

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

June 11, 2001

**** Board Room****

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

MINUTES

Board Members Present: Pete Schlegel, Chair
 Dennis Polley, Vice Chair
 Jim Doyle, Member
 Marlene Wright, Member

Board Members Absent: Dan M. Offret, Member

Staff Present: Mark Stratton, General Manager
 Warren Tenney, Clerk of the Board
 Lisa Chase, Legal Counsel

I. Call to Order and Roll Call

Pete Schlegel, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District) called the Board Meeting to order at 6:00 p.m. Dennis Polley, Jim Doyle, Marlene Wright and Pete Schlegel were present. Dan M. Offret was out of town and not present.

II. General Comments From the Public

There were no comments from the public.

III. Consent Agenda

- A. Approval of Minutes – May 14, 2001 Board Meeting.**
- B. Approval of Minutes – May 21, 2001 Study Session.**
- C. Ratification of Billing Adjustments.**
- D. Approval of Water Service Agreement for Northwest Medical Center Bed Tower Addition.**
- E. Ratification of Armored Car Services Contract.**

Mr. Polley made a motion to approve the items on the Consent Agenda. Ms. Wright seconded the motion and it passed unanimously.

IV. General Business – Items for Discussion and Possible Action

A. Monthly Status of the District.

Mr. Stratton stated that water usage over the past two weeks has substantially increased in both the Metro main and Hub areas, and should have an impact on revenues.

Mr. Polley suggested the District should be make this monthly status widely available. Mr. Schlegel advised that the public is able to access information regarding the District on the website and information is also available in the customer service reception area of the District offices.

B. Financial Issues.

Mike Land, Chief Financial Officer, stated that revenues had continued to slide but expected June to be on the rise due to the increase in water production.

Mr. Schlegel stated that in a previous meeting the District had indicated it would put together some figures on what was available in the Municipal Property Corporation account for improvements in the District offices. Mr. Land stated it was \$25,000.

C. Bond Oversight Committee.

Ms. Wright made a motion to appoint Izaro Urreiztieta to fill the remaining vacancy on the Bond Oversight Committee. Mr. Polley seconded the motion but called for discussion.

Mr. Polley stated that he has known Art Ruff, the other individual who had expressed interest in the committee, for many years through mutual employment with Pima County. Mr. Ruff is experienced and familiar with the District's operations. Mr. Polley further advised that Mr. Ruff has been very involved in community activities and is a customer of the District. Mr. Polley stated that Mr. Ruff wants to assure that this community survives and grows.

Ms. Wright stated that based on reviewing their letters of interest, she liked Mr. Urreiztieta's resume and his budget experience.

Mr. Doyle stated that he has known Mr. Ruff as a public employee for many years. He is also commented that Mr. Ruff was very descriptive with his resume and accomplishments. Mr. Doyle stated he did not see actual dates, times and education on Mr. Urreiztieta's resume. Mr. Doyle stated his support of Mr. Ruff was based on his past experience with him.

Mr. Schlegel stated that he did not know either candidate but believed after reviewing candidates resumes they both possessed the qualities needed to fill the responsibilities of the position for the

Bond Oversight Committee and was leaning toward Mr. Urreiztieta. Mr. Schlegel indicated that this was a tough decision because we want people from the community to get involved and come forward.

Mr. Schlegel asked if the Board could appoint both individuals to the Bond Oversight Committee thus enlarging the committee. Mr. Stratton stated it was at the Board's discretion to enlarge the size of the committee by one member. Lisa Chase, Legal Council, stated that the decision to increase the number serving on the Bond Oversight Committee was up to the Board but that the issue would have to be deferred until the next Board meeting so it could be properly noted on the agenda.

Ms. Wright and Mr. Polley were both comfortable with deferring the discussion until the next meeting. With no objections, the Board continued the issue to the July 9, 2001 meeting. Mr. Tenney stated that he would contact the two candidates to advise them of the Board's decision to discuss increasing the size of committee membership and hold over the item until the July meeting.

