

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

October 12, 1994
7235 North Paseo del Norte
Tucson, Arizona 85704

MINUTES

Board Members Present: Herb Johnson, Chairman
 Jim Tripp, Vice-Chairman
 Pete Schlegel, Member
 Kate O'Rielly, Member

District Staff Present: Mark Stratton, General Manager
 Michael Block, Hydrologist
 Scott Eisenfeld, Development Supervisor
 Alan Forrest, District Engineer
 Christopher Hill, Utility Superintendent
 Warren Tenney, Clerk
 Sheila Willis, Administration Manager

Others Present: Bill Carroll, Cella Barr
 Bud Dooley, Customer
 Janice Kramer, Customer
 Jeff Kramer, Customer
 Michael McNulty, Brown and Bain
 Mark Myers, Consultant
 Norm Novak, Customer
 Jim Peterson, Town of Oro Valley
 Jim Tucker, Customer
 Ron Wong, Customer

I. CALL TO ORDER AND ROLL CALL

- A. The meeting was called to order at 5:01 p.m. by Mr. Herb Johnson, Chairman of the Board of Directors of the Metropolitan Domestic Water Improvement District (District). Mr. Jim Tripp, Ms. O'Rielly and Mr. Pete Schlegel were present.
- B. Mr. Tripp moved that the Board approve the meeting notice and agenda for October 12, 1994. Ms. O'Rielly seconded and the motion passed unanimously.

II. COMMENTS FROM THE PUBLIC

Mr. Jim Peterson of the Town of Oro Valley said he apologized that the District Board of Directors were not aware of the Northwest Water Alliance meeting on October 7, 1994. Ms. O'Rielly and Mr. Johnson noted that they had been aware but circumstances arose to prevent them from attending. Mr. Peterson said that at the October 7, 1994 meeting, the proposed by-laws were discussed. A revised copy of the by-laws will be mailed to each board member for comments. The Northwest Water Alliance board would be represented by no more than thirteen members, those major entities that have paid the initial dues. Presently there are eleven members. A management committee will be selected from the Board of Directors. A meeting of the management committee is scheduled for November 4, 1994.

Mr. Johnson asked if there was anything else that could be reported about the October 7, 1994 Northwest Water Alliance meeting. Mr. Peterson said he had reported what he wanted to.

Mr. Norm Novak of the Village De La Cañada Homeowners Association noted that a severe storm on August 16, 1994 had caused damage in the area of La Cañada and Magee, including the downing of electrical power. Without electrical power, there was no water. He was concerned about a fire emergency if a similar situation occurred. He asked that the Board consider gravity flow or backup pumps in order to avoid dependency upon electricity. Mr. Johnson acknowledged that it is a serious problem. Mr. Mark Stratton said he would be pleased to meet with Mr. Novak's homeowners association and explain the District's program to resolve the problem.

Mr. Jim Tucker of the same homeowners association said that he had similar concerns as Mr. Novak. He was concerned about emergencies and sanitation problems that could arise from the lack of water due to a power outage. Mr. Stratton offered to also visit Mr. Tucker's homeowner's association.

III. CONSENT AGENDA

- A. Approval of Minutes - September 12, 1994 Board Meeting.**
- B. Approval of Minutes - September 19, 1994 Special Board Meeting.**
- C. Approval of Minutes - September 26, 1994 Special Board Meeting.**
- D. Ratification of Billing Adjustments or Small Damage Claims.**
- E. Financial Issues - Update on Revenues, Checks and Warrants.**

Mr. Tripp made the motion to approve all of the items on the Consent Agenda. Ms. O'Rielly seconded the motion.

Mr. Tripp inquired about the large number of billing adjustments for the month. Ms. Sheila Willis said that it was primarily due to people filing in late August.

Mr. Johnson called for a vote for the motion regarding the Consent Agenda. The motion passed unanimously.

IV. OLD BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION

A. Request by Jeff and Janice Kramer to have Water Service Provided by Others.

Mr. Stratton explained that the Board had discussed Mr. and Mrs. Kramers' request to have water service provided by others at the September 12, 1994 Board meeting and had asked for additional information. Different options for the Kramers with the estimated cost were provided in the October 12, 1994 staff report.

Mr. Tripp made the motion to direct staff to construct the off-site water system to the Kramer property and to require the Kramers to pay for the installation of the service line and meter hook-up fee. Ms. O'Rielly seconded the motion.

Ms. O'Rielly asked if it was acceptable to the Kramers. Mr. Kramer said that he understood that his cost would be approximately \$1,500. Mr. Stratton said that was correct. Mr. Kramer said that it was acceptable.

Mr. Johnson called for a vote for the motion regarding the Kramers. The motion passed unanimously.

