



City of Apache Junction, Arizona

City Council Chambers
300 E Superstition
Boulevard
Apache Junction, AZ
85119

Agenda

Water Utilities Community Facilities District

www.ajwaterdistrict.org
P: (480) 982-6030

Tuesday, January 16, 2018

6:00 PM

City Council Chambers

Notice of Meeting

NOTICE OF PUBLIC MEETING AND AGENDA OF THE DISTRICT BOARD OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT (CITY OF APACHE JUNCTION, ARIZONA)

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the members of the District Board of the Water Utilities Community Facilities District, (City of Apache Junction, Arizona), and to the general public, that on Tuesday, (DATE) at 6:00 p.m., the District Board of the Water Utilities Community Facilities District will hold a meeting open to the public at the Apache Junction City Council Chambers, 300 E. Superstition Blvd., Apache Junction, AZ.

A. Call to Order

B. Roll Call

C. Agenda Items

1. Approval of minutes of meeting of November 21, 2017.
2. Discussion and consideration of Resolution No. 2018-001, a resolution of the board of directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) authorizing execution of an Intergovernmental Agreement with the City of Mesa for delivery of treated water.
3. Discussion and consideration for approval of Change Order #3 for Revolution Industrial, LLC. to replace rafter beams in both the north and south 500k gallon tank at the water storage site and booster station located at 16th Avenue and Buena Vista as an additional cost of \$70,076.75.

D. District Manager Report

E. District Director Report - Presentation and discussion of the following items:

4. Water system update.
5. Upcoming 2018 Apache Junction Water Festival.

6. Payment portal update.

F. District Treasurer Report - Presentation and discussion

7. Presentation and discussion of the latest financial report.

G. Adjournment

Copies of this agenda and additional information on any of the items listed above may be obtained from the office of the city clerk/district clerk, 300 E Superstition Blvd, Apache Junction, AZ 85119, Monday through Thursday, 7:00a to 6:00p, excluding holidays.

The City of Apache Junction invites and welcomes people of all abilities to use our programs, sites and facilities. Specific requests may be made by contacting the Human Resources Office at (480) 474-2617 or TDD (480) 983-0095. Members of this board will attend either in person or by telephone, video or internet conferencing.

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
Boulevard
Apache Junction, AZ
85119

Agenda Item No. 1.

File ID: 18-014

Sponsor: Kathy Connelly

Agenda Date: 1/16/2018

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In Control: Water Utilities Community Facilities D

Approval of minutes of meeting of November 21, 2017.

WATER UTILITIES COMMUNITY FACILITIES DISTRICT
CITY OF APACHE JUNCTION, ARIZONA
REGULAR MEETING
November 21, 2017

The regular meeting of the District Board of the Water Utilities Community Facilities District, City of Apache Junction, Arizona, was held on November 21, 2017 at the Apache Junction City Council Chambers pursuant to the notice required by law.

CALL TO ORDER

Chairperson Serdy called the meeting to order at 6:00 p.m.

ROLL CALL

Board Members Present: Chairperson Serdy
Vice Chairperson Wilson (arrived 6:17
p.m.)
Mrs. Evans
Mr. Struble
Mr. Waldron

(Mrs. Barker and Mrs. Rizzi were
absent.)

Staff Present: Bryant Powell, District Manager
Joel Stern, District Legal Counsel
Frank Blanco, District Director
Matt Busby, Assistant City Manager
Michael Loggins, District
Superintendent

Others Present: Rita Vineyard, Administrative Assistant
Jan Mason, Deputy City Clerk

APPROVAL OF MINUTES OF OCTOBER 17,
2017 _____)

) Chairperson Serdy called
for a motion.

Mr. Waldron MOVED THAT THE
MINUTES OF OCTOBER 17, 2017 BE APPROVED.

Mrs. Evans SECONDED THE
MOTION.

VOTE: Unanimous.

The motion carried.

DISTRICT MANAGER REPORT

None.

DISTRICT DIRECTOR REPORT

District Director Frank Blanco briefed the board on the City of Mesa Intergovernmental Agreement regarding treated water from the district's Central Arizona Project allotment and the groundwater savings facilities and underground storage.

Mr. Waldron asked what is used to determine where the groundwater locations are. With the Superstition Mountain Recharge Project and New Magma, one is small and the other large. He asked what determines the boundaries for them.

District Director Frank Blanco stated to have a recharge project such as Superstition Mountain Recharge Project it must be an underground storage facility. The Central Arizona Water Conservation District owns the facility. In order for them to get credits to recharge at that facility they have to apply to Arizona Department of Water Resources. They had to prove that the facility would be able to recharge an annual quantity of water. It was initially permitted for 30,000 and has now been increased to 60,000. The GFFs, which are New Magma, Salt River Project and Roosevelt Water Conservation District all had to apply to Arizona Department of Water Resources and prove that area would be able to recharge the water they are permitted for. Roosevelt Water Conservation District is a much larger area and Salt River Project is the largest of all.

Mr. Waldron asked what determines the boundaries.

District Director Frank Blanco stated they are determined by their service area boundaries. Superstition Mountain is an area that is defined as the project where they would actually be recharging that water. They cannot go beyond the permitted area.

Chairperson Serdy asked if Arizona Water does any recharging.

District Director Frank Blanco stated Arizona Water is in the process of developing a recharge project. In the last couple of years they got an agreement with Roosevelt Water Conservation District to recharge there as well.

Assistant City Manager Matt Busby asked if they pump water out of the ground and pump it back into the ground. He asked if they were all groundwater.

District Director Frank Blanco stated they are, but they do have rights to Central Arizona Project water. In lieu of the Central Arizona Project water they deliver that water to Roosevelt Water Conservation District. That is not groundwater. He continued with his briefing.

District Counsel Joel Stern asked how remote is it for the likelihood of Mesa to not be able to deliver water compared to what we are taking out of their system.

District Director Frank Blanco stated historically no emergency has ever been declared. It has never happened. The district would be taking between 1 and 2 million gallons a day and it is currently between 1 and 2 million gallons a month. In an emergency situation it could be more than that but it would be a significantly small number compared to the capacity of the Mesa system.

District Counsel Joel Stern asked how many million gallons they have available.

District Director Frank Blanco stated he believes their Brown/Rural plant might be something around 40 million a day.

District Counsel Joel Stern stated we are talking 1 or 2 million a day here at most.

District Director Frank Blanco stated that is correct. It is a small amount of water that has never been declared. The proposed intergovernmental agreement also reduces the risk of a Mesa service priority being declared. It provides for an additional water source by using recovered water through the Salt River Project system and the Val Vista plant. He continued with his briefing.

Mrs. Evans commented the previous agreement has the two-year extension. The new one has two four-year extensions. She asked why that was changed.

District Director Frank Blanco stated the district was asking for a twenty-year agreement but they were only willing to give us an agreement that basically comes down to fourteen years. That is their legal department not wanting to have agreements out there that are extending too long and slipping through the cracks like this one did, where they did not ask to cancel the agreement.

Mr. Struble commented it used to be ten years and then two years. Now it is six years then four and four. He asked if there was a reason for that.

District Director Frank Blanco stated it is just the way it was written.

District Counsel Joel Stern stated they had a long discussion about that in Mesa. They would not budge on that issue. That is their style and what they wanted to do. They have other agreements with other agencies. We are glad they are partnering but twenty years would have been nice. But it would not fly.

