



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA  
CA09-172**

**1. Agenda Item Number:**

**22**

**2. Council Meeting Date**  
February 26, 2009

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** January 27, 2009

**THROUGH: CITY MANAGER**

**4. Requesting Departments:** Municipal Utilities

**5. SUBJECT:** Award a design and construction contract to Salt River Project to install the equipment necessary to expand the service for the Airport Water Reclamation Facility (AWRF) to meet future power requirements, Project No. WW0501-402, in an amount not to exceed \$47,022.

**6. RECOMMENDATION:** Staff recommends that Council award a design and construction contract to Salt River Project to install the equipment necessary to modify the service for the Airport Water Reclamation Facility to meet future power requirements, Project No. WW0501-401, in an amount not to exceed \$47,022.

**7. BACKGROUND/DISCUSSION:** The Airport Water Reclamation Facility is located at 905 E. Queen Creek Road, just west of McQueen Road. An expansion of the facility processing capacity was required due to population growth, as determined by using current Planning Department population projections and by reviewing wastewater flow modeling forecasts. The net wastewater processing capacity of the facility will increase from 10 million gallons per day to 15 million gallons per day. The facility expansion began in fiscal year 2004-05. This contract provides for the design and construction contract to SRP to modify two separate non-dedicated distribution circuits to support future load requirements necessary to serve the facility. The separate non-dedicated distribution circuits support the increased loads due to expansion and also provide redundancy to avoid loss of services in the event of a loss of power from one SRP source.

**8. EVALUATION:** Salt River Project is responsible for the design, installation of a new Automatic Transfer Switch (ATS) with associated equipment, and utilize the existing ATS and associated equipment to provided two separate distribution circuits to support the AWRF. Salt River Project will solicit competitive bids for the work and award the construction.

**9. FINANCIAL IMPLICATIONS:**

Cost: \$47,022  
Savings: N/A  
Long Term Costs: \$ 6,835/Month

**Fund Source:**

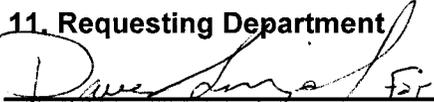
<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
611.3910.0000.6817.8WW266	WW Bond	Sewer Assessment/Rehab	FY 07/08	\$47,022

**10. PROPOSED MOTION:** Move that Council award a design and construction contract to Salt River Project (SRP) to install the equipment necessary to expand the service for the Airport Water Reclamation Facility to meet future power requirements, Project No. WW0501-402, in an amount not to exceed \$47,022, and authorize the Mayor to sign the contract documents.

