



Chandler - Arizona
Where Values Make The Difference

**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CP15-236**

1. Agenda Item Number:

17

2. Council Meeting Date:
April 30, 2015

TO: **MAYOR & COUNCIL**

3. Date Prepared: April 14, 2015

THROUGH: **CITY MANAGER**

4. Requesting Department: Municipal Utilities

5. **SUBJECT:** Design and Construction Contract to Salt River Project, for Enhanced Distribution Facilities, for the Ocotillo Water Reclamation Facility Expansion

6. **RECOMMENDATION:** Staff recommends City Council award a Design and Construction Contract to Salt River Project, for enhanced distribution facilities, for the Ocotillo Water Reclamation Facility Expansion, Project No. WW1301.503, in an amount not to exceed \$262,576.

7. **BACKGROUND/DISCUSSION:** To accommodate the Ocotillo Water Reclamation Facility (OWRF) expansion for present and future services, Salt River Project (SRP) will install new electrical facilities for the existing OWRF and Airport Lift Station. The construction will be located on Old Price Road, south of Queen Creek Road.

The project scope of work includes installation of a new electrical service and distribution feeder equipment to provide automated switching between two distribution circuits.

This Contract also includes an Agreement for electric service with the enhanced distribution facilities that establishes a 10-year term of monthly facility charges, delivery point, metering point, applicable price plan, supplemental riders, and exhibits.

8. **EVALUATION:** SRP is the sole source electrical provider in the area and mandates their Staff to design and install this infrastructure.

9. **FINANCIAL IMPLICATIONS:**

Cost: \$262,576 SRP WO#T2049991
Savings: N/A
Long Term Costs: N/A

Fund Source:

Acct. No.:	Fund Name:	Program Name:	CIP Funded:	Amount:
611.3910.6814.6WW661	Wastewater Bonds	Ocotillo Water Reclamation Facility Expansion	Yes	\$262,576

10. **PROPOSED MOTION:** Move City Council award a Design and Construction Contract to Salt River Project, for enhanced distribution facilities, for the Ocotillo Water Reclamation Facility Expansion, Project No. WW1301.503, in an amount not to exceed \$262,576.

ATTACHMENTS: Location Map, Contract, Agreement

APPROVALS

11. Requesting Department

John Knudson for
John Knudson, Utilities Engineering Manager

13. Department Head

Dave Siegel
Dave Siegel, Municipal Utilities Director

12. Transportation & Development

Bob Fortier for
Bob Fortier, Capital Projects Manager

14. City Manager

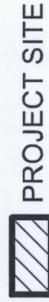
Rich Dlugas
Rich Dlugas



OCOTILLO WATER RECLAMATION FACILITY (OWRF) EXPANSION PROJECT NO. WW1301.503



MEMO NO. CP15-236



ENHANCED DISTRIBUTION FACILITIES DESIGN AND CONSTRUCTION CONTRACT



BUSINESS PROJECT CENTER
SRP
P.O. Box 52025, ISB 231
Phoenix, AZ 85072

SRP Contact: John Ballard
Contact Phone: 602-236-5630

Date: 3-17-2015

ATTN: Mr. Kim Neill
Utility Systems Manager
City of Chandler
975 E. Armstrong Way
Chandler, Arizona 85249

Salt River Project Agricultural Improvement and Power District, an agricultural improvement district organized and existing under the laws of the State of Arizona ("SRP"), and City of Chandler, Inc. a Arizona municipal corporation ("Customer"), enter into this contract ("Contract") for the design and construction of electrical facilities for the following Customer project ("Project"):

PROJECT SUMMARY

Name: Enhanced Service Project at Ocotillo Water Reclamation Facility and Airlift Station
Location: 3333 S Old Price Road, Chandler, Arizona
Description: Installation of a distribution feeder automation ("DFA") switching scheme including related communications facilities.
Work Order T2049991
Delivery Voltage 7,200/12,470V

PROJECT-SPECIFIC INFORMATION INCLUDED AS EXHIBITS

Exhibit A – Authorization Letter dated January 26, 2015

Exhibit B – Project-Specific Construction Specifications and Requirements

Exhibit C – Form(s) of Easement

This Contract includes the attached Terms and Conditions and Exhibits and describes the general obligations of SRP and Customer. Any changes, amendments, or modifications to this Contract must be in writing and signed by both parties. Customer understands that SRP will not begin design services until Customer signs and returns this contract and pays the Contribution in Aid of Construction ("CIAC") fee below. If the job is cancelled or Customer fails to diligently proceed to completion (as described below), the portion of the CIAC fee that was not used will be refunded. Upon completion of the design services, SRP shall provide Customer a set of design drawings for the Project, which will contain construction details. Additional fees, if applicable, will be billed separately under an addendum to this Contract (or change order) signed by both parties.

