

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

October 7, 2002

**** Board Room ****

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

**Study Session
MINUTES**

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

Board Members Not Present: Dan M. Offret, Vice Chair

District Staff: Mark R. Stratton, General Manager
Warren Tenney, Clerk of the Board
Alice Stults, Recorder

I. Call to Order and Roll Call

Dennis Polley, Chairman of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Study Session to order at 5:30 p.m. Dennis Polley, Pete Schlegel, Jim Doyle, and Marlene Wright were present. Dan M. Offret was not present.

II. Establishment of Fleet Management Policy

Chris Hill, Deputy Manager, said the proposed Fleet Management Policy addresses the repair, maintenance and replacement of the District's 34 fleet vehicles. He explained that the vehicles would be replaced on an eight year rotation, with approximately four vehicles being replaced per year. The policy addresses extended warranties, vehicle ranking matrix to identify vehicles needing replacement, trade-in of vehicles, funding, and an annual review of heavy duty vehicles such as trailers, dump trucks and backhoes.

Mr. Schlegel asked if the eight year warranty on the vehicles would be in addition to the three year factory warranty generally provided on new vehicles at time of purchase. Mr. Hill replied that the three year warranty could be extended out for a period of seven years. Mr. Schlegel

suggested including a paragraph in the Fleet Management Policy that would address keeping up the appearance of the vehicles.

Mr. Tenney said Mr. Offret telephoned before the meeting to advise staff of his thoughts and concerns, one of which was that he agreed with the warranty concept as it is currently presented in the Fleet Management Policy. Mr. Offret also suggested the District purchase new vehicles under the State bid list as he believed it would offer the lowest purchase price. Mr. Doyle commented that the State bid list does not always provide the lowest cost, and suggested that staff consider the State bid list and research other alternatives to ensure the lowest cost. Ms. Wright and Mr. Schlegel agreed with Mr. Doyle. Ms. Wright asked if the vehicles were serviced through the dealership under the three year/30,000 mile warranty. Mr. Doyle explained that commercial vehicles were not covered under the dealership warranty. Mr. Schlegel also suggested including in the Fleet Management Policy a paragraph explaining that the District would seek bids for the repair and maintenance of the vehicles for consistency and lower costs. Mr. Stratton said that a resolution would be brought back to the Board at the next meeting regarding the Fleet Management Policy with the suggested additions.

III. Approval of 2002-2003 Well Maintenance Contract

Steve Dean, Utility Superintendent, explained that the Well Maintenance Contract had been revised due to the cost breakdown for the Metro Main and Hub service area. Mr. Dean noted that in previous years contractors provided bids based mainly on total cost to pull and reset wells. Under the 2002-2003 Well Maintenance Contract, contractors are required to provide costs for each component that could need replacing in the wells, as well as items such as brushing and videotaping. He noted that this would allow the District to have better control over the expenditures, and the contractors would have to adhere to the cost they provide in their bids. Mr. Schlegel asked what would keep the contractor from replacing parts that are not in need of replacement. Mr. Stratton said staff does inspections once they are notified by the contractor of any problems, contractors recommendations are reviewed, and the completed work is verified. Mr. Schlegel asked if the contractors could replace components with used ones. Mr. Dean said that the replacement parts are always new with a one year warranty, and the quotes provided are for new parts.

Mr. Doyle asked if staff had researched the references on Layne Christensen Company, the lowest bidder on the Well Maintenance Contract. Mr. Dean replied that he had checked their references and Layne Christensen Company has an excellent reputation.

Mr. Schlegel made a motion to award Layne Christensen Company the Well Maintenance contract for the Fiscal Year 2002-2003 with a base price of \$143,847; however, the fiscal year budget allotment of \$132,000 for well maintenance is the amount that would be expended unless other funds become available. Ms. Wright seconded the motion. Motion passed unanimously.

IV. Award of Construction Contract for the Drilling, Installation, and Testing of the Mona Lisa and Lambert/La Cholla Production Wells

Mr. Stratton explained that construction for the drilling of the Lambert/La Cholla production wells has some urgency due to the pigmy owl habitat area not being disturbed during the months of January through March. Charlie Maish, District Engineer, said that if the work was not completed at the Lambert/La Cholla site prior to the end of 2002, it would have to be halted until the spring of 2003, and a new pigmy owl habitat study would need to be completed.

Mr. Schlegel asked if walls would be put in place for sound abatement at both locations. Mr. Maish said the contract was for the drilling, installation, and testing of the wells only, and did not address the infrastructure or landscaping issues. He noted that at the Mona Lisa site, temporary walls would be erected during drilling operations to abate the noise as there are residents living close to the site. Mr. Maish said that there was no one living in direct proximity to the Lambert/La Cholla site. Mr. Schlegel commented that the report was confusing as it did not address all costs associated with the new production wells such as landscaping, fencing, security, and sound abatement. Mr. Stratton said that the electrical and infrastructure costs were not included in the drilling contract as this work is generally completed by other contractors specialized in these areas. By separating the work, it was more economical. Mr. Schlegel suggested that an estimated total cost be included in the future so that the Board has a clearer picture of the total cost for a project.

