

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: December 13, 2012**

SUBJECT: Action Implementing Comprehensive Agreement No. 1

SUBMITTING DEPARTMENT: Town Manager

PREPARED BY: Larry Tarkowski, Town Manager

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: (a) Prescott Valley Resolution No. 1820

SUMMARY/BACKGROUND: At a joint meeting with the Prescott City Council on September 13, 2012, the two communities and SRP entered into a historic Comprehensive Agreement No. 1 ("Agreement No. 1") taking a first step towards implementation of an earlier Agreement in Principle reached among the three parties on February 11, 2010 which ended several years of litigation regarding the Big Chino Water Ranch Project. That litigation had related to an intergovernmental agreement reached on December 7, 2004 between Prescott and Prescott Valley to jointly participate in the Big Chino Water Ranch Project intended to ensure the continued economic viability of the two communities within the Prescott Active Management Area ("PrAMA"). Agreement No. 1 arranged for cooperative monitoring of water in the Big Chino Sub basin and surface flows in the Verde River, modeling of any impacts of withdrawals of that water on the current and future Verde River flows, and recognition and confirmation of certain of the parties' rights to water arising from within the PrAMA.

Subsections 6.5 and 7.5 of Agreement No. 1 provided that, within sixty (60) days after the execution date of Agreement No. 1, the parties would obtain approval by formal resolution from their respective governing bodies of the allocation of all capital and ongoing operation and maintenance costs of developing and implementing the Big Chino Monitoring Plan and Model as follows: Prescott 36.066%; Prescott Valley 30.600%; SRP 33.333%. In order for Prescott Valley to comply with this requirement, it is proposed that the Town Council adopt Resolution No. 1820 giving such formal approval. The Prescott City Council gave its approval on November 13, 2012.

OPTIONS ANALYSIS: The Council may approve this Resolution No. 1820 giving the requested formal approval OR decline to approve this Resolution.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice-Mayor) to sign Resolution No. 1820 formally approving allocation of all capital and ongoing operation and maintenance costs of developing and implementing the Big Chino Monitoring Plan and Model in accordance with Comprehensive Agreement No. 1, **OR** Motion not to approve Resolution No. 1820. **VOTE**

RECOMMENDATION: Staff recommends approval of signature of Resolution No. 1820.

FISCAL ANALYSIS: Under the IGA with the City of Prescott, Prescott Valley is obligated to pay 45.9% of certain costs related to the Big Chino Water Ranch Project. In return, it receives an equivalent percentage of water developed by the Project for future use. The Town Council has long recognized the benefit of this Project for Prescott Valley's long-term future. Agreement No. 1 sets out specific costs which will be shared among the parties with respect to monitoring and modeling of the Big Chino Sub

basin. Exhibit 5 to Agreement No. 1 estimates the costs for Prescott Valley to be approximately \$1,605,551 over the next 6 to 8 years. This action further commits to those expenditures.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____