PROJECT CIAC FEES

Project CIAC Fee: \$262,576.00 (Exhibit B)

SRP shall not be required to perform inspections or begin any construction or installation work on the Project until Customer (i) accepts the design drawings by signing them, (ii) pays SRP the CIAC fee, and (iii) provides to SRP a copy of a deed or deeds evidencing ownership of all of the real property that is encompassed within or will be affected by the Project (the "Real Property"). If the deed(s) show that Customer is not the sole owner of all of the Real Property, Customer shall provide written documentation acceptable to SRP that establishes Customer's authority to act on behalf of any other affected property owner(s) in connection with the Project before SRP will begin any construction or installation work under this Contract. If Customer is unable to provide such documentation, and as a result SRP is required to modify its designs for the Project, Customer shall be responsible for paying in advance the estimated additional costs of the redesign work.

SRP may terminate this Contract if Customer fails to satisfy all Real Property-related conditions within forty-five (45) days, or if Customer fails to hold a preconstruction meeting with SRP within one hundred twenty (120) days, or if Customer fails to commence actual construction of the SRP facilities within one hundred eighty (180) days, after SRP provides the design drawings to Customer. SRP may also terminate this Contract if, in SRP's determination, Customer is not actively constructing the SRP facilities for the Project. SRP must give Customer notice and a 60-day period within which to cure before any termination may occur.

SRP's delivery of this Contract to Customer constitutes an offer to perform the design and construction services on the terms and conditions set forth in this Contract. Customer may accept this offer by signing this Contract (with no additions, deletions, or modifications) and returning it to SRP with the CIAC fee. This offer shall expire if Customer has not signed and returned this Contract and the CIAC to SRP on or before April 20, 2015.

If Customer changes the Project, or if there is any change to the information regarding the Project provided by Customer and relied upon by SRP, SRP will charge Customer and Customer shall pay for any additional costs incurred by SRP, including but not limited to redesign and engineering costs. Such costs may be retained by SRP from any funds previously collected from Customer, or billed directly to Customer, as appropriate. Changes would be documented in an addendum to this Contract or a change order.

Customer understands and agrees to the terms and conditions of this Contract. The undersigned represents and warrants that he or she has the authority to sign this Contract on behalf of Customer.

CITY OF CHANDLER**ATTEST:**

 Signature

 Name

 Title

 Date

**SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT**

 Signature

 Name

 Title

 Date

 City Clerk

(SEAL)

 Date
APPROVED AS TO FORM:

 City Attorney *KSm*

 Date

TERMS AND CONDITIONS

1. **SRP Rules and Regulations.** The existing applicable SRP Rules and Regulations, as they may be amended or revised from time to time by SRP, and all terms and conditions thereof, are adopted and incorporated herein by reference as part of this Contract except as specifically modified herein. The Rules and Regulations can be found at <http://www.srpnet.com> and are on file at the principal offices of SRP.
2. **Project Work.** SRP shall design, supply, and construct all electric facilities up to the point(s) of delivery, including any connections to electric, in accordance with the SRP Rules and Regulations and SRP construction specifications and practices, both of which are subject to modification by SRP from time to time.
3. **Customer Project Information.** Customer shall provide SRP all drawings and data requested by SRP that are pertinent to the design of the Customer Project. SRP shall review such drawings and data for compatibility with SRP facilities and shall have sole discretion in determining whether the Customer facilities may be used with SRP's facilities.
4. **Land Rights.** Before SRP begins construction or energizes any portion of the Project, Customer shall provide SRP all requested easements, including any easements required from third parties, for SRP to access and maintain the electric facilities installed under this Contract, using SRP's standard form(s) of easement (Exhibit C). Customer understands and agrees that SRP shall have no obligation to commence construction upon, complete, or provide electric service to the Project unless and until Customer has provided all such easements. The Customer, not SRP, shall be responsible for timely acquiring any easements from third parties. Any cooperation or assistance provided by SRP in acquiring third party easements shall not be deemed a waiver or assumption of Customer's obligation. Customer, at all times, shall allow SRP to access and maintain any SRP electric facility on Customer property. Customers with gated access to their property must install an SRP Remote Access Switch and comply with applicable SRP policies and requirements.
5. **Customer Work.** Unless otherwise agreed in writing by SRP, Customer shall perform, at Customer's sole expense, all trenching, provision and installation of conduit, backfilling and surveying with property pins and grade stakes ("Customer Work"). All facilities installed by SRP shall be the property of SRP. Conduit is accepted and shall be deemed property of SRP when wire is pulled. All Customer Work shall conform to SRP's standards. Customer shall forward all results of survey to SRP for review and approval. Upon Customer's request, SRP may provide survey services for the Project (for a fee) under a separate written agreement.
6. **Customer Work Practices.** Customer shall ensure that all Customer Work performed by Customer or its contractors or subcontractors shall be in accordance with national and local building and safety codes, the SRP Electric Service Specifications and construction drawings, the Designs, and the Electric Utility Service Entrance Requirements Committee. All Customer Work shall reasonably conform to SRP's standards. Customer shall be responsible for maintaining in good condition all trench and conduit until wire is pulled. Customer shall allow SRP to inspect, upon SRP's reasonable request, any Customer-provided facility that will connect to the SRP distribution system. Any inspection by SRP shall not be deemed an approval of any Customer-provided facility or a waiver by SRP of any right to enforce strict compliance with the terms and conditions of this Contract.
7. **Permits and Approvals.** Customer shall secure all required State, County, and local permits and approvals to receive electric service.
8. **Indemnification.** SRP shall not be responsible for, and Customer shall indemnify, defend, and hold harmless SRP, members of its governing bodies, and its officers, agents, and employees, for, from, and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages, injuries, expenses, and liabilities ("Claims") to the extent that such Claims are arising out of or relating to Customer's performance of the Customer Work. Customer's obligation under this Section shall extend to defend and indemnify SRP when SRP, members of its governing bodies, and/or its officers, agents, and employees are allegedly concurrently negligent with Customer, its employees, its agents and/or any third party, but shall not extend to any liability caused by the sole negligence of SRP.
9. **Site Preparation.** Prior to SRP's installing any electric facility, the Customer shall install all water and sewer facilities and backfill. Customer shall not install any curb, sidewalk, paving, or any conflicting foundation within the development boundaries until SRP completes the installation of the electric facilities. Customer shall and hereby does release SRP from any loss, damage, liability, cost, or expense incurred by Customer arising out of (i) any delay by SRP in performing or completing its obligations under this Contract or (ii) any loss or damage to

