

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

March 14, 2011

**** Board Room ****

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

MINUTES

Board Members Present: Bryan Foulk, Chair
Dan M. Offret, Vice-Chair
Jim Doyle, Member
Helen Ireland, Member
Judy Scrivener, Member

District Staff: Mark R. Stratton, General Manager
Christopher W. Hill, Deputy General Manager
Charlie Maish, District Engineer
Warren Tenney, Clerk of the Board
Tullie Noltin, Recorder
Keri Silvyn, Legal Counsel

Regular Session

I. Call to Order and Roll Call

Bryan Foulk, 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, Helen Ireland, Dan M. Offret, and Judy Scrivener were present.

II. General Comments from the Public

There were no comments from the public.

III. Consent Agenda

- A. Approval of Minutes – February 14, 2011 Board Meeting.**
- B. Ratification of Billing Adjustments.**

- C. Approval of Water Service Agreement – Capilla Del Sol Christian Church.**
- D. Approval of Water Service Agreement – Mountain Vista Fire Station #2.**

Mr. Offret made a motion to approve the Consent Agenda. Ms. Scrivener seconded the motion. Motion passed unanimously.

IV. General Business - Items for Discussion and Possible Action.

A. Monthly Status of the District.

Mr. Stratton reported that for the first time in four years, revenues are on the rise. Tucson Water is not seeing an increase and it is not clear whether the District is experiencing an anomaly or the beginning of a trend. Mr. Foulk wondered if leaks from the deep freeze could have contributed to the increased usage.

Mr. Stratton said there had been a GAC change-out at the South Shannon facility this past month. The waterline relocations associated with the Pima County/RTA roadway improvement projects are ongoing. As designs are completed they are submitted to the County. Innova is working diligently on Magee along La Cholla but a recent email from the County indicated their contractor is concerned we will not be out of the way in time. Mr. Stratton expressed his frustration to Priscilla Cornelio, Director of Pima County Department of Transportation, at their monthly meeting.

B. Financial Report.

Mr. Land said revenues are currently \$758,826 above budget and expenditures are \$171,782 under budget, making the District \$930,608 ahead of budget year to date. Compared to last year's revenues the District is \$934,617 ahead. Expenditures are \$692,991 ahead of last year, due in part to water purchases at Metro-Southwest and CAP water purchased. Daily cash on hand is strong at \$2.1 million. New meter connections are still down, with only 25 through the first eight months of the fiscal year.

Mr. Foulk asked about the results of the 2010 Census and whether vacant homes are affecting the District. Mr. Land said the number of vacant accounts is creeping up with about 400-500 connections using no water.

Mr. Offret asked if Metro-Southwest customers are now fully integrated. Mr. Land said the only challenge has been the new Metro-Southwest customers have no office nearby to pay direct. Many of those customers do not have checking accounts and some do not have internet access, so paying the bill is somewhat of a burden to them. There are a higher percentage of people

making it to the shutoff list in that cycle. The previous office was also a far drive for them but in addition to mailing their payments, they now have the options to pay their water bills online or set up recurring automatic payments.

C. Presentation of Updated Website.

Mr. Stratton said the District had completed updating its website. LP&G was the firm that assisted but their representative could not be present at the meeting. Tullie Noltin, Executive Assistant, showed several pages at www.metrowater.com and demonstrated the new design of the site. The Board had a few questions and made positive comments.

D. Presentation of GIS System.

Tim Dinkel, Development Supervisor, demonstrated the GIS System and answered questions about how it is used by Staff. The Board had a few questions and positive comments.

E. Discussion and Direction for 2011 Legislation.

Mr. Tenney said the report distributed to the Board was still current. The two bills to emphasize are SB1171 and SB1566. Senate Bill 1171 relates to the acquisition of a wastewater utility. The bill passed the Senate and is moving in the House. It has enough momentum to pass and there is no effort to try to compromise or slow it. Senate Bill 1566 relates to emergency exempt wells. Several organizations are expressing concern, such as the Realtors' Association and the Cattleman's Association. The bill passed the Senate but groups are trying to kill it in the House. The District has expressed opposition to SB1566. As a member of SAWUA, the District is part of an effort to add language and modify requirements to ensure the wells would only be used for emergency purposes. The bill was amended successfully through SAWUA efforts but does not change the opposing stance that has been taken.

Mr. Stratton talked about pending legislation in the Prescott area regarding water harvesting in residential neighborhoods. The bill is based on the concept of capturing rainwater in neighborhood recharge basins for the purpose of developing credits and reaching safe yield. ADWR is concerned about the unintended consequences. Mr. Tenney noted the Tucson area loses a large percentage of its runoff to Pinal County. Mr. Block said only about 2% of rainwater recharges in the same area.

F. Approval and Award of the Arc Flash Study of Well Sites.

Mr. Offret made a motion to approve the selection of Sabino Electric, Inc. Tucson, Arizona, to do the Arc Flash Hazard Evaluations of District Facilities Project for fiscal year 2010/2011 and

to formulate a professional services agreement with an amount not-to-exceed \$20,000. Ms. Scrivener seconded the motion.

