

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

February 28, 1994
7235 North Paseo del Norte
Tucson, Arizona 85704

MINUTES

ATTENDANCE:

Members: Herb Johnson, Chairman
 Jim Tripp, Vice-Chairman
 Pete Schlegel, Member
 Kate O’Rielly, Member (arrived at 5:04 p.m.)
 Alex Jácome, Member (arrived at 5:06 p.m.)

Others Present: Mark Stratton, MDWID Interim General Manager
 Chuck Huckelberry, Pima County/MDWID
 George Barr, CAWCD
 Michael McNulty, Brown and Bain
 Mark Myers, Consultant
 Lane Odon, Brown and Bain
 Dan M. Offret, Community Watch Committee
 Jim Peterson, Town of Oro Valley
 Warren Tenney (recording secretary)
 Peter Vokac, La Cañada Magee Neighborhood Assoc.

I. CALL TO ORDER AND ROLL CALL

- A. The study session was called to order at 5:02 p.m. by Mr. Herb Johnson, Chairman of the Board of Directors. Mr. Jim Tripp and Mr. Pete Schlegel were present.
- B. Mr. Tripp moved that the Board approve the study session notice and agenda for February 28, 1994. Mr. Schlegel seconded and the motion passed unanimously.

II. COMMENTS FROM THE PUBLIC

Mr. Jim Peterson expressed concern about the District’s legislation, S.B. 1562 and S.B. 1563, particularly the taxing authority of the District and its relationship with other entities.

Ms. Kate O’Rielly arrived at 5:04 p.m.

Mr. Michael McNulty explained that both S.B. 1562 and S.B. 1563 have passed unanimously from the respective Senate committees and will soon go to the Senate floor. S.B. 1563 allows for the District to operate within the boundaries of a municipality if the property owners petition and it is approved by the municipality's mayor and council and by the Pima County Board of Supervisors.

Mr. Alex Jácome arrived at 5:06 p.m.

Mr. Peter Vokac distributed a paper describing his concerns about CAP water. He explained that he opposed the acceptance of treated CAP into the District's system because it would be extremely costly and unnecessary. Mr. Johnson and Mr. Schlegel thanked Mr. Vokac for his comments and though the Board could not address the issues presently, they would take note of his comments.

Mr. Jácome questioned Mr. Peterson's opposition to S.B. 1563. Mr. Peterson said that the language of S.B. 1563 is unclear regarding an improvement water district's ability to levy taxes in an area within the town's boundaries that the town council has permitted a district to function. Mr. Jácome noted that the town council must first approve the improvement water district before it can extend its boundaries into the municipality.

Mr. Tripp moved to adjourn the open session in order to move into executive session. Mr. Schlegel seconded and the motion passed. Mr. Jácome was not present at the time of vote.

The Board went into executive session at 5:22 p.m.

NEW BUSINESS

III. EXECUTIVE SESSION

Pursuant to A.R.S. § 38-4331.03 (A)(3) (consultation for legal advice with the attorney or attorneys of the District) and/or 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) regarding the Northwest Water Agreement and Potential Options to meet the Assured Water Supply Rules.

The Board returned from executive session at 6:27 p.m.

IV. OPEN SESSION - ITEMS FOR DISCUSSION AND POSSIBLE DIRECTION TO STAFF

A. The Northwest Water Agreement and Potential Options to meet the Assured Water Supply Rules.

Ms. O'Rielly made the motion that the Board directs the General Manager to draft a letter from the Chairman to the City of Tucson offering to accept the CAP water referenced in Article V, Section 5.2.2. of the Asset Purchase Agreement as untreated CAP water, at cost, and recharge

that water at the Avra Valley Pilot Recharge Project site. The letter should request a response from the City within ten days and the letter should list the conditions that have changed since approval of the Asset Purchase Agreement by the City of Tucson to require this action. Mr. Alex Jácome seconded the motion and it passed unanimously.

B. Status on Replenishment Programs.

Mr. Stratton reported that District staff will meet with the staff of the Central Arizona Water Conservation District (CAWCD) on March 10, 1994 to discuss the Avra Valley Pilot Recharge Project. The Lower Santa Cruz Replenishment Project is still in the preplanning process and it will also include the Cañada Del Oro Project. By grouping them together, the District will demonstrate to the necessary entities that it seriously plans to meet the assured water supply rules and achieve safe yield. Mr. Mark Myers is continuing to seek financing and participation with other entities, most notably the Bureau of Reclamation, for these projects.

Mr. Schlegel said the District needs to explain to CAWCD that untreated CAP water delivered to the Big Wash area will reduce the amount of water that needs to be delivered to the elevation of the City of Tucson. Mr. Stratton noted that discussions with the Bureau of Reclamation have indicated that the Bureau recognizes that delivery of the CAP water will be to the same elevation and would substantially reduce the O&M cost for delivering CAP water to Tucson.

