



AMENDED AGENDA

Queen Creek Town Council Regular Session

Community Chambers, 20727 E Civic Parkway

February 15, 2023

6:30 PM

Pursuant to A.R.S. §§ 38-431.02 and 38-431.03, notice is hereby given to the members of the Town Council and the general public that, at this Regular Meeting, the Town Council may vote at any time during the Council Meeting to go into Executive Session, which will not be open to the public, for legal advice and discussion with the Town Attorney(s) for legal advice on any item listed on the following agenda, pursuant to A.R.S. § 38-431.03(A)(3).

The public can continue to watch the meeting live streamed at [QueenCreek.org/WatchMeetings](https://www.queen-creek.org/WatchMeetings) by selecting "video" next to the applicable meeting (once the meeting begins) or by visiting the Town's Ustream account at <https://video.ibm.com/councilmeeting>.

In addition to attending in-person, residents may submit public comment for this Town Council meeting by submitting their comments via email to PublicComment@QueenCreekAZ.gov. Every email, if received by the deadline of 5:00 p.m., the day of the meeting will be entered into the official record. Please include your name, address, comment and note if your comment is for call to the public. Comments without identifying name and address will not become part of the written record.

The Mayor or other presiding officer at the meeting may change the order of Agenda Items and/or take items on the Agenda in an order they determine is appropriate. Some members of the Town Council and staff may attend electronically.

- 1. Call to Order:**
- 2. Roll Call:** *(Members of the Town Council may attend electronically and/or telephonically)*
- 3. Pledge of Allegiance:**
- 4. Invocation/Moment of Silence:** Pastor Eric Ehmann, Central Christian Church (Queen Creek Campus)
- 5. Ceremonial Matters (Presentations, Proclamations, Awards, Guest Introductions and Announcements):**
 - A. None.
- 6. Committee Reports:**
 - A. Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.
 - B. Committee and outside agency reports (only as scheduled).
 1. Transportation Advisory Committee (February 9, 2023)

- 7. Public Comments:** *Members of the public may address the Town Council on items not on the printed agenda and during Public Hearings. Please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record. The Town Council may not discuss or take action on any issue raised during public comment until a later meeting.*
- 8. Consent Agenda:** *Matters listed under the Consent Agenda are considered to be routine and will be enacted by one motion and one vote. Members of the Town Council and/or staff may comment on any item without removing it from the Consent Agenda or remove any item for separate discussion and consideration.*
- A. Consideration and possible approval of the February 1, 2023 Regular Session minutes.
 - B. Consideration and possible approval of Expenditures \$25,000 and over, pursuant to Town Purchasing Policy. (FY 22/23 Budgeted Items)
 - 1. Cartegraph - Adding Recreation/Grounds Work Order Project to the Cartegraph Software: Additional contract spending authority of \$50,000. Town Council approved \$170,000 on June 1, 2022 and \$51,000 on October 5, 2022 for a new total contract spending authority of \$271,000 (Information Technology)
 - C. Consideration and possible approval of a lease agreement with The Dog House for a renewable one year lease of premises located at 22249 S. Ellsworth Road.
 - D. Consideration and possible approval of a lease agreement with BannerAir for the leasing of living space and associated utility costs at Queen Creek Fire Station #5.
 - E. Consideration and possible approval of a professional services contract with Designing Local in an amount not to exceed \$35,000 for a Downtown Queen Creek Arts & Placemaking Master Plan. (FY 22/23 Budgeted Item)
 - F. Consideration and possible approval of a one-year contract, with up to four possible renewals with Hydro Electric Company for Water Tank Cleaning, Inspection and Repair Services on an as needed basis not to exceed \$100,000 annually. (FY 22/23 Budgeted Item)
 - G. Consideration and possible approval of a Job Order 34 with MGC Contractors, Inc., Contract 2019-134 in an amount not to exceed \$998,943 for the Phase 3 of the Reservoir Assessment and Minor Repairs Program, Project WA206. (FY 22/23 Budgeted Item)
 - H. Consideration and possible approval of a Job Order 35 with MGC Contractors, Inc., Contract 2019-134 in an amount not to exceed \$263,085 for the Phase 4 of the Reservoir Assessment and Minor Repairs Program, Project WA206. (FY 22/23 Budgeted Item)
 - I. Consideration and possible approval of an Intergovernmental Agreement between the Town and the Arizona Department of Revenue for distribution of revenue under A.R.S. 42-5032.02 to reimburse the Town for public infrastructure improvements and authorizing and directing the Mayor, Town Manager, Town Clerk and Town Attorney to negotiate, finalize and execute the agreement and all other documents and instruments and to take such actions as necessary or appropriate to finalize and facilitate the agreement.

- J. Consideration and possible approval of the Fund Grant Agreement between the Town of Queen Creek and Pinal County for groundwater recharge and water projects in an amount not to exceed \$35,088,200; and authorizing the Mayor, Town Manager, Town Attorney and Town Clerk to take all actions and execute all documents necessary to negotiate, finalize and implement the Agreement.
 - K. Consideration and possible approval of Resolution 1517-23, a Resolution of the Common Council of the Town of Queen Creek, Arizona, approving the Right of Way Exchange Agreement between the Town and RAB Investment Trust and DBJ Investment Trust for the new Pecos Road and Meridian Road intersection alignment; and authorizing and directing the Mayor, Town Manager, Town Clerk and Town Attorney to take all actions necessary to finalize and effectuate the transaction.
- 9. Public Hearing Consent Agenda:** *Matters listed under the Public Hearing Consent Agenda are considered to be routine and will be enacted by one motion and one vote. Please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.*
- A. None.
- 10. Public Hearings:** *If you wish to speak to the Town Council on any of the items listed as a Public Hearing, please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.*
- A. None.
- 11. Items for Discussion:** *These items are for Town Council discussion only and no action will be taken. In general, no public comment will be taken.*
- A. Residential Recycling in the QC2023 Update on Improvements, Innovations and Challenges
- 12. Final Action:** *If you wish to speak to the Town Council on any of the items listed under Final Action, please address the Town Council by completing a Request to Speak Card and returning it to the Town Clerk (limited to three (3) minutes each), or by emailing your comment for this Town Council meeting to PublicComment@QueenCreekAZ.gov (limited to 500 words). Every email, if received by the deadline of 5:00 p.m., the day of the meeting, will be entered into the official record. Only one comment per person, per Agenda Item will be allowed. Comments without identifying name and address will not be entered into the official record.*
- A. None.

13. Adjournment:

I, Maria Gonzalez, do hereby certify that I caused to be posted this 14th day of February, the Agenda for the February 15, 2023 Regular and Possible Executive Session of the Queen Creek Town Council at Town Hall and on the Town's website at www.QueenCreekAZ.gov.

Maria E. Gonzalez, MMC
Town Clerk

The Town of Queen Creek encourages the participation of disabled individuals in the services, activities, and programs provided by the Town. Individuals with disabilities who require reasonable accommodations in order to participate should contact the Town Clerk's office at (480) 358-3000.

Council Committee Reports

- 02/02 – Harvest Reservoir Wrapping (Wheatley, McClure)
- 02/02 – East Valley Transportation Infrastructure Action Subcommittee Meeting (Benning)
- 02/02 – PHX| East Valley Partnership Board of Directors Meeting (Brown)
- 02/03 – East Valley Transportation Infrastructure Committee Meeting (Benning)
- 02/04 – Public Safety Day (Wheatley, Brown, Martineau, McClure, Padilla)
- 02/04 – Black History Month Celebration (Brown, McClure, Oliphant)
- 02/06 – IAFF Fire Ops 101 (Wheatley, Benning, Brown, Martineau, McClure, Oliphant, Padilla)
- 02/07 – Mesa State of the City (Wheatley)
- 02/07 – Maricopa Association of Governments Economic Development Committee Meeting (Oliphant)
- 02/07 – Queen Creek State of the Town (Wheatley, Benning, Brown, Martineau, McClure, Oliphant, Padilla)
- 02/08 – Meeting with Queen Creek Unified School District Superintendent Dr. Perry Berry (Wheatley, Brown)
- 02/09 – East Valley Partnership Infrastructure & Transportation Meeting (Benning)
- 02/09 – Central Arizona Governments & Sun Corridor Metropolitan Planning Organization 27th Annual Legislative Day (Benning)
- 02/09 – Transportation Advisory Committee (Martineau)
- 02/10 – Pinal Partnership Women Leader Panel (Wheatley)
- 02/10 – Eastmark Business Partnership Meeting (Benning)
- 02/14 – Chamber Network QC Luncheon (Oliphant)
- 02/14 – HB2809 Testimony at Arizona State Legislature (Wheatley)
- 02/15 – Maricopa Association of Governments Transportation Policy Committee Meeting (Wheatley)
- 02/15 – Meeting with Senate President Warren Petersen (Wheatley)





TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: MARIA GONZALEZ MMC, TOWN CLERK
RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE FEBRUARY 1, 2023 REGULAR SESSION MINUTES.
DATE: February 15, 2023

Suggested Action:

To approve the draft minutes as presented.

Alternatives:

Council can request revisions to be made to the draft minutes and approve with revisions or continue to a future meeting.

Attachment(s):

1. [02-01-23 Minutes.pdf](#)



Minutes
Town Council Regular Session
Community Chambers, 20727 E. Civic Parkway
Wednesday, February 1, 2023
6:30 PM

1) Call to Order:

The Regular Session was called to order at 6:41 p.m.

2) Roll Call:

PRESENT:

Julia Wheatley, Mayor
Jeff Brown, Vice Mayor
Robin Benning, Council Member
Leah Martineau, Council Member
Bryan McClure, Council Member
Dawn Oliphant, Council Member
Travis Padilla, Council Member

3) Pledge of Allegiance:

Led by Council Member Benning.

4) Invocation/Moment of Silence:

Invocation provided by Philip Stowell, Fire Department Chaplain.

5) Ceremonial Matters (Presentations, Proclamations, Awards, Guest Introductions and Announcements):

5.A) Proclamation - Go Red for Women Month

Council Member Oliphant read the proclamation recognizing Go Red for Women Month bringing awareness to women's heart health.

5.B) Proclamation - Black History Month

Vice Mayor Brown read the proclamation for Black History Month honoring the accomplishments made by African Americans. Council presented the proclamation to Paula Fuller, Chair of the Black Heritage Connection.

5.C) Proclamation - International Mother Language Day (February 21, 2023).


Council Member Benning read the proclamation commemorating the multi-cultural diversity of all languages used by people throughout the world.

5.D) Recognition of the NIBRS certification for the Queen Creek Police Department.

Police Chief Randy Brice recognized the accomplishments and teamwork of his staff and celebrated the National Incident-Based Reporting System (NIBRS) certification earned by the Queen Creek Police Department. Chief Brice congratulated Robyn Hall, Benjamin Lau, Mallory Withers, Miriam Cantu, Liana Magda, Jaclyn Thurmond and Dan Ruth on this achievement.

6) Committee Reports:

6.A) Council summary reports on meetings and/or conferences attended. This may include but is not limited to Phoenix-Mesa Gateway Airport; MAG; East Valley Partnership; CAG. The Council will not propose, discuss, deliberate or take legal action on any matter in the summary unless the specific matter is properly noticed for legal action.

02-01-23 Committee Report 

6.B) Committee and outside agency reports (only as scheduled).

Economic Development Commission (January 25, 2023).