any facilities installed by Customer (e.g., curb, sidewalk) in violation of this Section, even if such damage was caused by the negligent or intentional act or omission of SRP.

10. Relocation Costs. Customer, upon demand, shall reimburse SRP for the costs of relocation of facilities found to be installed at the wrong location or grade due to Customer requested changes in property lines, easement grade, and/or errors in staking, trenching, or survey.
11. Customer Load Growth. If Customer's load grows beyond the capacity of the installed SRP facilities, Customer shall be solely responsible for all costs associated with the removal of existing facilities and installation of new facilities pursuant to a new design and construction contract. If Customer's load grows to a total coincident demand of 6,740 kVA or greater, but less than 11,800 kVA, the load will be served from at least one dedicated SRP feeder circuit or a substation dedicated to serve only Customer. Any dedicated feeder circuit(s) or substation(s) shall be provided by SRP at the sole expense of Customer.
12. Applicable Law and Jurisdiction This Contract shall be interpreted, governed by and construed in accordance with the substantive and procedural laws of the State of Arizona, without regard to conflicts of law principles. SRP and Customer agree that any action, suit, or proceeding arising out of or relating to this Contract shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction and venue of such court.
13. New Service. Security deposits for electrical service also may be required. Please call 602.236.8833 at least 30 days prior to the meter-set need-date.

Exhibit A

Authorization Letter



January 26, 2015

Mr. Kim Neill
Utility Systems Manager
City of Chandler
975 E. Armstrong Way
Chandler, Arizona 85249

Re: Project Authorization Letter—Proposal for Enhanced Service at Ocotillo Water Reclamation Facility

Dear Kim,

Per your request, SRP has prepared a scope of work and a cost estimate to provide distribution feeder automation (DFA) to the Ocotillo Water Reclamation Facility at 3333 S. Old Price Road, Chandler, Arizona.

Project Scope of Work:

The scope of this project includes the installation of new standard service and three pad mounted DFA switches to provide automated switching between two non-dedicated distribution circuits for the existing Ocotillo WRF and Airport Lift Station (present and future service).

Contractual Agreements:

1. SRP Design and Construction Contract for Enhanced Service Project
2. Agreement for Electric Service for Standard Price Plan E-61 with monthly facilities charge

Project Contributions in Aid of Construction and Monthly Facilities' Charge

Customer shall pay SRP a Contribution In Aid of Construction for all SRP's costs and expenses incurred in constructing the project ("CIAC"), including procurement, design, and construction costs for standard and enhanced services. The specific amount and details of the CIAC, monthly facilities charges (if applicable), and related payment terms will be documented in subsequent contracts between the parties.

Project CIAC \$ 262,576.00

Monthly Facilities Charge

This monthly facilities charge includes payment for enhanced reliability service, SRP's investment, and ownership costs associated with SRP's investment of the enhanced services. Once this project is complete and the above installation is made operational, the monthly facilities charge below shall commence on the next month's billing cycle.

