

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

November 16, 1992  
5:00 P.M.  
7493 North Oracle Road, Suite 219  
Tucson, Arizona

MINUTES

ATTENDANCE:

Members: Alex Jacome, Chairman  
Herb Johnson, Member  
Kate O'Rielly, Member  
Pete Schlegel, Member  
Jim Tripp, Member  
Jane S. Williams, Clerk  
Others Present: Robert Logan, Interim General Manager  
Mike McNulty, Legal Consultant, Brown and Bain  
Bill Carroll, Cella Barr Associates  
Jim Peterson, Oro Valley  
Dan M. Offret, Community Watch Committee  
Jim DeGrood, Oro Valley  
Mark Taylor, WLB Group  
Chris Limberis, Arizona Daily Star  
Staff of the Metropolitan Domestic Water  
Improvement District

A. CALL TO ORDER AND ROLL CALL

1. The meeting was called to order by Alex Jacome, Chairman. All members were present.
2. Jim Tripp moved that the Board approve the meeting notice and agenda for November 16, 1992. Kate O'Rielly seconded. The motion passed unanimously.
3. Herb Johnson moved that the Board approve the minutes of the November 2, 1992 as amended. Kate O'Rielly seconded. The motion passed unanimously.

NEW BUSINESS

C. PRESENTATION OF INFORMATION AND DISCUSSION

1. Status report by Interim General Manager.

Mr. Logan addressed the Board regarding the status of the engineer search. Received 10-12 applications. Need to be screened and presented to the Board.

Logan distributed a packet of information containing documents in reference to the Board of Supervisors meeting of November 17, 1992. He discussed the unsigned letter that had been sent

had been sent to the Board and indicated that the office has prepared a response to this unanimous letter to be distributed to the Board of Supervisors. Chairman Jacome and Mr. Logan are prepared to present an overview of the financial analysis based on the Cella Barr report also contained in this packet. The Board of Directors asked the Clerk for clarification on the procedure for the Board of Supervisors meeting.

Logan stated that he and Mike McNulty attended a meeting and discussed assured water supply. He indicated that there are new rules that are not very understandable. Mr. McNulty will address these rules at our next Board of Directors meeting.

Logan also indicated that the well bids should be received by next Monday and ready to present to the Board on November 30, 1992.

The Board recessed at 5:20 P.M. to take a conference call from Bruce Kelley and reconvened at 5:25 P.M..

Mr. Kelley informed Chairman Jacome during the conference call that the bonds have been sold and the arbitrage rate is 6.15% from 3.6% for the short term with a maximum of 6.34% for the long term bonds. The gross debt service has been reduced by \$175,000.00.

Mr. Tripp asked the Board about the status of the purchase of the property on North Oracle Road. Mr. Logan stated that all is on hold until the closing on the sale of the bonds. Mr. Logan said he would pursue the purchase of the property adjacent to the reservoir which has a house that could be used as a future office site.

**D. ITEMS FOR DISCUSSION AND POSSIBLE ACTION**

1. Review and discussion of proposed revised Metropolitan Domestic Water Improvement District water rates and system development fees; establish Public Workshop for November 24, 1992; establish Public Hearing on work rates and system development rates for November 30, 1992.

Mr. Logan explained that a subcommittee together with Gary Woodard of the Water Resources Department and have come up with 5 different proposals for setting water rates and system development fees. He then went on to give an explanation of the various proposals and system development fees.

Gary Woodard also spoke on the water rates and the system development fees. He also suggested that proposal 5 provides more than adequate revenue and also the clearest and strongest conservation message. It also does the best job of spreading the benefit of the lower rates. Jacome also agreed that this proposal has the least amount of negative impact on the users and encourages conservation. Logan mentioned that this still

leaves that district 25% lower than the City of Tucson Water Company rates.

