

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

December 9, 1996
Board Room
Westward Look Resort
245 East Ina Road
Tucson, Arizona 85704

MINUTES

Board Members Present: Peter Schlegel, Chair
Marty Cramer, Vice-Chair
Jim Doyle, Member
Herb Johnson, Member
James Tripp, Member

District Staff: Mark Stratton, General Manager
Phil Higdon, Legal Counsel
Michael Land, Chief Financial Officer
Michael McNulty, Legal Counsel
Warren Tenney, Clerk of the Board

Call to Order and Roll Call

Mr. Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the regular Board meeting to order at 5:14 p.m. Ms. Marty Cramer, Mr. Jim Doyle, Mr. Herb Johnson, and Mr. Jim Tripp were all present.

Executive Session

Ms. Marty Cramer moved that the Board of Directors hold an Executive Session. Mr. Jim Tripp seconded the motion and it passed unanimously. The Board went into Executive Session at 5:15 p.m.

Executive Session pursuant to A.R.S. § 38-431.03 (A)(3), (consultation for legal advice with the attorney or attorneys of the District) and/or executive session pursuant to A.R.S. § 38-431.03 (A)(4), (to consider the Board's position and instruct its attorneys in pending or contemplated negotiations or litigation) and /or A.R.S. regarding the following:

- A. Litigation with the City of Tucson.

The Board returned from Executive Session at 6:05 p.m.

Regular Session

I. Call To Order and Roll Call

Mr. Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the regular session of the Board meeting to order at 6:10 p.m. Ms. Marty Cramer, Mr. Jim Doyle, Mr. Herb Johnson and Mr. Jim Tripp were present.

Mr. Jim Tripp made a presentation of a plaque to Mr. Schlegel and Mr. Johnson in appreciation for the service they contributed as Board members since the founding of the District in 1992. Both Board members' terms end December 31, 1996.

Mr. Schlegel excused himself from the meeting at 6:14 p.m. due to a family emergency. Ms. Cramer chaired the remainder of the meeting.

II. Comments From The Public

There was no comment from the public.

III. Consent Agenda

- A. Approval of Minutes -- November 6, 1996 Special Board Meeting.**
- B. Approval of Minutes -- November 13, 1996 Board Meeting.**
- C. Ratification of Billing Adjustments.**
- D. Ratification of Water Service Agreement - Desert Hacienda the Fountains at La Cholla.**
- E. Ratification of Contract with Arizona Department of Water Resources for Water Conservation Assistance Grant.**

Mr. Stratton noted that regarding Item III.D., the water service agreement's signature page needed to be redone so that the notarization was done correctly and the signatories' names can be printed. Ms. Cramer noted that a grammatical correction needed to be made for the November 13, 1996 Board meeting minutes.

Mr. Tripp made the motion to approve the consent agenda with the above-noted corrections. Mr. Johnson seconded the motion and it passed unanimously.

IV. General Business -- Items For Discussion and Possible Action

- A. Litigation with the City of Tucson.**

There was no discussion or action for this item.

B. Financial Report.

There was no discussion or action for this item.

C. Approval of Intergovernmental Agreement Amendment with Pima County for the Northwest Replenishment Program.

Mr. Tripp made the motion to approve the intergovernmental agreement amendment between the Pima County Flood Control District and Metropolitan Domestic Water Improvement District for a time extension until June 30, 1997. Mr. Johnson seconded the motion and it passed unanimously with the four Board members present.

D. Resolution 1996-10 -- Obtainment of a Subcontract for Central Arizona Project Water.

Mr. Tripp moved to approve Resolution 1996-10 for the obtaining of a subcontract for Central Arizona Project water. Mr. Johnson seconded the motion.

Mr. Stratton noted upon further review, legal counsel recommends the fifth paragraph of the resolution be reworded to state, "Whereas, the Metropolitan Domestic Water Improvement District applied for a Central Arizona Project water reallocation for Municipal & Industrial use and the Arizona Department of Water Resources planned to recommend a portion, which has yet to be adopted by the U.S. Secretary of the Interior."

