

**TOWN OF PRESCOTT VALLEY  
REGULAR COUNCIL MEETING  
MINUTES  
December 8, 2011**

Library Auditorium  
7401 E. Civic Circle  
Prescott Valley, Arizona 86314

1. CALL TO ORDER

Mayor Skoog called the meeting to order at 5:30 p.m.

2. INVOCATION

Pastor Charlie Hail of the Prescott Valley Nazarene Church gave the invocation.

3. PLEDGE OF ALLEGIANCE

Pastor Charlie Hail led in the recitation of the Pledge of Allegiance after which Vice Mayor Lasker presented him with a Certificate of Appreciation for his service to the town.

4. ROLL CALL

Present: Council Member Tjiema, Mayor Skoog, Council Member Mallory, Vice Mayor Lasker,  
Council Member Schmitt, and Council Member Anderson.

Absent: Council Member Nye.

5. CERTIFICATES

a. *Certificate of Appreciation to Raymond Davis for 5 years of service*

Town Clerk Diane Russell read the accolades from the PVPD about Officer Raymond Davis. Commander Edelstein said he has known Ray to be very proactive in everything that he does. He keeps the safety of our community in mind as well as the safety of his fellow officers. Davis thanked Council for the opportunity to live and work here. Mayor Skoog presented Officer Davis with a Certificate of Appreciation and a pin for five years of service to the town.

6. MAYOR'S RECOGNITION

a. *Lifeline Ambulance Service*

Town Clerk Diane Russell read the Mayor's Recognition award after which it was presented to Mr. Glenn Kasprzyk, the Chief Operations Manager of Lifeline Ambulance Service, for

receiving the Commission on Accreditation of Ambulance Services accreditation meeting the 'gold standard' as determined by the ambulance industry.

7. PROCLAMATION

a. *Youth Chamber Week*

Town Clerk Diane Russell read the proclamation after which it was presented to Mr. Bill Seudmeyer and 14 Prescott Valley Charter School students. Mr. Seudmeyer thanked the kids and Mr. and Mrs. Mike Fuller the administrators of the school. Mr. Seudmeyer gave a little background about the new program "Teen Parents: What to Expect!" through a partnership with Arizona First Things First. The students have been nominated to receive the Governor's Volunteer Service Award.

8. SCHEDULED ANNOUNCEMENTS & PRESENTATIONS

a. Chamber of Commerce

Nancy Rothrock owner of 'Let's Get Healthy 4 You' was introduced by Marnie Uhl, Director of the PV Chamber of Commerce. Mrs. Rothrock gave a little background about her weight loss business.

Mr. Steve Bracety the Chamber of Commerce Chairman of Board of Director, representing the Prescott Conference Center & Resort gave an overview of the trends in the hospitality industry. He noted an 8.7 percent in growth and 5.7 percent increase in occupancy related to tourism in the Prescott/Prescott Valley area.

b. Economic Development Reports: Chamber of Commerce, Prescott Valley Economic Development Foundation & Town of Prescott Valley Economic Development

Marnie Uhl gave an overview of the projects that the Chamber of Commerce has been involved with including the AIA volleyball tournaments, the Red Hat Society members annual luncheon at which 130 members were provided with bags and coupons, Valley of Lights, Flying High Turkey Drive and Burning Desire to Feed the Hungry programs. Twenty-two floats entered the Holiday Festival of Lights Parade – the most in many years. Next Tuesday they are holding a Social Media 101 workshop from 11:00 - 1:30 to be held in the Library Crystal Room. They will be participating in the Arizona Highways Travel Show on February 16 and 17 with a booth. AIA is coming back in February. Fifty-six motor coaches have made prior arrangements to tour the Valley of Lights compared to last year's 48 coaches. Approximately 16,000 people have toured the display.

Council member Anderson said new displays have been added to the Valley of Lights and some prior displays have been moved around to keep it fresh. He saw three buses detour off the highway to go down through the Valley of Lights last night.

Uhl announced that the Early Bird Lions Club is holding a Christmas tree sale at the corner of Glassford Hill Road and Florentine from 5:30 p.m. until 8:00 p.m. each night and encouraged everyone to purchase a fresh tree.