Mr. Offret asked about personal protective equipment (PPE). Mr. Land said the costs associated with PPE were included in the budget under the safety program. Employees who need PPE have access to it. Mr. Offret added he was pleased to see eleven companies show interest and eight companies submit proposals for this project.

Motion passed unanimously.

G. Update of Water Level Monitoring Program.

Mr. Block said the District has been tracking annual water levels for 18 years, since January 1994. The data was originally tracked to see how water levels were changing so the District could plan ahead. When Metro-Main earned its Assured Supply Designation, annual levels needed to be reported to ADWR to show there was sufficient water. Over time the tracking was expanded to 55 wells, some using automated water level recorders. The data is now being entered into a laptop computer in the field and downloaded to save time on double-entry. The Metro-Main area saw varying declines over the last year. The Catalina well field experienced more pumpage in 2010 than in 2009 and there is a direct relationship between pumpage and water level change. The Las Palmas well had been in a state of decline up until 2006 but seems to be bouncing back. The Metro-Hub area is very dynamic; this year there was an average rise of 12.5 feet, whereas there had been a 15 ft decline last year. Long term averages give a better idea. The Metro-West area has two wells on the rise. This was the first year measuring Metro-Southwest and depths are very deep. There is no historic data but it is generally declining.

Overall, the Metro-Main area sees an average of about 2 ft per year, evidence of a need for renewable supplies in the region. Mr. Offret asked if an adjustment in the pump level would help productivity as the table drops. Mr. Block said there is only so much the aquifer will yield as saturated thickness declines. The goal is to be sustainable and efficient. He used the example at Oracle Jaynes, where levels are rapidly declining and productivity is dramatically decreasing. Pumping more is possible but not very efficient because it uses a lot of energy. Ms. Ireland asked about the cost of the automated transducers. Mr. Block said the transducer, data logger and cable cost about \$3500. Generally the equipment lasts about 10 years.

V. General Manager's Report

Mr. Stratton said staff is in the midst of budget preparations and the first official draft will be presented to the Finance Oversight Committee (FOC) next week. The Board will receive a copy

of the draft budget for review at the study session the following week, along with FOC comments. This draft deals only with operating costs.

Mr. Stratton talked about the delivery of reclaimed water to Tucson National. The delivery had been postponed due to planned roadway construction and Pima County agreed to fund up to \$400,000 of the cost of that line. The reclaimed water will be used for the linear park and ball fields at the YMCA. Staff is currently designing the line and working with Tucson Water to draft an intergovernmental agreement. Mr. Maish is having ongoing discussions with Pima County.

Mr. Stratton said the cost study for the proposed wheeling agreement with Tucson Water is nearly complete. The agreement would allow the District and Oro Valley to receive CAP water through the Tucson Water system via their Avra Valley recharge project. A report is being prepared to present to the Board.

Mr. Stratton said he would be traveling to Washington, DC for the American Water Works Association (AWWA) legislative fly-in. He has been participating in this opportunity to meet with the Congressional Delegates for several years and feels it is beneficial not only to AWWA but also for the District. This year he will be sharing duties with Brian Biesemeyer, Deputy Utility Director of the City of Peoria, and combining efforts with the Water Environment Federation (WEF). They will discuss water and wastewater issues and infrastructure financing. There are concepts being developed such as the possibility of a federal water bank to help finance infrastructure costs.

Mr. Stratton talked about the issues surrounding the Matter Well relocation. There were conversations with ADWR over the past month about the benefits of drilling a new well instead of relocating the old one. If the well is moved to the corner of Magee and La Cholla, conditions are favorable for Pima County but not the neighborhood association, who wanted that area to stay a park. Discussions are ongoing with area property owners, realtors, and Pima County. Mr. Offret asked who is responsible for the production of the new well and Mr. Stratton said the District will be. Ms. Ireland asked why the District cannot purchase in an area closer to the District office. Mr. Stratton said there are too many exempt wells in the area.

Mr. Stratton said the Water Resources Research Center (WRRC) is holding a salinity conference in Yuma at the end of April. Early registration ends March 17th, so if any Board Members are interested in attending please see Ms. Noltin.

VI. Legal Counsel's Report

Ms. Silvyn said she had nothing to report.

VII. Future Meeting Dates; Future Agenda Items.

Mr. Tenney said a study session will be held on March 28, 2011 at 5:30 p.m. The Matter Well issue may be added as a special agenda item. The next regular scheduled session of the Board of Directors will be held on April 11, 2011.

VIII. General Comments From the Public.

There were no comments by the public.

IX. Adjournment.

Mr. Foulk made a motion to adjourn. The meeting adjourned at 7:11 p.m.

Bryan Foulk, Chair of the Board

Warren Tenney, Clerk of the Board