

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

May 10, 1993
5:00 P.M.
7493 North Oracle Road, Suite 219
Tucson, Arizona

MINUTES

ATTENDANCE:

Members: Herb Johnson, Chairman
Alex Jacome, Member
Kate O'Rielly, Member
Jim Tripp, Member
Pete Schlegel, Member

Others Present: Michael McNulty, Brown and Bain
Phil Higdon, Brown and Bain
Jim Peterson, Oro Valley
Dan Offrett, Community Watch Committee
Bruce Greer, MDWID Customer, BE&G Construction
Bud Dooley, Customer of MDWID
Jack Conovaloff, General Manager
Sheila Lewis, Staff of the MDWID
Lucia Spohn, Staff of the MDWID (recording secretary)
Mark Stratton, Staff of MDWID
Bob Gomez, Staff of MDWID
Kathy Tanner, Staff of the MDWID
Dave Tanner, Staff of the MDWID
Marilyn Roberts, Staff of the MDWID
Steve Shephard, Staff of the MDWID

A. EXECUTIVE SESSION - CALL TO ORDER AND ROLL CALL

The meeting was called to order at 5:10 p.m. by Herb Johnson, Chairman of the Board of Directors. All members of the Board were present.

Jack Conovaloff, General Manager of MDWID was asked to attend the executive session.

1. Discussion to staff on position as it relates to personnel and compensation matters.

This item was discussed and moved to the open session.

2. Consideration of potential litigation.

Michael McNulty and Phil Hogden, from the Office of Brown and Bain, presented information on water supply issues.

B. OPEN SESSION

1. The Chairman of the Board called the open session to order at 5:52 p.m.. All Board Members were present.

Kate O'Rielly moved to ratify the personnel action that was taken in the executive session to grant Lucia Spohn, the designated administrative assistant, an hourly rate of \$9.50. Alex Jacome seconded the motion and it passed unanimously with all members voting.

2. Consideration for approval of meeting notice and agenda for the May 10, 1993 meeting; discussion for possible action.

Jim Tripp moved that the Board approve the meeting notice and agenda for May 10, 1993. Kate O'Rielly seconded. The motion passed unanimously with members present.

3. Consideration for approval of the minutes of the April 12, 1993 meeting; discussion for possible action.

Jim Tripp made a motion that the Minutes of April 12, 1993 be approved after the following corrections are made:

- page 2, item C1, paragraph 2 the word "resume" will be changed to "assume"
- page 2, item C1, paragraph 3, the word "mount" will be changed to "amount"
- page 3, item C2, paragraph 2, the word "laid" will be changed to the word "forwarded"
- page 8, item 2 under staff report the name of the RFP will be inserted "Miscellaneous Water Supply Design."

An amendment of the Minutes was not requested. Kate O'Rielly seconded and the motion passed with members present.

C. COMMENTS FROM THE PUBLIC

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

Bruce Greer a Metropolitan Water Customer, who lives on 861 W. Krizan, complained about the water pressure being too low in

his area (Chapala). He suggested that MDWID takes care of the water pressure problem.

Herb Johnson assured Mr. Greer that the problem will be referred to the engineering department for action.

Alex Jacome pointed out that after he had left the Board Meeting on 12 April 1993 that there was action taken on an item which was not on the agenda and that the Board was violating the open meeting laws. The Board of Directors replaced Mr. Gomez with Mr. Tanner. Mr. Jacome informed the Board of Directors that they have to do that in the executive session unless it is on the agenda.

OLD BUSINESS

D. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Update to public of Senate Bills 1163 and 1425 and Sub-Regional Recharge Facility.

Pete Schlegel reported that both Senate Bills passed but pointed out that there is a charge for recharging. The recharging charge consists of an Ad valorem tax and a charge for Continued Recharge Projects. The Ad valorem taxes (.10 per \$100 assessed valuation) - \$18 million annually, can be applied where needed (\$170,000,000 in reserves to date). The charge to continue Recharge projects is collected to make current demonstration Project monies permanent (.04/\$100 assessed valuation in all three counties.) and to create storage incentives. It is being discussed to move the Ad valorem tax over into the general fund so that the money can be used for recharge or anything else that Central Arizona Water Conservation District (CAWCD) feels it should be used for.

2. Discussion/action on Northwest Water Alliance.

Herb Johnson reported that Kate O'Rielly had been appointed to represent MDWID on the Northwest Water Alliance.

Mr. Jacome inquired if there was a motion and a second made on the appointment of Kate O'Rielly to that position.

According to the minutes of the last meeting the appointment of the position of the representative for the NWWA was continued to the next meeting. Since there was no motion and no second the Chair entertained a motion to appoint a Board Member to the Northwest Water Alliance Board. Jim Tripp made the motion to appoint Kate O'Rielly for the position. Pete Schlegel seconded the motion to

open it up for discussion. After the discussion it was in order to vote if Kate O'Rielly was appointed to that position. All Board Members were in favor of the motion with the exception of Alex Jacome. The motion passed with 3 people voting.