Greg Fister, Economic Development Director for the Town of Prescott Valley suggested that the last two portions of the Economic Reports be heard after the NFL Championship presentation. Mayor Skoog agreed to move the last two sections of the economic report until after the NFL presentation.

*c. NFL Punt, Pass & Kick State Championships*

Jason Elmer, Parks & Recreation, presented two individuals who going onto the team championships in Phoenix on December 18<sup>th</sup> to be held in conjunction with the Cardinals vs. Cleveland Browns game. Lauren Nobias, age 11, scored 201 feet and Joshua Grant, age 9, scored 168 feet. Both were presented with a certificate, a medal and a ribbon. We look forward to hearing how they did after December 18. A third student Derek Noteck, could not be here tonight, but will also be participating in the December 18<sup>th</sup> tournament. Vice Mayor Lasker thanked them for doing a fine job of representing the community.

*b. Economic Development Reports: Chamber of Commerce, Prescott Valley Economic Development Foundation & Town of Prescott Valley Economic Development continued*

Gary Marks, representing PVEDF, updated council on what they have been working on the last 2-3 months. PVEDF has had 11 leads from the Dept. of Commerce and affiliates they work with, two of which they are working on and two others with potential for consideration. Out of the 11, most of the projects are looking for 50,000 to 250,000 sq. ft. of space which is not available here in those huge amounts. Given the economy, not too many people are ready to build spec buildings right now either. They are working on the "Focus on Success" update for early in 2012. On the evaluations thus far, it has been revealing to find out that on the grading system of 1 - 5, PVEDF is coming in at a grade of 3-4 as far as completion and success with most projects moving to 'ongoing' status. Three have been completed, have been changed and will be marked off of the board and will not be continued. PVEDF will be working on a second round of rural grants for business expansions. Four companies have potential expansion opportunities. If they are successful in getting the grants to help them with those expansions, it will result in additional capital investment, new jobs and new payroll.

Marks confirmed for Council member Anderson that was the same grant they were able to help three companies with last year with the awarded \$278,000. This year the grant is competitive with \$1.5 million available in one round and a \$500,000 grant available for technical assistance and growth for a total of \$2 million state-wide. Council member Schmitt said it was quite significant - in the process of updating the model - that the APS rep said it was the most comprehensive model that they have worked with throughout the state. Schmitt is pleased that it is going to get better with the revisions.

Marks announced a Saturday basketball game between rivals Bradshaw Mountain and Prescott High Schools at Tim's Toyota Center starting mid day. Tickets can be purchased for the 6 ball games and the additional events going on all day long.

Greg Fister, Town of Prescott Valley Economic Development, said for the first 4 months of the year retail sales are up 7.6 percent. If that drops off and we drop down to 2.5 percent and end the year with a 2.5 percent increase in sales that will be a record for Prescott Valley even surpassing 2007 levels. Restaurant taxes are up 5.3 percent in the first 4 months of this fiscal year. If we can increase that up to 6.5 percent that will be an all-time record too. Fister thinks we will reach 7.6 percent in retail sales. This is consistent with the state average. As far as project updates, Family Dollar, Walmart and Carl's Jr. are ready to go. Subway at Crossroads has their Certificate of Occupancy. Fister stated that 2007 is an anomaly; it cannot be used as a baseline. We are doing okay and recovering slowly from the recession; overall the future is bright. Recovery may not be as fast as we think it should be.

Prescott Valley has the potential of NAU/Yavapai moving toward a free standing university. Research will have to take place first to determine space requirements. If they are going to have X amount of students, then how much classroom space will they need; how much office space and ancillary space will they need. Will they need library space, community space or not etc. Fister is researching those requirements, then discussions will be held with NAU.

#### 9. COMMENTS/COMMUNICATIONS

Vice Mayor Lasker announced that Council member Nye had knee surgery today. She is wished a rapid recovery from her surgery and hope she comes back soon.

