



COUNCIL DECISION REQUEST

SUBJECT: Cancellation of Water Tank Maintenance Contract with Utility Service Co.
(November 19, 2002)

MEETING DATE: August 15, 2013

SUBMITTED BY: Tim Wright, Town Attorney 

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

AMOUNT BUDGETED:

EXPENDITURE REQUIRED:



EXHIBITS (If Applicable, To Be Attached): Water Tank Maintenance Contract with Utility Service Co.
(November 19, 2002)

POSSIBLE MOTION I move to direct staff take all steps necessary to cancel the Water Tank Maintenance Contract with Utility Service Co. dated November 19, 2002 and further authorize the Mayor and two Council Members designated by the Mayor to sign a Notification to Cancel or all other necessary documents.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION: In November of 2002, the Town entered into a long term contract with Utility Service Co. for the maintenance of 10 of the Town's water tanks (the "Contract"). The Contract automatically renews for 3 years terms unless cancelled by the Town or Utility Service Co. The Water Department Staff does not desire to renew the Contract, instead performing some of the services in house and contracting for the remaining services. This should result in a reduced cost.

In order for the Town to cancel the Contract, notice must be sent to Utility Service Co. at least 90 days prior to the renewal date and such cancellation must be "signed by three[3] authorized voting officials of the Owner's management and/or Commissioners." Although this language is unclear because the Town has neither voting management nor commissioners, this term may require that three Council Members sign such notice of cancellation. In the interest of caution, Staff is asking the Council to formally approve the cancellation and authorize 3 of its members to sign the notice of cancellation.

PROS: Water Department Staff believes that it can obtain tank maintenance services at a lower cost than is currently contemplated by the Contract.

CONS: Cancellation will require additional time and certifications for Water Department Staff.

AUG 15 2013 



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FUNDING:

Acct:	Budget:	Available:	Expense:	Remaining:
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Acct:	Budget:	Available:	Expense:	Remaining:

FM: _____ Date: _____