**ATTACHMENTS:** Location Map, SRP Contract

**APPROVALS**

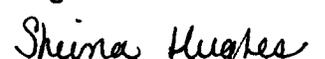
**11. Requesting Department**

  
Robert Mulvey, Assistant Municipal Utilities Director

**13. Department Head**

  
Dave Siegel, Municipal Utilities Director

**12. City Engineer**

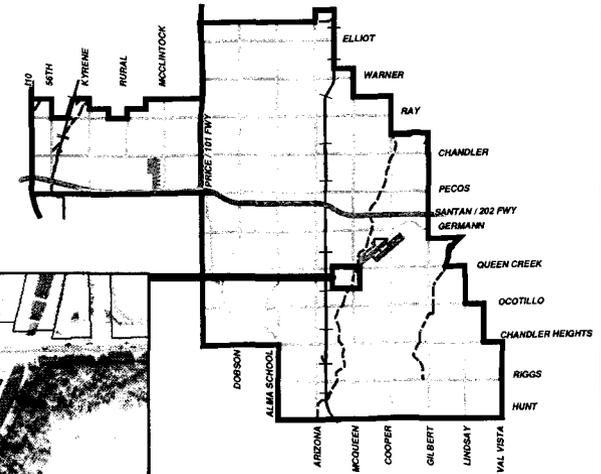
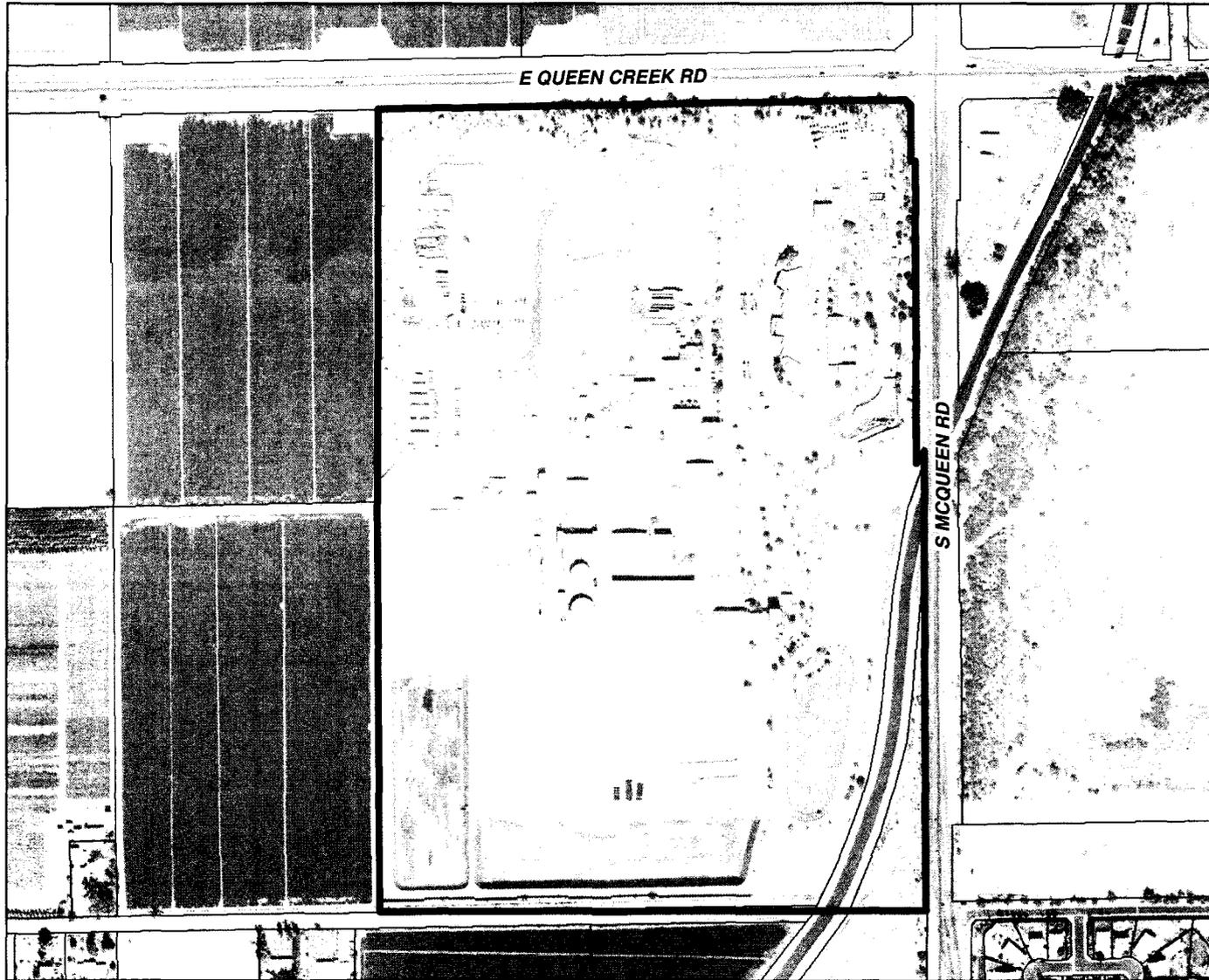
  
Sheina Hughes, Assistant Public Works Director/City Engineer *Ry BB*

**14. City Manager**

  
W. Mark Pentz



# AIRPORT WATER RECLAMATION SRP ENHANCED SERVICE PROJECT PROJECT NO. WW0501-402



**MEMO NO. CA09-172**

 PROJECT AREA





SRP Construction Contract for Enhanced Service Project

SRP Commercial Customer Service
Attention: Distribution Key Account Management
Mail Station ISB231
P.O. Box 52025
Phoenix, AZ 85072-2025

Engineer: (602) 236-0746
Fax: (602) 629-8422
Date: 08-27-2008
Job: KEP-5001
SRP DKAM: John Ballard
DKAM Number: 602.236.5630

To: City of Chandler
DBA Airport Water Reclamation Facility
Attention: Dave Siegel
Municipal Utilities Director
City of Chandler
P.O. Box 4008
Mail Stop 905
Chandler, AZ 85224

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, an Arizona municipal corporation ("Customer"), enter into this contract ("Contract") for the design and construction of electrical facilities for the following Customer project.

Customer Project ("Project"): City of Chandler Airport Water Reclamation Facility Expansion

Location: 905 East Queen Creek Road, Chandler, Arizona 85249

Project Information: SRP to install one (1) additional Automatic Transfer Switch ("ATS") and associated equipment; and utilize the existing ATS and its associated equipment to electronically connect two (2) existing non-dedicated distribution circuits to support current and future load requirements necessary to serve the Project. Customer's maximum electrical demand under normal operation shall not exceed 3.37 MVA (80% load factor) per non-dedicated circuit for a total load limit of 6.74 MVA.