#### 10. CONSENT AGENDA

- a. *Approval of Minutes - November 17, 2011 Regular; December 1, 2011 Work Study*
- b. *Approving adding a Sampling Privilege to the Active Series 9 Liquor License for Safeway Food & Drug #1055, located at 7720 E. SR 69*
- c. *Approving an Intergovernmental Agreement with the City of Prescott for regionalized dispatching services commencing July 1, 2011*
- d. *Accepting the Comprehensive Annual Financial Report for the Town of Prescott Valley for FY 2010-2011*
- e. *Approving the purchase of filter media for process equipment at the Wastewater Treatment Plant*
- f. *Approving an Amendment to the CH2mHill - OMI Operations, Maintenance & Management Services Agreement in the amount of \$123,266.86*

- g. *Authoring the Mayor to sign Resolution No. 1777 adopting the updated guidelines and authorizing the submission of an application(s) for State Housing Funds*
- h. *Department Reports*
- i. *Approving Accounts Payable for November 5 thru 21, 2011*

Council Member Tjiema made the MOTION, seconded by Council Member Schmitt, to approve all items listed on the consent agenda, by electronic vote. MOTION carried with 6 ayes and 0 nays.

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

- a. *Consideration of authorizing the Mayor to sign Resolution No. 1771 establishing Commercial Tourism Zones along SR 89A and SR 69*

Town Planner Joe Scott said on April 28, 2011, the Governor of Arizona signed into law H.B. 2500 which expanded the ability to place political signs within public rights-of-way. A.R.S. §16-1019(C) specifically prohibits cities, towns or counties from removing, altering, defacing or covering any political signs during the period commencing sixty (60) days before a primary election and ending fifteen (15) days after the general election.

However, certain exceptions to this new limitation on local control were provided, including A.R.S. §16-1019(F) which allows municipalities to designate certain commercial tourism, commercial resort and hotel “sign-free zones” and limitations on signs for candidates in primary elections who do not advance to the general election. With regard to the “sign-free zones”, municipal governing bodies may determine that, based on a predominance of commercial tourism, resort and hotel uses within certain areas, placement of political signs within the rights-of-way will detract from the scenic and aesthetic appeal to tourists. Two (2) such contiguous zones may be designated, with a total area of not more than three (3) square miles.

The Community Development Department has identified 2 such areas adjacent to State Route 89A and State Route 69, as shown on Exhibit A to Resolution No. 1771: “Commercial Tourism Zone North” and “Commercial Tourism Zone South”. If the Town Council approves this Resolution, staff will present to the Planning and Zoning Commission a Zoning Code amendment that will prohibit temporary political signs within public rights-of-way in the identified zones.

Town Attorney Ivan Legler clarified that no signs have been allowed in right-of-ways except directional signage. The legislature is now prohibiting that option, but gave us the limited opportunity to designate certain areas where we could continue to prohibit signs in the right-of-way (R.O.W.). The change is that we have to allow signs in right-of-ways that are not part of these small designated zones. Community Development Director Richard Parker said political signs have always been a problem in R.O.W. areas. Several hundred signs are removed each election season. Com Dev offers to return the signs for placement on private property. Vice

Mayor Lasker commented that this is another case where the state is interfering with local control. Parker continued with this does not give people carte blanche to place them in R.O.W. if there is a site distance or traffic control issue. This will continue to be monitored. This applies only to the roadways in the boxed area as shown in Exhibit A.

Council Member Anderson made the MOTION, seconded by Council Member Mallory, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1771, by electronic vote. MOTION carried with 6 ayes and 0 nays.

*b. Consideration of authorizing the Mayor to sign Resolution No. 1772 approving FDP11-004 for the Backstreet Farmers Market & Bazaar, AND to sign any agreement under Proposition 207*

Joe Scott said this resolution would approve the final development plan for the establishment of an outdoor bazaar and market at the Antelope Meadows Commercial Center which is planned in two phases. Gary Hassan introduced himself as the consultant for the applicant. Mr. Hassan said this will include 175 vendor spaces on the 2 acres of property. He described it as like a park and swap for artisans and produce vendors located at SR169 and SR69 across from the old Young's Farm property. They will hold a weekly event on Saturday, Sunday and holidays with more events planned for the future. It will be a totally open air facility with canopies on the booths. Hard surface material will be laid between the aisles and will be ADA accessible. It will be a family oriented, no smoking or drinking in the area facility. Employee numbers will vary between 2-4 people on the weekends with others involved in cleaning up the area. They will provide their own security. Anticipated sales tax revenue is unknown at this time. Strict vendor rules will be in place for cleanliness and licensing. No admittance fee will be charged, but vendors will pay a fee.

