

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

May 21, 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
 Dan M. Offret, Member

Board Member Not Present: Marlene Wright, Member

District Staff: Mark R. Stratton, General Manager
 Warren J. Tenney, Clerk of the Board

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 5:06 p.m. Jim Doyle, Dan M. Offret, Dennis Polley and Pete Schlegel were present. Marlene Wright was not present due to illness.

Executive Session

Mr. Doyle made a motion for the Board of Directors to move to Executive Session. Mr. Offret seconded the motion and it passed unanimously. The Board went into Executive Session at 5:08 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 5:36 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 5:39 p.m. Jim Doyle, Dan M. Offret, Dennis Polley and Pete Schlegel were present. Marlene Wright was not present.

II. Discussion and Possible Approval of Fiscal Year 2001-2002 Budget

Mr. Schlegel complimented staff on the preparation, presentation and discussion of the budget and said the budget was in compliance and would not carry over with a negative balance. He stated that he is aware of some Board members concerns about the amounts of budget carry overs, and indicated he was in favor of keeping cash on hand to fund emergency situations instead of placing funds in cash reserves. He said the District could utilize lines of credit, tax liens and postponement of CIP projects should any additional funds be needed for a financial crisis. His only concern is an over-commitment to the Metro-Hub service area.

Mr. Polley commended District staff for operating in a manner to ensure that operations and maintenance continue on a daily basis, while being able to increase storage capacity and other upgrades to the system. He stated that there had not been a rate increase for operations and maintenance over the last five years. He felt very comfortable with the budget.

Mr. Doyle made a motion to approve the Fiscal Year 2001-2002 budget as submitted. Mr. Polley seconded the motion.

Mr. Offret asked about the status of the lease on the Deputy Manager's vehicle. Mark Stratton, General Manager, replied that the lease would expire in April 2002 and it was planned to purchase a comparable vehicle for the Deputy Manager's use at that time.

Mr. Offret asked that funds identified for the education reimbursement program be held in abeyance for a period of three months. He explained that he had some ideas regarding a fair and equitable distribution of education funds to all employees and wanted to have time to explore and develop a program for professional development. Mr. Stratton asked if funds were still to be earmarked for this purpose, but not expended until further decision of the Board. Mr. Offret said that was correct.

Mr. Schlegel asked that the same request be honored for the installation of telephonic notification and audio system for the Board room. Mr. Stratton stated that he would have staff put together a report detailing the amount of funds available through the MPC bonds to be used for office improvement projects including a telephonic notification system, audio system and asphalt. Mr. Schlegel also noted that the air conditioning unit for the Board room was found to be inadequate and the contractor indicated he would split the cost with the District to install the correct tonnage system. Mr. Stratton stated that the District's share of that cost would be approximately \$3,500.

Mr. Schlegel asked if the budget did include a new position requested for a combination telemetry/computer technician. Mr. Stratton replied that was accurate. Mr. Stratton advised the Board that he anticipates the computer costs on network costs may decrease based upon his recent conversations with a broadband provider. He indicated that this consultant could provide broadband service at about one-half the cost of a 56K line, but an antennae may need to be installed on District property to insure coverage.

Mr. Schlegel called for a motion on the vote to approve the fiscal year 2001-2002 budget as submitted. The motion passed unanimously. Mr. Schlegel stated that based on his conversations with Ms. Wright, she did not oppose adopting the budget.

III. Status of Meeting with Bluff Homeowners Association

Mr. Stratton informed the Board of the scheduled meeting with the Bluff Homeowners Association. He stated that staff had gathered additional information in anticipation of that meeting including decibel level readings taken at different sites at different times. He explained that comparable sites throughout the system, that were close to existing neighborhoods, were used in order to do comparisons to the Tucson National well sites.

Mr. Stratton stated that since noise levels have decreased, staff has focused on aesthetic issues surrounding the Tucson National Well sites and the Tucson National West site is the closest site to surrounding homes. He said that staff has proposed moving the fence section back 10 feet and planting mature trees around the perimeter of the fence to provide a visual screen or painting the fence. Mr. Offret asked how high the fences were. Mr. Maish replied they were six foot tall and topped with three strands of barbed wire.

Mr. Schlegel asked if the variable pumps installed were made by the same manufacturer. Mr. Maish responded that all the variable drive pumps were made by the same manufacturer; however, they were smaller. Mr. Schlegel asked if the same amount of noise was anticipated with those pumps. Mr. Maish replied that sound-proof enclosures would be installed at the sites surrounding the pumps.

Mr. Schlegel stated that construction of adobe walls, which were reduced in size, along with three-quarter gates could be installed at the well sites. Mr. Stratton explained that the costs for this type of structure could run \$25,000 to \$30,000. Mr. Schlegel indicated that the homeowners could be assessed for the costs of block wall enclosures.

Mr. Offret asked if staff could obtain information regarding availability of mature trees from Pima County prior to the meeting. Mr. Maish replied he would try to obtain that information, but that mature trees might be available at different times in the future, pending on various projects.

IV. Discussion of General Manager's Evaluation and Possible Approval of Merit Increase

Mr. Offret made a motion to award the General Manager a one-time bonus in the amount of 2.9% based upon his base salary. Mr. Polley seconded the motion and it passed unanimously.

V. General Manager's Report


Mr. Stratton indicated that the survey for Metro-Hub service area residents were ready for mailing and that Mr. Schlegel had reminded him that at one time the District offered a credit incentive to all customers who returned their survey. Mr. Stratton requested the concurrence of the Board to offer a \$1 credit to customer accounts for the return of the survey. The Board concurred with that suggestion.


Mr. Stratton advised that he had attended a Domestic Water Improvement District (DWID) meeting where legislation about hard boundary issues was discussed. The members of the DWID and the Arizona Small Utilities Association (ASUA) are supportive of this issue. He stated that staff would like to set up a study session in July for this issue. Mr. Schlegel asked if the study session would be scheduled after the fire districts conference. Mr. Stratton stated that the fire district conference was scheduled for June 6-8, and that Mr. Poelstra would be attending that conference. He said that according to Mr. Poelstra, Sun City and Sun Lakes are supporting hard boundary legislation as well. Mr. Stratton stated the purpose for the study session was to have discussions with long-time District advisors to weigh the pros and cons and determine the best strategy for pushing forward with legislation. He stressed that he would work with all parties to set up a convenient date and give the Board Members advance notice.

Mr. Stratton told the Board that based upon discussions with Dennis Rule, Tucson Water, Mayor Walkup intended to make a media issue of the effluent IGA previously signed by the Board and requested a representative from the District. The Board unanimously nominated Mr. Schlegel to attend.

VI. Adjournment

The meeting adjourned at 6:31 p.m.



Clerk of the Board

Peter H. Schlegel, Chair of the Board