E. Status of Metro-Hub Service Area's Demand and Supply.

Mr. Stratton reported to the Board the status of recent water shortages in the Hub service area. He stated that District staff distributed an information flyer to Hub customers notifying them of the demand on the water supply, the main break, and requesting them to use water wisely. Mr. Stratton advised that the District had received a letter from David Modeer, Director of Tucson Water, regarding the emergency connection with Tucson and the language in the agreement between the District and Tucson Water. Mr. Stratton and Mr. Modeer will be meeting to discuss amending the language in the agreement regarding what constitutes an emergency. The language in the current agreement addresses emergencies only and not supply and demand issues. The temporary connection with Tucson Water was allowed because of a main break in the Hub service area that affected the storage tank.

Mr. Stratton stated that the week prior to the Hub water shortage the average consumption per day was 1.5 million gallons a day. The four wells supplying the Hub area produce approximately 1.4 million gallons of water per day. Customers in the higher elevation experience water loss before customers in the lower elevation due to gravity and the water having to be pumped upward to the upper storage tanks.

Mr. Stratton was hopeful the flyers that were hand delivered to the Hub service area will make the customers more aware and conscience of their water usage. Mr. Stratton also spoke with members of the Sabino Vista Homeowners Association to inform them of the lack of water at the higher elevations so they could talk to the residents about water conservation and consumption.

Mr. Schlegel requested an update on the Metro Hub Storage Capacity Survey. Mr. Stratton stated that as of this date approximately 260 surveys had been returned. Mr. Stratton advised the Board that the survey results would be completed and presented at the July meeting. Mr.

Schlegel stated the results were needed in order to develop a plan of strategy to deal with the issue.

Mr. Doyle inquired as to having a contingency plan in place if the self-conservation plan presented to the customers fails. Mr. Doyle added there could be health and safety issues. Mr. Stratton said part of his discussions with Mr. Modeer would cover plans if our supply is unable to meet the consumption demands. Mr. Stratton advised that under the current emergency agreement with Tucson Water our inability to meet water demands does not constitute an emergency and therefore the District needs to work out a mutual agreement in order to receive assistance in the future. Mr. Stratton also reported that in approximately one hour the District was able to tie into Tucson Water's line

Mr. Schlegel said that he believed the Board is in agreement that a new storage tank will need to be built within the next 12 months. Mr. Schlegel stated that the line with Tucson Water was 2 inches and did not place a strain on Tucson Water. Mr. Doyle stated this should not be a permanent solution. Mr. Stratton advised that the District could lay a larger 6-inch line if needed. Mr. Schlegel added the District needs to work with all surrounding agencies to prepare aid agreements and that they could also be profitable.

Mr. Schlegel stated the flyer was very well done and he believes the City will be willing to cooperate with the District as it would be to their advantage. Mr. Schlegel wanted to formally thank the District staff for their hard work in restoring water to the Hub area and a good job on responding quickly.

F. Approval of Contract for Water Policy Consulting.

Mr. Polley made a motion to approve a one year contract extension with Mark Myers for water policy consulting for the period July 1, 2001 to June 30, 2002 for an amount of \$25,000 which will be paid monthly, which primarily includes tasks related to the Northwest Replenishment Program. Ms. Wright seconded the motion. Motion passed unanimously.

F. Approval of Miscellaneous Annual Services and Materials for Utility Division Fiscal Year 2001-2002.

Ms. Wright moved to approve the annual quotes for barricade rental, chlorine, aggregate, paving, and equipment rental from the corresponding low bids per items as presented by staff. Ms. Wright also moved to direct staff to use another appropriate bidder for a particular service or material if performance or quality of a service of the low bidder does not meet the District's needs. Mr. Polley seconded the motion. Motion passed unanimously.

G. Approval of 2001-2002 Well Maintenance Contract.

Ms. Wright asked why the bids differed, one using the District's pump and the other using the bidders pump, and the large difference in the amount of the bids. Chris Hill stated the District

does not have a pump that can do the work, therefore Gilbert Pumps bid was not an appropriate bid as it did not have a pump.

Mr. Doyle moved to approve the award of the Well Maintenance contract for the Fiscal Year 2000-2001 to Duncan Pump. Mr. Polley seconded the motion. Motion passed unanimously.