Council Member Mallory made the MOTION, seconded by Vice Mayor Lasker, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1772 approving FDP11-004, AND to sign any agreement under Proposition 207, by electronic vote. MOTION carried with 6 ayes and 0 nays.

*c. Consideration of authorizing the Mayor to sign Resolution No. 1773 approving FDP11-005 for Carl's Jr. Restaurant, AND to sign any agreement under Proposition 207*

Joe Scott stated that Carl's Jr. is moving onto one of the pads as a part of the Crossroads project on SR69 at the Sundog connector. Carl's purchased the property and has a private driveway into the facility. The permit is not issued as yet. It is a standard building design for this restaurant. The permit is ready to be picked up and they could be built and open in 35 days.

Council Member Tjiema made the MOTION, seconded by Council Member Mallory, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1773 approving FDP11-005, AND to sign any agreement under Proposition 207, by electronic vote. MOTION carried with 6 ayes and 0 nays.

*d. Consideration of authorizing the Mayor to sign Resolution No. 1774 approving an*

*Amendment to the Additional Infrastructure Development Agreement adopted by Resolution No. 1351 on May 24, 2005, related to construction of public improvements needed for Fain interests to develop the property for commercial purposes on approximately sixty (60) acres on the west side of Glassford Hill Road*

The Town Council adopted Resolution No. 1351 on May 24, 2005, to approve an Additional Infrastructure Development Agreement for approximately sixty (60) acres on the west side of Glassford Hill Road to provide for construction of public improvements needed for Fain interests to develop the property for commercial purposes. The Agreement also related to construction of additional improvements needed for the nearby Events Center. The Agreement arranged to reimburse Fain for its verified costs to construct the improvements (at an interest rate of 1% over prime) over a period of years, from a portion of transaction privilege tax revenues collected from the property.

Greg Fister said this is an amendment to the 2005 Development Agreement with Fain Signature Group (FSG) governing the off-site improvements for the Glassford Hill Market Place where Kohl's and several other businesses are now located. In 2007, there was a lawsuit filed and by the time we were ready to go with the Walmart project, Kohl's was in, but Walmart had not gotten approval through the referendum process at this point. Then the economy tanked.

FSG spent \$5.6 million to make infrastructure improvements in preparation of the stores that were planned for this area. One percent of the 2.33 tax would be reimbursed to FSG for the public improvements put in and used since 2007. Because of the lack of commercial development on the property, staff recommends extending the agreement another 10 years (to year 2027) for reimbursement to FSG. Under state law, a third party analysis was done and we can do this if Prescott Valley receives more taxes than we reimburse and that is the case in this instance.

Fister confirmed that there is no risk to the town with regard to bank notes, no bonding is involved and no CFD; we are just extending the original agreement by ten years.

Town Manager Larry Tarkowski added that there was a point in the evolution of our community in which we really needed some infrastructure at Lakeshore Drive and Glassford Hill Road, at Sundog Road and Glassford Hill and also Florentine and Glassford Hill. The landscape improvements in the median along Glassford Hill from SR69 up to Florentine were installed as a requirement we are imposing. As development moves north on Glassford Hill we will continue that same standard. The Town did not have the money to make the improvements north of Florentine on Glassford Hill and were therefore made by FSG with the understanding that they would be reimbursed for those improvements. We have had the benefit of those improvements since 2007, even without the commercial development. We have a much safer Glassford Hill Road (in large part because of the improvements that have been made there) carrying several thousand more vehicles per day.

Council Member Schmitt made the MOTION, seconded by Council Member Mallory, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1774 approving

an Amendment to Additional Infrastructure Development Agreement, by electronic vote. MOTION carried with 6 ayes and 0 nays.

e. Consideration of authorizing the Mayor sign Resolution No. 1776 declaring the document "Development Impact Fees" to be a public record under ARS §9-802

Deputy Town Manager Ryan Judy gave a detailed overview of DIF Statute changes and impacts of same referenced in items 11e, 11f and 11g as they are all related. Development Impact Fees (DIFs) are one-time charges applied to new development in order to alleviate its "impact" on current public improvements and services. The intent is to ensure that "growth pays for growth" and that existing residents are not unduly burdened to pay for new improvements and services needed to accommodate growth. DIFs have been assessed by the Town of Prescott Valley since adoption of a recreation fee by Resolution No. 624 on April 27, 1995. DIFs were most recently revised by Resolution No. 1461 on September 14, 2006.

