

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

**August 8, 2005**

**\*\* Board Room \*\***

**Metropolitan Domestic Water Improvement District  
6265 N. La Cañada Drive  
Tucson, AZ 85704**

**MINUTES**

Board Members Present:     Suzanne Downing, Chair  
                                  James Tripp, Vice Chair  
                                  Jim Doyle, Member  
                                  Dan M. Offret, Member  
                                  Judy Scrivener, Member

District Staff:             Mark Stratton, General Manager  
                                  Keri Silvyn, Legal Counsel  
                                  Warren Tenney, Clerk of the Board  
                                  Alice Stults, Recorder

**Regular Session**

**I.     Call to Order and Roll Call**

Suzanne Downing, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:01 p.m. Suzanne Downing, James Tripp, Dan M. Offret, and Judy Scrivener were present. Jim Doyle was not present at roll call but arrived at 6:06 p.m.

**II.    General Comments from the Public**

There were no comments from the public.

**III.   Consent Agenda**

- A.     Approval of Minutes – July 11, 2005 Board Meeting.**
- B.     Ratification of Billing Adjustments.**
- C.     Ratification of Bill of Sale – Cortaro Crossing, Lots 1-119.**
- D.     Ratification of Bill of Sale – Foothills Community Church Waterline Extension.**
- E.     Ratification of Bill of Sale – Hardydale II, Lots 1-32.**
- F.     Ratification of Professional Services Agreement with Malcolm Pirnie.**

Mr. Tripp made a motion to approve the consent agenda. Mr. Offret seconded the motion. Motion passed unanimously.

**IV. General Business – Items for Discussion and Possible Action**

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

Mark Stratton, General Manager, noted that the monthly water production amounts for the Metro Main service area were not included in the Board report. Steve Shepard, Utility Superintendent explained to the Board that the monthly water production amount for Metro Main from June 28, 2005 to July 25, 2005 was 311,155,261 gallons of water. During the same month in 2004 the production amount was 277,010,792 gallons. The increase in production was primarily due to the above average temperatures during June and July 2005. Mr. Stratton said that with the recent heavy rains production should begin to decrease somewhat.

Mr. Stratton said that most of the current CIP projects have wound down, and staff is awaiting new monies from the Water Infrastructure Finance Authority (WIFA) to begin new projects.

Mr. Stratton explained that the District suffered some electrical problems at two of its well sites due to the heavy wind and rain storms on Saturday, August 6, 2005. The backup generators at those sites kicked on providing the necessary electricity to keep the wells pumping. Also, a tree fell down across the street from the Marlene well site. Utility crews cut up the tree for removal earlier today.

Mr. Offret asked that the amount of remaining bottled water cases be included in the bottled water update provided in the monthly Board report.

**B. Financial Report.**

Mike Land, Chief Financial Officer, said auditors began the District's financial audit today. The District no longer has to make its financial records available to Pima County. This will enable the audit to be completed in a shorter period of time.

Jim Doyle arrived at 6:06 p.m.

Mr. Land said it is anticipated that the District will receive an additional \$13,000 from the settlement of the bankruptcy of one of the District investments through the State Treasurer.

Mr. Land explained that District revenues at fiscal 2004-2005 year end were approximately \$200,000 lower than anticipated. Revenues did exceed expenditures during 2004-2005.

Ms. Downing noted that the graph on District statements is no longer filled in, making it more difficult to read. Mr. Land replied that filling in the graph required a great deal of printer ink, and noted there may also be a problem with the computer software program's ability to fill in the bars

on the graph. Mr. Land said staff would see if the graph could be shaded in to make it more visible while still saving money by using less ink.

**C. Approval of Janitorial Services Contract.**

Mr. Tripp made a motion to approve a janitorial agreement with Sanitors for a monthly fee of \$1,162.00. Mr. Offret seconded the motion for discussion.