Economic Development Commission Vice-Chair Nancy Hormann presented the report. She said the Commission approved a Facade Improvement Program Application for property located at 20427 E Ocotillo Road; Downtown Development Manager Jennifer Lindley provided updates on the Town Center Downtown Core projects; and Utilities Director Paul Gardner provided an overview of the Utilities Department. The next meeting is scheduled for February 22, 2023.

7) Public Comments:

Staff Sergeant Derick Arellano, Station Commander for Queen Creek Army Recruiting, 21151 E Rittenhouse Rd, Queen Creek asked for the Town's recognition and support for enlistees and future soldiers. He invited everyone to attend the Ruck 4 Freedom 5K March on Feb 11, 2023.

8) Consent Agenda:

8.A) Consideration and possible approval of the January 18, 2023 Regular Session minutes.

Department: Town Clerk's Office


Staff Report 

01-18-23 Minutes_DRAFT.pdf 

- 8.B) Consideration and possible approval of Expenditures \$25,000 and over, pursuant to Town Purchasing Policy. (FY 22/23 Budgeted Items)

Department: Finance

Staff Report 

Expenditures over \$25,000.pdf 


- 8.C) Consideration and possible approval of Project Order #1 Town Contract #2022-062, with Entellus for the Via Del Jardin Wash Crossing Improvements (CIP Project No. D0013) in the amount not to exceed \$418,661. (This is a FY22/23 Budgeted Item)

Department: Capital Improvement Projects

Staff Report 

D0013 Project Location Exhibit 

D0013 Project Site Exhibit 

Project Order #1 - Entellus 


- 8.D) Consideration and possible approval of Delegation Resolution #1516-23 authorizing and directing the Town Manager and/or Capital Improvement Projects Department Director to take any and all action necessary; and to sign any and all documents, contracts, and/or agreements related to construction and completion of Hawes Road Improvement Project from Rittenhouse Road to Ocotillo Road (CIP Project no. A0401) in an amount not to exceed \$756,470. (This is a FY23 Budgeted Item)

Department: Capital Improvement Projects

Staff Report 

A0401 Project Location Exhibit 

A0401 Project Site Exhibit 


Delegation Resolution #1516-23 Exhibit #1 


Staff requested a continuation of Item 8(E) to the February 15, 2023 Council Meeting.

- 8.E) Consideration and possible approval of Resolution 1517-23, a Resolution of the Common Council of the Town of Queen Creek, Arizona, approving the Right of Way Exchange Agreement between the Town and RAB Investment Trust and DBJ Investment Trust for the new Pecos Road and Meridian Road intersection alignment; and authorizing and directing the Mayor, Town Manager, Town Clerk and Town Attorney to take all actions necessary to finalize and effectuate the transaction.

Department: Capital Improvement Projects

[Staff Report](#) 

[Resolution 1517-23](#) 

[Exhibit A](#) 

[Site Map](#) 

MOTION: To continue Item 8(E) to the February 15, 2023 Council Meeting.

RESULT: Approved unanimously (7-0)

MOVER: Jeff Brown, Vice Mayor

SECONDER: Robin Benning, Council Member

AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member

MOTION: To approve the Consent Agenda less item 8(E).

RESULT: Approved unanimously (7-0)

MOVER: Robin Benning, Council Member

SECONDER: Jeff Brown, Vice Mayor

AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member


9) **Public Hearing Consent Agenda:**

Mayor Wheatley opened the public hearing. There were no public comments and the public hearing was closed.

- 9.A) Consideration and possible recommendation of approval on a new Series 012 Restaurant Liquor License application submitted by Amy S Nations on behalf of Sauce Pizza & Wine located at 20491 E Rittenhouse Road H2 & H5, Queen Creek.

Department: Town Clerk's Office

[Staff Report](#) 


[LGB Report_Sauce Pizza & Wine](#) 

[QCPD Report_Sauce Pizza & Wine](#) 

- 9.B) Consideration and possible recommendation of approval on a new Series 009 Liquor Store License application submitted by Maria Danielle Burgess on behalf of Circle K Store #2709560 located at 23024 E Riggs Road, Queen Creek.

Department: Town Clerk's Office

Staff Report 

LGB Report_Circle K 

QCPD Report_Circle K 

- 9.C) Consideration and possible recommendation of approval on a new Series 006 Bar Liquor License application submitted by Jared Michael Repinski on behalf of Las Colinas Golf Club?located at 21515 E Village Loop Road, Queen Creek.

Department: Town Clerk's Office

Staff Report 

LGB Report_Las Colinas Golf Club 

QCPD Report_Las Colinas Golf Club 

MOTION: To approve the Public Hearing Consent Agenda less item 9(D).
RESULT: Approved unanimously (7-0)
MOVER: Robin Benning, Council Member
SECONDER: Dawn Oliphant, Council Member
AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member

Vice Mayor Brown pulled Item 9(D) for a separate discussion and vote.

- 9.D) Public Hearing and possible action on case P22-0237 Rili B's Taco Shop Conditional Use Permit, a request from Bryan Ledbetter, Triple B6, LLC, for a Conditional Use Permit (CUP) to allow for the operation of a 24-hour drive-thru restaurant located within 300ft of a residential zoning district, located within Heritage Square commercial center, east of the northeast corner of Ellsworth Heritage Loop roads.

Department: Development Services

Staff Report 

Aerial Exhibit 

Zoning Exhibit 

Site Plan 

Project Narrative 

Staff Presentation

Planner II Mallory Ress presented the Conditional Use Permit (CUP) for Rili B's for a 24-hour drive-thru restaurant which is required because it is within 300 feet of residential. She outlined the project site; surrounding properties; the zoning designations and distances from residential. She noted that staff had added a condition requiring a re-approval after one year, however that condition was removed by the Planning Commission after deliberation at the public hearing. The Planning Commission recommended approval of Case P22-0237 with a 7-0 vote.

Architect Samir Slatewala, representing Rili B's Taco Shop gave a brief overview of the project including distances from residential, drive-thru distances, buffers and landscaping. He outlined the timeline of their project and explained that the CUP for drive-thrus was not in place when his project started.

Bryan Ledbetter, owner of Rili B's Tacos, provided information on the hours of operation and his business model. He gave a background of his company and said they took steps to ensure that noise would not impact the surrounding residential.

Council asked questions regarding setbacks, parking distances, and the distance from drive-thru speaker boxes in relation to the multi-density residential parcel across the street.

<p>MOTION: To approve Item 9(D), Case P22-0237 Rili B's Conditional Use Permit, subject to the Conditions of Approval included in this report.</p> <p>RESULT: Approved unanimously (7-0)</p> <p>MOVER: Bryan McClure, Council Member</p> <p>SECONDER: Leah Martineau, Council Member</p> <p>AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member</p>


10) Public Hearings:

None.

11) Items for Discussion:

11.A) Discussion and presentation on possible intersection design options.

Department: Capital Improvement Projects

Hawes Road at Queen Creek Road Intersection Design Options 

Public Works Director Mohamed Youssef provided project information and presented design options for the intersection of Queen Creek and Hawes. He explained existing conditions and reviewed the elements of traffic analysis in regards to safety, operational impacts and physical impacts. He said in the interim there will be a temporary signal at the intersection while in design. He provided

the following options:

Option 1 - Traffic Signals (will have a future Level of Service C in 2040)

Option 2 - Roundabout (will have a future Level of Service A in 2040)

Mr. Youssef said the area is well suited for a roundabout and discussed the benefits in regards to cost, maintenance and safety. He provided additional information on roundabouts and said that staff is recommending a roundabout for this location.

Council was in support of a roundabouts and commented on benefits such as traffic safety, reduced speeds and cost. Council said that public outreach for those unfamiliar with roundabouts is important.

Mr. Youssef said that ADOT has many resources in this regard and our communications team will provide information on social media and other avenues to inform residents.

12) Final Action:

- 12.A) Consideration and possible approval of a three-year small government enterprise license agreement in the amount not to exceed \$184,644 with the Environmental Systems Research Institute, Inc.

Department: Information Technology

Staff Report 

EsriSGEA - Renewal2023.pdf 

IT Director Mike Black introduced Geographic Information Systems (GIS) Manager Shawny Ekadis and thanked her for 25 years of service at the Town.

Ms. Ekadis provided an overview of her department and shared several maps that the GIS Division created for various projects, events and to meet a wide variety of town departmental needs. Ms. Ekadis reviewed how mapping and GIS interacts with various town software programs that utilize GIS information and data layers. She discussed the address management system for the Town; asset management tracking and interactive maps available for internal and external customers. She said that the license agreement with Environmental Systems Research Institute Inc (ESRI) has been used since 2008 and offers the Town access to a host of GIS related software and support to help the GIS department meet the needs of the Town.

Council thanked Ms. Ekadis for her presentation and for 25 years of service and were in support of the three-year agreement.

MOTION: To approve a three-year enterprise license agreement in the amount not to exceed \$184,644 with Environmental Systems Research Institute, Inc. (ESRI).

RESULT: Approved unanimously (7-0)

MOVER: Robin Benning, Council Member


SECONDER: Jeff Brown, Vice Mayor

AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member

- 12.B) New utility billing system implementation update and consideration and potential approval of Ordinance No. 807-23, an Ordinance of the Mayor and Common Council of the Town of Queen Creek, Arizona, amending Chapter 10 Health and Sanitation, Section 10-9-13 Rates, Charges, Fees and Payment and amending Chapter 16 Utilities, Section 16-2-8 Deposits, Section 16-2-13 Payment of Bills, Section 16-2-17 Deposit Required After Termination, Section 16-5-1 Definitions, Section 16-5-14 Customer Billing, Section 16-5-15 Payment of Bills; Delinquent Bills; removing the Utilities Late Fee; and repealing conflicting Ordinances and Resolutions.

Department: Finance

Staff Report 

Staff Report New Utility Billing System 

Ordinance 807-23 

Presentation 

Financial Services Manager Jessica Platt presented the implementation of the new utility billing system and the code changes associated with the new software. She provided a background of current billing practices using the current software that is over 20 years old. She said the new software will accommodate new technology and our increased customer base.

She discussed changes and enhancements for the customers, who will have a new unique customer number and account number and a new upgraded customer portal. Ms. Platt said utility rates are not changing and customers can still pay online, use the outdoor drop box, and pay in person and receive assistance at the front desk. She outlined the enhancements to staff operations which will be more efficient, customer friendly and provide better reporting and analytics. She presented a short video that highlighted the customer experience using the new Customer Portal.

Ms. Platt reviewed the customer communication plan and timeline and said there will be more outreach to inform the customer of new features, how to sign up for online service and how to re-enroll in the system. She reviewed the project timeline and said the go-live date will be March 7 and the first new billing statements with the new billing cycles will be sent by early April.

Ms. Platt thanked all the staff involved for their work on this project across many departments. She also thanked Council and management for their patience throughout the process.

Council thanked staff for the efficiencies that the new system will provide for residents and staff. Council discussed the timeline for new billing, account set-up, and cost-saving in regards to paperless billing.

Vice Mayor Brown asked what percentage of customers are using electronic billing. Ms. Platt said only 30% of customers use paperless billing at this time and incentives to sign up on E-bill will be provided in the future.

There was additional discussion on the monthly water bill insert and how to provide timely information with the switch to multiple billing cycles. Communications and Marketing Manager Constance Halonen-Wilson said we are moving towards a link to E-News and we are evaluating potential changes to keep the information relevant.

