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

MONDAY, MAY 11, 2026

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

MINUTES

Board Members Present: Scott Schladweiler, Chair
Richard Sarti, Vice Chair
Jim Doyle, Member
Bryan Foulk, Member
Lee Jacobs, Member

District Staff: Joseph Olsen, General Manager
Sheila Bowen, District Engineer
Alex Sanders, Utility Superintendent
Bill Wengert, Chief Financial Officer
Theo Fedele, Clerk of the Board
Mark Patton, Legal Counsel (Participated Electronically)

Regular Session

I. Call to Order and Roll Call

Mr. Schladweiler, 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, Lee Jacobs, Richard Sarti, and Scott Schladweiler were present.

II. General Comments from the Public

There were no comments from the public.

III. Adoption of Fiscal Year 2027 Budget

Mr. Jacobs moved to adopt the Metropolitan Domestic Water Improvement District budget for Fiscal Year 2027 with disbursements not to exceed $43,355,462. Mr. Sarti seconded the motion. Motion passed by a voice vote of 5-0.

IV. Consent Agenda

A. Approval of Minutes – April 13, 2026 Board Meeting
B. Ratification of Billing Adjustments
C. Approval of Amendment No. 2 to the Well Maintenance 2024 Contract with Smyth Industries, Inc.
D. Ratification of Bill of Sale La Vida Solstice, Lots 1-46 (M-21-011A and M 21 011B)
E. Ratification of Bill of Sale Automotive Fueling Bays and C-Store (M-23-005)
F. Ratification of Bill of Sale 48 Bed Addition to Acadia – Sonoran Behavioral Health (M-24-014)

Mr. Foulk moved to approve the consent agenda. Mr. Jacobs seconded the motion. Motion passed by a voice vote of 5-0.

V. General Business – Items for Discussion and Possible Action

A. Monthly Status of the District

Mr. Olsen stated that the fiscal year-to-date consumption compared to last fiscal year-to-date is 0.9% lower in Metro Main, 2.1% higher in Metro Hub, and 0.1% higher in Metro Southwest. As of the end of March, 2,000 acre-feet (AF), out of the District's Central Arizona Project (CAP) order of 8,460 AF, has been delivered and stored. The remaining portion of the 2026 CAP order is anticipated to be stored by the end of the calendar year.

Mr. Sanders provided an update on noteworthy maintenance projects.

Ms. Bowen provided an update on the Northwest Recharge, Recovery, and Delivery System (NWRRDS) and the Metro-only portion, the Ironwood well, and the galvanized pipe replacements.

B. Financial Report

Mr. Wengert provided an update on the District's financial report.

C. Approval for Staff to Purchase Materials for the District's SCADA System Upgrade

Mr. Olsen stated that based on one of the Board approved Specific Performance Objectives, staff will be upgrading the District's SCADA/telemetry system in a phased approach over the next 5 years to ensure reliable operation of the District's water infrastructure. The FY27 budget includes $200,000 for the first portion of the 40 locations that will have the SCADA system upgraded and

it is anticipated that the next four years will include $200,000 annually to complete the planned upgrades. As the upgrades will be accomplished by in-house staff, only the materials will need to be purchased. Based on our SCADA platform, the materials for the upgrade are sole source and only available from one authorized distributor in Arizona. As such, it is recommended that the Board authorize a not-to-exceed amount of $200,000 annually for the purchase of SCADA upgrade materials from FY27 to FY31.

Mr. Jacobs moved to authorize staff to purchase the materials for the SCADA System upgrade in Fiscal Years 2027 through 2031 following the District's Procurement policy with a not-to-exceed amount of $200,000 per year or the lower amount approved in the adopted budget for that fiscal year. Mr. Sarti seconded the motion. Motion passed by a voice vote of 5-0.

D. Authorizing Pavement Work for Galvanized Pipe Replacement

Mr. Olsen stated that as recommended by the results of a pipe loop testing, the District is replacing galvanized mains and service lines in advance of NWRRDS commissioning. The majority of the galvanized replacement locations are being accomplished by staff and a couple of the larger galvanized replacements are being accomplished by contractor support. In-house staff are replacing the pipelines along six streets, which are currently under a Pima County moratorium for pavement cuts. This moratorium results in the need to repave the entire street as opposed to just repairing the portion of the pavement that was cut to replace the galvanized pipeline. To minimize the cost of pavement and to benefit from economies of scale, staff will solicit quotes from contractors for the total pavement replacement for all six projects. It is recommended that the Board authorize a not-to-exceed amount of $600,000 for the pavement replacement for the six galvanized pipe replacement projects.

