

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

SPECIAL MEETING

November 4, 1992
6:00 P.M.

CROSS MIDDLE SCHOOL
Multi-Purpose Room
1000 West Chapala Drive
Tucson, Arizona 85704

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
Fred Rosenfeld, Bond Attorney
Pete Greenawalt, Staff Member of the
Metropolitan Domestic Water
Improvement District
Paul Cella, Cella Barr and Associates
John Bernal, Superintendent of Streets

A. CALL TO ORDER AND ROLL CALL

1. The meeting was called to order by Chairman Jacome. All members were present.
2. Without objection the meeting notice and agenda for November 4, 1992. was approved.

PUBLIC HEARING

- B. 1. a. Hearing on the Assessment pertaining to the acquisition of the assets of the Metropolitan Water Company, as described in RESOLUTION NO. 1 of this Board.

Mr. Jacome explained the rules and procedures for the public hearing and cited that only people who submitted written prior objection may speak at the first hearing. Mr. Logan asked that well owners speak with him separately.

Mr. Jacome then read the alphabetical listing of people who had filed letters of objection with the Office of the Clerk of the Board.

The following people spoke objecting to the Assessment.

Marvin Binkley (protested lien)
Carter, Paul
Duarte, Ernest
Feldt, Ellsworth
Ford, Alice
Holder, Mike
Severin, Hurlen, Homeowners association
Jackson, Marla
Johnson, Mansur
Kopp, Greg
Novak, Norman
Rocourt, Edith
Segneri, Cathy
Tripp, DeWayne
Wiora, Ann

Additional people permitted to speak in objection who were not listed were:

Dwayne Tucker
Walter Schoffey
Bryan Klimer

The following people were not present when their names were called:

Allen, David	Latneau, Barbara
Arford, Steve	LeDonne, Debbi
Bellafiore, Marie	Leroux, John and Jacqueline
Brown, William and Virginia	Lesem, Michael
Burchell, Joseph	Louk, Amy
Burky, A.	Maynard, M.
Clifford, Albert	McCool, Lois
Cox, Stephen and Kelly	McLaughlin, Shawn
Eichelberger, John and Margaret	Merriman, Justin and Valla
Falabella, Michael	Mitchneck, Beth
Fassio, Ernest and Phyllis	Nicholson, David
Fontes, Miguel and Merna	Novak, William
Giammona, Fred and Alma	Padilla, E.
Graves, Ernest	Padilla, Nancy
Hall, Bonnie	Piche, Mr. and Mrs. William
Hall, Lou	Pillar, Charles
Hauer, Irene	Preston, Jack and Evelyn
Heinrich, Susan	Prichard, Virgil and Charlotte
Hinkle, Cecelia	Purdy, Mark and Carla
Ingalls, Hebert and Florence	Reimer, K. Troy
Jackson, Wendell	Rekemeyer, Merrill
Janders, David	Rosoborough, Cindy B.
Johns, Fred and Maureen	Rush, Ernest (Mr. and Mrs.)
Johnson, Bob	Salasovitz, Wilma
Kahn, Leslie	Schaffer, John and M.B.
Kensinger, Richard	Shaheed, Hakeem
Kerwin, Craig	Shiner, Jim
	Spencer, Carol

Sprout, Merrill
Staley, John and Donna
Steele, Storey
Trasp, Dennis and Mary
Vogt, Arthur and Georjean

Weissenborn, K.R.
Wessman, Paul
Wilson, J. Robb and Linda
Wingate, Monika

Fred Rosenfeld stated that he had reviewed Ernest Graves assessment and it should be removed.

Mr. Rosenfeld explained the difference between the district within the Town of Oro Valley and the county. Jim Tripp moved to close the first session of the public hearing, Kate O'Rielly seconded. The motion passed unanimously.

- b. If deemed appropriate, pass and adopt RESOLUTION NO. 8, approving (or approving as modified) the assessment for the Metropolitan Domestic Water Improvement District.