When DIFs were revised by Resolution No. 1183 on May 8, 2003, the Town Council adopted the recommendation from a citizen's advisory committee that the Circulation System, Public Safety and Civic fees applicable to non-residential development be suspended for a period of three (3) years in order to incentivize the commercial and industrial base of the Town. This suspension was subsequently extended by Resolution No. 1431 (May 25, 2006), Resolution No. 1461 (Sep 14, 2006), Resolution No. 1590 (Jun 26, 2008), and Resolution No. 1712 (Jul 22, 2010). In the meantime, on Nov 9, 2006, the Homebuilders Association of Central Arizona (HACA) filed suit against the Town and the City of Prescott for this practice. Over time, the two communities were successful in court in defending the practice both at the local level (Summary Judgment May 4, 2009) and on appeal (Memorandum Decision Sep 28, 2010), based on an argument that non-residential development provides other benefits to the Town in the form of transaction privilege taxes (TPT), ad valorem taxes for jurisdictions that apply them, (i.e. school district, fire district), and new employment. However, HACA decided to carry its arguments to the Legislature. Over several sessions, HACA effectively lobbied for new limits on the ability of cities and towns to collect DIFs. Particularly sweeping changes were adopted by the Legislature during the most recent session through Senate Bill 1525.

Among other things, SB 1525 now prohibits cities and towns from waiving any fees for non-residential development. It also removes certain categories of growth impacts from those available for application of DIFs, while recognizing that municipalities may have issued bonds or other financial obligations based on such DIFs and, therefore, allowing such DIFs to continue to be collected until the financial obligations have been met.

Therefore, staff now proposes to adopt Resolution No. 1775 adjusting the Town's DIF structure to rescind the assessment of the Civic Fee and discontinue application of any Fees to schools (as of January 1, 2012), reconfirm assessment of the Library Fee until such time as the Town's Certificates of Participation, Series 2007 (related to financing of the Joint Facilities Building), have been paid in full, and extend the suspension of assessment of the Circulation System and Public Safety Fees against non-residential development until August 1, 2014 (or adoption of new fees in accordance with SB 1525, whichever is sooner). The legislation puts a moratorium up to January 1, 2012.

Town Attorney Ivan Legler added that given the short period of time between now and January 1, 2012 it would be impossible to adopt fees against non-residential unless we have gone through some kind of a study explaining on what basis we would do that going forward. With the moratorium right up to the 1<sup>st</sup> of January, it didn't make sense that we could do that under the statute. So how quickly do we have to do it? There is a lot of disagreement about that. But the belief is that as long as this is done in a deliberate fashion over a period of time going through proper studies that once we do adopt it we will be alright. The deadline for doing those studies is August 1, 2014.

Town Manager Larry Tarkowski said the study will be a time-consuming process that will probably take six months. Several commercial projects had been notified that this fee change was forthcoming and to get their projects in prior to January 1, 2012. They have since been alerted that the initial interpretation of the law was incorrect. The study will be budgeted for the new fiscal year.

Vice Mayor Lasker voiced her displeasure that this is the second time tonight that the State has mandated something to the Town. Mayor Skoog said he doesn't like to see these fees applied to commercial construction.

Tarkowski added that when the Governor signed this piece of legislation she made it clear to the legislators that she is tired of the issue and asked that they not bring Development Impact Fees laws back any sooner than 2014. There has been strong lobbying to try to eliminate DIF. Prescott Valley charges those fees because the community has said they want 'new growth to pay for itself'. We have always looked at the residential side of construction as the new cause of demand for services.

