

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

January 13, 1997
Wilson Room
Tohono Chul Park
7366 North Paseo del Norte
Tucson, Arizona 85704

MINUTES

Board Members Present:

Marty Cramer, Chair
Jim Doyle, Vice-Chair
Letha Gardner, Member
Sam Ray, Member
Jim Tripp, Member

District Staff:

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

Call To Order and Roll Call

Ms. Marty Cramer, Vice-Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the regular Board meeting 5:04 p.m. Ms. Marty Cramer, Mr. Jim Doyle, Ms. Letha Gardner, Mr. Sam Ray and Mr. Jim Tripp were present.

Executive Session

Mr. Jim Tripp moved that the Board of Directors goes into Executive Session. Mr. Sam Ray seconded the motion and it passed unanimously. The Board went into Executive Session at 5:05 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) regarding the following:

A. Litigation with the City of Tucson.

The Board returned from Executive Session at 5:45 p.m.

Regular Session

I. Call To Order and Role Call

Ms. Marty Cramer, Vice-Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the regular Board meeting to order at 6:01 p.m. Mr. Jim Doyle, Ms. Letha Gardner, Mr. Sam Ray and Mr. Jim Tripp were present.

II. Comments From the Public

There was no comment from the public.

III. Consent Agenda

- A. Approval of Minutes -- December 9, 1996 Board Meeting.
- B. Ratification of Billing Adjustments.

Mr. Tripp made the motion to approve the items on the Consent Agenda. Mr. Doyle seconded the motion and it passed unanimously.

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

A. Litigation with the City of Tucson.

Mr. Michael McNulty reported that no action is necessary at this time.

B. Election of Chair and Vice-Chair of the Board of Directors.

Ms. Cramer noted that the Board had decided in 1996 to rotate the Chair position each year at the Board's regular January meeting.

Mr. Tripp made the motion to nominate Ms. Marty Cramer as the Chair of the Board. Mr. Ray seconded the motion and it passed unanimously.

Mr. Tripp made the motion to nominate Mr. Jim Doyle as the Vice-Chair of the Board. Ms. Gardner seconded the motion and it passed unanimously.

C. Schedule for Regular Board Meetings in 1997.

Mr. Tripp made to motion to approve the regular 1997 Board meetings to be held at 6:00 p.m. on the dates recommended in the staff report, which is the second Monday of each month. Mr. Doyle seconded the motion and it passed unanimously.

Mr. Mark Stratton, General Manager, said that the regular session will start at 6:00 p.m., though an executive session can be scheduled before the meeting. Ms. Cramer said she preferred having the executive session before the regular session to keep the executive session short and focused.

D. Board Member Committees.

Mr. Stratton explained that the purpose of the Board Member Committees was to resolve any conflict or disagreement between the General Manager and a member of the Board regarding a specific matter or to provide direction requested by the General Manager regarding a particular issue before going to the full Board. The staff report included a list of the five Board Member Committees with the new Board members placed where vacancies existed.

Mr. Tripp made the motion to approve the Board Member Committees as presented in the staff report. Mr. Ray seconded the motion and it passed unanimously.

E. Financial Report.

Mr. Ray noted that an overage was cited for two vehicles and construction equipment that was originally to be purchased in 1995-1996. He questioned if the monies have been added to the 1996-1997 fiscal budget. Mr. Michael Land, Chief Financial Officer, said that along with some other items, it would be formally included with the budget. Mr. Ray noted it would reduce the current overage.

F. Approval of Intergovernmental Agreement with Pima County for March 11, 1997 Special Bond Election.

Mr. Tripp made the motion to approve the intergovernmental agreement with Pima County for a special bond election to be held on March 11, 1997. Mr. Doyle seconded the motion.

Mr. Ray asked if the election could be done with mail ballots. Mr. Michael McNulty of Brown & Bain and Mr. Stratton said that Bond Counsel was hesitant to have the election done with mail ballots rather than polls. Additionally, the date of the election is a regularly scheduled election date. Mr. Warren Tenney, Clerk of the Board, noted that the type of election, direct mail or polls, cannot be changed after the election has been called.

Ms. Cramer called for a vote for the motion regarding the intergovernmental agreement with Pima County. The motion passed unanimously.

G. Status of March 11, 1997 Special Election.

Mr. Stratton reported that he had been invited to attend a meeting of a political action committee (PAC) that has formed to promote the election. Based on Arizona State Statutes, the District can provide information but not promote the election; however, individual Board members can. This PAC has an aggressive agenda to try to get information to residents. The main focus will be to raise attention the last two weeks in February.

