

**Metropolitan Domestic Water Improvement District
Board of Directors Meeting**

May 10, 2021

**Modifying the Agreement for Construction Services for the
Phase I Avra Valley Recharge Project (AVRP) Improvements**

Synopsis

The Board of Directors is requested to authorize the General Manager to extend the date of completion to June 30, 2022 for the agreement with Borderland Construction Company, Inc., (Borderland) for Phase 1 Avra Valley Recharge Project (AVRP) improvements.

Background

As part of the specific performance objectives for 2021, the Board of Directors included the phase 1 upgrades at AVRP to include new metering infrastructure in order to eliminate Central Arizona Project (CAP) storage and billing discrepancies.

CAP water deliveries to the basins are typically accomplished over a six-month period each calendar year to ensure recharge of City of Phoenix water is accomplished. Those deliveries were completed between July 2020 and December 2020 to accommodate the originally planned phase 1 construction schedule.

At the request of the District, the Arizona Department of Water Resources (ADWR) issued a director's modification to the AVRP Underground Storage Facility (USF) permit in December 2020. That modification recognized the revised metering configuration contemplated by the phase 1 upgrades.

At the February 8, 2021 meeting, The Board of Directors authorized the General Manager to execute an agreement to complete the phase 1 upgrades with Borderland in the amount of \$516,815.41 and authorized the General Manager to allocate funding in a cumulative amount not to exceed \$10,000. Additional efforts related to this work include the use of the District's Miscellaneous Geotechnical and Material Testing consultant at an estimated cost of \$3,000. The combined total, including the work by Borderland and the associated General Manager authorization, is \$529,815.41.

Funding for the project was through the Fiscal Year (FY) 2021 Capital Improvement Program (CIP), which included \$330,000 for AVRP Recharge Improvements plus \$200,000 in savings anticipated from the FY 2021 operating budget for costs related to CAP Water Purchase / Allocation.

Issues

Subsequent to the winter storms in Texas, the construction industry has experienced material shortages for both ductile iron and polyvinyl chloride pipe. Additional impacts related to COVID-19 have exacerbated the supply issue. Due to the limited availability, the pipe material and associated appurtenances cannot be received in time to complete the work prior to June 30, 2021.

Staff confirmed ADWR will authorize deliveries to the USF using the original permitted metering scheme. This will allow the District to store City of Phoenix water between July and December 2021 without having the new meters installed. This would enable construction of the phase 1 upgrades to be accomplished between January and June 2022.

The original combined total, including the work by Borderland and the associated General Manager authorization remains unchanged at \$529,815.41. However, because the \$200,000 operating savings identified in FY 2021 will not be available for FY 2022, all of the funding will need to come from the CIP. The original \$330,000 planned for AVRP Recharge Improvements in the FY 2021 CIP will carryforward to FY 2022. The FY 2022 CIP anticipated additional improvements to the AVRP recharge facility that can be moved to a future fiscal year as additional permitting is required before that element can proceed. The planned \$149,749 in FY 2022 would be used for the phase 1 improvements instead. The remaining \$50,251 is proposed to come from a reduction in the in-house design effort for Creeger Mainline Replacement. The original amount proposed in the FY 2022 CIP for that design was \$76,500, which would be reduced to \$26,249. In summary, the AVRP phase 1 improvements would be funded by the following:

FY 2021 CIP carryforward to FY 2022 CIP	\$330,000
FY 2022 CIP AVRP improvements repurposed to fund phase 1 improvements	\$149,749
FY 2022 CIP Creeger Mainline Replacement shifted to AVRP Improvements	\$50,251
Total funding for AVRP improvements	\$530,000

Recommendation

Staff recommends the Board of Directors authorize the General Manager to extend the date of completion to June 30, 2022 for the agreement with Borderland for the Phase 1 AVRP improvements.

Suggested Motion

I move to authorize the General Manager to extend the date of completion to June 30, 2022 for the agreement with Borderland Construction Company, Inc., for the construction of the Phase 1 Avra Valley Recharge Project Improvements.

Respectfully submitted,

Sheila M. Bowen, P.E.
District Engineer

I concur with the above-noted recommendation.
Respectfully submitted,

Joseph Olsen, P.E.
General Manager