Logan also addressed the Board regarding the establishment of a Public Workshop. He said he would place a block advertisement in the Daily Territorial for the workshop. This workshop would enable the Metropolitan Domestic Water Improvement District to seek further public input on the proposed water rates. He suggested to the Board that Proposal 1 and 5 be the only proposals presented to the public.

Jacome instructed Logan to check into the costs for publishing the workshop in the Arizona Daily Star and to also post flyers throughout the district.

The motion was made by Jim Tripp to establish November 24, 1992 as the date for the Public Workshop and to advertise for the workshop and also to establish November 30, 1992 as the date for the public hearing on water rates and system development fees. The public hearing is to be held at Cross Middle School at 7:00 P.M. Pete Schlegel seconded the motion. The motion passed unanimously. The time for the workshop was tentatively set at 7:00 P.M. by Chairman Jacome with the place yet to be decided.

2. Review and approve the "demand list" and status report on warrants issued to date.

Sheila Lewis addressed the Board stating that all initial warrants have been paid off and the company is now operating at a profit. The motion was made by Jim Tripp and seconded by Herb Johnson to approve the demand list as presented. The motion passed unanimously.

3. Review of the Metropolitan Domestic Water Improvement District Policy Manual.

Mr. Logan stated that the proposed policy manual was distributed to the Board about one week ago. There is one change on page 4.1-Holidays that needs to be made to incorporate the Martin Luther King Day.

This item was continued to the next Board of Directors meeting.

#### **D. COMMENTS FROM THE PUBLIC OR THE GENERAL MANAGER**

General Manager indicated that staff was working on a purchasing policy and establishing an internal list of operating procedures and would bring it back to the Board for approval.

Jim Peterson addressed the Board on a few Town of Oro Valley issues.

## OLD BUSINESS

### B. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Receive the following documents:
  - A. Return of Assessment.
  - B. Certified list of unpaid assessments.
2. Introduce, consider and if deemed appropriate, adopt:  
RESOLUTION NO. 10, providing for the issuance of bonds.

Mr. Logan stated that the "Return of Assessment" was reviewed at the last meeting by Mr. Rosenfeld. Ms. Williams stated that the Superintendent of Streets, Mr. John Bernal, submitted the "Certified list of unpaid assessments" to the Office of the Clerk of the Board this morning.

The motion was made by Herb Johnson and seconded by Jim Tripp to receive the Return of Assessment and the Certified list of unpaid assessments and also to approve RESOLUTION 10 as amended. The motion passed unanimously.

On consideration, it was moved by Pete Schlegel, seconded by Jim Tripp, and unanimously carried, that the Board of Directors convene to executive session at 6:10 p.m..

### E. EXECUTIVE SESSION

Pursuant to ARS §38-431.03 (A)(1) to review and discuss Metropolitan Domestic Water Improvement District's position as it relates to the office of General Manager.

The Board of Directors reconvened at 7:40 p.m. Upon roll call those present and absent were as follows:

Present:	Alex Jacome, Chairman
	Herb Johnson, Member
	Kate O'Rielly, Member
	Pete Schlegel, Member
	Jim Tripp, Member
	Jane S. Williams, Clerk

Absent:	None
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1. Discussion and direction to staff on position of General Manager.

Jim Tripp made a motion to appoint Robert Logan as General Manager at the existing rate, until the search for a permanent general manager is completed. Kate O'Rielly seconded the motion and it carried unanimously.

Pete Schlegel made a motion to accept the withdrawal of Alex Jacome as a candidate for the position of General Manager. Kate O'Rielly seconded the motion and it passed unanimously.

Kate O'Rielly made a motion to direct Robert Logan to conduct a statewide search for candidates for the position of General Manager and ask for a resume, letter of interest and salary requirements. Herb Johnson seconded and the motion carried unanimously.

E. **ADJOURNMENT**

As there was no further business to come before the Board, Kate O'Rielly made a motion to adjourn the meeting. The motion was seconded by Pete Schlegel and carried unanimously. The meeting adjourned at 6:39 P.M.

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Chair

ATTEST:

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Clerk