

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

**January 14, 2008**

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

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

**MINUTES**

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

Board Members Not Present:       Lauretta Ovsevitz, Member

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

**Executive Session**

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

Judy Scrivener, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 5:30 p.m. Judy Scrivener, Dan M. Offret, Jim Doyle, and James Tripp were present. Lauretta Ovsevitz was not present.

Mr. Tripp made a motion to adjourn into executive session. Mr. Offret seconded the motion. Motion passed unanimously.

Executive Session pursuant to A.R.S. § 38-431.03 (A)(1) (discussion or consideration of personnel matters), regarding the following:

**A. General Manager's Quarterly Review.**

**II.    Adjournment**

The executive session adjourned at 6:00 p.m.

## **Regular Session**

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

Judy Scrivener, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:02 p.m. Judy Scrivener, Dan M. Offret, Jim Doyle, and James Tripp were present. Laretta Ovseviz was not present.

### **II. General Comments from the Public**

There were no comments from the general public.

### **III. Presentations**

#### **A. Robert Carstens of the Bond Oversight Committee.**

Ms. Scrivener noted that Bond Oversight Committee member, Robert Carstens, was present at the meeting. Mr. Carstens recently retired from the Bond Oversight Committee. Ms. Scrivener explained the duties and functions of the Bond Oversight Committee, and thanked Mr. Carstens for his many years of service to the District by serving on the Committee. She presented Mr. Carstens with a plaque, thanked him for his years of service and commitment to the District, and wished him well in his future endeavors.

#### **B. Tullie Jones – Employee of the Year.**

Ms. Scrivener explained that Tullie Jones, Customer Service Representative, was nominated and voted as 2007 Metro Water District Employee of the Year by her peers. She thanked Ms. Jones for her commitment to the District and congratulated her on being voted as Employee of the Year. Although Ms. Jones has only been with the District for just over one year, she has brought her expertise and great attitude to the Customer Service area.

### **IV. Consent Agenda**

- A. Approval of Minutes – December 10, 2007 Board Meeting.**
- B. Ratification of Billing Adjustments.**
- C. Ratification of Bill of Sale – Riverside Crossing III.**
- D. Ratification of Bill of Sale – St. Odelia Catholic Community Church.**
- E. Ratification of Bill of Sale – Water Extension – Las Lomitas-Via Latigo Project.**
- F. Approval of Water Service Agreement – Northwest Medical Center, Revision #6 – Gateway Medical Office.**

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

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

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

Mark Stratton, General Manager, said that water production for Metro-Main continues to be down compared to the same time period in 2007. However, District revenues continue to be doing very well.

Mr. Stratton said that at the new Northeast Booster Station the District is not seeing an adequate volume of water being pumped by the motors. The motors will be pulled and bearings will be replaced in the pump assembly by the manufacturers who recognized a problem with the bearings. It is anticipated that this process will cause a delay in the startup of the Northeast Reservoir. Mr. Stratton noted that landscaping is still taking place on the reservoir site.

**B. Financial Report.**

Mike Land, Chief Financial Officer, said revenues are running 7% over budgeted amounts. Expenditures are 5% under budgeted amounts for the year. Mr. Land explained that 86% of the 2005 Water Infrastructure Financing Authority loan has been spent to date.

Ms. Scrivener asked when the final report for revenues and expenditures for December 2007 would be available. Mr. Land said the reports should be completed within the next few weeks and would be provided to the Board when they are available.

**C. Billing Adjustment Policy.**

Mr. Tripp made a motion to approve that a billing adjustment for commercial accounts be done on a case-by-case basis by calculating the excessive usage at a lower tier in the rate structure but not to exceed \$500 and decided by the District's General Manager. Mr. Offret seconded the motion.

Mr. Offret asked if the adjustments would be reported to the Board on the monthly Billing Status Report. Ms. Stratton replied yes, and noted that these adjustments would be highlighted for the Board's perusal. Mr. Land noted that most of the credit adjustments would be to apartment complexes.