This Contract includes the attached Terms and Conditions (and its exhibits), describing the general obligations of SRP and the Customer, which are incorporated herein by reference.

In consideration of the work to be performed by SRP, Customer shall pay SRP the following non-refundable Contribution In Aid of Construction ("CIAC") fee:

[X] CIAC

Costs: \$47,022.00
Total Due: \$47,022.00

Additional construction fees, if applicable, will be billed separately under an Addendum Contract or Change Order.

SRP's delivery of this Contract to Customer constitutes a proposal to perform the design and construction services on the terms and conditions set forth in this Contract and the incorporated documents. Customer may accept this proposal by signing this Contract (with no additions, deletions or modifications) and returning it to SRP with the CIAC fee (in cash or other immediately available funds). This proposal shall expire if Customer has not signed and returned this Contract to SRP with the CIAC fee on or before March 2, 2009.

Any changes, amendments or modifications to this Contract shall be in writing and shall be signed by both parties. Details, including any special conditions, will be provided on the construction drawings and attached exhibits, which shall, upon Customer's acceptance of the design drawings, be incorporated into and become a part of this Contract.

CITY OF CHANDLER

**PLEASE SIGN & DATE**  
SAGUARO COUNTY OF AGRICULTURAL  
IMPROVEMENT AND POWER DISTRICT

Signature

Margaret E. Baker, Manager  
Commercial Customer Service

Printed Name and Title

Date

Date



APPROVED AS TO FORM

*John A. Butler*  
CITY ATTORNEY

**SRP CONSTRUCTION CONTRACT FOR ENHANCED SERVICE PROJECTS  
TERMS AND CONDITIONS**

1. 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. The Rules and Regulations can be found at <http://www.srpnet.com> and are on file at the principal offices of SRP.
2. Customer shall timely provide SRP all drawings and data requested by SRP that are pertinent to the construction 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.
3. SRP shall supply, construct, own and maintain all electric facilities up to the point(s) of delivery associated with the Project as described in Exhibit A (such facilities are hereinafter referred to as the "SRP Facilities"), including any connections to electric, in accordance with the SRP Rules and Regulations and SRP construction specifications and practices.
4. SRP shall not be required to perform inspections or begin any construction or installation work on the Project until Customer (i) accepts the Designs 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 each of the other owners 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. 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 as further described in Exhibit B. Customer understands and agrees that SRP shall have no obligation to provide electric service to the Project unless and until Customer has provided all such easements. Customer, at all times, shall permit SRP to access and maintain any SRP electric facility on Customer property. SRP shall have the right to terminate this Contract if Customer fails to satisfy all of the conditions of this section within thirty days, or if Customer fails to commence construction of the Project within 120 days after SRP provides the design drawings to Customer.
5. 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 design and engineering costs. Such costs may be retained by SRP from any funds previously collected from Customer, or billed directly to Customer, as appropriate.
6. Customer shall require that any construction work performed by Customer or its contractor or subcontractor shall be in accordance with national and local building and safety codes, the SRP Electric Service Specifications and construction drawings, and the Electric Utility Service Entrance Requirements Committee.
7. Customer will need to secure all required State, County, and local permits and approvals to receive electric service.
8. 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 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 under a separate written agreement.
9. 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.
10. Prior to SRP's installing any electric facility, 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.

11. Customer shall permit SRP to inspect, at any time, any Customer-provided facility. 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.
12. SRP shall not be responsible for, and Customer shall indemnify, defend and hold harmless SRP, its employees and members of its governing bodies for, from and against any and all claims, demands, suits, costs of defense, attorneys' fees, witness fees of any type, losses, damages (including damages to SRP property), expenses and liabilities incurred by SRP ("Claims") arising out of or relating to Customer's performance of the Customer Work or breach of this Contract, including without limitation Claims arising out of the performance of Customer Work on property not owned by Customer. Customer's obligation under this section shall extend to defend SRP when SRP, its employees, agents, contractors or members of its governing bodies are allegedly concurrently negligent with Customer, its agents, contractors, or subcontractors, but shall not extend to indemnify SRP from any Claims caused by the sole negligence of SRP. Customer hereby releases SRP from any loss, damage, liability, cost, or expense incurred by Customer arising out of (i) any delay by SRP in performing, completing, or inspecting any work or (ii) any loss or damage to any curb, sidewalk, paving or other facilities installed in violation of Section 10, even if such damage was caused by the negligent or intentional act or omission of SRP.
13. All facilities installed by SRP, or installed by Customer at SRP's request and accepted by SRP, shall be the property of SRP.
14. This Contract, any supplemental change orders, and any amendments 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.

