

BOARD OF DIRECTORS

METROPOLITAN DOMESTIC WATER IMPROVEMENT DISTRICT PIMA COUNTY, ARIZONA

May 12, 2003

**** Board Room ****

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

MINUTES

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

Board Members Absent: Jim Doyle, Member

District Staff: Mark Stratton, General Manager
Michael McNulty, Legal Counsel
Warren Tenney, Clerk of the Board
Alice Stults, Recorder

Regular Session

I. Call to Order and Roll Call

Dennis Polley, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:04 p.m. Dennis Polley, Dan M. Offret, Suzanne Downing, and James Tripp were present. Jim Doyle was not present.

II. General Comments from the Public

Mr. Tripp said speaking as a member of the audience rather than a Board member, he lives in Golden Heritage Village which is approximately ¼ mile south of the Mona Lisa subdivision owned by Steve Nanini. He explained that he had received a phone call from the Chairman of the Landscape Committee for Golden Heritage Village who had noted that the water pressure had increased in the area. Mr. Tripp said he contacted District staff to see if anything had been done to increase the water pressure in the area. Mr. Stratton advised Mr. Tripp that there had not been any measures taken to increase the water pressure.

III. Consent Agenda

- A. Approval of Minutes – April 14, 2003 Board Meeting.**
- B. Approval of Minutes – April 28, 2003 Study Session.**
- C. Ratification of Billing Adjustments.**
- D. Approval of Water Service Agreement for La Cholla Medical Office.**

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

IV. General Business – Items for Discussion and Possible Action

A. Monthly Status of the District.

Mr. Stratton noted that there was not anything out of the ordinary to report for the month of April. He said that currently the repairs to the west half of the Casas Adobes reservoir are being completed.

B. Financial Report.

Mr. Land said the revenues are down slightly compared to the same time period last year. He explained this is due mainly to the moderate temperatures for March and April, 2003.

C. Update on Legislative Issues 2003.

Mr. Stratton said Susan Charlton of Gallagher & Kennedy provided an updated report regarding legislative issues. The Legislature is currently completing budgetary issues. Mr. Stratton noted that HB 2480 multi-jurisdictional infrastructure financing, which the District supported, was signed by the Governor. Senate bill 1059 changing trespassing on public service facilities property from a misdemeanor to a felony was also of special interest to the District. Mr. Stratton said this bill also passed.

D. Health Insurance Coverage for Employees.

Mr. Tripp made a motion to approve the renewal of the contract with Blue Cross Blue Shield of Arizona for health insurance coverage under their PPO Blue Preferred 100 plan for 2003-2004. Mr. Offret seconded the motion. The motion passed unanimously.

E. Presentation of Consumer Confidence Report/Water Quality Report.

Chris Hill, Deputy Manager, said this is the fifth year the District has completed a Consumer Confidence Report (CCR) which is required by the US Environmental Protection Agency (EPA). The report is provided to all District customers to describe the quality of water delivered to its customers, and to denote any risks from contaminants that may be found in the water. Mr. Hill said staff worked hard to make the report as assessable to customers as possible.

Mr. Tenney said the mailing of the CCR will begin during the week of May 19, 2003. He said much of the language in the CCR is determined by the EPA. The CCR does come across as quite technical. For this reason, the April newsletter discussed many of the District's efforts to ensure water quality meets the Safe Drinking Water Act.

Mr. Offret complimented staff for doing a good job on the CCR. He said the information is complex; however, the report was done in such a manner as to be easily understandable. In referring to the information provided in the CCR, Mr. Offret asked about the radium and the date the restrictions would take place. Mr. Hill explained that the radium levels were slightly above those allowed by the EPA. He said that the restrictions would take place January 2004. Mr. Offret asked what the restrictions, from a cost standpoint, would mean to the District. Mr. Hill said that the level of radium detected was somewhat of an anomaly; however, it must still be reported. Mr. Offret asked how often radium tests are completed. Mike Block, District Hydrologist, said samples are tested quarterly for a period of one year in the area the radium was detected. In areas where it was not detected, samples are required to be tested once every three years. Mr. Block said the quarterly sampling will begin in January 2004.

Other Board members commended staff for a good job on the CCR. Ms. Downing asked if the CCR could be made available to the real estate community. Mr. Tenney replied yes.

