

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

SUBJECT: Comprehensive Agreement No. 1 (Prescott, SRP, Prescott Valley) - Big Chino Water Ranch Project

SUBMITTING DEPARTMENT: Town Manager

PREPARED BY: Larry Tarkowski, Town Manager

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

ATTACHMENTS: (a) Prescott Valley Resolution No. 1811 (b) Comprehensive Agreement No. 1 (with attachments)

SUMMARY/BACKGROUND: On December 7, 2004, the Town of Prescott Valley entered into an intergovernmental agreement (IGA) with the City of Prescott to participate in the Big Chino Water Ranch Project. As the Project has moved forward, various administrative and legal objections were filed against it by a number of parties, including the Salt River Project (SRP). In response to those objections (and, in accordance with the IGA), the Town joined with the City of Prescott in a number of administrative and legal actions defending the project. On February 11, 2010, the two communities and SRP entered into a historic Agreement-in-Principle (AIP) that settled the immediate administrative and legal actions and set up a framework for further agreements among the parties in relation to the Project.

This agreement is the first follow-up agreement reached among the parties in order to implement the AIP. In accordance with Subsection 2A(3) of the AIP, this agreement proposes to monitor water in the Big Chino Sub basin and surface flows in the Verde River and model any impacts of withdrawals of that water on the current and future Verde River flows. It also implements, in part, the conceptual understandings in Section 2C (2) of the AIP by recognizing and confirming certain of the Parties' rights to "water arising from within the Prescott AMA" and agreeing that the Parties will not challenge those rights.

The Parties anticipate that they will enter into subsequent agreements regarding the confirmation of each other's rights to water other than "Waters Arising from within the Prescott AMA".

OPTIONS ANALYSIS: The Council may approve the proposed Comprehensive Agreement No. 1 or decline to approve the Agreement.

ACTION OPTION: Motion to authorize the Mayor (or, in his absence, the Vice-Mayor) to sign Resolution No. 1811 approving Comprehensive Agreement No. 1 with the City of Prescott and SRP in relation to the Big Chino Water Ranch Project, **OR** Motion not to approve Resolution No. 1811. **VOTE**

RECOMMENDATION: Staff recommends approval of signature of Resolution No. 1811 approving the Comprehensive Agreement No. 1 with the City of Prescott and SRP with regard to the Big Chino Water Ranch Project.

FISCAL ANALYSIS: Under the IGA with the City of Prescott, the Town is obligated to pay 45.9% of certain costs related to the Big Chino Water Ranch Project. In return, it receives an equivalent percentage of water developed by the Project for future use. The Town has long recognized the benefit of this Project for its long-term future. This Comprehensive Agreement No. 1 now sets out specific costs which will be shared among the parties with respect to monitoring and modeling costs. Exhibit 5 to the agreement estimates the costs for Prescott Valley will be approximately \$1,605,551 over the next 6 to 8 years.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____