

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

**MONDAY, JANUARY 13, 2020**

**\*\*BOARD CONFERENCE ROOM\*\*  
METROPOLITAN DOMESTIC WATER IMPROVEMENT DISTRICT  
6265 N. LA CAÑADA DRIVE  
TUCSON, ARIZONA 85704**

**MINUTES**

**Board Members Present:** Judy Scrivener, Chair  
Richard Sarti, Vice Chair  
Bryan Foulk, Member  
Dan M. Offret, Member

**Board Members Not Present:** Jim Doyle, Member

**District Staff:** Joseph Olsen, General Manager  
Sheila Bowen, Deputy General Manager / District Engineer  
Diane Bracken, Chief Financial Officer  
Steve Shepard, Utility Superintendent  
Theo Fedele, Clerk of the Board  
Jeffrey L. Sklar, Legal Counsel

**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. Jim Doyle, Bryan Foulk, Dan M. Offret, Richard Sarti, and Judy Scrivener were present.

**II. Election of Chair and Vice Chair for the Board of Directors**

Mr. Offret moved for Judy Scrivener to continue as Chair through 2020. Mr. Foulk seconded the motion. Motion passed unanimously.

Mr. Offret moved for Richard Sarti to serve as Vice Chair through 2020. Mr. Foulk seconded the motion. Motion passed unanimously.

### **III. General Comments from the Public**

There were no comments by the public.

### **IV. Consent Agenda**

- A. Approval of Minutes – December 9, 2019 Board Meeting**
- B. Ratification of Billing Adjustments**
- C. Ratification of Accounts Removed from Active Accounts Receivable**

Mr. Foulk moved to approve the consent agenda. Mr. Offret seconded the motion. Motion passed unanimously.

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

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

Mr. Olsen stated that the fiscal year-to-date combined consumption compared to last fiscal year-to-date is 6% higher, a slight reduction from last month where the fiscal year-to-date was 7.2% higher.

One of the District's specific performance objectives for 2020 is to continue to coordinate with the Arizona Department of Environmental Quality (ADEQ) in an effort to obtain support and funding for advanced oxidation treatment at the South Shannon Treatment Facility to address 1,4-Dioxane. As discussed with the Board previously, the existing Granular Activated Carbon (GAC) treatment, while effective at removing the regulated contaminants in the plume such as PCE, does not remove 1,4-Dioxane. 1,4-Dioxane is not regulated by the U.S. Environmental Protection Agency (EPA) but does have a health advisory level. Out of the abundance of caution, the District treats health advisory levels as a regulated contaminant and has been addressing the 1,4-Dioxane at the South Shannon site by blending this treated water in the Deconcini storage tank with water from the Deconcini and Wildwood wells. Unfortunately, 1,4-Dioxane has been detected in the Deconcini well, which could pose a future challenge for achieving a blend below the health advisory levels.

If the District is unable to blend water from South Shannon in the future below health advisory levels for 1,4-Dioxane, we would then be unable to operate South Shannon. ADEQ understands the importance of operating South Shannon to contain and treat the contaminate plume as well as the District's requirements to blend. As such, last week, ADEQ's consultant visited the South

Shannon facility and took various measurements and information to enable the creation of a cost estimate for the design, construction, and operation of advanced oxidation treatment at South Shannon. Once the estimates are complete, ADEQ can determine budgeting priorities.

Mr. Shepard stated that the District has a few obsolete facilities that have not been used in a while and the plan is to start abandoning these facilities on a permanent basis. This year two of the existing storage tanks requiring abandonment, Rasmussen and Ina La Canada, were addressed. A contractor completed the demolition utilizing a claw machine that was able to cut through the 3/8" steel like it was an aluminum can. The tank was cut into pieces, which were placed in a roll off container and hauled away. A video and photos were shown to demonstrate the process. The contractors finished the demolition at each site in about a day. This method provided a cost savings over the cut and torch method, which allowed two tanks to be completed this year. Other facilities will be addressed in future fiscal year budgets. At the wash crossing behind the San Nicholas well site, there was an abandoned 4-inch AC line. Over the years, the wash eroded and caused the line to surface. Staff removed the main to the edge of the banks and capped the main to eliminate the potential hazard. At the Marlene well, a brush and bail was performed to clean up the scale and other build-up. A few holes were exposed in the casing from normal wear and from the brush and bail itself as the metal is already thin. Photos were shown to demonstrate the holes. Nine corrugated swage patches made of steel were inserted in the well and a tool is inserted to expand the swage to cover the holes. The well is 70 years old and is definitely past its useful life. Utilizing the swage patch will allow the well to continue at full production capacity another 5-10 years. Staff installed the soft start upgrade at Diablo Village #2 and the well should be back in service next week. Staff repaired a 2" main at Calle Keno.