Mr. Offret said he wanted to make sure proper documentation was available since the fourth lowest bidder was recommended by staff. Mr. Stratton explained that staff is not satisfied with the service provided by the current janitorial service, and the two other lowest bidders did not have references available. Sanitors did have acceptable references available and were competitive in price.

Mr. Land noted that the motion did not have the correct monthly fee amount.

Mr. Tripp amended the motion to approve a janitorial agreement with Sanitors for a monthly fee of \$1,192.00. Mr. Offret seconded the amended motion. Motion passed unanimously.

**D. Status of Bond Issuance and Capital Improvement Program and Discussion of Scheduling of a Public Rate Hearing for Bond Debt.**

Mr. Stratton said staff discussed the bond election and the \$28 million approved by the voters. At the time of the bond election, it was determined that the District would need to have rate increases to generate revenue to meet the District's future debt service. The Board discussed dates for the public rate hearing, and the timing of implementation for the rate or revenue increases to meet the debt service of the bond.

Mr. Offret said he favors the winter months, but noted that the public rate hearing should occur as soon as possible so that staff can begin working on contracts and projects included in the bond. Mr. Stratton said that a rate hearing could occur in October 2005, with an implementation date of November 1, 2005 for rate increases. Mr. Offret asked if the District could begin projects and construction prior to that date. Mr. Stratton replied that staff could begin working on projects as soon as funding becomes available from WIFA. He added that the money should be available the end of September 2005.

After a brief discussion, the Board agreed to hold a rate hearing in October 2005. Mr. Stratton said that staff would provide the Board with available options for its consideration regarding the rate increases.

**E. Approval of Membership in Water Conservation Alliance of Southern Arizona.**

Mr. Tripp made a motion to approve the member agreement for continued membership with the Water Conservation Alliance of Southern Arizona with the contribution of \$19,454 for fiscal year 2005-2006. Mr. Offret seconded the motion. Motion passed unanimously.

Val Little, Manager, Water Conservation Alliance of Southern Arizona (Water CASA), said that the organization came up with reference materials regarding customers concerns that will be useful for customer service and field personnel that are in direct contact with customers. The resource pamphlets provide useful information and will enable all staff to provide the same kinds of information to customers.

Ms. Little also provided the Board and staff with information on Water CASA's Evaluation/Cost Benefit Research Project. This research project is a comparative cost-benefit analysis of conservation programs throughout the West with actual water savings data. Ms. Little noted that the research will be completed this winter and the Board will be provided with the information when it becomes available.

Ms. Little noted that HB2323, which was initiated by Water CASA, passed. However, the tax incentives for graywater and water harvesting under this bill are not scheduled to begin until January 1, 2007, and the tax incentives will only be available for corporate home builders. It is hoped that this can be amended to include all builders.

**F. Renewal of Interim Remedial Action Contract with the Arizona Department of Environmental Quality for the New South Shannon Treatment System.**

Mr. Tripp made a motion to approve the renewal of the Interim Remedial Action Contract at the South Shannon Facility between the Arizona Department of Environmental Quality and the Metropolitan Domestic Water Improvement District. Mr. Doyle seconded the motion. Motion passed unanimously.

**G. Approval of Change Order No. 2 to the Construction Contract for the South Shannon Wellhead GAC Treatment System.**

Mr. Stratton explained that the District did not receive the contract amendment for increasing the dollar amount prior to this Board meeting and recommended continuing this item until the next meeting of the Board.

Mr. Tripp made a motion to table this item until the next meeting of the Board. Mr. Offret seconded the motion. Motion passed unanimously.

**H. Approval of Annual Fencing Quotes for the Utility Division Fiscal Year 2005-2006.**

Mr. Tripp made a motion to approve the annual quotes for fencing from the bids received from A&M Fencing, Inc. Mr. Offret seconded the motion.

