

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

July 12, 1993
5:00 P.M.
7493 North Oracle Road, Suite 219
Tucson, Arizona 85704

MINUTES

ATTENDANCE:

Members: Jim Tripp, Vice-Chairman
Pete Schlegel, Member
Kate O'Rielly, Member
Alex Jacome, Member

Others Present: Michael McNulty, Brown & Bain
Charles Huckelberry, General Manager
Mark Stratton, MDWID Employee
Sheila Lewis, MDWID Employee
Dave Tanner, MDWID Employee
Steve Shephard, MDWID Employee
Dan M. Offret, MDWID Advisory Committee
Julie Johnson, MDWID Employee (recording
secretary)

A. CALL TO ORDER AND ROLL CALL

1. The meeting was called to order at 5:00 p.m. by Jim Tripp, Vice-Chairman of the Board of Directors. Jim Tripp, Pete Schlegel, Alex Jacome and Kate O'Rielly were present.
2. Pete Schlegel moved that the Board approve the meeting notice and agenda for July 12, 1993. Kate O'Rielly seconded and the motion passed unanimously.
3. Kate O'Rielly made a motion to amend the minutes of the July 8, 1993 meeting as follows:

At the end of Section C. on page 2, add the following sentence:

A list of the actions to be ratified, entitled "Itemized Detail of Actions Listed for Ratification at the Special Meeting of the Metropolitan Domestic Water Improvement District Board of Directors" is attached hereto.

And include the Itemized Detail as an exhibit to the Minutes.

Ms. O'Rielly pointed out that the Itemized Detail was available when the meeting was held, but that the Board was unaware of it, so it was not included.

Michael McNulty stated that the Statute refers to a detailed list of the items to be ratified and that the minutes reflect the fact that all actions of the Chairman, Vice-Chairman, and Board since March 17 were ratified at the Special Meeting of July 8. Mr. McNulty gave to each Board member the Itemized List that was of public record and available at the July 8 meeting. Mr. McNulty's recommendation was to include the List with the minutes so that public record reflects all actions taken between March 17 and July 8.

Mr. Jacome questioned how an illegal action could be ratified. Mr. McNulty stated that the Statute specifically states that if formalities were not observed, the actions can be redone.

Mr. McNulty clarified Ms. O'Rielly's motion to essentially denote that the List be attached as part of the minutes of the July 8, 1993 minutes.

Mr. Jacome questioned where the List was posted. Mr. McNulty stated there were no posting requirements; that the List was available here at the District office and, if requested, would have been given out.

Pete Schlegel seconded the motion. The motion carried three to one, with Alex Jacome opposing.

B. COMMENTS FROM THE PUBLIC

Introduction of Guests (Please refer to attendance list on page 1).

OLD BUSINESS

C. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Discussion/action on Development of Backflow Prevention Program.

Mark Stratton referred to the draft of the Ordinance to institute the Backflow Prevention Program which he had provided to the Board members at the meeting of June 14, 1993. He indicated that he has not received comments from the Board members, but that discussion at the June 14, 1993 meeting included taking an inventory of what the District has. Inventory includes:

<u>Amount</u>	<u>Equipment</u>
260	3/4 inch meters
132	1 inch meters
68	1 1/2 inch meters
148	2 inch meters
6	3 inch meters
23	4 inch meters
<u>3</u>	6 inch meters
590	Total commercial/industrial/irrigation type of meters

Mark stated that out of those 590, 144 have backflow devices on them. Alex Jacome questioned if they met standards. Mark indicated we had not determined that yet.

Mr. Stratton also mentioned that there are approximately 140 irrigation meters that do not have devices, and 221 unknown or possible exemptions. It is not clear if they would need a backflow device based on the potential use. There should be more investigation into the types of uses.

Mr. Stratton stated that the majority of the backflow devices would be for a 3/4 inch size. Cost estimates were received from one of our suppliers on the 3/4 inch size, and on the reduced pressure zone type of backflow device, which is the highest category, the cost of the device alone is \$98.00. At the other end of the scale, the 6 inch is \$1,850.00 for the device alone.