B. Policy for Turn-Ons and Turn-Offs.

Mr. Tripp made the motion to adopt the procedure described in the October 12, 1994 staff report for turn-ons and turn-offs (see Attachment A). Ms. O'Rielly seconded the motion and its passed unanimously.

V. NEW BUSINESS -- ITEMS FOR DISCUSSION AND POSSIBLE ACTION

A. Administration and Management

1. Audit for Fiscal Year 1993-1994.

Mr. Stratton explained that the draft audit was provided by the firm of Cotton Parker Johnson for the Board's review and comments. A meeting will be scheduled with Ms. O'Rielly and Mr. Tripp, who comprise the Business Administration committee, in order to review in detail the audit and provide comments to Cotton Parker Johnson. A final audit will then be submitted to the Board for approval.

Mr. Schlegel recommended that the committee provide the Board with policy to be approved that would establish proper procedures regarding the audit.

Mr. Tripp and Mr. Johnson noted that they had questions regarding the audit. Mr. Johnson recommended that the Business Administration committee provide information for the Board at the next regular Board meeting.

2. Contribution to the Southern Arizona Water Resources Association (SAWARA).

Mr. Tripp made the motion that the District contribute \$5,000 to the Southern Arizona Water Resources Association (SAWARA) as was done the previous year. Ms. O'Rielly seconded the motion.

Mr. Schlegel questioned if the contribution should be made in January, as was last year's contribution, rather than pay it in advance. Ms. O'Rielly said that SAWARA is involved in its current contribution drive and so the money is requested to be paid now. Ms. O'Rielly and Mr. Johnson noted that the District would set a good example by paying up front. The Board noted that each member agreed that SAWARA is a good organization that provides a useful purpose.

Mr. Johnson called for a vote for the motion regarding a contribution to SAWARA. The motion passed unanimously.

3. Northwest TAMA Replenishment Program.

b. Resolution 1994-7 - Submission of Joint Augmentation Grant Proposal(s) to the Arizona Department of Water Resources for the Northwest TAMA Replenishment Program.

Mr. Tripp made the motion to approve Resolution 1994-7, which would authorize a submission of joint augmentation grant proposal(s) to the Arizona Department of Water Resources (ADWR) for the Northwest TAMA Replenishment Program. Ms. O'Rielly seconded the motion.

Mr. Mark Myers explained that presently there are two possible joint grant proposals. The first one involves a project that would do bench testing on water quality issues related to the introduction of CAP water into the Cañada Del Oro and into the Lower Santa Cruz by establishing a second pilot recharge location for CAP water on the Lower Santa Cruz within the 100 year flood plain. It would generate additional physical data to supplement information from the feasibility study as well as recharge water at that location. It would be sponsored jointly by the District, Town of Marana, Town of Oro Valley, Pima County, City of Tucson and possibly some private water companies. The grant money received would probably be counted as additional local funds for the Bureau of Reclamation to match.

Mr. Myers said that the second joint proposal was proposed by BKW Farms and would develop the capacity for 4,000 acre feet per year of additional indirect recharge. If the District participated, a portion of that indirect recharge would be available to the District to meet its obligation in excess of the amount that can be recharged as the Avra Valley Pilot Recharge Project. BKW Farms has offered to pay for the pump facilities and then the joint venture partners with BKW Farms would pay for the distribution channel from the CAP canal to the fields in question. The cost of that could be recovered in a 12 month period based on the saving over the cost of taking the full cost for CAP water for recharge.

Mr. Myers said that Resolution 1994-7 would provide staff and the consultant permission to continue investigating grants. If the grant proposals are done to the satisfaction of the General Manager, the Board's approval of the resolution would authorize to proceed with either or both of the proposals.

Mr. Tripp amended his motion that Resolution 1994-7 will give the Chairman of the Board authority to approve the proposal(s) rather than the General Manager. Ms. O'Rielly seconded the amended motion. The motion passed unanimously.

a. Update.

Mr. Myers explained that his October 3, 1994 update to the Board listed the number of local commitments for the Northwest Replenishment Program (Program). The local funds should reach \$400,000. A concerted effort is being made to exceed the local matching requirement so that the Bureau of Reclamation will recognize the large community support for the Program and that the Bureau will place a high priority on the Program. Presentations have been made to various entities. Environmental Planning Advisory Committee of Pima Association of Governments, Cortaro-Marana Irrigation District, Pima National Resources Conservation District, and Pima Trails Association have expressed support for the Program.

Mr. Schlegel noted that ADWR has indicated the availability of surplus funds for grants. The District should continue to investigate as many potential projects as possible in order to maximize the grant monies available. Mr. Myers noted that Resolution 1994-7 does not limit the number of grant proposals that the District can submit jointly or individually. The deadline for the applications is December 2, 1994. ADWR will favor the projects tied to direct recharge. Mr. Michael Block said he was aware of a tentative project involving the United States Geological Survey regarding gravity flow.