MOTION: To approve Ordinance No. 807-23, an Ordinance of the Mayor and Common Council of the Town of Queen Creek, Arizona, amending Chapter 10 Health and Sanitation, Section 10-9-13 Rates, Charges, Fees and Payment and amending Chapter 16 Utilities, Section 16-2-8 Deposits, Section 16-2-13 Payment of Bills, Section 16-2-17 Deposit Required After Termination, Section 16-5-1 Definitions, Section 16-5-14 Customer Billing, Section 16-5-15 Payment of Bills; Delinquent Bills; removing the Utilities Late Fee; and repealing conflicting Ordinances and Resolutions.

RESULT: Approved unanimously (7-0)

MOVER: Robin Benning, Council Member

SECONDER: Bryan McClure, Council Member

AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member

The Regular Session recessed at 8:36 p.m. and reconvened at 8:41 p.m.

12.C) Consideration and possible approval of FY 2022-23 revenue budget amendments totaling \$6,884,527 (all funds) and presentation of the 5-Year Operating Budget Revenue Forecast.

Department: Finance

Staff Report 

Mid Year Budget Adjustments Staff Report 

Presentation 

Finance Director Scott McCarty provided a detailed review of FY23 revenue budget amendments and said some revenues are being increased or decreased based on the economy and other factors as follow:

1. Revenue reductions approved by Council will be effective July 1, 2023 amounting to \$1.5M with the reduction of water replenishment fees, a freeze on property taxes for 5 years and the elimination of streetlight taxes.

2. Overview of the Economy - Mr. McCarty said uncertainty due to looming recession, inflation, interest rates and other factors are making projections challenging. Mr. McCarty outlined how the economy at the federal, state and local levels impact our revenues. He provided a list of Queen Creek strengths in areas such as sales tax revenue; budget reserves; demographics and our local economy.

3. 5-Year Operating Budget Forecast - Mr. McCarty outlined the tools used to estimate revenues and provided an in-depth report on forecasts and actual revenues. He noted that our revenues have exceeded the budget for the last 11 years. He reviewed the 3-step process to project revenues with an increase of \$148M for FY23-24. He presented the FY21-22 actuals vs the FY 23-24 Budget and said we expect a 30% increase in total revenues. He reviewed projections for population, single family permits, sales tax, new commercial and state shared revenues.

Mr. McCarty presented Council with options for revenue budget adjustments to provide flexibility to deal with economic uncertainty.

Council thanked staff for the presentation and had comments on state shared revenues, inflation and diversity in regards to revenue sources.

<p>MOTION: To approve FY 2022-23 revenue budget amendments totaling \$6,884,527.</p> <p>RESULT: Approved unanimously (7-0)</p> <p>MOVER: Jeff Brown, Vice Mayor</p> <p>SECONDER: Dawn Oliphant, Council Member</p> <p>AYES: Julia Wheatley, Mayor, Jeff Brown, Vice Mayor, Robin Benning, Council Member, Leah Martineau, Council Member, Bryan McClure, Council Member, Dawn Oliphant, Council Member, Travis Padilla, Council Member</p>

13) Adjournment:

The Regular Session adjourned at 9:15 p.m.

Julia Wheatley, Mayor

ATTEST:

Maria E. Gonzalez, Town Clerk

I, Maria E. Gonzalez, do hereby certify that to the best of my knowledge and belief, the foregoing Minutes are a true and correct copy of the Town Council Regular Session Minutes of the February 1, 2023 Town Council Regular Session of the Queen Creek Town Council. I further certify that the meeting was duly called and that a quorum was present.

Passed and approved on: _____



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL
THROUGH: BRUCE GARDNER, TOWN MANAGER
FROM: MELISSA BAUER, PROCUREMENT MANAGER
RE: CONSIDERATION AND POSSIBLE APPROVAL OF EXPENDITURES \$25,000 AND OVER, PURSUANT TO TOWN PURCHASING POLICY. (FY 22/23 BUDGETED ITEMS)
DATE: February 15, 2023

Suggested Action:

To approve the Expenditures \$25,000 and over, pursuant to Town Purchasing Policy.

Discussion:

The following item being requested is:

1. Cartegraph - Adding Recreation/Grounds Work Order Project to the Cartegraph Software: Additional contract spending authority of \$50,000. Town Council approved \$170,000 on June 1, 2022 and \$51,000 on October 5, 2022 for a new total contract spending authority of \$271,000 (Information Technology)

Fiscal Impact:

The fiscal impact of the requested spending authority for the above expenditure is: \$50,000. Funds have been identified within the line item budget as approved in the FY22/23 budget or subsequently approved by Council.

Attachment(s):

1. [2-15-23 Expenditures Report.pdf](#)

**Attachment: Expenditures \$25,000 and Over
Budgeted in Fiscal Year 22/23
February 15, 2023**

Item #	Vendor(s)	Description	Purpose	Requesting Dept(s)	Fiscal Impact \$	Procurement Method	Alternative
1	Cartegraph	Adding Recreation / Grounds Work Order Project to the Cartegraph Software	Additional contract spending authority request to implement a work order-asset management system for the Recreation-Grounds Division. Town Council previously approved a total of \$221,000 on June 1, 2022 & October 5, 2022, this request will take the total contract spending authority to \$271,000. (FY23 Budgeted Item)	Information Technology	\$50,000	Town Contract #2018-078	Council could choose not to approve this expenditure. The alternative would have staff revert back to tracking work orders and manage assets utilizing Microsoft Excel worksheets.



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR, ROBERT SACHS, REAL ESTATE PROGRAM MANAGER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A LEASE AGREEMENT WITH THE DOG HOUSE FOR A RENEWABLE ONE YEAR LEASE OF PREMISES LOCATED AT 22249 S. ELLSWORTH ROAD.

DATE: February 15, 2023

Suggested Action:

To approve the lease renewal agreement with The Dog House for a one year lease term of premises located at 22249 S. Ellsworth Road.

Relevant Council Goal(s):

Secure Future – Land Use & Economic Development

Discussion:

The Town owns the small building behind the two-office suite located at 22249 S. Ellsworth Road. Both the larger building and the smaller building behind it share the same address. The Dog House, and its new owner Kathryn Brewer, is currently leasing the smaller building for use as a dog grooming salon. The current lease will expire January 31, 2023, and the owner would like to renew for a one-year period. The dog groomer has been in the space for four years and has made significant tenant improvements. Two years ago the previous owner Lauri Lock sold the business to Kathryn Brewer, but remained on the lease as the responsible party. Kathryn Brewer would like to renew the lease and continue to operate the business.

The lease was written to allow either party to terminate the lease upon ninety days' written notice. The ninety days' notice allows the Town to take back the space if needed, sooner than anticipated, for the widening of Aldecoa Road. The timing of the roadway widening will be five years or longer depending on development.

The rent will increase by 3% if the lease renewal is approved. The current rent is \$953.00 per month plus tax, and it will increase to \$982.00 plus tax the first year. The space is 500 square feet and the annualized rate will be \$23.56 per square foot the first year.

Fiscal Impact:

Lease agreement with the Dog House will provide revenue to the Town Center fund totaling \$11,874 over the one-year period.

Alternatives:

The Town Council could choose not to continue leasing this property to the current tenant, and forego the \$11,874.00 revenue over the next year. This would require a 90-day notice to vacate for

the current tenant, and the issuance of a RFP for other uses for this space.

The Town Council could choose not to lease the property to this tenant, and seek other qualified tenants.

The Town Council could direct staff to re-negotiate the lease rate and terms with the current tenant.

Attachment(s):

1. [Lease Agreement](#)

LEASE AGREEMENT

1. **Basic Terms.** This Section 1 contains the Basic Terms of this Lease (“**Lease**”) by and between Landlord and Tenant as each is named below. Landlord and tenant may be referred to each individually as a “**Party**” and collectively as the “**Parties**”.

1.1. Effective Date of Lease: February 1, 2023 (“**Effective Date**”).

1.2. Landlord: Town of Queen Creek, an Arizona Municipal Corporation

1.2.1. Landlord’s Notice Address: Town of Queen Creek
Attn: Town Manager
22350 S. Ellsworth Road
Queen Creek, AZ 85142

With a copy to: Dickinson Wright PLLC
Attn: Scott Holcomb
1850 N. Central Ave., Ste 1400
Phoenix, Arizona 85004
sholcomb@dickinsonwright.com

1.3. Tenant: Kathryn L. Brewer, an Individual

1.3.1. Tenant’s Notice Address: Kathryn L. Brewer
22249 S. Ellsworth Road
Queen Creek, AZ 85142
thedoghousepetsalongcaz@gmail.com

1.4. Premises: The 500 square foot building (“**Building**”) located north and east of the 822 square foot building (“**Additional Building**”), both located at 22249 S. Ellsworth Road, Queen Creek, Arizona, and as more particularly depicted on Exhibit “A” (the “**Premises**”).

1.5. Property: The real property on which the Premises is located, with an address at 22249 S. Ellsworth Road, Queen Creek, Arizona, as more particularly described in Exhibit “B” (the “**Property**”).

1.6. Lease Term: One (1) years (the “**Initial Lease Term**”), commencing on February 1, 2023 (the “**Commencement Date**”).

1.7. Permitted Uses: The Premises shall be used for the purpose of a dog grooming salon by Tenant and for such other lawful purposes as may be incidental thereto. Tenant shall obtain and keep current a Town of Queen Creek Business License and all necessary licenses from the Maricopa County Environmental Services (or similar regulatory body) in order to conduct Tenant’s proposed business hereunder. Tenant shall comply with all governmental laws, ordinances and regulations applicable to the use of the Premises, and shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Premises, all at

Tenant's sole expense. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action which would constitute a nuisance. Tenant shall not permit the Premises to be used for any purpose or in any manner (including without limitation any method of storage) which would render the insurance maintained by Landlord thereon void or the insurance risk more hazardous. (See Section 3.1).

1.8. Security Deposit: \$775.00 (“**Security Deposit**”) (See Section 4).

1.9. Base Rent Payable by Tenant is (See Section 2):

1.9.1. Year 1: \$982.00 monthly, plus all amounts owed for Additional Rent, as set forth in Section 2.3.

1.10. Exhibits and Addendums:

1.10.1. Exhibit A – Rules and Regulations

2. **Lease of Premises.**

2.1. Rent. Landlord hereby leases the Premises to Tenant, and Tenant hereby rents the Premises from Landlord, for the Term and subject to the conditions of this Lease. Tenant shall pay net base rent (the “**Base Rent**”) to Landlord in monthly installments, in advance, on the first day of each and every calendar month during the Term, in the amounts set forth in Section 1.9 of the Basic Terms. In the event that the Lease Term shall commence in the middle of the month, the first and last month's installment of Rent shall be prorated based on a 30-day month. Commencing on the first (1st) anniversary of the Commencement Date, and on each anniversary thereafter, the Rent shall increase by an amount equal to three percent (3%) of the Rent in effect during the immediately preceding lease year.

2.2. Late Charges. Tenant shall pay to Landlord a sum equal to ten percent (10%) of the monthly Base Rent due hereunder for each month Base Rent is not paid by the fifth (5th) day after the due date of the month in which the Base Rent is due (a “**Late Charge**”).