Mr. Jacome inquired about the cost of installation of a 6 inch line, but Mark indicated that staff was unable to get an average cost for installation from plumbers due to variables involved, which include accessibility to the area for their equipment and whether or not they must jack out concrete base on sidewalks.

Mr. Stratton informed the Board that a database is being created for this inventory and investigation is continuing. Some correspondence has been drafted, both for customers as well as for the testers who will perform the inspections.

Mr. Schlegel commented on an issue previously discussed regarding creating a brochure/pamphlet stating that these requirements are not from the Water District, but rather EPA

requirements that we are obligated to comply with, and that the District would help in any way possible. He also suggested that a list of known professional plumbers be included in the brochure. Alex Jacome suggested a letter would suffice. Mr. Schlegel indicated either would do, but that some type of public relations must be undertaken. Mr. Jacome advised that problems could arise in providing names if someone is inadvertently left off.

Mark Stratton informed the Board that Steve Shephard had been able to procure a brochure put out by the University of Southern California with a generic format that talks about safe water for everybody and what cross-connection and control programs really involve and who they protect. Our name and logo can be put on the brochure for our use and distribution. The cost is \$240.00 for 1,000. Mark emphasized that it is not specific to Arizona, but is nationwide. Mark suggested we could reproduce it at a lesser cost, but we must be careful not to plagiarize. Michael McNulty stated we must have their permission. Mark stated we have and will continue to gather material on the issue. Alex Jacome speculated on what the City is using. Mark indicated we have adapted most of what they have to our use, but was unsure if they have brochures or not.

Mr. Tripp inquired if the 52 irrigation valves at La Cholla were actually that. Steve Shephard replied that the meter readers are doing a survey, and will get to that cycle next week or the week after.

Alex Jacome brought up discussion from the last meeting regarding the users bearing the burden of this cost and questioned if we were moving ahead in that direction. Mark Stratton confirmed that. Pete Schlegel reminded the Board that there was discussion at that meeting and it was felt at that time that if we got in the middle, we would assume liability and since it is the other side of the meter, it is not our responsibility and we should stay out of it. Alex Jacome stated it wasn't discussed at the Board meeting; Pete Schlegel agreed, but maintained his position. Mr. Jacome then questioned whether the Board is accepting the recommendation of staff, to which Mr. Schlegel confirmed unless Steve comes across a community that has somehow been able to help out financially. Steve indicated he has not found any such community. Pete Schlegel stated he felt the consensus was that the minimum cost would probably be approximately \$500, and for some of the major customers, several thousand dollars. Steve explained that it is approximately \$500 for installation of 1 inch reduced pressure assembly. Alex Jacome also determined that we should not get involved in it. It is an EPA mandate.

With no further discussion, the Board proceeded to the next item.

2. Report on Northwest Water Alliance.

Kate O'Rielly reported that the last meeting was canceled and that Herb Johnson had attended the previous meeting.

Chuck Huckelberry gave a report on that previous meeting. There was some general discussion regarding the objectives. The consensus was to develop a document to present to the Santa Cruz Valley Water District. That document was unanimously accepted by the Santa Cruz Valley Water District as the basic premise for starting discussions with a consortium of individuals with similar interests in the Northwest. Jim Peterson of Oro Valley indicated that another meeting would be scheduled.

New Business

D. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Consultant Selection - Water System Management Plan.

Mark Stratton received proposals from five consulting firms for the Water System Management Plan on June 17. The Review Committee, consisting of Herb Johnson, Mark Stratton, Jim DeGrood, Bud Dooley, and Barbara Johnson, evaluated the proposals separately. In the backup document, the averages of the committee's review are listed. Camp Dresser & McKee was the most qualified firm, and the committee's recommendation.

Mr. Jacome asked for clarification on what specifically Mark is asking the consultant to do.

Mark explained that it is to review and evaluate our existing system and make recommendations on how to provide a more efficient, cost-effective operating system, as well as assess future needs based on an agreement with the City of Tucson, fire flow requirements, and our capital improvement program.

Mr. Jacome inquired if we were looking at the aquifer at the same time. Mark indicated we are not. Mr. Jacome clarified that hydrology is separate and Mark indicated that we would be looking at that also.

