

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

**February 11, 2013**

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

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

**MINUTES**

**Board Members Present:** Judy Scrivener, Chair  
Richard Byrd, Member  
Jim Doyle, Member  
Bryan Foulk, Member

**Board Members Not Present:** Dan M. Offret, Vice-Chair

**District Staff:** Mark R. Stratton, General Manager  
Michael Land, Chief Financial Officer  
Charlie Maish, District Engineer  
Tullie Noltin, Recorder  
Warren Tenney, Clerk of the Board

**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. Judy Scrivener, Bryan Foulk, Richard Byrd, and Jim Doyle were present. Dan M. Offret was not present.

**II. General Comments from the Public**

There were no comments from the public...

**III. Consent Agenda**

- A. Approval of Minutes – January 14, 2013 Board Meeting.**
- B. Ratification of Billing Adjustments.**
- C. Ratification of Water Service Agreement – Orange Grove Casitas.**

**D. Ratification of Change Order #5 for the Metro Southwest Hybrid Automated Meter Reading System with National Meter and Automation, Inc.**

Mr. Doyle made a motion to approve the Consent Agenda. Mr. Foulk seconded the motion. Motion passed unanimously.

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

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

Mr. Stratton said January's water consumption was lower than any other previous January since the District started collecting data in 1993. Mr. Foulk said it might have to do with reductions of outside watering in the winter. Most plants are dead from recent freezing conditions and people are probably waiting for Spring to replant and resume watering. Mr. Stratton said the reduced usage has a direct reflection on revenues, which Mr. Land will cover in the financial report.

**B. Financial Report.**

Mr. Land said revenues and expenditures compared to budget have made some headway. Metered sales are \$390,000 ahead of budget on a straight line basis but \$80,000 under what was budgeted for the six month period. Expenditures are \$680,000 under budget. Revenue in excess of operating expenditures is \$11,000 behind last year's figure for the first six months. Meter applications total 8 for this month due to development in the Metro Southwest service area. The increase will hopefully continue to spur revenues. The solar array activity tends to dwindle this time of year but the complex is still saving in electricity costs.

**C. Discussion and Direction for Legislative Issues 2013.**

Mr. Tenney shared information on water related state legislation he is tracking. There have been a few changes in status since the report was written. Mr. Foulk said he agreed with the positions proposed by staff. The District will support HB 2338, HB 2175, HB 2386 and oppose HB 2805 and HCR 2005. Mr. Tenney said he would follow up accordingly.

**D. Vacancy on the Finance Oversight Committee (FOC).**

Mr. Stratton said Mr. Wiegandt had expressed it was becoming more difficult to attend FOC meetings. He regretted having to resign because he really enjoyed the time he spent on the Committee. In the past, the Board has used a variety of methods to fill vacancies, including appointing people, advertising in the District newsletter, and following up on personal recommendations or customer recommendations. It is up to the Board whether to replace the seat or not. Mr. Foulk said he did not know of any recommendations at this time. Mr. Byrd asked

how vote ties would be handled if the number of seats remained an even number. Mr. Stratton said there would not be a way to handle that situation, so having an odd number would be better. At one time, the FOC had as many as nine members but seven seems to be a good size. Staff recommends replacing the position. If an announcement is included in the March newsletter and responses are collected in April, a newly appointed member would miss part of budget cycle this year. Mr. Foulk suggested staff ask the current FOC members if they have any recommendations. Mr. Tenney said he would follow up on that. Mr. Stratton said staff can also review prior inquiries to see if there may be interested customers to recommend to the Board in March. Ms. Scrivener asked if Mr. Offret might have suggestions. Mr. Stratton said he had talked with him briefly but he had nobody in mind. His previous recommendation, Clare Strom, resigned a few months ago because she moved. Mrs. Strom was a good addition to the FOC. Mr. Foulk suggested the announcement should run in the newsletter in the meantime.

**E. Selection of Consultant for CAP Utilization Program.**

Mr. Foulk noticed there were many firms had submitted proposals but both recommended firms appear to be in Phoenix. Mr. Stratton said HDR has an office in Tucson. Carollo does not have a Tucson office but they did some previous work on the CAP Utilization Study, so they are familiar with what the program was like. The District has worked with both firms before on other projects.