Assistant City Manager Matt Busby stated he recalled a bill during the latest legislative session that he is not sure passed. It was about intergovernmental agreements that extended for long terms and required reporting periods to the state. Basically there is a little more scrutiny and Mesa may have gotten a little hypersensitive to that.

Water Superintendent Mike Loggins briefed the board on water quality, the water system and the payment portal.

Water Utilities Community Facilities District
Meeting Minutes of November 21, 2017

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Mr. Waldron commented the new portal has been quite a project.

Water Superintendent Mike Loggins stated it was all part of the new web page.

DISTRICT TREASURER REPORT

Assistant City Manager Matt Busby stated District Treasurer Donna Meinerts is out ill today. If they have any questions on the report he will pass those along to her unless someone else from the district can answer it. They were not prepared to cover for her in her absence.

Chairperson Serdy asked if they are still in the black.

District Superintendent Mike Loggins stated they are still in the black. They were in the red the two previous years because they were building the treatment plant and were waiting to get our money back from Water Infrastructure Finance Authority. That is why they see the difference in the past. It is not the normal way they operate. They should continue to operate in the black in the future.

ADJOURNMENT _____)
_____) Chairperson Serdy adjourned
the meeting at 6:25 p.m.

ACCEPTED THIS _____ DAY OF _____, 2018,
BY THE CHAIRPERSON AND DISTRICT BOARD OF THE WATER UTILITIES
COMMUNITY FACILITIES DISTRICT, (CITY OF APACHE JUNCTION,
ARIZONA).

SIGNED AND ATTESTED TO THIS _____ DAY OF _____,
2018.

Jeff Serdy
Chairperson

ATTEST:

Kathleen Connelly
District Clerk

WATER UTILITIES COMMUNITY FACILITIES DISTRICT MINUTES
CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular meeting of the Water Utilities Community Facilities District of the City of Apache Junction, Arizona, held on the 21st day of November, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 4th day of December, 2017.

Kathleen Connelly
District Clerk

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
Boulevard
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Agenda Item No. 2.

File ID: 18-015

Sponsor: Frank Blanco and Mike Loggins

Agenda Date: 1/16/2018

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In Control: Water Utilities Community Facilities D

Discussion and consideration of Resolution No. 2018-001, a resolution of the board of directors of the Water Utilities Community Facilities District (City of Apache Junction, Arizona) authorizing execution of an Intergovernmental Agreement with the City of Mesa for delivery of treated water.

RESOLUTION NO. 2018-001

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WATER UTILITIES COMMUNITY FACILITIES DISTRICT (CITY OF APACHE JUNCTION, ARIZONA) AUTHORIZING EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF MESA FOR DELIVERY OF TREATED WATER.

WHEREAS, the City of Mesa is willing to accept Water Utilities Community Facilities District ("WUCFD"), doing business as Apache Junction Water District ("AJWD"), untreated Central Arizona Project and stored water, and to make available treated water to AJWD in exchange for payment of charges for such availability; and

WHEREAS, pursuant to A.R.S. § 11-952(A), public entities may enter into intergovernmental agreements with other municipalities and governmental entities for joint or cooperative activities; and

WHEREAS, the Parties have crafted the attached intergovernmental agreement which formalizes the arrangement (see Attachment A).

NOW, THEREFORE, BE IT RESOLVED BY THE WUCFD CHAIRMAN AND BOARD OF DIRECTORS (APACHE JUNCTION, ARIZONA) AS FOLLOWS:

- 1) The WUCFD Chairman and Board of Directors approve the form of the Intergovernmental Agreement for delivery of treated water with the City of Mesa set forth in Attachment A; and the Chairman is hereby authorized to sign the agreement.
- 2) The District Manager and/or his designee is authorized and directed to take all steps necessary to carry out the purpose and intent of this resolution and to fulfill all the duties required under the agreement.

PASSED AND ADOPTED BY THE WUCFD CHAIRMAN AND BOARD OF DIRECTORS, THIS _____ DAY OF _____, 20__.

SIGNED AND ATTESTED TO THIS ____ DAY OF _____, 20__.

JEFF SERDY
Chairman

ATTEST:

KATHLEEN CONNELLY
District Clerk

APPROVED AS TO FORM:

RICHARD J. STERN
District Attorney

ATTACHMENT A

Intergovernmental Agreement Between the City of Mesa
and
Apache Junction Water Utilities Community Facilities District
for the
Delivery of Treated Water

**AGREEMENT REGARDING TREATED WATER
BETWEEN
THE CITY OF MESA AND APACHE JUNCTION WATER UTILITIES COMMUNITY
FACILITIES DISTRICT**

This Agreement ("Agreement") is made and entered into this ____ day of _____, 2017, by and between the Water Utilities Community Facilities District, an Arizona community facilities district, doing business as Apache Junction Water District ("AJWD"), and the City of Mesa ("Mesa"), an Arizona municipal corporation. Mesa and AJWD are sometimes referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. AJWD has an allocation of Central Arizona Project ("CAP") water and supplies of water that has been stored or saved underground pursuant to an underground storage permit under Chapter 3.1 of Title 45, Arizona Revised Statutes, but has limited treatment facilities for such water;
- B. Mesa is willing to accept AJWD's untreated CAP and stored water, and to make available treated water to AJWD in exchange for payment of charges for such availability;
- C. AJWD desires to deliver untreated CAP and stored water to Mesa and to pay such charges in exchange for the availability of treated water and the ability to take same;

AGREEMENT

Therefore, in consideration of the mutual promises and covenants and agreements set forth herein, the Parties agree as follows:

1. Definitions.

As used in this Agreement, the following terms, when capitalized, shall have the following meanings:

- 1.1 "ADWR" means the Arizona Department of Water Resources.
- 1.2 "AJWD's CAP Water" means the water that AJWD has under contract for delivery through the CAP system with the CAWCD and the United States, and which AJWD causes to be delivered to Mesa in accordance with this Agreement.
- 1.3 "AJWD Emergency" means the failure of an AJWD Water Treatment Plant, booster station, production well, or other similar condition which significantly reduces the AJWD system's water production or distribution capacity.

- 1.4 "AJWD Point of Delivery" means the direct connection between the Mesa municipal water distribution system and the AJWD water distribution system, where the water taken by AJWD pursuant to this Agreement shall be metered.
- 1.5 "AJWD Recovered Water" means water supplies recovered by AJWD from storage in accordance with A.R.S. § 45-801.01 *et seq.*
- 1.6 "Calendar Year" means in any given year the period commencing on January 1st and extending through December 31st.
- 1.7 "CAWCD" means the Central Arizona Water Conservation District, an Arizona political subdivision, or any successor in interest thereto.
- 1.8 "Contract Price" means the Monthly Quantity Fixed Charge, Monthly Quantity Variable Charge, Emergency Water Charge, and Supply Charge amounts set forth in Section 5.
- 1.9 "Emergency Delivery Water" means water provided at the AJWD Point of Delivery by Mesa during times of an AJWD Emergency and scheduled and replaced by AJWD in the form of AJWD CAP Water, AJWD Recovered Water, or accounted for as AJWD groundwater pumping, all as provided in this Agreement.
- 1.10 "Mesa Service Priority" means as defined in Section 23.
- 1.11 "Monthly Contract Quantity" means an amount of water on a monthly basis not to exceed 7.0 acre feet except in times of an AJWD Emergency.

