

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

March 10, 2014

**Amendment of Interim Remedial Action Contract between the Arizona Department of
Environmental Quality and the District for the South Shannon Treatment System**

Synopsis

The Board of Directors is requested to approve Amendment No. 26 to increase by \$26,460.46 the current Interim Remedial Action Contract with the Arizona Department of Environmental Quality (ADEQ) on the District's treatment system at the South Shannon Facility. The contract reimburses the District for operation and maintenance expenses. It expires on June 30, 2014.

Background

The Arizona Department of Environmental Quality (ADEQ), acting in part to the District's previous requests, designated the Shannon Road/El Camino del Cerro Road area as a State Superfund Site on April 23, 1999. Since that time, efforts by ADEQ have proceeded to determine the source and extent of the contamination. ADEQ was expected to complete its site investigation by June 30, 2009, but State budget problems have delayed the report. Two known drinking water supply wells bisected by Rillito Creek have been impacted by the Volatile Organic Compounds (VOCs) in the groundwater. One is an inactive City of Tucson well and the other is Metro's South Shannon well.

Prior to the beginning of the superfund investigation, ADEQ informed District staff of our eligibility to seek reimbursement for operational and maintenance or improvement costs associated with the District's granular activated carbon (GAC) treatment system. The Board approved a reimbursement agreement (Interim Remedial Action Contract) with ADEQ, which has been effective since February 4, 2000.

Issues

The Interim Remedial Action Contract allows the District to annually recover costs for the operational and maintenance (O&M) or improvement costs associated with treatment system. These expenses are generally paid quarterly to the District from ADEQ through the State Superfund Program, also called Water Quality Assurance Revolving Fund (WQARF).

ADEQ's FY 2013-14 operations and maintenance (O&M) budget is \$114,250 or \$28,562.50 per quarter. The Water Sustainability Team projects that the \$114,250 budget may be exceeded in the January-March 2014 quarter because of an additional GAC change out (see attached letter). The Utility Team has been steadily expanding the service area for treated South Shannon water to meet

ADEQ's pumping goal of 1,048 acre-feet. More GAC change outs will occur with the increased volume. This amendment is for increasing the contract amount by \$26,460.46 to \$140,710.46

Recommendation

Staff recommends that the Board of Directors approve Amendment No. 26 for increasing the Interim Remedial Action contract amount by \$26,460.46 to \$140,710.46 at the South Shannon Facility between the Arizona Department of Environmental Quality (ADEQ) and the District.

Suggested Motion

I move to approve Amendment No. 26 to increase by \$26,460.46 to \$140,710.46 the Interim Remedial Action Contract at the South Shannon Facility between the Arizona Department of Environmental Quality and the District.

Respectfully Submitted,

Warren Tenney
Assistant General Manager

I concur with this recommendation.

Respectfully submitted,

Joseph Olsen, P.E.
General Manager