

**TOWN OF PRESCOTT VALLEY
REGULAR COUNCIL MEETING
SEPTEMBER 27, 2007
MINUTES**

*Magistrate Court/Council Chambers
Civic Center
7501 E. Civic Circle
Prescott Valley, Arizona 86314*

1. *CALL TO ORDER*
2. *INVOCATION*
3. *PLEDGE OF ALLEGIANCE*
4. *ROLL CALL*

The meeting was called to order by Mayor Skoog at 5:30 p.m. in the Magistrate Courtroom/Council Chambers. Pastor Charlie Hale, Prescott Valley Nazarene Church, gave the Invocation after which the Pledge of Allegiance was said in unison as led by Ben Harper. The following council members were present for roll call:

Harvey Skoog	Mayor
Harold Wise	Vice-Mayor
Fran Schumacher	Council member
Bob Edwards	Council member
Mike Flannery	Council member
Mary Baker	Council member

Absent: Lora Lee Nye Council member

5. *ANNOUNCEMENTS & PRESENTATIONS*

a. *Regional Urban Wildlife Symposium, Libby Majors*

The Open Space Alliance of Central Yavapai County is holding a symposium this weekend at Sharlot Hall Museum. The focus is on how we can work with the natural and cultural heritage, to keep it as intact as possible. The theme is Solutions for Preserving Our Natural Heritage.

b. *Prescott Valley Tool Box Program & Graffiti Buster Program*

Neighborhood Services Coordinator, Al Sengstock, reported on the Graffiti Buster program and a certificate was presented to Curt Bonelli, Ace Hardware, for recognition to him and his employees for all their contributions to this program.

He further reported on the Prescott Valley Tool Box Program which will assist in cleaning up neighborhoods. The trailer was outside of the Council Chambers for viewing. And there was a reminder that Fall Clean Up will be held on October 5 and 6, 2007.

6. COMMENTS/COMMUNICATIONS

Mayor Skoog reported that Keith Staker has been nominated to the Veterans Hall of Fame and will be inducted October 26, 2007 in Phoenix.

Council member Flannery reported that the Focus on Success is wrapping up their process and they are going to have a final public meeting on Thursday, October 4, 2007 at the Prescott Valley Civic Center. They have gone through the internal process and now the final is one public meeting in which they take public comment. They are encouraging the public to show and give their comments on the report. This is for the Economic Development strategy for Prescott Valley. Any questions can be directed towards the Prescott Valley Economic Development Foundation at 775-0032.

Council member Flannery also stated that last year the State Legislature established a blue ribbon committee to investigate some of the activities of transportation in the State of Arizona. This committee has 5 members from the Senate and 5 members from the House. We are fortunate because we have a freshman representative representing District 1, Andy Tobin. He is very well respected in the House.

Mayor Skoog, reported that he is happy to have Council member Schumacher back after a brief illness and stay in the hospital.

7. CONSENT AGENDA

- a. *Approval of Minutes – September 13, 2007*
- b. *Accepting a Special Warranty Deed for the Pronghorn Ranch Park, Tracts E and 22 of Pronghorn Ranch, Unit V (amended)*
- c. *Approving the Annual IGA with the Yavapai Free Library District for transmittal of tax funds amounting to \$233,466.00*
- d. *Authorizing the Mayor to sign Resolution No. 1533 approving the technical corrections and modifications to the assessment and warrant records and to the Phase I assessment diagram*
- e. *Approving Departmental Monthly Statistical Reports:*
 - Community Development*
 - Library*
 - Parks and Recreation*
 - Police Department (2 reports)*
 - Public Works*
 - Town Clerk*
- f. *Approving Accounts Payable for September 7 thru 20, 2007*

Vice-Mayor Wise made the MOTION, seconded by Council member Baker, to approve all items on the Consent Agenda, by electronic vote. MOTION carried with 6 ayes and 0 nays.

8. UNFINISHED BUSINESS (FOR ACTION)

- a. *Consideration of approving the second reading and passage of Ordinance No. 695 approving ZMC07-001 changing approximately nine (9.1) acres located west of Lone*

Cactus Drive, between Spouse Drive and Santa Fe Loop Road from R1L-10 PAD (Residential; Single Family Limited - Planned Area Development) to R2-PAD (Residential; Multiple Dwelling Units - Planned Area Development) as requested by Edward Ruwalt

Council member Flannery reminded Community Development Director, Richard Parker, about his concerns with the path. Mr. Parker stated that Joe Scott, Planner, has informed the Parks Director of the issues and concern which, in turn, has been presented to the Parks and Recreation Commission. Prior to the Final Development Plan, their review and recommendation will be incorporated in that Final Development review.

