

COUNCIL DECISION REQUEST

SUBJECT: Terra Water Line/Supply Acceptance

MEETING DATE: April 27, 2006

CSP ITEM: Yes No KRA#2

ITEM NO.:

TENTATIVE SCHEDULE: N/A

SUBMITTED BY: Buzz Walker

AMOUNT BUDGETED: N/A

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: N/A

CONT. FUNDING REQUIRED: \$93,750.00 to R&H Granite

EXHIBITS (If Applicable, To Be Attached): Spreadsheet of status of required actions.

NOTE: exhibits will be available Tuesday, April 25, 2006

RECOMMENDED MOTION: I MOVE TO ACCEPT THE WELL DEVELOPMENT IMPROVEMENTS AND WATER PIPELINE CONSTRUCTED BY TERRA-PAYSON 40, L.L.C. AND TERRA-STAR VALLEY 40, LLC PURSUANT TO RESOLUTION NO. 2098 AND TO BEGIN THE TWO YEAR WARRANTY PERIOD.

SUMMARY OF THE BASIS FOR RECOMMENDED MOTION: Pursuant to an agreement between the Town of Payson and Terra-Payson 40 L.L.C. and Terra-Star Valley 40, L.L.C. and an agreement between the Town of Payson and R & H Boulder & Granite LLC the Town will accept the development of a new water supply in return for water credits issued and a reserve water supply. The parties to the agreements with the Town have completed all necessary responsibilities pursuant to the contract and wish to dedicate the water supply improvements to the Town. 130 gallons per minute of the well production will be purchased by the Town of Payson as a drought reserve. The first of eight annual payments of \$93,750.00 to R&H Granite for purchase of the drought reserve is payable when this action is approved.

PROS: This action will result in the issuance of ERU water credits to Payson-Terra 40 L.L.C. and Terra-Payson 40. LLC.

CONS: N/A

PUBLIC INPUT (if any): Numerous Town of Payson public meetings.

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes): N/A

APR 27 2006 LL

Requirement in Contracts of things to be done prior to receipt of credits*

1	Terra must drill, construct, and equip RH2 well to produce 530 gpm	0306TA par. 4	Complete-Eng Certification
2	Terra must construct pipeline connecting RH2 well to Town's water system	0306TA par. 6	Complete-Eng Certification
3	Terra must dedicate to the Town the RH2 well site free of encumbrances	0306TA par. 9, 13	WarDeed-Rec#2006-006828
4	Terra must dedicate to the Town the RH2 well free of encumbrances	0306TA par. 9, 13	WarDeed-Rec#2006-006828
5	PW1 equipped to produce a minimum of 200 gpm	0405TA par. 2	Res. 2131 negates
6	PW2 equipped to produce a minimum of 400 gpm	0405TA par. 2	Res. 2131 negates
7	Terra must dedicate the PW1 and PW2 wells to the Town	0405TA par. 8	WarDeedRec#2006-006830
8	Easements associated with the RH2 well must be executed, recorded and conveyed to the Town	0306TA par. 7	Rec#2006-006826
9	CC&R's associated with the RH2 well must be executed and recorded	0306TA par. 8	Rec#2006-006826
10	Easement associated with the PW1 and PW2 wells must be executed and recorded	0405TA par. 6	Res 2131 negates
11	CC&R's associated with the PW1 and PW2 wells must be executed and recorded	0405TA par. 7	Rec#2006-006827
12	Infrastructure and RH2 pipeline dedicated to the Town free of liens or encumbrances	0306TA par. 9	Quit Claim Deed
13	Easement for the RH2 pipeline executed and recorded	0306TA par. 7	Rec#2006-006826
14	Terra must present a title report to the Town at least 30 days prior to any tender of the wells, well sites, and easements.	0306TA par. 13; 0405TA par. 14	Given to TOP
15	Town must approve the title report	0306TA par. 13; 0405TA par. 14	TOP Approved
16	Town must approve the hydrogeologic report on the RH2 well	0306TA 3ar.1	Complete. PWD letter
17	Terra must provide Town with 2 sets of certified drawings	0306TA par. 9	Complete
18	Terra must pay the Town 3% of the construction costs as an inspection fee	0306TA par. 9	Check #01061
19	ADEQ provide final approval	0306TA par. 9	Pending
20	Agreement between RH and Terra must be in compliance with the agreements and approved by the Town	0306TA par. 3; 0306RHA par. 3	Pending
21	The Town can require financial assurances for a potential water treatment plant	0306TA par. 12	N/A Not Needed
22	530 gallons/minute of water must flow	0306TA par. 10	Complete. PWD letter

0405TA - April 2005 Agreement between Payson and Terra
 0306 TA - March 2006 Agreement between Payson and Terra
 0306RHA - March 2006 Agreement between Payson and R&H

***A packet of completed actions will be made available to the Town Council prior to Council action.**

Addendum to: APR 27 2006 I.1