2. Term.

This Agreement shall be effective for a term beginning as of the date the Agreement is signed by all Parties ("Effective Date") and continuing for a period of six (6) years ("Initial Term"). This Agreement shall automatically renew for two (2) additional four (4) year terms (the "Extension Terms") unless one of the Parties provides written notice of termination to the other at least twelve (12) months before the end of the then current Term. If such notice is properly delivered under the terms of this Agreement, the Agreement will terminate at the end of such Term. In no event, shall this Agreement extend beyond fourteen (14) years from the Effective Date.

3. Delivery, Sale and Purchase of Water.

Mesa agrees to accept AJWD CAP Water, and make treated water available to AJWD, and AJWD agrees to deliver AJWD CAP Water or AJWD Recovered Water to Mesa, and to take treated water at the Delivery Point from Mesa in amounts not to exceed the Monthly Contract Quantity except in times of an AJWD Emergency, when additional amounts may be taken as provided in Section 5.2. AJWD further agrees to pay the Contract Price for such water during the Initial Term and the Extension Terms (if applicable).

4. Water Availability at AJWD Point of Delivery.

- 4.1 Mesa will make available treated water in the Monthly Contract Quantity at the AJWD Point of Delivery. Mesa will measure the quantity of water AJWD takes with a metering device that meets American Water Works Association (AWWA) Standards, located at the AJWD Point of Delivery. The metering device shall be owned, operated, and maintained by Mesa, and calibrated annually, with both Parties being given the opportunity to witness the calibration. Notwithstanding any other provision of this Agreement, Mesa will only be obligated to make available a quantity of water to AJWD equivalent to the actual quantity of AJWD's CAP Water or AJWD Recovered Water that Mesa receives from AJWD, less losses of five percent (5%).
- 4.2 During the time of an AJWD Emergency, Mesa will make available a total of 100 acre feet of Emergency Delivery Water per year in excess of the Monthly Contract Quantities at the AJWD Point of Delivery.
- 4.3 During times of Mesa Service Priority as set forth in Section 23, Mesa will have no obligation to make water available to AJWD. The authorized representative of Mesa will notify the authorized representative of AJWD of such a situation as soon as practicable.

5. Contract Price.

- 5.1 The Contract Price payable for water taken by AJWD shall consist of the following Charges:
 - 5.1.1 A Monthly Quantity Fixed Charge of six hundred dollars (\$600.00) per month, and an additional Monthly Quantity Variable Charge of three hundred sixteen dollars and fifty-two cents (\$323.00) per million gallons (or thirty-two cents per thousand gallons (\$0.32/KGal)) of water taken at the AJWC Point of Delivery.
 - 5.1.2 The Emergency Water Charge for amounts of Emergency Delivery Water of up to 100 acre feet taken during an AJWD Emergency will be one dollar per thousand gallons (\$1.00/KGal).
 - 5.1.3 In addition to the above, AJWD shall pay to Mesa a Supply Charge of twenty-five cents per thousand gallons (\$0.25/KGal) for water taken at the AJWD Point of Delivery that is in excess of the actual amount of AJWD's CAP Water or AJWD Recovered Water preordered by AJWD and actually delivered in advance to Mesa (less losses of five percent (5%)), or in the case of Emergency Delivery Water, for amounts of such water not provided to Mesa in the form of AJWD CAP Water or Recovered Water within sixty (60) days of such Emergency Deliveries.

5.2 The Contract Price Charge amounts shall be adjusted annually from the Effective Date based on the increase, if any, in the Consumer Price Index – All Urban Consumers, as published in the then current year by the United States Bureau of Labor Statistics.

6. Water Accounting for Excess Water

6.1 All of the water entering AJWD's interconnection facility and system at the Point of Delivery in excess of the amount of AJWD CAP water or AJWD Recovered Water delivered to Mesa in advance or within sixty (60) days of an Emergency Delivery shall be accounted for as groundwater as defined in Title 45 of the Arizona Revised Statutes, AJWD shall be responsible for all compliance with the Groundwater Code and ARS 45-492 in the event and to the extent deliveries are accounted for as groundwater.

6.2 AJWD agrees to provide notice to Mesa of any AJWD Emergency and prior to taking any Emergency Delivery Water, but in no event more than one (1) business day after becoming aware of such an AJWD Emergency, and to thereafter reasonably keep Mesa updated with respect to the situation and any changes.

7. Delivery of AJWD CAP Water AJWD Recovered Water to Mesa.

7.1 Mesa will accept delivery of AJWD's CAP Water from the CAWCD at one or more of Mesa's CAP turnouts (as determined by Mesa), and will accept delivery of AJWD Recovered Water at the Val Vista Water Treatment Plant when CAP Water is not available, in the amount of the Monthly Contract Quantity and any AJWD Emergency Delivery Water Amounts, with losses of five percent (5%). AJWD shall be solely and exclusively responsible for all arrangements and costs of transporting AJWD CAP Water and Recovered Water to Mesa under this Agreement.

7.2 Notwithstanding any other provision of this Agreement, Mesa shall only be obligated to make available a quantity of water to AJWD equivalent to the actual quantity of AJWD's Water Mesa receives from CAWCD, plus losses of five percent (5%).

8. AJWD's Obligations and Payments to Mesa.

8.1 AJWD agrees to pay the Contract Price and to deliver or cause to be delivered AJWD's CAP Water or AJWD Recovered Water in the amount of the Monthly Contract Quantity in advance, and for any Emergency Delivery Water amounts within sixty (60) days of the Emergency Deliveries.

8.2 AJWD is responsible for and assumes all obligations and liabilities for the quality of water in its system and distribution to its customers once water is taken by AJWD at the AJWD Point of Delivery.

- 8.3 During times of an AJWD Emergency, as defined in Section 1.3, AJWD must notify the authorized representative of Mesa of AJWD's need to take Emergency Delivery Water pursuant to this Agreement within one business day.
- 8.4 AJWD shall preorder and schedule AJWD's CAP Water with CAWCD to ensure delivery of AJWD's CAP Water to Mesa in accordance with this Agreement. AJWD's CAP Water shall be ordered and delivered under AJWD's subcontract with CAWCD, and not under any contract or subcontract for CAP water entered into by Mesa. AJWD shall pay CAWCD for all costs related to the delivery of AJWD's CAP Water to Mesa in accordance with the subcontract between AJWD and CAWCD. Mesa shall have no obligation to CAWCD for any water scheduled and delivered under AJWD's subcontract.
- 8.5 When CAP Water is not available, AJWD may preorder and schedule AJWD Recovered Water with Salt River Project (SRP) to ensure delivery of AJWD Recovered Water to Mesa in accordance with this agreement when CAP Water is not available. AJWD Recovered Water shall be ordered and delivered under an AJWD agreement with SRP, and not under any agreement between SRP and Mesa. AJWD shall pay SRP for all costs related to the recovery and transportation of AJWD Recovered Water to Mesa's Val Vista Water Treatment Plant. Mesa shall have no obligation to SRP for any water scheduled and delivered by AJWD.