Monthly Facilities Charge \$ 4,047.00

Default

This represents SRP's investment in the requested enhanced facilities. It is designed to make SRP whole if at any time within ten (10) years after commencing to take such enhanced distribution services, Customer stops paying SRP for such enhanced distribution services.

Ten Year Default \$245,913.00

Project Assumptions

- Land acquisition (e.g., easements for the site and any additional easements for ingress and egress are the responsibility of Customer). Customer shall ensure that SRP has required access to construct, operate and maintain the electric facilities (including existing distribution easements).
- Circuit Load Criteria
 - The maximum site load shall not exceed 3370 kVA for each DFA switch.
 - All calculations are based on 80% load factor and 85% power factor.
- Project Work
 - The following transformers will be part of this project: P-0504 SRP# 413493; P-0507 SRP# 501228; P-0501 SRP# 1566690; P-0508 SRP# 156629; New Airport Lift Station Service.
 - Planned relocation of switches PD-0509 and PD-0519 along Old Price Rd. will be accomplished simultaneously.
 - Fiber optic cable to be used as the communications link from the SRP substation to the DFA switches and future ATs.
 - Source of feed is from the existing flush mount communications junction box (j-box) installed near the distribution poles along the south side of Queen Creek Rd.
 - The Customer will be responsible from all communications trench and conduit. Approximate lengths are as follows: 1-2" PVC 3,150 ft; 2-2" PVC 900 ft; 3-3" PVC 20 ft.
 - Work also includes customer installing required pull boxes. Approximate numbers are as follows: 2' x 3' 4 each; 3' x 5' 1 each.
 - New single phase transformer required for communication cabinet power.
 - Trench and Conduit
 - Customer responsible for all distribution trench and conduit. Approximate lengths are as follows: 3-3" PVC 725 ft.
 - SRP responsible for the following conduit work:
 - Conduit connection into existing MH-0506
 - Conduit connection for existing conduits serving P-0507
 - Connection into existing feeder duct bank along new Price Rd.
- The road widening work is not included in this estimate and it will be priced separately through a separate contract:
 - Customer requested relocation of switches PD-0509 and PD-0518 along Old Price Rd.
 - Installation of new service and transformer Airport Lift Station.
 - Removal of existing underground and overhead feed to transformers P-0501 and P-0508.
- Project Work - All project work shall be scheduled and conducted during SRP's normal business hours of Monday through Friday 0700 to 1730. SRP shall not be obligated to schedule its work outside of SRP's normal working hours, unless SRP agrees to do so and Customer agrees to reimburse SRP for the related additional expenses incurred by SRP.
- Project Costs:
 - Pricing for this Project is based on current design and SRP work being performed during SRP's regular business hours. If Customer changes the Project, or if there is any change to the information regarding the Project provided by Customer and relied upon by SRP, SRP will charge Customer and Customer shall pay for any additional costs incurred by SRP, including but not limited to redesign and engineering costs. Such costs may be retained by SRP from any funds previously collected from Customer, or billed directly to Customer, as appropriate.
 - Cost estimates are valid through March 26, 2015.
- The contract schedule, project schedule and estimated energization date will be determined once SRP receives official approval to commence with the project.

Please sign two (2) copies of the accompanying Project Authorization Letter and return one copy to me.
Please retain the other original for your files.

We look forward to working with you on this project. Please feel free to call me at 602-236-5630 if you
have questions.

Sincerely yours,

John C. Ballard
Sr. Distribution Key Account Manager
Business Project Center

January 26, 2015

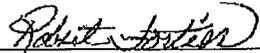
John C. Ballard
Salt River Project
P.O. Box 52025
Mail Station ISB231
Phoenix, Arizona 85072

RE: PROJECT AUTHORIZATION LETTER FOR ENHANCED SERVICE FOR THE
CHANDLER OCOTILLO WFR

Dear John,

City of Chandler hereby authorizes SRP to initiate the enhanced service project (the "Project") described in the accompanying SRP Proposal, January 26, 2015 and to commence further design and development of the Project, consistent with the terms set forth in the Proposal.

City of Chandler



Signature

ROBERT FORTIER

Print Name

CAPITAL PROJECT MGR.

