town of Oro Valley participation.

Mr. Schlegel made the motion that Legal Counsel should investigate the possibility of obtaining monies through the Town of Oro Valley converting private water companies in their jurisdiction into a municipal system or through requesting cash donations from developers within the two water providers' jurisdictions. Mr. Tripp seconded the motion and it passed unanimously.

#### **B. Water Resources Issues and the Northwest TAMA Replenishment Program - Update by Mark Myers.**

Mr. Myers reported that the Northwest Tucson Active Management Area (TAMA) Replenishment Program is moving forward rapidly and positively. Regarding the Avra Valley Pilot Recharge Project, a draft contract has been discussed with Central Arizona Water Conservation District (CAWCD) staff. After financial estimates for the project are finalized, CAWCD will redraft the contract. A right of entry permit has been prepared to allow the District to enter the site and test the soil. The permit for an easement has been filed. The recharge permit application with the Arizona Department of Water Resources (ADWR) will be submitted by September 1994.

Mr. Schlegel suggested that staff examine the possibility of lifting water from the CAP canal by siphon to the canal to the recharge site.

Mr. Jácome asked how the soil characterization will be accomplished. Mr. Stratton said that a backhoe sampling extending 10 to 12 feet below the surface will determine the soil characterization. At least one soil boring down to the depth of 50 to 75 feet will take soil

sampling down to determine the existence of any significant clay. The soil characterization should be uniform throughout the area due to it being adjacent to the flood plain area.

Mr. Tripp asked when actual construction will begin. Mr. Myers said construction should be able to begin six months after submitting the recharge permit to ADWR. Mr. Stratton noted that Mr. Rule is aware that the recharge project allows for 5,000 acre feet of water to be recharged within a year. Therefore, if construction is not completed by July 1, 1995, it should not impact the Asset Purchase Agreement since a yearly quantity is required. Mr. Myers noted that the issues with the City of Tucson need to be resolved before a decision is made to spend monies for the construction of the project.

Mr. Jácome questioned the life time of the recharge site if no clay lenses are found from the soil study. Mr. Stratton said that with groundwater depths at 300 feet it will take a substantial amount of time for recharge of the unsaturated zone to reach the surface. Mr. Myers said that from a legal perspective, it will be a permanent project and should be adequate for the assured water supply rules. From a physical water perspective, the long-term goal for the District is to bring wet water to the Cañada Del Oro in order to replenish its well system. The District should be able to offset its cost by selling extra capacity to other entities.

Regarding the feasibility study for the Lower Santa Cruz and the Cañada Del Oro Replenishment Projects, Mr. Myers has received favorable support from various entities. The feasibility study is being drafted. The Bureau of Reclamation, at various levels, has been supportive. The Bureau of Reclamation has been asked to provide \$400,000, an amount that needs to be matched by the region. CAWCD is favorable regarding a request for \$100,000. Mr. Jones of Tucson Water has said that the City could provide staff support and appointed Lorenzo Hernandez as a liaison for the project. Pima County has provided substantial support. Formal support will be requested from the Town of Oro Valley. Coordination is being done with the Town's staff regarding the recreational aspects of the Cañada Del Oro Project and Oro Valley's park and recreation plan. Support is also sought from the Town of Marana and private water companies.

The Board of Directors and others viewed a news story prepared by Channel 4 regarding the Northwest TAMA Replenishment Program. Mr. Stratton noted that the news story had produced favorable comments from the public.

The Board thanked Mr. Myers for his efforts regarding the Replenishment Program.

## **VI. NEW BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

The Board at this time discussed Item III.D.



**D. Resolution 1994-6 - Approval of Credit for Notification of Illegal or Unauthorized Use of District Water.**

Mr. Tripp made the motion to approve and adopt Resolution 1994-6 regarding approval of credit for notification of illegal or unauthorized use of District water. Mr. Jácome seconded the motion.

Mr. Schlegel suggested that the motion be modified to increase the credit given for notification of illegal or unauthorized use of District water from \$50.00 to \$100.00 in order to provide adequate motivation for the reporting of violations.

Mr. Tripp asked if the \$200.00 fine has been collected when a violation has occurred. Mr. Stratton and Ms. Sheila Lewis said that all but one has been collected from the twelve that have occurred. Offering credit to customers will improve the District's ability to police for violations.

