

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: June 24, 2010**

SUBJECT: Supplemental Intergovernmental Agreement – Big Chino Water Ranch Project

SUBMITTING DEPARTMENT: Management

PREPARED BY: Larry Tarkowski, Town Manager

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

ATTACHMENTS: a) Supplemental Intergovernmental Agreement for Administration of Requirements and Costs of the Big Chino Water Ranch Project - City of Prescott and Town of Prescott Valley, and b) April 2010 Billings Summary

SUMMARY/BACKGROUND: The Intergovernmental Agreement dated December 7, 2004, between the City of Prescott and the Town of Prescott Valley for the Big Chino Water Ranch Project provides, among other things, that Prescott may obtain various professional services related to the Project and bill the Town its proportionate share (45.9%). As the Project moved forward, Town staff shared some of the workload and it became convenient for the communities to have the Town enter directly into some of the needed professional service agreements and either credit the costs against the Town's obligations or bill Prescott separately. Such agreements included a May 8, 2008 agreement with Greenberg Traurig for Mitch Menlove to provide general lobbying and public relations services for the Project, a May 22, 2008 agreement with Perkins Coie Brown & Bain to provide additional litigation services for the Project, an October 9, 2008 amended agreement with Greenberg Traurig and then an April 9, 2009 agreement with Policy Impact Communications, Inc. (a Washington, D.C. firm to which Menlove had moved). There was also a September 12, 2008 agreement for separate website services, and some billing for Project legal services under the Town's agreement with Lee Storey, Town outside legal counsel for water matters.

Over the past year or so, the communities have been exploring the merits of a supplemental intergovernmental agreement that would not amend the original IGA but would clarify administrative details pertaining to the Project going forward. In the meantime, a number of major Project issues were either resolved or moved substantially toward resolution. On April 22, 2010, the Town Council considered and approved a draft Supplemental IGA that had been developed. However, the Prescott Council asked to pull that draft from its agenda and proposed some additional revisions that further clarified that only Prescott could enter into professional service agreements for the Project going forward. The parties have now settled on a new draft that includes the further revisions, but also reiterates that the language in the original IGA dated December 7, 2004 will govern in case of any inconsistency. And, at Prescott's direction, Town staff has already taken steps to terminate the agreement with Menlove and for the separate website. It is understood that Prescott will eventually enter into its own agreement with Menlove, and that the website services will be handled in-house. The current agreement with Perkins Coie will continue at this point until outstanding litigation issues are resolved.

The Prescott Council is proposing to approve this Supplemental IGA at its regular meeting to be held on June 22, 2010.

OPTIONS ANALYSIS: The Town Council may approve this Supplemental IGA with the City of Prescott, take no action and propose revisions, **OR** decline to approve this Supplemental IGA.

ACTION OPTION: Motion to approve the Supplemental Intergovernmental Agreement for Administration of Requirements and Costs of the Big Chino Water Ranch Project with the City of Prescott, **OR** Motion not to approve this Supplemental IGA. **VOTE.**

RECOMMENDATION: Staff recommends approval of this Supplemental IGA in order to continue moving ahead with the Big Chino Water Ranch Project.

FISCAL ANALYSIS: Approval of this Supplemental IGA will provide the formal means for reimbursement by Prescott of 54.1% of eligible costs. The above billing summary shows the kinds of costs that have been billed, but will be updated prior to final payments. The City of Prescott has indicated that it will arrange for a third-party to conduct an audit of the billings prior to payment, and the Town stands ready to cooperate with such an audit.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____