

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

March 9, 2009

**** 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

Board Member Not Present: Dan M. Offret, Member

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

Executive 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 5:00 p.m. Jim Doyle, James Tripp, Reb Guillot, and Bryan Foulk were present. Dan M. Offret was not present.

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

Executive Session pursuant to A.R.S. § 38-431.03 (A) 3 (consultation for legal advice with District Legal Counsel), A.R.S. § 38-431.03 (A) 4 (consultation regarding contracts that are in pending or contemplated litigation or in settlement discussions) regarding the following:

- A. Contract Dispute for Tucson National Mainline Replacement Project.**
- B. Claim Notice for Northeast Booster Station.**

II. Adjournment

The executive session adjourned at 5:50 p.m.

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 6:00 p.m. Jim Doyle, James Tripp, Bryan Foulk, and Reb Guillot were present. Dan M. Offret was not present.

II. General Comments from the Public

Rebecca Watson, Metro Water customer, addressed the Board regarding the replacement of the water mains and meters in the residential area behind the District office and the condition in which the roads were left. (This project is the Capital Improvement Program's Oracle Foothills #6 Mainline Replacement Project.) Ms. Watson said some of the roads had been re-paved while others were not, and wanted to know why. She added that the residents want all the roads in this area paved, and believe the patches that were placed on the roadway will disintegrate over time. Ms. Watson also mentioned the problem of the crews constantly breaking water lines while the work was being done.

Sandra Larriva, Metro Water customer, thanked the District for the replacement of the water mains and meters in the area behind the District office, and said she had noticed more water pressure since the work was completed. She is concerned about the condition of the roads, noting that even before the recent replacement of the water mains and meters that the roads were in bad repair. Ms. Larriva does not feel the finished roadwork was done correctly, and feels the water flowing under the pavement will destroy the pavement. She explained that she asked Pima County to re-pave all the roads in this area, and believes the District should also be responsible for the re-paving. Ms. Larriva also said she is afraid of property values going down in her community.

Ms. Watson said gas lines were also broken during the work. She wants guarantees that after the summer monsoon rains the water lines, gas lines, and roadways will not be damaged.

Harold Lobaugh, Metro Water customer, said the work in front of his property was completed nicely. However, he is also concerned about the roads. He is afraid that the roadway will deteriorate after time. Mr. Lobaugh said other roads he has driven on have been completely paved. Mr. Lobaugh thinks the roads look messy and the pavement will re-settle over time. He said he wants Pima County to help foot the bill for the roadwork.

Charlie Maish, District Engineer, said the manner in which the road was repaved is dictated by Pima County and its policies. He explained the 24 foot width of the travel lane and the trenches, and noted that the District is not required to do an overlay. Mr. Maish said that Pima County had an

inspector overseeing the roadwork that was done to ensure our contractor complied with the County's road regulations and requirements. The District still has a few things left to be done prior to the County doing a final check. Mr. Maish also explained that backfill was done with the best compaction possible by the contractor.

Pat Ridenour, Metro Water customer, said that the asphalt was just ended right in front of her home and wants to know why it was not extended to the end of the street. Her main concern is the way that it looks in front of her home.

Mr. Doyle thanked the homeowners that were present, and explained that the Board could not take action at this time on this issue since it was not an agenda item. Mark Stratton, General Manager, explained that he will have staff look into the concerns of the customers, and include it as an agenda item, if necessary.

Mr. Lobaugh asked about the cutouts down the middle of the road. Mr. Maish said the County's policy is that if a trench runs down the middle of a roadway utilities are authorized to pave the side portion of the road that is cut up. He noted that the rules are different for paving the roadway that has been disturbed in a cul-de-sac.

Ms. Larriva said the middle of the roadway was dug up on Placita Pomona, and asked about how the roadway was repaired. Mr. Maish said he could not comment at this time on the repair, but would visit the area to look at it.

Cheryl Glover, Metro Water customer, said she was told in September 2008 that the vegetation in the area would be replaced and the trash from dead vegetation, pipe and other debris would be removed. Ms. Glover noted that there are piles of debris still in the area, along with a porta-potty. She asked if these items would be removed. She also commented that other roads are completely repaved, but her neighborhood roads are just patched.