Ms. Bowen stated that all the new mainline is in place for the Old Nogales Highway mainline replacement. Contractors are working this week on pressure testing and some of the pretesting in advance of the actual confirmation testing. The next step is the service and lateral tie overs. Construction is expected to be complete mid-February, which is about a month ahead of schedule. On the partner portion of the NWRDRS project, the consultant responses to the requests for qualifications to the transmission main and forebay final design are due this Friday. After the partners have reviewed and made their recommendation, this item will be brought to the Board for consideration. Arizona Department of Water Resources (ADWR) is working on the permit for the recovery well. The approval of the notice of intent from the Department of Agriculture has been received. Staff is working with state land on the evaluation of trees that will be disturbed or removed. Staff is developing a site plan to clear the recovery well sites and put up new fencing for the airport properties, as part of the agreement with the Town of Marana and working on developing the specification for bidding for the well drilling contractor, which will start next fiscal year. On the Metro-only portion of the NWRDRS project, the design of the transmission main is

continuing and the revised scope of services for the Metro-only program support consultant has been finalized. A good portion of that work, will be moved into an allowance portion on an as needed basis during construction period, which could result in savings since a portion of the transmission main is also where the partner facilities will be located.

Mr. Sklar provided an update on the condemnation matter. Last week was the trial setting conference with the court where the judge set the trial date for August 18, 2020 and the trial should last a week. This trial date is later than anticipated because one business day before the trial setting conference the property owner filed a motion to delay the case by a year stating that a certain level of construction plans had not been prepared or disclosed yet and the property owner was of the view that absent the level of detail in the plans, the case should not go forward. We are opposing that motion and that motion has been set for hearing on March 2, 2020. If that motion is denied, the trial in August will go forward and if that motion is granted, the delay will probably be longer.

## **B. Financial Report**

Ms. Bracken stated that revenue and expenditures for November are both favorable when compared to a straight-line projection with the total revenue \$1,245,530 over budget and expenditures \$325,020 under budget. Revenue in excess of expenditures is favorable by \$1,570,550. When comparing the total revenue to the prior fiscal year, revenue in November is 10.38% or \$1,014,578 higher than it was in November 2018. The November Metered Water Revenue is 7.56% or \$593,284 higher than the prior fiscal year. The total operating expenditures for November are \$518,099 higher than they were in November 2018. When comparing revenue in excess of operating expenditures, the current year is favorable by \$496,479. The December cash deposit balance is \$14,283,488.17 with \$2 million of Water Resource Utilization Fee CD's maturing and only \$250,000 reinvested based upon the Northwest Recharge, Recovery & Delivery System (NWRRDS) planned project spend rate. The investment balance as of the end of December was \$10,475,754.36, which is \$2,254,224.31 lower than the November balance with \$2,264,960.50 moved to the operating account for the January 1<sup>st</sup> debt service payments.

The Arizona State Treasurer Pooled Collateral Program Statement for November provided collateralization coverage of \$4,243,165.81 in addition to the \$250,000 FDIC coverage.

The Capital One Bank MasterCards were used to purchase \$45,571.07 on the December statement with up to 1.25% cash back earnings. The cash back amount received from transactions processed in the prior month totaled \$391.45 or 0.81% with an inception-to-date cash back total of \$7,185.78.

Thirteen new meter applications were received in December compared to 56 new meter applications received in December 2018. Twelve new meter applications were for the Metro Main

and Hub service areas and one application was for the Metro Southwest service areas. As of the end of December, 180 new meter applications have been received with 172 applications received at the same point in the prior fiscal year.

**C. Northwest Recharge, Recovery, and Delivery System Authorizing the Conditional Release of Easement to the Town of Marana**

Mr. Olsen stated that on January 8, 2018, the Board approved the purchase of property rights from the Town of Marana to enable the District to access future NWRDWS well sites and collector lines. These rights also included a 45-foot access easement between the existing Airport Road, to the west of the Marana Airport, and the newly acquired District property.

For nearly two decades, the District has worked closely with BKW farms as a groundwater savings facility partner, coordinating the operation and maintenance of the District Avra Valley Recharge Project (AVRP), and accessing AVRP via BKW maintained roads. As part of this ongoing partnership, District staff inquired with the Marana regarding the steps to authorize BKW to access the newly acquired District property via the 45-foot easement.

To facilitate this, Marana recommends converting a portion of the Airport Road to public right-of-way. In order to accomplish this, the District would need to conditionally release its easement effective upon the underlying land being converted to right-of-way.

While property acquisitions requires Board authorization, acquiring and releasing easements normally does not. Given the importance and visibility of NWRDWS, Mr. Olsen decided to bring this matter to the Board for their situational awareness.

Mr. Sarti moved to authorize staff to conditionally release the 45-foot access easement effective upon the underlying land being converted to public right-of-way by the Town of Marana. Mr. Foulk seconded the motion. Motion passed unanimously.

**D. Approval for the Southwest Telemetry Project**

Mr. Olsen stated that the District has five production facilities throughout the Metro Southwest service area that includes Diablo Village #1 and #2, E&T22, E&T23, and the Lazy B well sites. While District staff relies on telemetry to monitor the operation of the water production facilities and reservoir levels in Metro Main and Hub, the Diablo Village #2 well site is the only production facility in Metro Southwest that has any sort of active telemetry. This means that if there is an interruption in the operation of the other wellsites, the first notification received is from customers calling about low water pressure or no water. This results in a longer outage duration and impact to customers as opposed to responding when telemetry notifies staff of a problem.

