

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

**December 12, 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  
   Judy Scrivener, Member

Not Present:                      Dan M. Offret, Member  
   Jim Doyle, Member

District Staff:                      Mark Stratton, General Manager  
   Keri Silvyn, Legal Counsel  
   Warren Tenney, Clerk of the Board

**Regular 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 Board Meeting to order at 6:01 p.m. Suzanne Downing, James Tripp, and Judy Scrivener were present. Dan M. Offret and Jim Doyle were not present.

**II.     General Comments from the Public**

There were no comments from the public.

**III.    Consent Agenda**

- A.      Approval of Minutes – November 2, 2005 Special Board Meeting.**
- B.      Approval of Minutes – November 14, 2005 Board Meeting.**
- C.      Ratification of Billing Adjustments.**
- D.      Approval of Water Service Agreement – Paseo Del Rio, Lots 1-80.**

Mr. Tripp made a motion to approve the consent agenda. Ms. Scrivener seconded the motion. Motion passed unanimously.

**IV. General Business – Items for Discussion and Possible Action**

**A. Monthly Status of the District.**

Mark Stratton, General Manager, provided updates on some of the current District projects. He said the District continues to produce a significant amount of water, in part due to the lack of rain. He explained that the Northeast Booster Station facility will be advertised for construction bidding next week. Mr. Stratton said the District has been requested again this year to provide bottled water for the CDO and Ironwood Ridge High Schools Project Graduation. Oro Valley will also be contributing for this event.

**B. Financial Report.**

Mike Land, Chief Financial Officer, said that the budgeted amount for revenue from metered water sales is actually only 3% over budget. Previous reports supplied to the Board indicated the District was 18% over budget. The budgeted expenses are approximately 8% under budget at this time.

Ms. Downing asked if there was anything in the near future that might impact the District's budget. Mr. Land said that as the District enters into early spring the Utility Division will begin well maintenance projects, and vehicle expenditures will come at the end of this calendar year and the beginning of 2006.

Ms. Downing asked how the review of future vehicle purchases is coming along. Mr. Stratton replied that staff has looked closely at the exact use for vehicles, and what type of vehicle is truly needed. He noted that this information has been included in the current vehicle replacement matrix.

**C. Highgate Home Owners Association Issues regarding Unaccounted for Water.**

Mr. Tripp made a motion to approve the billing adjustment as provided by the present Board policy with regards to commercial accounts. Ms. Scrivener seconded the motion.

Gerald Matlock, resident of Highgate Home Owners Association (HOA), said that he has done additional study into the unaccounted for high water usage. He said that he believes that the water did go through the meter. Mr. Matlock said that he does not believe there was a leak, but believes that the irrigation system was inadvertently left on, running for approximately 75 days continuously. He said that at that time the HOA did not have a policy in place of having the meter readings made by the landscaping company. However, since the time of the high water usage, the HOA has initiated a policy in which the landscape service will provide the HOA with a written weekly measurement of the water meter reads. This will assist the HOA in becoming aware of any potential problems within a week of the occurrence.

Mr. Matlock noted that if there had in fact been a large leak it would have been noticeable. With the landscape irrigation running continuously the water was absorbed into the ground. He added that property management staff should have notified the HOA immediately of the increased water

bills, and also believes that the District should have also notified the HOA of the increase in water usage.

Ms. Downing asked if the irrigation control box at the HOA is kept locked. Mr. Matlock noted that it should be kept locked, and that staff will ensure that this issue is addressed.

Another Highgate resident also addressed the Board noting that Mr. Matlock's explanation was his own opinion. This resident said that he does believe it was possible for the system to be ignored by the landscape company. However, he believes that for the system to run for 75 days in a row without any trace of water does not seem possible.