H. Approval of Amendment No. 1 to Joint Funding Agreement with United States Geological Survey and Update on the Lower Cañada Del Oro Basin Aquifer Storage Monitoring Project.

Mr. Polley moved to approve Amendment No. 1 to the joint funding agreement between the United States Geological Survey and the Metropolitan Domestic Water Improvement District. The contract will expire on March 31, 2002. Ms. Wright seconded the motion and the motion passed unanimously.

I. Cooperative Agreement among the District, the Bureau of Reclamation, the Town of Oro Valley, Town of Marana and the Flowing Wells Irrigation District to Complete a Pilot CAP Water Treatment Study.

Mr. Doyle moved to approve the Cooperative Agreement among the District, the Bureau of Reclamation, the Town of Oro Valley, Town of Marana and the Flowing Wells Irrigation District to Complete a Pilot CAP Water Treatment Study and to approve a cash contribution of \$6,500 to the Bureau of Reclamation for the study. Final approval of the cooperative agreement shall be contingent upon the approval of all parties to the agreement. Ms. Wright seconded the motion.

Mr. Schlegel inquired as to the timing for the project to begin and the completion date. Eric Holler of the US Bureau of Reclamation said the testing trailer will be brought down July 15 and the testing would begin August 1. Testing would be completed on December 1, 2001. Mr. Holler stated the final report would then be completed in four months.

Mr. Schlegel commented that the change in water quality differs during a twelve-month cycle depending on where the water originates. Mr. Schlegel asked if the study would look at all the water sources and at different times. Mr. Holler stated that this test would not be able to tell about water quality as seasons effect the testing as well as from year to year. Mr. Holler also stated the pilot test is being conducted at a good location to gain a good map shot of information.

Mr. Schlegel asked about the presence of algae and Mr. Holler advised that it should not be high algae. Mr. Schlegel asked if there was an interruption and the canal should become stagnant, would the testing be interrupted. Mr. Holler stated that they would be locating a water source such that it would be very unlikely for that to happen and the actual testing would be for a two-month period only.

Mr. Holler stated while the District will not be doing the exact same test conducted by Tucson Water, they have agreed to provide their test results. Mr. Schlegel asked if the other entities had approved the agreement. Mr. Holler said that Flowing Wells Irrigation District had, and Marana

was reviewing the agreement this week also. Mr. Holler stated that Oro Valley's decision could take place within a week.

Mr. Schlegel thanked Mr. Holler for his assistance and advised him that the Board would assist him in the future if he needed regional support for his efforts and causes. Mr. Holler stated that Mr. Stratton, Mr. Maish, and other staff members had been great in offering their support and bringing together the agreement.

Mr. Schlegel called for a vote on the motion to approve the Cooperative Agreement among the District, the Bureau of Reclamation, the Town of Oro Valley, Town of Marana and the Flowing Wells Irrigation District to Complete a Pilot CAP Water Treatment Study and to approve a cash contribution of \$6,500 to the Bureau of Reclamation for the study. Final approval of the cooperative agreement shall be contingent upon the approval of all parties to the agreement. The motion passed unanimously.

J. Approval of Water Service Agreement for the Plaza Campaña, Units 1-40.

Mr. Doyle moved to approve the Water Service Agreement with Title Security Agency of Arizona (Trust No. T-226) and Fidelity National Title Agency (Trust No. 30,120) for the Plaza Campaña, Units 1-40 development. Mr. Polley seconded the motion.

Mr. Schlegel inquired about a well located on the property. Mr. Stratton stated there was an old well on the property that could not produce adequate water supply.

Mr. Schlegel called for a vote on the motion to approve the Water Service Agreement with Title Security Agency of Arizona (Trust No. T-226) and Fidelity National Title Agency (Trust No. 30,120) for the Plaza Campaña, Units 1-40 development. Motion passed unanimously.

K. Approval of Amendment No. 1 to the Miscellaneous Geotechnical Services Contract with Pattison Evanoff Engineering.

Mr. Polley moved to approve Amendment No. 1 to the Miscellaneous Geotechnical Services contract with Pattison Evanoff Engineering, L.L.C. with a new contract expiration date of June 30, 2002. Ms. Wright seconded the motion. Motion passed unanimously.