[Remainder of this page intentionally blank.]

## Exhibit A

### DESIGN AND CONSTRUCTION PROJECT SCOPE

#### A.1.0 GENERAL INFORMATION

**Project Name:** City of Chandler Airport WRF Expansion Project

**Location:** 905 E. Queen Creek Road, Chandler, AZ

**SRP Job Numbers:** KEP-5001 (other SRP job numbers as required)

**Point of Delivery:** Landing Lugs at the two (2) 12.47kV primary metered Service Entrance Sections ("SES") located at Customer-owned switchgear.

**Delivery Voltage:** 12.47kV at Primary Meter PM-0101 and PM-XXXX (TBD). Delivery voltage will conform to the latest revision of ANSI C84.1, operating range A under normal operating conditions, as measured at the Point of Delivery.

**Estimated Energization Date** SRP anticipates the energization to the Point of Delivery within sixty (60) working days from the execution date of this Agreement. This Estimated Energization Date is predicated on Customer's signing of this Agreement, signing the Easements and paying all CIAC amounts set forth in Section A.4.0 by no later than **March 2, 2009**. This Estimated Energization Date is also predicated on Customer's performance of all its obligations described in this Agreement.

#### A.2.0 SCOPE OF THE PROJECT

The scope of the project is to install one (1) additional Automatic Transfer Switch ("ATS") and associated equipment; and utilize the existing ATS and its associated equipment to electronically connect two (2) existing non-dedicated distribution circuits to support current and future load requirements necessary to serve the Project as further described in Exhibit A-1. Customer's maximum electrical demand under normal operation shall not exceed 3.37 MVA (80% load factor) per non-dedicated circuit for a total load limit of 6.74 MVA.

#### A.3.0 ASSUMPTIONS ASSOCIATED WITH THE PROJECT

- Electronically connect the two (2) non-dedicated distribution circuits serving the Project.
- Install one Automatic Transfer Switch ("ATS").
- Existing ATS will remain.
- Install two (2) four-way switches.
- Design will incorporate additional equipment near existing ATS.
- Site controlled by radio frequency remote switching.
- Existing 2,000 kVA Primary Meter will be upgraded to 3,370 kVA.
- Install additional 3,370 kVA Primary Meter.
- New demand of 6,111kVA is anticipated.
- Total demand must not exceed 6.74 MVA or a dedicated circuit(s) will be required per SRP's policies and procedures.
- Customer will provide and install all trench and conduit per SRP's specifications.
- Additional construction fees to build a sho-fly, which the CIAC does not cover, may be required if on-site generation is not available to provide back-up power during construction.

#### A.4.0 CONTRIBUTIONS IN AID OF CONSTRUCTION

Customer shall pay SRP a nonrefundable CIAC in the amount of Forty-Seven Thousand Twenty-Two Dollars (\$47,022) to perform the work defined as the Project. SRP will not begin procurement for the Project until it has received both the CIAC payment and this signed Agreement. The CIAC payment and this signed Agreement shall be delivered to the SRP address set forth in Section A.12.0. Payment in full of the CIAC amount is due on or before **March 2, 2009** or the associated cost proposal may expire.

#### A.5.0 MONTHLY FACILITIES CHARGE

Customer shall be responsible for the payment of a monthly facilities charge of Six Thousand Eight Hundred Thirty-Five Dollars (\$6,835), as more particularly set forth in the Agreement for Electric Service, for the greater of: (i) ten (10) years or (ii) during such time that distribution services are being provided to Customer at the site, as further described in Section A.7.0. The monthly facilities charge covers Customer's service for two (2) non-dedicated 12.47kV circuits, two ATS, two (2) four-way switches, and related equipment, and shall be subject to future change by SRP.

**A.6.0 SCHEDULE OF COMPLETION**

SRP's schedule for completion of its work depends upon the availability of materials and the completion of Customer's responsibilities as set forth in Section A.11.0. If delays in the Estimated Energization Date become necessary, SRP shall notify Customer of such delays as soon as possible. SRP shall not be liable to Customer for, and Customer shall and hereby does release SRP from, any damages, whether direct, indirect or consequential, caused by SRP's inability to complete and place the Project in service by the Estimated Energization Date specified in Section A.1.0.