Mr. Stratton said that the current policy indicates any billing adjustment issues will be given to the General Manager for his decision. For residential customers, the District bills at its lowest commodity rate for the first month in question. Mr. Stratton said that in considering what it is typically allowed for residential customers, he believes this would be fair also in this case. This means that the HOA would still be billed for the entire amount; however, at the lower rate of \$1.98 per thousand gallons. This scenario would allow for a total credit of \$676.77. This amount is applied to the first month of excessive use.

Charlene Dufresne, Copper Rose Community Management, asked if this meant the HOA was responsible for the water going through the meter, regardless of the reason for the excessive water use. Mr. Stratton replied yes, and explained that from all the tests conducted by District staff it was determined that the water did pass through the meter. The representative noted that the information she received regarding the placement date of the data logger was incorrect.

Chris Hill, Deputy Manager, said that occasionally the data loggers do not log the correct date and have to be reset. He explained that the date can be manipulated by way of computer. The dates of the data logging can be verified by the District's service request sheets completed by Utility workers.

Ms. Downing explained that as a first priority the District has a responsibility to deliver safe drinking water to its customers, which it has done. Water cannot be shut off simply because a customer is using a higher than normal amount. Ms. Downing said that as a courtesy, and if time allows, staff attempts to contact customers that appear to have higher than normal usage amounts. She noted that customers still have a responsibility to review their own bills.

The HOA representative asked if this type of thing had occurred to other HOA's. Mr. Land replied not to that degree. He said there have been leak situations where the HOA has contacted the District and staff has advised them that there is not a leak adjustment available, and the issue did not go any further.

Ms. Downing noted that the General Manager was treating Highgate the same as it would a residential customer in providing them with an adjustment. She added that if the HOA takes the steps it suggested to have the landscapers provide a written report of the weekly water usage that the

HOA should be able to avoid this type of circumstance in the future. All customers are responsible for their bills.

The motion to approve the billing adjustment as provided by the present Board policy with regards to commercial accounts passed unanimously.

**D. Online Payment Options for Customers.**

Mr. Tripp made a motion to direct staff to move forward with negotiations and agreements with vendors and present proposals to the Board for approval. Ms. Scrivener seconded the motion. Motion passed unanimously.

Ms. Downing said that she talked to Mr. Offret previously and he indicated that he was interested in pursuing the issue of online payment also. She noted that there was concern that this service may be offered free of charge.

Mr. Stratton said that the District currently allows for payment with credit cards by customers, and that the District is paying a fee for this. He said the question remains of how much additional costs, if any, will be paid by the District if more customers use credit cards as a method of payment on-line.

Ms. Downing asked when a customer pays their bill on-line, will a service charge assessed. Mr. Land said that customers using the on-line bill pay also have the option of paying with a check by entering their bank routing number and checking account number. He said that Canyon Community Bank does not charge the District for this option. However, if the billing is paid by a credit card, the District is charged a service charge percentage. Currently the District pays approximately \$2,000 per month as a service charge on credit card payments, or 2.25%. Approximately 900 District customers currently pay by credit card. Mr. Land said the District cannot pass this cost on to its customers. However, some organizations and/or utilities charge a convenience fee to their customers of \$10 if they utilize the on-line payment option. Mr. Land said that a benefit of having on-line payment is that customers have this opportunity to review conservation tips and suggestions listed on the District's website, as well as completing on-line applications for employment.

Ms. Downing said that she would like for the District to have some sort of convenience charge to its customers. Mr. Land said staff will review this item in further detail and provide the information to the Board.

**E. Analysis and Recommendations for District Staff Compensation.**

Mr. Tripp made a motion to approve recommended changes to District positions as presented by the compensation survey. Ms. Scrivener seconded the motion.

Ms. Downing asked if this item should be postponed for one month. Mr. Tripp indicated that he did not see a need to postpone the item. Ms. Downing said that she believes the District needs a Human

Resources (HR) Specialist. However, she questioned the need for a separate Risk Manager (RM) Specialist. Mr. Tripp noted that this position would also address the issues of a Safety Officer. Ms. Downing asked if there were enough employees to keep a HR specialist and a separate RM specialist busy. She indicated that she saw the responsibilities as being within one classification.