Mr. Foulk made a motion to approve the selection of HDR to perform the Professional Engineering Services for the District's CAP Utilization Program. If contract negotiations are unsuccessful, then District staff should proceed with contract negotiations with Carollo Engineering. A final contract and fee schedule will be presented to the Board for approval. Mr. Byrd seconded the motion.

Mr. Doyle asked what kind of work HDR had done for the District in the past. Mr. Stratton said they had worked on the design perspective of the preliminary study of recovery from the site a few years ago. They also worked on the waterline relocation and transmission design for La Cañada South and the design of Jim Tripp Reservoir.

Motion passed unanimously.

**F. Update of Well Abandonment and Capping Policy.**

Ms. Scrivener said she likes this policy. Mr. Stratton said Mike Block, District Hydrologist, prepared this update and has overseen this area since inception. Mr. Block highlighted some of the changes, most of which are minor updates to contacts. The goal is to put the updated policy on the District website, so it can be more accessible.

Mr. Foulk made a motion to approve the update of the District's policy entitled, "Capping and Well Abandonment Manual for Developers and Well Owners." Mr. Byrd seconded the motion. Motion passed unanimously.

**G. Water Use Compliance Status with Arizona Department of Water Resources.**

Mr. Block went over the report. All service areas were found to be in compliance with ADWR requirements. There are two compliance methods, determined by whether the service area has an assured water supply. Census data revealed a decline in population in both Metro Main and Metro Hub, while Metro Southwest had a population increase. The Metro Southwest area had a low population number for 2009, likely due to the under reporting of meter connections by the former provider to ADWR. Mr. Tenney pointed out that while it is recognized Metro Main may have been undercounted in the 2010 Census, it is hard to explain that large of a difference. Staff recognizes there has been a change in population but the reasons are not fully understood. On a positive note, serving a population under the 50,000 mark means the District can obtain WIFA loans without voter authorization. Several Board members and staff mentioned their children have grown up and left home during this time frame, reducing the number of people in their households.

**V. General Manager's Report**

Mr. Stratton said the most up to date information on the Navajo generating Station (NGS) could be found in Mr. Tenney's recent CAP meeting notes.

Vehicle fleet replacements are being finalized and the District has completed a purchase order for five vehicles this fiscal year.

The financial transactions were successfully closed since the last Board meeting. The refinancing and restructuring was completed, as well as closing on the \$400,000 WIFA loan. Bond Counsel, Fred Rosenfeld of Gust Rosenfeld was very thorough.

The University of Arizona Water Resources Research Center (WRRC) annual conference is coming up. The period for reduced fees is over but it is only about \$100 to attend, if any Board members would like to. Mr. Stratton will be heading to Las Vegas to attend the Multi-State Salinity Coalition (MSSC) conference soon. Next month, he will be off during the Board meeting but Christopher Hill should be back by then.

There was a meeting held last Thursday, attended by a number of local representatives regarding energy rate issues, the impacts of EPA regulations on coal fired plants, and the NGS. Mr. Offret did attend that meeting as a representative of the District and reported it was well attended by

over 60 people. While there was little discussion specifically about water providers, discussions about the overall concerns regarding EPA impacts to customers and potential legislative responses were interesting. Arizona can expect to see legislation regarding this. There is a substantial concern about the impacts on the NGS and Arizona residents, in the way of increased utility rates, including increased costs to deliver water.

Mr. Stratton congratulated Mr. Tenney on his advancement to Vice President of the CAP Board.

**VI. Legal Counsel's Report**

Mr. Stratton said he would find out why legal counsel was not present. The District has hired an expert witness on the case with Pima County.

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

Mr. Tenney said the next regularly scheduled session of the Board of Directors will be held on Monday, March 11, 2013.

**VIII. General Comments from the Public.**

There were no comments by the public.

**IX. Adjournment.**

The meeting adjourned at 6:39 p.m.

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Judy Scrivener, Chair of the Board

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Warren Tenney, Clerk of the Board