

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

May 12, 2003

**** Board Room ****

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

PUBLIC HEARING

MINUTES

Board Members Present: Dennis Polley, Chair
Dan M. Offret, Vice Chair
James Tripp, Member
Sue Downing, Member
Jim Doyle, Member

District Staff Present: Mark R. Stratton, General Manager
Michael McNulty, Legal Counsel
Warren Tenney, Clerk of the Board
Alice Stults, Recording Secretary

PUBLIC HEARING

I. Call to Order and Roll Call

Dennis Polley, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Public Hearing to order at 7:01 p.m. Dennis Polley, Dan M. Offret, James Tripp, and Suzanne Downing were present. Jim Doyle was not present during roll call.

II. Presentation Regarding the Metro-Hub Service Area Petitions Requesting Annexation

Mr. Stratton said Metro-Hub Service Area residents presented signature petitions to the District for consideration of annexation into Metro-Main. The Hub Service Area residents are seeking annexation so they can have a vote on water issues, and the opportunity for representation on the Board of Directors.

Mr. Doyle arrived at 7:07 p.m.

Mr. Tenney said Hub Water Company was acquired by Metro Water in 1999. Hub Water Company is not officially a part of the District and therefore the residents do not have voting rights, or the ability to run for a vacant Board of Director position. At the April 14, 2003 meeting of the Board of

Directors, residents from the Hub Service Area presented signature petitions to the Board on April 14, 2003 requesting consideration for annexation. Mr. Tenney said the District was then required to schedule a hearing regarding the signature petitions. He noted that the appropriate number of signatures were obtained and verified. Because the Hub Service Area boundaries are not contiguous with the District, the District must request consent from the City of Tucson for the annexation. Mr. Tenney noted that the City of Tucson has not responded to date to a letter sent by the Board Chair requesting consent of the annexation.

Mr. McNulty said that in verifying the signature petitions, staff was conservative in their efforts. Only the names on the petition that were perfectly matched with the property list were considered.

III. Comments from the Public Regarding Proposed Annexation of Metro-Hub Service Area as an Addition to the Metropolitan Domestic Water Improvement District

Gerald Klever, Hub area resident, addressed the Board and asked what benefits it believed would be provided to the Hub property owners as a result of the annexation. He noted that in the Canyon Ranch area there is a considerable amount of drilling for water being conducted, and new larger homes being built. Mr. Klever was concerned how this might affect the amount of water available for the Hub customers.

Mr. Stratton said that within the Hub Service Area there is only one development parcel remaining to be built and served. Mr. Maish said there are a few remaining larger parcels that can be developed; however, the Hub Service Area is approximately 98% built out.

Mr. Stratton noted that if the wells being drilled in the Canyon Ranch are larger than an exempt well which allows 35 gallons per minute to be pumped, they must meet criteria that will ensure the well will not impact District wells. The District must also meet the same criterion that has been established by the Arizona Department of Water Resources (ADWR). Mr. Stratton said he did not believe the wells being drilled will have much of an impact on the District's wells and available water resources. He noted that water levels have declined in the Hub Service Area as well as Metro Main, and will drop further if there is an extended drought situation which could potentially have an impact of the availability of water in the future. Mr. Stratton explained that the creek in the Hub Service Area generally runs year round thus providing replenishment. Work has recently been completed on the well in this area and it is not anticipated that major improvements will need to be done in the near future to replace the well for lack of water.

Mr. Klever asked if the annexation were to take place, would the customers be assured of an adequate water supply. Mr. Stratton replied yes. Mr. Klever asked if there were any other benefits to the annexation. Mr. Stratton noted that annexation would ensure Hub customers the ability to have a voice in the election of Board members, the ability to run for Board vacancies, and to have a voice in water issues and the decision making process for future water considerations.

Mr. Klever asked what the prediction was for the water levels accessibility issues for the property owners in the Sabino Vista area. Mr. Stratton said based upon analysis of the wells, the aquifer is

quite plentiful. He explained that the City of Tucson has reduced much of its pumpage in the Tanque Verde area which has allowed for some stabilization of water levels. Another contributing factor to the availability of water is the amount of recharge that occurs from runoff. Mr. Stratton said the District's wells are fairly deep and have shown good levels of capacity. Mr. Hill noted that the water level decline in the Hub area has been less than one foot per year over the last decade indicating positive water availability results.

Mr. Klever explained that many of the Hub customers are quite anxious to landscape with rocks and stone in an effort to conserve water. He asked if there was information available regarding the use of graywater. Mr. Hill replied that the District has staff whom are extremely knowledgeable about graywater and conservation. Mr. Stratton said the District periodically holds free workshops that are available to all District customers. The workshops address graywater, water harvesting and other conservation efforts.

Jim Stevenson of the Hub Service Area said he strongly supports the annexation. He noted that Metro Water has provided the customers of the Hub Service Area high quality water and excellent service. Mr. Stevenson said that any issues that have risen have been readily addressed and he is pleased with the local management of Metro Water. He added that he supports the premise that by being annexed into Metro Water District, Hub area customers will have the opportunity to participate in the direct government of the water utility.

John Kulakowski, also of the Hub Service Area, encouraged the Board to adopt the resolution for the annexation of the Hub Service Area into the Metro Main Service Area. He explained that the residents were overwhelmingly in favor of the annexation so that they could have a voice in the governance of the water utility and issues in the Hub Service Area.

Mr. Tripp made a motion to close the public comments portion of the Public Hearing for the annexation of the Metro-Hub Service Area as an addition to the Metropolitan Domestic Water Improvement District. Mr. Offret seconded the motion. The motion passed unanimously.

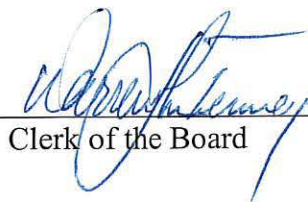
IV. Consideration and Possible Action relating to the Annexation of the Metro-Hub Service Area

- A. If deemed appropriate, pass and adopt RESOLUTION NO. 2003-2, annexation of Metro-Hub Service Area as an addition to the Metropolitan Domestic Water Improvement District.

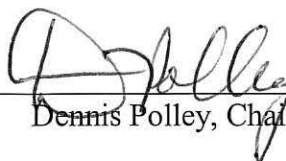
Mr. Tripp made a motion to approve Resolution 2003-2 for the annexation of the Metro-Hub Service Area as an addition to the Metropolitan Domestic Water Improvement District. Ms. Downing seconded the motion. The motion passed unanimously.

V. Adjournment

The Public Hearing adjourned at 7:20 p.m.



Clerk of the Board



Dennis Polley, Chair of the Board