

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

July 9, 2001

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

MINUTES

Board Members Present:	Pete Schlegel, Chair Dennis Polley, Vice Chair Jim Doyle, Member
Board Members Absent:	Dan M. Offret, Member Marlene Wright, Member
District Staff:	Mark Stratton, General Manager Warren Tenney, Clerk of the Board Doug Lemke, Legal Counsel

I. Call to Order and Roll Call

Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District) called the Board Meeting to order at 5:30 p.m. Dennis Polley, Jim Doyle and Pete Schlegel were present. Dan M. Offret and Marlene Wright were both out of town.

Executive Session

Mr. Schlegel made a motion for the Board of Directors to move to Executive Session. Mr. Polley seconded the motion and it passed unanimously. The Board went into Executive Session at 5:32 p.m.

Executive Session pursuant to A.R.S. §38-431.03(A)(1) (discussion or consideration of personnel matters) regarding the following:

A. General Manager's Evaluation.

The Executive Session adjourned at 6:05 p.m.

Regular Session

I. Call to Order and Roll Call

Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District) called the Board Meeting to order at 6:10 p.m. Dennis Polley, Jim Doyle and Pete Schlegel were present. Dan M. Offret and Marlene Wright were not present.

II. General Comments From the Public

There were no comments from the public.

III. Consent Agenda

- A. Approval of Minutes – June 11, 2001 Board Meeting.
- B. Ratification of Billing Adjustments.
- C. Approval of Bad Debt Write-offs.
- D. Approval of Water Service Agreement for Tohono Chul Park.
- E. Approval of Water service Agreement for Tucson National Casitas.

Mr. Polley made a motion to approve the items on the Consent Agenda. Mr. Doyle seconded the motion. Motion passed unanimously.

IV. General Business – Items for Discussion and Possible Action

A. Monthly Status of the District.

Mr. Schlegel questioned if the number of delinquent accounts was average. Mike Land, Chief Financial Officer, said the numbers were less than previous months. He stated since the \$5.00 late fee was adopted there has been a decrease in the number of delinquent accounts

B. Financial Issues.

Mr. Land reported the District was having problems with getting payments made on time to Central Arizona Project and receiving invoices from U.S. Bank. The bank agreed to pay late charges and apologized for the late invoices. Mr. Land stated he had received a proposal from another financial institution and staff is reviewing the information.

Mr. Schlegel requested a year-end financial summary be made available at the next regularly scheduled Board meeting. Mr. Land stated a preliminary year-end summary would be provided at the next meeting of the Board. A final year-end summary will be completed once the District's annual audit is finished.

C. Size of the Bond Oversight Committee and Appointments to Bond Oversight Committee.

Mr. Polley asked if a decision had been made in regards to limiting the size of the Bond Oversight Committee. Mr. Stratton explained because the Board had originally appointed seven members, this was the assumed size of the Bond Oversight Committee. However in reviewing the minutes of when the Committee was established, the Board did not specify a set size for the Committee.

Mr. Schlegel said he thought it would be good to leave the Committee as is and not limit the Committee's size. This would provide the opportunity for the District to have more people participate including customers possibly from the Hub Service Area.

Mr. Doyle made a motion to approve to have the District Bond Oversight Committee be an established committee with individuals serving on the Committee as deemed appropriate by the District Board; and to appoint Art Ruff and Izaro Urreiztieta as members of the Bond Oversight Committee. Mr. Polley seconded the motion. Motion passed unanimously.

D. Status of Issues with Community Association for the Bluffs.

Mr. Schlegel inquired if there were any members of the public from the Bluffs area present. There were none present.

Mr. Schlegel commended District Staff on the content of the report generated from the Community Association for the Bluffs meeting held on June 27, 2001. Mr. Schlegel said the report was informative, precise and well written.

Mr. Schlegel said the Bluffs meeting was a good opportunity for the District and the Bluffs to meet to address their concerns. Mr. Schlegel commended Charlie Maish, District Engineer, and his staff on the reports they prepared, and the information Mr. Maish provided to the Bluffs homeowners during the meeting. Mr. Schlegel noted it enabled the District to assure the Bluffs homeowners that the District is concerned about their issues and the District is taking extra steps to make the requested and necessary changes.

Mr. Schlegel requested staff to provide the Community Association for the Bluffs an update of what the District is doing in regards to cleaning up the 3 well sites. Mr. Schlegel stated that he, along with Ms. Wright, visited Tucson National West site and commented staff did a good job in cleaning up the site and thanked them for the efforts put forth.

Mr. Schlegel said he wants to pursue options for use of a parcel located in the Bluffs area that is owned by the District for a future well site. The parcel is not currently being used and there are no plans in the immediate future for development. Mr. Schlegel suggested the parcel be used for

a community park. Mr. Schlegel said it would be the Community Association for the Bluffs responsibility to maintain the parcel once developed. Mr. Stratton advised the site is not currently maintained and this would present a workable solution. Mr. Stratton also said the staff report indicated customer concerns regarding the need to improve and properly maintain the site. Mr. Schlegel requested Legal Counsel to review the liability issues involved and to consider a written agreement stating the District could regain control of the site at the District's discretion.

Regarding the noise issue at Tucson National North, Mr. Stratton said a noise shield was put in place to the north and west portions of the right angle drive unit at the site and this has made a remarkable improvement in reducing the noise. Mr. Stratton said periodic checks by staff have been done to ascertain the noise levels during the day and evening hours and continued checks would be made with area residents.

