

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

**December 10, 2007**

**\*\* 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  
                                          Lauretta Ovsevit, Member  
                                          James Tripp, Member

District Staff:                     Mark Stratton, General Manager  
                                          Andrea Gonzales, Legal Counsel  
                                          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, Lauretta Ovsevit, and James Tripp were present.

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

Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) (consultation for legal advice with District Legal Counsel), and A.R.S. § 38-431.03 (A)(7) (consultations regarding negotiations for the purchase, sale, or lease of real property) regarding the following:

**A. Acquisition, Construction, Re-construction, and Repair of Waterworks.**

**II.    Adjournment**

The executive session adjourned at 5:58 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 6:00 p.m. Judy Scrivener, Dan M. Offret, Jim Doyle, Lauretta Ovsevit, and James Tripp were present.

**II. General Comments from the Public**

There were no comments from the general public.

**III. Presentation to Robert Carstens of the Bond Oversight Committee**

Mr. Carstens was not able to attend the Board meeting to receive recognition from the Board of Directors for his service on the Bond Oversight Committee. Presentation postponed to the next regular meeting of the Board.

**IV. Consent Agenda**

- A. Approval of Minutes – November 14, 2007 Board Meeting.**
- B. Approval of Minutes – November 26, 2007 Public Hearing.**
- C. Ratification of Billing Adjustments.**
- D. Approval of Water Service Agreement – Arboles Viejos, Phase 1, 2, & 3 and Subdivision and Water Storage Facility as Facility and Infrastructure.**

Mr. Tripp made a motion to approve the consent agenda. Ms. Ovsevit 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, noted that November 2007 was the warmest recorded November in Tucson on record, yet the District continued to use less water than the same month in 2006. Metro Hub has continued to use more water than usual. Mr. Stratton suggested that additional conservation education could be provided in the Metro Hub service area.

The large mound of dirt at the Northeast Reservoir is diminishing at a quicker pace due to better weather conditions. Mr. Stratton said that landscaping efforts continue to move along at the Northeast Reservoir and the Northeast Booster Station. It is anticipated that the reservoir and booster station will both be operational by the end of 2007.

Mr. Stratton said the Paseo del Norte transmission line installation has been completed. The Riverside Crossing Well has also been completed, and it is anticipated that results of the hydrogeological findings will be presented to the Board at its January 2008 regular meeting.

Mr. Offret asked about the amount of water being treated at the South Shannon Treatment Facility which was indicated in the Board report. Mr. Stratton explained that the amount indicated in the report is the water treated to date since the last change-out.

Mr. Offret noted that the "Metro-Main Conceptual Hydrogeologic Model" updated report from Hargis+Associates noted gaps in the District's hydrogeologic model. Mr. Offret said when the wells stop producing the District will then have to look at other options for obtaining water and noted that he believed as time goes by the District would need to spend less money on things like the hydrogeologic model.

Ms. Ovsevitiz explained that since the remaining bottled water the District has in storage has an expiration date of late March 2008 she would like to give the remaining bottled water to the three schools within the District after the holidays. Mr. Stratton said that arrangements will be made to disperse the bottled water to the schools.

**B. Financial Report.**

Mike Land, Chief Financial Officer, said revenues are currently above budgeted amounts, while expenditures are still under budget. However, he noted that new meter applications continue to be down compared to the same time period in previous years.

**C. Approval of Medical and Dental Insurance for District Employees.**

Mr. Tripp made a motion to approve the 2008 calendar year contract with Blue Cross Blue Shield of Arizona with the Fringe Benefit Company serving as broker. District employees will have the option to select for their medical coverage either through the PPO or the HAS plan. It is further approved to accept the premium rates, employee deductions, and HAS contributions as reflected in the attached spreadsheets. It is also approved to continue with the same dental insurance carriers. Ms. Ovsevitiz seconded the motion.

Ms. Scrivener said the information staff provided to the Board at its November 26, 2007 study session regarding the various insurance options was very helpful. She thanked staff for a job well done.

The motion passed unanimously.

