

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

**May 23, 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  
  Judy Scrivener, Member

Board Members Not Present:     Dan M. Offret, 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 5:30 p.m. Suzanne Downing, James Tripp, and Judy Scrivener were present. Jim Doyle arrived at 5:43 p.m. Dan M. Offret was not present.

**II.    General Comments from the Public**

There were no comments from the public.

**III.   Discussion and Possible Approval of Draft Fiscal Year 2005-2006 Budget**

Mark Stratton, General Manager, noted that minor discrepancies had been corrected on the draft budget report in the computation of salaries for fiscal year 2005-2006. Mike Land, Chief Financial Officer, explained that final budgeted salary figures were obtained for the increases anticipated in the cost of insurance and retirement.

Ms. Downing thanked staff for the excellent work on the Board report regarding merit awards and cost of living adjustments (COLA's). Mr. Stratton noted that the cost of living and merit increase was the primary remaining item for discussion on the 2005-2006 budget. He added that the District based its report on the Consumer Price Index; whereas, other local area agencies base the amount of COLA's on what other entities are providing.

Mr. Stratton explained that the majority of entities contacted indicated their employees would receive as much as a 5% merit award for the upcoming fiscal year. Warren Tenney, Assistant to the General Manager, said that historically the District has leaned toward the conservative side for merit increases, which is a maximum of 4%, with the average being 2.7%. Mr. Stratton indicated that only those District employees who are truly going above and beyond receive a higher percentage of merit increase, up to the 4% maximum.

Ms. Downing said she is comfortable with providing employees with a COLA and continuing merit awards for fiscal year 2005/2006; however, she is concerned about the District's ability to fund those items in future years. Mr. Stratton explained that the final draft budget for fiscal year 2005/2006 will include a COLA of 3.0% for all District employees, and the merit awards will continue to be considered for employees based upon yearly performance evaluations.

#### **IV. General Manager's Report**

Mr. Stratton said the District held an emergency operations plan meeting last week and had experts present to review and evaluate the District's current operations plan. Staff was made aware of items that could be improved upon, and areas where the District appeared to be more vulnerable. The meeting went well and staff appreciated what they learned and will be implementing some of the suggested changes.

Mr. Stratton said staff is also looking at the District's computer system in the event of a catastrophic loss in the computer room to ensure a backup server and several workstations are located in a different location.

Mr. Stratton and Chris Hill, Deputy Manager, will not attend the June 13, 2005 Board meeting. They will be at an AWWA conference in San Francisco that week. Mr. Stratton will also be out of the office the week of May 30, 2005 taking a vacation with his family.

Mr. Tenney noted that HB2223, tax credits/water conservation systems, has been signed by the governor. All other water issues have been completed for this Legislative Session.

Ms. Downing asked Mr. Stratton to provide updates for Board requested items listed on the tracking sheet. Mr. Stratton replied that staff is still investigating fuel efficient vehicles. He noted that Mr. Hill has been gathering information on the feasibility of the District putting in its own gas pumping station.

Regarding the Casas Adobes Reservoir, Mr. Stratton said staff is conducting research to determine when the Reservoir was actually built. Ms. Downing suggested that a title search may be able to provide this type of information.

Mr. Land said to purchase insurance to cover contractor's workmanship is proving to be quite expensive. He explained that the insurance company has provided ideas on how to incorporate a workmanship clause into the District's contracts.

Mr. Stratton said that Lewis & Roca is still reviewing the District's free water accounts.

In regards to Mr. Schuh's comments and concerns, Mr. McNulty of Lewis & Roca has been reviewing the issue. Mr. Stratton said that Mr. McNulty indicated that the information obtained by the bond committee was public information.

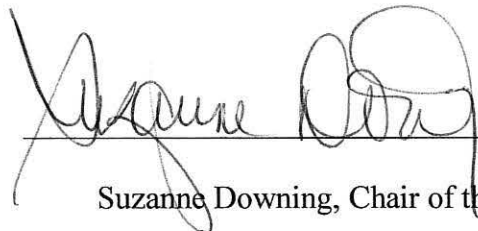
Ms. Downing asked if the Board meeting reports and minutes were easily available to the public. Mr. Tenney explained that a current Board packet and minutes are located at the receptionist desk in the front lobby of the District office. If the minutes have not been typed up, the public can request a copy of the tape from the meetings.

Mr. Land said the graph indicating water usage is again being printed on the customer bills. When the District transferred to a new accounting system, the graph was not on the first bills that were mailed out to customers.

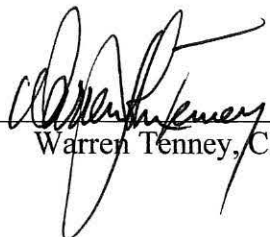
Mr. Tenney explained that the Consumer Confidence Report will be mailed to customers beginning this week.

**V. Adjournment**

The meeting adjourned at 6:20 p.m.



Suzanne Downing, Chair of the Board



Warren Tenney, Clerk of the Board