BOARD OF DIRECTORS
METROPOLITAN DO MESTIC WATER IMPROVEMENT DISTRICT
PIMA COUNTY, ARIZONA

MONDAY, JULY 13, 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 (Participated Electronically)
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. Consent Agenda

A. Approval of Minutes – June 8, 2026 Board Meeting
B. Ratification of Customer Billing Adjustments
C. Ratification of Uncollectible Customer Accounts Removed from Accounts Receivable

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

IV. General Business – Items for Discussion and Possible Action

A. Monthly Status of the District

Mr. Olsen stated that the Fiscal Year 2026 consumption compared to Fiscal Year 2025 was 0.5% lower in Metro Main, 1.7% higher in Metro Hub, and 0.1% higher in Metro Southwest. This shows that when the whole fiscal year is used for comparison, the trend in demand generally aligns closely with the prior year as opposed to when just one or two months of data is used for comparison. As of the end of May, 3,250 acre-feet (AF), out of the District's Central Arizona Project (CAP) order of 8,460 AF, has been delivered and stored and the April storage report has not yet been provided by CAP. The remaining portion of the 2026 CAP order is anticipated to be stored by the end of the calendar year.

The draft Record of Decision was published for the remediation of the El Camino Del Cerro contaminant plume, which is the plume impacting the South Shannon well site. The Record of Decision shows that Shannon will be the sole pump and treat solution to mitigate the plume. An increase in 1,4-dioxane detections has been seen in down gradient wells, specifically the DeConcini well, which is approximately a quarter mile down gradient. This water quality information has been sent to the Arizona Department of Environmental Quality (ADEQ) asking that the Record of Decision be modified to include the potential for another pump and treat system should the concentration of 1,4-dioxane and other relevant constituents continue to increase. ADEQ has stated that they will include a periodic site review, which will assess the efficacy of the treatment on plume remediation. Additionally, this periodic review may trigger the need for additional well remediation efforts. This is an appropriate balancing act with regards to remediation the plume while also protecting District residents from needing to fund future Water Quality Assurance Revolving Fund (WQARF) related treatment efforts.

With Wally Wilson's retirement, Mr. Olsen introduced the District's new Water Resources Manager, Pete Christensen.

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.

Discussion ensued and staff answered questions.

B. Financial Report

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

C. Agreement Extension with United States Bureau of Reclamation for the Lower Colorado River Basin System Conservation and Efficiency Program

Mr. Olsen stated that at last month's Board meeting, the District's Compensated System Conservation (CSC) Agreement with the Bureau of Reclamation, which has been in place for four years, was discussed. Previously, Reclamation had offered $400 per AF for entities to voluntarily not take a portion of their Colorado River allocation and to leave that water in Lake Mead. The District has been participating in Reclamation's CSC and a prior CSC agreement directly with Central Arizona Water Conservation District (CAWCD) since 2020. For the past four years, the District has participated with an amount of 5,000 AF a year, or about 40% of the District's CAP allocation, and been compensated $2 million annually for leaving the water in Lake Mead to support the Lake elevations.

In 2027, it is anticipated that CAP M&I subcontract holders will experience between a 14% and 20% mandatory reduction in their Colorado River allocation. For the District, that ranges from a 1,900 AF to a 2,700 AF. Additionally, due to limited remaining funds set aside for Colorado River Programs in the Inflation Reduction Act, Reclamation has asked that Basin States and water entities have shared sacrifice on the reductions. This is why Reclamation has reduced the compensated amount from $400 to $325 per AF.

Arizona has been at the forefront of the Basin states in proactively supporting the overall health of the Colorado River System via agreements such as CSC, other innovative partnerships, and in most cases, learning to thrive with less available water. As the District was the first official CSC agreement in 2020, it is recommended that the District continue this demonstrated water leadership by again participating in CSC in calendar years 2027 and 2028 at a rate of $325 per AF. Instead of offering up 5,000 AF for CSC, the contract was modified to offer up to 3,000AF annually due to the range of shortages that the District, along with other CAP M&I subcontractors, are anticipated to experience.

Mr. Foulk moved to authorize the General Manager to enter into a System Conservation Implementation Agreement Amendment with the Bureau of Reclamation and the Central Arizona Water Conservation District to forbear up to 3,000 acre-feet of the District's Central Arizona Project allocation for calendar years 2027 and 2028 as contribution to the Lower Colorado River

Basin System Conservation and Efficiency Program. Mr. Sarti seconded the motion. Motion passed by a roll call vote of 5-0.

D. Award of Job Order Contract to Innova Engineering, LLC, for Galvanized Pipe Replacement at Seven Locations

Mr. Olsen stated that with the commencement of NWRRDS water deliveries to Metro Main anticipated by the middle of next calendar year, it was decided to remove all the known galvanized water mains within the service area to proactively address and mitigate potential aesthetic changes in water quality. Initially the plan was for in-house staff to accomplish approximately six of the galvanized main replacements with the remaining portions accomplished by a contractor due to the scope and scale of the other projects. After staff completed the first of the planned galvanized main replacements, it was determined that the pavement replacement, due to a Pima County pavement moratorium, would be significantly more expensive than anticipated. To seek cost savings via economies of scale, the Board approved, at the June 2026, meeting up to $600,000 for a contractor to accomplish the paving at all the anticipated galvanized replacement projects.

Following the Board meeting, staff requested a quote for the pavement as well as a quote for all the remaining galvanized main replacements from Innova Engineering, LLC as they were awarded two other galvanized main replacements, are familiar with the work, and are on the City of Tucson Job Order Contract that the District can utilize via cooperative purchasing agreements.

Innova responded with a bid of $875,067.90, which includes accomplishing the galvanized main replacements at the remaining seven known areas in Metro Main and also includes the required paving. Note that the $600,000 the Board authorized previously was only for paving and having the main replacements accomplished at seven locations for $275,000 makes financial sense. In-house staff can then be shifted to other critical system repairs and maintenance. In other words, the $600,000 the Board previously authorized will not be expended and it is requested that the Board authorize this work with Innova.

The Fiscal Years 2026 and 2027 budgets included a total of $1.33 million to accomplish all the galvanized main replacements. When factoring in the cost of this contract and the prior accomplished work, the District is anticipated having a net savings of $107,000 compared to the budgeted amount due to the economies of scale with having one contractor accomplish the seven remaining galvanized main replacements.

Discussion ensued and staff answered questions.

Mr. Jacobs moved to award the Galvanized Pipe Replacement in the Metro Main system to Innova Engineering, LLC, under the Job Order Contract for Main Replacement with the City of Tucson in the amount of $875,067.90 and to authorize the General Manager to allocate additional funding in a cumulative amount not to exceed $50,000. Mr. Foulk seconded the motion. Motion passed by a roll call vote of 5-0.

V. General Manager's Report

Mr. Olsen provided a final update to the various Legislative Bills that the District supported or opposed and an update on the status of the 2026 Specific Performance Objectives.

VI. Legal Counsel's Report

Mr. Patton stated he had nothing to report.

VII. Clerk of the Board Updates; Future Meetings

The next regularly scheduled Board meeting will be held on August 10, 2026.

VIII. General Comments from the Public

There were no comments from the public.

IX. Adjournment

The meeting adjourned at 6:51 p.m.

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Scott Schladweiler, Chair of the Board

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Theo Fedele, Clerk of the Board