While Diablo #2 does have some telemetry capability, the platform used is a legacy product that is approaching end of life. As such, it is recommended that the Southwest production facilities all utilize the newer platform to provide consistency and longevity. This initiative is the #13 priority on the District's Fiscal Year 2020 Capital Improvement Program (CIP) and \$60,000 has been budgeted for this effort.

Mr. Foulk moved to approve the Southwest Telemetry Project as outlined by staff for a project total not to exceed amount of \$60,000.00. Mr. Offret seconded the motion. Motion passed unanimously.

#### **E. Approval for Pressure Reducing Valve and Related Material Purchase**

Mr. Olsen stated that the #11 CIP priority in the current fiscal year is the installation of a combination air/vacuum release valve (ARV) on the 24-inch Camino Del Fierro pipeline. This transmission main conveys water to and from the Herb Johnson reservoir. The reservoir's operation is important to maintaining system pressure throughout a large portion of Metro Main.

The ARV was prioritized in the CIP due a potential pipeline collapse should a main break cause a vacuum situation in the line. In planning this work, the emergency operation plan was discussed in the event the pipeline was compromised or damaged during the ARV installation. After considering multiple strategies, we realized that working through a simulated break on this transmission line could serve as an excellent table top scenario and further develop staff's capability to address an unexpected emergency.

As the District's Utility Superintendent, Mr. Shepard has over 30 years of District related infrastructure knowledge, staff would rely heavily on his sound judgement throughout the table top scenario. For the exercise, Mr. Shepard was said to be on vacation and unreachable. District staff including the Assistant Utility Superintendent, Utility Supervisors, Leads, and other key utility staff were assembled and provided with all the system infrastructure maps and current well production/SCADA (Supervisory Control and Data Acquisition) information before Mr. Shepard left on simulated vacation. While staff deliberated on the emergency response, Mr. Olsen provided various injects to drive the effort forward, including the requirement that he was briefed on the plan to prepare for an upcoming press conference due to the size of the system outage.

At the end of the tabletop, Utility staff briefed a number of potential possible remedies to return customers to service including the installation of a Pressure Reducing Valve (PRV) to utilize the storage in the Tripp Reservoir. Engineering staff then hydraulically modeled the proposed solution and the model validated the proposed solution.

While most tabletops are accomplished solely for training, we would like to proceed with the implementation of the PRV to have the mitigating infrastructure solution in place prior to the installation of the ARV on the 24-inch transmission main. Staff would install the infrastructure and the Board is requested to authorize the purchase of the required materials. As this resiliency initiative was not budgeted, funds to accomplish effort will come from various line items in the approved budget that had lower than anticipated expenditures.

Mr. Shepard stated that that this scenario was great for staff to be able to arrive at different ideas and to expand their knowledge.

Mr. Foulk moved to approve the purchase of the PRV and related materials from Core & Main for \$22,191.89 and to authorize additional funding for the fencing and other unforeseen requirements as needed for a project total not to exceed \$25,500. Mr. Sarti seconded the motion. Motion passed unanimously.

#### **F. Update on the District's Succession Planning Activities**

Mr. Olsen and Billie Sue Morelli, Human Resources Manager, as part of the ongoing series of presentations highlighting the amazing dedication and contributions of staff to the District's mission, provided an update on the District's succession planning activities.

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

Mr. Olsen stated that currently there are three staff vacancies: Utility Technician I, Construction Inspector, and Civil Engineer. The Utility Technician I position has been advertised, interviews are scheduled for this week for the Construction Inspector, and staff are continuing to explore opportunities to fill the Civil Engineer position. The three vacancies equal about a 5-6% vacancy rate and Board will be updated throughout the year on the staff vacancies.

In preparation for the reconsultation of the 2007 interim guidelines expiring at the end of 2026, the Director of Water Resources, Tom Buschatzke, and the General Manager of Central Arizona Project (CAP), Ted Cooke, have been meeting with all of the Drought Contingency Plan steering committee members. They will meet with Wally Wilson, District's Water Resources Manager, and I on January 24, 2020 for input on the intrastate preparations to the reconsultation including principles of understating and any support we can provide. This way there is a clear trajectory from all the municipal, agricultural, tribal, and environmental sectors in preparation for the reconsultation discussions.

**VII. Legal Counsel's Report**

Mr. Sklar said he had nothing to report.

**VIII. Clerk of the Board Updates; Future Meetings**

The next regularly scheduled Board meeting will be held on February 10, 2020 at 6:00 p.m.

**IX. General Comments from the Public**

There were no comments from the public.

**X. Adjournment**

The meeting adjourned at 6:59 p.m.

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Judy Scrivener, Chair of the Board

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Theo Fedele, Clerk of the Board