

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

September 28, 1992  
12:00 NOON  
245 East Ina Road  
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

                                Guests:    Robert Logan, Consultant to MDWID  
  Fred Rosenfeld, Bond Counsel  
  Mike McNulty, Legal Consultant, Brown & Bain  
  Mayor Cathy Hufault, Town of Oro Valley  
  Councilwoman Cheryl Skalsky, Town of Oro Valley  
  Jim Peterson, Oro Valley  
  David R Furrey, Flowing Wells Improvement Dist.  
  Paul Cella, Cella Barr Associates  
  Bud Dooley, Oro Valley,  
  Chair Citizens Advisory Committee

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 September 28, 1992. Pete Schlegel seconded. The motion passed unanimously.

OLD BUSINESS

3.    Consideration for approval of the minutes of the September 15, 1992 regular meeting; discussion for possible action.

A motion by Jim Tripp, seconded by Herb Johnson, and unanimously carried unanimously to approve the minutes as presented.

Without objection the Board recessed at 12:05 p.m., to allow everyone the opportunity review the agreements

The Board reconvened at 12:50 p.m.

B.    COMMENTS FROM THE PUBLIC

No one appeared.

C. PRESENTATION OF INFORMATION AND DISCUSSION

1. Receive affidavits of mailing and publication with respect to the notice of intent to contract to purchase Metropolitan Water Company's domestic water system.

The Clerk (Jane S. Williams) reported letters were mailed to those people in protest to Resolution No. 1. They were mailed September 17, 1992. The publication in the Daily Territorial was advertised for September 23 and 25. Notification was also given that those residents have up until October 8, 1992, the deadline, to respond to the intent of contract.

Ms. Williams stated publication affidavits have not yet been received from the Territorial. They have received one letter addressing the intent to contract and inquired as to the procedure for handling such letters.

The Bond Counsel (Fred Rosenfeld) responded the Board will hold a hearing on it, providing notice, that it will probably be held at a meeting after October 8th, 1992, wherein people can attend.

No Action was taken.

D. ITEMS FOR DISCUSSION AND POSSIBLE ACTION

1. Introduction, discussion and adoption of a resolution approving the assessment diagram for the acquisition of the Metropolitan Water Company's domestic water system (as described in the Board's Resolution No. 1).

On recommendation of the Bond Counsel (Fred Rosenfeld), it was thereupon moved by Jim Tripp, seconded by Kate O'Rielly, and unanimously carried to pass and adopt RESOLUTION NO. 3, as presented.

Mr. Rosenfeld pointed out that the resolution stated that the diagrams being approved be ordered to be delivered to the Superintendent of Streets and that a copy of this resolution be forthwith delivered to the Board of Supervisors.

Mr. Rosenfeld explained the district is required to have two hearings on the assessment - A hearing with the City; and by the district. The differences between the two is that the hearing on the assessment is critical, it's statutory, it's constitutional. The hearing by the City is a contractual hearing. If a person wants to be heard at the hearing of the assessment held by the district, they must file their objection in writing. They are not required to do that for the hearing before the City Council. It will be an open meeting where everybody gets to say what they want to say. It has no affect on the districts hearing. His position is that the Board cannot let one run the other. But they are required to hold two hearings.

It was moved by Jim Tripp, seconded by Ms. O'Rielly, and unanimously carried, to set the hearing on the assessment for November 4, 1992, at 6:00 p.m. possibly at the Nanini Government Center.

2. Discussion and possible approval concerning the proposed intergovernmental agreement between the Town of Oro Valley and the Metropolitan Domestic Water Improvement District; entertain and adopt a resolution approving the form and ordering the execution and implementation of such agreement.

Mike McNulty provided three proposed draft versions and provided brief description of each one.

Mayor Cathy Hufault, Town of Oro Valley, provided additional information in regards to their position; expressing support of the MD version, with the following amendments: 1) termination clause - to extend the 90 day termination clause to one year termination; and 2) veto power on the annual budget and capital improvements program as they apply to Oro Valley.

It was thereupon moved by Kate O'Rielly, and seconded by Jim Tripp, to approve the MD version of the intergovernmental agreement, with the amendments.

The primary point of contention expressed by various Board members related to "Local Control" and the Town of Oro Valley's concern that it would not be receiving its percentage share.

