

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

**March 11, 2013**

**\*\* 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  
Richard Byrd, Member  
Jim Doyle, Member  
Bryan Foulk, Member

**District Staff:** Christopher W. Hill, Deputy Manager  
Abbe Goncharsky, Legal Counsel  
Michael Land, Chief Financial Officer  
Charlie Maish, District Engineer  
Tullie Noltin, Recorder  
Warren Tenney, Clerk of the Board

**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, Bryan Foulk, Richard Byrd, Jim Doyle, and Dan M. Offret were present.

**II. General Comments from the Public**

There were no comments from the public.

**III. Consent Agenda**

- A. Approval of Minutes – February 11, 2013 Board Meeting.**
- B. Approval of Minutes – February 27, 2013 Board Meeting.**
- C. Ratification of Billing Adjustments.**

**D. Approval of Water Service Agreement – Northwest Medical Center Surgery Addition**

**E. Approval of Water Service Agreement – Orange Grove Self Storage.**

Mr. Offret made a motion to approve the Consent Agenda. Mr. Foulk seconded the motion. Motion passed unanimously.

Ms. Goncharsky arrived at 6:02 pm.

**IV. General Business - Items for Discussion and Possible Action**

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

Mr. Hill said water consumption was up compared with the same period last year, despite February being a cold month. Consumption was also higher than last month, which is a positive thing for revenues. Many projects are winding down but work at Riverside Crossing Well is ramping up.

**B. Financial Report.**

Mr. Land said the District is starting to see positive revenues. Figures through January show revenue is \$202,000 over budget. Metered water sales are \$225,000 ahead on a straight line basis, or \$1,700 above the actual budgeted amount for the first seven months. Budgeted operating expenditures are \$368,000 under budget but the District will see an increase in operating expenditures when well maintenance begins in the spring. The only two categories over budget are Salaries & Benefits and Purchased Power. Budgeted revenue in excess of operating expenditures is \$570,000 ahead of budget. Compared to last year, total revenues are \$114,000 below the same time last year because of water sales. Operating expenditures are \$167,000 greater than January 2012 and \$282,000 behind for July-January. RTA relocations will be overspent by a projected \$418,000 over bond proceeds. The overage is being tracked. The solar panel system continues to be positive in saving electrical costs.

**C. Approval of Resolution 2013-4 – Post Bond Issuance Compliance Policy.**

Mr. Foulk made a motion to approve and adopt Resolution 2013-4 to establish a formal post bond issuance compliance policy for the District as recommended by bond counsel, Gust Rosenfeld. Mr. Offret seconded the motion.

Mr. Offret said the District seems to have been following these guidelines for a number of years. Mr. Land said the District has received information about new IRS tracking requirements and this Resolution is just housekeeping to keep up with rules and regulations.

Motion passed unanimously.

**D. Approval of Water Service Agreement with Riverview Commons LLC for Riverview Commons, Lots 1-101.**

Mr. Foulk made a motion to approve the Water Service Agreement with the Riverview Commons, LLC for the Riverview Commons, Lots 1-101 development. Mr. Byrd seconded the motion.

Mr. Offret raised the question of annexing adjacent lots just outside the District's boundary. Mr. Maish said that would require consent of 51% of the owners. One of those lots has a Tucson Water well on it. Some lots are owned by the Pima County park system. Mr. Offret said he would like staff to explore this. Mr. Foulk and Mr. Byrd also voiced an interest in the other lots. Mr. Tenney said the motion approves the water service agreement with Riverview Commons and staff will follow up on the direction from the Board to look at other properties for annexation.

Motion passed unanimously.

**E. Discussion and Direction for Legislative Issues 2013.**

Mr. Tenney said there was not much new information to report on legislation. HB 2338 Regional Water Augmentation Authorities appears even more stalled than before. Outcry from Yuma centers on concerns about water grabs, which would be difficult to do under Arizona law. Talk at the Capitol indicates Speaker Andy Tobin will likely form an ad hoc committee and look for ways to move forward or bring it back in 2014. Speaker Tobin may be asking Herb Guenther, former head of Arizona Department of Water Resources (ADWR) and prominent Yuma County leader, to serve as Chair. Considering the ongoing discussions about the budget, Medicaid and education reforms, the legislative session is expected to last much longer than 100 days.

**F. Annual Water Level Monitoring Program.**

Mike Block, District Hydrologist, gave a PowerPoint Presentation on the Annual Water Level Monitoring Program.