Mr. Jacome asked about prices. Mark Stratton indicated that the scope of work has not been fully defined at this point, but we are anticipating approximately \$75,000 to

\$100,000. Mr. Jacome asked if we would be contemplating contingent water systems, to which Mark replied we would be, basically because of the complexity of the issues. He said it would be very difficult to limit it to just what exists today.

Mr. Jacome made a motion to accept staff's recommendation, Kate O'Rielly seconded, and the motion was unanimously approved.

2. Purchase of Phone System for Paseo Del Norte.

Sheila Lewis indicated she has received two different proposals from AT&T on two separate types of phone systems, updated recently from previous proposals. She reminded the Board they had previously been given a copy of a proposal from Executone. Ms. Lewis asserted that a phone system must be purchased. If we were to take the existing system to the new facility, we would need to purchase additional equipment in order to add more lines to the system. Due to time constraints, a decision must be made now, or at least within two weeks.

Ms. Lewis expressed she would like to utilize AT&T equipment. The Merlin Legend has many different capabilities and growth potential.

Mr. Jacome asked the difference between the Merlin Legend and the Partner. Kate O'Rielly indicated Merlin has music on hold, and Sheila confirmed that, as well as the fact that there are other features Partner II does not have. Alex Jacome inquired as to what those features are. Ms. Lewis explained that expansion is easier, and that we can purchase 4 lines/4 extensions for expansion with the Merlin at approximately the same price as 2 lines/2 extensions with the Partner II.

Mr. Jacome questioned whether we pay the same monthly maintenance fee if we purchase the system as we would if we leased it, indicating leases usually include maintenance fees. Ms. Lewis indicated there are two different leasing options listed, one that allows purchase of the system at the end of the lease for \$1.00, and the other allows purchase of the system at the end of the lease for fair market value. Mr. Jacome asserted he was in favor of leasing equipment that could change in the future, and Ms. O'Rielly agreed. Dave Tanner inquired if this would be fiber-optic, and indicated we should seriously consider fiber-optics. Mr. Jacome maintained that was another reason we should lease, to allow us to update the system when new features are introduced.

Mr. Jacome made a motion that we accept staff's recommendation, then withdrew the motion due to uncertainty. Ms. Lewis pointed out that the list shows the lease prices with and without the pre-paid maintenance. Mr. Jacome, as well as Ms. O'Rielly, questioned the figures. Ms. Lewis explained that because we will be able to return the equipment, they are going to charge more during the term to cover their costs at the end. Mr. Jacome stated that is already amortized in the lease price, at full retail. Mr. Jacome asked for clarification of the figures, indicating he did not believe they should be charging more for the monthly maintenance on a lease than they would for monthly maintenance on a purchase, that the maintenance would cost the same regardless.

Mr. Jacome made the motion that if Ms. Lewis is satisfied with it, he is satisfied with it. Mr. Tripp asked Mr. Jacome to repeat his motion. Mr. Jacome restated his motion that if the Controller is satisfied with these numbers, than he is satisfied with them, and she is free to take the next step. Mr. Tripp acknowledged that there are multiple choices involved, and he is still unclear whether we are discussing a motion to lease with a \$1.00 option, or with the fair market value option, or purchase. Mr. Jacome maintained that he is discussing leasing, and he would leave up to the Controller which option she would choose.

Mr. Huckelberry suggested that the motion should authorize staff to pursue the AT&T Merlin Legend system and negotiate what we believe is the most appropriate option, and staff will come back with a contract to ratify.

Ms. O'Rielly seconded the motion and it was approved unanimously.

Ms. Lewis was asked, on the fair market value option, to check into 10 percent available. Ms. Lewis indicated that fair market value is based on a survey done at the end of the lease, based on what the equivalent is worth at that time by independent holders, and it is based on those figures. She felt that figure could be negotiated at the end of the lease.

3. Ratify Rental Agreement on Current Office Space.

Mr. Tripp reminded the Board that at the meeting a month ago the Board was given a working copy of the contract as it pertains to the office space we are presently leasing.

Ms. O'Rielly made a motion to ratify the agreement; Mr. Schlegel seconded it. Motion passed 3 to 1, with Mr. Jacome dissenting.

4. Update on Deposits, Checks, Warrants and Projected Expenditures.

Ms. Lewis directed the Board's attention to the list of deposits, warrants issued since the last meeting in June, and projected expenditures for July.

