

RESOLUTION NO. 2725

**A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, GENERATING REVENUE TO ENHANCE BOND MARGIN FOR THE C.C. CRAGIN PROJECT THROUGH THE PROVISION OF TEMPORARY WATER SERVICE TO THE CHAPARRAL PINES AND RIM CLUB GOLF COURSES.**

**WHEREAS**, the Town of Payson operates a water system serving the citizens of Payson; and

**WHEREAS**, additional water sales raises revenue both for current system needs and long term system needs such as the C.C. Cragin pipeline; and

**WHEREAS**, additional water sales also enhances bond margin; and

**WHEREAS**, during the summer of 2012, the Town sold water to Chaparral Pines and Rim Club;

**WHEREAS**, such sales did not adversely effect the Town's water supply and did provide over \$100,000.00 in revenue to offset costs associated with the C.C.Cragin pipeline; and

**WHEREAS**, during 2012, even with such sales, the Town water system supplied water to its customers while utilizing only 61% of its safe yield; and

**WHEREAS**, due to system improvements, the acquisition of additional water sources, and a decline in population, the Town water system has the capacity to temporarily provide water for non potable uses for the years 2013, 2014, and 2015; and

**WHEREAS**, such provision of water for non potable uses would not adversely affect the Town's current customers; and

**WHEREAS**, Chaparral Pines and the Rim Club have negotiated a long term contract for the provision of untreated C.C.Cragin water, but such untreated water will not be available until the completion of the pipeline; and

**WHEREAS**, Chaparral Pines and the Rim Club desire to obtain interim water during June and July of 2013, 2014, and 2015; and

**WHEREAS**, sales to Chaparral Pines and the Rim Club would generate significant revenues that could be utilized on the C.C. Cragin project; and

**WHEREAS**, the Town desires to temporarily provide water for the Chaparral and Rim Club

golf courses during the months of June and July of 2013, 2014, and 2015,

**NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:**

- Section 1. That the Water Department is authorized to temporarily provide water to the Chaparral Pines and Rim Club golf courses during the months of June and July of 2013, 2014, and 2015.
- Section 2. That the temporary provision of such water is subject to the provisions of the attached letter agreement.
- Section 3. That Kenny J. Evans, Mayor of the Town of Payson, is authorized to execute the attached letter agreement in substantially the form attached.
- Section 4. That Town Staff is authorized to take any other actions necessary to carry out the intent of this Resolution.

**PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this \_\_\_\_\_ day of June, 2013, by the following vote:**

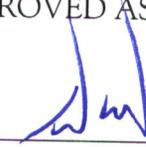
AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSTENTIONS \_\_\_\_\_ ABSENT \_\_\_\_\_

\_\_\_\_\_  
Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Silvia Smith, Town Clerk

  
\_\_\_\_\_  
Timothy M. Wright, Town Attorney

**Exhibit A**  
**to**  
**Resolution**

June \_\_, 2013

Chaparral Pines Golf Course  
Rim Club Golf Course  
Payson, AZ 85541

RE: Temporary Provision of Water

Dear Sir/Madam:

The Town of Payson and entities representing your golf courses have negotiated a long term agreement to sell untreated surface water from Payson to the golf courses. Such surface water is physically unavailable until the completion of the C.C.Cragin pipeline. In order to bridge the gap caused by such delay, the Town agrees to temporarily sell water for golf course use during the summers of 2013, 2014, and 2015 subject to the following:

- A. During 2013, 2014, and 2015, Chaparral Pines and the Rim Club shall pay the current public rates for any water provided.
- B. During 2013 and 2014, in addition to all applicable water rates, Chaparral Pines and the Rim Club shall pay a temporary administrative fee of five hundred dollars (\$500.00) per day for any days where a temporary water meter for the provision of water is installed and water is available.
- C. The use of such temporary water is subject to the conservation requirements in Sections 50.75-50.84 of the Code of the Town of Payson.
- D. The provision of such temporary water shall be for a minimum of 30 calendar days and for a maximum of 45 calendar days each summer.
- E. The Town will provide one or more points of delivery and a temporary meter at each such point. Any additional conveyance pipes, hoses, etc., shall be the responsibility of Chaparral Pines and the Rim Club.
- F. Payson may discontinue, reduce, or limit the amount of temporary water service at any time it determines that such temporary water service prohibits its from meeting the potable water needs of the Town's residents.

The Town will utilize the connection points and ordering procedures as utilized during the summer of 2012 unless other wise agreed by Town and golf course staff.

Sincerely,

Kenny J. Evans, Mayor

Accepted by,

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Name, title