Ms. Wright clarified that the Lambert/La Cholla site was within the protected boundaries of the pigmy owl. Mr. Maish concurred. Ms. Wright asked why there was a sense of urgency if the study of the owls had already been completed. Mr. Maish explained that restrictions on time periods have been established so as not to disturb owls during their breeding season. Ms. Wright suggested that a breakdown of the total cost for the wells be provided to the Board. Mr. Schlegel agreed and said that he believed the cost was generally higher than what the cost for well drilling in the area had been previously. He also mentioned that he did not see that the cost for relocating the trees, which would be borne by Pima County, was included in the contract. Mr. Maish said this item had been included in the property transfer, per the Board's direction at a previous meeting. Staff was directed to provide additional information and a breakdown of the cost for future consideration by the Board.

V. Approval of Amendment No. 1 to the Miscellaneous Hydrogeological Services Contract with Clear Creek Associates

Mr. Stratton said this amendment addresses Hub Well No. 5 in an attempt to replace the well as quickly as possible. The costs are slightly higher than originally projected due to the increased amount for drilling, and overhead charges involved with the hydrologist managing the project. Gary Burchard, Hydrologist, noted that in order to accomplish the replacement of Hub Well No. 5 in a timely manner, Clear Creek Associates would act as a private contractor.

Ms. Wright asked what would be covered under the contract. Mr. Block, District Hydrologist, said that it includes the installation of the existing motor and pump to the new well. Mr. Schlegel said that the basic infrastructure is in place, and questioned why the cost for the

hydrologist consultant appeared to be expensive and asked if Mr. Block could do the required testing. Mr. Block explained that the pilot hole would be three hundred feet deeper than the existing well, and staff is unsure as to the arsenic levels at this depth, which the consultant will monitor through a new testing procedure. He explained that some of the water sampling and testing would be completed by a consultant as District staff does not have the time and resources to devote to the project on a 24 hour basis. Ms. Wright asked if the contract had been reviewed with legal counsel to which Mr. Maish replied that it had.

Mr. Schlegel made a motion to declare the replacement of Hub Well No. 5 an emergency to expedite the installation of the replacement well and move to approve Amendment No. 1 to the Miscellaneous Hydrogeological Services Contract with Clear Creek Associates, which increases the contract amount to a not-to-exceed contract amount of \$361,332. The additional contract amount is to be funded from the contingency fund. Mr. Doyle seconded the motion. Motion was passed unanimously.

VI. General Manager's Report

Mr. Stratton reported that staff is preparing a report regarding the natural gas auxiliary power for the well sites. Ms. Wright suggested that staff provide the Board with a status report at the October 16 Board meeting, followed up by a completed report for the November 13 Board meeting. Mr. Schlegel said he was interested in the possibility of adding similar existing systems to other well sites, and having two sources of auxiliary power available.

Mr. Stratton said that the Pima County Board of Supervisors acted upon the District's request to cancel the election for the Board vacancies, and denied the request to cancel the election for any of the special districts. He said potential write-in candidates have until October 22, 2002 to file an affidavit allowing them to be considered as write-in candidates.


The Green Valley Water Company (GVWC) hearing held on September 30 did not produce any positive remarks for the District, said Mr. Stratton. Public comments were accepted, and a motion to continue was granted. November 13, 2002 has been slated as the new ACC hearing date; however, the location is not known as of this date. Mr. Stratton said that Brown & Bain has transferred its representation of the GVWC to Attorney Dennis Rosen.

Mr. Stratton explained that there are a number of residences where there are leaks located on the customer's side of the meter. These customers routinely pay their water bills, but have made no attempts to repair the leaks. Mr. Stratton said legal counsel advised that because of the private property rights and liability issues, the District is not able legally to force the customers to make the repairs, or for the District to make the repairs itself. Mr. Stratton said staff is discussing available options to entice the customers to make the repairs. Mr. Schlegel suggested the item be put on the SAWUA agenda for consideration of future legislation. Mr. Schlegel also suggested sending neighbor's notification that the District is aware of the leaks, and that it has contacted the property owners and asked that the leaks be repaired so that neighboring customers are aware that the District has done all that it can to remedy the situation.

Ms. Wright suggested that staff research the possibility of placing non-voting members on the Board from the Hub service area, and possibly Green Valley. She noted that this would allow for more involvement than if the person(s) were to be placed on a committee. Ms. Wright believed that it would assist the District when it considered purchasing other utilities in that the customers would feel they had a voice and could be involved in influencing decisions, although they could not actually vote. Mr. Stratton said that staff would research the possibilities. Mr. Schlegel agreed with Ms. Wright, and noted that even if a person were to be appointed to the Board from one of the service areas, it would only be one voice.

VII. Adjournment

The meeting adjourned at 6:36 p.m.



FOR Dennis Polley, Chair of the Board



Clerk of the Board