2.3. Additional Rent. In addition to, and concurrent with, any payment of Rent and any applicable Late Charge, Tenant shall also pay to Landlord without demand or offset, or delay, as additional rent, all other amounts to be paid by Tenant to Landlord pursuant to this Lease, including without limitation any transaction privilege tax (in the amount set by applicable laws and regulations in effect at the time payment is due, currently 2.75% of the Rent) or use tax assessed against Landlord in connection with this Lease or Tenant's use of the Premises (**\$27.00** for the first year). All amounts owed by Tenant pursuant to this Section 2.3, and as may otherwise be required pursuant to this Lease, including as set forth in Section 13, shall be deemed to be “**Additional Rent**” (together with Base Rent, “**Rent**”), whether or not designated as such, and shall be due and payable within ten (10) days after receipt by Tenant of Landlord's statement. Tenant shall also pay to Landlord, as Additional Rent, within thirty (30) days of Tenant's receipt of notice and supporting documentation thereof: (i) any incremental additional utility charges to the Property incurred as a result of Tenant's use of the Premises; and (ii) any increase in real property

taxes solely and directly attributable to Tenant's use of the Premises. Landlord shall have the same remedies for the failure to pay Additional Rent or any Late Charge as for the non-payment of Base Rent. All Rent shall be payable in lawful money of the United States of America.

3. Use.

- 3.1. Use of the Premises. The Premises shall be used by the Tenant for the purpose(s) set forth in Section 1.7 above and for no other purpose whatsoever (the “**Permitted Use**”) without the prior written consent of Landlord, to be granted or withheld in Landlord’s sole discretion. Tenant's use of the Premises shall comply with all applicable Town of Queen Creek Codes and any other applicable laws, rules, codes and regulations, including any amendments or changes thereto, including, without limitation, obtaining any permits or governmental approvals required to conduct the Permitted Use within the Premises. Notwithstanding any provision of this Lease to the contrary, Landlord’s approval of any plans, specifications, or changes to the Permitted Use shall not be deemed approval of any required submission, permitting, plan review, or other governmental process of the Town of Queen Creek. Tenant shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Premises, all at Tenant’s sole expense. Tenant shall not permit any objectionable or unpleasant odors, smoke, dust, gas, noise or vibrations to emanate from the Premises, nor take any other action, which would constitute a nuisance. Tenant shall not permit the Premises to be used for any purpose or in any manner (including without limitation any method of storage) which would render the insurance maintained by Landlord thereon void or the insurance risk more hazardous. Without limiting the foregoing, the Premises (including any common areas associated therewith) shall not be used: (a) for the sale of cannabis, cannabis paraphernalia or products featured as relating to cannabis, its use, storage, distribution or cultivation; or (b) as living quarters for any person. All use of the Premises is subject to the Rules and Regulations set forth in Exhibit “C”.
- 3.2. Signage. Tenant will not construct or install any signs, banners, or other advertising material visible from the exterior of the Premises without prior written consent of Landlord, to be granted or withheld in Landlord’s sole discretion. Tenant shall be responsible for cost of any such signs (including sign permits), and for compliance with all applicable laws. All signage shall be removed by Tenant at its sole cost and expense on or prior to the expiration or earlier termination of the Lease, and Tenant shall repair all damage to the Premises or the Property resulting from its removal. Tenant’s obligation under this Section 3.2 shall survive the expiration or earlier termination of the Lease.
- 3.3. Increase in Insurance Premiums. If an increase in any insurance premiums paid by Landlord for the Property occurs as a result of Tenant’s use of the Premises, then Tenant shall pay the amount of such increase to Landlord as Additional Rent.
- 3.4. Noise; Nuisance. Tenant shall not commit or suffer to be committed any nuisance upon the Premises, or any part thereof, or any act or thing which may disturb the quiet enjoyment of any neighbor.

- 3.5. Waste, Trash, or Debris. Any waste, trash, or debris create by or on behalf of Tenant outside of the Premises must be immediately cleaned and properly disposed of by the Tenant. If Tenant fails to clean any waste, trash, or other debris, Landlord may clean or dispose of such waste, trash, or debris on account of the Tenant, and Tenant shall pay Landlord for any costs incurred by Landlord as Additional Rent.
- 3.6. Parking. There shall be no overnight onsite employee parking. Parking of any trailers at the property is prohibited at any time. Tenant will not repair any vehicles in the parking area, except in areas designated for such use by Landlord. Tenant shall continue to keep the parking area clear of any debris, oil, vehicle liquids, etc. and shall maintain a neat and professional appearance around this area at all times. The covered carport on the shared lot with the Additional Building is not for Tenant's use or Tenant's customer's use. Tenant and Tenant's customers may use the uncovered parking spaces in the front or rear of said lot.
- 3.7. Abandonment. If Tenant shall abandon, vacate, or surrender said Premises or be disposed by process of law or otherwise, any personal property belonging to Tenant and left on the Premises shall be deemed to be abandoned at the option of Landlord.
- 3.8. Regulatory Compliance. Tenant shall, at Tenant's sole cost and expense, comply with all statutes, ordinances, regulations, rules, codes, by-laws, orders and requirements of any governmental authority having jurisdiction, and all restrictions, covenants and encumbrances of record with respect to the Premises, including, without limitation the Americans with Disabilities Act of 1990 ("ADA"), and all regulations promulgated thereunder, in each such case as it affects Tenant's use and/or occupancy of the Premises. Landlord's approval of the Lease, proposed use, proposed Alterations (as defined below) and/or any other item requiring Landlord's approval shall in no way be considered any warranty or representation, either express or implied, by Landlord, that any such items are proper or sufficient for Tenant's particular purposes or that said items or the Premises are appropriate for any permits and/or licenses (including but not limited to conditional use permits, building permits, zoning variances, ADA compliance and other governmental approvals, collectively, "**Government Approvals**") that are required by applicable laws to enable Tenant legally to conduct its business from the Premises and Landlord shall have no obligation, duty or responsibility to take any action necessary to obtain any such Governmental Approvals. Tenant expressly acknowledges and agrees this Lease is expressly not conditioned upon Tenant obtaining any such Governmental Approvals.
- 3.9. Rules and Regulations. Tenant agrees that it will abide by, heed and observe all rules and regulations set forth on Exhibit "C", along with all reasonable rules and regulations which Landlord may make from time to time for the management, safety, care, and cleanliness of the building and grounds, the parking of vehicles and the preservation of good order therein. Tenant acknowledges that Landlord shall have the right (but not the obligation) to, from time to time change, alter, amend and enforce the rules and regulations set forth on Exhibit "C". Violation of any such rules and regulations shall be deemed a material breach of this Lease by Tenant.
- 3.10. Non-interference. Tenant shall not use the Premises in any way that interferes with the use of the Property by: (i) Landlord; or (ii) existing tenants, licensees, invitees, or guests

of Landlord (collectively, “**Existing Users**”), provided that Tenant has exclusive use of the Premises, subject to the terms of this Lease. At Landlord’s request, Tenant shall move any items that may be stored in the parking areas and other locations outside of the Premises, as may be necessary for Landlord / Town of Queen Creek operations.

So long as Tenant is not in breach of this Lease, Landlord shall not interfere with Tenant’s use and quiet enjoyment of the Premises, provided that continued use by Landlord or Existing Users in the same manner as existed as of the Commencement Date shall not constitute interference with Tenant’s use or quiet enjoyment of the Premises, and provided that Landlord shall be entitled to reasonable access to the Premises such that Landlord and Landlord’s agents, employees, contractors, and representatives may inspect the Premises and perform general maintenance services without undue interruption, delay, or hindrance, and as set forth in Section 14.

3.10.1. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Section 3.10 and therefore the Parties shall have the right to seek equitable remedies including, without limitation, injunctive relief or specific performance.

4. **Security Deposit.** Tenant’s previously tendered deposit in the amount of \$775.00 (“Deposit”) shall be held as security for Tenant’s performances hereunder. If, at the close of the term hereof, Tenant is not in default, the Deposit shall be reasonably promptly returned to Tenant after Landlord inspects the Premises and finds that Tenant has not caused any unrepaired damage thereto and has otherwise abided by the terms of this Lease. If at any time Tenant is in default under this Lease, Landlord may utilize the Deposit or any portion thereof to cure Tenant’s default, without waiving Tenant’s default. Tenant shall thereupon immediately pay the Landlord the amount of the Deposit so utilized as a condition to any other cure of Tenant’s defaults hereunder.
5. **Condition of Premises.** Tenant acknowledges and agrees that it has had full opportunity to inspect the Premises and is familiar with the condition of both the Premises and the Property and accepts the Premises, and specifically the Building and improvements located thereon, in their present condition as suitable for the purpose for which the Premises are leased. Tenant agrees that Tenant hereby accepts the Premises on an “AS-IS, WHERE-IS” basis, without any representation or warranty from Landlord whatsoever with respect thereto. By taking of possession of the Premises, Tenant shall be deemed conclusively to establish that said Building and other improvements are in good and satisfactory condition as of when possession was taken. Tenant further acknowledges that no representations as to the condition or repair of the Premises have been made by Landlord, unless such are expressly set forth in this Lease. Landlord has no obligation to alter, remodel or improve the Premises.
6. **Attornment; Estoppel; Release of Landlord.** This Tenant agrees, within five (5) business days after request by Landlord, to deliver to Landlord, or Landlord’s designee, an estoppel certificate stating such matters pertaining to this Lease as may be reasonably requested by Landlord. In the event of a sale or conveyance by Landlord of the Property or any assignment of Landlord’s interest in this Lease, the same shall operate to release Landlord from any future liability for any of the covenants or conditions, express or implied, herein contained in favor

of Tenant, and in such event Tenant agrees to look solely to Landlord's successor in interest with respect thereto and agrees to attorn to such successor.

7. **Assignment, Subletting, and Mortgaging.** Tenant shall not, whether voluntarily, by operating of law, or otherwise, sublet, assign, mortgage, pledge, encumber, or otherwise hypothecate or transfer this Lease (or any interest therein) or the Premises, or any part thereof, in any manner whatsoever without Landlord's consent, which consent may be withheld or granted in Landlord's sole discretion. Any attempted assignment or other action in violation of this Section 7 shall be void ab initio. In the event that Landlord consents to any such sublet, assignment, or transfer of this Lease, Tenant and any guarantors of Tenant's obligations shall remain jointly and severally liable with any such assignee for Tenant's responsibilities and liabilities hereunder

8. **Environmental Matters.**

8.1. Indemnity. Tenant shall defend, indemnify and hold harmless Landlord, its agents, officers, officials and employees for, from and against any and all claims, damages, losses, costs, liens, encumbrances, liabilities and expenses, including, but not limited to, reasonable attorneys', accountants' and investigators' fees and court costs (collectively "**Claims**"), arising out of or in connection with Tenant's violation of any Hazardous Materials Law or use of Hazardous Materials. Landlord represents and warrants to Tenant that Landlord: (i) is not presently engaged in, (ii) does not presently have actual knowledge of, (iii) has not at any time in the past engaged in, and (iv) has no actual knowledge that any third person or entity has engaged in or permitted any operations or activities upon, or any use or occupancy of, the Premises, or any portion of the Property, for the purpose of, or in any way involving the handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal), accidental or intentional, of any Hazardous Materials regulated under any Hazardous Materials Laws.

8.2. Definitions.

8.2.1. "**Hazardous Materials Laws**" means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions (including the so-called "common-law") relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental conditions on, under or about the Property, or soil and ground water conditions, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. §6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., any amendments to the foregoing, and any similar federal, state or local laws, ordinances, rules, decrees, orders or regulations.

8.2.2. "**Hazardous Materials**" means any chemical, compound, material, substance or other matter that: (i) is a flammable explosive, asbestos, radioactive material, nuclear medicine material, drug, vaccine, bacteria, virus, hazardous waste, toxic substance, petroleum product, or related injurious or potentially injurious material, whether injurious or potentially injurious by itself or in combination with other materials; (ii)

is controlled, designated in or governed by any applicable Hazardous Materials Law; (iii) gives rise to any reporting, notice or publication requirements under any Hazardous Materials Law; or (iv) gives rise to any liability, responsibility or duty on the part of Tenant or Landlord with respect to any third person under any Hazardous Materials Law.