F. Award of Construction Contract for the Magee Road Transmission Main, Phase I.

Mr. Tripp made a motion to award the construction contract for the Magee Road Transmission Main, Phase 1 to Green Ridge Construction Company in the amount of \$665,533.00 (Alternate A) and to authorize the General Manager to approve the following changes to the construction contract: 1) allocate additional funding a cumulative amount not to exceed \$25,000.00 and 2) increase the original construction contract term a cumulative amount not to exceed sixty (60) calendar days. Any changes in excess of the above limits will be submitted to the Board of Directors for approval. Ms. Downing seconded the motion. The motion passed unanimously.

G. Consultant Selection for Miscellaneous Geotechnical & Material Testing Services for Fiscal Year 2003-2004.

Mr. Tripp made a motion to approve the engineering consultant ranking and direct District staff to proceed with developing an acceptable scope of services and engineering and material testing fees with the top ranked firm to perform the Miscellaneous Geotechnical & Material Testing Services for fiscal year 2003/2004. If staff is unable to negotiate a contract with AMEC Earth & Environmental, Inc., then staff has the authorization to negotiate with the next highest ranked firm, and continue the process, if necessary, until an acceptable scope of services and fees are obtained. Staff shall submit the negotiated professional service agreement to the Board of Directors for approval. Mr. Offret seconded the motion. The motion passed unanimously.

H. Amendment of Well Abandonment and Capping Policy.

Mr. Tripp made a motion to approve as District policy the amended "Capping and Well Abandonment Manual for Developers and Well Owners." Mr. Offret seconded the motion. The motion passed unanimously.

V. General Manager's Report

Mr. Stratton said staff recommends the Board schedule a study session immediately following the May 19, 2003 Public Hearing, to review any remaining items on the budget for 2003/2004.

Mr. Stratton noted that a Public Hearing regarding the removal of 1,000 gallons of allowance in the District's rate structure was scheduled for May 19, 2003. Mr. Stratton said that the phone calls the District has received about the change in the rate structure have been positive and customers appear supportive of the change.

Mr. Stratton said a graywater/water harvesting workshop is scheduled for Saturday, May 17, 2003. He explained that WaterCASA will be presenting the workshop and invited Board members to attend. The workshop will be from 9:00 a.m. until 12:00 noon.

Mr. Stratton said staff contacted Michael McNulty, Legal Counsel for the District, to determine what measures could be taken at this time to collect unpaid development fees from Steve Nanini, Mona Lisa Village developer. Mr. Stratton said that a lien could be placed on the property. Mr. McNulty said that the District must provide Mr. Nanini with a thirty days notice that it intends to place a lien on the property. Mr. Nanini will then be given an opportunity to have a hearing before an officer of the District court.

Mr. Stratton noted that there are changes being made to the vehicle fleet policy regarding minor maintenance conducted on the vehicles such as oil changes and tire rotation. He explained that staff is researching businesses close to the District offices that may be able to perform these types of maintenance duties. Currently, the vehicles are being taken out of the District which costs the District loss staff time.

Mr. Stratton said staff recommends that the District support a fund raising luncheon presented by the Hispanic Professional Action Committee (HPAC). The HPAC will be awarding a scholarship to deserving and outstanding high school graduating seniors and/or recipients of previous HPAC scholarships. Governor Janet Napolitano is the special guest speaker at the luncheon. The luncheon is scheduled for June 11, 2003. Mr. Stratton noted that he will provide the Board with additional information.

VI. Legal Counsel's Report

Mr. McNulty said matters regarding the purchase of the assets of the Green Valley Water Company (GVWC) continue. Green Valley Domestic Water Improvement District (GVDWID) has been working directly with GVWC regarding the purchase which must take place by May 31, 2003. At

that time, the District will be reimbursed for its costs incurred during its consideration of the purchase of the GVWC assets. Mr. McNulty asked if the purchase by GVDWID failed to take place, did the Board want to sign the agreement it previously approved in February 2003. The Board agreed. Mr. Offret asked if the District would have recourse under item 3D of the agreement. Mr. McNulty replied yes.

VII. Future Meeting Dates; Future Agenda Items

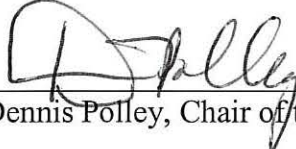
The next regular meeting of the Board is June 9, 2003 at 6:00 p.m. A Public Hearing is scheduled for May 19, 2003 at 6:00 p.m., followed by a study session.

VIII. General Comments from the Public

There were no comments from the public.

IX. Adjournment

The meeting adjourned at 6:30 p.m.



Dennis Polley, Chair of the Board



Clerk of the Board