

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

**August 9, 2004**

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

**MINUTES**

Board Members Present:     Dan M. Offret, Chair  
                                      Suzanne Downing, Vice Chair  
                                      Reb Guillot, Member  
                                      James Tripp, Member

Board Members Absent:     Jim Doyle, Member

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

**Executive Session**

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

Dan M. Offret, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 5:30 p.m. Dan M. Offret, Suzanne Downing, and James Tripp were present. Jim Doyle was not present. Reb Guillot arrived at 5:37 p.m.

Mr. Tripp made a motion to adjourn into executive session. Ms. Downing seconded the motion. Motion passed unanimously.

**II.    Executive Session**

Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) (consultation for legal advice with District Legal Counsel) regarding the following:

- A.     Agreement by Metropolitan Water Company to Acquire Property in Exchange for Free Water.**

**III. Adjournment**

The executive session adjourned at 6:09 p.m.

**Regular Session**

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

Dan M. Offret, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:11 p.m. Dan M. Offret, Suzanne Downing, Reb Guillot, and James Tripp were present. Jim Doyle was not present.

**II. General Comments from the Public**

There were no comments from the public.

**III. Consent Agenda**

- A. Approval of Minutes – July 12, 2004 Board Meeting.**
- B. Ratification of Billing Adjustments.**
- C. Renewal of Line of Credit.**

Mr. Tripp made a motion to approve the consent agenda. Ms. Downing 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, said water usage has been down compared to the same time period last summer. He noted that the District received more revenue and expended fewer monies than anticipated for fiscal year 2003-2004.

Ms. Downing asked if the District was in compliance with its water quality sampling. Christopher Hill, Deputy Manager, said the District is in compliance and that all samples have been fine.

**B. Financial Report.**

Mike Land, Chief Financial Officer, said the audit for fiscal year 2003-2004 will begin later than usual this year. Pima County indicated that it needs to have the final audit sooner than normal. Mr. Land said that the auditors and Pima County will work out a timeline for completing the final audit.

Ms. Downing said she believes Board members and District staff remained conscious of its spending during 2003-2004 and did a good job. Mr. Offret agreed, and added that he was also

pleased with how smoothly the budget process proceeded and how well the budget was prepared during the spring. He thanked staff for their efforts on the budget.

**C. Approval of Intergovernmental Agreement with Pima County for November 2, 2004 Election.**

Mr. Tripp made a motion to approve the intergovernmental agreement with Pima County to conduct election services. Mr. Guillot seconded the motion.

Warren Tenney, Assistant to the General Manager, said he spoke with Pima County Division of Elections staff and learned that only two individuals submitted the necessary petitions to run for the Board of Directors. Since only two persons submitted petitions and there are only two positions that were to be vacant, the statutes allow that there is not a need to hold an election. District staff will provide a letter to the Pima County Board of Supervisors requesting that there not be an election. The Board of Supervisors will meet in September 2004 and it is anticipated that they will approve the agreement.

The motion passed unanimously.

**D. Approval of Membership in the Water Conservation Alliance of Southern Arizona.**

Mr. Tripp made a motion to approve the agreement with the University of Arizona for membership with the Water Conservation Alliance of Southern Arizona with the contribution of \$21,187 for fiscal year 2004-2005. Mr. Guillot seconded the motion.

Val Little, Water CASA, was present to speak to the Board about Water CASA. She explained that Water CASA changed its affiliation with the College of Agriculture to now be housed with the College of Architecture and Landscaping. It is believed that Water CASA will be able to accomplish and grow more since it has made that change. Water CASA will pursue legislation that will provide tax credit incentives for home builders and home owners that install dual plumbing systems or graywater harvesting systems.

The motion passed unanimously.

**E. Resolution 2004-5 – Consideration of Annexation of Property Owned by Monterey Homes.**

Mr. Tripp made a motion to approve Resolution 2004-05 for the annexation of the property owned by Monterey Homes as an addition to the Metropolitan Domestic Water Improvement District. Mr. Guillot seconded the motion.

Mr. Offret asked how the boundaries are legally changed. Mr. Stratton explained that if the Board passed the motion to approve Resolution 2004-05, staff will notify Pima County of the annexation.

A hearing was not required according to statutes because all owners of the property to be annexed, which was only one property in this case, signed the petition.

Keri Silvyn, Legal Counsel, explained that the legal name for the owners of the property to be annexed is Sears Paseo Del Rio, LLC. The motion to approve Resolution 2004-05 was amended to reflect the legal name of the property owner.

The motion passed unanimously.

**F. Approval of 10 Year Capital Improvement Program.**

Mr. Tripp made a motion to approve the 10 year Capital Improvement Program as presented. Mr. Guillot seconded the motion.

Mr. Stratton said the 10 year Capital Improvement Program (CIP) identified projects needed to improve the District's system. It is an attempt to be comprehensive, though further projects may be identified later.