L. Selection of Clear Creek Associates for Exploratory Borehole and Monitor Well Installation Hydrogeological Services.

Ms. Wright moved to approve the selection of Clear Creek Associates for the Exploratory Borehole and Monitor Well Installation Hydrogeological Services and direct staff to negotiate a contract with this firm. If staff is unable to negotiate a contract with Clear Creek Associates, then staff shall have authorization to negotiate a contract with Brown and Caldwell. Staff shall submit the final contract to the Board of Directors for approval. Mr. Polley seconded the motion. Motion passed unanimously.

M. Award of Miscellaneous Water Distribution Design Services V Contract to Tetra Tech, Inc.

Mr. Doyle moved to approve to award the Miscellaneous Water Distribution Design Services V Contract for Fiscal Year 2001/02 to Tetra Tech, Inc. and to direct staff to secure a contract with Tetra Tech on a time and material basis, not to exceed \$100,000, with the contract to expire at the end of the fiscal year or when the money budgeted is exhausted. Mr. Polley seconded the motion. Motion was passed unanimously.

N. Approval of Amendment No. 2 to Miscellaneous Survey Services Contract with Castro Engineering Corporation.

Ms. Wright moved to approve the contract Amendment No. 2 with Castro Engineering Corporation for the Miscellaneous Survey Services (III) contract for the FY 2001/2002. The contract amendment will increase the contract amount by \$50,000. and extend the expiration date to June 30, 2002. Mr. Polley seconded the motion. Motion passed unanimously.

O. Approval of Amendment No. 2 to Miscellaneous Survey Services Contract with Tetra Tech, Inc.

Mr. Polley moved to approve the contract Amendment No. 2 with Tetra Tech, Inc. for the Miscellaneous Survey Services (III) contract for the FY 2001/2002. The contract amendment will increase the contract amount by \$50,000 and extend the expiration date to June 30, 2002. Ms. Wright seconded the motion.

Mr. Schlegel stated that the items were confusing as there were two contracts with the same company. Mr. Stratton explained that there was a need for the two contracts as one was for specific survey services, the other for miscellaneous design services.

Mr. Schlegel called for a vote on the motion to approve the contract Amendment No. 2 with Tetra Tech, Inc. for the Miscellaneous Survey Services (III) contract for the FY 2001/2002. The contract amendment will increase the contract amount by \$50,000 and extend the expiration date to June 30, 2002. Motion passed unanimously.

P. Approval of Upgrading HVAC Unit.

Mr. Land advised the Board that Joyce Osborne, Office Manager, had received a fax before the meeting on this date from Terry L. Armstrong, Architect. Mr. Land stated it would be his recommendation based upon information provided by Mr. Armstrong to go with a 10 SEER Carrier air conditioning unit for the Board room as opposed to the 13 SEER Carrier mentioned in the original documentation for Board consideration.

Mr. Doyle asked if a 3 ton or a 4 ton unit was recommended. Ms. Osborne said a 4 ton was needed. Mr. Doyle asked about the roof structure, electrical cost and the actual cost of the new HVAC Unit. Ms. Osborne said that the total cost would not exceed \$5,500. Mr. Schlegel and

Mr. Doyle expressed reservations about this issue because the information was not clear. Ms. Osborne clarified that the price quoted was for a 4 ton, 10 Seer HVAC unit and the total cost would not exceed \$5,500.

Mr. Doyle made a motion to authorize the use of Municipal Property Corporation funds to install a 4 ton 10 SEER Carrier air conditioning unit for the Board room from B&J Refrigeration, with a portion reimbursed by Terry L. Armstrong, Architect. The District's cost is not to exceed \$5,500. Mr. Polley seconded the motion. Motion passed unanimously.

Q. Approval of Continuation of the Three-Year Contract of Laboratory Services for Coliform Analysis.

Mr. Polley made a motion to approve the continuation of the three-year contract of laboratory services to Precision Analytical Lab, Inc. at the cost of \$8.00 per sample, for a period beginning July 1, 2001 and ending June 30, 2002. Ms. Wright seconded the motion.

