

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

**March 22, 2004**

**\*\* Board Room \*\***

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

**MINUTES**

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

Board Members Absent:           Jim Doyle, Member

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

**STUDY SESSION**

**I.     Call to Order and Roll Call**

Dan M. Offret, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the meeting to order at 5:33 p.m. Dan M. Offret, Suzanne Downing, and James Tripp were present. Jim Doyle was not present.

**II.    General Comments from the Public**

There were no comments from the public.

**III.   Discussion of Draft Fiscal Year 2004-2005 Budget**

Mark Stratton, General Manager, explained that the purpose of this study session was to discuss the draft budget for the Utility and Engineering Divisions. The 2004-2005 expenditure and revenue draft budgets included the assumption of the elimination of the 1,000 gallon allowance; however, the drafts did not include any potential changes to the current rate structure. Mr. Stratton said staff was asked to look at their budgets from a zero base perspective and focus on just what it takes to operate. This assisted in identifying more exact figures to begin working from.

The review order of the Budget Items for Utility Division and Engineering Division were reversed by the Board of Directors.

**B. Budget Items for Engineering Division.**

Mike Land, Chief Financial Officer, said when completing the draft budget, revenues prefaced the amount budgeted for expenditures. He explained that most revenues remained constant, including revenue from an anticipated 200 new connections. Metro Main and Metro Hub have been combined for 2004-2005. Mr. Land noted that it is anticipated health costs will increase again this year, although it is not known at this time the exact amount of the increase. District employees are currently covered by Blue Cross Blue Shield of Arizona and have been satisfied with the service. Mr. Land said that staff will look at other health care providers prior to adoption of the 2004-2005 budget.

Mr. Stratton explained that the bond funded programs will be completed by December 2004. Currently there are four (4) bond funded positions in Engineering. There are capital improvement projects budgeted in the 2004-2005 draft budget, including two new wells and the mainline replacement. Mr. Stratton said the dilemma is whether the District will need to keep all four (4) bond funded positions or eliminate some of them. He noted that this is a timing issue and as the budget process progresses staff should have a better idea of the need for these positions.

Mr. Land said few line item changes occurred in the Engineering budget. He explained that a 4% maximum for potential merit increases was budgeted for all employees, as well as a 2% pay increase for cost of living adjustments (COLA). The COLA estimation was gathered from pricing index information. Mr. Land said the only anticipated additional position in Engineering is that of a second Drafting Specialist position. This is due to work demand and the need to utilize the GIS system.

Mr. Land said the major change in the Engineering Division expenditures was that corrosion monitoring has been completed, and survey charges were decreased. There were no major changes in the general operational expenses. Mr. Land noted that due to the increase in gasoline cost, this line item continues to increase in all District department budgets. He said that for supplies there are no major purchases and some slight decreases. Regulatory fees have increased somewhat. Mr. Land said new Water CAD software has been included in the 2004-2005 budget in the amount of \$22,000. If the new drafting position is approved, there will be \$8,400 needed for computer and desk equipment.

Mr. Stratton said the new Drafting Specialist position has been scrutinized by staff and the current draftsperson is unable to integrate the new GIS computer system while completing routine tasks. Mr. Offret asked why there was only ten (10) months salary budgeted for the position. Mr. Stratton explained that it is because of the amount of time needed to complete the hiring process.

**A. Budget Items for Utility Division.**

Mr. Tripp asked about the twenty five (25) budgeted positions in the Utility Division and if this included the Safety Officer position. Mr. Stratton replied yes. Mr. Tripp said he believes this position should be placed under the General Manager's office as the safety officer acts on behalf of all District divisions. Mr. Stratton said the Safety Officer also does the backflow duties for the District; therefore, some items regarding the current position and job duties will need to be worked out. Mr. Tripp shared the importance of having a well established and functional safety program to prepare and safeguard the District from accidents and losses. Ms. Downing agreed.

Mr. Land explained that the Utility Worker Second Shift began in December 2003. It is anticipated there will be a Board report in April 2004 to provide information on how this newly created position has been working out for the District, and if there has been a cost savings or reduction in compensatory time associated with the position.

Mr. Stratton said \$90,000 has been budgeted in the Utility Division for the rehabilitation of three (3) District storage tanks. Utility staff will closely examine the needs and cost to see how much work can be accomplished on the storage tanks with this money.

Mr. Land said the maintenance of six (6) wells was budgeted at \$145,000. Ms. Downing said she had a concern that the cost of the well maintenance may have increased since last year when it was originally examined and the amount was determined. Steve Shepard, Utility Superintendent, said the cost budgeted for 2004/2005 was based on the cost of maintenance completed for the current year. Mr. Stratton said the contractor's performance has been very good and there have not been many additional costs that have come up to complete the work.

Mr. Land said miscellaneous consultant fees for the Utility Division have been increased due to vibration analysis and electrical costs. Water quality testing has also increased. Mr. Land said the overall general operating expenses for 2004/2005 for the Utility Division were lowered.