**D. Approval of Intergovernmental Agreement for the Installation of Fire Hydrants.**

Mr. Tripp made a motion to approve the Intergovernmental Agreement with the Northwest Fire/Rescue District to cost share the installation of new fire hydrants. Ms. Ovsevitiz seconded the

motion. Mr. Doyle abstained from voting on the motion. The motion passed with Ms. Scrivener, Mr. Tripp, Mr. Offret, and Ms. Ovsevitv voting in favor of the motion.

**E. Ratification of CAP Water Expenditure and Amendment of Groundwater Savings Project Agreement.**

Mr. Tripp made a motion to approve Amendment No. 4 between the District and BKW Farms for "In-Lieu Water Deliveries and Storage" and that the agreement is in effect until December 31, 2007. Also, that the District ratifies the \$18,300 for additional Incentive Recharge Water purchases in 2007 by the General Manager. Ms. Ovsevitv seconded the motion. The motion passed unanimously.

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

Mr. Tripp made a motion to approve the salary ranges for the District's positions be established as presented in the report and based on those new salary ranges that individual salaries be adjusted accordingly as described in the report. These changes are to become effective January 1, 2001 and the operating budget and contingency fund, if necessary, are to be used to pay for any increase to the budget. Ms. Ovsevitv seconded the motion.

Mr. Offret said regarding page 3 of the report under the three bulleted items, he highly approved of the structured approach to making these decisions. However, in looking at how the salary ranges were established, he does not like the structure. Mr. Offret suggested he would like to work with the District's Human Resource Specialist to come up with written criteria on establishing salary structures. He hopes that next year the District will have a similar approach with set criteria to make determinations on proposed changes to the salary structure and ranges. Mr. Stratton said staff did consider certain criteria, which was not included in the report.

Billie Sue Morelli, Human Resource Specialist, explained that she looked at the current salaries and explained the rationale for the proposed changes. A criteria formula was used by staff; however, it was not included in the report. Mr. Offret said this is what he is looking for and would like the criteria included in the records and on the next report whenever it is completed.

Mr. Tripp said he would like staff to take a closer look at incentive pay for the increase in knowledge of employees as well as longevity pay which is a great incentive for retaining employees.

Ms. Ovsevitv said she would like to see an increase across the board for all employees of 10 percent. Mr. Tripp said he would like to be able to provide this to all employees also but the Board has to be fiscally responsible. Ms. Ovsevitv asked that staff look at incentives such as reduced gasoline prices for employees, and cash bonuses.

Mr. Offret said he favors some fringe benefits for employees, but not cash bonuses. He does favor the reduced gasoline price idea but would like to hear more about how this might work from staff.

The motion to approve the salary ranges for the District's positions be established as presented in the report and based on those new salary ranges that individual salaries be adjusted accordingly as described in the report. These changes are to become effective January 1, 2001 and the operating budget and contingency fund, if necessary, are to be used to pay for any increase to the budget passed unanimously.

**VI. General Manager's Report**

Mr. Stratton explained that some of the District's customers, predominately homeowners associations, have needs for large lead lines and currently the District does not allow for commercial customers to have adjustments for leaks. Mr. Stratton asked that the Board consider allowing adjustments for leaks for the homeowners associations. Mr. Offret said he was in favor of hearing recommendations from staff. Mr. Stratton said staff will bring back information and recommendations to the Board at its January 14, 2008 meeting.

The annual staff Christmas luncheon will be on December 20, 2007. Mr. Stratton invited Board members and their guests to attend the luncheon.

Mr. Stratton noted that Mr. Tenney, Mr. Offret, Ms. Scrivener, and he will be attending the Colorado River Water Users Association yearly seminar in Las Vegas December 12-14, 2007.

Christmas ornaments with the District's logo were ordered for the District's Christmas tree and Mr. Stratton provided each Board member with one of the ornaments. The Board was appreciative of the ornament.

**VII. Legal Counsel's Report**

Andrea Gonzales, Lewis & Roca, said the CAP reallocation process was confirmed and everything is complete.

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

The next regular meeting of the Board of Directors is Monday, January 14, 2008 at 6:00 p.m.

**VIII. General Comments from the Public**

There were no comments from the public.

**IX. Adjournment**

The meeting adjourned at 6:27 p.m.

---

Judy Scrivener, Chair of the Board

---

Warren Tenney, Clerk of the Board