9. Water Delivered.

- 9.1 AJWD understands and agrees that the water Mesa physically makes available at the AJWD Point of Delivery may consist of CAP Water, Salt River Water, Verde River Water, Agua Fria River Water, groundwater, and/or other sources, but shall be accounted for as CAP Water or Groundwater by the Parties as set forth in this Agreement. Prior to delivery, such water will comply with applicable federal and state drinking water standards as applied to Mesa's water system. After point of delivery, AJWD is responsible for all water quality issues and compliance in the AJWD water system.
- 9.2 To comply with its requirements under Title 45, Arizona Revised Statutes, Mesa will report to ADWR the quantity of water delivered to the AJWD Point of Delivery as part of its annual report to ADWR. The quantity of water reported under this Agreement shall include five percent (5%) estimated losses. AJWD shall be solely responsible for accounting with ADWR for the debiting of AJWD storage credits for all AJWD Recovered Water delivered to Mesa under this Agreement in accordance with A.R.S. § 45-852.01. As set forth in 9.1 and 10.1 of this agreement, if AJWD fails to deliver an equivalent amount of AJWD CAP Water or AJWD Recovered Water to Mesa, excess amounts will be accounted for as groundwater pumped by AJWD as defined in Title 45 of Arizona Revised Statutes. AJWD shall be responsible for all compliance with A.R.S. § 45-492 in the event deliveries are accounted for as groundwater, and shall indemnify and

hold the City of Mesa harmless from damages resulting from such deliveries. Mesa shall have no obligation to file any other reports regarding AJWD.

10. Scheduling.

- 10.1 Before October First of each year, AJWD shall schedule an amount of CAP Water equal to the Monthly Contract Quantity for advance or concurrent delivery to Mesa.
- 10.2 AJWD shall schedule an equivalent amount of AJWD's CAP Water with CAWCD for delivery to Mesa as a replacement of the physical supply of Emergency Delivery Water amounts delivered by Mesa within sixty (60) calendar days of the corresponding Emergency Delivery. AJWD's CAP Water shall be ordered and delivered under AJWD's subcontract with CAWCD, and not under any contract or subcontract for CAP water entered into by Mesa. AJWD shall pay CAWCD for all costs related to the delivery of AJWD's CAP Water to Mesa in accordance with the subcontract between AJWD and CAWCD. Mesa shall have no obligation to CAWCD for any water scheduled and delivered under AJWD's subcontract.
- 10.3 When CAP Water is not available, AJWD may schedule an equivalent amount of AJWD Recovered Water with SRP for delivery to Mesa as a replacement of the physical supply of Emergency Delivery Water delivered by Mesa within sixty (60) days of the corresponding Emergency Delivery. This water shall be ordered and delivered under an AJWD agreement with SRP, and not under any agreement between SRP and Mesa. AJWD shall pay SRP for all costs related to the recovery and transportation of AJWD Recovered Water to Mesa's Val Vista Water Treatment Plant. Mesa shall have no obligation to SRP for any water scheduled and delivered by AJWD.

11. Billing and Payment.

- 11.1 By the 20th day of each month, Mesa will report to AJWD the quantity of water taken at the AJWD Point of Delivery for the previous calendar month. Mesa will bill AJWD the charges payable to Mesa in accordance with this Agreement.
- 11.2 AJWD must pay the amounts billed by Mesa no later than thirty (30) calendar days after the date of billing, after which the charges shall be considered past due. If AJWD fails to pay the charges within sixty (60) calendar days after the date of the billing, Mesa may cease performance under this Agreement until all past due charges are paid.

12. Indemnity and Waivers.

- 12.1 AJWD shall hold harmless, indemnify, and defend Mesa and any and all of its officers, officials, agents, and employees from and against any and all losses

incurred as a result of AJWD's failure to make the payments required under its subcontract with CAWCD.

- 12.2 AJWD shall hold harmless, indemnify and defend Mesa and its officers, officials, agents, and employees for, from and against any and all claims, demands, fines, penalties, losses, expenses, damages, obligations, liabilities, suits, actions, causes of action, proceedings, assessments, judgments and costs of every kind and nature (including attorneys' fees, experts fees and court costs) for injury to or death of any person, and for damage, destruction, or loss, consequential or otherwise, to any property, real or personal, including without limitation, property owned, occupied, used or enjoyed by Mesa, AJWD, the public, or any other person or entity, resulting or arising from or in any manner connected with; i) the non-delivery of water by Mesa under this Agreement; ii) the operation and maintenance of AJWD's water system by AJWD; iii) water quality in the AJWD system after the Point of Delivery; and iv) damage to Mesa's system to the extent resulting from a breach of the terms of this Agreement by AJWD or other actions of AJWD in taking delivery of water from Mesa's system.
- 12.3 Except for AJWD's obligations under Section 12.1 and 12.2, neither Party shall be liable to the other for any incidental, special, or consequential damages under this Agreement.

13. Insurance.

- 13.1 AJWD shall maintain in full force and effect insurance at no less than the following minimum amounts:

<i>WORKER'S COMPENSATION</i>	In accordance with requirements of the laws of the State of Arizona.
<i>COMPREHENSIVE GENERAL LIABILITY</i> (Including contractual liability covering death, bodily injury and property damage)	Combined single limit of not less than \$2,000,000 for each occurrence.
<i>AUTOMOTIVE LIABILITY</i> (Including owned, non-owned and hired vehicles)	Combined single limit of not less than \$1,000,000 for each occurrence.

- 13.2 Mesa shall be named as an additional insured in all applicable policies. All insurance policies shall provide that they shall not be canceled or modified unless thirty (30) calendar days prior written notice is given to Mesa. AJWD shall provide Mesa with a certificate of insurance evidencing such coverage and shall maintain on file with Mesa a current certificate within 30 calendar days of the purchase of the Policy. All insurance shall be issued by insurance carriers licensed to do business by the State of Arizona or by surplus line carriers on the

Arizona Insurance Commission approved list of companies qualified to do business in Arizona. All insurance and surplus line carriers shall be rated A or better by A.M. Best Company or as otherwise acceptable to Mesa.

13.3 AJWD's insurance coverage shall be primary insurance with respect to Mesa, its officers, agents, employees, and officials.

14. Amendments.

This Agreement may be amended only in writing, signed and approved by all Parties.

15. Entire Agreement.

This Agreement contains the entire agreement of the Parties and supersedes, any and all other agreements or understandings, oral or written, whether previous to the execution thereof or contemporaneous herewith.

16. Governing Law.

The Agreement shall be subject to, governed by and construed in accordance with the laws of the State of Arizona without regard to its choice of law provisions. Any action, suit or proceeding arising out of or relating to this Agreement shall be prosecuted in a court of competent jurisdiction in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction of any such court.

17. Time Is of the Essence.

Time is of the essence with respect to the performance of each of the obligations, covenants and agreements contained in the Agreement.

18. Binding.

This Agreement shall be binding upon the Parties and their respective successors and assigns.

19. Joint Venture.

Nothing in this Agreement shall be deemed to create a joint venture, partnership, or any other cooperative or joint arrangement between the Parties.

20. A.R.S. Sections 12-133, 12-1518, 23-214, 35-391, 38-511, 35-393.01, 41-4401, 42-17106.

Notice is hereby provided of A.R.S. §§ 12-133, 12-1518, 23-214, 35-391, 35-393.01, 38-511, and 41-4401, to the extent applicable to contracts of the nature of this Agreement. Any other codes, statutes, rules or other provisions required by law to be a part of this Agreement are hereby incorporated as if fully set forth herein. Additionally, any obligations of Mesa under this

Agreement are subject to the appropriation and availability of funds in accordance with the laws of the State of Arizona, including the Arizona State Constitution and A.R.S. § 42-17106.