Mr. Maish explained that the contractor is required to ensure that the washes do not have any additional runoff, and are protected. He said the clean up of the debris and removal of the porta-potty will occur during the next few weeks after all the work has been completed.

Dick Hugunin, Metro Water customer, said that his street, Calle Del Media, was being measured today and asked if this meant the street would be completely re-paved. Mr. Maish said it was being measured so that the District could determine the amount of payment owed to the contractor for the amount of work that was completed.

Denise Gose, Metro Water customer, said her concern is that on Calle Del Media the street becomes a wash during summer monsoon rains. She is concerned that the asphalt that was put down will be washed away.

Mr. Doyle thanked the District customers for their comments.

III. Consent Agenda

- A. Approval of Minutes – February 9, 2009 Board Meeting.**
- B. Ratification of Billing Adjustments.**

Mr. Tripp 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 that water production is back on schedule compared to the same time period during 2008. South Shannon is operational since the last carbon change out.

Mike Block, District Hydrologist, said that he and Gary Burchard, Hydrologist II, and Mr. Guillot met with the PTA President and Principal from Fruchthendler School today to discuss why the District is interested in the parcel of land adjacent to the school and about the wildlife park. Tucson Unified School District (TUSD) applied for a State grant to complete some of the work at the wildlife park they have planned for this parcel; however, a State grant is no longer available. There was a positive response from those at the meeting concurring with the idea of using the parcel for a future well site. Mr. Doyle said he wanted the District to be aware and careful of the Arizona State Historic Preservation Office (SHPO) Historic Preservation Act, both under state law and federal law. Mr. Block said that staff will address this issue when completing the due diligence. Mr. Doyle explained that SHPO has to agree to all aspects of work being done that may impact historic and archaeological properties, or else this project could be very costly.

Mr. Guillot commended Mr. Block and Mr. Burchard for doing a good job explaining the District's proposed plan for the parcel and answering questions posed to the District staff at the above mentioned meeting.

Mr. Stratton said that plans for the mainline replacement at Ina and La Cañada were approved by Pima County and this item will be brought to the Board for approval of a contract award at the April 2009 meeting.

- B. Financial Report.**

Mike Land, Chief Financial Officer, said the District continues to see a decline in revenues and is hoping that they will pick up before the end of the 2008-2009 fiscal year. Development revenues are also down. Mr. Land explained that staff are trying to hold the line on expenditures and will temporarily hold off on some of the projects that had previously been planned to see if monies will be available at fiscal year end.

C. Resolution 2009-1 - Designation of the District's Intention to Seek Reimbursement from Proceeds of Tax-Exempt Bonds.

Mr. Tripp made a motion to approve Resolution 2009-1 to designate the District's General Manager or Chief Financial Officer to declare official intent on behalf of the District with respect to reimbursement from proceeds of tax-exempt bonds. Mr. Guillot seconded the motion. Motion passed unanimously.

D. Discussion and Direction for Legislative Issues 2009.

Warren Tenney, Assistant General Manager, said the House is no longer hearing any bills. The Senate is not hearing any bills until after the budget is completed.

HB 2176, dealing with domestic water improvement districts rate setting is dead, but could resurface on another bill. Susan Charlton, lobbyist from Gallagher & Kennedy, does not believe this will happen.

SB 1288 – allowing the Central Arizona Groundwater Replenishment District (CAGR) to have revenue bonding authority to secure water to meet its replenishment obligation, will not be heard until the Senate budget is done.

SB 1323 would allow private water utilities to enter into mutual aid agreements with public water providers. The District supports this bill and hopes that it will move forward.

E. Approval of a Request for an Easement by Pima County at the Ina/La Cañada Well Site.

Mr. Tripp made a motion to approve the \$3,900.00 compensation offer by Pima County for the 846 square foot public slope easement at the District's Ina/La Cañada well site. Mr. Foulk seconded the motion. Motion passed unanimously.

F. Approval of Professional Services Agreement for Northeast Reservoir Booster Station Facility Phase I – Flood Damage Assessment Services.

