

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

June 14, 2010

**** Board Room ****

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

MINUTES

Board Members Present: Jim Doyle, Chair
James Tripp, Vice Chair
Bryan Foulk, Member
Reb Guillot, Member
Dan M. Offret, Member

District Staff: Christopher W. Hill, Deputy General Manager
Michael McNulty, Legal Counsel
Warren Tenney, Clerk of the Board
Tullie Noltin, Recorder

Regular Session

I. Call to Order and Roll Call

Jim Doyle, 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. Jim Doyle, James Tripp, Reb Guillot, Bryan Foulk and Dan M. Offret were present.

II. General Comments from the Public

There were no comments from the public.

III. Adoption of the Fiscal Year 2010-2011 Operating Budget.

Mr. Tripp made a motion to adopt the Metro Water District Budget for the 2010-2011 fiscal year as presented with the total disbursements not to exceed the budgeted amount of \$16,720,796. Mr. Offret seconded the motion.

Mr. Offret said he appreciates Mr. Land's use of conservative estimates for the budget. Mr. Foulk also thanked him for listing the financial data on Metro Southwest separately. Mr. Guillot surmised the Board of Directors is pleased with Mr. Land's work.

Motion passed unanimously.

IV. Consent Agenda.

- A. Approval of Minutes – May 10, 2010 Board Meeting.**
- B. Ratification of Billing Adjustments.**
- C. Ratification of Bill of Sale – Mountain Vista Fire Station.**
- D. Approval of Amended Contract for Collection of Sewer User Fees.**
- E. Renewal of Miscellaneous Water Resources Consulting Services Contract.**
- F. Approval of Amendment No. 1 to the Miscellaneous Survey Services Contract with Stantec Consulting Services, Inc.**
- G. Approval of Amendment No. 2 to the Miscellaneous Water Distribution Design Contract with Engineering and Environmental Consultants, Inc.**
- H. Approval of Amendment No. 1 to the Miscellaneous Geotechnical & Material Testing Services Contract with Western Technologies, Inc.**
- I. Amendment No. 4 to Metro-Hub Water Supply Exploration Services Contract.**
- J. Approval of Amendment No. 2 for the Analytical Laboratory Services Contract for Inorganic Chemical Analyses.**
- K. Approval of Amendment No. 1 for the Analytical Laboratory Services Contract for Radiochemical Analyses.**
- L. Approval of Amendment No. 2 for the Analytical Laboratory Services Contract for Unregulated Contaminant Monitoring Rule 2 Contaminants.**
- M. Approval of Amendment No. 2 for the Analytical Laboratory Services Contract for Volatile Organic Chemicals, Total Trihalomethanes and Haloacetic Acid Chemical Analyses.**
- N. Approval of Amendment No. 1 for the Analytical Laboratory Services Contract for Synthetic Organic Chemicals Analyses.**

Mr. Tripp made a motion to approve the Consent Agenda. Mr. Foulk seconded the motion.

Mr. Offret pointed out a typo on the Approval of Amendment No. 2 for the Analytical Laboratory Services Contract for Volatile Organic Chemicals, Total Trihalomethanes and Haloacetic Acid Chemical Analyses. The contract should show this is Amendment No. 2, rather than No. 1. Mr. Tenney said he would make the correction.

Mr. Tripp thanked staff for putting all of the contract amendments together on the Consent Agenda so that one vote could take place.

Mr. Guillot asked how much of the previously approved amount of the contract with Clear Creek Associates has been spent. Mike Block said there is \$226,989 remaining in the budget. The amount spent so far on due diligence and pre-exploration work is roughly \$70,000. Exploration drilling and testing is budgeted at \$150,000 and Mr. Block expects there will be sufficient funds. That portion of the work is scheduled to begin on June 24, 2010.

The motion passed unanimously.

V. General Business: Items for Discussion and Possible Action.

A. Monthly Status of the District.

Mr. Hill said although revenues were about the same, the District pumped slightly less water in May 2010 than was pumped in May 2009. Operations have remained steady despite the many projects occurring. The La Cañada and Northern Hills Phase II projects are near completion. The project on Windemere Street will be starting soon. Staff has been very busy. The District is working to get the Diablo Village No. 2 well up and running as an alternate redundant source to the No. 1 well, where arsenic levels have been an issue. There is no historical information indicating any water quality issues at well No. 2; however, when piping is installed it will be done in such a way that it can accept a treatment system if needed in the future.