Mr. Rosenfeld suggested that the assessment be approved with the following modifications:

The exclusion of:

1. the property of the flood control district was erroneously included in the assessment
2. The property owners with wells who have asked to have their property removed from the assessment must have their assessment reduced to \$.01.
3. Properties connected to the City of Tucson water system.
4. People outside the assessment area, including Mr. Graves properties listed in his correspondence.

Mr. Rosenfeld answered questions from the floor and read RESOLUTION NO. 8 into the record.

Jim Tripp moved that the Board adopt RESOLUTION NO. 8 as modified by Mr. Rosenfeld. The motion was seconded by Kate O'Rielly and passed unanimously.

PUBLIC HEARING

2. Hearing to review the financial projections, including projected cost and projected revenues in the acquisition and the operation of a domestic water system, a portion of which was acquired by this district.

(CLERK'S NOTE: This public hearing is required by the Asset Purchase Agreement among the Town of Oro Valley, acting through its Improvement District No. 1, the Metropolitan Domestic Water Improvement District of Pima County, Arizona and the City of Tucson, Arizona.)

Motion was made by Kate O'Rielly and seconded by Pete Schlegel to begin the second public hearing of the evening. The motion passed unanimously.

Robert Logan provided a presentation to the public regarding questions on the lien. He stated that arrangements have been made with all nine title companies in the area and the Southern Arizona Association of Mortgage Bankers, so that in the event the property sells the lien will not be "accelerated." Several instances of people refinancing their property have arisen and it has been handled with the Metropolitan Domestic Water Improvement District Office and the title companies.

Logan went on to explain that the operating expense figures furnished to the Arizona Corporate Commission by the Metropolitan Water Company were the figures used to project the operating expenses of the district at the purchase and that the profits reported were never returned back into the system and nothing has been done in the water system for the last several years regarding improvements. He further stated that the Metropolitan Water Co. was formed by combining 22 systems and major repair is urgently needed.

Logan explained the bond debt service on the purchase of the Metropolitan Water Co. from the City of Tucson.

Logan also spoke of the agreement with the City of Tucson which states that by July 1995 the MDWID has to begin purchasing CAP water. He explained that there were some alternatives to be proposed to save money. One alternative would be to buy the CAP water at a closer location to cut transportation costs.

Logan then presented the budget and the basis for their forecast. He explained that the guidelines for the water system were by the Department of Water Resources. Also gave comparisons between the MDWID and the City of Tucson rates. Spoke on the districts consideration of a proposed connection fee and the use of CAP in regards to the budget.

Mr. Logan then answered questions from the public regarding the financial projections and the line item figures of the budget. Numerous people spoke but they did not identify themselves for the record.

Mr. Schlegel also addressed the questions from the public and explained that the whole purpose of the district was to save money for the people in the district.

The motion to close the public hearing was made by Jim Tripp and seconded by Kate O'Rielly. The motion carried unanimously.

The motion to approve RESOLUTION NO. 9 was made by Jim Tripp and seconded by Kate O'Rielly. The motion carried unanimously.

ADDENDUM I

ITEM FOR DISCUSSION AND POSSIBLE ACTION

Purchase of a reservoir site at 7235 N. Paseo del Norte (Parcel #2).

Mr. Logan addressed the Board presenting an offer to purchase the site. Staff recommends the purchase of the property at a cost of \$15,500.00, subject to a hazardous material and contamination check to be done at our expense.

Pete Schlegel asked if it was prudent to purchase the property prior to the sale of the bonds. Mr. Logan then asked the Board's permission to submit the offer to the property owner subject to the sale of the bonds and proper testing.

The motion was made by Pete Schlegel and seconded by Jim Tripp for permission to submit the offer to the property owner of 7235 N. Paseo del Norte subject to the sale of the bonds and proper soil test results. The motion carried unanimously.

C. ADJOURNMENT

As there was no further business to come before the Board, a motion was made by Kate O'Rielly and seconded by Jim Tripp to adjourn the meeting at 9:05 P.M. The motion carried unanimously.

Chair

ATTEST:

Clerk