Mr. Tripp amended his motion to approve and adopt Resolution 1994-6 by increasing the credit from \$50.00 to \$100.00. Mr. Jácome seconded the motion and it passed unanimously.

**II. PUBLIC COMMENT.**

There was a no comment from the public.

**VI. NEW BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

**A. Administration and Management**

**1. Request by Urban Engineering, representing Rancho Arboleda, to have Water Service Provided by Others.**

Mr. Ed Roll of Urban Engineering explained that a client is planning a subdivision called Rancho Arboleda at the northwest corner of Orange Grove Road and First Ave. The Rancho Arboleda property is surrounded by Tucson Water's service area though it is within the District's service area boundaries. The nearest District service connection is a six inch line 900 feet away. Tucson Water's connection is a sixteen inch line that is closer and can provide adequate pressure. From Mr. Roll's perspective, the District is not capable of providing adequate service to Rancho Arboleda. Discussions with Mr. John Jones of Tucson Water and Mr. Stratton have occurred regarding the possibility of Tucson Water and the District exchanging land.

Mr. Schlegel asked when building is to start and why the matter was not discussed sooner. Mr. Roll said that the plans are in the final stage and building should start within thirty days. Original agreements had given the impression that the area was served by Tucson Water.

Mr. Tripp asked if the District can service Rancho Arboleda. Mr. Stratton said that the District's facility located 900 feet from the property's southwest boundary is off from a six inch

line that services a large apartment complex. The area could be serviced by the Northeast Reservoir when it is constructed. Adequate fire flow is currently not available. Exchanging property could be impeded by assessment issued to the property. Mr. McNulty said that the bonds were sold under the assumption that no property would be deleted from the District unless the assessments were paid. The District could retail water that is purchased from Tucson Water through an annual wholesale water agreement. Mr. Schlegel said any concern regarding Tucson Water's wholesale water rates becoming higher than the District's retail water rates could be addressed in the wholesale water agreement.

Mr. Schlegel asked how many sites were at Rancho Arboleda. Mr. Roll said 143 sites. Mr. Schlegel noted that the revenue for 143 sites is approximately \$35,000 to \$40,000 a year. Mr. Stratton noted that system development fees would amount to \$65,000.

Mr. Jácome asked if the Northeast Reservoir was constructed could the District service the area. Mr. Stratton said that the District could though some improved transmission mains are needed.

Mr. Schlegel noted that Tucson Water has encroached upon the District's territory over the years and that the District is attempting to prevent that from occurring in the future. In the past, it has been a selling point for potential buyers to know that they are serviced by the District.

Mr. Roll questioned if the exchange of land could be considered. Mr. Schlegel noted that a lien would need to be placed on the property exchanged to the District.

Mr. Jácome made the motion that the Board of Directors deny Urban Engineering's request that Rancho Arboleda be moved out of the District and authorize staff to begin negotiation with City of Tucson to determine how the area could be best serviced by the District. Mr. Tripp seconded the motion and it passed unanimously.

## **2. Recent Events due to High Water Demand/Low Pressure.**

Mr. Stratton reported that the recent problems regarding supply and demand started on June 24, 1994 when Tucson Electric Power Company requested that all well sites on interruptable power be shut down. Staff avoided shutting the system completely down by decreasing the pressure at certain areas. High temperatures on the following day strained faulty electrical equipment in three service areas, which have been replaced. The high temperatures increased water demand and made it difficult for the District's water supply to recover at storage facilities; and thus, pressures dropped and it was difficult to supply water in such areas as New Linda Vista and Blackwell. Staff worked with Tucson Water to tie into their system in order to provide an emergency backup supply to the New Linda Vista area. The emergency backup line was completed July 6, 1994 and New Linda Vista storage has started to recover. Blackwell is having difficulty recovering because of the high demand placed on it during the weekends. At the present, New and Old Linda Vista, Tucson National and Oracle Jaynes Station appear to be all recovering. For next year, staff will prepare a conservation information program to encourage conservation during the summer and peak demand.