B. Financial Report.

Mr. Land said District revenues are on target in a straight line projection over the last ten months, through April. Water sales are budgeted on a monthly basis to account for changes in weather and are currently \$426,000 over budget even without the two largest revenue months of the year included. Operating expenditures are \$55,000 under budget on a straight line basis and overall on target. Compared to last year the District is \$1.8 million ahead, mostly in the revenue stream. The first year collection of the RTA fee accounts for \$680,000 of that figure. In an unexpected shift, there were no new meter applications in the Metro Southwest area but there were a few at Metro Main. The budget projected 30 new meter applications and with Metro Southwest on board, the District should achieve almost double that.

C. Approval of Land Use Application at Avra Valley Recharge Project with the Central Arizona Water Conservation District.

Mr. Tripp made a motion to approve Resolution 2010-2 to authorize the General Manager to be the signatory on the land use application and other associated legal documents with the Central

Arizona Water Conservation District (CAWCD) for access, sampling, design and construction of improvements at the Avra Valley Recharge Project. Mr. Offret seconded the motion.

Mr. Offret said he would like some assurance that \$80,000 in capital funds will be enough to complete the improvements. Mike Block, District Hydrologist, said there is actually \$100,000 in the budget: \$80,000 for construction and acquisition of materials and \$20,000 in consulting services for the assessment and design. Mr. Block said there may be additional funds available in the Central Arizona Project (CAP) operating and maintenance budget if needed.

Motion passed unanimously.

D. Approval of Miscellaneous Annual Services and Materials Quotes for the Utility Division Fiscal Year 2010-2011.

Mr. Tripp made a motion to approve the annual quotes for barricade rental, chlorine, aggregate, asphalt patching, fencing, pump and motor repair and analytical services for coliform from the corresponding low bids per items as presented by staff, and to further 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. Foulk seconded the motion. Motion passed unanimously.

E. Status of Northeast Reservoir Booster Station.

Mr. Hill said he has been pleased with the outcome on the operational side of getting the Northeast Reservoir Booster Station back in operation. There have been several months of frustration because repair timelines lagged after three pump failures. The District was concerned after three pump failures. Mr. Hill credited Steve Shepard, Charlie Maish, and other key staff members with moving the process along. The District was able to meet demands at all times. Mr. Hill said staff is going to follow-up on a vibration issue with pump No. 2. There are three new key valves on the discharge portion of the pumps that need to be replaced, and the District is working with the manufacturer and the supplier to resolve the issue. The booster station will be shut down on July 7, 2010 to investigate the valves.

F. Update on Wellness Committee.

Mr. Hill said the Wellness Committee is led by Billie Sue Morelli, Human Resources Specialist. The Committee is establishing employee wellness projects and will include community outreach. The first Metro Water Health and Wellness Fair will be held July 20, 2010.

VI. General Manager's Report

Mr. Hill went over the General Manager's Report in Mr. Stratton's absence.

Mr. Hill said arsenic levels at the Diablo Village No. 1 well have been a concern. Bids were requested to install an arsenic treatment system for that well but they came in higher than budgeted. The District since initiated a procurement process for a smaller system for well No. 1 designed to run on a supplemental basis. The priority is to get the Diablo Village No. 2 well up and running as the main supplier so that blending water from well No. 1 with Tucson Water is not necessary. In the future Mr. Hill would also like to see a redundant system in place. Mr. Foulk summarized there will soon be three alternatives to supply water to the area. Mr. Guillot asked about the specific arsenic levels. Mr. Hill said the arsenic level of the water from Tucson Water is 6 parts per billion (ppb) and at well No. 1 the reading is 18 ppb. The maximum standard for arsenic is 10 ppb.

Mr. Offret asked about the electric car that was purchased for meter readers a couple of years ago. Mr. Hill said the electric vehicle is not currently being used. District had been using it in the Metro Hub service area for awhile and would like to find suitable opportunities for the vehicle. He may eventually recommend selling it.

VII. Legal Counsel's Report

Keri Silvyn, Legal Counsel, said she had nothing further to report.

VIII. Future Meeting Dates; Future Agenda Items.

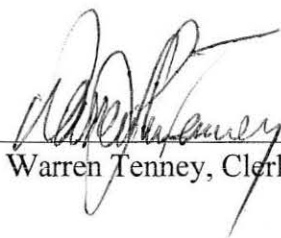
Mr. Tenney said the next regular session of the Board of Directors will be held on July 12, 2010.

IX. General Comments From the Public.

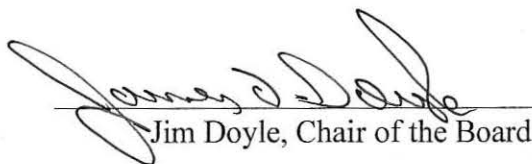
There were no comments from the general public.

X. Adjournment.

Mr. Tripp made a motion to adjourn. Mr. Offret seconded the motion. The meeting adjourned at 6:22 p.m.



Warren Tenney, Clerk of the Board



Jim Doyle, Chair of the Board