Kate O'Rielly reported that a meeting was scheduled for May 14, 1993. Jim Peterson, Michael McNulty and Kate O'Rielly compiled the agenda. The meeting will be at the Westward Look Resort starting at 8:30 in the morning and will be open to all. An invitation was sent to the elected officials of the NWWA to be part of the position making and establishing policies.

Pete Schlegel brought it to the attention of the Board that 2 staff members (Mark Stratton and Jack Conovaloff) intend to go to that meeting and wanted to know if that was appropriate. The Chairman of the Board declared the subject open for discussion. Alex Jacome felt it should be left to the discretion of the General Manager. The other Board Members didn't find it appropriate to discuss it at this point because it was not on the Agenda.

To avoid conflicts of that nature in the future Herb Johnson suggested to discuss at the next Board Meeting the basic functions of the General Manager and the District Engineer relating to performing duties outside of the operation and maintenance of the utility. He also suggested to discuss the duties of the staff and the duties of the Board Members. It was decided to put these items on the agenda for the next regular Board Meeting.

3. Discussion/action on Remodel of Paseo Del Norte Property.

Mr. Tripp reported that MDWID can proceed with the plans that have been presented to them. Mr. Edminster, the architect, will present the plans to the county and go through all the paperwork. A pre-bid meeting will be taking place on May 13, 1993 and if necessary there will be a second pre-bid meeting after it has been advertised in order to give additional applicants the same opportunity and the same information.

Alex Jacome inquired if MDWID staff had been involved in the review of the plans and if it had been taken into consideration to move the drive-through window and the public entrance to the east side to have easier access to the main building.

Mr. Jacome made the motion to move the drive-through window from the west side to the east side and the public entrance from the north side to the east side.

The motion failed for lack of a second.

4. Discussion and action on

a. MDWID "Policy Manual."

Mr. Tripp made the motion to continue this item to the next Board Meeting due to the fact the he had received information from the District's attorney about certain items that should be in the Policy Manual. The motion was seconded by Mr. Schlegel and carried unanimously with all members voting.

b. Adoption of MDWID "Standard Operating Procedures."

Mr. Tripp moved that the Standard Operating Procedures be approved in its present form. Kate O'Rielly seconded and the motion carried unanimously with members present.

5. Comments on Audit Committee Activity.

Ms. Lewis reported that Black & Veatch is proceeding to work on the asset allocation of the purchase price of MDWID. Black & Veatch required information which was not available in the office. Sheila Lewis obtained that information from Bruce Kelly's office and forwarded it to Black & Veatch. Black & Veatch did not indicate when the allocation will be completed.

NEW BUSINESS

E. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

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

Mr. Schlegel inquired about the status of the lease for 7493 N. Oracle Road. Ms. Lewis informed him that a new lease had been signed on a month to month basis. This raised the question if the Board had been informed of the existence of the contract for the new lease. Ms. Lewis informed the Board of Directors that the property management company required a new lease and if MDWID had not signed the lease the property management company would have terminated the contract. The lease was presented to Michael McNulty, Brown & Bain. Brown & Bain returned the lease to MDWID with some minor changes. The rent had been raised by the property management company by approximately 20%.

Jim Tripp made the motion to accept the Update on Deposits, Checks, Warrants and Projected Expenditures as presented by Sheila Lewis. Kate O'Rielly seconded the motion and the motion carried unanimously with all members present.

2. Staff Report.

Award of Contracts - La Cholla/Omar and Calle Concordia.

After reviewing if MDWID needed the level of bonding required for the small scale of these projects, it was determined that the District could award contracts without the bonding requirement. Staff initiated contact with several contractors to solicit bid proposals. Bids were received on May 10 and the apparent low bidder for both projects is Saguaro Construction. The Board of Directors approved the award to Saguaro Construction pending a review of the bid documents to assure accuracy.

Annual Contract Service.

After discussing the concept of an annual contract service, the Board of Directors instructed Mark Stratton, the District Engineer, to develop a proposal on how to award contracts on construction projects best. The District Engineer will be working with Bruce Greer and the Tucson Underground Contractors Association to develop this proposal.

Structural Tank Survey.

The Chair entertained a motion to award the Structural Tank Survey to CH2M Hill. The motion carried unanimously with all members voting. CH2M will be hiring Brown Tank & Steel as a sub-contractor. Brown Tank & Steel has constructed most of the tanks in the MDWID.

Miscellaneous Water System Design.

Alex Jacome made the motion to select the firm of Cella Barr & Associates for the Miscellaneous Water System Design. Jim Tripp seconded and the motion carried unanimously with all members voting.

Northeast Reservoir.