Ms. Downing asked what items the fencing contract would cover. Steve Shepard, Utility Superintendent, explained that it is primarily for fencing around the well sites. The existing fencing

needs periodic repairs, and when fencing is taken down for repairs on the well sites it must be repaired or replaced with detachable fencing. Mr. Shepard said that any new fencing will be placed so that it can be easily removed and then put back into place.

Motion passed unanimously.

**I. Approval of Pump & Motor Repair Annual Quotes for the Utility Division for Fiscal Year 2005-2006.**

Mr. Tripp made a motion to approve the annual quotes for Pump & Motor Repair and from the corresponding low bids per items as presented by staff, and direct staff to use another appropriate bidder for a particular service or material if performance or quality of a service of the low bidder does not meet the District's needs. Mr. Offret seconded the motion. Motion passed unanimously.

**J. Approval of Miscellaneous Water Resources Consulting Services Contract.**

Mr. Tripp made a motion to approve the award of the professional services contract for Miscellaneous Water Resources Consulting Services to Hargis + Associates, Inc., on a time and materials basis for a not-to-exceed amount of \$45,000. The contract expiration date shall be June 30, 2006. The contract may be extended at the end of June 30, 2006 for up to two additional years with Board of Director's approval. Mr. Offret seconded the motion. Motion passed unanimously.

**K. Resolution 2005-03 – Report on Science & Technology Grant for Slow Sand Treatment and Approval of Project Manager.**

Mr. Tripp made a motion to approve Resolution 2005-03 designating Christopher W. Hill, District Deputy Manager, to serve as Project Manager for the feasibility study of slow sand filtration, membrane treatment, and halophytes irrigation utilization for concentrate management potential for direct delivery of CAP water as part of the science and technology project and as required by CAP. Mr. Offret seconded the motion.

Mr. Offret asked how this current study differed from a previous similar study that was conducted. Chris Hill, Deputy Manager, explained that this study is to determine if concentrate produced from membrane treatment facilities can be utilized for beneficial purposes through the utilization of halophyte irrigation. He said the current study will go on for a number of years. Mr. Hill provided a brief description of the halophytes which are salt tolerant plants that can uptake water that is high in total dissolved solids and salt concentrations.

Motion passed unanimously.

Ms. Scrivener asked when data from the study might become available. Mr. Hill said that once the study has begun information will begin to be compiled and will be made available to the Board.

**L. Agreement of Lease of Well Sites and Type 1 Right.**

Mr. Tripp made a motion to approve the lease agreement between Cortessa, LLC and the District. Mr. Offret seconded the motion. Motion passed unanimously.

**M. Report on Alternative Fuel Vehicles.**

Mr. Hill said staff has been looking at alternative fuel vehicles as a potential means to save fuel and money. He noted that it is still uncertain at this time if after the cost to purchase hybrid vehicles or to retrofit existing District vehicles with alternative fuel burning equipment how much of a savings would be recognized. Mr. Hill said further research is needed.

Mr. Tripp asked if any of the District vehicles are capable of using ethanol 85. He noted that there is a service station that supplies ethanol 85 close enough to the District to make it within feasible driving distance. Mr. Hill said this has not been researched yet, but staff will look into it.

Mr. Land explained that the District does receive its gasoline at a reduced cost.

Ms. Downing asked if staff has looked at changing routes or other methods to minimize the amount of driving. Mr. Hill explained that this is somewhat difficult given the nature of District work, however, some staff do currently car pool. He noted that staff will also examine this idea further.

**N. Update of New Well Installations: Hub No. 7 and Tucson National West Replacement Wells.**

Mike Block, District Hydrologist, provided the Board with updated information regarding water sampling and results at the Tucson National West Replacement Well. The driller has begun reaming the bore hole; however, the District is currently waiting for materials prior to construction of the well. Mr. Block said that arsenic was not detected from any of the zonal samples that were taken. He added that flow rates and water quality appeared to be favorable.