Ms. Cramer asked what the PAC was planning to do to campaign for the election. Mr. Stratton said that the PAC will be focusing its attention on voters who have historically voted in previous elections. They will try to use limited funds by targeting those voters as well as register more people to vote. They also want to set up speaker bureaus with the Town of Oro Valley, editorial boards, homeowners associations as well as gain press coverage to be more visible in the community.

H. Election of Directors for the Metropolitan Domestic Water Improvement District Municipal Property Corporation.

Mr. Tripp made the motion to elect Mr. John Beatty, Mr. Mike Jacob, Mr. Herb Johnson, Mr. Sam Ray and a volunteer District Board member as the five directors of the Metropolitan Domestic Water Improvement District Municipal Property Corporation. Mr. Doyle seconded the motion.

Ms. Gardner asked who specifically was the governing body, as noted in the articles of incorporation for the Municipal Property Corporation. Mr. McNulty said the governing body is the District Board of Directors.

Ms. Cramer asked Ms. Gardner if she would volunteer as a director of the Municipal Property Corporation. Ms. Gardner said yes.

Ms. Cramer called for a vote for the motion to elect Mr. John Beatty, Ms. Letha Gardner, Mr. Mike Jacob, Mr. Herb Johnson, and Mr. Sam Ray as the five directors of the Metropolitan Domestic Water Improvement District Municipal Property Corporation. The motion passed unanimously.

Mr. McNulty noted that the draft by-laws should not be acted upon by the District Board, but the Municipal Property Corporation Board should meet to address its by-laws. To clarify previous information given, Mr. McNulty explained that the Municipal Property Corporation does need to comply with the open meeting laws since the District formed it.

I. Resolution 1997-1 -- Request to include Reliability Features for the Northwest Portion of the Tucson Active Management Area in the Bureau of Reclamation's Environmental Impact Statement for the Proposed Tucson Terminal Storage Facility.

Mr. Tripp made the motion to approve Resolution 1997-1 to request that the Bureau of Reclamation's Environmental Impact Analysis for the proposed Tucson Terminal Storage Facility include reliability features for the northwest portion of the Tucson Active Management Area. Mr. Ray seconded the motion and it passed unanimously.

J. Amendment of Technical Services Contract with Malcolm Pirnie, Inc.

Mr. Tripp made the motion to approve the amendment to the technical services contract amendment with Malcolm Pirnie, Inc., to extend the contract time to June 30, 1997 at no additional cost. Mr. Doyle seconded the motion.

Mr. Ray asked what the reason was for the extension. Mr. Charlie Maish, District Engineer, said that the consultant took more time than originally planned to determine the exact process to be specified, which was approximately a one month delay. The original schedule was too ambitious, not considering fully the time to apply for construction permits needed and for completing drawings.

Ms. Cramer asked if the delay caused any problems for other projects. Mr. Maish said no. Mr. Jim Peterson of Oro Valley asked if the delay will cost any additional money. Mr. Maish said no.

Ms. Cramer called for a vote for the motion to approve amendment to the technical services contract. The motion passed unanimously.

K. Award of Skid-Mounted Packaged Air Stripping and Low-Lift Pumping System for South Shannon Facility.

Mr. Tripp made the motion to award the skid-mounted packaged air stripping and low-lift pumping system for the South Shannon facility to the low bidder, Lowery Aeration System, for the HDPE Option. In addition, the recommended spare parts bid from Lowery Aeration Systems also be awarded. The total amount of awarded bid is \$79,219.00. Mr. Doyle seconded the motion.

Ms. Gardner questioned how long the well at South Shannon has been in use. Mr. Michael Block, District Hydrologist, said that South Shannon well has been in use since it was drilled in 1984. In the last two years, contamination levels were found at trace levels, but not levels out of compliance with federal standards. Subsequently, the District has tested the well monthly. The District also reconfigured the system so that two other wells provided the main supply to the storage area. South Shannon well presently only contributes one percentage of the water pumped to the storage facility. No trace of contamination is detected within the reservoir, which is what the law requires. The regulation is to meet the drinking standard level from the point of use.

Ms. Gardner noted that in Malcolm Pirnie's report the pump is running at 80 percent efficiency. She asked if this is acceptable or if the well is considered old and in need of replacement. Mr. Block said that the South Shannon well is a good producer at 500 gallons per minute and the 80 percent refers to the efficiency of the pump motor. Between 80 percent and 85 percent is considered good efficiency for a pump motor.

Ms. Gardner questioned how South Shannon well ties into the capital improvements planned and if the remediation effort is only a temporary solution. Mr. Maish said that presently, the District does not know what its production capability is until new wells have been drilled. After new wells

are drilled under the capital improvement program, some existing wells may be phased out. Mr. Stratton said that this well is at the lowest portion of the District's service area. With construction of new transmission mains being higher in elevation under the capital improvement program, the South Shannon well will still remain critical for the District's southern service area. The equipment will be on line for at least ten years.