Mr. Tripp noted that as Metropolitan Water Company, letters were sent to high irrigation users to encourage watering at low demand times. Ms. Lewis said that when Tucson Electric Power Company told the District to shut off the pumps, phone calls were made to high users to explain the situation and request an immediate decrease in water usage.

Mr. Schlegel suggested that staff send letters to high users of water and thank them for their past cooperation and request support for conservation during the remainder of the summer.

### **3. Formation of a Grievance Committee for District Staff.**

Mr. Tripp made the motion to authorize the formation of a grievance committee comprised of three members from the District's Advisory Committee to be a mechanism for resolving employees' problems. Mr. Schlegel seconded the motion.

Mr. Jácome questioned the need for a grievance committee. Mr. Stratton said that a grievance committee that is separate from staff and Board would be able to provide an impartial recommendation to the Board and General Manager. Sometimes a third party is helpful in resolving a problem and protect an employee who feels wrongly disciplined. Mr. Jácome asked how Pima County dealt with grievances. Mr. Stratton said that the employee and Department representative would each select an individual from another department who would then select a third member. The Human Resources Department would have an EEO representative listen to the grievance and jointly make a recommendation to the County Manager.

Mr. Jácome and Ms. O'Rielly noted that fellow employees are better judges, though it should be left discretionary on a case-by-case basis. Mr. Jácome questioned if the grievance committee should report to the Chairman of the Board or to the General Manager. Mr. Schlegel and Mr. Stratton noted that there were pros and cons.

Ms. O'Rielly made the substitute motion to continue the discussion and decision related to the item regarding formation of a grievance committee for District staff. Mr. Jácome seconded the motion.

Mr. Tripp noted that since District staff is small in number, it would be difficult to find impartial staff for the grievance committee; however, the individuals on the grievance committee need to be familiar with the District. Further discussion and research on the matter would be advisable.

Mr. McNulty distributed information regarding the formation and procedure for a grievance committee that the Board may want to consider. Mr. Johnson suggested that the Board review the material.

Mr. Tripp withdrew his motion authorizing the formation of a grievance committee. Mr. Schlegel withdrew his second to the motion.



Mr. Johnson called for a vote of the motion regarding the continuance of Item V.A.3. The motion passed unanimously.

#### **4. Formation of a Homeowner's Association Advisory Committee.**

Ms. O'Rielly explained that a means for increased involvement in the District could be the formation of an advisory committee. Representatives from homeowners associations could provide the Board with input as well as be a means for communicating information and receiving feedback from customers. Mr. Schlegel agreed that it is important to get information to customers through newsletters and also from surveys. Mr. Jácome suggested that information regarding Board meeting dates and times be provided in advance to the media. Mr. Johnson suggested that Mr. Jácome and Mr. Schlegel work together to organize a Homeowner's Association Advisory Committee. Mr. Stratton said that a representative from a homeowner's association could be a good contact person for situations such as the recent high demand/low pressure.

Mr. Peterson noted that the Oro Valley Town Council approved the water rate increase upon condition that the Management Committee meet and provide feedback. The Management Committee is comprised of five representatives from the District and three from the Oro Valley Improvement District #1. Homeowner's Association do not provide representation of all customers.

Ms. O'Rielly said that the Management Committee could provide a recommendation on communicating information with District customers. Mr. Johnson questioned if the feedback should be given to a committee of the Board or to the General Manager. Mr. Jácome suggested that the District request the Management Committee to provide a report regarding the best means for obtaining feedback from District customers.

Mr. Jácome made the motion that the Board of Directors refer to the Management Committee for their recommendation regarding a Homeowner's Association Advisory Committee or another means for communicating with and obtaining feedback from District customers. Ms. O'Rielly seconded the motion and it passed unanimously.

### **B. Engineering and Planning**

#### **1. Request for Proposals - Design of the Northwest A/Z Zone Reservoir.**

Mr. Stratton said that many of the recent problems related to high demand/low pressure could be resolved with the construction of the Northwest A/Z Zone Reservoir. The site for the reservoir has been purchased. With approximately \$81,000 carried over from the 1993-1994 budget, the District could proceed with the design of the reservoir. The District would then be prepared to proceed with construction once funds are secured.