Discussion ensued and staff answered questions.

Mr. Sarti moved to authorize the General Manager to negotiate and execute contracts for pavement replacement for six galvanized pipe replacement projects in a cumulative amount not to exceed $600,000.00. Mr. Foulk seconded the motion. Motion passed by a voice vote of 5-0.

E. Award of Job Order Contract to Innova Engineering, LLC, for Westward Look Terrace Galvanized Pipe Replacement

Mr. Olsen stated that as discussed in the prior item, while staff is accomplishing the majority of the galvanized pipe replacement projects, there are a couple areas where contractor support makes more sense due to either the length of the replacement and the available space to operate heavy equipment. One such project is the Westward Look Terrace Galvanized Pipe Replacement where

330 linear feet of 2-inch galvanized needs to be replaced. This location is not under a pavement moratorium. The District requested a bid from Innova Engineering, LLC, through their Job Order Contract for Main Replacement with the City of Tucson. Innova recently completed the Rose Marie Galvanized Pipe Replacement project. Innova's bid to accomplish this work is $98,321 and it is recommended that the Board award this work to Innova.

Mr. Jacobs moved to award the Westward Look Terrace Galvanized Pipe Replacement to Innova Engineering, LLC, under the Job Order Contract for Main Replacement with the City of Tucson in the amount of $98,321 and to authorize the General Manager to allocate additional funding in a cumulative amount not to exceed $20,000. Mr. Sarti seconded the motion. Motion passed by a voice vote of 5-0.

F. Authorizing Demand Allocation Transfers Metro Southwest – Diablo Village Service Area

Mr. Olsen stated that the Diablo Village Service area has a Designation of Assured Water Supply (DAWS) of just over 4,000 AF annually at full build-out. The capacity in the DAWS is allocated between various developments, some of which may have excess capacity based on the specific development plans. In such instances, a developer may formally request that some of the development's excess capacity is transferred to another development so long as the total allocated capacity does not exceed the DAWS for Diablo Village. To streamline this process, it is recommended that the Board authorize the General Manager to approve formal requests to transfer excess demand allocations to other developments within the Diablo Village Service area.

Discussion ensued and staff answered questions.

Mr. Foulk moved that the Board of Directors authorize the General Manager to approve formal requests to transfer excess demand allocations to other developments within the overall Metro Southwest – Diablo Village service area, provided all transfers do not exceed the overall Designation of Assured Water Supply (DAWS). Mr. Jacobs seconded the motion. Motion passed by a voice vote of 5-0.

G. Authorization of Release of Easement for Uptown Phase 1 (M-24-005) & Phase 2 (M-24-007)

Mr. Olsen stated that the Uptown Phases 1 and 2, in the area of the former Foothills Mall, received approval of a Water Service Agreement at the August 2024 Board meeting. The redevelopment of the site necessitated the relocation of various waterlines. At the July 2025 Board meeting, the Board authorized the easement release areas where the waterlines were removed and relocated.

The item before the Board is for the remaining easement releases now that all the water facilities have been relocated, removed, or otherwise no longer exist within the relevant easements.

Discussion ensued and staff answered questions.

Mr. Sarti moved that the Board of Directors authorize the release of the remaining portions of water easements, contingent upon prior recordation of all new easements required for Uptown Phase 1 & Phase 2. Mr. Jacobs seconded the motion. Motion passed by a voice vote of 5-0.

H. Approval of Bids for Granular Activated Carbon (GAC) Replacement

Mr. Olsen stated that the District uses Granular Activated Carbon (GAC) at the South Shannon treatment facility to remove volatile organic compounds from the groundwater as part of an Arizona Department of Environmental Quality (ADEQ) funded cleanup initiative. The GAC used at South Shannon has been burnt coconut shell and a bid was also requested for bituminous coal as this GAC will be used at the Riverside and DeConcini treatment sites since this form of GAC has been found to be more efficient at removing PFAS. The District requested bids for GAC and four vendors submitted their bids by the deadline. It is requested that the Board approve the bids with the District using the lowest bid first unless availability or other factors necessitate the use of the next lowest bidder.

Mr. Jacobs moved to approve all pricing submitted for the Granular Activated Carbon and direct staff to use the lowest responsible bidder first. If the lowest bidder is unable to meet District requirements, then staff is authorized to use the next lowest bidder. Mr. Foulk seconded the motion. Motion passed by a voice vote of 5-0.