**A.7.0 DISCONTINUANCE OF OR CHANGE OF SERVICE**

**A.7.1 TEN YEAR DEFAULT PAYMENT**

Customer, pursuant to a separate Agreement for Electric Service between Customer and SRP, intends to take and pay SRP for distribution services from the SRP Facilities that are being built for Customer. If at any time within ten (10) years after commencing to take such distribution services, 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 Project, abandonment of the site, sale or other transfer of ownership interest, lack of need for enhanced distribution services, or otherwise), Customer shall pay SRP an agreed upon lump sum amount set forth in Section A.7.2 below for SRP's costs incurred in the design and construction of such facilities. Payment is based upon the year Customer discontinues taking or paying for distribution services.

**A.7.2 TEN YEAR DEFAULT TABLE**

YEARS AFTER INITIAL ENERGIZATION OF DEDICATED FACILITIES BEGINNING 2009	CUSTOMER PAYMENT TO SRP
Less than 1	\$ 312,204
2	\$ 280,984
3	\$ 249,763
4	\$ 218,543
5	\$ 187,322
6	\$ 156,102
7	\$ 124,882
8	\$ 93,661
9	\$ 62,441
10	\$ 31,220

**A.7.3 FACILITIES MODIFICATIONS DUE TO DEMAND INCREASES**

If Customer's demand increases such that a modification to the SRP Facilities is required (as described in Section A.9.0), Customer shall be responsible for the following costs: (i) the amount set forth in the table in Section A.7.2, corresponding to the date the modification and/or removal of the SRP Facilities commences; (ii) SRP's costs to remove the SRP Facilities then in place (less any salvage amounts recovered by SRP); (iii) any other Customer expenses referenced in Section A.9.0 (or otherwise agreed to by the parties) incurred in the installation of the new facilities; and (iv) any SRP expenses otherwise incurred in the installation, modification, and/or removal of the new or old facilities. SRP may require payment in full of all such amounts prior to commencing any installation, modification, or removal work. The provisions of Sections A.7.1 to A.7.3 shall survive the termination or conclusion of this Agreement.

**A.8.0 MAXIMUM LOAD**

Customer agrees that Customer's maximum coincident electrical demand on the non-dedicated circuits (simultaneous peak load on both circuits) shall not exceed 6.74 MVA (80% load factor) at the 12.47 kV primary meters. Customer shall be responsible for (and shall indemnify, defend, and hold harmless SRP pursuant to Terms and Conditions Section 12 for, from, and against) any personal injury or any property damage that occurs to SRP's, Customer's or any third party's equipment, or property or personnel as a result of Customer exceeding the maximum allocation as specified in this Section. Customer shall comply with all load limitations and other operating requirements for the ATS set forth in Description and Operation of an Automatic Transfer Switch, which is attached and incorporated by reference as Exhibit A-2, and in the Agreement for Electric Service.

**A.9.0 TOTAL DEMAND**

If Customer's total coincident electrical demand on the non-dedicated circuits is 6.74 MVA or greater, but less than 11.8 MVA, the load will be served from at least one dedicated SRP circuit or a substation dedicated to serve only this customer. Any dedicated circuit(s) would be provided by SRP at Customer's sole expense. Any dedicated substation provided by SRP would be owned, operated, and maintained by Customer or its agents at Customer's sole expense. As an option, Customer could elect to provide its own substation to be owned, operated and maintained by Customer at Customer's sole expense. Additionally, SRP will block the ATS transfer capability, and transfer capability shall remain blocked, until remedy agreeable to both Parties is complete as described in Exhibit A-2.

**A.10.0 SRP OWNERSHIP AND RESPONSIBILITIES**

A.10.1 SRP shall supply, install, construct, own and maintain all electric facilities up to the point(s) of delivery associated with the Project as described below:

- Two (2) non-dedicated 12.47kV Circuits (both already existing)
- Two Automatic Transfer Switches ("ATS") (one ATS already existing)
- Two (2) Four-way Switches
- Two (2) Primary Meters (one primary meter already existing)
- Two (2) Standard Switches with terminations (both already existing, two others to be removed)
- ATS communication with SRP dispatch office through SRP radio system
- As further described in Exhibit A-3

A.10.2 Separate from this agreement, SRP will provide Customer with construction drawings.

**A.11.0 CUSTOMER RESPONSIBILITIES**

A.11.1 Customer's CIAC responsibility shall be \$47,022 and the monthly facilities charge will be \$6,835.

A.11.2 Customer is responsible for all trench, conduit, racking, slurry, and backfill construction and installation except where noted on design prints.

A.11.3 Customer shall be responsible for providing and installing primary metering cabinet to SRP's specifications.

A.11.4 Other contractor supplied material per SRP Electric Service Specifications to be supplied by Customer.

A.11.5 Customer shall not install any electrical, communication, control, or other wire or cable into manhole MH-0102.

