

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

**September 11, 2006**

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

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

**MINUTES**

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

Board Members Absent: Jim Doyle, Member

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

**Regular 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 Board Meeting to order at 6:03 p.m. Dan M. Offret, Judy Scrivener, 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. Consent Agenda**

- A. Approval of Minutes – August 14, 2006 Board Meeting.**
- B. Approval of Minutes – August 21, 2006 Special Board Meeting.**
- C. Ratification of Billing Adjustments.**
- D. Approval of Water Service Agreement – Magee Corporate Center.**
- E. Ratification of Bill of Sale – A Atlas Magee Rasmussen Self Storage.**
- F. Ratification of Bill of Sale – Cortina Terrace, Lots 1-18.**
- G. Ratification of Bill of Sale – Orange Grove Office Park, Lots 1-14.**
- H. Ratification of Bill of Sale – Overton Ridge Estates, Lots 1-17.**

Mr. Tripp made a motion to approve the consent agenda. Ms. Downing seconded the motion.

Mr. Offret asked about the ratifications for the bill of sales. Mark Stratton, General Manager, explained that this is used to record assets for District records. Sheila Willis, Controller, said these records are kept for 30 years.

Ms. Downing asked why the District has not purchased the water lines at Los Lomitas. Mr. Stratton said these are private water lines, and it would be costly to purchase and repair the outdated water lines. The District has not considered purchasing any private water company water lines due to high cost of repairs and maintenance.

Motion passed unanimously.

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

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

Mr. Stratton said the amount of water production for the month of August 2006 was similar to the same amount produced during August 2005. However, production was down somewhat due to the amount of rain received during August 2006. Mr. Stratton noted that the rainfall was received in a short period of time and will probably not have a significant impact on groundwater levels at this time.

Mr. Stratton explained that construction of the Northeast Reservoir has been delayed due to the recent heavy rains. The contractor is approximately three to four weeks behind schedule but it is anticipated that they will be able to make up the time with good weather conditions.

##### **B. Financial Report.**

Ms. Willis said staff is currently waiting for preliminary reports from Clifton Gunderson on the fiscal year 2005/2006 audit that was recently completed. The auditors went into more detail when conducting the audit; therefore, it is taking longer to get the results back from the auditors.

Ms. Willis explained that staff recently met with the District's insurance company representatives, and the cost of insurance is looking to be lower than last year due to the District's lack of claims and good claims record.

**C. Approval of Employee Assistance Program.**

Mr. Tripp made a motion to approve the District's utilization of CONTACT Behavioral Health Services to provide an Employee Assistance Program to District employees at a cost of \$1,749 per year. Ms. Scrivener seconded the motion.

Ms. Downing asked why the District needed an Employee Assistance Program (EAP). Billie Sue Morelli, Human Resource Specialist, explained the benefits of the EAP, and that with the Human Resource position it is no longer necessary for Paychex Administrative Services to provide this service for the District. Ms. Morelli noted that there would be a significant cost savings for the District if it utilizes CONTACT Behavioral Health Services.

Ms. Downing said she believed that there are enough local resources for employees to search out that District employees would not need an EAP. Ms. Downing also said that the District's current medical insurance policy has some programs available and there are other places that employees can go for help. She believes the District already provides employees with excellent medical benefits and it is the responsibility of employees to pay attention to safety and seek assistance on their own. She reiterated that she does not believe an EAP is necessary.

Ms. Scrivener said Pima County employees, since Pima County's inception of an EAP, use it more and more as time goes by. She explained the importance on having an EAP in place at all times and noted several incidents where a number of County employee's job performance was affected by situations outside the workplace and those employees were able to seek the much needed assistance. Ms. Scrivener said Pima County employees, prior to an EAP, were having difficulty finding help, and there were problems with information being kept confidential.

Mr. Offret said he believes the District does provide good health insurance benefits, but there are outside contributors that affect employees work. He asked that staff keep records on how often the EAP is utilized, and requested that staff provide the Board with the statistics after one year of this plan. Ms. Morelli said that records will be kept on utilization of the EAP and staff will provide reports after one year.

