

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: July 19, 2012**

SUBJECT: Contract Amendment – CH2MHill Utilities Operations & Maintenance

SUBMITTING DEPARTMENT: Utilities Department

PREPARED BY: Mark Kieren, Utilities Operations Manager for
Neil Wadsworth, P.E., Utilities Director

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

ATTACHMENTS: a) Contract Amendment

SUMMARY BACKGROUND: In July of 2008, the Town signed a 5-year contract with CH2MHill OMI to operate and maintain the Town’s utilities which consist of the water system, the wastewater system, the reclaimed water system, and the recharge facility. Annually, the scope of services and the compensation amounts are adjusted and negotiated to reflect any requested changes in services provided, inflation, or other changes in the cost of performing the needed services. Over each of the past 4 years, the contract amount has been decreased or has remained the same as the prior year.

The scope of services proposed for FY 2012 – 2013 contract year remains the same as the current scope of services, except as summarized below:

1. Radio Read Meter Replacement Program - The number of water meters replaced with radio read meters increases from 500 meters per year to approximately 1650 meters per year.
2. Sewer Cleaning – The quantity of sewer lines cleaned is being increased from 40 to 60 miles per year.

The total fee for services is increased 3.3 percent from \$2,979,200 to \$3,077,514. This change covers inflation costs and the addition of one staff person for the meter replacement program. Cost is shown below under the Enterprise Fund:

Utility	Current Contract FY11/12	Proposed Amendment FY 12/13	Increase
Wastewater	\$788,557.00	\$804,328.14	\$15,771.14
Water	\$2,005,472.00	\$2,084,311.44	\$78,839.44
Reclaimed Water	\$131,271.00	\$133,896.42	\$2,625.42
Recharge	\$53,900.00	\$54,978.00	\$1,078.00
Totals	\$2,979,200.00	\$3,077,514.00	\$98,314.00

OPTION ANALYSIS: For Discussion Only.

ACTION OPTION: For Discussion Only.

RECOMMENDATION: For Discussion Only

FISCAL ANALYSIS: Negotiations were finalized after the budget was set. Included with the fiscal analysis are requested transfers. The specific budget line items are as follows:

Wastewater		Water	
Budget 501-7010-642-3206	\$938,557.00	Budget 511-7020-641-3206	\$2,010,960.00
Contract Amount	\$804,328.14	Contract Amount	\$2,084,311.44
		Balance	(\$73,351.44)
		Transfer In from: 511-7020-641-6126 (minor equipment)	\$73,351.44
Balance	\$134,228.86	Balance	\$0
Reclaimed Water		Recharge	
Budget	\$131,271.00	Budget	\$53,900.00
Contract Amount	\$133,896.42	Contract Amount	\$54,978.00
Balance	(\$2,625.42)	Balance	(\$1,078.00)
Transfer In from: 521-7030-641-4390 (Other Repairs and Maintenance)	\$2,625.42	Transfer In from: 541-7040-641-4320 (General Equip Repairs)	\$1078.00
Balance	\$0	Balance	\$0

Transfers Out

	Water Minor Equipment 511-7020-641-6126	Reclaimed Water Other Repairs and Maintenance 521-7030-641-4390	Recharge General Equip Repairs 541-7040-641-4320
Budget FY 12/13	\$500,000.00	\$21,000.00	\$20,000.00
Transfer out	\$73,351.44	\$2,625.42	\$1,078.00
Remaining Balance	\$426,648.56	\$18,374.58	\$18,922.00

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____