A.11.6 Maximum load at the point-of-delivery is limited to 6.74 MVA (80% load factor) as described in A.8.0 and A.9.0.

A.11.7 Customer shall timely provide any drawings and data with respect to site information (including, without limitation, dimensioned site plan, grade, surveys, slope, obstructions, underground facilities and easements) that are requested by SRP to design the SRP Facilities.

A.11.8 Customer shall grant access, construction, maintenance, and distribution rights of way requested by SRP as consistent with the intent and purpose of the Agreement.

A.11.9 Customer shall secure all required city, county, and state permits and approvals to receive electric service and otherwise pertaining to Customer's work pursuant to the Agreement.

A.11.10 Customer shall provide all field surveys with property pins and grade stakes.

A.11.11 Prior to SRP's installing any electric facility, Customer shall install all water and sewer facilities and backfill.

A.11.12 Customer shall not install any curb, sidewalk, paving, or any conflicting foundation within the site boundaries until SRP completes the installation of the electric facilities.

A.11.13 All site preparation, installation of any distribution feeders or conductors, or other work performed by Customer shall be in accordance with applicable national and local building and safety codes, the SRP Electric Service Specifications, SRP construction drawings, and the Electric Utility Service Entrance Requirements Committee.

A.11.14 Customer shall permit SRP to inspect, at any time, any Customer-provided facility.

A.11.15 Customer shall meet with an SRP inspector before construction begins. The meeting may be scheduled by calling 602-236-6300 (East Valley).

A.11.16 Security deposits for electrical service also may be required. Please call 602-236-8833 (Commercial Customer Service) at least 30 days prior to the meter-set need date.

**A.12.0 ENHANCED SERVICE PROJECT NOTICES**

All notices which are required or may be given under this Agreement shall be considered to have been properly delivered: (a) if mailed, three (3) days after deposit in the U.S. mail, postage prepaid, return receipt requested, addressed as follows; (b) if sent by overnight delivery service, on the next business day after deposit with such service, addressed as follows; or (c) if personally delivered, on the date of delivery service to:

**Hand or Delivery Service:**

Salt River Project  
Attn: John Ballard  
1521 N. Project Drive  
Mail Station ISB231  
Tempe, Arizona 85281-1206

**Via U.S. Mail**

Salt River Project  
Attn: John Ballard  
P.O. Box 52025  
Mail Station ISB231  
Phoenix, Arizona 85072-2025  
Phone: (602) 236-5630  
Fax: (602) 236-8372

**Via U.S. Mail:**

City of Chandler  
Attention: Dave Siegel  
P.O. Box 4008, Mail Stop 905 Chandler, AZ 85224

**A.13.0 INTERCONNECTION REQUIREMENTS**

If electrical generation exists at Customer's facility, and the generation is capable of paralleling with SRP service, the generation's paralleling and protection schemes must meet SRP approval. At such time, Customer shall sign SRP's then-current form of interconnection agreement, which shall describe the terms and conditions of design and operation.

**A.14.0 ACCELERATION OF ESTIMATED ENGERIZATION DATE**

If Customer requests an acceleration of the agreed upon in-service date specified in Section A.1.0 and SRP determines that it can reasonably attempt to achieve completion by such date, Customer shall reimburse SRP for any labor or other cost increase incurred by SRP as a result of such acceleration.

**A.15.0 STANDARD PAYMENT TERMS**

Customer shall pay all amounts that SRP bills to Customer under this Contract by the time specified, or, if no time is specified, subject to SRP's standard payment terms, as set forth in SRP's Rules and Regulations. If Customer fails to pay such amounts within the required time, Customer shall pay SRP interest on the delinquent amount owed at a rate not to exceed the maximum legal interest rate.

**A.16.0 TAXES**

Customer shall reimburse SRP for all lawful federal, state, and local excise, sales, transaction privilege, gross receipts, gross income, contracting or other similar taxes (but not net income or payroll taxes) imposed by federal, state, municipal, or other local authority, and payable by SRP, upon any charges, fees, or other payments referred to in this Agreement.

[Remainder of this page intentionally blank.]