Mr. Tripp amended the motion to include the language change as requested by legal counsel. Mr. Johnson seconded the amended motion and it passed unanimously with the four Board members present.

E. Water Resource Issues.

Mr. Mark Myers distributed a handout pertaining to water resource issues for 1997. The District plans in 1997 to participate in a groundwater savings project with Kai Farms and to continue direct recharge at the Avra Valley Recharge Project. The District will be accelerating approximately 500 acre-feet of recharge in 1996, which will save the District about \$7,000.

Options for obtaining CAP water for 1997 include a contract with Central Arizona Water Conservation District (CAWCD) for excess CAP water, which has already been approved. Additionally, the State Land Department had legislation approved last year that allows it to participate with other entities and share the credits accrued. This will allow for sharing of cost and credits while increasing the amount of water recharged in the TAMA.

Future project options for 1998 and beyond are available for the District. First, the District will have 100 percent capacity through 1997 at Avra Valley Recharge Project and thereafter the option to recharge at 40 percent of the total capacity. The District has agreed to make 2,000 acre-feet projected for 1998 available to the Arizona Water Banking Authority at the site. Second, the Siphon

Project is a possible partnership among the District, BKW Farms, and Marana, which holds potential to move quickly. Third, the Lower Santa Cruz Recharge Project is moving forward on a fast track and is a possible recharge site for the District in 1997 and 1998. Fourth, the Cañada del Oro Recharge Project is on schedule with the feasibility study and is still viewed as the best, long term solution for water supply in the northwest area. Fifth, groundwater savings projects are possible with Kai Farms, BKW Farms and Cortaro-Marana Irrigation District.

In 1997, the District will also need to consider other water issues. They include the completion of the feasibility study for the Northwest Replenishment Program; studying different water sources such as effluent; funding sources for the CDO pilot project; ensuring the Arizona Water Banking Authority is able to recharge in Pima County; including the northwest area in the environmental impact statement; acquiring a secure CAP supply; development of the Third Management Plan.

Mr. Johnson questioned if the District has considered using at golf courses large tempering ponds or water traps to act as recharge basins. Mr. Myers answered that for the northerly alignment of the CDO project, it may be possible to use golf ponds for recharge basins. Further examination is needed.

Mr. Johnson, Mr. Myers and Mr. Mike Block, District Hydrologist, discussed ensuring reliability of CAP water to the facilities planned for the Cañada del Oro Wash Recharge Project. Mr. Johnson questioned if the U.S. Bureau of Reclamation could process its studies faster and use some of the studies already done to start the project. Mr. Myers said that the studies related to the Bureau are moving forward as well as can be expected. The Bureau's support is important for securing a lower interest rate and some possible federal funds for the environmental and recreational component of the project. However, the District, Oro Valley and Marana will be responsible for designing, managing, constructing and securing the "postage stamp" pumping rate from CAWCD.

Mr. Johnson asked how the process can be moved faster. Mr. Myers said that is a matter for the respective governing bodies to decide how much "political will" they want to place behind the project. The feasibility study has been nine months slower than anticipated; however, progress is being made and it presently appears to be on schedule. Good support has been received from the Bureau, which is presently working on the alignment configuration for the project. Pima County is preparing to do a land analysis of the proposed alignment. Working with a number of entities always takes longer than if done by oneself; however, the cost sharing is the benefit of working together.

Mr. Johnson noted that the District had hired a consultant to help with the proposed southern alignment for the project's transmission lines and the Town of Oro Valley did the same for the northern alignment. The Board has been provided a copy of the specifications from Cella Barr; however, the Board has not seen anything from Oro Valley's consultant. Mr. Myers noted that the work for the northern alignment is almost complete. While the southern alignment would probably cost more to construct, the northern alignment's O&M cost would be more if the "postage stamp" pumping rate is not given. All the information should be prepared in early 1997 so that the respective governing bodies can make a decision regarding the alignment to be studied by the feasibility study.