8.2.3. Tenant's and Landlord's obligations under this Section 8 shall survive the expiration or other termination of this Lease.

9. Insurance.

9.1. Liability Insurance. Tenant shall, at all times during the term of this Lease and at its own cost and expense, maintain, procure and continue in force commercial general liability insurance for personal injury, bodily injury (including wrongful death) and property damage with a combined single limit of not less than Three Million and No/100 Dollars (\$3,000,000.00), per occurrence, Three Million and No/100 Dollars (\$3,000,000.00), annual aggregate, and shall insure against all liability of the insured with respect to the Property, or arising out of the maintenance or use thereof. The commercial general liability policy shall contain a contractual liability endorsement specifically deleting the contractual liability exclusion for personal injury. All liability insurance policies obtained by Tenant shall name Landlord as additional insureds. In addition, Tenant's liability insurance policies shall be endorsed as needed to provide cross-liability coverage for Tenant and Landlord and shall provide for severability of interests. Evidence of general liability insurance meeting the requirements of Acord Form No. 25 (the "Certificate") shall be delivered to Landlord prior to Tenant's use of the License Property and thereafter, Certificates thereof shall be delivered to Landlord within thirty (30) days prior to the expiration of the term of each such policy. All policies of insurance delivered to Landlord must contain a provision that the company writing the policy will give Landlord twenty (20) days' notice in writing in advance of any cancellation. All commercial or general liability policies shall be written as primary policies and shall provide that any insurance which Licensor may carry is strictly excess, secondary and non-contributing with any insurance carried by Licensee. If insurance lapses, Licensor may immediately terminate this Agreement without further action or notice.

9.2. Property Insurance. Tenant, at its sole cost and expense, shall obtain and continuously maintain in full force and effect during the Term, policies of insurance covering the Premises and Property, naming Landlord as an additional insured, against (a) loss or damage by fire; (b) loss or damage from such other risks or hazards now or hereafter embraced by an "Extended Coverage Endorsement," including but not limited to windstorm, hail, explosion, vandalism, riot and civil commotion, damage from vehicles, smoke damage, water damage and debris removal; (c) loss from so-called explosion, collapse and underground hazards (to the extent applicable); and (d) loss or damage by boiler and pressure vessel (including, but not limited to, pressure pipes, steam pipes and condensation return pipes) explosion or damage. The insurance must cover, without limitation, heating, ventilating and air conditioning equipment, storefront, glass, plate glass, and anything in the nature of leasehold alterations, additions or improvements. The perils insured against must include all risks of direct physical loss or damage. At all times, such insurance coverage shall be in an amount sufficient to prevent Landlord and Tenant

from becoming co-insurers (i.e., being penalized) under the provisions of any applicable property insurance policies, but in any event in an amount not less than the then Full Replacement Cost of the improvements. “**Full Replacement Cost**” shall mean the cost of replacing the improvements without deduction for depreciation or wear and tear, and it shall include a reasonable sum for architectural, engineering, legal, administrative and supervisory fees connected with the restoration or replacement of the improvements in the event of damage thereto or destruction thereof. If a sprinkler system shall be located in the Property, sprinkler leakage insurance shall be procured and continuously maintained by Tenant at Tenant’s sole cost and expense.

10. **Alterations.** Tenant shall not make allow to be made any alterations, additions, or improvements in or to the Premises (including but not limited to roof and wall penetrations) (collectively, “**Alterations**”) without first obtaining Landlord’s written consent, in Landlord’s sole discretion, based on detailed plans and specifications submitted by Tenant. In the event that Landlord consents to any Alterations, Landlord shall have the right, at Landlord’s election, to supervise the Alteration work. Tenant agrees that all such work shall be done at Tenant’s sole cost and expense, in accordance with the plans and specifications approved by Landlord and in a good and workmanlike matter, that the structural integrity of the Premises shall not be impaired, and that no liens shall attach to all or any part of the Premises or Property by reason thereof. Tenant shall also obtain, at its sole expense, permits or governmental approvals for all work requiring such a permit or governmental approval before making any structural or other changes to the Building (such tenant improvements and structural changes as set forth in the permit application being herein called “**Tenant’s Work**”). Once commenced, Tenant’s Work shall be promptly pursued to completion in a lien-free and good workman like manner in accordance with said building permit and all codes. A list of Tenant’s Work and building permits (if, as and when issued) will be attached as Exhibits to this Lease and shall become a portion of Tenant’s obligations hereunder.
11. **Inspection.** Landlord and Landlord’s agents and representatives shall have the right to enter and inspect the Premises at any reasonable time during business hours, for the purpose of ascertaining the condition of the Premises or in order to make such repairs as may be required or permitted to be made by Landlord under the terms of this Lease.
12. **Landlord’s and Tenant’s Property.** All fixtures, machinery, equipment, improvements, and appurtenances attached to, or built into, the Premises (collectively, “**Fixtures**”) at the Commencement Date or during the Term, whether or not placed there by or at the expense of the Tenant, shall become and remain a part of the Premises, shall be deemed the property of Landlord and shall not be removed by Tenant at the Expiration Date unless Landlord requires their removal in Landlord’s sole discretion, all such Fixtures being “**Landlord’s Property**”. All movable non-structural partitions, business and trade fixtures, machinery and equipment, and communications equipment that are installed in the Premises by (or for) Tenant and without expense to Landlord and that can be removed without structural damage to the Property, and all furniture, furnishings and other articles of movable personal property owned by Tenant and located in the Premises (collectively, the “**Tenant’s Property**”) shall be and shall remain the property of Tenant. At or before the Expiration Date, or the date of any earlier termination of this Lease, Tenant, at its expense, shall remove from the Premises all of Tenant’s Property, any Alterations (except such items thereof as constitute Landlord’s Property unless Landlord otherwise directs) and any Fixtures designated by Landlord as requiring removal and

Tenant shall repair any damage to the Premises or the Property resulting from any installation and/or removal thereof. If any items of Tenant's Property remain at the Premises following the expiration or termination of this Lease, such items shall automatically be deemed abandoned and Landlord may take any action whatsoever as Landlord may desire with respect to such remaining items of Tenant's Property, and Tenant shall pay Landlord for any costs incurred.

13. Repairs and Maintenance.

13.1. Landlord's Duty to Maintain. Landlord shall keep and maintain the structural portions of the Premises, excluding doors, HVAC, door frames, door checks, windows, and window frames located in exterior building walls, in good repair, provided that Landlord shall only be required to make repairs to the structural portions of the Premises upon prior written notice of the necessity of such repairs from Tenant. Tenant shall immediately give Landlord written notice of defect or need for repairs, after which Landlord shall have reasonable opportunity to repair the same or cure such defect. Landlord's liability with respect to any defects, repairs, or maintenance for which Landlord is responsible under any of the provisions of this Lease shall be limited to the cost of such repairs or maintenance or the curing of such defect. Landlord shall not be required to make any such repairs arising out of the misuse or neglect of the Property by Tenant, its agents, employees, invitees, licensees or contractors, and any repairs required to be made due to such misuse or neglect shall be Tenant's responsibility. Landlord shall not be required to make any other improvements of any kind upon the Property. Except as provided in this Section 13.1, Landlord shall have no obligation to repair, maintain, alter or modify the Property or any part thereof or any plumbing, heating, electrical, air conditioning or other mechanical installation therein.

13.2. Tenant's Duty to Maintain. Tenant shall at its own cost and expense keep and maintain all parts of the Premises (except those for which Landlord is expressly responsible under the terms of this Lease) in good condition, promptly making all necessary repairs and replacements, including but not limited to, windows, glass and plate glass, doors, interior walls and finish work, floors and floor covering, termite and pest extermination, regular removal of trash and debris, regular mowing of any grass, trimming, weed removal and general landscape maintenance. Tenant shall maintain and bear the expense of the light fixtures and bulbs, air conditioning filters, janitorial services, interior pest control, and the like. Tenant shall not cause or permit any penetrations of any sort into or under the roof. Tenant will not cause or permit accumulation of any debris or extraneous matter on the roof of the Premises and will be responsible for any damage caused to the roof by any acts of the Tenant, its agents, servants, employees or contractors of any type or nature.

13.2.1. In accordance with any applicable municipal regulations, and at its own expense, Tenant shall:

13.2.1.1. Place any rubbish or other matter outside the building on the Premises only in such containers as are authorized from time to time by Landlord;

13.2.1.2. See that there are no undue accumulations of garbage and refuse; keep the same in proper containers on the interior of the Premises, until called for collection; remove the same at Tenant's expense;

13.2.1.3. Keep the outside areas immediately adjoining the Premises clean and free from debris and not to place or permit any rubbish or obstructions in such areas; and

13.2.1.4. Keep the Premises (including all exterior surfaces and both sides of all doors and glass) clean, orderly, sanitary and free from objectionable odors, insects, vermin and other pests.

13.2.2. If Tenant refuses or neglects to begin and to complete repairs or maintenance required pursuant to this Lease promptly and adequately, Landlord may, but shall not be required to, make and complete said repairs and Tenant shall pay the cost thereof to Landlord as Additional Rent upon demand. Landlord shall not be obligated to repair, replace, maintain or alter the Premises, and Tenant waives all laws in contravention thereof. With regard to repairs, Tenant expressly waives any right pursuant to any law now existing or which may be effective during the term hereof, to make repairs at Landlord's expense.

13.3. HVAC Maintenance and Repair. By signing this Lease, Tenant accepts the HVAC in as is condition and Tenant shall, at its own cost and expense, enter into a regularly scheduled preventative maintenance/service contract for servicing all heating and air-conditioning systems and equipment servicing the Premises. Landlord is responsible to deliver the HVAC in good working order at the commencement of said Lease term. The maintenance contractor and the contract must be approved by Landlord, such contractor to be chosen from those chosen by Landlord to service Landlord's facilities. The service contract must include all services suggested by the equipment manufacturer within the operation/maintenance manual and must become effective (and a copy be delivered to Landlord) within thirty (30) days of the date Tenant takes possession of the Premises. If the Tenant fails to enter into such service contract as required, Landlord shall have the right to do so on Tenant's behalf and Tenant agrees to pay Landlord the cost and expense of same upon demand.

13.4. Common Area Maintenance. Tenant to pay Tenant's pro rata share of the maintenance, repair, and replacement costs for the common areas, including the parking lot and grounds, as depicted on Exhibit "D". Tenant shall coordinate with all other occupants of the Property, if any, so that each occupant is responsible for its own share of such common area maintenance expenses.

14. Taxes; Utilities.

14.1. Taxes. Tenant shall pay promptly when due all real estate taxes and assessments of every kind, and whatever name, levied upon or assessed against the said Premises, including any applicable tax under A.R.S. § 42-6201 et. seq. Tenant's failure to pay any such taxes, after notice and opportunity to cure as provided in Section 20, is an event of default and could result in the termination of this Lease and Tenant's right to occupy the Premises and Property. Furthermore, Tenant shall pay to the appropriate taxing authority, not later than ten (10) days prior to delinquency, all personal property taxes assessed against any personal property located on or used in connection with the Premises.

14.2. Occupancy, Sales and Rent Taxes. In addition to and together with rent and additional rent, Tenant shall pay to Landlord any governmental taxes now or in the future imposed on rents collected or paid pursuant to the terms of this Lease, including, without limitation, state or local rental, occupancy, sales, transaction privilege and excise taxes.