Motion passed unanimously.

**D. Schedule for Regular Board Meetings in 2008.**

Mr. Tripp made a motion to approve the regular session of the regular 2008 Board of Directors meetings be held at 6:00 p.m. on the dates indicated in the Board report. Mr. Offret seconded the motion. Motion passed unanimously.

**E. Discussion and Direction for Legislative Issues 2008.**

Warren Tenney, Assistant General Manager, spoke to the District's lobbyist, Susan Charlton, and explained that there was nothing new to report at this time. He noted that the Arizona Department of Water Resources is planning to make a technical language correction to the exempt well statutes.

Mr. Tenney said that the Arizona Municipal Water Users Association has begun a stakeholder process on how to assure sustainability. Two meetings to date have been held regarding the Central Arizona Groundwater Replenishment District. It is not anticipated that any new legislation will be introduced this year; however, it is anticipated that in 2009 there may be some new legislation introduced.

**F. Approval of Bids for GAC Replacement at South Shannon.**

Mr. Tripp made a motion to approve the bids submitted for the GAC replacement and direct staff to pursue an agreement with Siemens as the first choice and authorize the Chairman to sign the agreement upon review of legal council. If for any reason Siemens should be unable to perform the work, staff is directed to pursue an agreement with Calgon. Mr. Trip also moved to authorize the General Manager to approve each carbon change out as needed. Mr. Offret seconded the motion. Motion passed unanimously.

**G. Metro-Hub Water Supply Exploration Program Update – Summary of Phase I Findings, Scope of Work for Phase II and Approval to Open Negotiations for Exploration and Potential New Production Well Site.**

Mr. Tripp made a motion to instruct the General Manager to open negotiations with both TUSD and the Sisters of the Immaculate Heart of Mary, plus any other landowners for real property in the Hub service area for the purposes of defining the service area's water resources and potentially constructing new or replacement municipal supply wells. District staff is further instructed to seek Board action when a sale agreement is finalized. Mr. Offret seconded the motion.

Mr. Offret asked about the cost, and where the money will come from. Mike Block, District Hydrologist, said the anticipated cost is \$167,000. It is unknown at this time how much will be needed from the contingency fund. Mr. Block explained that property in the Hub service area is very expensive; therefore, the District is looking at undeveloped parcels. He noted that six potential locations were identified. Mr. Offret asked if information was included from Hub Well No. 7. Mr. Block said this was one of the areas that was included in the assessment.

Motion passed unanimously.

Mr. Tripp made a motion to approve that the Board of Directors establish the Hub Water Resources Project to acquire property for replacement and new wells and any unexpended Hub Well No. 7 abandonment monies be transferred to the project. Mr. Offret seconded the motion. Motion passed unanimously.

Mark Alter of Clear Creek Associates, the District's consultant project manager, provided a power point presentation to provide updated information addressing concerns and to make recommendations on managing water resources in the Hub service area. Mr. Alter provided information on exploratory drilling and aquifer testing that has been completed. Information was also provided on site assessments and results of the studies. Mr. Alter explained that Hub Well No. 2 was identified as a possible site for a future well replacement. He added that additional sites will need to be identified in the future.

**H. Contractor Selection for Well Abandonment Services at Hub Well No. 7 Property.**

Mr. Tripp made a motion to approve to select the Weber Group, L.C. to complete the abandonment of the Hub Well No. 7 on a time and materials basis in the amount not to exceed \$20,000. Mr. Offret seconded the motion. Motion passed unanimously.

**I. Election of Chair and Vice-Chair for the Board of Directors.**

Mr. Tripp made a motion to nominate Judy Scrivener as Chair of the Board of Directors for 2008. Mr. Offret seconded the motion.

Mr. Offret suggested that the election of chair and vice-chair be valid for two years for continuity. The Board agreed with this suggestion.

Motion passed unanimously.

Mr. Tripp made a motion to nominate Mr. Offret as Vice-Chair of the Board of Directors for 2008. Mr. Doyle seconded the motion. Motion passed unanimously.