## Exhibit A-2

### DESCRIPTION AND OPERATION OF AN AUTOMATIC TRANSFER SWITCH

#### 1.0 GENERAL PROVISIONS

- 1.1. The automatic transfer switch ("ATS") is a 12kV pad-mounted unit.
- 1.2. Bypass capability is included in the design through manual switching to allow testing and maintenance of the ATS; and to connect the customer's load directly to the preferred circuit load while continuing service to customer. If the ATS is bypassed, no transfer capability will be available.
- 1.3. The input or source side of the ATS will be connected to two, independent, 12kV circuits. These circuits, also referred to as feeders, may be dedicated circuits or non-dedicated system circuits (i.e., a non-dedicated circuit is used for other SRP load).
- 1.4. The sources of the two circuits will typically be two, different 69/12 kV substations. This reduces the probability of losing both circuits simultaneously.
- 1.5. Primary and alternative sources for the two circuits can be from two different transformers in the same 69/12 kV substation if the two transformers are separated by a 69 kV bus-divider breaker.
- 1.6. The output or load side of the ATS will be connected to one or more SRP-owned or customer-owned 12kV pad mount distribution transformers. Alternately, if the customer elects to receive power at 12kV, the ATS will be connected on the load side first to a standard switch, and then 12kV metering device.

#### 2.0 TRANSFER FROM PREFERRED TO ALTERNATE FEED

- 2.1. Under certain conditions the ATS will automatically transfer Customer's load from a preferred to an alternate source of electricity.
- 2.2. Switch transfers open-transition to alternate feed when abnormal voltage is detected for a pre-set time on the preferred feeder (typically a two second delay before transfer).
- 2.3. Total time for transfer from preferred to alternate feeder is approximately 2.2 seconds (assuming a two second time delay, plus 0.2 seconds switch operation time).
- 2.4. A fault detected on the load side of the transfer switch will not cause transfer to the alternate source.

#### 3.0 RETURN TRANSFER FROM ALTERNATE TO PREFERRED FEED

- 3.1. Return transfer to preferred feeder is manual closed transition initiated by Distribution Operations Center using Supervisory Control. (SCADA)
- 3.2. If the ATS is on the alternate feeder and the preferred feeder is back to normal for more than three minutes and the alternate feeder becomes abnormal, then the ATS will transfer back to the preferred feeder.

#### 4.0 BLOCKING PROVISION

- 4.1. SRP has supervisory control of the ATS to lockout (block) transfer under SRP system emergency conditions or required construction and maintenance.
- 4.2. For non-dedicated circuit configurations, margin in the alternate source is shared with other SRP customers. It is anticipated that the switch will be blocked significantly less than 1% of the time. An outage of the preferred source while the ATS is blocked is very unlikely.
- 4.3. SRP can provide an "alert signal" to Customer when the transfer function is being blocked, by means of a dry "status" contact that will be closed when the transfer function is blocked. Customer supplies and SRP installs status/block cable.

#### 5.0 DEDICATED FEEDER LOAD CAPACITY

- 5.1. For an ATS with one dedicated preferred feeder and one dedicated alternate feeder, the maximum load per ATS that can be transferred is determined on a case by case basis, and will be specified in the Construction Proposal. Typically, about a maximum load of 11.8MVA is feasible.
- 5.2. DOC will block ATS transfer capability should Customer's demand through the switch exceed the pre-determined maximum load, and ATS will remain blocked until remedy agreeable to both Customer and SRP is completed.
- 5.3. In addition to normal SRP operating margins, the ATS requires reserving an additional amount of margin to insure necessary capacity for transfer. This reserved capacity is included in the ATS monthly facilities charge.

## 6.0 NON-DEDICATED ("SHARED") FEEDER LOAD CAPACITY

- 6.1. For a single ATS configuration, if the alternate circuit is a shared circuit, the maximum allowable customer demand will be 3370kVA. SRP will maintain margin on the alternative circuit and transformer to allow the transfer of the customer's load without exceeding loading guidelines.
- 6.2. If the customer's load exceeds 3370kVA and shared circuit(s) will be used for the alternate circuit, two ATS's can be used. The maximum demand will then be 3370kVA on each ATS. Still only two circuits are required. Each circuit will be a preferred circuit for one of the ATS and each circuit will act as a alternative circuit for the other ATS.
- 6.3. If the alternate circuit intended for back up for the preferred shared circuit is also a shared circuit, and SRP's ability to accept the sudden transfer of the customer's load becomes sufficiently impaired, the ability of the ATS to transfer load will be blocked by SRP. The SRP control center will perform the blocking function using a radio or fiber optic signal.