C. CAP Allocation.

1. City of Nogales Sale.

Mr. Stratton noted that the District has sought to acquire its own CAP allocation. One option is for the City of Tucson to provide the District's share of the overall CAP allocation that they have for the metropolitan region. Other sources exist and have been investigated. To date, the Nogales area is considered to be in safe yield due to the intertie of the surface water and groundwater conditions in the region. Both the City of Nogales and Rio Rico Development are marketing their CAP allocations. According to Mr. Hugh Holub, the market price established is based on the City of Scottsdale's purchase of the Payson CAP allocation for \$1,080 per acre. The total cost for the Nogales CAP allocation would be \$4,264,920. The District may have difficulty purchasing the allocation since the District does not have its own allocation.

Mr. McNulty said that the Scottsdale purchase of the Payson allocation is seen as a precedent for the sale of a CAP allocation. Payson is 150 miles from the aqueduct and like Nogales cannot physically take the water. Nogales will most likely be able to sell their allocation. The Payson deal took two and a half years and the Nogales sale will probably take at least a year. Mr. Holub had indicated that the City of Nogales might be willing to sell an option in order to avoid the annual cost of the CAP.

2. Flowing Wells Irrigation District.

Mr. Stratton reported that Mr. David Furrey of the Flowing Wells Irrigation District has said that the Flowing Wells Irrigation District wants to make their CAP allocation available. Mr. Stratton has not been able to obtain from Mr. Furrey an exact description of their proposal.

3. CAP Reallocation.

Mr. Stratton explained that Ms. Rita Pearson, Director of the Arizona Department of Water Resources (ADWR), distributed a paper discussing the reallocation of uncontracted CAP municipal and industrial water. The Board should read the discussion paper and provide direction to staff. The District needs to be prepared if reallocations are proposed.

Mr. Schlegel noted that according to page 1 of the discussion paper, ADWR indicates that only 66,000 acre feet of CAP water remains available for contracting and it has not been decided how much of that will be used for Indian water right settlements. Since a number of entities will be competitively seeking reallocation, the District may want to pursue more actively the purchase of the Nogales' allocation.

Mr. Jácome noted that the draft paper does not list the District's request for an allocation and the date of the Metropolitan Water Company's reallocation request should remain the same date for the District's. Mr. Stratton and Mr. McNulty said they would check on the status of the District's allocation.

D. Update on Water System Management Plan.

Mr. Stratton noted that the Board received copies of the draft Water System Management Plan completed by Camp Dresser & McKee (CDM). The Capital Improvement Program should be distributed by March 4, 1994. Comments from the Technical Review Committee regarding the Water System Management Plan should be prepared for the March 14, 1994 Board meeting. Mr. Johnson has suggested a modification to the recommendation of CDM. A water line break on February 21, 1994 serving Linda Vista Estates could not be backed adequately by Tucson National due to lack of pressure causing most of Linda Vista Estates to be without water for three hours. The water line break demonstrated a back-up support weakness in the infrastructure that had not been known earlier. Without a proper back-up, a severe main break could cause major problems for that area. In lieu of the Northwest Reservoir servicing Zone C and Zone B, a reservoir could be located near the zone for Linda Vista Estates to provide a back-up water source for that area and provide gravity flow to Zone A and Zone Z. The concept could be further defined and presented at the March 14, 1994 Board meeting to indicate how it would impact the Water System Management Plan.

Mr. Johnson noted that for the Board to proceed with the Water System Management Plan, the cost estimates and the financial means for meeting those estimates needs to be reviewed and verified. A meeting needs to be scheduled with the Town of Oro Valley in order to obtain their

approval. However, the Linda Vista Estate situation is an emergency situation and staff needs to be directed to rectify the problem as soon as possible.

Mr. Schlegel questioned if the problem at Linda Vista Estate situation was due to a lack of water or lack of adequate booster pumps. Mr. Stratton explained that the Tucson National booster station did not have enough effort to provide water to the elevation of the Linda Vista Estates.

Mr. Schlegel questioned the feasibility of a portable booster pump that could be moved to sites when needed. Mr. Stratton said that it would not be viable because of the different electrical set up at each site.

Mr. Johnson said that two long-term solutions are to build a reservoir in the area or to drill a well next to Linda Vista. The immediate solution is to install a larger booster pump at Tucson National.

The Board, Mr. Stratton and Mr. Huckelberry discussed the possibility of working with Tucson Water to use their system for an emergency back-up. The consensus was that due to other current issues it was best not to pursue such an arrangement.

Mr. Johnson requested staff to research a proposed plan to address the problem of a back-up water source for Linda Vista Estates.

V. ADJOURNMENT

Mr. Jácome moved that the open session of the Board meeting be adjourned. Mr. Tripp seconded and the meeting was adjourned at 7:00 p.m.


Herb Johnson, Chairman

ATTEST:


Clerk