21. Authorized Representatives and Notices.

21.1 Within thirty (30) calendar days after the date this Agreement becomes effective, Mesa and AJWD shall each appoint an authorized representative to administer the provisions of this Agreement for which the authorized representative has responsibility, and notify each other of those appointments. All decisions and agreements required to be made or entered into by the authorized representative shall be binding on a Party only if it is in writing and signed by the Party's authorized representative. Each Party shall notify the other Party to this Agreement of any change in the identity of its authorized representative.

21.2 Any notice, demand, or request provided for in this Agreement shall be in writing and shall be delivered by first class United States Mail, postage prepaid, to the following addresses:

AJWD:
Attention: District Manager
Apache Junction Water District

POB 4768
Apache Junction, AZ 85178-0014

MESA:
Attention: City Manager City of Mesa
POB 1466
Mesa, AZ 85211-1466

22. Attorney Fees.

In the event that any claim, controversy or legal action arises under this Agreement, the prevailing Party or Parties shall be entitled to recover from the other Party or Parties in such action all costs, expenses and fees including, without limitation, attorney fees, incurred by said prevailing Party or Parties.

23. Mesa Service Priority.

Mesa shall not be required to make available water under this Agreement, and an emergency shall exist, at any time or under any circumstance when providing such availability would impact or disrupt the operation of Mesa's water system or Mesa's provision of water utility service to its own customers. If, however, Mesa does not make water available to AJWD under this Agreement because of an emergency condition for a period of thirty (30) consecutive days, AJWD shall not be required to pay the Monthly Quantity Fixed Charge until the first full month in which Mesa makes available amounts of water equal to the Monthly Delivery Quantity.

24. Force Majeure.

Neither Party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures. This Section shall not excuse any delay in obligations to pay monies when due under this Agreement.

25. Cross-References.

If a cross-reference within any Agreement provision cites a particular paragraph or subparagraph number of this Agreement, it shall be a cross-reference to the cross-referenced provision and any of that particular provision's subparts.

26. The Parties agree and acknowledge that no rights to the treatment or delivery of water through and between the respective systems of the Parties beyond those expressly set forth herein are granted or conveyed. No rights to future water deliveries or utility service are granted or conveyed by Mesa pursuant to this Agreement. Any and all water treatment, delivery, and payment obligations subsequent to termination of this Agreement must exclusively be the subject of a separate written agreement between the parties, and neither party shall have any obligation to negotiate or enter such a contract as a result of this Agreement.

27. Survival.

AJWD's obligation to pay Mesa for any treated water delivered before termination of this Agreement, and to indemnify Mesa in accordance with Section 13, shall survive the termination of this Agreement.

CITY OF MESA

By: _____

Christopher J. Brady
City Manager

Date: _____

ATTEST:

City Clerk

Approved as to Form:

Mesa City Attorney

APACHE JUNCTION WATER DISTRICT

By: _____

Bryant Powell
Apache Junction Water District Manager

Date: _____

ATTEST:

Apache Junction Water District Clerk

Approved as to Form:

Apache Junction Water District Attorney

**AGREEMENT REGARDING TREATED WATER
BETWEEN
THE CITY OF MESA AND APACHE JUNCTION WATER UTILITIES COMMUNITY
FACILITIES DISTRICT**

This Agreement ("Agreement") is made and entered into this ____ day of _____, 2017, by and between the Water Utilities Community Facilities District, an Arizona community facilities district, doing business as Apache Junction Water District ("AJWD"), and the City of Mesa ("Mesa"), an Arizona municipal corporation. Mesa and AJWD are sometimes referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. AJWD has an allocation of Central Arizona Project ("CAP") water and supplies of water that has been stored or saved underground pursuant to an underground storage permit under Chapter 3.1 of Title 45, Arizona Revised Statutes, but has limited treatment facilities for such water;
- B. Mesa is willing to accept AJWD's untreated CAP and stored water, and to make available treated water to AJWD in exchange for payment of charges for such availability;
- C. AJWD desires to deliver untreated CAP and stored water to Mesa and to pay such charges in exchange for the availability of treated water and the ability to take same;

AGREEMENT

Therefore, in consideration of the mutual promises and covenants and agreements set forth herein, the Parties agree as follows:

1. Definitions.

As used in this Agreement, the following terms, when capitalized, shall have the following meanings:

- 1.1 "ADWR" means the Arizona Department of Water Resources.
- 1.2 "AJWD's CAP Water" means the water that AJWD has under contract for delivery through the CAP system with the CAWCD and the United States, and which AJWD causes to be delivered to Mesa in accordance with this Agreement.
- 1.3 "AJWD Emergency" means the failure of an AJWD Water Treatment Plant, booster station, production well, or other similar condition which significantly reduces the AJWD system's water production or distribution capacity.

- 1.4 "AJWD Point of Delivery" means the direct connection between the Mesa municipal water distribution system and the AJWD water distribution system, where the water taken by AJWD pursuant to this Agreement shall be metered.
- 1.5 "AJWD Recovered Water" means water supplies recovered by AJWD from storage in accordance with A.R.S. § 45-801.01 *et seq.*
- 1.6 "Calendar Year" means in any given year the period commencing on January 1st and extending through December 31st.
- 1.7 "CAWCD" means the Central Arizona Water Conservation District, an Arizona political subdivision, or any successor in interest thereto.
- 1.8 "Contract Price" means the Monthly Quantity Fixed Charge, Monthly Quantity Variable Charge, Emergency Water Charge, and Supply Charge amounts set forth in Section 5.
- 1.9 "Emergency Delivery Water" means water provided at the AJWD Point of Delivery by Mesa during times of an AJWD Emergency and scheduled and replaced by AJWD in the form of AJWD CAP Water, AJWD Recovered Water, or accounted for as AJWD groundwater pumping, all as provided in this Agreement.
- 1.10 "Mesa Service Priority" means as defined in Section 23.
- 1.11 "Monthly Contract Quantity" means an amount of water on a monthly basis not to exceed 7.0 acre feet except in times of an AJWD Emergency.

2. Term.

This Agreement shall be effective for a term beginning as of the date the Agreement is signed by all Parties ("Effective Date") and continuing for a period of six (6) years ("Initial Term"). This Agreement shall automatically renew for two (2) additional four (4) year terms (the "Extension Terms") unless one of the Parties provides written notice of termination to the other at least twelve (12) months before the end of the then current Term. If such notice is properly delivered under the terms of this Agreement, the Agreement will terminate at the end of such Term. In no event, shall this Agreement extend beyond fourteen (14) years from the Effective Date.

3. Delivery, Sale and Purchase of Water.

Mesa agrees to accept AJWD CAP Water, and make treated water available to AJWD, and AJWD agrees to deliver AJWD CAP Water or AJWD Recovered Water to Mesa, and to take treated water at the Delivery Point from Mesa in amounts not to exceed the Monthly Contract Quantity except in times of an AJWD Emergency, when additional amounts may be taken as

provided in Section 5.2. AJWD further agrees to pay the Contract Price for such water during the Initial Term and the Extension Terms (if applicable).