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 695 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 695 passed with 6 ayes and 0 nays.

- b. Consideration of approving the second reading and passage of Ordinance No. 696 approving ZMC07-009 changing approximately twelve (12) acres located on the south side of State Route 89A, approximately two (2) miles east of the intersection of Fain Road in Section 29, Township 15 North, Range 1 East, G&SRM from PL (Public Lands) to C3-PAD (Commercial; Minor Industrial-Planned Area Development) as requested by Nackard Co.*

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 696 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 696 passed with 6 ayes and 0 nays.

- c. Consideration of approving the second reading and passage of Ordinance No. 697 approving ZMC07-007 changing approximately fifty-two (52) acres located at the northeast intersection of Glassford Hill Road and Lakeshore Drive Zoning Map Change from RCU-70 (Residential; Conditional Use Permits) to C2-PAD (Commercial; General Sales and Services - Planned Area Development) as requested by Fain Signature Group*

Council member Baker advised that she would have to abstain from this item (8c) and the next item (8d) due to a possible conflict of interest.

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 697 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 697 passed with 5 ayes, 0 nays and 1 abstain (Baker)

- d. Consideration of approving the second reading and passage of Ordinance No. 698 approving ZMC07-008 changing approximately fourteen (14) acres located at the northeast intersection of Civic Circle and Lakeshore Drive from RCU-70 (Residential; Conditional Use Permits) to C2-PAD (Commercial; General Sales and Services - Planned Area Development), and changing approximately ten (10) acres located southerly of the intersection of the Windsong Drive extension and Loos Drive and Civic Drive from RCU-70 (Residential; Conditional Use Permits) to RS-PAD (Residential and Services - Planned Area Development) as requested by Fain Signature Group*

The council had no further comments as this was the second reading of this ordinance. The Town Clerk, Diane Russell, read Ordinance No. 698 by title only. Mayor Skoog asked “Shall the Ordinance pass?” Ordinance No. 698 passed with 5 ayes, 0 nays and 1 abstain (Baker)

9. *NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR POSSIBLE ACTION)*

a. *Consideration of reappointing Eugene Bohne, Richard Leithead, Cal Nigh and Johnny Kolacek to the Board of Appeals to terms expiring September 5, 2009*

Council member Flannery reported that on September 5, 2007, four terms came up for renewal. The current four Board of Appeals members expressed their interest in continuing to serve on this Board. Eugene Bohne, Richard Leithead, Cal Nigh and Johnny Kolacek all wish to be considered for re-appointment to the Board of Appeals. Council Member Flannery, Council Member Schumacher and Council Member Nye are recommending the re-appointments of Eugene Bohne, Richard Leithead, Cal Nigh and Johnny Kolacek for terms with a renewal date of September 5, 2009.

Council member Flannery made the MOTION, seconded by Council member Schumacher, to approve to re-appoint Eugene Bohne, Richard Leithead, Cal Nigh and Johnny Kolacek to the Board of Appeals to terms with a renewal date of September 5, 2009. MOTION carried with 6 ayes and 0 nays.

b. *Public Hearing*

Open Public Hearing

Zoning Map Change (ZMC07-010) as requested by Roy Mills, changing the zoning on Lots 6647 and 6674 from RS-3 to C3, and Lots 6649, 6650, 6651, 6670 through 6673 in Unit 16 from R2-4 to C3

Close Public Hearing

Mayor Skoog declared the public hearing open. Joe Scott, Planner, reported that the subject lots are vacant and portions of the total site are impacted by the one hundred (100) year FEMA Floodplain. The RS-3 and R2-4 zoning was established at the time of Incorporation in 1978. The General Plan Land Use designation on all of the property is Regional Commercial as a result of approval of Resolution No. 1493 on April 12, 2007 (GPA07-001) and Resolution No. 1528 approved September 13, 2007. The Regional Commercial designation accommodates the requested C3 zoning.

All nine (9) lots are now being considered for rezoning to C3 (Commercial; Minor Industrial). The owner's intent is to utilize the vacant lots not in the Floodplain for the development of commercial buildings and to use the lots that lie in the Floodplain for parking in conjunction with the primary uses and permanent buildings. A preliminary site plan has also been attached.