Ms. Downing asked what the \$65,000 budgeted for well site security included. Mr. Hill explained that priorities for well site security will be established based on the recommendations from the vulnerability assessment. He added that the funds budgeted for well site security includes the Metro Hub Service Area. Mr. Stratton said some of the items included are security cameras, intrusion detection, hydrant locks, and an in-line monitoring system to establish a data base.

Mr. Land said staff is considering moving \$60,000 from electricity costs to auxiliary power for the high usage well sites. Mr. Land said under the capital equipment budget there are three (3) new vehicles, and a power mole boring machine. Ms. Downing asked about the small trailer request. Mr. Shepard said this is for a trailer that is small enough for all District trucks to pull for doing odd jobs and hauling debris. Ms. Downing asked what would be purchased for the money budgeted for uniforms. Mr. Shepard said employees working in the field are allowed shirts and pants on a yearly basis, and jackets on occasion as needed.

Mr. Land noted that 300 radio meters were budgeted for 2004/2005. Mr. Offret asked how many radio meters have already been installed. Mr. Hill said approximately 1,200 radio reads have been installed to date. Mr. Offret talked about the variable frequency drives and asked if it were possible to avoid the noise level the variable frequency drive creates, such as at the Tucson National East well site. Mr. Shepard explained that staff is looking at installing submersible pumps. Mr. Hill noted the higher capacity submersible pumps tend to have more maintenance problems; however, the submersible pumps are well suited for the smaller wells.

Mr. Offret said it appeared the budgets for the Utility and Engineering Divisions were put together well and with much consideration and thought. Mr. Tripp also thanked staff for doing a good job on putting the budget together. Mr. Stratton said staff is always looking at ways they can do things more efficiently and effectively.

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

Mr. Stratton said a vacancy has been created with the resignation of Board member Dennis Polley. For the Board's discussion and possible action this item will be placed on the April 12, 2004 agenda. Mr. Tripp suggested staff contact Reb Guillot of the Metro Hub service area to determine if Mr. Guillot had an interest in filling the vacant position. Mr. Stratton said staff will contact Mr. Guillot and provide that information to the Board.

Mr. Stratton said the District is in receipt of a claim from a managing member of a construction company in regards to a blue stake the District conducted. The water line in question was constructed in 1959 and the District does not have plans for this area of Treasure Drive. The District inspector attempted to locate and mark the line; however, he was off by some distance. Charlie Maish, District Engineer, said due to the pipe being galvanized and very corroded the pipe locator gave a bad reading. The water line was actually located on the other side of the roadway. Mr. Stratton said the contractor hit the District's water line while installing a sewer line. The managing member says it is the District's responsibility to move its water line, or pay for the installation of the sewer line. Mr. Stratton said investigation into the incident is continuing.

Mr. Hill explained that last week District staff conducted routine monthly sampling for coliform in the Metro Main service area. The sampling was for total coliform and fecal coliform. Out of the thirty one (31) samples taken, six (6) of the samples came back positive for total coliform. As a result of the positive readings, Mr. Hill said staff took additional samplings. He explained that staff actually took sample amounts over and above what the District was required to do. All of the repeat samples came back negative for total coliform and fecal coliform. Mr. Hill said it is staff's belief that the positive readings were due to sampling error or laboratory error. He noted that as a precautionary measure staff will undergo refresher training in gathering water samples. Mr. Hill said it is mandated that the District notify customers of the sampling results.

Ms. Downing asked if the District could notify the customers of the additional steps that were taken by the District to ensure safe drinking water, i.e., the additional sample testing conducted by District staff that was not required. She suggested that additional testing be done which would be a positive



reinforcement for customers. Mr. Hill explained that as a precautionary measure the lines were flushed and additional chlorine was added to the system. He said the initial written notification to the customers will let them know how the District responded to the issue, and the assumed reason for the incorrect readings.

Mr. Stratton noted that the Exempt Wells legislation did move out of the Senate today. It is hoped this piece of legislation will be assigned to the House Natural Resources Committee for their meeting next week.


Mr. Stratton provided the Board with a copy of the recent District survey results. The purpose of the survey was to identify customer satisfaction and test the viability of a potential bond election. Mr. Stratton said the survey results indicated that most of the questions received positive answers. Mr. Tripp said he was contacted to complete the survey and the person asking him the questions was having problems reading and understanding the questions. He noted that it only took approximately twelve minutes to answer the 42 questions. Mr. Tenney explained that the survey was completed by 400 voter registered District customers. This provided the required 5% of responses. It is not known at this time how many phone calls were actually made. Mr. Paul Ulan will be at the April 2004 Board meeting to provide a written report and additional information regarding the survey.

Joyce Osborne, Administrative Services Manager, asked when the last survey conducted by the District was completed. Mr. Stratton said it was completed in 1996. Ms. Osborne asked why many of the questions in the current survey were the same as in the 1996 survey. Mr. Tenney said that many of the questions were still applicable but others were altered to better fit today's situation. After the survey has been completed, the Board will be made aware of those areas of highest concern to District customers.

Mr. Stratton reminded the Board that the evaluation for the General Manger should be completed and given to Mr. Tenney by the end of March.

**V. Adjournment**

The meeting adjourned at 6:47 p.m.

  
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Warren Tenney, Clerk of the Board

  
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Dan M. Offret, Chair of the Board