I. Approval and Award for Water Treatment Media Regeneration Annual Quotes for the District's Arsenic Treatment Media

Mr. Olsen stated that the District uses iron oxide adsorption media to remove arsenic at four production sites. The media can be regenerated by chemically stripping the adsorbed arsenic ions as opposed to purchasing new media each time a change out is required. Purolite is the only known vendor to possess the required Gold Seal certification to accomplish this media regeneration process. Purolite was also the only respondent to submit a bid request. As such, recommend the District approve the arsenic media regeneration quote with Purolite

Mr. Sarti moved to approve the annual quote for Water Treatment Media Regeneration and award Purolite the regeneration of the District's Arsenic Treatment Media. Mr. Foulk seconded the motion. Motion passed by a voice vote of 5-0.

J. Approval of Quotes for Auxiliary Power Preventative Maintenance Service and On-Call Service Repairs

Mr. Olsen stated that the District utilizes several natural gas backup generators to enable continuity of operations in key areas during a power outage. These generators require specialized proactive maintenance to ensure functionality when needed. Approval of these quotes will enable preventative maintenance to ensure operation of these key assets and expeditious response in the case of equipment failures.

Discussion ensued and staff answered questions.

Mr. Foulk moved to approve the bids and pricing submitted for the Auxiliary Power Preventative Maintenance Service and On-Call Service Repairs for use in Fiscal Year 2027 from Empire Power Systems. Mr. Jacobs seconded the motion. Motion passed by a voice vote of 5-0.

K. Call November 3, 2026 Election for Board of Directors

Mr. Olsen stated that the terms of Board members Jim Doyle, Richard Sarti, and Scott Schladweiler expire at the end of this year and a call to election is required to fill the three seats. For cost efficiency, the Board election is done in conjunction with the General Election. The FY27 adopted budget has allocated $26,000 for the election. It is recommended the Board approve Resolution 2026-5 to call the election on November 3, 2026, to fill the three Board member seats.

Please note that the recommended motion in the Board book had a scrivener's error and should read November 3, 2026.

Mr. Jacobs moved to approve Resolution 2026-5 to call an election for November 3, 2026 for the purpose of electing members of the Board of Directors to fill three seats for a four-year term beginning January 1, 2027. Mr. Foulk seconded the motion. Motion passed by a voice vote of 5-0.

VI. General Manager's Report

Mr. Olsen stated that all Bills are in a holding pattern until the budget negotiations between the legislature and the Governor's office are complete and a budget is approved. Staff are still tracking legislation that the District filed a stance on but no action anticipated on any of those Bills for now.

The Lower Division States: Arizona, California, and Nevada, recently released a modified Lower Basin proposal for the Colorado River Operating Guidelines that expires at the end of this year. The proposal is intended to provide an interim solution for only a couple years in order to enable further negotiation and potential mediation among the seven basin states. The proposal includes additional reduction in water use by the Lower Basin States equaling a total of at least 3.2 million AF savings for Lake Mead by the end of 2028. Key elements include a request that the federal government commit the remainder of the Colorado River drought funding to offset impacts to Lower Division users via compensated system conservation and other actions, creation of a tribal pool of water to meet federal responsibilities to tribal communities, and the use of reservoirs upstream of Lake Mead for their foundational purpose to meet water delivery obligations to the Lower Division. The congressional authorization for the upstream reservoirs stated the water stored was for the purpose of releasing water to meet the minimum obligations to the Lower Division under the Colorado River Compact. While this plan is not a long-term solution, it will hopefully provide slight breathing room for longer-term negotiations and solutions to take please.

Mr. Olsen serves on the Arizona Reconsultation Committee, and there is a meeting on Wednesday where the Committee will further discuss the various elements of the Lower Division proposal.

Wally Wilson, the District's Water Resources Manager for the last ten years, has announced his retirement. While are in the process of hiring a new Water Resources Manager, the District is fortunate that Mr. Wilson has agreed to support the District part-time to advise on strategic water resource initiatives, support the new Water Resources Manager getting up to speed on the District-specific programs, and provide continuity on the numerous water committees and Councils that he serves on.

Discussion ensued and staff answered questions.

VII. Legal Counsel's Report

Mr. Patton stated he had nothing to report.

VIII. Clerk of the Board Updates; Future Meetings

The next regularly scheduled Board meeting will be held on June 8, 2026.

IX. General Comments from the Public

There were no comments from the public.

X. Adjournment

The meeting adjourned at 6:56 p.m.

_____
Scott Schladweiler, Chair of the Board

_____
Theo Fedele, Clerk of the Board