Town policy and code allows property in the Floodplain to be developed for use as parking or screened storage in conjunction with the primary use (subject to Town Engineering requirements); however, no structures are permitted or additional land fill allowed within the Floodplain without an approved FEMA map change.

There have been a number of other prior requests within Unit 16 for rezoning to C3 and PM for lots that are not in the Floodplain or are used in conjunction with a primary use not in the Floodplain. Within the Circulation Element, CIR-6, of the *General Plan 2020*, the proposed

future Santa Fe Loop Road extension is represented following the Agua Fria along the north side of Unit 16. Future development of the Santa Fe Loop will also include some channeling of the Floodplain increasing the availability of property (currently designated Medium-High Density Residential and zoned R2) in Unit 16 for commercial and industrial use. The location between a major industrial area to the south and the future arterial to the north makes this area well suited for such uses.

The applicant contacted approximately three hundred (300) property owners by first class mail within a one thousand (1,000) foot radius in order to notify them of a scheduled Neighborhood Meeting on February 8, 2007 regarding the proposed land uses for the subject property. Three (3) persons attended that meeting with none voicing objections.

The Planning and Zoning Commission reviewed this item during regular session on August 13, 2007 and voted to approve ZMC07-010 and forward to Town Council. Staff suggests that the proposed zoning is in conformance with the *General Plan 2020* and is appropriate with the limitations set forth as conditions of approval in the Ordinance.

Council member Schumacher said she noticed that there is one lot that is not included in this action. Does Mr. Mills own this lot? Mr. Scott said that no this is owned by an out-of-town person, who has not responded to any communications. She also asked Mr. Scott to show the flood plain areas, which he explained would be used for parking. A reversionary plat will be completed at a later date for this area.

There being no further comments, Mayor Skoog closed the public hearing.

- c. Consideration of approving the first reading of Ordinance No. 699 by title only approving Zoning Map Change (ZMC07-010) as requested by Roy Mills*

There were no further comments.

Council member Flannery made the MOTION, seconded by Council member Schumacher, to read Ordinance No. 699 by title only on two separate occasions, and then place the same on final passage, by electronic vote. MOTION carried with 6 ayes and 0 nays.

Town Clerk, Diane Russell, read Ordinance No. 699 by title only.

- d. Consideration of approving an Agreement with Civiltec Engineering, Inc. for professional design services for the Section 14 Detention Basin Park project, CIP # P252 (Prescott Valley Downtown Regional Multi-Purpose Athletic Field/Park), in a total amount of up to \$60,750.00*

Capitol Projects Coordinator, Kim Moon, reported that the project consists of the installation of a new regional, regulation-size, Multi-Purpose Athletic Field with associated facilities, within the recently installed Section 14 Detention Basin (CIP # E252), located on the southwest corner of Long Look Drive and Viewpoint Drive. This park will provide additional recreation facilities in Section 14 (T14N R1W) for the growing population and will include an athletic field, parking, restroom facilities, sidewalks, field lighting, turf and irrigation lines. This property is also for the purpose of a regional storm water retention basin, and the park facilities

can not impede the requirements for storm water flow and retention. Special attention is to be given to keeping these park facilities (especially lighting, driveway access points, and parking), as unobtrusive as possible for residential and commercial areas in close proximity and for traffic on Long Look Drive and Viewpoint Drive.

This action is for approval of an Agreement with Civiltec Engineering, Inc. for professional design services in an amount up to \$60,750.00 for this project. This includes services for Base Mapping, Preliminary and Final Design, and Bidding.

Council member Schumacher said we originally went out for a design with Dava and Associates. What was that design for versus this design? Capitol Projects Coordinator, Kim Moon, responded that Dava and Assoc. designed the detention basin and the stormwater capacity of that basin. Near the end of their design we indicated to them that we wanted the ability to have a facility to be incorporated as part of that detention basin. They did a preliminary concept design for a little over \$6,000 so that they could size and shape the detention basin so that it could include the park facilities in the future. This design is for the whole park, the field itself, bathrooms, parking lots, entrances, lighting and irrigation. Dava and Assoc. focused on the detention basin with the ability to include the park in the future and now we are ready to design the park.

Vice-Mayor Wise stated that in the packet there was a section that addressed the lighting that will be installed at the park and there is sensitivity to what the neighbors would or would not be able to see. Capitol Projects Coordinator, Kim Moon, responded that there will be compliance with the lighting ordinance and will be as friendly as possible to the neighbors across the street. The lights will be lower than Mountain Valley Park and the parking lot will be at road level which is the same level as adjacent properties.

