

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

July 14, 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. 27 to the Interim Remedial Action Contract with the Arizona Department of Environmental Quality (ADEQ) for the District's treatment system at the South Shannon Facility, which would be reimburse the District up to \$91,500. The contract reimburses the District for operation and maintenance expenses and will expire on June 30, 2015.

Background

Acting in part to the District's requests, the Arizona Department of Environmental Quality (ADEQ), designated the Shannon Road/El Camino del Cerro Road area as a State Superfund Site on April 23, 1999. Since that time, ADEQ has proceeded to determine the source and extent of the contamination. After budgetary-related delays, ADEQ completed its draft site investigation report in March 2014. 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 superfund investigation, ADEQ informed the District it would reimburse 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) with ADEQ, which became effective 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 the South Shannon treatment system. These expenses are paid quarterly to the District from ADEQ through the State Superfund Program, also called Water Quality Assurance Revolving Fund (WQARF). Past operation and maintenance expenses for the new treatment system can be found on Table 1. The worst case operations and maintenance (O&M) expenditures of \$179,500 for Fiscal Year 2015 is based on the treatment system running 24 hours per day during the entire year. However, the budgeted \$179,500 is more than previous years because of the greater number of hours and associated GAC change outs anticipated this fiscal year. This amendment by ADEQ for \$91,500 is

slightly more than half of the projected O&M expenditures (\$179,500) with the understanding that ADEQ will issue another amendment for reimbursements if the District experiences higher than \$91,500 in O&M expenses.

Table 1 – Annual Operation and Maintenance Costs at South Shannon Groundwater Treatment System
 O&M costs include electric, personnel, lab, GAC replacement and miscellaneous costs

Year	S. Shannon Pumpage (ac-ft)	Total O&M Cost	Lbs of VOCs Removed	O&M Cost Lb of VOC	Cost Per 1000 Gal
2013	366.6	\$74,056.42	28.95	\$2,558.08	\$0.62
2012	667.7	\$105,108.05	43.9	\$2,394.26	\$0.48
2011	578.2	\$107,956.57	30.2	\$3,574.72	\$0.57
2010	683.9	\$112,525.41	40	\$2,813.14	\$0.50
2009	642.2	\$116,376.57	40.5	\$2,873.50	\$0.56
2008	687.4	\$90,182.23	54.3	\$1,660.81	\$0.40
2007	598.6	\$110,927.17	38	\$2,919.14	\$0.57
2006	137.3	\$15,138.75	16.8	\$901.12	\$0.34
2005	0	\$1,061.29	0	\$0.00	0
2004	51	\$8,895.61	4.1	\$2,169.66	\$0.54
2003	182.1	\$34,991.93	12.4	\$2,821.93	\$0.59
2002	217.8	\$35,856.28	12.9	\$2,779.56	\$0.51
2001	184.9	\$26,176.21	8.5	\$3,079.55	\$0.43
2000	426	\$28,408.90	18.4	\$1,543.96	\$0.20
TOTALS	5,784	\$793,604.97	320.0	\$2,953.13	\$0.42

Recommendation

Staff recommends that the Board of Directors approve Amendment No. 27 to the Interim Remedial Action contract between the Arizona Department of Environmental Quality and the District by setting the contract amount at \$91,500 for the South Shannon Facility and with an expiration date of June 30, 2015.

Suggested Motion

I move to approve Amendment No. 27 to the Interim Remedial Action contract between the Arizona Department of Environmental Quality and the District by setting the contract amount by \$91,500 for the South Shannon Facility and with an expiration date of June 30, 2015.

Respectfully Submitted,

I concur with this recommendation.

Respectfully submitted,

Warren Tenney
 Assistant General Manager

Joseph Olsen, P.E.
 General Manager