Title

2-10-15

Date

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Exhibit B
Project-Specific Construction Specifications and Requirements
(Supplementary to the Contract's Project Summary and Terms and Conditions)

Project Assumptions

1. SRP will design and construct the Project.
2. SRP will install three distribution feeder automation (DFA) switches and associated equipment to provide automated switching between two non-dedicated distribution circuits for the existing Ocotillo WRF and Airport Lift Station (for this Project and future expansion).
 - o The following transformers will be part of this project: P-0504 SRP# 413493; P-0507 SRP# 501228; New Airport Lift Station Service.
 - o Planned relocation of switches PD-0509 and PD-0519 along Old Price Rd. will be accomplished simultaneously.
 - o Installation of switches to provide 12kV service for the planned Ocotillo WRF expansion will be included.
3. Trenching
 - o SRP will provide and install all pad-mounted switchgear along the trenching route.
 - o Customer is responsible for the trench and conduit work as per SRP design, backfill, pavement and landscape restoration.
 - o SRP shall make all the conduit connections into existing energized equipment and conduit systems containing energized conductors.
4. Communications
 - o New single phase transformer required for communication cabinet power.
 - o Fiber optic cable to be used as the communications link from the SRP substation to the DFA switches and future ATSS.
 - Source of feed is from the existing flush mount communications junction box (j-box) installed near the distribution poles along the south side of Queen Creek Rd.
 - Customer will be responsible for all communications trench and conduit including required pull boxes.
5. Circuit Load Criteria
 - o Customer's maximum actual load between each DFA switch shall not exceed 3,370 kVA.
 - o If Customer's electrical demand on the DFA exceeds 3,370 kVA, the DFA automatic transfer capability may not occur and transfer capability shall remain unavailable until remedy agreeable to both parties is completed.
6. All dollar values are based on current charges for new equipment.
7. The Project schedule and any estimated energization date will be determined once SRP receives official approval to commence with the Project (signed Contract). SRP will invoice the customer for the CIAC fee for the project.
8. SRP shall deliver a schedule and estimated energization date (for matters solely within SRP's control) to the Customer within ten (10) business days of execution of this Contract and payment.

Exhibit C
Form(s) of Easements

WHEN RECORDED MAIL TO:

SALT RIVER PROJECT
 Land Department/PAB350
 P. O. Box 52025

Phoenix, Arizona 85072-2025

EXEMPT PURSUANT TO
A.R.S. §§ 11-1134(A)(2) and (A)(3)

POWER DISTRIBUTION EASEMENT

Maricopa County
 Parcel #

Agt.
 Job #
 W _____ C _____

*,
 entity type,

hereinafter called Grantor, for and in consideration of the sum of Ten Dollars, and other valuable consideration, receipt and sufficiency of which is hereby acknowledged, does hereby grant and convey to **SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT**, an agricultural improvement district organized and existing under the laws of the State of Arizona, hereinafter called Grantee, and Grantee's employees, contractors, licensees, invitees, successors and assigns, a non-exclusive easement to construct, install, reconstruct, replace, remove, repair, operate and maintain underground electrical conduits and conductors, pipes, cables, switching equipment, transformers, pad-mounted equipment, enclosures, manholes, vaults, and all other appliances, appurtenances and fixtures (collectively, "**Facilities**") for the transmission and distribution of electricity, communication signals and data, and for all other purposes connected therewith at such locations and elevations, in, upon, over, under, across, through and along the Easement Parcel (defined below), as Grantee may now or hereafter deem convenient or necessary from time to time, together with the right of access to and from the Easement Parcel, over, across, through and along Grantor's Property (defined below) (collectively, the "**Easement**"). Grantee is hereby authorized to permit others to use the Easement for additional Facilities jointly with or separately from the Grantee for their purposes.

The lands in, upon, over, under, across, through and along which the Easement is granted are situated in the County of Maricopa, State of Arizona, and are more particularly described as:

Grantor's Property:

Easement Parcel:

CAUTION: Facilities placed within the Easement Parcel may contain high voltage electrical equipment. Notice is hereby given that the location of underground electrical conductors or facilities must be verified as required by Arizona Revised Statutes, Section 40-360.21, et seq., Arizona Blue Stake Law, prior to any excavation.

The Easement is governed by the following terms and conditions:

1. **Modification of Easement Parcel.** Grantor acknowledges that field conditions may result in the Facilities being installed within Grantor's Property in a location that is not within the Easement Parcel. Grantee shall obtain Grantor's written consent to any construction or installation of all or any portion of the Facilities outside of the Easement Parcel. After the completion of any construction or installation outside of the Easement Parcel and receipt of Grantor's written consent, Grantor and Grantee shall execute, and cause the recordation of an amendment to this Easement, modifying the legal description of the Easement Parcel to reflect the actual location of the Facilities, and such revised legal description shall have the same force and effect, and create the same priority of interest, as if recorded concurrently with this instrument. Grantor agrees that its signature on the above-described amendment constitutes its written consent hereunder.
2. **Prohibited Activities.** Grantor shall not construct, install or place, or permit to be constructed, installed or placed, any building or other structure, plant any trees, drill any wells, store materials of any kind, or alter the ground level, within the Easement Parcel. This paragraph 2 does not prohibit the use of the Easement Parcel for such purposes as landscaping (except trees), paved parking, sidewalks and/or driveways, provided that such use is otherwise in accordance with the terms of this Easement, and does not interfere with the efficient operation and maintenance of the Facilities, including access thereto. Further, Grantor may request Grantee's prior written approval to grade or install improvements ("Work") within the Easement Parcel by submitting all construction, grading, or other development plans, as applicable, describing the proposed Work. Grantee may grant or deny such approval through the exercise of Grantee's sole discretion, provided that Grantee's review and right to approve shall be limited to whether the proposed Work conflicts with the existing Facilities, including access thereto. Any such approval is hereby subject to Grantor complying with all other provisions of this Easement.
3. **Clear Areas.** Grantor shall maintain a clear area that extends 3.00 feet from and around all edges of all transformer pads and other equipment pads, and a clear area that extends 12.00 feet immediately in front of all transformer and other equipment openings ("Clear Areas"). No improvements, fixtures, trees, shrubs, or other obstructions shall be placed within the Clear Areas. Grantee shall have the right (but not the obligation) to remove any obstructions within the Clear Areas.
4. **Additional Grantee Rights.** Grantee shall have the right (but not the obligation) to trim, cut and clear away trees, brush or other vegetation on, or which encroaches into, the Easement Parcel or the Clear Areas, whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights herein granted. Grantee shall further have the right to install, maintain and use gates in all fences or walls which now cross or hereafter cross the Easement Parcel.

5. Perpetual Nature of Easement. The Easement, and Grantee's rights hereunder, shall be perpetual, and shall not terminate until, and unless abandoned through the recordation of a document formally abandoning the Easement, which references this instrument and is executed and acknowledged by Grantee. Upon such recordation, all Grantee's rights hereunder shall cease, except the right to remove any and all property placed upon the Easement Parcel within a reasonable time subsequent to such abandonment.
6. Successors and Assigns. The benefits and burdens, and the covenants and agreements herein set forth shall run with and burden the land and shall extend and inure in favor and to the benefit of, and shall be binding on Grantor and Grantee and their successors and assigns.
7. Rights and Remedies Cumulative. The rights and remedies hereunder are cumulative, and the exercise of any one or more of such rights or remedies shall not preclude the exercise, at the same or different times, of any other right or remedy available.
8. Warranty of Title. Grantor represents and warrants that: (i) fee simple title to the Grantor's Property and Easement Parcel is vested in Grantor, and (ii) Grantor has full power and authority to grant the Easement and to perform its obligations under this document.
9. Authority to Bind Grantor. The individual executing this document represents and warrants: (i) that he or she is authorized to do so on behalf of Grantor, and (ii) that he or she has full legal power and authority to bind Grantor in accordance with the terms herein and, if necessary, has obtained all required consents or delegations of such power and authority (whether from any partner, owner, spouse, shareholder, director, member, manager, creditor, investor; developer, governmental authority, judicial or administrative body, association, or other person or entity). The individual executing this document shall indemnify, defend and hold harmless Grantee for, from and against any and all losses, costs, expenses, liabilities, claims, demands, and actions of any kind or nature, including court costs and attorneys' fees, arising or accruing as a result of the falsity of any of his or her representations and warranties contained in this paragraph 9.

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**AGREEMENT FOR ELECTRIC SERVICE
WITH ENHANCED DISTRIBUTION
FACILITIES**

COMMERCIAL CUSTOMER:	City of Chandler, an Arizona municipal corporation
REFERENCE:	Ocotillo Water Reclamation Facility and Airport Lift Station
SERVICE ADDRESS:	Customer service addresses and associated accounts are listed on <u>Exhibit A</u>
ACCOUNT NUMBERS	Customer billing and associated locations accounts are listed on <u>Exhibit A</u>

In accordance with this Agreement between Customer named above and Salt River Project Agricultural Improvement and Power District ("SRP"), SRP shall deliver and Customer shall pay for electric service under the terms and conditions noted below and in any other documents referenced herein.

TERM:	One year from the Effective Date of this Agreement, extended automatically from year to year thereafter, unless terminated earlier at any time by advance written notice from one party to the other.
DELIVERY POINT(S):	Unless otherwise noted on <u>Exhibit A</u> , electrical service delivery points are where SRP's service conductors connect to Customer's Service Entrance Section(s) and are owned by SRP
METERING POINT(S):	Unless otherwise noted on <u>Exhibit A</u> , billing metering is in Customer's 277/480 volt switchgear. Metering is owned by SRP.
CHARACTER OF SERVICE:	Unless otherwise noted on <u>Exhibit A</u> , 60 Hertz, 3-phase alternating current, delivered at 277/480 volts.
APPLICABLE PRICE PLANS:	Standard Price Plans E-61 (Secondary Large General Service (the "Price Plan) and the applicable riders listed below (the "Riders"), all of which are subject to modification or change by SRP during the term of this Agreement pursuant to SRP's Rules and Regulations.
CONSTRUCTION CONTRACT:	Distribution Design and Construction Contract ("Construction Agreement") between the parties of approximate even date.
RIDERS:	Facilities Rider Supplemental to Large General Service Price Plans E-61, E-63, E-65, and E-66.
EXHIBITS:	<u>Exhibit A</u> Services Addresses, Associated Account Numbers and Rates <u>Exhibit B</u> - Accepted Distribution Configuration

ACCEPTED DISTRIBUTION CONFIGURATION: SRP will plan for the maintenance and replacement of enhanced facilities serving Customer based on the "Accepted Distribution Configuration" as defined and described in Exhibit B.