Council member Baker made the MOTION, seconded by Vice-Mayor Wise, to approve an Agreement with Civiltec Engineering, Inc. for professional design services for the Section 14 Detention Basin Park project, CIP # P252 (aka the Prescott Valley Downtown Regional Multi-Purpose Athletic Field/Park), in a total amount of up to \$60,750.00, by electronic vote. MOTION carried with 6 ayes and 0 nays.

- e. Consideration of approving the creation of a capital improvement project (mid-year) called the "SR 169 Utility Relocation at the Agua Fria Bridge (sewer force mains), CIP # E276ww", AND approve budget transfer(s) as outlined in the Fiscal Analysis to fund this project, AND authorize the Mayor to sign the Intergovernmental Agreement with the Prescott Valley Water District to administer this project on behalf of the Town and to pay the Town's share of District costs for scour protection under its IGA with ADOT*

Utilities Division Manager, Neil Wadsworth, reported that The Arizona Department of Transportation (ADOT) will be making improvements to State Route 169 (near the SR 69 intersection), including demolition and rebuilding of the existing bridge across the Agua Fria River near old Young's Farm. Due to security concerns, ADOT will not allow utilities to use bridge structures for support and utilities must use alternative means to cross the river or impediment. In preparation for this ADOT project, the Prescott Valley Water District (PVWD) must relocate its existing 12" diameter water line from the bridge prior to demolition. As part of the new bridge construction, ADOT will be installing concrete scour protection beneath the bridge and is willing to extend this protection over the top of PVWD's new water line. Therefore,

PVWD has entered into an Intergovernmental Agreement with ADOT to compensate ADOT for that scour protection.

The Town also needs to provide for installation of wastewater force mains in the river channel for future use. Since much of the channel bottom and bank protection are already being modified or installed at this time for PVWD, it is desirable now to enter into an Intergovernmental Agreement with PVWD (as has been done in the past) to add the Town's wastewater force main piping to avoid future conflicts and having to re-do the bank protection. At the same time, the Town will need to reimburse PVWD for a fair portion of the costs for ADOT's concrete scour protection under that Intergovernmental Agreement.

Council member Flannery asked about the transfer. Are we sure that we will not use that for small sewer projects? Mr. Wadsworth responded that they keep funds available for situations like this and it will not impact any other necessary projects.

Vice-Mayor Wise made the MOTION, seconded by Council member Baker, to approve creation of a capital improvement project (mid-year) called the "SR 169 Utility Relocation at the Agua Fria Bridge (sewer force mains), CIP # E276ww", AND approve budget transfer(s) as outlined in the Fiscal Analysis to fund this project, AND authorize the Mayor (or, in his absence, the Vice Mayor) to sign the Intergovernmental Agreement with the Prescott Valley Water District to administer this project on behalf of the Town and to pay the Town's share of District costs for scour protection under its IGA with ADOT. MOTION carried with 6 ayes and 0 nays.

10. COMMENTS FROM THE PUBLIC

There were no comments forthcoming.

11. ADJOURNMENT

Mayor Skoog asked for a motion to adjourn the meeting. MOTION was made by Council member Schumacher and seconded by Vice-Mayor Wise to adjourn, by electronic vote. Motion carried with 6 ayes and 0 nays.

Mayor Skoog adjourned the meeting at 6:37 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)
COUNTY OF YAVAPAI)ss:
TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Candice McElhaney, Deputy Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Regular Meeting of the Town Council of the Town of Prescott Valley, held on Thursday, September 27, 2007.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this October 4, 2007

Candice McElhaney, Deputy Town Clerk

EASTRIDGE
ENTERTAINMENT CENTER
PARKWAY NO. 1
PRESCOTT VALLEY WATER DISTRICT
PRONGHORN RANCH
RAVEN RIDGE
SOUTHSIDE NO. 1
STONERIDGE
QUAILWOOD MEADOWS
COMMUNITY FACILITIES DISTRICTS
DISTRICT BOARDS MEETING
MINUTES
September 27, 2007

*Magistrate Court/Council Chambers
Civic Center
7501 East Civic Circle
Prescott Valley, Arizona 86314*

1. *CALL TO ORDER*
2. *ROLL CALL*

The meeting was called to order at 6:37 p.m. by Chairman Skoog at the Magistrate Courtroom