Mr. Tripp explained that he believed the EAP would be beneficial to employees and is strongly in favor. He also noted that this is inexpensive for the amount of assistance that will be available to employees.

The motion to approve the District's utilization of CONTACT Behavioral Health Services to provide an Employee Assistance Program to District employees at a cost of \$1,749 per year passed with Mr. Offret, Mr. Tripp, and Ms. Scrivener voting in favor. Ms. Downing opposed.

**D. Approval of Incentive Recharge Water Contract with the Central Arizona Water Conservation District.**

Mr. Tripp made a motion to approve the new Incentive Recharge Water Contract between Metropolitan Domestic Water Improvement District and the Central Arizona Water Conservation District. Ms. Downing seconded the motion. The motion passed unanimously.

**E. Approval of Groundwater Savings Projects Agreements.**

Mr. Tripp made a motion to approve the new agreement between the District and the Cortaro Water Users' Association for "In-Lieu Water Deliveries and Storage" and that the agreement be in effect until December 31, 2007, unless renewed for an additional year by the District and Cortaro Water Users' Association. Ms. Scrivener seconded the motion.

Ms. Downing asked for an explanation on what this agreement actually meant. Mr. Stratton said the contract agreement allows the District to continue its groundwater allocation agreements. Mr. Offret asked when it is anticipated that the District's CAP allocation would increase. Mr. Stratton replied December 2007. Mark Myers, water consultant, said approximately one year ago it was identified that there would be a substantial dip in the cost of CAP water. He explained that staff is looking at options to take advantage of this lower cost. The cost dropped because there were no deliveries of water across the board. Mr. Myers said this is a huge benefit that may not be available in two or three years from now.

Mr. Offret asked about the effects of the lower cost of the CAP water. Mr. Stratton said that more people are going to try to utilize that water since the price has dropped. The farmers will purchase as much as they can at the lower price.

The motion to approve the new agreement between the District and the Cortaro Water Users' Association for "In-Lieu Water Deliveries and Storage" and that the agreement be in effect until December 31, 2007, unless renewed for an additional year by the District and Cortaro Water Users' Association passed unanimously.

Mr. Tripp made a motion to approve the amendment to the agreement between the District and the Herb Kai for "In-Lieu Water Deliveries and Storage" and that the agreement be in effect until December 31, 2007. Ms. Downing seconded the motion. Motion passed unanimously.

Mr. Tripp made a motion to approve the amendment between the District and BKW Farms for "In-Lieu Water Deliveries and Storage" and that the agreement is in effect until December 31, 2007, unless renewed for an additional year by the District and BKW Farms. Ms. Scrivener seconded the motion. Motion passed unanimously.

**F. Contract Award for Miscellaneous Survey Services.**

Mr. Tripp made a motion to approve the award of the Professional Engineering Services for Miscellaneous Survey Contract to AMEC Infrastructure, Inc., for a not-to-exceed amount of \$150,000, and a contract completion date of June 30, 2007. Ms. Downing seconded the motion.

Mr. Offret asked about the increases in the proposed labor billing rates. Charlie Maish, District Engineer, said the total increase amount was less than 5%.

Motion passed unanimously.

**G. Award of Electric Vehicle Purchase for Meter Reading.**

Mr. Tripp made a motion to approve the purchase of one (1) 2006 GEM Car from Steve Christy Chrysler Jeep in the amount of \$9,911.68. Ms. Downing seconded the motion.

Ms. Downing said she liked the idea of this type of vehicle and is anxious to see how this vehicle works out for the meter readers. Mr. Offret asked if it was anticipated that this vehicle will last 5 years. Mr. Shepard replied yes. Mr. Offret asked staff to provide an update of how the vehicle is fairing after the District has had the vehicle for 6 months. Ms. Downing asked how long it would take the District to take possession of the vehicle once it has been ordered. Mr. Shepard said he will contact the representative from Steve Christy Chrysler Jeep and report this information back to the Board.

Motion passed unanimously.