The Accepted Distribution Configuration is designed to provide Customer with additional flexibility and reliability. SRP does not, however, guarantee a regular and uninterrupted supply of power at all times, given that outages (whether unplanned, scheduled, or for maintenance) may occur or be required.

If changes, removal or replacement of SRP's dedicated facilities serving Customer become necessary due to increased Customer load or SRP system-wide design changes, and Customer elects to no longer take and pay for such services, Customer shall pay SRP for its cost to remove, replace, reconfigure, and install equipment.

MONTHLY FACILITIES CHARGE: The monthly facilities charge is \$4,047.00. This charge includes payment for enhanced reliability service, SRP's investment, ownership costs associated with SRP's investment, and replacement costs associated with the Accepted Distribution Configuration. Although the Accepted Distribution Configuration serves the accounts listed in Exhibit A, the entire monthly facilities charge shall be billed to one SRP Account number. The components of the monthly facilities charge may be reviewed and adjusted during SRP's formal public price processes.

DEFAULT: Customer shall, pursuant to this Agreement, take and pay SRP for distribution services from the Accepted Distribution Configuration built for Customer pursuant to the Construction Agreement between the parties. Customer's minimum take and pay requirement shall remain in effect. Specifically, if at any time within the ten-year period that commenced on the date the dedicated facilities were energized Customer stops taking or paying SRP for such distribution services (whether due to a material decrease in usage or demand (kWh or kW), material change in the anticipated use of the Customer's site, abandonment of the site, sale or other transfer of ownership interest, lack of need for enhanced distribution services, or otherwise), Customer shall pay SRP for its costs incurred for the design and construction of such facilities through a single lump sum payment (shown in the table below) based upon the year electrical service or payment is discontinued by Customer. This provision shall survive the expiration or termination of this Agreement.

YEARS AFTER INITIAL ENERGIZATION OF DEDICATED FACILITIES BEGINNING 2015		CUSTOMER PAYMENT TO SRP	
Less than	1	\$	245,913
	2	\$	221,322
	3	\$	196,730
	4	\$	172,139
	5	\$	147,548
	6	\$	122,957
	7	\$	98,365
	8	\$	73,774
	9	\$	49,183
	10	\$	24,591

BILLING AND PAYMENT TERMS: Customer shall pay, at a minimum, all amounts that SRP bills to Customer under this Agreement or under the applicable Price Plan and Rider(s) by the date specified on the bill, subject to SRP's standard payment terms, as set forth in SRP's Rules and Regulations and Business Credit Policies. If Customer fails to pay such amounts within the required time, Customer shall be subject to disconnection and SRP's other remedies available herein, under its Rules and Regulations, or by law.

Customer shall reimburse SRP for any taxes (including sales, transaction privilege, contracting, excise, or other similar taxes, but excluding federal or state income taxes), fees, or charges levied or imposed by any governmental authority collected or payable by SRP under this Agreement.

If Customer's invoices are paid by a third party (e.g., a bill paying service, energy services consultant, payment processor, or any other third party payor entity) ("Payment Processor"), Customer (i) shall remain responsible for ensuring that SRP timely receives (and may retain) payment in full for all amounts payable under this Agreement and (ii) shall reimburse, indemnify and hold harmless SRP for, from and against any and all unpaid, returned, compromised, or settled payment amounts or other SRP losses, as well as associated costs and expenses (including attorneys' fees and costs of court), related, in any way, to Customer's use of such Payment Processor. If SRP is sued by a debtor, trustee, receiver or any other entity for the return of payments made by the Payment Processor for Customer's behalf, Customer shall have the option to take over the defense of the litigation upon a proffer from SRP, which must be accepted within five (5) business days of presentment. Regardless of the result of the foregoing litigation, Customer shall ensure that SRP is made whole, including reimbursement for any returned payment offered in settlement or by judgment and for all its fees (including attorneys' fees), expenses and costs of litigation incurred by SRP. If Customer elects not to take over the defense or fails to do so, Customer shall: (a) not be allowed to contest or dispute in any way any settlement of the litigation entered into by SRP; and (b) shall ensure that SRP is made whole, including reimbursement for any returned payment offered in settlement

or by judgment and for all its fees (including attorneys' fees), expenses and costs of litigation. If Customer fails to timely pay SRP for any fees, expenses or costs relating to any of the foregoing, SRP may include such charges on any subsequent Customer's invoice.