Ms. Downing said that she would like time to review the CIP in further detail. She understood that the projects previously discussed were ones that were not completed due to lack of current funds. Mr. Stratton explained there was a report available on the projects the District was not able to complete under the current CIP due to lack of funds; however, approximately \$750,000 of CIP money still remains in the budget.

Mr. Stratton summarized the 10 year CIP which included reservoirs, transmission mains, and mainline replacement projects. Staff had attempted to schedule individual projects so that the money could be spread out over time. There is no description in the report of individual mainline replacement projects as it is anticipated these will be identified as a sub-category under the CIP. These projects will be looked at individually so that they may be prioritized and cost can be established. Mr. Stratton explained that until the location of the Northeast Reservoir is determined, some of the mainline projects can not be entirely planned.

Mr. Offret noted that in the current CIP list of mainline replacement projects there were three projects that still needed to be completed. He asked that those mainline replacement projects be given first priority. Charlie Maish, District Engineer, explained that staff would look at the projects; however, with the remaining \$750,000 of the current CIP only two of the projects could be completed. Mr. Maish said that under a new CIP, the third mainline replacement project would be given top priority. He added that the mainline replacement designs have been completed but the District will have to go back to Pima County for approval and permits, as they have expired. Mr. Offret said he would like these projects finished at the earliest possible date.

Mr. Stratton said Phase I of the current CIP was to accomplish getting the system up to a reliability level the District was comfortable with. Mr. Stratton said staff wants to look at the mainline replacement needs and fire hydrants in more detail so that recommendations for prioritization can be made.

Mr. Maish said that under the current CIP staff looked at the existing systems to identify areas deficient in fire flow requirements and fire hydrants. Most of these priorities were based on maintenance records for items such as lines breaking and other failures in the system, inaccessible meters, etc. Ms. Downing asked if there were numerous projects that were only partially completed in the current CIP. Mr. Maish replied no; however, staff tried to first address areas with the most critical needs.

Mr. Offret asked if the 10 year CIP was to be approved at this time could it be updated at a later date. Mr. Stratton replied yes, and noted that prior to going out for another bond election a more complete list of CIP projects will be identified.

The motion to approve the 10 year Capital Improvement Program as presented passed unanimously.

**G. Approval of Annual Electric Motor and Pump Labor Rates for Fiscal Year 2004-2005.**

Mr. Tripp made a motion to approve the annual quotes for Electric Motor and Pump Labor Rates from the corresponding bids as presented by staff, and direct staff to use another appropriate bidder for this service if performance or quality of the service of the low bidder does not meet the District's needs. Mr. Guillot seconded the motion.

Ms. Downing asked for clarification on this item. Steve Shepard, Utility Superintendent, explained that if a well pump fails, or an electric motor breaks down, the District has to outsource the maintenance work. Approval of this item would keep the District from having to take each pump or motor to different locations for repair.

The motion passed unanimously.

**H. Approval of Annual Fencing Quotes for Fiscal Year 2004-2005.**

Mr. Tripp made a motion to approve the annual quotes for fencing from the corresponding bids as presented by staff. Ms. Downing seconded the motion.

Mr. Offret suggested that staff look at Hub Well #3 for realignment of the fencing, and for trimming a tree located on the east side of the site. Mr. Shepard said staff will check the well site and make any necessary repairs or changes.

The motion passed unanimously.

**I. Update of Metro Hub New Well and Arsenic Treatment System.**

Chris Hill, Deputy Manager, provided the Board with an update on the status of the Metro Hub new well and arsenic treatment system. He noted that this second presentation was to provide information on items that have changed since the last presentation in December 2003. Hub Wells

#1 and #3 have a higher limit of arsenic than other wells in the District with above the allowable 10 parts per billion (ppb). These levels have historically fluctuated. The District's Hydrology Division staff conducted testing on these wells by modifying the flow rates. It was determined that adjusting flow rates did not affect the arsenic levels. Mr. Hill explained that arsenic treatment has recently become less expensive, thus making it more feasible for the District to treat the arsenic levels in the Metro-Hub wells.

Mr. Hill said currently there are five wells in the Metro Hub service area, and it is planned that another well will be added. The area along Cloud Rd and Sabino Canyon, just northwest of Hub #3, is the most desired site. Staff has made efforts to contact the owner of that property and has not received a response. Mr. Hill noted that staff has also contacted the homeowners association in this area and the challenge will be to gain the support from the community to put public utilities in this area. The potential for blending water from Hub Well #3 and the new well is greater if this property can be obtained. Mr. Hill explained that swaging also did not result in lowering the arsenic levels. Hub Well #1 is 40 years old with no life expectancy left, and Hub Well #3 is 31 years old with an life expectancy of 9 years.

Mr. Offret asked if there are federal monies available to assist in funding a new well. Mr. Hill said the District may be able to fund the new well through the Water Infrastructure Financing Authority (WIFA). The District may also qualify for certain types of grants. Mr. Offret asked why Hub Well #3, which contains arsenic, would not affect the new well since the two wells would be located so close to one another. Mr. Hill said they would influence each other, and that is why treatment for arsenic or blending would be important in this area. However, it is believed that the new well may not contain the same higher levels of arsenic.