## 7.0 TESTING, MAINTENANCE AND REPAIR

- 7.1. Manual switching will be provided by SRP to bypass the ATS load to the Customer and provide isolation of the source and load sides of the ATS. This provides an opportunity for SRP personnel to test or maintain the ATS. Load break elbows may be substituted for switches on the source side of the ATS. If the ATS is disconnected using these switches, no transfer capability will be available.
- 7.2. SRP shall have the right to perform regular maintenance outages on distribution equipment serving Customer. During such maintenance outages, the premium service option normally provided may not be available. SRP, when possible, will provide Customer reasonable notice of scheduled maintenance outages, and will endeavor to schedule as reasonably possible to Customer's convenience.
- 7.3. SRP shall not be obligated to schedule maintenance outages outside of SRP's normal working hours unless it is mutually agreeable to do.
- 7.4. Automatic Transfer Switches (ATS) requires annual maintenance (including visual inspection and function testing) to ensure operational integrity. This may include, without limitation, the test operation of switches, verification of the operational, parameters of the Micro-AT Source-Transfer Control, and replacement of batteries supplying power to the controls and communications equipment. The ATS, or the transfer function, will typically be out of service for approximately two hours or longer, if significant repairs are required. However, Customer will be kept in service through ATS bypass switches. This may also afford Customer an opportunity to test any emergency back-up generation.
- 7.5. SRP will make reasonable attempt to contact Customer regarding repairs required and time the ATS will be out of service. Notification may be by:
  - 7.5.1.1. Field crews making the diagnosis and/or repairs
  - 7.5.1.2. Through the Key Account Management assigned Account Manager

## 8.0 HOLD TAGS

- 8.1. A SRP hold tag is defined as: "An approved tag or card-type that warns against the operation of a particular switch, device circuit, tool, machine, gate, or other equipment."
- 8.2. The Hold Tag is used to aid in protection of personnel working on or near energized equipment, whereby Reclosing of a line is disabled for maintenance, construction or system emergency conditions.
- 8.3. Hold-tags shall be obtained on energized conductors over six hundred (600) volts when people, material, or equipment could come within minimum safe working distances.

## 9.0 RIGHT OF ACCESS

- 9.1. Customer hereby grants SRP's employees and agents the right of immediate access to the premises of Customer 24/7, 365 days of the year, for emergency operation, maintenance or repair of SRP's equipment and related facilities, and at all other reasonable times for such purposes as installing, constructing, modifying, testing and maintaining SRP's equipment and related facilities. SRP shall notify Customer in advance of needing access when reasonable to do so.

Exhibit A-3

FACILITY CHARGES EQUIPMENT LIST

SRP Facilities for this Project shall consist of all electrical facilities up to the point of delivery, including, but not limited to, the following:

<b>Quantity</b>	<b>Electrical Facilities</b>
Two	12.47kV Non-Dedicated Circuits
Two	Automatic Transfer Switches
Two	Four-way Switches
Two	Standard switches with terminations
Two	Primary Meters
	ATS communication and control

**WHEN RECORDED MAIL TO:**

**SALT RIVER PROJECT**  
Land Department/PAB400  
P. O. Box 52025  
Phoenix, Arizona 85072-2025

---

**POWER DISTRIBUTION EASEMENT**

---

Maricopa County  
Parcel #

RW # Agt.  
Job #  
W \_\_\_\_\_ C \_\_\_\_\_

hereinafter called Grantor, for and in consideration of the sum of One Dollar, and other valuable consideration, receipt 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, its agents, employees, contractors and permittees and its and their respective successors and assigns, hereinafter called the Grantee, a non-exclusive easement in, upon, over, under, across, through and along the lands hereinafter described (such lands hereinafter described being sometimes referred to herein as the "Easement Parcel") to construct, install, reconstruct, replace, remove, repair, operate and maintain underground electrical conductors, conduits, pipes, cables, vaults, pads, switching equipment, enclosures, manholes and transformers and all other appliances, appurtenances and fixtures (collectively "Facilities") for the transmission and distribution of electricity and for all other purposes connected therewith at such locations and elevations, in, upon, over, under, across, through and along the Easement Parcel as Grantee may now or hereafter deem convenient or necessary from time to time, together with the right of ingress and egress to, from, across and along the Grantor's Property.

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

**Grantor's Property:**

[Remainder of this page intentionally blank.]

**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.

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 operational area that extends 12.00 feet immediately in front of all transformer and other equipment openings. No obstruction, trees, shrubs, fixtures or permanent structures shall be placed within said areas.

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 well, store materials of any kind, or alter ground level by cut or fill, within the area of the Easement Parcel.

Grantee shall have the right (but not the obligation) to trim, cut and clear away trees, brush or other vegetation on, the Easement Parcel whenever in its judgment the same shall be necessary for the convenient and safe exercise of the rights herein granted.

In the event Grantee records a document to formally abandon the easement granted herein, 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.

The covenants and agreements herein set forth shall extend and inure in favor and to the benefit of and shall be binding on the heirs, administrators, executors, personal representatives, legal representatives, successors (including successors in ownership and estate), assigns and lessees of the Grantor and Grantee.

[Remainder of this page intentionally blank.]