4. Water Availability at AJWD Point of Delivery.

- 4.1 Mesa will make available treated water in the Monthly Contract Quantity at the AJWD Point of Delivery. Mesa will measure the quantity of water AJWD takes with a metering device that meets American Water Works Association (AWWA) Standards, located at the AJWD Point of Delivery. The metering device shall be owned, operated, and maintained by Mesa, and calibrated annually, with both Parties being given the opportunity to witness the calibration. Notwithstanding any other provision of this Agreement, Mesa will only be obligated to make available a quantity of water to AJWD equivalent to the actual quantity of AJWD's CAP Water or AJWD Recovered Water that Mesa receives from AJWD, less losses of five percent (5%).
- 4.2 During the time of an AJWD Emergency, Mesa will make available a total of 100 acre feet of Emergency Delivery Water per year in excess of the Monthly Contract Quantities at the AJWD Point of Delivery.
- 4.3 During times of Mesa Service Priority as set forth in Section 23, Mesa will have no obligation to make water available to AJWD. The authorized representative of Mesa will notify the authorized representative of AJWD of such a situation as soon as practicable.

5. Contract Price.

- 5.1 The Contract Price payable for water taken by AJWD shall consist of the following Charges:
 - 5.1.1 A Monthly Quantity Fixed Charge of six hundred dollars (\$600.00) per month, and an additional Monthly Quantity Variable Charge of three hundred sixteen dollars and fifty-two cents (\$323.00) per million gallons (or thirty-two cents per thousand gallons (\$0.32/KGal)) of water taken at the AJWC Point of Delivery.
 - 5.1.2 The Emergency Water Charge for amounts of Emergency Delivery Water of up to 100 acre feet taken during an AJWD Emergency will be one dollar per thousand gallons (\$1.00/KGal).
 - 5.1.3 In addition to the above, AJWD shall pay to Mesa a Supply Charge of twenty-five cents per thousand gallons (\$0.25/KGal) for water taken at the AJWD Point of Delivery that is in excess of the actual amount of AJWD's CAP Water or AJWD Recovered Water preordered by AJWD and actually delivered in advance to Mesa (less losses of five percent (5%)), or in the case of Emergency Delivery Water, for amounts of such water not provided to Mesa in the form of AJWD CAP Water or Recovered Water within sixty (60) days of such Emergency Deliveries.

5.2 The Contract Price Charge amounts shall be adjusted annually from the Effective Date based on the increase, if any, in the Consumer Price Index – All Urban Consumers, as published in the then current year by the United States Bureau of Labor Statistics.

6. Water Accounting for Excess Water

6.1 All of the water entering AJWD’s interconnection facility and system at the Point of Delivery in excess of the amount of AJWD CAP water or AJWD Recovered Water delivered to Mesa in advance or within sixty (60) days of an Emergency Delivery shall be accounted for as groundwater as defined in Title 45 of the Arizona Revised Statutes, AJWD shall be responsible for all compliance with the Groundwater Code and ARS 45-492 in the event and to the extent deliveries are accounted for as groundwater.

6.2 AJWD agrees to provide notice to Mesa of any AJWD Emergency and prior to taking any Emergency Delivery Water, but in no event more than one (1) business day after becoming aware of such an AJWD Emergency, and to thereafter reasonably keep Mesa updated with respect to the situation and any changes.

7. Delivery of AJWD CAP Water AJWD Recovered Water to Mesa.

7.1 Mesa will accept delivery of AJWD’s CAP Water from the CAWCD at one or more of Mesa’s CAP turnouts (as determined by Mesa), and will accept delivery of AJWD Recovered Water at the Val Vista Water Treatment Plant when CAP Water is not available, in the amount of the Monthly Contract Quantity and any AJWD Emergency Delivery Water Amounts, with losses of five percent (5%). AJWD shall be solely and exclusively responsible for all arrangements and costs of transporting AJWD CAP Water and Recovered Water to Mesa under this Agreement.

7.2 Notwithstanding any other provision of this Agreement, Mesa shall only be obligated to make available a quantity of water to AJWD equivalent to the actual quantity of AJWD's Water Mesa receives from CAWCD, plus losses of five percent (5%).

8. AJWD's Obligations and Payments to Mesa.

- 8.1 AJWD agrees to pay the Contract Price and to deliver or cause to be delivered AJWD's CAP Water or AJWD Recovered Water in the amount of the Monthly Contract Quantity in advance, and for any Emergency Delivery Water amounts within sixty (60) days of the Emergency Deliveries.
- 8.2 AJWD is responsible for and assumes all obligations and liabilities for the quality of water in its system and distribution to its customers once water is taken by AJWD at the AJWD Point of Delivery.
- 8.3 During times of an AJWD Emergency, as defined in Section 1.3, AJWD must notify the authorized representative of Mesa of AJWD's need to take Emergency Delivery Water pursuant to this Agreement within one business day.
- 8.4 AJWD shall preorder and schedule AJWD's CAP Water with CAWCD to ensure delivery of AJWD's CAP Water to Mesa in accordance with this Agreement. AJWD's CAP Water shall be ordered and delivered under AJWD's subcontract with CAWCD, and not under any contract or subcontract for CAP water entered into by Mesa. AJWD shall pay CAWCD for all costs related to the delivery of AJWD's CAP Water to Mesa in accordance with the subcontract between AJWD and CAWCD. Mesa shall have no obligation to CAWCD for any water scheduled and delivered under AJWD's subcontract.
- 8.5 When CAP Water is not available, AJWD may preorder and schedule AJWD Recovered Water with Salt River Project (SRP) to ensure delivery of AJWD Recovered Water to Mesa in accordance with this agreement when CAP Water is not available. AJWD Recovered Water shall be ordered and delivered under an AJWD agreement with SRP, and not under any agreement between SRP and Mesa. AJWD shall pay SRP for all costs related to the recovery and transportation of AJWD Recovered Water to Mesa's Val Vista Water Treatment Plant. Mesa shall have no obligation to SRP for any water scheduled and delivered by AJWD.

9. Water Delivered.

- 9.1 AJWD understands and agrees that the water Mesa physically makes available at the AJWD Point of Delivery may consist of CAP Water, Salt River Water, Verde River Water, Agua Fria River Water, groundwater, and/or other sources, but shall be accounted for as CAP Water or Groundwater by the Parties as set forth in this Agreement. Prior to delivery, such water will comply with applicable federal and state drinking water standards as applied to Mesa's water system. After point of delivery, AJWD is responsible for all water quality issues and compliance in the AJWD water system.
- 9.2 To comply with its requirements under Title 45, Arizona Revised Statutes, Mesa will report to ADWR the quantity of water delivered to the AJWD Point of

Delivery as part of its annual report to ADWR. The quantity of water reported under this Agreement shall include five percent (5%) estimated losses. AJWD shall be solely responsible for accounting with ADWR for the debiting of AJWD storage credits for all AJWD Recovered Water delivered to Mesa under this Agreement in accordance with A.R.S. § 45-852.01. As set forth in 9.1 and 10.1 of this agreement, if AJWD fails to deliver an equivalent amount of AJWD CAP Water or AJWD Recovered Water to Mesa, excess amounts will be accounted for as groundwater pumped by AJWD as defined in Title 45 of Arizona Revised Statutes. AJWD shall be responsible for all compliance with A.R.S. § 45-492 in the event deliveries are accounted for as groundwater, and shall indemnify and hold the City of Mesa harmless from damages resulting from such deliveries. Mesa shall have no obligation to file any other reports regarding AJWD.

