

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

**June 8, 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  
Dan M. Offret, Member

**District Staff:** Mark Stratton, General Manager  
Michael McNulty, Legal Counsel  
Warren Tenney, Clerk of the Board  
Tullie Noltin, Recorder

**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 7:15 p.m. Jim Doyle, James Tripp, Bryan Foulk, Reb Guillot, and Dan M. Offret were present.

**II. General Comments from the Public**

Mr. Tripp complimented Charlie Maish, District Engineer, on his answers to the questions posed by the public during the Public Hearing, held immediately prior to the Meeting.

**III. Consent Agenda**

**A. Approval of Minutes – May 11, 2009 Board Meeting.**

- B. Ratification of Billing Adjustments.**
- C. Approval of Amendment No.1 to the 2008-2009 Professional Services Agreement for Miscellaneous Water Distribution Design Contract with Engineering and Environmental Consultants, Inc.**
- D. Approval of Amendment No.1 to the Analytical Laboratory Services Contract for Unregulated Contaminant Monitoring Rule 2 Contaminants.**
- E. Renewal of Miscellaneous Water Resources Consulting Services Contract.**
- F. Amendment No. 3 to Metro-Hub Water Supply Exploration Services Contract.**
- G. Approval of Amendment No.1 for the Analytical Laboratory Services Contract for VOCs, TTHMs and Halo acetic Acid Chemical Analytical Analyses.**
- H. Approval of Amendment No. 1 for the Analytical Laboratory Services Contract for Inorganic Chemical Analytical Services.**

Mr. Tripp made a motion to approve the consent agenda. Mr. Offret seconded the motion. Motion passed unanimously.

#### **IV. General Business – Items for Discussion and Possible Action**

##### **A. Monthly Status of the District.**

Mr. Stratton explained water production was fairly close to the same as last year. There has been a reduction in commercial and bulk water use for construction-related projects. Residential use is relatively steady. South Shannon recently had a change-out, so only 14 million gallons has been used at the facility since then, and 55-60 million gallons can be produced before another change-out is needed. Hydrology projects are continuing. Capital programs include a mainline replacement project started last week. Next month's Board Meeting will include the contract approval for relocation of La Cañada waterlines.

##### **B. Financial Report.**

Mike Land, Chief Financial Officer, gave an update on the St. Vincent de Paul assistance program. To date, 17 customers have received assistance through that program. St. Vincent's assesses the customers' needs and the program is going well. There are positive May indicators including water sales were \$1,141,000, which are \$63,000 over budget but almost \$9,000 less than May 2008. Cash on hand is ahead of last month but still one of the lowest balances since 2001. Revenues compared to expenditures have been almost 50% under budget, and expenditures have been kept \$400,000 under budget at this point. Connections are still behind.

**C. Discussion and Direction for Legislative Issues 2009.**

Mr. Tenney said the Arizona Senate and House passed the state budget. The Senate and House are holding onto it, maybe to convince Governor Brewer not to veto it or to force it through before June 30<sup>th</sup> deadline. With the budget finally approved, the Senate started hearing bills this afternoon. We have been following SB 1288 regarding revenue bonding authority for the Central Arizona Groundwater Replenishment District Replenishment, as well as Bill 1323 regarding AZWarn. Neither has been scheduled for hearing yet. According to our lobbyist, Susan Charlton, all bills will be assigned, and the Committee Chairs will likely hear those that have general support. The Legislature is still operating under usual hours but everything will be heard within the next three weeks.

**D. Adoption of Fiscal Year 2009-2010 Operating Fund Budget.**

Mr. Tripp made a motion to adopt the Metro Water District Operating Budget for the 2009-2010 fiscal year as presented, with the total disbursements not to exceed the budgeted amount of \$14,165.22. Mr. Offret seconded the motion. Mr. Offret also commented the budget was put together very well. It adequately reflects efforts to cut, with the final figures down almost 19% from last year's budget, and he thanked staff for their accomplishment. Motion passed unanimously.

**E. Award of Contract for Synthetic Organic Chemicals (SOCs) Analysis.**

Mr. Tripp made a motion to award the Analytical Services Contract for Synthetic Organic Chemicals to MWH Laboratories, a Division of MWH Americas, Inc. for a not-to-exceed amount of \$35,000. The contract will expire on June 30, 2010. This contract may be extended for an additional two years annually with Board approval. In Addition, TestAmerica Laboratories, Inc. shall be the back-up for MWH Laboratories in the event they are unable to perform their contracted duties. Mr. Foulk seconded. Motion passed unanimously.

**F. Approval of Analytical Laboratory Services Contract for Radiochemical Analyses.**

Mr. Tripp made a motion to award the Analytical Services Contract for Radiochemical Analyses to TestAmerica Laboratories, Inc. for a not-to-exceed amount of \$16,000. The Contract will expire on June 30, 2010. The contract may be extended for two additional years annually with Board approval. Mr. Offret seconded the motion. Motion passed unanimously.

**G. Contract Award for Miscellaneous Survey Services for Fiscal Year 2009-2010.**

Mr. Tripp made a motion to award the Professional Engineering Services for Miscellaneous Survey Services Contract to Stantec Consulting, Inc. for a not-to-exceed amount of \$100,000 and a contract completion date of June 30, 2010. Mr. Foulk seconded the motion. Motion passed unanimously.