The Board discussed several lots for the new Northeast

Reservoir. The most two ideal locations would be lot #39 or a lot on the Stouffer properties.

If the reservoir would be located on lot #39 MDWID would be pumping directly to that point and serve a larger area. If the reservoir will be located lower than that MDWID can not serve as large an area. The cost will increase for pumping up high. However, MDWID would outweigh the higher cost by the better fire protection, to have a larger area and MDWID could serve the Stouffer Hotel.

If the reservoir would be located on the Stouffer Hotel site, we would have an additional 50 feet to pump against.

Herb Johnson feels it is much more economical to build the reservoir on lot #39 and run a line to the Stouffer property and serve the majority of the Stouffer Hotel with a small booster.

Alex Jacome suggested to contact Don Diamond from Pima Canyon Properties and work out a deal both parties would benefit from, since the Stouffer resort will depend on a water reservoir. Ken Abrams (Stouffer Hotel), who had been contacted earlier by Jim Tripp, is willing to negotiate if MDWID can prove that the reservoir can be built without obstructing their million dollar homes. Their minimum price for three acres would be at least \$350,000.

The Chair entertained a motion to buy lot #39. No motion was made.

The Chair entertained a motion to reject the offer for lot #39 unless we can get an extension. During that extension the Board will try to negotiate with Don Diamond and Co. (Stouffer Hotel). No motion was made.

The Chair entertained a motion that Alex Jacome contact Don Diamond to see if a deal can be worked out for locating a reservoir on their property. Kate O'Rielly moved the motion, Alex Jacome seconded and the motion carried unanimously with all members voting.

Computer System.

Jack Conovaloff informed the Board of Directors that staff has decided to purchase the Totally Automated Accounting and Billing System (TAABS). The system will include ten work-stations and printers, novel netware, network, two bar code scanners, tow high speed printers and three sensus technologies solid state interrogators. The purchase price will be \$80,900.

Jim Tripp reported that MDWID can save 3% of the cost if the system gets paid for up front.

Alex Jacome wanted to know if the computer system can be leased. Kate O'Rielly made the motion to find out if the equipment can be leased and what the cost would be. If that option is given a decision will be made at the next Board Meeting. Alex Jacome seconded and the motion passed unanimously with all members voting.

Improvements at the Well/Storage Sites.

Jack Conovaloff reported to the Board the following improvements:

- installment of safety cages on ladders on the storage tanks.
- installment of hour clocks on the booster pumps to track use.
- installment of seven flow meters at well sites with seven more being installed in the future.

Safety Education.

Jack Conovaloff informed the Board of the gas chlorination training for the field personnel. He stated that gas chlorine is cheaper than granular chlorine.

Meter Installation.

Jack Conovaloff reported on the small meter replacement program which started last week.

System Improvements.

Jack Conovaloff listed following improvements:

- a. monthly safety training programs.

- b. issuance of hard hats, safety shoes & safety glasses to all employees.
- c. installation of eye wash stations at chlorination locations.
- d. proposals are being taken to install chlorination equipment.
- e. installation of proper meters will take place at 13 locations when by-pass units are installed.
- f. disposal of waste chlorine is being investigated instead of disposing it into the dumpster like in past.
- g. installation of back flow preventers on all meter installations and retro-fitting previous installation.
- h. development of a back-flow program. Its cost and staffing will be presented at the next Board Meeting.

Request for New Positions.

- a. Temporary Position.

Sheila Lewis informed the Board that it will be necessary to hire a person to transfer all of the customer files to the new system. This person will be hired for the length of the summer recess only.

Kate O'Rielly made the motion to approve the hiring of a temporary person. Alex Jacome seconded and the motion passed unanimously with all members voting.

- b. Customer Service/Billing Position.

Sheila Lewis reported to the Board that Amy Frede, a MDWID employee will be leaving us some time after August and that she intends to replace that position with a full-time employee.

Kate O'Rielly made the motion to accept that Amy Frede's position be replaced by a full time position at the hourly rate of \$6.45.

At this point Kate O'Rielly corrected the motion that was made earlier pertaining to personnel matters. Kate was informed

that she was given the wrong salary range. Ms. Spohn's salary was not \$7.50 but \$8.00 and will therefore be raised from \$8.00 to \$10.00 instead from \$7.50 to \$9.50. Sheila Lewis, the Office Manager, requested the salary be retro-active by 30 days since it was on the agenda for the Board Meeting on April 12, 1993 but remained undiscussed. Alex Jacome made the motion to approve the correction, Kate O'Rielly seconded and the motion passed unanimously with all members voting.

G. ADJOURNMENT

Jim Tripp moved that the meeting be adjourned, Kate O'Rielly seconded and the motion passed with all members present. As there was no further business to come before the Board, the meeting was adjourned at 8:37 p.m.


Chair

ATTEST:


Clerk