Mr. Stratton said that over time additional duties have been added to the people currently responsible for these two proposed positions, and the persons no longer have adequate time to fulfill the duties effectively. He explained that the HR person would also take over all the duties that the District currently sources out to Paychex to address. The RM person would ensure that the District is covered appropriately regarding its liability needs, and address safety and training issues.

Ms. Downing said that she wants to ensure the District has adequate funds to pay for both positions, and that there is adequate work available to ensure full time employment for both positions. Mr. Tenney said that it is his belief the District has enough work to ensure both positions have ample work loads to keep them occupied. He added that some of the work for the HR position would be taken away from the administrative staff currently doing the work.

Mr. Stratton said that an HR person could do a more thorough job of tracking things such as vacation and sick time. He explained that HR training could be more complete and flexible if done within the District. Ms. Downing agreed.

Warren Tenney, Assistant to the General Manager, said that the compensation survey was provided to District staff to review and several comments and suggestions were made regarding individual positions. In reviewing those suggestions, staff did not feel it necessary to change any of the recommendations as a result of the survey. Mr. Tenney noted that six employees have been with the District for some time and have reached the maximum salary range for their classifications.

The motion to approve recommended changes to District positions as presented by the compensation survey passed unanimously.

**F. Renewal of Agreement of Lease of Well Sites and Type 1 Right.**

Mr. Tripp made a motion to approve the renewal of the lease agreement between Cortessa, LLC and the Metropolitan Domestic Water Improvement District. Ms. Scrivener seconded the motion.

Ms. Downing confirmed that for the most part just the dates would be changed on the agreement. Mr. Stratton replied yes.

Motion passed unanimously.

**G. Approval of CAGR D Members Service Area Contract for Metro-West.**

Mr. Tripp made a motion to approve the member service area contract for Metro-West with the CAGR D. Ms. Scrivener seconded the motion. Motion passed unanimously.



**H. Approval of Purchase and Sale Agreement for the Lutheran Church of the Ascension Property.**

Mr. Tripp made a motion to approve the Purchase and Sale Agreement between Title Security Agency of Arizona, Inc. and the Metropolitan Domestic Water Improvement District and direct staff and legal counsel to finalize the closing of the sale once the Pima County Board of Supervisors approves the new plat for the property. Ms. Scrivener seconded the motion for discussion.

Ms. Scrivener asked when this item is scheduled for Pima County Board of Supervisors agenda. Mr. Stratton said that he does not believe it has been placed on Pima County's agenda at this time.

Motion passed unanimously.

**I. Approval of Amendment No. 4 to the Professional Engineering Services Contract for the Northeast Water Reservoir.**

Mr. Tripp made a motion to approve Amendment No. 4 to the Professional Engineering Services contract with HDR Engineering, Inc. for the Northeast Water Reservoir in the amount of \$440,000 and establish a new contract completion date of May 31, 2007. Ms. Scrivener seconded the motion. Motion passed unanimously.

**J. Approval and Award of Engineering Study for Broadband Wireless Radio.**

Mr. Tripp made a motion to approve Statement of Qualification and award the Engineering Study for the Broadband Wireless Radio Network to Datacom International, Inc., and authorize the General Manager to negotiate a price for the work not to exceed \$15,000. Ms. Scrivener seconded the motion.

Steve Shepard, Utility Superintendent, explained that the goal of the broadband wireless radio is to enable staff to monitor and review sites remotely immediately following an alarm, or on a routine basis as needed. The broadband wireless radio will enhance the District's current security measures. Staff will know immediately if there is truly an invasion or if someone else, such as Tucson Electric Power, triggered the alarm on the site. Mr. Shepard noted that this will cut down on the response times, and the need to respond.

