

**THE MINUTES OF THE WORK SESSION OF THE MAYOR AND
CITY COUNCIL OF THE CITY OF WILLCOX, COCHISE COUNTY, AZ
HELD ON THIS 22nd DAY OF OCTOBER 2012**

CALL TO ORDER- Mayor Bob Irvin called the work session meeting to order on Monday, October 22, 2012 at 6:03 p.m. and welcomed everyone in attendance

ROLL CALL-City Clerk Virginia A. Mefford, called the roll:

PRESENT

Mayor Robert A. Irvin
~~Vice Mayor Bill Holloway~~
Councilman Gerald W. Lindsey
Councilman Elwood A. Johnson arrived at 6:30
Councilwoman Monika Cronberg
~~Councilman Earl Goolsby~~
Councilman William "Bill" Nigh

STAFF

City Manager Pat McCourt
City Clerk Virginia A. Mefford
City Attorney Ann P. Roberts
Finance Director Ruth Graham
Public Services & Works Director Dave Bonner
Development Services Mr. Stoddard
Library Director Tom Miner

ABSENT

Vice Mayor Bill Holloway
Councilman Earl Goolsby

PLEDGE OF ALLEGIANCE TO THE FLAG lead by Mayor Irvin

DECLARATION ON CONFLICT OF INTEREST

None Declared

ADOPTION OF THE AGENDA.

MOTION: Councilwoman Cronberg moved to adopt the agenda as presented.

SECONDED: Councilman Lindsey seconded the motion. **CARRIED**

DISCUSSION ON CAPITAL EXPENSE NEEDS GAS SYSTEM

Mr. Dave Bonner gave an overview on the gas system by W.C. Scoutten. He explained it is a 5 mile steel pipeline, 4" coated steel pipeline. Normal operating pressure is about 100 PSI. He went over the map presented on the PowerPoint that was given to Council. He pointed out the location of the 3&4 regulator stations, located on Delos St. The entire system is made up of 44 miles of gas line. Councilman Lindsey asked if the meters are made up in inner or outer. Mr. Bonner stated it is made up of outer. Councilman Lindsay asked what the rate of replacement is. Bonner stated 10 %. Mayor Irvin asked how much does it cost to replace. Mr. John Bowen stated about \$240 to replace the parts of meter and fittings. Mr. Bonner stated there is someone out there that said they could recycle and convert them. Councilman Nigh asked where you read them, on the high pressure side. Mr. Bonner stated there are several ways to read them, we change the graphs once a week, and normal pressure is about 4 oz. Mr. Bonner stated the 78 residents outside of city limits are about 1 1/2 miles from the city limits. On the map he pointed out the regulator which runs out about 5 miles. Regulations are by Arizona Corporation Commission (ACC), and audits usually last for 4 days and we get our results in about three week, in which the City has 30 days to respond. Federal Pipeline regulation requires us not to exceed 15 months. Councilman Lindsey asked if they were doing the survey in-house. Mr. Bonner stated we are using Dan Fitzgerald we do this every other year, but next year we will be doing it in-house. The last reported leak test was done in 2004. Regulator Station 2004-05 has been in the budget and \$400,000 was put in 2006-07 budgets. Councilman Lindsey asked for Mr. Bonner to explain this to the Council, but my understanding is the regulator stations do not need to be replaced. I was wondering if we could keep the \$400,000 on the budget, that way we could have it if we need down the line. Mr. Bonner stated you are stealing my thunder, as I was going to explain this later in my presentation. Your right, we shouldn't need to replace the pipeline. Councilman Johnson stated if something does go wrong we have money to fix it. Mr. Bonner stated we do have 27% capacity available for additional growth, after the steel sub mains have been replaced only 16% will be available for growth. The future plans indicate there are no physical reasons for replacing the line or regulator. This is based on the average of all the meters. Councilman Nigh asked before I was a councilman I heard about looping two regulators together would help. Mr. Bonner stated that is correct. Mr. Bowen stated one is at Soto and Bisbee. Councilman Nigh stated

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that would be a good area. Councilman Lindsey asked would there be a possibility to connect a line to El Paso Natural Gas line. Mr. Bonner stated yes it would, the tap would be about \$1,000,000. Mr. Bowen stated Kinder-Morgan is going to be putting in a bypass on Wednesday so if something does go wrong they could get to it. Mr. Bonner went over the worksheets on Gas Fund Capital Budget, Gas Capital Projects, and Future Gas Capital Projects. Mr. Bowen stated we do classify the leaks from 1-3 and the severity would be a 1 and less severity is 3 and we do respond to them in this order. Mr. Bonner pointed out the summary and stated it is on the last page of the worksheet. Councilman Nigh asked about PVC pipes could be used. Mr. Bonner stated that is not allowed due to it tends to breakdown very easily. This is all recommendations and one of the questions is do we want to keep adding money until we have saved up about \$750,000 so we have the money for the long range. City Manager McCourt stated in the long range sense the rate projection in February, there are different ways to do this. Our recommendation at this time is looking at replacing the main if there is growth we may have to look into putting a second line. Do we put this in place for future potential growth? Councilman Nigh stated we do need to look at seeing if EPNG has an off valve and the actual cost for a secondary line. Councilman Johnson stated how many active lines do we have currently? Mr. Bonner stated about 433 and we do have about 350 inactive lines. City Manager McCourt stated there is a possibility more people will flood to switch to gas for cost effective reasons, we could look at putting in a second line but what we are suggestion is address the concerns with engineer studies and right of way studies. Councilman Johnson stated we could do this with property tax if we need an increase. Mr. McCourt stated yes we could but this is usually done with utilities, we would raise the rate in the utilities as we do in raising the water rate, you may recall from our spreadsheets. The questions are: do you want more capital accumulations and when do you want to start the capital accumulation. Councilman Johnson asked how many miles do you have to replace at a time? We don't have to replace to scale but we try to. City Manager McCourt stated we do try to replace as Mr. Bowen stated we do have a scale with the most severity first and continue to replace as necessary. Mr. Bonner pointed out the area where he explained we do 2 inch and buy 500 feet increments and we do go up to a 4 inch. Councilman Nigh stated I don't think we need to do an expansion for about year, but if we could get the information for the expansion. Councilman Lindsey stated it doesn't seem like we need to push it too hard. Mr. Bonner stated we do need to think about when we need to start this implementation. In 2004-05 we had a huge influx of people coming in and we were not prepared. It may be a gradual increase. Councilman Lindsey stated we don't have a huge inventory, of forecloses property. Mr. McCourt asked the council if there was anymore they would like for them to bring back or do you want us to go forth with what was presented. Councilman Lindsey stated I think we should start accumulating but I don't know at what rate. City Manager McCourt stated the Council should start thinking how much. We are planning to ask for another work session for the water and sewer maybe two more work sessions so we can incorporate anymore rate increases, and indicated we should do this before the end of this calendar year. I just want to mention we received an invite very late this month on the Mayor/Manager meeting it is on the 29th of this month, please let Virgie Know if you are interested in attending.

ADJOURN

Being no further discussion before the Mayor and Council, Mayor Irvin adjourned the Work Session at 7:15 p.m.

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CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the City Council of the City of Willcox held on the 22nd day of October 2012. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 22nd day of October 2012

/s/ Virginia A. Mefford
City Clerk Virginia A. Mefford

PASSED, APPROVED AND ADOPTED this 17th day of December 2012.

/s/ Robert A. Irvin
MAYOR ROBERT A IRVIN
Signed: December 18, 2012

ATTEST:

/s/ Virginia A Mefford
City Clerk Virginia A. Mefford