10. Scheduling.

- 10.1 Before October First of each year, AJWD shall schedule an amount of CAP Water equal to the Monthly Contract Quantity for advance or concurrent delivery to Mesa.
- 10.2 AJWD shall schedule an equivalent amount of AJWD's CAP Water with CAWCD for delivery to Mesa as a replacement of the physical supply of Emergency Delivery Water amounts delivered by Mesa within sixty (60) calendar days of the corresponding Emergency Delivery. AJWD's CAP Water shall be ordered and delivered under AJWD's subcontract with CAWCD, and not under any contract or subcontract for CAP water entered into by Mesa. AJWD shall pay CAWCD for all costs related to the delivery of AJWD's CAP Water to Mesa in accordance with the subcontract between AJWD and CAWCD. Mesa shall have no obligation to CAWCD for any water scheduled and delivered under AJWD's subcontract.
- 10.3 When CAP Water is not available, AJWD may schedule an equivalent amount of AJWD Recovered Water with SRP for delivery to Mesa as a replacement of the physical supply of Emergency Delivery Water delivered by Mesa within sixty (60) days of the corresponding Emergency Delivery. This water shall be ordered and delivered under an AJWD agreement with SRP, and not under any agreement between SRP and Mesa. AJWD shall pay SRP for all costs related to the recovery and transportation of AJWD Recovered Water to Mesa's Val Vista Water Treatment Plant. Mesa shall have no obligation to SRP for any water scheduled and delivered by AJWD.

11. Billing and Payment.

- 11.1 By the 20th day of each month, Mesa will report to AJWD the quantity of water taken at the AJWD Point of Delivery for the previous calendar month. Mesa will bill AJWD the charges payable to Mesa in accordance with this Agreement.

11.2 AJWD must pay the amounts billed by Mesa no later than thirty (30) calendar days after the date of billing, after which the charges shall be considered past due. If AJWD fails to pay the charges within sixty (60) calendar days after the date of the billing, Mesa may cease performance under this Agreement until all past due charges are paid.

12. Indemnity and Waivers.

12.1 AJWD shall hold harmless, indemnify, and defend Mesa and any and all of its officers, officials, agents, and employees from and against any and all losses incurred as a result of AJWD's failure to make the payments required under its subcontract with CAWCD.

12.2 AJWD shall hold harmless, indemnify and defend Mesa and its officers, officials, agents, and employees for, from and against any and all claims, demands, fines, penalties, losses, expenses, damages, obligations, liabilities, suits, actions, causes of action, proceedings, assessments, judgments and costs of every kind and nature (including attorneys' fees, experts fees and court costs) for injury to or death of any person, and for damage, destruction, or loss, consequential or otherwise, to any property, real or personal, including without limitation, property owned, occupied, used or enjoyed by Mesa, AJWD, the public, or any other person or entity, resulting or arising from or in any manner connected with; i) the non-delivery of water by Mesa under this Agreement; ii) the operation and maintenance of AJWD's water system by AJWD; iii) water quality in the AJWD system after the Point of Delivery; and iv) damage to Mesa's system to the extent resulting from a breach of the terms of this Agreement by AJWD or other actions of AJWD in taking delivery of water from Mesa's system.

12.3 Except for AJWD's obligations under Section 12.1 and 12.2, neither Party shall be liable to the other for any incidental, special, or consequential damages under this Agreement.

13. Insurance.

13.1 AJWD shall maintain in full force and effect insurance at no less than the following minimum amounts:

<i>WORKER'S COMPENSATION</i>	In accordance with requirements of the laws of the State of Arizona.
------------------------------	--

<i>COMPREHENSIVE GENERAL LIABILITY</i> (Including contractual liability covering death, bodily injury and property damage)	Combined single limit of not less than \$2,000,000 for each occurrence.
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<i>AUTOMOTIVE LIABILITY</i> (Including owned, non-owned	Combined single limit of not less than \$1,000,000 for each occurrence.
--	---

and hired vehicles)

13.2 Mesa shall be named as an additional insured in all applicable policies. All insurance policies shall provide that they shall not be canceled or modified unless thirty (30) calendar days prior written notice is given to Mesa. AJWD shall provide Mesa with a certificate of insurance evidencing such coverage and shall maintain on file with Mesa a current certificate within 30 calendar days of the purchase of the Policy. All insurance shall be issued by insurance carriers licensed to do business by the State of Arizona or by surplus line carriers on the Arizona Insurance Commission approved list of companies qualified to do business in Arizona. All insurance and surplus line carriers shall be rated A or better by A.M. Best Company or as otherwise acceptable to Mesa.

13.3 AJWD's insurance coverage shall be primary insurance with respect to Mesa, its officers, agents, employees, and officials.

14. Amendments.

This Agreement may be amended only in writing, signed and approved by all Parties.

15. Entire Agreement.

This Agreement contains the entire agreement of the Parties and supersedes, any and all other agreements or understandings, oral or written, whether previous to the execution thereof or contemporaneous herewith.

16. Governing Law.

The Agreement shall be subject to, governed by and construed in accordance with the laws of the State of Arizona without regard to its choice of law provisions. Any action, suit or proceeding arising out of or relating to this Agreement shall be prosecuted in a court of competent jurisdiction in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction of any such court.

17. Time Is of the Essence.

Time is of the essence with respect to the performance of each of the obligations, covenants and agreements contained in the Agreement.

18. Binding.

This Agreement shall be binding upon the Parties and their respective successors and assigns.

19. Joint Venture.

Nothing in this Agreement shall be deemed to create a joint venture, partnership, or any other cooperative or joint arrangement between the Parties.

20. A.R.S. Sections 12-133, 12-1518, 23-214, 35-391, 38-511, 35-393.01, 41-4401, 42-17106.

Notice is hereby provided of A.R.S. §§ 12-133, 12-1518, 23-214, 35-391, 35-393.01, 38-511, and 41-4401, to the extent applicable to contracts of the nature of this Agreement. Any other codes, statutes, rules or other provisions required by law to be a part of this Agreement are hereby incorporated as if fully set forth herein. Additionally, any obligations of Mesa under this Agreement are subject to the appropriation and availability of funds in accordance with the laws of the State of Arizona, including the Arizona State Constitution and A.R.S. § 42-17106.

21. Authorized Representatives and Notices.

21.1 Within thirty (30) calendar days after the date this Agreement becomes effective, Mesa and AJWD shall each appoint an authorized representative to administer the provisions of this Agreement for which the authorized representative has responsibility, and notify each other of those appointments. All decisions and agreements required to be made or entered into by the authorized representative shall be binding on a Party only if it is in writing and signed by the Party's authorized representative. Each Party shall notify the other Party to this Agreement of any change in the identity of its authorized representative.

21.2 Any notice, demand, or request provided for in this Agreement shall be in writing and shall be delivered by first class United States Mail, postage prepaid, to the following addresses:

AJWD:
Attention: District Manager
Apache Junction Water District

POB 4768
Apache Junction, AZ 85178-0014

MESA:
Attention: City Manager City of Mesa
POB 1466
Mesa, AZ 85211-1466

22. Attorney Fees.

In the event that any claim, controversy or legal action arises under this Agreement, the prevailing Party or Parties shall be entitled to recover from the other Party or Parties in such action all costs, expenses and fees including, without limitation, attorney fees, incurred by said prevailing Party or Parties.

