

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

**Date: July 26, 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

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**ATTACHMENTS:** a) Contract Amendment

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**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	Proposed Amendment	Increase
	FY11/12	FY 12/13	
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

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

- 1.) Approve the contract amendment, **OR**
- 2.) Not approve the contract amendment, **AND/OR**
- 3.) Direct staff to re-negotiate the terms of the Amendment

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**ACTION OPTION:** Motion to approve the Contract Amendment and associated budget transfers, OR motion to not approve. **VOTE**

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**RECOMMENDATION:** Staff recommends approval of the Contract Amendment as written.

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

<b>Wastewater</b>		<b>Water</b>	
Budget		Budget	
501-7010-642-3206	\$938,557.00	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)	\$73,352.00
Balance	\$134,228.86	Balance	\$0.56
<b>Reclaimed Water</b>		<b>Recharge</b>	
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)	\$2,626.00	Transfer In from: 541-7040-641-4320 (General Equip Repairs)	\$1078.00
Balance	\$0.58	Balance	\$0.00

Transfers Out

	<b>Water</b> Minor Equipment (Water Meters) 511-7020-641-6126	<b>Reclaimed Water</b> Other Repairs and Maintenance 521-7030-641-4390	<b>Recharge</b> General Equip Repairs 541-7040-641-4320
Budget FY 12/13	\$500,000.00	\$21,000.00	\$20,000.00
Transfer out	\$73,352.00	\$2,626.00	\$1,078.00
Remaining Balance	\$426,648.00	\$18,374.00	\$18,922.00

**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

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

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

**COUNCIL ACTION:**

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