14.3. Utilities. Tenant shall purchase all utility services from the utility or municipality providing such service; shall provide for regular scavenger, cleaning and extermination services; and shall pay for such services when payments are due. In the event any utilities are not separately metered to the Premises, Tenant shall coordinate with all other occupants of the Property, if any, so that each occupant is responsible for its own share of such shared utility expense. Tenant acknowledges that Tenant shares an electric meter and a water meter with the Adjoining Building. Tenant shall coordinate with the Adjoining Building's tenant to pay one third of the electric bill and Adjoining Tenant shall pay two thirds of the electric bill. Should the tenant of the Adjoining Building vacate the premises, Tenant shall assume all utilities in their full amount. Landlord shall pay the water bill in its entirety, and Landlord will monitor water usage and notify tenants if the water usage is deemed excessive.

15. **Landlord's Rights.** Landlord, and its agents, employees and representatives shall have the right to enter and/or pass through the Premises at any time upon reasonable prior notice (except that no such notice is required in the event of an emergency): (a) to examine and inspect the Premises; (b) to make repairs and improvements in or to the Premises and the Property; and (c) to exhibit the Premises to prospective purchasers or tenants.

16. **Non-Liability, Indemnification, and Force Majeure.**

16.1. Indemnity. None of Landlord, any other managing agent, or their respective affiliates, owners, partners, directors, officers, agents and employees shall be liable to Tenant for any loss, injury, or damage to Tenant or to any other person, or to its or their property, irrespective of the cause of such injury, damage or loss unless due to the gross negligence or willful misconduct of any of the Landlord Indemnified Parties (as hereinafter defined).

Landlord and its affiliates, owners, partners, directors, officers, agents and employees (collectively, "**Landlord Indemnified Parties**") harmless from and against any and all claims, demands, expenses actions, judgments, damages (whether direct or indirect, known or unknown, and foreseen or unforeseen), penalties, fines, liabilities, losses, suits, administrative proceeding costs and fees, including, without limitation, reasonable attorneys' fees, arising out of in whole or in part or in connection with (a) any act, omission, negligence or willful misconduct of any or all of Tenant and any or all of Tenant's officers, directors, members, managers, partners, invitees, agents, employees, contractors or representatives (collectively, "**Tenant's Parties**"); (b) any accident, injury or damage whatsoever (unless solely caused by Landlord's negligence) occurring in, at or upon either or both of the Property and the Premises and caused by any or all of Tenant and Tenant's Parties; (c) any breach by Tenant of any of its warranties and representations under this Lease; (d) any actions necessary to protect Landlord's interest under this Lease in a bankruptcy proceeding or other proceeding under the Bankruptcy Code; (e) any violation or alleged violation by any or all of Tenant and Tenant's Parties of any law including, without limitation, any environmental law; (f) claims for work or labor

performed or materials supplies furnished to or at the request of any or all of Tenant and Tenant's Parties; or (g) claims arising from any breach or default on the part of Tenant in the performance of any covenant contained in this Lease.

The provisions of this Section 16 shall survive the expiration or termination of this Lease.

- 16.2. **Force Majeure.** Each of the obligations of Tenant (except the obligation to pay Rent, Late Charge, Additional Rent, any other payments required hereunder, and the obligation to maintain insurance and provide evidence thereof, in accordance with Section 9) and each of the obligations of Landlord, shall be excused, and neither Landlord nor Tenant shall have any liability whatsoever to the other, to the extent that any failure to perform, or delay in performing such obligation arises out of either or both of (i) any labor dispute, governmental preemption of property in connection with a public emergency or shortages of fuel, supplies, or labor, or any other cause, whether similar or dissimilar, beyond Landlord's or Tenant's, as the case may be, reasonable control; (ii) any failure or defect in the supply, quantity or character of utilities furnished to the Premises, or by reason of any requirement, act or omission of any public utility or others serving the Property, beyond Landlord's or Tenant's, as the case may be, reasonable control; and (iii) any actions or inactions of governmental authorities (items (i), (ii) and (iii), collectively, "**Force Majeure Events**")
17. **Damage or Destruction.** If either or both of the Property and the Premises is damaged by fire or other insured casualty, Landlord shall have the option either: (a) to terminate this Lease within thirty (30) days after said destruction or casualty effective as of the date upon which Tenant receives timely written notice thereof; or (b) to restore and rebuild the Property and/or the Premises with reasonable dispatch. In no event, however, shall Tenant have the right to terminate this Lease. If Landlord elects to repair and restore the Property (or Premises, as the case may be), Tenant shall not be entitled to (and Landlord shall have no obligation to pay) any damages or compensation, of any nature, for any purported inconvenience, loss of business or annoyance from any repair or restoration undertaken by or on behalf of Landlord under this Section 17 unless such direct damages result from Landlord's gross negligence or willful misconduct. Notwithstanding the foregoing, if a casualty renders all or part of the Premises untenable, Rent shall proportionately abate commencing on the date of the casualty and ending when the Premises are delivered to Tenant. The extent of the abatement shall be based upon the portion of the Premises rendered untenable, inaccessible or unfit for use in a reasonable business manner for the purposes stated in this Lease as reasonably determined by Landlord.
18. **Eminent Domain.** If the whole, or any substantial portion, of the Property is taken or condemned for any public use under any law or by right of eminent domain, or by private purchase in lieu thereof, and such taking would prevent or materially interfere with the Permitted Use of the Premises, this Lease shall terminate effective when the physical taking of said Premises occurs. If less than a substantial portion of the Property is so taken or condemned, this Lease shall not terminate, but the Rent payable hereunder shall be proportionally abated to the extent of any actual loss of use of the Premises by Tenant. Landlord shall be entitled to any and all payment, income, rent or award, or any interest therein whatsoever, which may be paid or made in connection with such a taking or conveyance.

19. **Surrender and Holdover.** On the last day of the Term, or upon any earlier termination of this Lease, (a) Tenant shall quit and surrender the Premises to Landlord broom-clean, and in a condition that would reasonably be expected with normal and customary use in accordance with prudent operating practices and in accordance with the covenants and requirements imposed under this Lease, subject only to ordinary wear and tear (as is attributable to deterioration by reason of time and use, in spite of Tenant's reasonable care); and (b) Tenant shall remove all of Tenant's Property therefrom, except as otherwise expressly provided in this Lease. For purposes hereof, "broom-clean" shall mean: (i) all walls must be clean and free of holes; (ii) plate glass must be free of any cracked or broken panels; (iii) HVAC system must be in good working order, with filters changed and all thermostats in working order, and Tenant must supply Landlord with maintenance records; (iv) all floors must be clean and free of excessive dust, dirt, grease, oil and stains; (v) drop grid ceiling must be free of excessive dust from lack of changing filters and no ceiling tiles may be missing or damaged; (vi) all trash must be removed from both inside and outside of the Premises; (vii) all lightbulbs and ballasts must be working; (viii) all signs on the Premises or Property must be removed; (ix) hot water heater must work; (x) all plumbing fixtures, equipment and drains must be clean and in working order; (xi) windows must be clean; and (xii) all mechanical and electrical systems must be in good working condition. Tenant shall give written notice to Landlord at least thirty (30) days prior to vacating the Premises and shall arrange to meet with Landlord for a joint inspection of the Premises prior to vacating. In the event of Tenant's failure to give such notice or arrange such joint inspection, Landlord's inspection at or after Tenant's vacating the Premises shall be conclusively deemed correct for purposes of determining Tenant's responsibility for repairs and restoration. All repairs or restoration shall be performed to Landlord's reasonable satisfaction and Landlord shall have the right to perform, at Tenant's expense, any repairs or restoration that Tenant fails to perform. If Tenant remains in possession after the Expiration Date hereof or after any earlier termination date of this Lease, Tenant shall be deemed a month to month tenant, terminable upon thirty (30) days' written notice from Landlord, with all rent and other amounts due to be paid in accordance with Section 2. Tenant's obligations under this Section 19 shall survive the termination or expiration of this Lease.
20. **Events of Default.** Each of the following shall constitute a "**Default**" by Tenant under this Lease: (a) if Tenant fails to pay any or all of Base Rent, Additional Rent and any other payment when due and such failure continues for five (5) days following Landlord's written notice to Tenant specifying Tenant's breach of this Lease; (b) if Tenant fails to timely comply with, or satisfy, any or all of the obligations imposed on Tenant under this Lease when due and such failure continues for thirty (30) days following Landlord's written notice to Tenant specifying Tenant's breach of this Lease; (c) if Tenant makes a general assignment for the benefit of creditors, a petition under any state or federal bankruptcy or insolvency law is filed by or against Tenant (unless in the case of a petition filed against Tenant, the same is dismissed within fifteen (15) business days after filing), a receiver or trustee of Tenant, or of, or for, the property of Tenant shall be appointed, or Tenant admits it is insolvent or is not able to pay its debts as they mature; or (d) Tenant shall desert or vacate any substantial portion of the Premises. For purposes of this Section 20, Landlord shall send notice to the notice address provided in Section 1.3 of the Lease.
21. **Remedies.** In the event of any Default by Tenant under this Lease (and without additional or further notice or demand from Landlord, if any notice or demand was initially required under

Section 20), Landlord, at its option, may: (i) terminate this lease upon thirty (30) days' notice, or (ii) exercise any and all of its rights and remedies provided in this Lease, as well as any or all rights and remedies available at law or in equity. Any and all costs, expenses and disbursements, of any kind or nature, incurred by Landlord in connection with the enforcement of any and all of the terms and provisions of this Lease, including attorneys' fees and costs (through all appellate proceedings), shall be due and payable (as Additional Rent) upon Landlord's submission of an invoice therefor.

All sums advanced by Landlord on account of Tenant pursuant to any provision of this Lease, and all Base Rent and Additional Rent, if delinquent or not paid by Tenant and received by Landlord when due hereunder, shall bear interest at the rate of five percent (5%) per annum above the "prime" or "reference" or "base" rate (on a per annum basis) of interest publicly announced as such, from time to time, by JP Morgan Chase Bank NA (the "**Default Rate**"), from the due date thereof until paid, and such interest shall be and constitute Additional Rent and be due and payable upon Landlord's submission of an invoice therefor. If Tenant shall be in Default under this Lease, Landlord may cure the Default at any time for the account and at the expense of Tenant. If Landlord cures any Default on the part of Tenant, Tenant shall reimburse Landlord, upon demand, for any amount expended by Landlord in connection with the cure, including, without limitation, attorneys' fees and interest at the Default Rate.

The following are additional remedies available to Landlord and provisions addressing waivers (or potential waivers) of default: (a) The rights and remedies of Landlord set forth herein shall be in addition to any other right and remedy now and hereafter provided by law. All rights and remedies shall be cumulative and not exclusive of each other. Landlord may exercise its rights and remedies at any times, in any order, to any extent, and as often as Landlord deems advisable without regard to whether the exercise of one right or remedy precedes, concurs with or succeeds the exercise of another; (b) A single or partial exercise of a right or remedy shall not preclude a further exercise thereof, or the exercise of another right or remedy from time to time; (c) No delay or omission by Landlord in exercising a right or remedy shall exhaust or impair the same or constitute a waiver of, or acquiescence to, a Default; (d) No waiver of Default shall extend to or affect any other Default or impair any right or remedy with respect thereto; (e) No action or inaction by Landlord shall constitute a waiver of Default; and (f) No waiver or a Default shall be effective unless it is in writing and signed by Landlord.