<i>Harvey Skoog</i>	<i>Chairman</i>
<i>Harold Wise</i>	<i>Vice-Chairman</i>
<i>Mike Flannery</i>	<i>Board Member</i>
<i>Bob Edwards</i>	<i>Board Member</i>
<i>Fran Schumacher</i>	<i>Board Member</i>
<i>Mary Baker</i>	<i>Board Member</i>
<i>Absent:Lora Lee Nye</i>	<i>Board Member</i>

3. *CONSENT AGENDA*

- a. *Approval of Minutes (August 9, 2007) Prescott Valley Water District*
- b. *Approving the purchase of a 2007 Case Backhoe Loader in an amount of \$76,978.01 from Falcon Power*
- c. *Approval of Accounts Payable (August 3 through September 20, 2007)*

Board member Schumacher made the MOTION, seconded by Board member Edwards to accept the consent agenda, by electronic vote. MOTION carried with 6 ayes and 0 nays.

4. *NEW BUSINESS (FOR REVIEW, COMMENT, AND/OR ACTION)*

- a. *Consideration of authorizing the Chairman to sign an IGA with ADOT for the SR169 Utility Relocation Project (CIP#E276wd) in an amount of \$28,489 (PVWD)*

Utilities Division Manager, Neil Wadsworth, reported that the Arizona Department of Transportation (ADOT) will be making improvements to State Route 169 (near the SR 69 intersection), including demolition and rebuilding of the existing bridge across the Agua Fria River near old Young's Farm. Due to security concerns, ADOT will not allow utilities to use bridge structures for support and must use alternative means to cross the river or impediment.

In preparation for this ADOT project, the Prescott Valley Water District (PVWD) is required to relocate its existing 12" diameter water line from this particular bridge prior to demolition of the bridge.

As part of the new bridge construction, ADOT will be installing concrete scour protection beneath the bridge and will extend this protection over the top of our new utility line. The expense of the scour protection will be paid by PVWD.

This action is for consideration of an Intergovernmental Agreement with ADOT outlining the responsibilities of both the PVWD and ADOT and allocates expenses to be paid by the PVWD for the work ADOT is doing on our behalf. The cost of this work is estimated to be \$28,489.00.

District Attorney, Ivan Legler, stated that technically this is not an IGA. ADOT did not want to go through the process of an IGA, having it approved and run through their legal counsel. This is called a Utility Agreement. It is an agreement with the State but it does not quite meet the requirements of an IGA.

Board member Schumacher made the MOTION, seconded by Board member Edwards, to authorize the Chairman (or, in his absence, the Vice Chairman) to sign this Utility Agreement with the State of Arizona and ADOT for concrete scour protection in the amount of \$28,489.00, by electronic vote. MOTION carried with 6 ayes and 0 nays.

- b. Consideration of approving award of a construction contract to Johansen Construction Inc. in an amount not to exceed \$134,191.34 and authorizing the Chairman to sign an IGA with the Town of Prescott Valley for the Prescott Valley Water District to administer the SR 169 Utility Relocation Bridge project on behalf of the Town (CIP#E276wd)*

Utilities Division Manager, Neil Wadsworth, stated that this is the other half. This is the IGA between the Water District and the Town, as previously discussed in the Town Council meeting. And this is also for the award of the contract to Johansen Construction. He stated that there are two figures for the award to Johansen Construction (\$134,191.34 and \$134,194.34) and he is not sure which one is correct. After searching through the documents, it was determined that the correct figure is \$134,191.34. The installation of sewer force mains in the river channel for future use is also included as part of the project. Since much of the channel bottom, bank protection and other utilities are being modified or installed at this time, it will be easier to also add the sewer force main piping at this time to avoid future conflicts and having to re-do the bank protection.

Vice-Chairman Wise made the MOTION, seconded by Board member Baker, to approve award of a construction contract with Johansen Construction, Inc. in an amount up to \$134,191.34 AND authorize the Chairman (or, in his absence, the Vice Chairman) to sign the Intergovernmental Agreement with the Town of Prescott Valley for the Prescott Valley Water District to administer this project on behalf of the Town and for the Town to pay its share of District expenses under the Intergovernmental Agreement with ADOT, by electronic vote. MOTION carried with 6 ayes and 0 nays.