**V. General Manager's Report**

Mr. Stratton explained that the new Human Resource Specialist (HRS) and Risk Management Specialist (RMS) have conducted a considerable amount of additional training for staff in a variety of areas. He also noted that Steve Shepard, Utility Superintendent, has spent time with Janet Brown, RMS, examining the well sites and warehouse and noted that numerous items have been identified for replacement or updates. Mr. Stratton said he is pleased with the efforts of Ms. Morelli and Ms. Brown and the direction they are taking. A number of new policies and procedures are also being established through their cooperative efforts. The training being provided this week covers personal safety. Mr. Stratton invited any interested Board members to attend.

Ms. Downing asked about updating the employee manual. Ms. Morelli said staff are currently working on updates and anticipates the manual will be completed early next year.

Ms. Scrivener explained that Pima County, after completing initial trainings, provided condensed versions of updated training as refresher courses to its employees and suggested that staff consider

these shorter sessions for refresher training. Ms. Morelli said she agreed with the condensed refresher courses and would also discuss this matter with Ms. Brown.

Mr. Tripp asked if Ms. Brown was a certified defensive driver instructor. Mr. Stratton replied yes. Mr. Tripp reminded staff of the possibility of an auto insurance discount if staff contacts their insurance company and provides proof of having taken the defensive driving course.

Mr. Stratton said things are still up in the air with what direction CAP will be taking. A meeting was held last week to discuss acquiring additional groundwater resources if they become available. A white paper is being prepared and staff will keep the Board apprised of any additional information as it becomes available.

Mr. Stratton said the individual committees from the Statewide Water Advisory Group completed their work and a draft statewide drought proposal was presented at the Sept 8, 2006 meeting which prompted a great deal of discussion. There was a recommendation that each specific area within the state establish their own specific needs and each of those areas will be dealt with on a case-by-case basis instead of developing legislation that says one size fits all. Mr. Stratton said we still need to see what legislative report will be presented and how the legislation will respond to the recommendations. ADWR is looking at non-Indian agricultural water providing the needs for agriculture. Mr. Stratton said it will be interesting to see where that agricultural water will indeed come from.

Ms. Morelli briefly provided the Board with information regarding the District's Wellness Program. Ms. Morelli said she previously met with representatives from Blue Cross Blue Shield (BCBS) to develop a Wellness Program for District staff. BCBS representatives will be visiting District staff in the nearby future to help promote the Wellness Program. Ms. Morelli noted that staff is also hoping to purchase new items for the exercise room, located in the warehouse, as part of the Wellness Program. It is anticipated that in the coming months additional programs will be put in place with wellness incentives being provided by local sponsors.

Mr. Stratton said staff met with Architect Terry Armstrong to discuss possible office expansion options. Ms. Armstrong and staff looked at the possibility of converting the existing board meeting room to office spaces; however, it was determined that this option would not be cost effective. Ms. Armstrong recommended adding office spaces on to the south side of the existing office building. Mr. Stratton noted that as soon as preliminary office construction plans are completed they will be submitted to the Board for its considerations.

A tour will be scheduled for early November 2006 with the governing board of the Northwest Pima Community College campus to visit District facilities. Mr. Stratton noted that Metro's Board will be notified when the tour is scheduled so that any members wishing to attend can do so.



Mr. Offret and Mr. Stratton will be traveling to Las Vegas on September 26, 2006 as invited participants in the collaborative Effective Utility Management Focus Group.

Mr. Stratton said the Annual Tri-State AWPCA seminar in Primm, Nevada will be September 28 – 30, 2006. Mr. Doyle and Ms. Scrivener will be attending again this year, along with nine District employees. Mr. Hill will be providing a presentation again this year for seminar attendees.

**VI. Legal Counsel's Report**

Ms. Silvyn, Lewis & Roca, said there is nothing new to report at this time. Mr. Offret noted that Ms. Silvyn was recently elected president of Inside Tucson Business 2006 Up & Comers.

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

The next regular meeting of the Board of Directors is Wednesday, October 11, 2006 at 6:00 p.m. A study session will be held Monday, September 25, 2006 at 7:00 p.m. at Fruchthlender Elementary School.

**IX. General Comments from the Public**

There were no comments from the public.

**X. Adjournment**

The meeting adjourned at 6:54 p.m.

---

Dan M. Offret, Chair of the Board

---

Warren Tenney, Clerk of the Board