

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

January 28, 2008

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

MINUTES

Board Members Present: Judy Scrivener, Chair
 Dan M. Offret, Vice Chair
 Lauretta Ovsevitz, Member
 Jim Doyle, Member
 James Tripp, Member

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

Study 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 5:00 p.m. Judy Scrivener, Dan M. Offret, Lauretta Ovsevitz, James Tripp, and Jim Doyle were present.

II. General Comments from the Public

There were no comments from the public.

III. Summary of Findings for Riverside Crossing Well

Mark Stratton, General Manager, noted that a presentation of the overall summary for the Riverside Crossing Well would be provided by Dale Armstrong of Golder Associates. Mr. Armstrong assisted the District with the drilling and testing of the new Riverside Crossing well.

Mr. Armstrong provided a presentation beginning with the initial drilling and testing of the well, to the current status of the well. He said the borehole was intentionally drilled deeper than what was thought to be needed to determine the wells adequacy at lower depths. Tests were also conducted to

determine where the well water was coming from. The 40% of water coming from the upper portion of the well is at risk of being depleted by other water users. Average gallon per minute tests were conducted to determine the rate of pumpage, along with tests to determine the rapid yield time. Mr. Armstrong said it was determined that down to 1,000 feet there are no issues with water quality. He explained that the Riverside Crossing well appears to be a very successful well.

Mr. Offret asked how we can best use this resource at the lowest cost to the District. Mr. Stratton said it is anticipated that this well would affect the "A" Zone transmission main distribution. It could be connected when roadwork is done on La Canada Drive and a transmission main can be installed. It is anticipated that this will take place in approximately three years.

IV. Discussion of the District's Water Supply Portfolio

Mr. Stratton said staff wanted to review with the Board all of the District's current and future water resources, and balancing how future resources will be used. Mike Block, District Hydrologist, explained the various water source supplies in the Metro-Main service area. New water supply rules require utilities to use renewable water supplies and Metro's goal is to use renewable supply through recharge or directly within our service area, and using groundwater as a support supply. The District currently has a well reserve of 11.5%. The industry requires 10% production reserve. In 1990, the District had 33 active wells. In 2007, the District had 27 active wells, lowering the production capacity. The major cause for loss of wells is due to the age of the wells. The majority of District wells are 35 years or older. Mr. Block explained that Metro's water table is dropping on average 2½ feet per year. As demand increases, the District has to drill further down to meet the demands. By using remediated water supplies, ADEQ will reimburse Metro Water for a portion of that cost. Regarding effluent or reclaimed water, Tucson National could use it on their golf course. The District is recharging in the Santa Cruz River and gaining credits. To gain 100% credits, it must be determined how to get the water out of the Santa Cruz River. Mr. Block noted that the District has also benefited from its conservation efforts. The District plans to use its water by utilizing Central Arizona Project (CAP) water, recharge, credits, effluent, and recovery.

Warren Tenney, Assistant General Manager, explained the Northwest Tucson area CAP water system. He explained the construction and phases of the proposed treatment plant and distribution system. Staff believes that phasing in the construction of the distribution system will be more financially beneficial. Mr. Tenney also explained the Northwest CAP route alternatives. He provided information on the phased in treatment plant capacity, and the reliability reservoir. Mr. Tenney noted that groundwater will still be important during the phasing in of the CAP water system.

Mr. Stratton explained that discussions are still taking place and new considerations being made by the partners regarding all aspects of the Northwest CAP system. The financial impact to customers is an important aspect as to future decisions that will be made. Also, there still remain major capital

improvements that need to be addressed. Mr. Stratton said the District needs to secure new water resources and keep the cost down for customers. Overall, the District does have a very healthy water supply portfolio.

V. General Manager's Report

Mr. Stratton said the District's legislative consultants continue to keep an eye on things.

Mr. Stratton explained that he ran for a Vice-President position with the American Water Works Association (AWWA); however, he did not get the position on the executive board. The voting took place at the AWWA Winter Board Meeting Mr. Stratton attended in Coronado, California January 25-28, 2008.

VI. Adjournment

The study session adjourned at 6:30 p.m.

VII. Executive Session

Executive Session pursuant to A.R.S. § 38-431.03 (A)(3) (consultation for legal advice with District Legal Counsel), and A.R.S. § 38-431.03 (A)(7) (consultations regarding negotiations for the purchase, sale, or lease of real property) regarding the following:

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

A. Acquisition, Construction, Reconstruction, and Repair of Waterworks.

The executive session adjourned at 7:01 p.m.

VIII. Adjournment

The meeting adjourned at 7:02 p.m.

Judy Scrivener, Chair of the Board

Warren Tenney, Clerk of the Board