Council Member Mallory made the MOTION, seconded by Council Member Tjiema, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1776 declaring the document Development Impact Fees to be a public record under ARS §9-802, by electronic vote. MOTION carried with 6 ayes and 0 nays.

f. Consideration of authorizing the reading of Ordinance No. 764 adopting by reference the document "Development Impact Fees" by title only on two separate occasions, and then place the same on final passage

Council Member Mallory made the MOTION, seconded by Council Member Tjiema, to read Ordinance No. 764 adopting by reference the documents Development Impact Fees 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. 764 by title only for the first reading.

g. Consideration of authorizing the Mayor to sign Resolution No. 1775 amending Resolution No. 1461 eliminating the Civic Development Impact Fee and extending the current suspension of all development impact fees on certain non-residential development to August

1, 2014, or until the Town updates the DIF study and adopts new rates (whichever is sooner)

Council Member Tjiema made the MOTION, seconded by Council Member Schmitt, to authorize the Mayor (or, in his absence, the Vice-Mayor) to sign Resolution No. 1775 amending Resolution No. 1461 to rescind assessment of the Civic Development Impact Fee and discontinue application of any Development Impact Fees to schools (as of January 1, 2012), reconfirm assessment of the Library Fee until such time as the Town's Certificates of Participation, Series 2007, have been paid in full, and extend the suspension of assessment of the Circulation System and Public Safety Development Impact Fees against non-residential development until August 1, 2014 or adoption of new fees in accordance with SB 1525 (whichever is sooner), by electronic vote. MOTION carried with 6 ayes and 0 nays.

*h. Consideration of approving a Grant-in-Kind Agreement with the Arizona State Library Archives and Public Records to receive a desktop computer and attached all-in-one laser printer for use by library patrons seeking employment*

Library Manager Kathy Hellman said the Prescott Valley Library participates in the AzJAC Program (Arizona Job Assistance Center@your library Program). She gave an overview of the benefits that will be derived from this in-kind grant award of a computer that can be used by library patrons seeking employment and updating resumes. A scanner will also be available for use as part of the program.

Council member Mallory commented that she has seen several people in the library looking for jobs and putting in job applications online. It is a good service. Mallory added that most job applications are currently done online now.

Council Member Schmitt made the MOTION, seconded by Council Member Mallory, to approve a Grant-in-Kind Agreement with the Arizona State Library, Archives and Public Records to receive a desktop computer and attached all-in-one laser printer for use by library patrons seeking employment, by electronic vote. MOTION carried with 6 ayes and 0 nays.

*i. Consideration of approving Change Order No. 1 to the construction contract with Fann Contracting, Inc. in an amount of \$79,098.87 for the Robert Road Improvements, Spouse Drive to Tranquil Blvd. project, CIP # 412B*

Public Works Director Norm Davis said the approved budget for this Fiscal Year includes the Robert Road Improvement Project, Spouse Drive to Tranquil Blvd., CIP # 412B. This project is for construction of sidewalks, storm drains, additional driving lanes and street lights on Robert Road. The Project Engineer, Kirkham Michael, has prepared the design for this project and is providing construction administration. Fann Contracting, Inc. is the contractor for these improvements and was awarded a contract in the amount of \$1,779,993.00 in February 2011.

The project is now complete and final as-built quantities have been determined. This request is for additional items added to the project during construction resulting in an increase to the

contract amount of \$79,098.87 to close out this project. This is paid from the one third cent sales tax for streets. He thanked the utility company for their cooperation on this project.

Council Member Mallory made the MOTION, seconded by Council Member Tjiema, to approve Change Order No. 1 to the construction contract with Fann Contracting, Inc. in an amount of \$79,098.87 for this project, by electronic vote. MOTION carried with 6 ayes and 0 nays.

*j. Consideration of approving an Intergovernmental Agreement with ADOT for funding of the Central Core Multi-use Path Phase 3, CIP# S45.3*

Public Works Director Norm Davis said the Town was successful in obtaining a Federal Transportation Enhancement (TE) grant administered by Arizona Department of Transportation (ADOT) for the Central Core Multi-use Path project – Phase III for grant funding in 2011. Total funding amount for the TE grant award for Federal Funds totaled \$574,239.85. Phase III of this project will extend the pathway 4,000 feet from Navajo Dr. to Serpentine Dr. The Town's FY 11/12 Budget identifies the Central Core Multi-use Path Phase III Project as a capital project for design and construction.