Mr. Schlegel said he was concerned that the District has put together a talented Engineering Division, but staff is proposing the use of consultants to design the reservoir. He questioned the

need to spend \$81,000 for someone to draw a tank when a reservoir/tank manufacturing company could provide the specific information. Mr. Stratton explained that the Northwest A/Z Zone Reservoir will be underground with a four to five million gallon storage capacity. The Engineering Division does not have the necessary experience in structural engineering and their time would be have to be used solely for that project for approximately six months. Mr. Schlegel and Mr. Jácome suggested the consideration of a design/build contract. Mr. Stratton that there are firms that do a design/build contract; however, they would probably not want to postpone construction until money is available to build the reservoir. Mr. Johnson said that the same monies would be spent on design regardless of the approach. By dividing the design and construction, the District is prepared to construct immediately when the Board decides to build the reservoir.

Mr. Schlegel questioned if companies exist that specialize in such storage tanks. Mr. Stratton said that design/build is a good approach for a steel tank. An underground reservoir is a larger project and it can be beneficial to have an engineering firm monitoring the construction of the reservoir. The main concern is to be able to expedite the construction of the reservoir as soon as possible. Mr. Johnson noted that by having an engineer, not a design/build firm, do the design allows for uniform equipment and maintenance of District facilities. Mr. Schlegel said that the District should explore further design/build firms. Mr. Stratton said that he would research further design/build firms.

Mr. Jácome made the motion that the Board of Directors direct staff to solicit requests for proposals for the design of the Northwest A/Z Reservoir. Approval of the consultant selection shall be accomplished based upon a recommendation of the Technical Advisory Committee to the Board of Directors. Mr. Tripp seconded the motion.

Mr. Schlegel suggested that a time frame be placed upon when the recommendation is to be brought back to the Board. Mr. Stratton said he could have information regarding design/build firms by the next Board meeting, but more time is needed for soliciting and recommending requests for proposals.

Mr. Jácome amended his motion to include that the recommendation of the requests for proposals by the Technical Advisory Committee will be brought to the Board of Directors within ninety days. Mr. Tripp seconded the amended motion and it passed unanimously.

## **2. Agreement for Interruptable Power with Tucson Electric Power Company.**

Mr. Tripp made the motion that the District discontinue its agreement with Tucson Electric Power Company for interruptable power. Ms. O'Rielly seconded the motion.

Mr. Jácome asked if part of the District system could be on interruptable power. Mr. Stratton said that the same risk exists that Tucson Electric Power Company will request that the system be turned down.

Mr. Johnson called for the vote of the motion regarding discontinuing the District's interruptable power agreement with Tucson Electric Power Company. The motion passed unanimously.

### **3. Consultant Selection - Cañada Del Oro Basin Hydrological Study.**

Mr. Stratton reported that two proposals were submitted for the District's hydrological study. The proposals were reviewed by Mr. Michael Block, Mr. Alan Forrest, and Ms. Linda Stitzer of ADWR. Their recommendation is to contract with the firm of Montgomery and Associates.

Mr. Tripp made the motion that the Board authorize staff to negotiate a final scope of work, a time schedule, and draft contract with Montgomery and Associates for the District's hydrological study for an assured water supply. The contract shall be presented to the Board of Directors at their August 8, 1994 Board meeting. Mr. Jácome seconded the motion.

Mr. Schlegel requested that similar recommendations be provided to the Board in advance. Mr. Stratton noted that staff had just received and reviewed the proposals and tried to make a recommendation within thirty days from the last Board meeting.

Mr. Johnson called for the vote of the motion regarding the hydrological study. The motion passed unanimously.

### **4. Northeast Reservoir - Request from Cobo Catalina Homeowner's Association.**

Mr. Stratton reported that he had met with two representatives of the Cobo Catalina Homeowner's Association. They provided a list of concerns regarding the construction of the Northeast Reservoir. While some of the concerns can be dealt with, others would be a financial burden to the District.

Mr. Tripp, Mr. Stratton, Mr. Schlegel and Mr. Jácome discussed some of the requests made by the Cobo Catalina Homeowners Association and noted that the Homeowner's Association had not enforced their CC&R with their own residences. Mr. Johnson said that the Northeast Reservoir should be included in the five year capital improvement program and that peaceable negotiations should continue with the homeowner's association as long as successful in accomplishing the Northeast Reservoir. Mr. Stratton said that he would work with Mr. McNulty to draft a response to the Cobo Catalina Homeowner's Association.

