

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

May 9, 2005

**** Board Room ****

**Metropolitan Domestic Water Improvement District
6265 N. La Cañada Drive
Tucson, AZ 85704**

MINUTES

Board Members Present: Suzanne Downing, Chair
James Tripp, Vice Chair
Jim Doyle, Member
Dan M. Offret, Member
Judy Scrivener, Member

District Staff Present: Mark R. Stratton, General Manager
Warren Tenney, Clerk of the Board
Alice Stults, Recorder

STUDY SESSION

I. Call to Order and Roll Call

Suzanne Downing, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the meeting to order at 5:01 p.m. Suzanne Downing, James Tripp, and Judy Scrivener were present. Dan Offret arrived at 5:03 p.m. Jim Doyle arrived at 5:10 p.m.

II. General Comments from the Public

There were no comments from the general public.

III. Discussion of Objectives and Goals for the District

Mark Stratton, General Manager, noted that during the April 2005 Board of Directors executive session held to discuss the General Manager's evaluation, the Board briefly discussed the goals and objectives of the District, and how they tied in with the General Manager's evaluation. As a result of that discussion, the Board asked staff to prepare a report outlining the goals and objectives of the District. Mr. Stratton explained that staff looked out over the upcoming year to identify and determine what the District would like to accomplish. A report was created and the goals were

grouped into categories. After Mr. Stratton provided a brief review of the items listed in those categories, he asked the Board for direction.

Mr. Tripp commented that he would like to see 'effluent use' addressed in the goals and objectives. He explained that the YMCA Park currently uses a large amount of water on its existing grass. Mr. Tripp's understanding is that the YMCA will be adding a dog area that will also have grass. Mr. Stratton said this facility is owned by Pima County, which anticipates using its own reclaimed water at some time in the future for landscaping purposes. He explained that entities can provide effluent to services outside their own jurisdiction. Mr. Stratton said it is the County's intention to provide effluent to the CDO Park at some point in the future as well. He added that an agreement has not yet been finalized allowing Pima County to use the District's proposed pipeline for delivery of effluent.

Mr. Offret said he is accustomed to seeing goals and objectives with numbers associated with them. Mr. Stratton said that with many of the financial issues they are out of the control of the General Manager. He explained that a percentage amount could be added to the list of goals and objectives as a target to assist in determining the level of accomplishment.

Ms. Downing said the objectives and goals for the District, which are the same for the General Manager, should be similar to those of other employees. She imagined that other employees have job descriptions and are evaluated based on performance of those duties. Ms. Downing felt that the General Manager's annual review has not been based on the same criteria. Mr. Stratton said that District employees each have job descriptions and that perhaps their performances could be measured more adequately on meeting goals. He noted that a recent article published by Fox Lawson showed a trend among employers to move away from merit based pay incentives and more towards goals and objectives for individual employees. Phoenix, Tempe and Scottsdale are already moving in that direction. Mr. Stratton suggested this same idea may be useful for the District.

Ms. Downing said it still basically comes down to whether an employee meets his/her goals to deserve a merit increase. She added that with the General Manager's position, there is currently no established way to determine or calculate what the General Manager has accomplished unless you review the past year. Ms. Downing would like to see a formula to better gauge accomplishments of the General Manager to make sure the Board does not miss or overlook anything. She believes it is important for future Boards to have such steps in place.

Mr. Tripp said he does not know of a way to accomplish what Ms. Downing suggested. He said that previous Boards in the past have had discussions on how to calculate what the General Manager should receive as compensation, but there is no sure way to determine every thing the General Manager does within a given amount of time.

Warren Tenney, Assistant to the General Manager, suggested that some of the concerns raised could be addressed by the goals and objectives listed by the General Manager. He noted that the Board could use the list of goals to determine if the General Manager has accomplished those items. He suggested reviewing each item to decide if they should be more specific.

Mr. Offret explained that he wants to be able to determine how much is done by the General Manager, and feels that a target needs to be set. He explained that he wants to see a percentage or number showing what and how much was accomplished under each goal and objective achieved by the General Manager. Mr. Offret said that he could provide District staff with information that Pima College is planning to use to evaluate its staff.

Ms. Scrivener noted that when she read the goals and objectives, she felt it provided the essential elements of a performance plan. She explained that these goals should be periodically reviewed and analyzed by the Board to determine if the goals and objectives are being met and implemented. Ms. Scrivener believes the list is a great start, with periodic reviews occurring to measure achievement.

Mr. Doyle said the position of General Manager is unique and that the current list is useful. What staff does in its day to day operations the Board has little control over. Mr. Doyle said that the primary objective of the District as a water provider is to protect the public health and ensure future water supplies. He said that from his experience of being on the Board of Directors for some time that he believes the District is meeting the expectations and he has a degree of comfort level that it is achieving its goals.

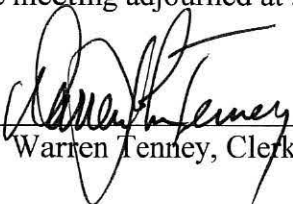
Mr. Offret said he thought the current list of goals and objectives would be useful. He added that perhaps improvements can be made on the document and the way it is utilized as a means for measuring achievement as the year progresses. Mr. Stratton explained that the list could be used as a starting point to inform the Board where the District currently stands on issues and items and the progress that has been made for the quarterly evaluation. Ms. Downing and Ms. Scrivener agreed. Ms. Scrivener added that in order for the General Manager to meet his goals, District staff is going to have to ensure they are meeting their goals also.

Mr. Stratton suggested that the Board and General Manager have a retreat to discuss and focus on long term issues in order to obtain a sense of renewed direction. He noted that staff and the Board could redefine and refocus on where it is anticipated the District should be in 5 or 10 years from now. Mr. Stratton said that perhaps the retreat could occur during this summer, and a facilitator could be scheduled to assist in the discussions.

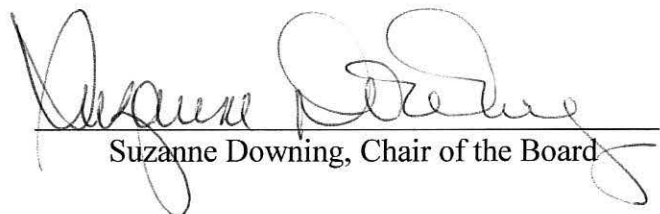
Mr. Offret questioned if the list should be condensed so that it can be discussed in its entirety in the quarterly reviews. Mr. Stratton suggested that staff provide more detailed information in a status report on the list of goals prepared prior to the meetings to save time on the Board's discussions.

IV. Adjournment

The meeting adjourned at 5:43 p.m.



Warren Tenney, Clerk of the Board



Suzanne Downing, Chair of the Board