23. Mesa Service Priority.

Mesa shall not be required to make available water under this Agreement, and an emergency shall exist, at any time or under any circumstance when providing such availability would impact or disrupt the operation of Mesa's water system or Mesa's provision of water utility service to its own customers. If, however, Mesa does not make water available to AJWD under this Agreement because of an emergency condition for a period of thirty (30) consecutive days, AJWD shall not be required to pay the Monthly Quantity Fixed Charge until the first full month in which Mesa makes available amounts of water equal to the Monthly Delivery Quantity.

24. Force Majeure.

Neither Party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, or power failures. This Section shall not excuse any delay in obligations to pay monies when due under this Agreement.

25. Cross-References.

If a cross-reference within any Agreement provision cites a particular paragraph or subparagraph number of this Agreement, it shall be a cross-reference to the cross-referenced provision and any of that particular provision's subparts.

26. The Parties agree and acknowledge that no rights to the treatment or delivery of water through and between the respective systems of the Parties beyond those expressly set forth herein are granted or conveyed. No rights to future water deliveries or utility service are granted or conveyed by Mesa pursuant to this Agreement. Any and all water treatment, delivery, and payment obligations subsequent to termination of this Agreement must exclusively be the subject of a separate written agreement between the parties, and neither party shall have any obligation to negotiate or enter such a contract as a result of this Agreement.

27. Survival.

AJWD's obligation to pay Mesa for any treated water delivered before termination of this Agreement, and to indemnify Mesa in accordance with Section 13, shall survive the termination of this Agreement.

CITY OF MESA

By: _____

Christopher J. Brady
City Manager

Date: _____

ATTEST:

City Clerk

Approved as to Form:

Mesa City Attorney

APACHE JUNCTION WATER DISTRICT

By: _____

Bryant Powell
Apache Junction Water District Manager

Date: _____

ATTEST:

Apache Junction Water District Clerk

Approved as to Form:

Apache Junction Water District Attorney

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
Boulevard
Apache Junction, AZ
85119

Agenda Item No. 3.

File ID: 18-020

Sponsor: Frank Blanco and Mike Loggins

Agenda Date: 1/16/2018

Index:

In Control: Water Utilities Community Facilities D

Discussion and consideration for approval of Change Order #3 for Revolution Industrial, LLC. to replace rafter beams in both the north and south 500k gallon tank at the water storage site and booster station located at 16th Avenue and Buena Vista as an additional cost of \$70,076.75.

Proposal # 17-1314

December 8, 2017

Revolution Industrial is pleased to present our proposal for:

Client: Apache Junction Water District

Client Contact: Mike Loggins – Water district Engineer

Project: Structural repairs – Rafter change out

This scope of work includes:

- Shop fabricate and coat rafters
- Remove every other rafter
- Blast and coat roof were rafters were located
- Install new rafters in place
- Repeat with second set of rafters

Our price for this scope of work is as follows:

1. Lump Sum Price of - \$82,838.00.00 Per Tank
2. Taxes Excluded (Taxes to be included if tax exemption not provided)

Clarifications:

- All work to be performed according to OSHA/MSHA and site-specific safety regulations.
- Quote valid for 30 days from date on proposal.
- Pay Terms are Net 30 if not specified in contract.
- 30% of contract value will be billed upon contract award for mobilization and to procure materials

Exclusions:

- Any other item not specifically listed above
- Bonds and Permits
- Testing and Inspection
- Electrical/ Utilities
- Blue stake/utility locating
- Delays in work caused by other trades
- Liquidated damage clauses
- Prevailing Wages
- Removal or disposal of hazardous materials or chemicals.

Sincerely,

Jarrod Goodman – Project Manager

C: 623.980.4180



6793 W. Willis Rd., Box 5052 • Chandler, AZ 85226

www.revolutionindustrial.com

P: (480) 993-6699 • F: (480) 718-7656

Jarrod@revolutionindustrial.com

This proposal is the sole property of Revolution Industrial. The contents herein are strictly confidential and are supplied on the understanding that they will be held confidentially and not disclosed to third parties without the prior written consent of Revolution Industrial. (© 2015)



APACHE JUNCTION WATER DISTRICT

300 East Superstition Boulevard, Apache Junction, Arizona 85119
 Mailing Address: PO Box 4788, Apache Junction AZ 85178-0014

(480) 982-6030
 Fax: (480) 288-6623

CONSTRUCTION AGREEMENT CHANGE ORDER

CONTRACTOR: Revolution Industrial 6793 W. Willis Rd. Chandler, AZ 85226	DATE: 12/19/17	CONTRACT DATE: 10/10/17
	PROJECT NO.: WD 2017-01	CHANGE ORDER NO.: 3
DESCRIPTION OF WORK: Replace rafter beams in both the north and south 500k gallon tanks.	APPLICABLE CHANGE ORDER COST: \$ 165,676.00	
	CONTRACT SUM: \$ 455,451.75	
REASON FOR ADDITIONAL WORK: Rafters require replacement because of excessive corrosion near the vent.	CONTINGENCY AMOUNT: \$ 0	
	SUM OF ALL CHANGE ORDERS: \$ 70,076.75	
BASIS OF PAYMENT: <input type="checkbox"/> In accordance with rates contained in the Construction Agreement dated: <input checked="" type="checkbox"/> In accordance with material prices, labor and equipment rates shown on Proposal dated: 12/08/17 <input type="checkbox"/> Lump Sum Price (including taxes) of: (Include Supporting Documentation) \$ <input type="checkbox"/> Other:		


Contractor is hereby authorized to proceed with the work as described above. The District will pay for the above-described work as indicated above.

Contractor agrees, as an independent contractor, to perform the above-described work in accordance with the Apache Junction Water Utilities Community Facilities District's *Construction Agreement Terms and Conditions*, and the District's *Construction Specifications and Standard Specification Drawings* ("Construction Agreement") and related construction drawings, which were provided with the original Construction Agreement and supplemented herein, and agrees that all provisions of said Construction Agreement Terms and Conditions, including any subsequent amendments thereto, and related construction drawings, apply to work covered under this Construction Agreement Change Order.



 Water District Engineer


 Water District Director

Revolution Industrial
 Contractor: (Name)
 By 

 Contractor's Representative Signature
 Name: Tony Bodziewicz

 (Printed)
 Its: Project Manager

 (Title or Position)

CHANGE ORDER AUTHORIZATION OVER 10% OF THE CONTRACT SUM IS NOT VALID WITHOUT SIGNATURE BELOW.

 Board Chair

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
Boulevard
Apache Junction, AZ
85119

Agenda Item No. 4.

File ID: 18-016

Sponsor: Frank Blanco and Mike Loggins

Agenda Date: 1/16/2018

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In Control: Water Utilities Community Facilities D

Water system update.

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
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Agenda Item No. 5.

File ID: 18-017

Sponsor: Frank Blanco and Mike Loggins

Agenda Date: 1/16/2018

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In Control: Water Utilities Community Facilities D

Upcoming 2018 Apache Junction Water Festival.

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
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Agenda Item No. 6.

File ID: 18-018

Sponsor: Yvette McKinney and Mike Loggins

Agenda Date: 1/16/2018

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In Control: Water Utilities Community Facilities D

Payment portal update.

City of Apache Junction, Arizona

Agenda Item Cover Sheet

300 E Superstition
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Agenda Item No. 7.

File ID: 18-019

Sponsor: Frank Blanco, Mike Loggins and Donna Meinerts

Agenda Date: 1/16/2018

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In Control: Water Utilities Community Facilities D

Presentation and discussion of the latest financial report.