Ms. Downing asked if funding for the new well was included in the 10 year CIP. Mr. Stratton said the well itself has been budgeted in the current fiscal year.

#### **J. Status of Bottled Water for Metro Water District.**

Mr. Stratton said that staff has been working to finalize the District's bottled water program. He explained that a label for the bottled water has been created by District staff. Mr. Hill provided the Board with a prototype of the suggested label, and explained the benefits of the bottled water for the District.

Mr. Guillot asked why the 20 ounce size was selected. Mr. Hill explained that most other water utilities and agencies are using a smaller bottle and using the larger 20 ounce size would make the District's bottled water stand out and have a unique appearance. The bottles will also have a 'sport cap' which make them appealing for refilling and reuse. Mr. Hill added that the minimal difference in cost keeps the larger bottle affordable.

Mr. Offret asked how the bottles of water will be used, noting that he would like to provide the bottled water to developers, homeowners associations, and other groups. Mr. Hill said the opportunities for distribution of the bottled water are endless. Mr. Stratton added that the District can donate bottles of water to Project Graduation, groups holding meetings in District facilities,



soccer clubs, etc. The Board unanimously recommended moving forward on the bottled water program.

**V. General Manager's Report**

Mr. Stratton said the District is working with Pima County to resolve issues surrounding 300 feet of the District's AC pipe located within the La Cholla road widening project. Pima County has indicated their desire to have the District replace the AC pipe with ductile iron to provide better structural stability. This will be a costly endeavor and staff is looking at what the additional costs will be and whether a real necessity exists to replace this portion of mainline.

Mr. Offret asked for an update on the Oracle Road relocation project. Mr. Maish said the State has informed District staff that the mainline must be 12 feet away from the new edge of the pavement just north of Orange Grove. With all of the other existing utilities in the area it has been difficult for the District to stay within these guidelines. Mr. Maish said Qwest is currently relocating their cable line making it possible for the District to be able to relocate its line. Staff submitted a revised plan last Thursday to the State and is waiting for its approval.

Mr. Stratton noted that the suggested well site security improvements were previously provided to the Board. Mr. Guillot asked if staff had received recommendations on site security improvements. Mr. Stratton said there are guidelines available on what elements are recommended. He added that staff completed the federally required vulnerability assessment after attending meetings and workshops on the required guidelines.

Ms. Downing asked if there had been any recent notable problems with vandalism. Mr. Shepard said there had only been graffiti placed on the outside well site walls.

Mr. Stratton said staff will be providing the Bond Oversight Committee with its recommendations on what projects can be completed with the remaining approximately \$750,000 funds from the Capital Improvement Program. The Bond Oversight Committee meets in September 2004.

Mr. Stratton said Mr. Tenney will be attending the Arizona Department of Water Resources (ADWR) meeting this week regarding water related legislation. There has been some indication that ADWR would like to take over the exempt well legislation and include it as part of the Omnibus Bill. Mr. Stratton explained that ADWR has not contacted Southern Arizona Water Users Association (SAWUA) regarding this legislation. Additionally, Mr. Tenney is working with Water CASA regarding potential legislation related to water harvesting and Graywater usage.

Mr. Stratton said WestCAS is holding meetings at the Westward Look October 20-22, 2004. A brief overview of the agenda was provided to the Board. If any Board members would like to attend, please contact Alice Stults.

Mr. Stratton explained that the District did not receive the previous grant for which it applied for the pilot study of slowsand water filtration treatment. The District has applied for another grant and staff should know by the end of this month if it is to receive the grant.

Regarding the northeast reservoir site analysis, Mr. Stratton said there has been a delay due to staff having difficulty scheduling a meeting with the Cobo Catalina Homeowners Association to discuss their issues and concerns. Once the meeting has taken place, a study session will be scheduled to provide an update to the Board.

**VI. Legal Counsel's Report**

Keri Silvyn, Legal Counsel, said she is having a baby and will only be at the Board meetings until February 2005.

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

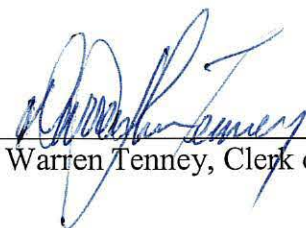
The next regular meeting of the Board is September 13, 2004 at 6:00 p.m.

**VIII. General Comments from the Public**

Mike Fleury, Brown and Caldwell, suggested the District conduct spinner testing and pilot testing for the proposed new well construction in the Hub service area. Mr. Fleury also said he believed that the District having its bottled water available was a positive public relations step forward.

**IX. Adjournment**

The meeting adjourned at 7:32 p.m.

  
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Warren Tenney, Clerk of the Board  
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Dan M. Offret, Chair of the Board