INTERCONNECTION: If electrical generation exists or is planned for installation at Customer's facility, and the generation is capable of paralleling with SRP electrical distribution service, the generation's paralleling and protection schemes must meet SRP approval. Prior to interconnection, Customer shall sign SRP's then-current form of interconnection agreement. Other interconnection requirements and specifications are set forth in SRP's Rules and Regulations and SRP Technical Requirements for Generating Facilities Interconnecting to the Distribution System.

GOVERNING LAW, VENUE AND WAIVER OF TRIAL BY JURY: This Agreement shall be interpreted, governed by and construed in accordance with the substantive and procedural laws of the State of Arizona, without regard to conflicts of law principles. SRP and Customer agree that any action, suit, or proceeding arising out of or relating to this Agreement shall be initiated and prosecuted in a state or federal court of competent jurisdiction located in Maricopa County, Arizona, and the parties irrevocably submit to the jurisdiction and venue of such court. To the fullest extent permitted by law, each party hereby irrevocably waives any and all rights to a trial by jury and covenants and agrees that it will not request a trial by jury, with respect to any legal proceeding arising out of or relating to this Agreement.

RULES AND REGULATIONS, PRICE PLAN, AND RIDERS: SRP's Rules and Regulations, the Price Plan, and the Riders, all of which are on file in the principal office of SRP (or may be reviewed on SRP's website www.srpnet.com), as they may be amended or revised by SRP from time to time, and all terms and conditions thereof (including without limitation Sections 6.8 and 6.9 of the Rules and Regulations, which limit SRP's liability) are hereby referred to, adopted and incorporated herein by reference as part of this Agreement. Customer's failure to abide by the terms of any of these documents, SRP's Electric Service Specifications, or any other applicable operational procedures document may result in the termination of this Agreement by SRP and/or service disconnection.

RIGHTS OF SUCCESSORS OR PARTIES HERETO: This Agreement shall bind and inure to the benefit of any assigns and/or successors in interest hereunder of the respective parties. However, SRP shall not be required to recognize any assignment of, or succession to, the rights and obligations of Customer hereunder until: (i) satisfactory proof of such assignee's or successor's financial capability to assume and perform all of Customer's obligations under this Agreement has been provided to and accepted by SRP (in SRP's sole and absolute discretion) and (ii) such assignee or successor shall have agreed in writing to assume and be bound by all of Customer's obligations under this Agreement. No Customer assignment of this Agreement or any rights under this Agreement shall be construed to release Customer from its obligations under this Agreement absent a written release or novation signed by SRP.

SUPERSEDES PRIOR CONTRACTS: This Agreement shall constitute the entire agreement and supersedes all prior contracts or commitments for delivery of power by SRP to Customer at the Delivery Point(s) and for purposes herein specified. This Agreement may not be modified or any provision waived except by written agreement executed by both SRP and Customer. This Agreement may be executed in multiple copies and each such copy shall be deemed an original copy.

[The remainder of this page is intentionally blank.]

This Agreement is dated and effective as of the operational date of the Accepted Distribution Configurations ("Effective Date").

CITY OF CHANDLER

ATTEST:

Signature

Name

Title

Date

**SALT RIVER PROJECT AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT**

Signature

Name

Title

Date

City Clerk

(SEAL)

Date

APPROVED AS TO FORM:

City Attorney

K. S. M.

Date

Exhibit A

SERVICE ADDRESSES, ASSOCIATED ACCOUNT NUMBERS AND RATES

SERVICE ADDRESSES	SRP 40-ACRE MAP CODE	METER NUMBER	LOCATION NUMBERS	Rates
3380 S Price Road, Pump	YE1805XX	2327288	586960005	36
3333 S Old Price Road CO	YE180504	2352340	988860004	61
3333 S Old Price Road, Pump 2	YE180507	2375289	412801002	36
3333 S Old Price Road, Pump 1	YE1805XX	2373105	331080006	47

Exhibit B

Accepted Distribution Configuration

The "Accepted Distribution Configuration" shall include the electrical facilities listed below, which provide enhanced, non-standard electric service at the site.

Electrical Facilities	Quantity	Additional Information
Non-dedicated 12kV circuit	Two	From Roth substation, different bays
Distribution Feeder Automation Switch (Maximum load per switch: 3,370 kVA)	Three	For detailed operational procedures, see spec sheet titled "Operational and Maintenance Information for Distribution Feeder Automation Installations"
Communication with SRP dispatch office	n/a	Through SRP fiber optic system