Ms. Downing asked if this system will save the District money, and is there a need to spend \$15,000 for a study to be conducted. Mr. Stratton said that the engineering study will assist the District in determining if the broadband wireless radio will enhance the District's current security measures. Mr. Shepard said the actual cost of the wireless radio for equipment and installation will be approximately \$100,000 to \$300,000. He believes that the quicker notification times for alarms will be beneficial for the District. Mr. Shepard added that the information from the study will encompass all the sites and information, and will also detail what equipment the District will need to implement the broadband wireless radio.

Mr. Hill said that if the District were to have a significant breach of security or other problem, this system will be a significant resource for addressing those issues.

Ms. Downing said she was concerned that this amount of money may be spent to have the consultant tell the District what it believes the District wants to hear. She explained that for the \$15,000 she wants to ensure that the District receives detailed information that it cannot receive anywhere else. Mr. Shepard explained the function of the broadband wireless radio network in more detail. He noted that the study will cover such a wide range of information so that if the District determines it does want to install the radio network, all system requirements will be determined ahead of time so that there are few, if any, adjustments that would need to be made at the time of installation. The radio network overall would be better planned initially.

Ms. Downing asked if District staff had the expertise to conduct the study, and design of the radio network. Mr. Shepard replied staff does not have the expertise to conduct the study; however, staff does have the expertise to do much of the installation construction.

The motion to approve Statement of Qualification and award the Engineering Study for the Broadband Wireless Radio Network to Datacom International, Inc., and authorize the General Manager to negotiate a price for the work not to exceed \$15,000 passed unanimously.

**K. Amendment No. 2 for Municipal Well Services Contract.**

Mr. Tripp made a motion to approve Amendment No.2 with Brown and Caldwell for municipal well services with a contract expiration date of June 30, 2006. Ms. Scrivener seconded the motion. Motion passed unanimously.

**V. General Manager's Report**

Mr. Stratton said that earlier this month the Southern Arizona Water Users Association (SAWUA) met to review the presentation that it plans to provide the governing boards regarding SAWUA's proposal for a Cooperative Water Supply Organization. Some changes are being made to that presentation and those changes will be presented to SAWUA's Board next week. Mr. Stratton said that SAWUA will tentatively have the presentation ready in February 2006.

Mr. Stratton said that Mr. Hill has met with ASARCO and American Nevada to discuss easement alignments, and property for a treatment facility, and noted that this meeting went very well. Mr. Stratton said that his meeting with State Land Department and American Nevada has been rescheduled for December 13, 2005. All indications with State Land Department are that they would like to work out arrangements for water service. The Memorandum of Understanding is still being reviewed and edited.

Mr. Stratton said that District staff has been in contact with the Pima County Sheriff's Department and unfortunately it does not appear that the license plate number provided to them was the correct

license plate number concerning the vandalism with paint that was done to the front of the District office building. The name of the registered owner of the vehicle does not coincide with the name of any District customers.

Mr. Stratton noted that the Board was previously provided a copy of the functions and information on the Northeast Booster Station. He commended staff for a job well done on the detail of the report.

Mr. Stratton reminded the Board that he and Mr. Tenney will be at the Colorado River Water Users Association meeting from December 14-16, 2005. Also, the Christmas luncheon is on December 20, 2005 at noon and the Board is invited to attend with family members.

**VI. Legal Counsel's Report**

Keri Silvyn, Lewis & Roca, said she had nothing further to report.

**VII. Future Meeting Dates; Future Agenda Items**

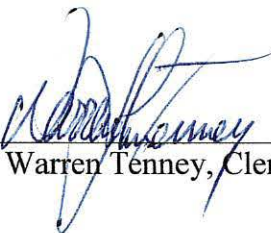
The next regular meeting of the Board of Directors is January 9, 2006 at 6:00 p.m.

**VIII. General Comments from the Public**

Mark Myers, Water Consultant, said that he would be happy to answer questions or discuss water issues with the Board at any time should issues arise.

**IX. Adjournment**

The meeting adjourned at 7:10 p.m.



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Warren Tenney, Clerk of the Board



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Suzanne Downing, Chair of the Board  
DAN H. OFFRET