- c. Consideration of approving the purchase of SENSUS Radio Read equipment in an amount not to exceed \$397,992.92 from Dana Kepner Co. (PVWD)*

Utilities Division Manager, Neil Wadsworth, reported that the approved budget for Fiscal Year 2007/2008 includes the continuation of the Radio Read Meter Replacement Program. SENSUS radio read equipment is used exclusively in Prescott Valley (to be compatible with existing meters, reading devices, AMR equipment and water billing software). Dana Kepner is the only authorized dealer of this equipment in Arizona.

The Town has received a quote for Meters, Handheld reading equipment and miscellaneous AMR equipment in the amount of \$397,992.92. District staff recommends the purchase of SENSUS Radio Read equipment in the amount of \$397,992.92 from Dana Kepner Company. The budget for this equipment is \$400,000.00 and is outlined in the Fiscal Analysis below.

Board member Schumacher asked how many of these meters have been replaced and how many need to be replaced. Utilities Division Manager, Neil Wadsworth, responded that a total of 3600 meters have been replaced in the Water District and in the Municipal side almost 500 meters have been replaced.

Vice-Chairman Wise asked (for the benefit of the public) if this in any way affects anybody's radio or adds or subtracts from channels. It is not connected and is a separate technology that has no connection with radio receivers. Wadsworth responded that this is correct. These are very low voltage and not licensed by the FCC and should not affect your TV or radio.

Board member Flannery asked what is required in new construction right now. Wadsworth responded that radio read is required. He also stated that, as far as the budget is impacted, there will be an increase in the accuracy of the meters because the older the meters get they slow down and do not read as accurately. There should be an increase in about 15% in accuracy based on the water and sewer side. Our revenues will go up. By the time we are done with the program the combined water and wastewater revenue should go up about \$500,000 a year. And based on the increase of about 1500 meters per year, that number should be about \$97,000 increase. And the payback on this is about 3-1/2 years.

Also, by the time we are done with this program, we will be able to read all the meters in Town in a day or less. Right now there are three people that are doing this full time and eventually there will be one person doing this less than part time. Processing will be perhaps cut to one billing a month.

Board member Flannery asked what the current employees will be doing if not handling the meter reads. The response is that they will be doing customer service and working on water mains.

Board member Schumacher made the MOTION, seconded by Board member Baker, to approve the purchase of SENSUS Radio Read Equipment in a total amount of \$397,992.92 and continue the Radio Read Replacement Program, by electronic vote. MOTION carried with 6 ayes and 0 nays.

d. Consideration of authorizing the Chairman to sign a Professional Services Agreement with CH2M Hill in the amount of \$18,481.00 for PVWD valuation study

In 1999 the Town of Prescott Valley bought the Shamrock Water Company to ensure that growth of the Town would not be limited by an inadequate water delivery system. That water system became the Prescott Valley Water Company, also commonly referred to as the Prescott Valley Water District (PVWD).

The PVWD was required by IRS rules to remain separate from the Town's existing Municipal Water System, unless the Town was willing to pay a penalty of approximately \$5 million. This was not acceptable to the Town and therefore the PVWD has remained a separate entity. This has resulted in keeping separate budgets, separate accounting and separate administration, and has resulted in significant confusion to the public.

In the past year, Town staff has been working with a tax consultant to explore options that may allow the Town to combine the Water District with the Town's Municipal Water System. As part of this effort, a current valuation study of the PVWD assets that were purchased as the Shamrock Water System in 1999 is needed.

Prior to the purchase of the water system in 1999, CH2M Hill performed a system evaluation that also included an estimated value of that system. CH2M Hill has again been contacted to prepare this current valuation study.

Board member Flannery is concerned that we need to go to an outside party to get this information.

Vice-Chairman Wise made the MOTION, seconded by Board member Schumacher, to authorize the Chairman (or, in his absence, the Vice Chairman) to sign the Professional Services Agreement with CH2M Hill, in the amount of \$18,481.00, by electronic vote. MOTION carried with 6 ayes and 0 nays.

5. COMMENTS FROM THE PUBLIC

No comments were forthcoming.

6. ADJOURNMENT

Board member Schumacher made the MOTION, seconded by Vice-Chairman Wise to adjourn the meeting, by electronic vote. MOTION carried with 6 ayes and 0 nays. Chairman Skoog adjourned the meeting at 7:15 pm.

ATTEST:

APPROVED:

Diane Russell
District Clerk

Harvey Skoog,
Chairman

I hereby certify that the foregoing Minutes are a true and correct copy of the actions taken at the Regular District Board Meeting, held on the 27th of September, 2007. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 4th day of August, 2007

Candice McElhaney
Deputy District Clerk