Ms. Gardner asked what was the life of the equipment to be purchased. Mr. Maish said it has a standard one year warranty but he did not know the projected life of the equipment.

Mr. Ray asked about the scrubbers to be used for the well. Mr. Stratton explained that the same process has been in operation for some time at Hughes Aircraft. Hughes Aircraft is dealing with a much high level of contamination. Based on data from Hughes and from Tucson Water, the level of removing the contaminant, on-going for twelve years, has been efficient. The process will provide long-term capacity for our needs. Mr. Block noted that the time frame for groundwater remediation processes is about 20 years. Typically, products are developed to meet that long-term process.

Mr. Tripp asked why the recommended bid was \$19,000 less than the other two bids. Mr. Maish said that the consultant has investigated different products available and thought the HDPE unit met the criteria set.

Mr. Ray asked if high density polyethylene (HDPE) was a new technology. Mr. Maish explained that it has a thicker wall to minimize corrosion. Mr. Doyle noted that HDPE has been used in different applications and that it was an exceptional material.

Ms. Cramer called for a vote for the motion regarding the purchase of equipment for South Shannon well site. The motion passed unanimously.

V. General Manager's Report

Mr. Stratton said that the General Manager's report provided an overview of issues being dealt with by staff. He would be pleased to respond to any questions. Mr. Stratton added that he received a letter from Mr. Chuck Sweet requesting that the Pima County Charter Government Committee be given an opportunity to make a presentation to the Board about Charter Government. Ms. Cramer asked how the Charter Government affected the District. Mr. Stratton explained that the Committee is gathering information from the community regarding citizens' concerns. Ms. Cramer suggested that the Committee inform the Board of other presentations and that interested Board members can attend those presentations and make comments rather than doing it during a Board meeting.

Ms. Cramer said she liked the idea of a field trip to the Linda Vista Reservoir site as noted in the General Manager's report. Mr. Stratton noted that the District is salvaging the plant vegetation at the site and some of the plants have been transferred to the office site. The first part of the excavation will be for the booster station and pipeline. In approximately two months, more activity will be occurring and that would be a good time for the Board to see the construction.

Ms. Cramer asked regarding the new billing format if a water consumption history will be included. Mr. Stratton said that a graph is intended to be on the new bills to provide more information to customers about their water usage. Mr. Land noted that the graph will show five months and will be placed on the bills in the near future.

Mr. Tripp suggested placing on the bills the date that the meter is to be read. Mr. Land noted that with such a small staff, the District cannot fully guarantee the date the meter will be read. Mr. Tripp said that it could be phrased in such a way as only to indicate that the meter is scheduled to be read on that date.

Ms. Cramer asked about the Engineering Division report's reference to lost water and asked what is considered an acceptable amount of lost water. Mr. Block said that the State of Arizona is concerned with water lost of more than ten percent, which is also the industry standard; however, most systems run between seven and ten percent. Mr. Ray asked how that amount is measured. Mr. Block said that all of the wells are metered and is compared with how much water the customer is using. On a monthly basis, the customer read and the well read do not parallel due to the reads done at different times. Mr. Chris Hill, Utility Superintendent, added that much of unaccounted water is also from leaks, main breaks and flushing hydrants.

Mr. Tripp asked if a date has been set by the Board of Supervisors to consider the property sought by the District. Mr. Stratton said that correspondence has occurred, but confirmation has not been made to date.

VI. Legal Counsel's Report

Mr. McNulty explained that Mr. Fred Rosenfeld has been working on possible legislation to address improvement districts in general and that it may affect also water improvement districts.

Mr. McNulty noted that at the meeting with the Arizona Water Banking Authority with thirty people attending, a question was asked about the amount of sulfate in CAP water. Mr. Block, the District's hydrologist, was the only person in the room who could answer that the amount was 250 parts per million.

VII. Future Meeting Dates; Future Agenda Items

Mr. Stratton said that there should be information forthcoming from Mr. Terry Armstrong about the design for the proposed office building. It may be appropriate to schedule a study session in the near future to review those plans.

The next regular Board meeting is scheduled for February 10, 1997.

VIII. Adjournment

The Board adjourned the meeting at 6:51 p.m.

A handwritten signature in black ink, appearing to read 'Martha L. Cramer', written over a horizontal line.

Martha L. Cramer, Chair of the Board

ATTEST:

A handwritten signature in blue ink, appearing to read 'Kara H. Kelsey', written over a horizontal line.

Clerk of the Board