

**Metropolitan Domestic Water Improvement District  
Board of Directors Meeting**

**June 8, 2020**

**Intergovernmental Service Agreement for Interim Remedial Action  
with the Arizona Department of Environmental Quality  
for the South Shannon Treatment System**

**Synopsis**

The Board of Directors is requested to approve the Intergovernmental Service Agreement between the Arizona Department of Environmental Quality (ADEQ) and Metropolitan Domestic Water Improvement District regarding the Interim Remedial Action (IRA) for the South Shannon Treatment System. This agreement provides the District reimbursement on the operation and maintenance expenses for up to five years.

**Background**

In part because of requests from the District, the Arizona Department of Water Resources (ADWR) designated the Shannon Road-Rillito Creek area as a State Superfund Site in 1999. ADEQ has worked with the District to receive reimbursement for operational, maintenance or improvement costs associated with the South Shannon Treatment System. Since 2000, the District has had a reimbursement agreement with ADEQ, which has been amended 29 times. The last amendment was in June of 2016.

**Issues**

For the past five-years, ADEQ and the District have had a straightforward agreement to allow the District to recover monthly costs for the operational and maintenance (O&M) expenses at the South Shannon Treatment System. Rather than having to annually approve a contract amendment with ADEQ, the new agreement will be consistent with the past five-year agreement with a new term until June 30, 2025. The agreement includes fiscal year budgets of allowable operation and maintenance expenses as detailed below:

\$80,451 for FY 2021

\$82,865 for FY 2022

\$85,350 for FY 2023

\$87,911 for FY 2024

\$90,548 for FY 2025

These amounts include granular activated carbon change outs up to an annual budgeted amount of \$21,000 starting in Fiscal Year 2021 then an annual 3% price escalator through the agreement period. The Fiscal Year 2020 budget was \$57,719. O&M expenses will be submitted for payment monthly and will reduce the District's duration on advancement of funds for operation and maintenance costs from quarterly to monthly.

An annual summary report will now be required under Section 15 by ADEQ from the District instead of quarterly reports. The annual summary report is due 30 days after the end of each year.

### **Recommendation**

Staff recommends that the Board of Directors approve the Intergovernmental Services Agreement for Interim Remedial Action at the South Shannon Facility between the Arizona Department of Environmental Quality (ADEQ) and the Metropolitan Domestic Water Improvement District with an expiration date of June 30, 2025. This agreement continues to ensure the District receives reimbursement for the South Shannon Treatment System.

### **Suggested Motion**

I move to approve the Intergovernmental Services Agreement for Interim Remedial Action at the South Shannon Facility with the Arizona Department of Environmental Quality with an expiration date of June 30, 2025.

Respectfully submitted,

Wally Wilson  
Water Resources Manager

I concur with the above-noted recommendation.  
Respectfully submitted,

Joseph Olsen, P.E.  
General Manager