Mr. Schlegel suggested a grant for an oversized injection and extraction well for recharge with submersible pump for bringing water up and down. Mr. Johnson said that the idea has been discussed but not enough has been developed to report. It is a potential project to be explored.

Mr. Schlegel said that we may need some testing wells out near the project and tag the cost. Mr. Block said that it has been discussed to include with the application some borings to characterize the subsurface to see if there would be any places where water may perk up above.

Mr. Myers noted that other sources for funds will be available with the Arizona Water Protection Fund.

c. Approval of ADWR Augmentation Grant Contract for Cañada Del Oro Recharge and Recovery Project.

Ms. O'Rielly made the motion to approve the augmentation grant contract with ADWR for the Cañada Del Oro Recharge and Recovery project. Mr. Tripp seconded the motion and it passed unanimously.

4. Survey of District Customers.

Mr. Stratton reported that the Board has been provided the latest draft of the survey that will be sent to customers with their billing. The development of the survey had been requested by the Board at the September 12, 1994 Board meeting. Ms. O'Rielly, Mr. Schlegel, Mr. Ed Carpenter and Mr. Warren Tenney have been involved with the survey's development.

Ms. O'Rielly noted that Mr. Schlegel did initial work on the survey. Mr. Carpenter, a research scientist with the University of Arizona, has provided much beneficial help with the survey.

Mr. Tripp asked how soon the survey could be sent out. Mr. Stratton noted that printing companies will provide cost quotes on October 13, 1994. It will probably take a week to print.

Mr. Schlegel said that he was pleased how the survey has evolved. He was concerned about Questions #13 and #14 regarding a customer's willingness to pay more to receive pumped groundwater rather than CAP water. People tend to answer negatively an open ended question regarding the payment of more money. A question should be added that would ask customers if they would support the District if it went to court to ensure that groundwater would be received instead of CAP water. If people are supportive of going to court but do not want to pay for it, it will inform the Board that court costs will need to come from existing funds. The dollar figures to be inserted for Question #14 could be considered high and not be supported.

Ms. O'Rielly said that the inclusion of different dollar figures for Question #14 would define the number of customers willing to approve of an increase. Mr. Tenney said that knowing the different percentage of people that would support different dollar figures would provide the Board with information as to the range of support regarding dollar amounts. Mr. McNulty noted that it would be valuable to know how flexible the District could be regarding potential costs.

Mr. Schlegel said that he would like to know if people would support the District if it went to court and such a question should be added. Mr. Johnson and Mr. Tripp said that they were concerned that without providing the proper education such as a public meeting, people may tend to comment negatively about supporting something that will cost more money. Questions #13 and #14 may be unfair because people will not have enough information.

Ms. O'Rielly made the motion to adopt the survey with the inclusion of a question regarding the possibility of the District going to court. Ms. Schlegel seconded the motion and it passed unanimously.

B. Engineering and Planning

1. Selection of Consultant - Design of the Linda Vista (Northwest A/Z Zone) Reservoir.

Mr. Stratton reported that the three top ranking firms were interviewed by the Technical Review Committee (Bud Dooley, Jim DeGrood, Barbara Johnson, Alan Forrest and Herb Johnson) and

they had unanimously selected the firm of Black & Veatch to be recommended as the consultant to design the Linda Vista Reservoir.

Ms. O'Rielly made the motion to authorize staff to negotiate a final scope of work, schedule, contract and fee with the firm of Black & Veatch for the design of the Linda Vista Reservoir. The final scope of contract negotiated with Black & Veatch will be brought before the Board at a future meeting for award of contract. Mr. Tripp seconded the motion.

Mr. Schlegel questioned if it would be advantageous to wait to negotiate the contract in order to determine how other factors may be resolved. Mr. Stratton said that based on the need for storage in the near future, it would be advantageous to demonstrate that the District is determined to obtain its water. Mr. Johnson explained the background regarding the need for the reservoir. Due to importance of avoiding any delays with the design of the reservoir, Mr. Johnson suggested that the motion be amended to allow the Chairman of the Board sign the contract with Black & Veatch upon its completion.

Ms. O'Rielly amended her motion to include that upon the completion of the final scope of work, schedule, contract and fee with the firm of Black & Veatch for the design of the Linda Vista Reservoir, it can be approved by the Chairman of the Board. Mr. Tripp seconded the amended motion and it passed unanimously.

