

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

**March 12, 2007**

**\*\* Board Room \*\***

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

**MINUTES**

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

Board Members Not Present:        Judy Scrivener, Chair

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

**Regular Session**

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

Dan M. Offret, Vice Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board Meeting to order at 6:03 p.m. Dan M. Offret, Laretta Ovsevitz, and James Tripp were present. Jim Doyle arrived at 6:06 p.m. Judy Scrivener was not present.

**II.    General Comments from the Public**

There were no comments from the general public.

**III.   Consent Agenda**

- A.    Approval of Minutes – February 12, 2007 Board Meeting.**
- B.    Approval of Minutes – February 26, 2007 Study Session.**
- C.    Ratification of Billing Adjustments.**
- D.    Ratification of Bill of Sale – Sante Fe Park.**

Mr. Tripp made a motion to approve the consent agenda. Ms. Ovsevitz 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 the District continued to use less water than the same time period last year. Currently the District is more than 10% under budget for revenues for 2006/2007.

Mr. Stratton said the walls are going up quickly on the new Northeast Booster Station. He also explained that it is anticipated that the North First Avenue Transmission Main should move along fairly quickly.

**B. Financial Report.**

Mike Land, Chief Financial Officer, noted that while revenues continue to be down, so are expenditures for 2006/2007. It is anticipated that revenues will increase with the warmer weather during the spring and summer. Mr. Land explained that to-date the District has received \$1.6 million from the Water Infrastructure Finance Authority for capital improvement projects. He noted that new meter installations are running approximately 39 behind last year's total amount during the same time period.

**C. Discussion and Direction for Legislative Issues 2007.**

Warren Tenney, Assistant General Manager, reviewed the current status of Legislative issues. He explained that the bills discussed at last month's Board meeting continue to move forward.

HB 2486– Road Improvement and Maintenance Districts – Susan Charlton, District lobbyist worked on this bill to secure separation of the road improvement and maintenance districts from domestic water improvement districts. It is anticipated that this bill will move forward.

HB 2149 – Domestic Water Improvement District – There is no opposition to this bill and it is moving forward.

SB 1557 – Municipal Provider Conservation Program – This bill is also moving forward.

The bills developed from the Statewide Water Advisory Group (SWAG) to address water adequacy are still alive and will be moved forward as one bill.

SB 1570 – Critical Area District – Another bill recommendation from SWAG, primarily addresses the San Pedro River area. This bill would create a locally approved body to manage the use and development of water resources within critical water areas outside of an AMA. A striker may be placed on the bill; however, it appears there is still interest in moving it forward this year.

**D. Award of the Construction Contract for the First Avenue Transmission Main.**

Mr. Tripp made a motion to award the construction contract for the First Avenue Transmission Main to Trinity Southwest Contractors, LLC in the amount of \$1,156,244.00 and to authorize the

General Manager to approve the following changes to the construction contract: 1) allocate additional funding a cumulative amount not to exceed \$35,000 and 2) increase the original construction contract term a cumulative amount not to exceed sixty (60) calendar days. Any changes in excess of the above limits will be submitted to the Board of Directors for approval. Ms. Ovsevitze seconded the motion. Motion passed unanimously.

**E. Contract Amendments for Well Development and Testing at Lambert/La Cholla Well.**

Mr. Tripp made a motion to approve Contract Amendment No. 1 in the amount of \$72,595.00 with Layne Christensen for a new contract amount of \$217,595.00. Ms. Ovsevitze seconded the motion.

Mr. Offret asked if the District Hydrologist would be monitoring this project. Mike Block, District Hydrologist, said that District staff would be available to be on sight at the location.

Motion passed unanimously.

Mr. Tripp made a motion to approve Contract Amendment No. 2 in the amount of \$34,100.00 with Hargis + Associates with a new contract amount of \$109,700.00. Ms. Ovsevitze seconded the motion. Motion passed unanimously.

**F. Approval of Contract for Metro-Hub Water Supply Exploration Services.**

Mr. Tripp made a motion to approve the contract for the Metro-Hub Water Supply Exploration Services to Clear Creek Associates for a not-to-exceed amount of \$166,600.00. The contract expiration date shall be August 31, 2007. The contract may be extended at the end of August 31, 2007 for up to five additional years with Board of Directors approval. Ms. Ovsevitze seconded the motion.

Mr. Offret said he did not understand splitting the cost between budget years since next years budget has not been approved yet. Mr. Stratton explained that if this item is approved at this time, the remaining amount will be included in next years (2007/2008) budget.

Motion passed unanimously.