Mr. Jacome questioned the payments to Greenskeeper. Ms. Lewis explained that some of the payments had to do with clean-up at Paseo del Norte, as well as monthly maintenance on the well sites, but the majority of the payments deal with an unauthorized project that was signed by Jack Conovaloff. Mr. Schlegel mentioned two large items: spreading of gravel, which Jack ordered for most of the sites, and the Greenskeeper was commissioned to spread it at an exorbitant rate, and \$383.00 for removal of the garbage bin at Paseo del Norte. Ms. Lewis indicated that the \$383.00 would have been for the delivery and pickup by either Waste Management or someone else, and then the disposal fees for the trash. Ms. Lewis explained that because Jack ordered the work and it had been completed, he authorized the work. Ms. Lewis indicated the \$8,000 was part of that work, and explained that the contract was for \$20,000.00 and the work has been put on hold.

Mr. Jacome made a motion to approve the expenditures and warrants as presented, Mr. Schlegel seconded it, and the motion was carried unanimously.

5. Staff Report - Discussion/Action

A. Status of:

1. Construction Projects

Mark Stratton related that the La Cholla/Omar Project has been completed and is now operational and the County Department of Transportation has started their process of lowering the roadway.

The two sections of waterline lowering on the Calle Concordia Project have been completed. The one portion remaining is to remove the flushing hydrant out of the proposed pavement area and in lieu of installing a flushing hydrant, we are installing a fire hydrant at that location to serve the area around the Dennis Weaver Park in the future.

2. Water Tank Structural Survey

Mark directed the Board's attention to a page out of the draft document on the summary of the recommendations that CH2M Hill has offered on the 22 storage tanks that were investigated. He reported that the photographs taken of the interior of the tanks are somewhat alarming with respect to the condition of the coatings and that a new coating is required for the majority of them. Seven of the tanks require prompt attention, with the worst of them being the Marlene, whose storage tank has evidence of water leaking on the outside. The recommendation was to complete repair work on this one immediately to prevent potential rupturing of the steel. Two of the tanks also in desperate need of repair are the CDO and the Catalina, Nos. 4 and 11, and the recommendation on those is, due to cost, just to replace those small tanks. It was also recommended that the remaining four critical tanks be drained and inspected at a time when water usage is not at its peak, as it is now. We should be draining and inspecting them this winter. Mr. Tripp reconfirmed that the CDO and Catalina tanks are small and questioned if it would be in our best interest to replace them at the same size or an increased size. Mr. Stratton indicated it is anticipated the Catalina Village storage tank will be taken out of service when the new reservoir is constructed at Magee and First. The CDO supplements the peak loading of Dennis Weaver Park and it is mainly during the summer that it fulfills its need because of irrigation at Dennis Weaver. Mr. Stratton indicated that in the area near the uphill portion of the system, the pressures are relatively low, and storage capacity is extremely low. He and Mr. Huckelberry have been discussing the possibility of a reservoir at the park itself, which is at an elevation that could benefit a significant portion of our system. Staff is waiting for the outcome of the Water System Management Plan, which should verify some of our initial plans for the system. CH2M Hill will make a presentation at the next Board meeting and answer any questions. At that time, a full report will be finalized for the Board.

3. Audit Report

Ms. Lewis indicated that Cotton, Parker & Johnson will begin their field audit work on July 19 and should be completed by the end of August.

4. New Billing System

Ms. Lewis indicated the new billing system has been started, with some obstacles, but should be in place in the near future. Mr. Schlegel inquired if the new system would include envelopes, and Ms. Lewis indicated the new bills would be snap-apart, with the envelopes inside.

B. Vehicle Fleet

Mr. Jacome made a motion to accept staff's recommendation, Ms. O'Rielly seconded, and the motion was unanimously approved.

E. ADJOURNMENT

Mr. Jacome requested that the General Manager should sit at the table with the Board during meetings. Mr. Jacome moved that the open session of the Board Meeting be adjourned and Kate O'Rielly seconded. As there was no further business to discuss before the Board, the open session of the meeting was adjourned at 5:46 p.m.


Chair

ATTEST:


Clerk