

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

**September 27, 1999**

**\*\* Board Room\*\***

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

**MINUTES**

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

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

**I. Call to Order and Roll Call**

Sam Ray, Chair of the Board of Directors of the Metropolitan Domestic Water Improvement District (District), called the Board meeting to order at 5:31 p.m. Dennis Polley, Pete Schlegel and Marlene Wright were present. Jim Doyle was not present at the beginning of the meeting.

**II. Discussion and Possible Award of the Municipal Lease/Purchase Pick-up Truck for the Metro/Hub Service Area.**

Mark Stratton, General Manager, informed the Board that staff was concerned about safety issues and maintenance expenses with the truck presently being utilized for the Metro/Hub service area. Mr. Stratton indicated it would be in the District's best interest to get this vehicle replaced as soon as possible, that the process using the state bid list would delay the purchase for 3 to 4 months and would not result in a significant cost saving. He further stated that no vehicles matched the description needed by the District available on the state bid list at this time.

Mr. Schlegel made a motion to approve the municipal lease/purchase with Courtesy Chevrolet of a 1999 Chevrolet C2500 ¾ ton pick-up truck for a monthly payment of \$580.71 for a three-year term. Ms. Wright seconded the motion and it passed unanimously with the Board members present.

Mr. Doyle joined the Board meeting at 5:37 p.m.

### **III. Status of Meter Replacement Program**

Christopher Hill, Deputy Manager, updated the Board on the status of the meter replacement program that was approved by the Board in May. He stated that bid packages went out and the District received bids from three companies on four different styles of meters. Mr. Hill said that Steve Davis, from Malcolm Pirnie, had assisted staff in the design of meter specifications, life cycle costs and will be providing a third-party, unbiased opinion to help staff make a recommendation to the Board members.

Mr. Hill displayed several transparencies detailing data on meter inspection, meter usage, accuracy rates, projected costs and revenues. He explained that 94% of the meters used in the District are 5/8" which reflect 66% of the total revenues and 2" meters account for 14% of the revenue. Mr. Hill stated that based on his random test of ten meters, three out of ten are in compliance with AWWA standards. He further described the radio read retrofit component of the meter replacement program.

Mr. Ray asked if it was the intention to radio read retrofit every meter in the District. Mr. Stratton replied that the radio retro read program would be performed in new large subdivision neighborhoods in order to be time-saving and cost-effective. Staff is considering the possibility of passing along some of the cost of this program to developers of new subdivision thereby minimizing the need for hiring additional meter readers.

Mr. Hill informed the Board that ADWR reports annual water losses using a formula based on how much gallonage was metered and regulations require a penalty for anything over a 10% loss. The District's average annual water loss for the last five years is around 7.5% and with the meter replacement program, he believes the accuracy of meter reads should increase and annual water loss should then decrease and revenue increase. Mr. Doyle stated that it is not realistic to attribute all water loss to faulty meters. Mr. Hill agreed, but said he felt 75% of water loss could be attributed to the meters.

Mr. Ray asked what percentage of revenue could be recovered by replacing meters. Mr. Hill replied that he felt comfortable with predicting a 2% recovery rate by the year 2003.

Mr. Hill reiterated that it will take time and effort to get the meter replacement program accomplished and staff would need to work very hard. He further stated that there was no guarantee that the program could pay for itself, but a systematic program needed to be put in place so the cost and results can be monitored. He said that bids were received September 24, 1999 and staff is investigating all the information received in order to present it to the Board Members for their approval as an agenda item in October or November. The meter program is a five-year contract with yearly renewals. It is designed to establish one supplier in order to establish an adequate inventory and the cheapest bidder might not actually be the best.

Mr. Ray and Ms. Wright requested that the Board be provided an in-depth report presentation at the October 13, 1999 Board meeting.

## **VI. Discussion of Procurement Policy Review Process**

Mike Land, Chief Financial Officer, distributed a Draft Standard Operating Procedures handout to the Board. He stated that this draft was prepared by referring to Pima County's existing procurement policy and the District's previous procurement code issued in 1993. Mr. Land said that two parts of this procurement code have already been approved by previous Board action. Those issues are the delegation of the General Manager to approve purchases up to \$10,000 as passed in Resolution 1996-5 and the competitive sealed-bid process.

Mr. Ray asked the difference between proposal and a bid. Mr. Stratton replied that proposals were generally for professional services and bids were for products.

Mr. Land explained some of the provisions of the draft policy, included engineering related services, source selection qualifications to be used when requesting proposals, petty cash transactions to be increased to \$100.00 from \$50.00, internal issues such as purchase order and authority levels per division managers, sole source procurement and emergency procurement procedures. He stated that this draft is less restrictive than Pima County's procurement code because there are less legislative requirements that the District must address in comparison to the County.

Mr. Ray stated that it was important to institute a historical file when handling any procurements. He requested Board members review the draft policy and bring comments to the next regular Board meeting for discussion and directed staff to put it on the agenda for the October 13, 1999 meeting.

Mr. Ray inquired if there was any further information the Board should know. Mr. Stratton told the Board that Mr. Huckelberry, the Pima County Administrator, would like to reschedule the discussion on effluent. He further stated that members of the Oro Valley Town Council, and members of the Marana Town Council to a lesser extent, have expressed an interest to participate in that discussion.


Mr. Ray asked if the matter of the water leak at the Bashas shopping center was an item to be scheduled for discussion at the October 13, 1999 meeting. Mr. Stratton noted the Board has had a policy that commercial customers are responsible for leaks due to staff they have on hand and commercial customers are exempt from the leak adjustment policy. No Board member at this time expressed interest in placing it as an agenda item. Warren Tenney, Assistant to the General Manager, replied that the item would need to be put on an agenda for future meeting if action were to be taken.

Ms. Wright inquired as to the status of neighborhood meeting with the Metro/Hub service area customers. Mr. Tenney responded that November 18, 1999 has been reserved for this meeting and staff was preparing for it.

Mr. Ray requested a calendar of meetings involving District staff.

**V     Adjournment**

The meeting was adjourned at 6:30 p.m.



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Clerk of the Board



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Sam E. Ray, Chair of the Board