



TOWN OF PRESCOTT VALLEY STAFF REPORT

DATE: December 8, 2022

TO: Mayor & Town Council

THROUGH: Gilbert Davidson, Town Manager

FROM: Neil Wadsworth, Utilities Director

DEPARTMENT: Utilities

AGENDA TYPE: New Business (for Review, Comment, And/or Possible Action)

SUBJECT: Mingus West Water Main Reimbursement Agreement - Consideration & Possible Action (Approve) [Neil Wadsworth – Utilities Director]

STRATEGIC PLAN FOCUS AREA: Water Stewardship means responsible planning for and management of sustainable water resources.

SUMMARY/BACKGROUND:

Town staff has previously identified a need to install water system improvements within the Mingus West / Fairgrounds system between the existing water tanks and the eastern edge of the existing Mingus West subdivision. The improvements would consist of upsizing the existing 10-inch and 6-inch water mains within this area to 12-inch and 8-inch, respectively. [see exhibit B]

Ash-Dorn LLC is in the process of purchasing from the current Mingus West owner the area to the east that will eventually make up Phase II of the subdivision (Units 5 – 9). The system improvements identified above aren't needed by Phase II but are located in that area. Any construction of the improvements by the Town would likely require coordinating engineering and construction efforts with Dorn Homes. Therefore, staff has approached Dorn about upsizing the Town water mains at the same time Dorn installs infrastructure (water, sewer and roads) for Phase II. The Town will only have to pay the difference in cost between the existing pipe sizes (and materials) and the new pipe sizes because the developer was going to have to replace much of the existing pipe due to interference with the site design of the new phase.

In accordance with Town Code 14-04-070, the Town would enter into a Reimbursement Agreement with Dorn to pay the differential costs of that construction. The estimated cost differential (approximately \$250,000) is believed to

be within the current cap under ARS 34-201(D) that would allow the Town to construct the improvement without public bid. This amount will be included within the Town's FY 2023-24 budget.

It is proposed that the Town Council consider approving the attached Reimbursement Agreement with Ash-Dorn LLC.

RECOMMENDED MOTION:

Motion to approve the Reimbursement Agreement with Ash-Dorn, LLC for the Mingus West Water Main upsizing in the amount of \$250,000, **OR** Motion not to approve this Reimbursement Agreement with Ash-Dorn, LLC. **VOTE.**

STAFF RECOMMENDATION:

Town staff recommends approval of this Reimbursement Agreement with Ash-Dorn LLC for upsizing the existing Mingus West water mains within the Phase 2 subdivision.

FISCAL ANALYSIS:

FINANCIAL DATA	Current Fiscal Year	Next Fiscal Year	Total Cost	Budget Adjustment
Cost	\$250,000	\$0	\$250,000	N/A
Source of Funds Water fund - \$250,000 will be budgeted for this capital improvement in FY 23/24				
Notes				For Fiscal Year: 23/24

Council Action at the Meeting:

ATTACHMENTS: Yes