Mr. Schlegel asked staff to record the times when noise appears to be worse and consider necessary corrections. Mr. Schlegel further added the fence and painting has been a big improvement esthetically, however, there still remains some painting left to do. Mr. Schlegel suggested slatting the north and west sides of the site.

E. Metro-Hub Service Area.

1. Status of Demand and Supply.

Steve Dean, Utility Superintendent, stated stage one of the Hub Service Area improvements has been completed. The larger pipes that have been installed allow more water to flow through the system. Mr. Dean also advised the water level in the storage tank has been at or above 6 feet, which is better than when the Hub Service Area ran out of water the first week of June 2001.

Mr. Stratton said he had met with David Modeer of Tucson Water and they are continuing to work on an amendment to the existing emergency water agreement. Mr. Stratton said Mr. Modeer agreed that tie-ins between Tucson Water and the District would be possible for peak demand situations in addition to the already stated emergency situations. Mr. Stratton also said staff would be looking at setting up tie-in points throughout the District.

2. Survey Results.

Mr. Stratton advised that approximately 30 per cent of the Hub area residents responded to the survey mailed to customers in order to gain consensus on water system improvements. Mr. Stratton said the results revealed the majority of customers are satisfied with Metro Water District. Mr. Stratton also stated an above ground storage tank with visual screening appeared to be the most accepted idea if another storage tank was needed, although many customers indicated they would support the tank if it was located underground.

Reb Guillot, Hub customer, said he spoke to numerous Hub area residents and they indicated they were not aware of the cost involved in lowering the water tank, nor were they aware of the amount of water pressure an underground storage tank would have. Mr. Guillot said those he spoke with believed the District could provide adequate screening and vegetation to make an above ground tank esthetically pleasing. Mr. Guillot suggested looking at modular tanks that are semi rigid, stackable, will withstand the sun and heat, and are considerably less expensive. Mr. Guillot said they are currently being used in the Middle East. Mr. Guillot will provide Mr. Stratton with specific information.

Mr. Schlegel said a natural berm could be created at the storage tank site as earth would have to be moved for placement of the tank.

Mr. Stratton reported the survey indicated by a margin of three-to-one that customers were in favor of creating more storage capacity using only current funds. However, when customers were asked if they would be willing to pay more each month for water system improvements, a slight majority indicated they would.

Mr. Stratton noted that the majority of customers did not realize they were not included in Metro Water District's legal boundaries and therefore could not hold an elected position or vote on any District issues. Mr. Stratton also said the majority of people polled said no to being annexed. Mr. Stratton added that due to this response by customers he questions whether it would be worth the efforts to try to obtain the proper amount of signatures needed to annex the Hub service area. Mr. Guillot said an annexation effort would still be made.

3. Proposed Metro-Hub Storage Expansion.

Mr. Doyle inquired about the cost and the possibility of putting in a tank larger than 250,000 gallons. Mr. Stratton said Engineering staff had examined the possibilities of a larger tank, but it would limit the possibility of them replacing the existing tank with a larger one.

Mr. Polley made a motion to direct staff to proceed with the design of a 250,000 gallons storage facility for the Metro-Hub service area at the existing site and work with the surrounding neighborhood to minimize visual and sound concerns. Mr. Doyle seconded the motion and it passed unanimously.

F. Approval of the Metro-Hub Mainline Replacement Project Stage II.

Mr. Polley made a motion to award US Filter the Metro-Hub MLR Stage II Bid for an amount of \$44,797.24. Mr. Doyle seconded the motion. Motion passed unanimously.

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

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

H. Approval of Contract for Exploratory Borehole and Monitor Well Installation Hydrological Services.

Mr. Doyle made a motion to approve the contract for the Exploratory Borehole and Monitor Well Installation Hydrological Services to Clear Creek Associates for a not-to-exceed amount of \$260,071. Mr. Polley seconded the motion. Motion passed unanimously.

V. General Manager's Report

Mr. Stratton said Mr. Tenney would be attending a Governor's Water Management Commission meeting July 13, 2001.

Mr. Stratton stated he would be attending a Domestic Water Improvement District meeting that same day in Flagstaff and discussions will be centered on possible changes to Title 48 for the next legislative session. Mr. Stratton said he would be looking closely at the boundary issues regarding the District.

Mr. Schlegel inquired about vandalism to the fire hydrants. Mr. Dean reported there were no new incidents and Pima County had questioned two suspects.

Mr. Stratton noted the Graywater Workshop was scheduled for Saturday, July 14, 2001. Mr. Tenney advised the workshop would retrofit a District customer's home for graywater usage and rainwater harvesting. Mr. Tenney said the news media had been contacted.

VI. Legal Counsel's Report

Doug Lemke, Legal Counsel, had nothing further to report. Mr. Stratton said the NAC arbitration hearing has been postponed until November 2001 and the parties are to meet in an attempt to negotiate a settlement.

VII. Future Meeting Dates; Future Agenda Items

Mr. Schlegel asked for a future agenda item to review Lot 39 in Cabo Catalina to discuss options on what to do with the property.


The next regular meeting of the Board will be August 13, 2001. There will be a study session on July 23, 2001 centered on potential legislative issues for 2002.

VIII. Adjournment

The meeting adjourned at 7:00 p.m.



Peter H. Schlegel, Chair of the Board



Clerk of the Board