After discussion, Ms. Hufault provided the proposal - that if the Town of Oro Valley was to retain the veto over the budget and capital improvement program that they would only be allowed to veto if their position was agreed to by the management committee.

The concept is that they would have a veto but would only be able to use the veto if their position was substantiated by the management committee, in which five members are from the district and three members from the Town of Oro Valley.

Kate O'Rielly, thereupon withdrew her motion; and Jim Tripp, withdrew his second.

Bud Dooley expressed his support for the adoption of "O.V. Version" as amended by Mayor Hufault.

Chairman Jacome left at this time, Vice Chairman Johnson residing.

After extensive discussion, it was thereupon moved by Kate O'Rielly, and seconded by Jim Tripp, and unanimously carried with 4 members voting, Chairman Jacome out for the vote, to approve RESOLUTION NO. 4 and the O.V. version of the intergovernmental agreement, with the following amendments:

- 1) To add the committee in and subject the veto power on the budget to the consideration that it must be approved by the management committee. Oro Valley can only disapprove the budget but it can't approve it, if so recommended by the management committee.
- 2) The termination clause of 90 days is extended to one year.

Without objection the Board recessed at 2:35 p.m. and reconvened at 2:40 p.m.

3. Introduction, discussion and adoption of a resolution authorizing the issuance of bond anticipation notes.

On recommendation of the Bond Counsel (Fred Rosenfeld), it was thereupon moved by Jim Tripp, seconded by Kate O'Rielly, and unanimously carried with 4 members voting, Chairman Jacome out for the vote, to pass and adopt RESOLUTION NO. 5, as presented.

4. Introduction, discussion and adoption of a resolution approving a bond purchase agreement between the District and Rauscher Pierce Refsnes, ordering execution and implementation of such agreement and ordering that such agreement be included in the assurances to be provided by the District in the Asset Purchase Agreement to be entered into among the City of Tucson, the Town of Oro Valley and this District pertaining to the acquisition of the property described in this Board's Resolution No. 1.

On recommendation of the Bond Counsel (Fred Rosenfeld), it was thereupon moved by Jim Tripp, seconded by Kate O'Rielly, and unanimously carried with 4 members voting, Chairman Jacome out for the vote, to approve the bond purchase agreement; to pass and adopt RESOLUTION NO. 6, as presented.

5. Discussion and possible adoption of a District budget for the period commencing October 1, 1992 and ending June 30, 1993.

Mr. Logan provided a tentative budget based upon the first year's projection for revenues and expenses. This tentative budget will get them started on October 1, 1992.

On recommendation of the Bond Counsel (Fred Rosenfeld), it was thereupon moved by Kate O'Rielly, seconded by Jim Tripp, and unanimously carried with 4 members voting, Chairman Jacome out for the vote, to approve the tentative budget and pass and adopt RESOLUTION NO. 7, as presented.

6. Discussion and possible action on the establishment of a line of credit and/or issuance of Revenue Anticipation Notes to facilitate operation of the District's domestic water system.

Mr. Logan provided status report relative to the County Treasurer's role and associated procedures and activities.

Also provided was an update in regards to the agreement with the City as it pertains to Mr. Robeson for provision for services and office space. It was further expressed that this agreement would be to be further reviewed and discussed in order to resolve uncertainties associated with this matter.

No Action was taken.

7. Discussion and appointment of Interim General Manager.

On consideration, it was moved by Ms. O'Rielly, seconded by Pete Schlegel, and unanimously carried with 4 members voting, Chairman Jacome out for the vote, to appoint Bob Logan as Interim General Manager for a period of one month.

8. Discussion and possible appointment of Permanent General Manager.

On consideration, it was moved by Jim Tripp, seconded by Pete Schlegel, and unanimously carried with 4 members voting, Chairman Jacome out for the vote, this item be TABLED.

9. Discussion and possible action on revised terms with City of Tucson for purchase of Metropolitan Water Company.

No Action was taken.

Without objection, the next regularly scheduled meeting of the district was set to be held Monday, October 5, 1992, at the location of the Metropolitan Water District, 2nd Floor, Oracle Road.

E. ADJOURNMENT

As there was no further business to come before the Board, Jim Tripp made a motion to adjourn the meeting. The motion was seconded by Kate O'Rielly and carried unanimously. The meeting adjourned at 3:45 p.m.

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Chair

ATTEST:

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Clerk