Mr. Block said that at Hub Well No. 7, well development work continues. Staff was hoping that this well would pump as much as Hub Well No. 3 so that the water could be blended, but it appears that Hub Well No. 7 will not have the same production capability. Brown and Caldwell believe that as much as possible has been done at this point to develop Hub Well No. 7. Mr. Block said an acid treatment injection may be able to increase production somewhat. He added that at the September 2005 Board meeting the Board will be advised about this method, the scope of work it entails, and the cost.

Ms. Downing asked that the Board be kept updated regularly as to the status of Hub Well No. 7 as opposed to waiting for the September meeting.

Mr. Offret asked if the blending could still be a possibility even if Hub Well No. 7 pumps at a lesser rate than Hub Well No. 3. Mr. Hill explained that it could work, and noted that staff is still considering this option.

**V. General Manager's Report**

Mr. Stratton said the contractor for the Tucson National/Westward Look Mainline Replacement Project will submit a new bond. It is anticipated that the surety company will provide the District with the information later this week.

Mr. Stratton explained that a workshop for employees is scheduled for later this month with training focusing on stress management.

Mr. Stratton said the Tucson Area Storage and Reliability Infrastructure (TASRI) group will meet with members of the Central Arizona Project (CAP) Board to provide them with an update. Mr. Stratton said it is anticipated that Tucson Water will, along with other Northwest area water providers, provide information on its specific needs related to terminal storage. He explained that the Northwest area water providers have remained consistent to define their needs for a treatment process and terminal storage.

Mr. Stratton mentioned that the Board room continues to be heavily utilized by public non-profit organizations. Soccer organizations are the heaviest user of the District facilities. The room is booked fairly solidly for August and September. The organizations have expressed their gratitude for use of the facilities, which they have indicated are quite nice.

Mr. Offret asked if the District currently had a plan for deferred maintenance on its office and utility buildings. Mr. Stratton said staff is currently looking at repainting, and new carpeting is needed in some areas. The roof has been repaired due to leaks from heavy rains. Mr. Offret asked that this item be added to a future study session to discuss deferred maintenance on the buildings.

Mr. Stratton noted that Ms. Scrivener and Mr. Doyle are planning to attend the annual Tri-State Seminar in Primm, Nevada. Several District staff will also be attending this three day seminar that provides information on a wide variety of water related subjects at a minimal cost to the District. Mr. Hill and Gary Burchard, District Hydrologist II, will be providing presentations at this seminar.

Mr. Stratton said Mary Schuh, District customer, contacted the District regarding the growing nationwide methamphetamine problem. Ms. Schuh was wondering if information could be provided to District customers via their monthly statements. Mr. Stratton offered the use of the Board room to hold meetings with the Sheriff's Office and neighborhood groups.

**VI. Legal Counsel's Report**

Keri Silvyn, Lewis & Roca, explained that she and Warren Tenney are working on issues regarding open meeting laws. The Attorney General's Office recently acted on an incident regarding a string

of emails that were passed between members of a school board. Metro's Board will be provided information on some of the open meeting laws, and the opinion of the Attorney General's Office.

**VII. Future Meeting Dates; Future Agenda Items**

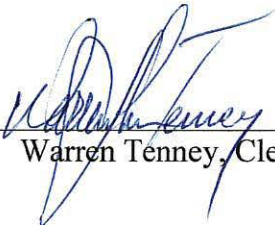
The next regular meeting of the Board is September 12, 2005 at 6:00 p.m.

**VIII. General Comments from the Public**

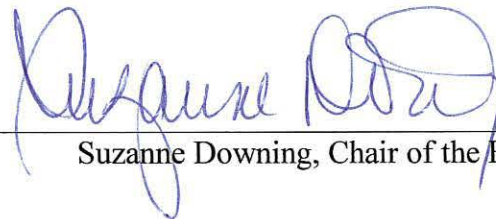
There were no comments from the public.

**IX. Adjournment**

The meeting adjourned at 7:08 p.m.



Warren Tenney, Clerk of the Board



Suzanne Downing, Chair of the Board