Town staff is in the process of participating in the ADOT Local Government Transportation Enhancement Group to meet the required project scoping submittal requirements and approval documents to gain Federal/ADOT approval for design and construction of the project. Part of this process is the approval of the attached Intergovernmental Agreements (IGA) to capture Federal funding reimbursement for this project.

Davis anticipates having an engineer on board in 60-90 days and with plans to begin construction on the project within a year or so. A minimal 5.7 percent of matching funds (HURF) is required, but with all the cost savings in construction he does not anticipate needing it.

Council member Anderson commented that someone said to him that we are basically building that road out to a desert. Anderson responded that what we are actually doing is building it to the point where the town ends so that people can come back into the town. Davis said it will give interconnectivity to the PV Pipe Line Path with interconnectivity to paths north of SR89A.

Council Member Tjiema made the MOTION, seconded by Council Member Mallory, to authorize the Mayor (or, in his absence, the Vice Mayor) to sign the Intergovernmental Agreement with ADOT for funding of this project, by electronic vote. MOTION carried with 6 ayes and 0 nays.

*k. Consideration of approving an Agreement with WestLand Resources, Inc. to provide professional services for the North Plains Recharge Basins Project, Phase One - CIP # E226a in an amount of \$84,729*

Capital Improvements Coordinator Kim Moon and John Munderloh Water Resources Manager said this agreement is for a professional services agreement for design of the North Plains Recharge Basins Project. WestLand Resources participated in the permits process and prepared the concept design as based on the permits. This agreement is for the design of the project, but

they will likely recommend an amendment to the agreement to include construction oversight when we reach that point. The project will be located east of Unit 20 between Fain Road and Unit 20.

Munderloh said this facility will recharge reclaimed water from the wastewater treatment plant. The current Agua Fria R. burn system (2.2 miles below the treatment plant), a permitted recharge facility since 2003, frequently gets washed out and has to be rebuilt. The credits accrued balance out aquifer water that doesn't go against the ground water budget. To date we have been able to get approximately 65 percent credits from our recharge operation. We want to improve that. We want to get to a standard basin operation with a recharge basin. An existing pumping plant and pipeline going onto the site is in place to get water to the site. We are waiting from permits from ADEQ and ADWR that are expected within the next 6 months. Kim Moon stated that staff proposes to authorize a notice to proceed on the base mapping portion only, then issue a letter to proceed beginning the design portion to make sure we are in line with the permits. After that it will be timed according to when we receive the permits, then we can finalize the design and put it out to bid. Construction is expected to be between 4 and 6 months. The fiscal analysis shows the budget as approved in the budget book for this year. There is some discussion internally about funding. Tarkowski said "the spending authority is there as well as the area where we will be getting the budget dollars in this". Legler commented that this is an integral part of the sale of the effluent that occurred in 2007. This is one of those additional things we have been working on since 2007 to try to make sure we are recharging effluent and able to use it in the future. Tarkowski added that the company that purchased the effluent water at auction has entered into their biggest agreement for sale of effluent rights yet.

Council member Mallory thanked Munderloh for taking them on a tour of this area. This is a complicated subject and if it wasn't for John doing that she would be lacking the understanding to make these decisions.

Council Member Schmitt made the MOTION, seconded by Council Member Mallory, to approve this Agreement with WestLand Resources, Inc. to provide professional services for the North Plains Recharge Basins Project, Phase One - CIP # E226a in an amount of \$84,729 as outlined in the Fiscal Analysis, by electronic vote. MOTION carried with 6 ayes and 0 nays.

## 12. COMMENTS FROM THE PUBLIC

Marty Grossman, PVPD Foundation President, said he is happy to see commercial growth coming forth and that infrastructure is planned and being done. He announced that the next PVPD Foundation meeting will be held Monday December 12 at 6:00 p.m. in the PD training room with Chief Fessler as the guest speaker. You do not have to be a member to attend.

## 13. ADJOURNMENT

Council Member Mallory made the MOTION, seconded by Vice Mayor Lasker, to adjourn the meeting, by electronic vote. MOTION carried with 5 ayes and 1 nay. Council Member Anderson voted nay. Meeting adjourned at 7:37 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, Diane Russell, 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, December 8, 2011.

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

Dated this 14<sup>th</sup> day of December, 2011

\_\_\_\_\_  
Diane Russell, Town Clerk