Metro Water District began an annual groundwater level monitoring program in 1993. After Metro-Main received its 100-Year Designation of Assured Water Supply (DAWS) from the Arizona Department of Water Resources (ADWR) in 1996, ADWR required Metro to measure and report annual groundwater levels from within the service area. Metro also uses the water level change information to determine if its CAP recovery wells with Metro-Main are in compliance with ADWR's decline limit of 4 feet per year averaged over a five year period for each of our four well field areas. Annual water level measurements at Metro-Hub wells were

added to the monitoring program in 1999 when Metro-Hub was purchased. Metro-West was added in 2006 when it became a DAWS. Water levels for Metro Southwest-Diablo Village were added in 2011 and Metro Southwest-E&T was added in 2012. Water Sustainability staff has adopted as an efficiency tool a computerized form for a field laptop that eliminates recording the measurements by hand on paper and later entering the data back at the office into Hydrology's water level database. The monitoring program now includes 57 wells to meet operational and regulatory requirements. Last year Metro-Main wells declined on average under 2 feet.

Water levels have continued to decline in most service areas, with the exception of Metro-Southwest. Well productivity has continued to decline as the water table drops. This information highlights the importance of the District having future access to wet water in preserving its groundwater supply and minimizing its annual pumpage lift costs. Overall, long-term water level trends continue to show the importance of the District working to develop its CAP water utilization program.

#### **G. Water Resources Update.**

Mr. Block gave a PowerPoint Presentation on the Water Resources Update.

Metro-Main's 100-Year Designation of Assured Water Supply (DAWS) requires all pumped groundwater from within the service area be replenished within the Tucson basin. The District accomplishes this State requirement for Metro-Main by recovering CAP water and effluent credits recharged outside of its service area, and directly using remediated water. The District's long-term water resources management goal is to use its CAP water directly within the Metro-Main service area. Metro-Hub and Metro Southwest-E&T are currently solely dependent upon groundwater. Staff has been developing a DAWS application for Metro Southwest-Diablo Village. District water conservation efforts continue to decrease the annual water demand in the four service areas. A meter replacement program was completed in 2012 for Metro Southwest-Diablo Village and underway for Metro-Hub to minimize water losses.

Overall, the District has done well in managing costs for Metro-Main's assured water supply program as well as effectively managing its water resources (groundwater, CAP water, effluent and remediated water). Water conservation efforts at Metro-Main, Metro-Hub and Metro-Diablo Village continue to show improvement and compliance with State conservation requirements. Further improvements may result in these two service areas from the water meter replacement program.

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

Mr. Hill gave the General Manager's report in Mr. Stratton's absence. Mr. Hill encouraged Board members to think about potential candidates for the Finance Oversight Committee (FOC).

Staff is exploring a wheeling agreement with Tucson Water as a backup to provide water to the Lazy B service area. There have been some challenges with equipment and infrastructure. Lazy B serves 28 customers. Pima County is making some changes to its benefits and Mr. Stratton or Billie Sue Morelli, Human Resources Specialist, can answer any questions the Board may have. The AZ Water Annual Conference will be held in May. Several staff will be attending.

The District received some news regarding the Metro Southwest - Diablo Village service area. Smaller systems like Metro Southwest and Metro Hub are under a monitoring assurance program with the State, whereby the State monitors these systems for IOCs. The District has learned the State did not test for compliance as required, although District staff did take elective samples and has those values to refer to. The District is faced with a need to add another dimension to water quality monitoring to monitor those who monitor us. There is a possibility of a date error. Mr. Offret asked if the District will incur any expense because of this. Mr. Hill said this will be included in the annual Consumer Confidence Report (CCR), so no special mailing will be needed. Mr. Foulk asked if the District's values were in compliance and Mr. Hill confirmed.

**VI. Legal Counsel's Report**

Ms. Goncharsky said the County has been served and the expert witness is working with counsel. Legal counsel did proceed as discussed and directed at the last meeting and the contest was filed with Arizona Division of Safety and Health (ADOSH). A notice of appearance was filed in the National Labor Relations Board (NLRB) matter.

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

Mr. Tenney said the next regularly scheduled session of the Board of Directors will be held on Monday, April 8, 2013.

**VIII. General Comments from the Public.**

There were no comments by the public.

**IX. Adjournment.**

The meeting adjourned at 6:39 p.m.

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Judy Scrivener, Chair of the Board

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Warren Tenney, Clerk of the Board