**H. Contract Award for Miscellaneous Geotechnical & Material Testing Services for Fiscal Year 2009-2010.**

Mr. Tripp made a motion to award the Professional Engineering Services for Miscellaneous Geotechnical & Material Testing Services Contract to Western Technologies, Inc. for a not-to-exceed amount of \$50,000 and a contract completion date of June 30, 2010. Mr. Offret seconded the motion. Motion passed unanimously.

**I. Modified Non-Per Capita Conservation Program.**

Mr. Tenney reported the Arizona Department of Water Resources (ADWR) has put in place a new regulatory program for municipal providers. If a water provider has an Assured Water Supply designation, that provider has the option whether to continue in the Total Gallons Per Capita per Day (Total GPCD) Program or be in the Modified Non-Per Capita Conservation Program. Metro-Hub service area is not a designated service area; and therefore, must be in the Modified Non-Per Capita Conservation Program. The District must submit a provider profile for Metro-Hub by July 1, 2009. In 2010 we will need to meet the Program requirements. The District will continue current conservation efforts, which are the same in Metro-Main and Metro-Hub, and exceed requirements. Mr. Tenney explained one of the reasons Metro-Hub is not designated under the Assured Water Supply Program is because it is built out. Mr. Guillot asked for clarification on the Best Management Practices (BMP). Mr. Tenney explained under the Modified Non-Per Capita Program we are required to do a certain number of BMPs. Based on the size of the Metro-Hub area, the District is only required to do one BMP. Mr. Tripp asked if this will be a formal filing. Mr. Tenney confirmed, and said the best way to promote conservation in both service areas is to continue to provide conservation information to new homeowners in the form of a "welcome packet", which qualifies as one BMP. Mr. Guillot asked about the Total GPCD Program, and Mr. Offret asked how Tucson Water approaches the situation. Mr. Tenney confirmed Tucson Water has only one Per-Capita number for their entire service area, under the ADWR Total GPCD Program. Mr. Doyle confirmed no action by the Board is required at this time.

**V. General Manager's Report**

Mr. Stratton said there has been notice to the Board regarding the Motion for Summary Judgment on the lawsuit with Sunwestern/Mariarcher.

On June 16, 2009 the Institutional Policy Advisory Group (IPAG), which is a committee of the Groundwater Users Advisory Group for the Tucson Active Management Area, will be discussing the possible acquisition of the Avra Valley recharge project by the District. This may further solidify our recharge-recovery program. Central Arizona Project (CAP) and staff felt it was appropriate to get more input from the Tucson Region regarding this issue. The IPAG process brings in those individuals that have been involved with the recharge program since its inception. Tom Harbour of CAP and Mike Block, District Hydrologist, will be present to discuss the issue with the IPAG Committee. The meeting is open to the public.

The District is still working on the Thim Utilities acquisition; and the Arizona Corporation Commission (ACC) has started its review. The next step is setting a date for ACC hearing officer.

Next week is the American Water Works Association (AWWA) Annual Conference. A few staff will attend for the Pipe-Tapping Contest, with travel expenses provided by outside sponsorships. Mr. Stratton will attend as an AWWA Board Member.

#### **VI. Legal Counsel's Report**

Michael McNulty, Legal Counsel, said that John Hinderacker reported the judge would not grant the Motion for Summary Judgment for the District, and we are back to having to take to trial. Mr. Hinderacker will review costs to litigate, and whether there may be an alternative to going to trial. There is a new judge for the case, and that may translate into a positive development. The hearing date is approximately six months from now. Mr. Stratton explained there was a previous hearing date set, prior to the recent decision, and indicated a desire to postpone so new judge can familiarize himself with the case. Considering current economic situation, Lewis & Roca is working on approving a 10% flat rate reduction for all lawyers across the board for the next year. Mr. McNulty is still narrowing the issues on Thim purchase, and will hopefully be done by end of year.

#### **VIII. Future Meeting Dates; Future Agenda Items**

The next regularly scheduled meeting of the Board of Directors is scheduled for Monday, July 13, 2009 at 6:00 p m.


#### **VII. General Comments from the Public**

Mike Land, Chief Financial Officer, pointed out that public hearing speaker Tom Sander asked him if the RTA Waterline Relocation Fee are also included in the Operating Budget being approved at this meeting. Mr. Land told Mr. Sander they are not. Mr. Land said the RTA Fee

Expenditures and balances of the line of credit will be included in the Financial Report every month. Mr. Offret asked if the RTA fees will be held in separate fund, and Mr. Land confirmed.

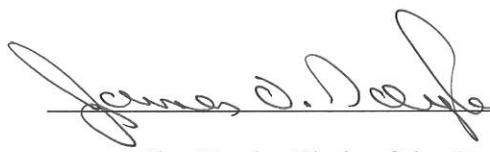
**IX. Adjournment**

Mr. Tripp made a motion to adjourn. The meeting adjourned at 7:44 p.m.



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Warren Tenney, Clerk of the Board



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Jim Doyle, Chair of the Board