Mr. Jácome suggested contacting the Westward Look Resort regarding possible funding of the reservoir.

Mr. Tripp made the motion that the General Manager be instructed to form an independent advisory committee to make recommendations to the Board of Directors concerning the District's Capital Improvement Program generally, and the Northwest A/Z Zone Reservoir specifically. The Committee should be composed of not less than five members knowledgeable in the field of utility finance and construction planning, and that the Chairman of the Board serve as an additional ex-officio member. He further moved that the General Manager be authorized to hire

an independent financial advisor to staff the committee, if he believes that it would facilitate the work of the committee, at a cost not to exceed \$5,000. Mr. Schlegel seconded the motion and it passed unanimously.

### **C. Utilities**

#### **1. Request for Bids - Replacement of Magee/La Cholla Well.**

Mr. Tripp made the motion that the Board of Directors authorize staff to request bids for the construction of a replacement well for the Magee/La Cholla service area. Approval of the bidding contractors will be submitted to the Board for selection of a contractor for the project. Mr. Jácome seconded the motion.

Mr. Jácome questioned if the same sanding conditions would occur if the new well is at the same site. Mr. Johnson and Mr. Stratton explained that the methods of construction have changed since the original well was drilled. The problems are known, so they should not be repeated.

Mr. Schlegel suggested that the Magee/La Cholla well site be abandoned and a new well be drilled to facilitate the Northwest Reservoir site. Mr. Stratton and Mr. Johnson said that a well will be needed at the Magee/La Cholla site due to the growth in that area. ADWR will allow the replacement of an existing well, but the process is lengthened if another site is selected.

Mr. Johnson called for the vote for the motion regarding replacement of the Magee/La Cholla well. The motion passed unanimously.

### **VI. GENERAL MANAGER'S REPORT**

Mr. Stratton noted that he had provided to the Board a General Manager's report that discussed the District elections, access to District parcel at 7495 N. Oracle, tie-in with Tucson Water for emergency services, and development agreements. Mr. Stratton noted that since writing the report, he had been informed that the District may have to notice some bacterial problems encountered in some service areas.

The Board of Directors discussed the need to sell the District property at 7495 N. Oracle but to avoid refencing the access.

The Board went into Executive Session at 7:25 p.m.

### **VII. EXECUTIVE SESSION**

Pursuant to A.R.S. § 38-431/03 (A)(1) to review and discuss Metropolitan Domestic Water Improvement District's position as it relates to personnel and compensation matters relating to Mr. Mark Stratton.

The Board returned from executive session at 7:50 p.m.

**VIII. REVIEW AND POSSIBLE APPROVAL OF THE GENERAL MANAGER'S CONTRACT.**

Mr. Jácome made the motion that the Board accept Mr. Stratton's contract pending changes regarding the accrual of vacation time and usage of own time for personal business. Mr. Tripp seconded the motion. The motion failed as a tie with Mr. Jácome and Mr. Tripp voting for the motion, Ms. O'Rielly and Mr. Schlegel voting against the motion, and Mr. Johnson abstaining.

Mr. Johnson said he thought more discussion was needed regarding Item 2.2 in the contract regarding the General Manager's responsibilities. He suggested that a study session should be held to discuss the duties of the Board of Directors and the General Manager.

Mr. Schlegel made the motion to continue the discussion and possible approval of the General Manager's contract until after a study session. Mr. Tripp seconded the motion. The motion failed as a tie with Mr. Schlegel and Mr. Tripp voting for the motion, Ms. O'Rielly and Mr. Jácome voting against the motion, and Mr. Johnson abstaining.

Mr. Jácome said that he was concerned that Mr. Stratton did not have a contract as General Manager.

**IX. FUTURE MEETING DATES; FUTURE AGENDA ITEMS**

The next regular Board meeting will be August 8, 1994.

**X. ADJOURNMENT**

The meeting was adjourned at 7:57 p.m.

  
Herb Johnson, Chairman

ATTEST:

  
Clerk