**G. Approval of Bids for GAC Replacement at South Shannon Facility.**

Mr. Tripp made a motion to approve the bids submitted for the GAC replacement and direct staff to use Calgon Carbon as the first choice. If for any reason Calgon should be unable to perform the work then staff is directed to pursue an agreement with Siemens. Also, to authorize the General Manager to approve each carbon change out as needed. Ms. Ovsevitze seconded the motion. Motion passed unanimously.

**H. Presentation on Science & Technology Study of Slow Sand Treatment, Reverse Osmosis and Halophytes.**

Chris Hill, Deputy Manager, provided an update on the Science and Technology (S&T) project located at the Cortaro/Marana Water District turnout. This project is in its third year of its grant funding. Mr. Hill explained that the University of Arizona has also donated grant monies. Mr. Hill noted that creating financial difficulty is that there will have to be concentrate management in place since we are not located near the ocean to dispose of the brine. Agencies included in the S&T project are the Bureau of Reclamation, University of Arizona, City of Marana, Town of Oro Valley, Flowing Wells Irrigation, Tucson Water, and Metro Water. The 2006 funding for the project was \$125,000. It is anticipated the project will receive \$310,000 during 2007. Mr. Hill noted that the Bureau of Reclamation funding will be harder to secure in 2008.

Mr. Hill said that approximately one acre is currently being used for the study. He briefly explained the components of the project, and how the system works. Mr. Hill suggested that the Board may want to tour the site to get a better idea of how the system operates. Lab analyses are taken twice a week. Approximately 70% of production is recovered or drinkable water, leaving 30% as waste after the water is treated.

Ms. Ovsevitiz asked how much land would be needed for this project on a full-scale basis, and what would be the cost for the system. Mr. Hill replied that at this point the amount of land needed and the cost of the treatment would make it cost prohibitive. Mr. Stratton explained that other entities such as El Paso are also conducting experimental projects. However, El Paso is trying a different method and is not getting the results that they had anticipated. Their recharge rates are too slow. Ms. Ovsevitiz asked for thoughts on filters used by businesses or in homes. Mark Myers, District water consultant, said what is happening in the Phoenix area is that so many of these filters are being used that the salt waste is almost overwhelming in the wastewater systems.

**I. Discussion of the Board's Role and Function including its Relationship with the General Manager.**

Mr. Tenney said this item is to primarily discuss the role of the Board of Directors and its relationship with the General Manager. Two separate resolutions were drafted to address theses items. He noted that the Board has functioned very well for the past fifteen years. Staff wants to look at how this success can be carried over into the future.

Mr. Offret noted that criteria are in place to evaluate staff and the General Manager. He explained that he would like to see some kind of criteria for incoming Board members. Mr. Offret also said that he liked the idea of combining the two draft resolutions into one.

Mr. Tripp said that he believed the draft resolutions were well written as presented.

Ms. Ovsevitiz said she would like the Board members to be informed immediately if they are crossing any boundaries or if there are issues with their performance. She thought the two resolutions may be able to be condensed into one.

Keri Silvyn, Legal Counsel, suggested keeping the resolutions separate since they are specifying separate goals of the Board and the General Manager. Ms. Silvyn explained that legal would review the resolutions and bring any suggestions/recommendations back to the Board at its next regularly scheduled meeting.

**V. General Manager's Report**

Mr. Stratton said staff has been working on the 2007/2008 budget. He explained that the Engineering and Utility budgets would be available for the Board's review at a study session later in the month. The budget for Administration and General Manager Office would be available for the Board's review during a study session in April.

Mr. Stratton explained that the District's website is continually being updated with new information to keep it active. He suggested that the Board review the website periodically.

Mr. Stratton commended District staff that have been assisting with the Arizona Water and Pollution Control Association, as well as other staff that frequently participate in other water related organizations. Participating in these organizations provides good networking and learning opportunities.

Mr. Stratton explained that the District received a license agreement from Pima County Department of Transportation. Staff is reviewing it at this time with legal counsel.

Mr. Stratton said there were some additional charges for items such as contractor delays for the La Cholla Boulevard project. Pima County has indicated that the District owes \$150,000.00 for damages association with this project. Staff is working with legal counsel to develop a response to Pima County.

**VI. Legal Counsel's Report**

Keri Silvyn, Lewis & Roca, said there was nothing new to report at this time.

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

A study session will be held on March 26, 2007 at 5:00 p.m. The next regular meeting of the Board of Directors is Monday, April 9, 2007 at 6:00 p.m.

**VIII. General Comments from the Public**

There were no comments from the public.

**X. Adjournment**

The meeting adjourned at 7:25 p.m.

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Judy Scrivener, Chair of the Board

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Warren Tenney, Clerk of the Board