Mr. Jim Peterson of Oro Valley said that he appreciated the expertise of Metro Water District staff

and of Mr. Myers. The Town of Oro Valley has been doing a work on the northern alignment and will be sending a letter to Mr. Stratton shortly about the land analysis.

F. Approval of Request by the University of Arizona Isotope Laboratory to Measure Tritium Levels within the District Service Area to Study Groundwater Recharge.

Mr. Tripp made the motion to approve the participation of the District in the basin wide tritium sampling program by the University of Arizona and authorize the General Manager to send a letter to the University of Arizona indicating its acceptance to participate in the study. Mr. Johnson seconded the motion.

Ms. Cramer and Mr. Tripp both said that the project sounds like a wonderful opportunity and were pleased with the cooperation. Ms. Cramer asked Dr. Austin Long of the University of Arizona if the tritium loses its radioactivity as it seeps down into the earth. Dr. Long answered that it is a natural compound that is created by cosmic rays; however, some unnatural tritium is added from the environment. The recharged water has the tritium in it, as does the aquifer. While never considered harmful, tritium acts as a natural tracer, like a color dye, that can be followed to see how the water moves in the aquifer. Samples from Metro Water District's service area have not been collected before, so the information can be used to map the area, giving a better regional picture of how water recharges. The data that is collected will be available for review by the District.

Ms. Letha Gardner, a Board member-elect, asked if there was any concern about the radioactive aspect of the tritium. Dr. Long answered that the radioactive nature of the tritium is extremely low and poses no health concern. Natural radioactivity is generated daily by the sun.

Ms. Cramer called for a vote for the motion regarding the tritium sampling program with the University of Arizona. The motion passed unanimously with the four Board members present.

G. Consideration of Cost of Living Adjustment for District Staff.

Mr. Tripp stated that he had reviewed the cost of living adjustments recommended by staff and noted that staff had been conservative with their calculations; therefore, he reviewed the numbers and rounded the numbers upward.

Mr. Tripp made the motion to approve a cost of living adjustment for District staff that provides for an annual increase of \$930 for employees whose salary is less than the average salary of \$31,000 and for employees earning higher than \$31,000, a cost of living adjustment of 2.9% be applied. Mr. Doyle seconded the motion.

Mr. Johnson said while he agreed with the motion, he thought the new Board should vote on the motion and he would abstain from the vote.

Ms. Cramer noted that the current Board had developed the budgeted amount for a cost of living adjustment and that Mr. Tripp's motion did not exceed that budget. Ms. Cramer noted that she

agreed with the motion because it provided a balance between two proposals and prevented the salary ranges from spreading further apart.

Ms. Cramer called for a vote for the motion regarding a cost of living adjustment for District staff. The motion passed with three votes, with Mr. Johnson abstaining.

V. General Manager's Report

Mr. Stratton reported that most of his time has involved the litigation with the City of Tucson. Regarding the northeast reservoir, the Sisters at Immaculate Heart School have given a positive response about the reservoir and even preferred the playing field site. Further discussions are needed and updates will be given to the Board.

Mr. Tripp asked about the status of the property purchase on Shannon Road for a new office site. Mr. Stratton said that he had talked with Mr. Tom Burke of the Real Property Division at Pima County. Mr. Burke had indicated that the property auction may be at the end of January or early in February 1997. With only the western portion of the County land available for the auction, no other bidders are expected. The District will need to be prepared for the property auction.

VI. Legal Counsel's Report


Mr. McNulty distributed draft bylaws for the Municipal Property Corporation for the Board to consider in January 1997.

VII. Future Meeting Dates; Future Agenda Items

The next regular meeting of the Board of Directors will be held on Monday, January 13, 1997 in the Wilson Room at Tohono Chul Park.

VIII. Adjournment

The meeting adjourned at 7:04 p.m.



Chair of the Board

ATTEST:



Clerk of the Board