22. **Broker.** Tenant represents and warrants that Tenant has not engaged or worked with any real estate broker with respect to the Premises. Tenant agrees to and hereby does defend, indemnify and hold Landlord harmless against and from any brokerage commissions or finder's fees or claims therefor by a party claiming to have dealt with the Tenant and all costs, expenses and liabilities in connection therewith, including, without limitation, reasonable attorneys' fees and expenses, for any breach of the foregoing. The foregoing indemnification shall survive the termination or expiration of this Lease.
23. **Notices.** All rent and other payments required to be made by Tenant to Landlord hereunder shall be payable to Landlord at the address set forth in Section 1.2.1 or at such other address as Landlord may specify from time to time by written notice delivered in accordance herewith. Tenant's obligation to pay rent and any other amounts to Landlord under the terms of this Lease shall not be deemed satisfied until such rent and other amounts have been actually received by Landlord. Any notice or document required or permitted to be delivered hereunder

shall be deemed to be delivered whether actually received or not when deposited in the United States Mail, postage prepaid, certified or registered mail, addressed to the Parties hereto at the respective addresses set out in Sections 1.2 and 1.3, or at such other address as they have heretofore specified by written notice delivered in accordance herewith.

24. Miscellaneous.

- 24.1. Entire Agreement; Modifications. This Lease shall constitute the entire agreement and understanding of the Parties with the subject matter hereof and supersedes all offers, negotiations and other agreements with respect thereto. There are no representations or understandings of any kind not set forth herein. Any amendment to this Lease must be in writing and executed by both Parties.
- 24.2. Governing Law; Jurisdiction and Venue. This Lease shall be governed by and construed or enforced in accordance with the laws of the State of Arizona without reference to conflict of laws principles. With regard to any litigation which may arise in regard to this Lease, each Party shall and does hereby submit exclusively to the jurisdiction of, and hereby agree that the proper venue shall be exclusively in, the Superior Court of Maricopa County, Arizona. The provisions of this Section 24.2 shall survive any termination or expiration of this Lease.
- 24.3. Severability. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect.
- 24.4. No Joint Venture. By executing this Lease, the Parties are not establishing any Joint undertaking, joint venture or partnership. Each Party shall be deemed an independent contractor and shall act solely for its own account
- 24.5. Conflict of Interest; Israeli Boycott. Pursuant to the provisions of Arizona Revised Statutes § 38-511, Landlord may cancel this Lease, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of Landlord is, at any time while this Lease or any extension hereof is in effect, an employee of Tenant in any capacity or a consultant to Tenant with respect the subject matter of the contract. Tenant certifies to Landlord that it is not currently engaged in, and agrees for the duration of this Lease not to engage in, a boycott of Israel as defined in A.R.S. § 35-393.
- 24.6. Incorporation by Reference. All Exhibits to this Lease and the Recitals set forth above are fully incorporated herein as though set forth at length herein.
- 24.7. No Liens. Tenant shall pay or cause to be paid all costs for work done by Tenant or caused to be done by Tenant on the Premises, and Tenant shall keep the Premises and the Property free and clear of all mechanics' liens and materialmen's liens, professional service liens and other liens on account of work done or materials supplied to Tenant or persons claiming under Tenant. Tenant shall keep Tenant's leasehold interest and any improvements which are or may become the property of Landlord pursuant to this Lease free and clear of all liens of attachment or judgment liens.

- 24.8. Gendered Terms. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires.
- 24.9. Successors and Assigns. The terms, provisions and covenants and conditions contained in this Lease shall apply to, inure the benefit of, and be binding upon, the Parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provided.
- 24.10. Captions. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.
- 24.11. Amendment. This Lease may not be altered, changed, or amended except by an instrument in writing signed by both Parties hereto.
- 24.12. Severability. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the term of this Lease, then and in that event, it is the intention of the Parties hereto that the remainder of this Lease shall not be affected thereby, and it is also the intention of the Parties that in lieu of each clause or provision of this Lease that is illegal, invalid, or unenforceable, there be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and be legal, valid, and enforceable.

[Signature Page Follows]

EXECUTED by Landlord, this _____ day of _____, 2023.

Julia Wheatley, Mayor

ATTEST:

Maria Gonzales, Town Clerk

Dickinson Wright, Town Attorneys

EXECUTED by Tenant, this _____ day of _____, 2023.

Kathryn L. Brewer

EXHIBIT A

RULES AND REGULATIONS

1. The outside sidewalks and loading areas on the Property shall be kept clean and free from dirt and rubbish by Tenant to the satisfaction of Landlord, and Tenant shall not place or permit any obstructions or equipment in such areas, except with Landlord's prior written consent.
2. Tenant shall not make or permit any unreasonable noise or odors that annoy or interfere with other property owners in the vicinity.
3. No radio or television aerial or satellite dish (or similar device) shall be installed or erected on the roof or exterior walls of the Premises, or on the grounds of the Property generally, without first obtaining in each instance the written consent of Landlord. Any aerial or satellite dish so installed without such written consent shall be subject to removal without notice at any time.
4. All of Tenant's refuse and rubbish shall be removed to trash bins located in the Property, at Tenant's sole cost and expense. Tenant shall not place any rubbish or other matter outside any building within the Property, except in such containers as are authorized from time to time by Landlord. Trash enclosures where any food-related trash is deposited shall be emptied on a daily basis. Dumpsters for food-related trash shall be supplied with closable lids, and shall be kept closed at all times. Trash shall not be allowed to accumulate outside of or within a trash enclosure, or outside of a dumpster or other approved receptacle. All necessary measures shall be taken to ensure that the accumulation of trash does not attract animals or insects.
5. No window coverings, shades, or awnings shall be installed or used by Tenant, except with prior written consent of Landlord.
6. No sign of any size or character shall be installed or affixed to any portion of the Property, except with prior written consent of Landlord.
7. Tenant shall make no use of the roof without obtaining the consent of Landlord.
8. Tenant shall not use any method of heating or air conditioning, other than as installed in the Premises at the commencement of the Lease, without Landlord's prior written consent.
9. Tenant shall not install, maintain or operate any vending machines upon the Premises unless Tenant's lease allows for this use.
10. Tenant shall not use, and shall not allow anyone else to use, the Premises as a habitation. Such prohibition shall include, without limitation, sleeping, or bathing in the Premises. If Landlord receives notice of any violation of this provision, Tenant shall immediately correct any violation or Landlord may at Landlord's sole option correct the violation at Tenant's sole cost and expense.
11. All loading and unloading of goods shall be done only at the times, in the areas, and through the entrances designated for such purposes by Landlord. The delivery or shipping of merchandise, supplies, and fixtures to and from the Premises shall be subject to such rules and regulations as in the reasonable judgment of Landlord are necessary for the proper operation of the Premises or of the Property generally.
12. Except as provided in the Lease, Tenant shall not store on the Property any vehicles, recreational vehicles, boats, trailers, storage sheds, storage containers or equipment. Tenant agrees that any breach of this paragraph 12 shall be removed at Landlord's option by Landlord at Tenant's sole cost and expense. This Paragraph shall include any of Tenant's employees, invitees or customers.

13. Tenant shall be responsible for the removal of any debris resulting from Tenant, its employees, customers, suppliers or visitors and at Landlord's option Landlord shall remove any of the above at Tenant's sole cost and expense.
14. Landlord reserves the right to make such other reasonable rules and regulations as it may from time to time deem necessary for the appropriate operation and safety of the Property, its occupants and customers. Tenant agrees to abide by such rules and regulations.



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: VANCE GRAY, FIRE CHIEF

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A LEASE AGREEMENT WITH BANNERAIR FOR THE LEASING OF LIVING SPACE AND ASSOCIATED UTILITY COSTS AT QUEEN CREEK FIRE STATION #5.

DATE: February 15, 2023

Suggested Action:

To approve the lease agreement between the Town of Queen Creek and BannerAir.

Relevant Council Goal(s):

KRA 9: Public Safety (Fire, Emergency Services, and Police/Sheriff)

Discussion:

BannerAir is a private air ambulance service that operates in Arizona and has one helicopter, along with a crew of three people, positioned at Banner Ironwood Hospital. Other helicopters and crews for BannerAir are staged at various Banner Hospitals throughout Arizona and respond to serious medical emergencies when requested.

Normally, when a helicopter and crew is positioned/staged at a hospital, there is also living space, or crew quarters, provided at the hospitals for the crew to use that is close to where the helicopter is positioned. The ability for Banner Ironwood to provide living space for the helicopter crew is temporarily not available due to recent expansion efforts at the hospital. In the near future, there is a plan for BannerAir to provide a building to operate as a crew quarters but that building is several months away from being completed. Currently, BannerAir is renting a residential home in the area of the hospital for a temporary living quarters but this arrangement is not optimal in providing acceptable response times to emergencies.

Based on this, discussions have taken place to consider allowing BannerAir to lease living space inside Queen Creek Fire Station #5 which is very close to Banner Ironwood and the location where the helicopter is positioned. Living space would be defined as dedicating three dorm rooms (places to sleep) and also allowing the use of "common areas" within the fire station which include areas like the kitchen and dining areas. The lease costs also include associated utility costs.

This lease agreement concept is not new for Queen Creek and is being used currently for another private ground ambulance company who leases space in other Queen Creek Fire Stations. The lease with BannerAir would be structured with very similar stipulations and exactly the same lease costs in place currently. The lease with BannerAir, if approved, would be a month-to-month agreement and the term would not extend past a one-year period, March 1, 2023 through March 1, 2024.

Fiscal Impact:

There would be a lease revenue of \$1,555.84 per month (\$18,670.10 annually) paid by BannerAir to Queen Creek.

Alternatives:

Queen Creek could opt not to lease space, requiring BannerAir to seek other options or remain in their current leased/rented space.

Attachment(s):

1. [BannerAir Lease Agreement.pdf](#)

LEASE

THIS LEASE ("Lease") is made this ____ day of _____, 2023 by and between the Town of Queen Creek, an Arizona municipal corporation ("Lessor"), and Banner Air _____, _____, an Arizona _____ ("Lessee"). Lessor and Lessee may be jointly called "Parties" or individually "Party".

WITNESSETH

WHEREAS Lessor is the owner of certain real property within the jurisdiction of Town of Queen Creek and the fire stations located thereon; and

WHEREAS Lessee desires to lease a portion of the real property herein described for the housing of emergency medical crew; and

WHEREAS it is in the best interests of the Town of Queen Creek to lease space to Lessee to emergency medical crews in Town of Queen Creek fire stations.

IN CONSIDERATION OF THE PREMISES and the mutual covenants herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by each Party to the other, the Parties hereto agree as follows:

1. PREMISES. That the subject of this Lease is more particularly described as space, as set forth below, located within Queen Creek Fire Station(s) designated as follows:

Station Number 5: 245 W. Combs Rd, Queen Creek, AZ 85142

The "Leased Premises" shall be an area located within Lessor's Fire Station, and shall include sleeping quarters for an ambulance crew consisting of three (3) individuals. The exact location of the Leased Premises within the Fire Station shall be subject to the approval of the Queen Creek Fire Chief, or his designee, in his sole and absolute discretion. The Parties acknowledge that by virtue of the physical layout of the Fire Station, the Lessee may be permitted to the non-exclusive use of

various "Common Areas" of the Fire Station. Common Areas shall not include any designated office space of Fire Captains or any law enforcement personnel. The designation and use of such Common Areas may be agreed upon by the Lessee and the Queen Creek Fire Chief. The Lessee shall have no access to Lessor's Emergency Medical Service (EMS) supply area.

2. OCCUPANCY PERIOD

Lessor hereby grants to Lessee 24-hour use of the Leased Premises.