Mr. Tripp made a motion to approve the Professional Services Agreement with Brown and Caldwell for the Northeast Reservoir Booster Station (NERBS) facility Phase 1-Flood Damage Assessment Services in the amount of \$150,000.00. Mr. Foulk seconded the motion. Motion passed unanimously.

G. Metro-Main Bedrock and Geologic Fault Mapping Project and Amendment No. 1 to Miscellaneous Water Resources Consulting Services Contract.

Mr. Tripp made a motion to approve Amendment No. 1 to the Miscellaneous Water Resources Services contract with Clear Creek Associates, PLC for an amount not to exceed \$31,020.00 in

order to complete the Metro-Main Bedrock and Geological Fault Mapping Project. The contract increase of \$26,020.00 is from funding sources identified in this report. Mr. Guillot seconded the motion.

Mr. Foulk asked if the report stemming from the study will become a public document. Mr. Tenney explained that if the report is a document that will be considered by the District, then it is a public document. Mr. Foulk asked if other entities that decided not to participate and share the cost of the study with the District would have access to the findings of the report. Mr. Stratton replied yes, and noted that the other entities would probably at some point have to do similar studies in their own areas. Mr. Foulk asked if the information that will be gathered would be useful to the District. Mr. Block explained that if a parcel of land becomes available the District would rely on these findings to determine the potential for a good well site.

Motion to approve Amendment No. 1 to the Miscellaneous Water Resources Services contract with Clear Creek Associates, PLC for an amount not to exceed \$31,020.00 in order to complete the Metro-Main Bedrock and Geological Fault Mapping Project passed unanimously.

H. Metro-Hub Water Supply Exploration Program Update – Basin Bedrock and Geologic Fault Mapping.

Mr. Tripp made a motion to approve a reallocation of \$27,440.00 from the water quality budget to the Hub exploration budget. Mr. Foulk seconded the motion. Motion passed unanimously.

V. General Manager's Report

Mr. Stratton said staff has been working on the 2009/2010 budget and the numbers at this point are raising some concern; however, after making some revisions to the draft budget it did look more promising. There are still some tough decisions that will need to be made on the budget. Mr. Stratton suggested that the Board consider having a study session next week to review the 2009/2010 draft budget.

The annual American Water Works Association (AWWA) Legislative Fly-In in Washington, DC will take place March 24-25, 2009. Mr. Stratton noted that this will be his fourth time to attend. He explained that this is a positive time to talk to the legislatures about water issues.

Mr. Stratton said that the office security gates are operational, and additional barrier gates have been installed. Final wiring needs to be completed, along with repaving of the trenches. These improvements will provide the District with a much higher level of security against thefts. Mr. Foulk asked about the security at the District office, and if there were previous problems prompting the need for additional security. Mr. Stratton explained the past problems and the need for additional security for the maintenance yard.

Mr. Doyle asked about the automatic gates. Mr. Stratton explained that after normal working hours, employees will have to shut off the alarm system, and key fobs will be used. Mr. Doyle asked

about access for the fire department to get into the yard. Mr. Stratton said the fire department is aware of what the District has done, and have planned how they will access the area in the event of an emergency.

Regarding the Regional Transportation Authority Projects, Pima County wants the District out of the way when they are ready to begin the La Cañada Road project. However, to date the County has not approved the District's plans. Mr. Maish said staff will be looking at how long it will take the District to do the work. Mr. Stratton said he is meeting with the County to discuss the work, as there is a concern that the County will want us out of the area before we have time to complete the work.

VI. Legal Counsel's Report

John Hinderaker, Legal Counsel, said there was nothing new to report at this time.

VII. Future Meeting Dates; Future Agenda Items

The next regular meeting of the Board of Directors is Monday, April 13, 2009 at 6:00 p.m. A study session has been scheduled for March 16, 2009 at 5:30 p.m.

VIII. General Comments from the Public

There were no comments from the public.

IX. Adjournment

The meeting adjourned at 7:00 p.m.

Jim Doyle, Chair of the Board

Warren Tenney, Clerk of the Board