**J. Approval of Purchase of Right Hand Drive Jeep.**

Mr. Tripp made a motion to approve the purchase of the Right Hand Drive Jeep with an extended warranty from Jim Click Chrysler Jeep. Mr. Offret seconded the motion.

Mr. Doyle asked why staff were considering a four-wheel drive vehicle. Steve Shepard, Utility Superintendent, explained that a right hand drive vehicle typically comes equipped with four-wheel drive. Mr. Doyle said upkeep and repairs are more expensive for a four-wheel drive vehicle, plus additional gasoline costs. He does not think a four-wheel drive vehicle is justified if the vehicle is not going to be used for the purposes of a four-wheel drive vehicle.

Mr. Offret asked how much it would cost to order a right hand drive jeep that was not a four-wheel drive. Mr. Shepard said he did not know the cost, or how long it would take to order another vehicle.

Mr. Stratton suggested that the Board continue this item; however, the potential is there for someone else to purchase the only vehicle of this type at Jim Click Chrysler Jeep before the District.

Motion passed with Ms. Scrivener, Mr. Tripp, and Mr. Offret voting in favor of the motion. Mr. Doyle opposed the motion.

**VI. General Manager's Report**

Mr. Stratton explained that the Pima County license agreement package containing language issues opposed by the Town of Oro Valley Water, Marana Water, Flowing Wells Irrigation District, and the District has been submitted to the Board of Supervisors. No information or feedback has been provided by the Board of Supervisors at this time. Mr. Stratton is attempting to schedule meetings with all the Supervisors to explain the District's concerns.

Mr. Stratton noted that recently there was an incident with a customer in the Customer Service area that raised questions regarding needed security improvements. He explained that the District will be adding video cameras in the Customer Service area, and additional staff training will be provided to staff to assist them with dealing with hostile individuals and how to react to specific incidents. A silent alarm system has been installed in other District divisions so that all staff is aware of problems that occur in the Customer Service area, as well as an alarm being activated at the Pima County Sheriff's office.

Mr. Stratton said that when trying to determine a date for the dedication of the Northeast Reservoir that parking concerns were an issue. Staff is looking at having the dedication ceremony in March during spring break for the Immaculate Heart School so that the school's parking lot can be utilized. The Board will be updated as to a specific date for the dedication when the date has been determined.

Mr. Stratton explained that there will be a safety recognition breakfast for District staff on Wednesday, January 30, 2008. He noted that staff did a good job on working safely during 2007 and the breakfast was to commend staff for their safety efforts.

Mr. Stratton said staff would like to provide in depth discussion on Metro-Main hydrogeological issues during a Board of Director's study session. The Board agreed to hold the study session on Monday, January 28, 2008 at 5:00 p.m.

Mr. Stratton, Chris Hill, and Alice Stults will be in Las Vegas, Nevada January 16-18, 2008 for the Multi-State Salinity Coalition Summit.

Mr. Stratton will also be in Coronado, California January 25-28, 2008 for the American Water Works Association meeting.

Mr. Tenney mentioned that a notice was placed in the District's December 2007 newsletter seeking candidates for replacing retired Bond Oversight committee member Robert Carstens. To date, only one response has been received. The Board will be kept apprised of the status of this item.

**VII. Legal Counsel's Report**

Andrea Gonzales, Lewis & Roca, said she had nothing new to report at this time.

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

The next regular meeting of the Board of Directors is Monday, February 11, 2008 at 6:00 p.m. A study session is scheduled for January 28, 2008 at 5:00 p.m.

**IX. General Comments from the Public**

Mr. Alter said he had put in turf for his children to play on which did increase his water consumption resulting in a higher than usual water bill. He commended District staff for promptly calling him regarding his increased water usage.

**X. Adjournment**

The meeting adjourned at 7:03 p.m.

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Judy Scrivener, Chair of the Board

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Warren Tenney, Clerk of the Board