

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION**

**Date: November 18, 2010**

**SUBJECT:** Right of Way Lease, Arizona State Land Department

**SUBMITTING DEPARTMENT:** Water Resource Management

**PREPARED BY:** John Munderloh, Water Resources Manager

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

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**ATTACHMENTS:** None

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**SUMMARY BACKGROUND:** In 2008, the Town applied for a Right of Way (ROW) permit from the Arizona State Land Department (ASLD) to construct additional reclaimed water recharge facilities. These new facilities are necessary for the Town to obtain credit from the Arizona Department of Water Resources (ADWR) for the full amount of reclaimed water produced at the Advanced Treatment Facility.

The additional reclaimed water recharge facilities will be located on approximately 140 acres of land owned by ASLD in Section 8, Township 14N, Range 1E, (south of Lakeshore Drive and west of Fain Road). ASLD provided the Town with an informal estimate ROW fee of approximately \$82,240 and a one-time fee of approximately \$21,390 to finalize the application (total = \$103,630). Since the final bill has not been received from ASLD, staff recommends that a not-to-exceed amount of \$110,000 be approved for payment to ASLD.

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**PREVIOUS ACTIONS:** Council approved the budget of \$80,000 for land (541-7040-641-4510) and \$2,500,000 (541-7040-700-7320) for development of a recharge facility in the Town's FY 2010-11 budget.

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**OPTION ANALYSIS:** The Council may vote to:

- 1.) approve this payment, **OR**
- 2.) not approve this payment, **AND/OR**
- 3.) direct staff to pursue other options.

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**ACTION OPTION:** Motion to approve a payment not to exceed \$110,000 to ASLD for a Right of Way lease to construct and operate a reclaimed water recharge facility. **VOTE.**

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**RECOMMENDATION:** Town staff recommends approval of this Agreement to improve the reclaimed water recharge efficiency in the Town.

**FISCAL ANALYSIS:** The current status of the budget for this project is outlined in Table 1 and Table 2 below. An additional transfer of approximately \$2,240 will be made from the General Supplies budget within the Water Resources/Recharge fund to cover the budget deficit. Since the transfer is from another operating expenditure account code within the same fund, Council action is not required.

**Table 1**

Water Resources/Recharge Fund		
HTE Code: 541-7040-641.4510 Leases - Land		
<b>FISCAL YEAR 2010/2011</b>	Budget: \$80,000.00 Expended & Encumbered: \$0.00 ASLD ROW <u>(\$82,240.00)</u> < (this action) Balance: <u><u>(\$2,240.00)</u></u>	<b>FISCAL YEAR 2010/2011</b>

**Table 2**

Water Resources - Capital Outlay		
HTE Code: 541-7040-700-73.20 Lone Tree (a.k.a. North Plains) Recharge Facility Phase I		
<b>FISCAL YEAR 2010/2011</b>	Budget: \$2,500,000.00 Expended & Encumbered: (\$107,731.41) ASLD ROW <u>(\$21,390.00)</u> < (this action) Balance: <u><u>\$2,370,878.59</u></u>	<b>FISCAL YEAR 2010/2011</b>

**REVIEWED BY:**

Management Services Director \_\_\_\_\_ Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

**COUNCIL ACTION:**

Approved  Denied  Tabled/Deferred  Assigned to \_\_\_\_\_