

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: April 9, 2015**

SUBJECT: Pipeline Easement Maintenance Agreement with EPNG

SUBMITTING DEPARTMENT: Public Works

PREPARED BY: Ron Pine for Norm Davis, Public Works Director

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

ATTACHMENTS: (a) EPNG Maintenance Agreement

SUMMARY/BACKGROUND: Back on July 24, 2014, the Town Council approved a third amendment to an intergovernmental agreement with ADOT for Federal Transportation Enhancement grant funds for the PV Pipeline Multi-Use Path. Final construction plans were complete but a shortfall existed and the project could not go to bid until it was resolved. ADOT worked with CYMPO to find additional funding of \$100,000 (which required an Amendment to the Joint Project Agreement with ADOT. The grant funding required a Town 5.7% grant match (so the IGA required additional Town funding in the amount of \$5,944. ADOT would administer the project and the new path would provide continuity between the PV Pipeline through existing pathways at Mountain Valley Park, through the Urban Forest and all the way to connect the Powers Multi-use path to Antelope Park.

Unfortunately, the pipeline company which holds title to the right-of-way on which the Multi-Use Path would be built wanted a maintenance agreement to supplement the easement interest it had conveyed to the Town some 24 years earlier in order to ensure that the MUP would not adversely affect the 20" natural gas pipeline within the right-of-way. Finalizing that supplemental agreement has now taken approximately 6 months.

This supplemental Maintenance Agreement provides that the Town will follow accepted standards in constructing the MUP and will reimburse EPNG for any damages that might occur to the pipeline from the MUP construction. The Town also agrees to protect, indemnify and hold harmless EPNG and its officers from and against any claims resulting from injury or death because of constructing, maintaining or using the MUP. If EPNG ever wishes to expand its pipeline (or add a new one), it will not be required to pay any costs that might occur because of damages to the MUP.

OPTIONS ANALYSIS: The Council may approve this supplemental Maintenance Agreement with EPNG, propose revisions to the Maintenance Agreement prior to approval, OR decline to approve this supplemental Maintenance Agreement with EPNG.

ACTION OPTION: Motion to approve the attached supplemental Maintenance Agreement with EPNG for the construction of a Multi-Use Path on the PV Pipeline Right-of-Way, **OR** Motion not to approve the proposed supplemental Maintenance Agreement. **VOTE.**

RECOMMENDATION: Staff recommends approving the attached supplemental Maintenance Agreement with EPNG for the construction of a Multi-Use Path on the PV Pipeline Right-of-Way.

FISCAL ANALYSIS: The Intergovernmental Agreement with ADOT for the construction of the three phases of the Multi-Use Path on the PV Pipeline provides that the Town's 5.7% match for the federal funding will be \$73,637.00 which has been substantially paid to date by the Town. It was planned for the balance of the expenditure to occur in this FY 2014-2015 but the delay in reaching this agreement with EPNG resulted in the funds not being spent this fiscal year. It is proposed now that the Council approve this Supplemental Maintenance Agreement with EPNG, with the understanding that the residual balance for the Town's match will be budgeted as part of the FY 2015-2016 budget.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____