Mr. Schlegel called for a vote on the motion to approve the continuation of the three-year contract of laboratory services to Precision Analytical Lab, Inc. at the cost of \$8.00 per sample, for a period beginning July 1, 2001 and ending June 30, 2002. The motion passed unanimously.

R. Governor's Water Management Commission Update.

Mr. Stratton reported at the last Governor's Water Management Commission meeting tensions increased with questions about the prepared interim report and the co-chairs and ADWR took offense to the perceived accusations.

Mr. Stratton also reported Mr. Modeer's office contacted him requesting a meeting on June 12, along with other water commission members, to discuss some of the issues confronting the Commission. The working groups are to have the final reports done June 29.

Mr. Tenney reported Rita Pearson Maguire had resigned in May. Joe Smith, the Deputy Director, has been appointed Director; however Herb Dishlip is serving as the Co-chair on the Commission. Mr. Tenney further reported the tension has been building for several months over concern with the director and there is concern over how the process has been going. Mr. Tenney said members feel DWR is directing the agenda. Mr. Tenney advised meetings are currently being held and the work groups are suppose to reach a decision by the end of June, however, it will be a challenge to complete by then. Mr. Tenney added the co-chairs have indicated they would like to vote on the recommendations at the July 13, 2001 Commission meeting.

Mr. Schlegel asked about Senator John Mawhinney, one of the Co-chairs. Mr. Stratton also said Senator Mawhinney appears to be in support of some of the efforts being presented by DWR as well as other recommendations and is trying to reach some compromises.

Mr. Stratton said some Commission members in the municipal sector as well as agricultural and mining industries have become more active or vocal. Mr. Stratton stated the criticism is not

always taken well by both sides. Mr. Schlegel said John Mawhinney should be a fair individual that could be approached if the District has an issue.

Mr. Schlegel stated that from the beginning of the commission he felt the intentions were great but that it would be impossible for them to accomplish the goals in such a short period of time.

V. General Manager's Report

Mr. Stratton reported he attended a Tri-State Collaboration meeting on salinity last week. Progress is being made and the Phoenix area is interested in the research areas.

Mr. Stratton mentioned one research project in which the reject water would eventually be generated to a level that would sustain a heat-related operation which would power generators that would provide electrical power to treat the water. Mr. Stratton advised the City of Phoenix is very interested in pursuing this and are looking at the Palo Verde nuclear power plant as a study site.

Mr. Stratton reported there is a WESTCAS conference next week in San Diego that he will be attending. Arsenic is still on the scene and the Science Advisory Board and the National Research Council are both looking at updates to the studies that have been completed, and will be reissuing rules in February 2002.

Mr. Stratton also reported that August 8, 2001 is the date set for arbitration with NAC Construction. Mr. Stratton had provided the Board with copies of the NAC claim and stated there was nothing new in what NAC was claiming. Mr. Stratton said Legal Council feels fairly comfortable with the issues.

VI. Legal Counsel's Report

Ms. Chase had nothing further to report.

VII. Future Meeting Dates; Future Agenda Items

The next regular meeting of the Board will be July 9, 2001. Mr. Tenney stated there was reference in the General Manager's report for a study session on July 23, 2001. Mr. Stratton advised the study session will cover legislation for the 2002 Legislative Session.

Mr. Schlegel asked Mr. Stratton about the phone system, indicating it would have been good to have the phone system in place during the Hub water situation. Mr. Schlegel stated the District needs to look at getting the phone system and data base built in order to quickly contact customers when there is a water shortage or other emergency. Mr. Stratton agreed that if the District had a phone system in place it would have been easier and quicker to notify the residents of the circumstances and to seek assistance in lowering water consumption. Mr. Stratton stated he has not had time to look into the information regarding the system. Mr. Stratton advised that he would get the information on the system, and cost factors and report back to the Board.

VIII. Adjournment

The meeting adjourned at 7:25 p.m.



Peter H. Schlegel, Chair of the Board



Clerk of the Board