2. Modification of Request for Bids for Replacement of Magee/La Cholla Well to include Replacement of Stiller Well.

Mr. Stratton explained that at the August 1, 1994 study session, staff had suggested that when bids are sought for the replacement of the Magee/La Cholla well that a bid be included for the replacement for the Stiller well. Requesting bids for two wells would save staff and resource time in meeting ADWR's requirements. Only a request for bids is sought, authorization to proceed with construction would be needed after the bids are obtained.

Mr. Tripp made the motion to authorize staff to request bids for the replacement of the Magee/La Cholla well and the Stiller well. Ms. O'Rielly seconded the motion and it passed unanimously.

3. Dedication of Drainage Easement, Pima County Flood Control District.

Mr. Stratton noted in May 1993, the District negotiated an agreement with the Pima County Flood Control District regarding temporary construction easements and future drainage easements at the South Shannon facility associated with construction improvements to Pegler Wash/Rillito River. The Pima County Flood Control District is wanting to bring their files up to date and is asking for the formal dedication of drainage easement.

Mr. Tripp made the motion to authorize the transfer for the drainage easement to the Pima County Flood Control District in exchange for the fencing improvements at the South Shannon facility. Ms. O'Rielly seconded the motion.

Mr. Schlegel questioned if the fencing has been completed. Mr. Stratton said that the complete property has been fully fenced. Mr. Schlegel and Mr. Stratton discussed means of making the site less accessible for gangs to deface.

Mr. Johnson called for a vote for the motion regarding the dedication of drainage easement. The motion passed unanimously.

C. Utilities

1. Request for Bids - Well Maintenance Contracts.

Mr. Stratton explained that the well maintenance program was not completed last year because it was started late in the season. To avoid similar problems, five wells are requested for bids, two of which were not completed last year. The maintenance will be done at one well at a time in order to ensure that the well maintenance stays within the \$60,000 budget.

Mr. Tripp made the motion to authorize staff to request bids for the well maintenance of the Hardy, Old Linda Vista, Alcott, Moore and Estes wells. Ms. O'Rielly seconded the motion.

Mr. Johnson noted that after the wells are refurbished, the production should not be increased above what was normally pumped due to that increased pumping causes extra infiltration by sand.

Mr. Schlegel asked if a company that did previously unsatisfactory work for the District can be excluded from the bid process. Mr. McNulty said that factors other than the low bid can be used for hiring.

Mr. Johnson called for a vote for the motion regarding the request for bids for well maintenance contracts. The motion passed unanimously.

VI. GENERAL MANAGER'S REPORT

Mr. Stratton noted that he had provided to the Board a General Manager's report that discussed the District property on Oracle Road, the Management Committee, Avra Valley Pilot Recharge Project, and the Owenby Well. The appraisal for the property on Oracle should be completed in the near future so that it can be discussed at the next regular Board meeting along with the legal counsel's recommendation regarding surplus property.

VII. DISTRICT LEGAL COUNSEL'S REPORT

Mr. McNulty noted that eighty to ninety percent of his work in August involved the negotiations with the City of Tucson.

VIII. EXECUTIVE SESSION

Mr. Schlegel moved that the Board go into Executive Session. Mr. Tripp seconded the motion and it passed unanimously. The Board went into Executive Session at 6:22 p.m.

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 acquisition, construction, reconstruction or repair of waterworks for the delivery of water for domestic purposes.

The Board returned from executive session at 7:08 p.m.

Mr. Schlegel made the motion for the Board to return to Open Session. Mr. Tripp seconded the motion and it passed unanimously.

IX. DISCUSSION AND POSSIBLE ACTION REGARDING THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR REPAIR OF WATERWORKS FOR THE DELIVERY OF WATER FOR DOMESTIC PURPOSES.

Ms. O'Rielly made the motion to authorize legal counsel to investigate the possibility of asset purchases. Mr. Tripp seconded the motion and it passed unanimously.

X. FUTURE MEETING DATES; FUTURE AGENDA ITEMS

The next regular Board meeting is scheduled for November 14, 1994.

XI. ADJOURNMENT

The meeting was adjourned at 7:10 p.m.


Herb Johnson, Chairman

ATTEST:


Clerk

Procedure for Turn-Ons

Customer starts service at an address on the date requested by the customer. If the customer's regular billing cycle is less than ten days away, the customer will not receive a bill until the next regular billing cycle. On the first bill, a \$15.00 service charge will be applied to the account to cover administrative costs.

Procedure for Turn-Offs

Customer requests service at an address to be turned off on a date specified by the customer. If the customer uses less than the 2,000 gallons included in the minimum bill, the customer will have a credit issued to their final bill for the unused portion of the 2,000 gallons. If a customer uses more than the 2,000 gallons included in the minimum bill, the customer will be charged according to the established rate structure for the District.