3. TERM.

A. The Term of this Lease shall be a month-to-month term, with either party having the right to terminate this Lease upon giving thirty (30) days prior written notice. In the event that the timing of any such notice results in the termination of this Lease on a date that is in the middle of a calendar month, then the Rent payable for such month shall be appropriately prorated based on the actual number of days in such calendar month.

B. After one (1) calendar year, Lessor will meet with Lessee and review the cost to the Lessor of certain consumables (including without limitation office, cleaning and restroom supplies). Lessor reserves the right to either raise or lower the Lease rent at Lessor's discretion, supported by documentation, and in consultation with Lessee. Any resulting increase in rent shall not exceed five percent (5%) of the then existing Lease rent. Any such adjustment shall be provided to Lessee in writing.

4. WARRANTY. Upon the Commencement Date, Lessee shall accept the Leased Premise and fixtures in its existing condition. Lessee agrees that no representations, statements or warranties, express or implied, have been made by or on behalf of the Lessor as to the condition thereof. In no event shall the Lessor be liable for any defect in such Leased Premises or for any limitation on its use.

5. RENT.

A. Lessee shall pay to Lessor annual "Rent" in the amount of Eighteen Thousand Six Hundred Seventy and 10/100 (\$18,670.10). Lessee shall pay Rent in equal monthly installments, on the first (1st) day of each month during the Term, of One Thousand Five Hundred Fifty Five and 84/100 (\$1,555.84) per month.

B. All rental payments due under the terms of this Lease shall be addressed to

the Lessor at the below, unless and until another address is designated by Lessor for receipt of payments:

Town of Queen Creek
22358 S. Ellsworth Road
Queen Creek, Arizona 85142
Attn: Finance Director

All rental payments due herein are due and payable on the first (1st) day of each month without setoff or deduction, notice or demand. A late charge of Three Hundred Dollars (\$300.00) shall be added to each payment received by the Lessor ten (10) days after said rent becomes due and payable. Additionally, an additional Two Hundred Dollars (\$200.00) shall be due and payable every fifth (5th) day thereafter until thirty (30) days have elapsed. Thereafter, interest shall accrue on the outstanding balance as set forth in paragraph 23 below.

6. CITY AND STATE TAXES. In addition to the rent specified above, Lessee shall be responsible for all taxes, fees, and assessments arising as a result of this Lease, if any. Lessee further understands and agrees that in the event the Leased Premises become subject to government property lease excise tax pursuant to A.R.S. Title 42, Chapter 6, Article 5, Lessee shall pay such excise tax and Queen Creek shall have no responsibility whatsoever for such excise taxes.

7. SURRENDER OF PREMISES. Subject to the terms and conditions herein provided, it is agreed that at the expiration of any term of this Lease, or any sooner termination thereof, Lessee will quit and surrender the Leased Premises. At the termination of this Lease, Lessee shall surrender the Leased Premises to Lessor in the same condition as received, ordinary wear and tear excepted. If the Lessee should hold over the said term with the consent, express or implied, of Lessor, such holding over shall be construed as a tenancy only from month to month, and the Lessee shall continue to pay the prevailing rent for such term as Lessee holds same.

8. USE.

A. Lessee shall use the Leased Premises solely for the housing of medical crew, and for no other purpose without Lessor's prior written consent, which consent may be withheld in Lessor's sole and absolute discretion.

B. Lessee shall, at Lessee's expense, comply with all applicable statutes, ordinances, rules, regulations, orders, and requirements in effect during the term or any part of the Term hereof regulating the use by Lessee of the Leased Premises.

C. Lessee hereby accepts the Leased Premises in the condition existing as of the

date of the execution hereof, subject to all applicable zoning, municipal, county, and state laws, ordinances, and regulations governing and regulating the use of the Leased Premises, and accepts this Lease subject thereto and to all matters disclosed thereby and by any exhibits attached hereto. Lessee acknowledges that neither Lessor nor Lessor's agent have made any representation or warranty as to the suitability of the Leased Premises for the conduct of Lessee's business.

D. Lessee acknowledges that its use of the Leased Premises described herein are non-exclusive, and that the Leased Premises will also be used by the Lessor as a fire station, and for other municipal and governmental purposes as determined by Lessor.

9. SIGNS. Lessee shall place no signs, flags, or posters or other advertising or promotional materials on the Leased Premises, on the exterior of the building in which the Leased Premises are located, or in the windows of the Leased Premises without having obtained Lessor's prior written consent, which consent may be withheld at the sole discretion of the Lessor.

10. REPAIRS. Any repairs which are required to be done to the Leased Premises which are necessitated by the negligence or acts of the Lessee, its employees or agents, shall be repaired as determined by the Lessor, the cost of which shall be borne by the Lessee.

11. KEEPING PREMISES CLEAN. Lessee agrees to assist in keeping the Leased Premises inside and outside clean and neat at all times, including sidewalks, parking area and front and rear yards. Lessee is responsible for keeping their designated sleeping quarters.

12. ALTERATIONS AND ADDITIONS. Alterations and additions may not be made to the Leased Premises without the prior written consent of the Lessor, which consent may be withheld in Lessors sole and absolute discretion. Any alteration of or addition to the Leased Premises shall become part of the realty and shall belong to the Lessor upon termination of this Lease. Storage equipment that is freestanding and not mounted to any wall shall remain the property of the Lessee, and shall be removed upon expiration of this Lease or earlier termination thereof

13. LIENS CREATED BY LESSEE. Lessee shall have no power to do any act or to make any contract that may create or be the foundation for any lien upon the property on which the Leased Premises are located or other estate or reversion of the Lessor in the Leased Premises or upon any building or improvement thereon, and should any such lien be filed, the Lessee, at its sole cost and expense, shall bond or otherwise discharge the same within ten (10) days after the filing thereof.

14. PROHIBITION AGAINST ASSIGNMENT. Lessee shall not assign, mortgage or encumber this Lease nor sublet nor permit the Leased Premises or any part thereof to be used by others, without the prior written consent of the Lessor in each instance, which consent may be withheld in Lessors' sole and absolute discretion.

15. PROHIBITION AGAINST LESSEE. Lessee shall not, at any time, without first obtaining the Lessor's express written consent, which consent may be withheld in Lessors' sole and absolute discretion:

A. Perform any act or carry on any practice which may damage, mar or deface the Leased Premises, the building in which the Leased Premises is located, or the property on which the Leased Premises is located;

B. Install, operate or maintain in the Leased Premises any electrical equipment which will overload the electrical system therein or any part thereof, beyond its reasonable capacity for proper and safe operation as determined by Lessor, in Lessors' sole and absolute discretion.

16. DAMAGE OR INJURY TO PERSON OR PROPERTY.

A. Lessee hereby agrees to indemnify and hold harmless the Lessor from any and all liability for any damage or injury to person or property caused by or resulting from any act or omission of Lessee, its employees or agents arising from or relating to Lessee's use or occupation of the Leased Premises, the building in which the Leased Premises is located, or the property on which the Leased Premises is located.

B. Lessor hereby agrees to exempt, indemnify and hold harmless the Lessee from any and all liability for any damage or injury to person or property caused by or resulting from any act or omission of gross negligence of Lessor, its employees or agents, except as set forth immediately below.

C. Notwithstanding paragraph B above, Lessee hereby agrees to indemnify and hold harmless the Lessor in every circumstance from any and all liability for any damage or injury to person or property arising from Lessee personnel's use of any of Lessor's weight room or exercise equipment.

17. INSURANCE. Lessee hereby covenants and agrees that it will at all times indemnify and hold safe and harmless the Leased Premises, the Lessor, Lessor's agents and employees from any loss, liability, claims, suits, costs, expenses, including without limitation attorneys' fees and damages, both real and alleged, arising out of any such damage or injury. Lessee

shall, at all times during the term of this Lease, and at its sole cost and expense, maintain, procure and continue in force commercial general liability insurance with respect to the Leased Premises for personal injury, bodily injury (including wrongful death) and damage to property, which policy shall name Lessor as additional insured, having a combined single limit of not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence

18. LANDLORD'S OBLIGATIONS. Notwithstanding any other terms hereof, except for damage caused by any act or omission of Lessee, Lessee's agents, employees, or invitees, Lessor, at Lessor's expense, shall keep in good condition and repair the fire stations in which the Leased Premises are located.

19. DEFAULTS. The occurrence of any one or more of the following events shall constitute a material default and breach of this lease by Lessee:

A. The failure by Lessee to make any payment of rent or any other payment required to be made by Lessee hereunder, as and when due, or to provide proof of payment of said amounts upon demand of Lessor.

B. The failure by Lessee to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph A above, where such failure shall continue for a period of fifteen (15) days after written notice hereof from Lessor to Lessee; provided however, that if the nature of Lessee's default is such that more than fifteen (15) days are reasonably required for its cure, then Lessee shall not be deemed to be in default, if Lessee commenced such cure within said fifteen (15) day period and thereafter diligently prosecutes such cure to completion.

C. (i) The making by Lessee of any general assignment, or general arrangement for the benefit of creditors; (ii) the filing by or against Lessee of a petition to have Lessee adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in the lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution, or other judicial seizure of substantially all of Lessee's assets located at the Leased Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days.

20. REMEDIES.

A. If Lessor or Lessee determines that the other Party has not fulfilled its duties or obligations under this Lease, this Lease may be terminated by that Party upon thirty (30) days written notice to the other Party. However, the Party desiring to terminate this Lease must provide notice as to the specific manner in which the other Party has not fulfilled the aforementioned duties. The Party deemed to be failing its duties or obligations would then have fourteen (14) days to implement a solution before final notice of termination is issued.

B. Notwithstanding the provisions in Paragraph 20(A) above, if Lessee is in material breach of this Lease for failure to make payment of rent, Paragraph 21 hereof shall apply.

21. NON-PAYMENT OF RENT. In addition to any other remedy provided for in this lease, Lessee further agrees with Lessor that upon the non-payment of the whole or any part of the said rent or other payment due hereunder at the time when same is promised to be paid by the said Lessee, the Lessor, at its election, may declare this Lease at an end and recover possession of said Leased Premises, as though the same were held by forcible detainer, said Lessee hereby waiving any notice of such election or any demand for rent; and further, that in the event the Leased Premises or part thereof shall be deserted during said term or of the breach of any of the other terms, covenants or agreements herein contained, and by the Lessee to be kept and performed, the Lessor may declare this Lease to be at an end and become entitled to the immediate possession of the Leased Premises and may pursue any other remedy provided for herein; or they may treat this Lease as continuing and take, have and recover any damages they may have sustained by reason of such breach.

22. INDEPENDENT COVENANT FOR PAYMENT OF RENT. The covenant of the Lessee to pay rent shall at all times be recognized as an independent covenant under the terms of this Lease and shall in no way be construed to be dependent upon any other clause, condition or covenant contained herein.

23. DEFAULT BY LESSOR. Lessor shall not be in default unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event earlier than thirty (30) days after written notice by Lessee specifying wherein Lessor has failed to perform such obligations; provided however, that if the nature of Lessor's obligation is such that more than thirty (30) days are required for performance then Lessor shall not be in default if Lessor commences performance within such thirty-day period and thereafter diligently prosecute the same to completion.

24. INTEREST ON PAST DUE OBLIGATIONS. Except as expressly herein provided, any amount due to Lessor not paid when due shall bear interest at eighteen percent (18%) per annum from the date due. Payment of such interest shall not excuse or cure any default by Lessee under this Lease.

25. NOTICES. Any notice required or permitted to be given hereunder shall be in writing and may be served personally or by regular mail, addressed to Lessor or Lessee respectively at the following addresses (until written notice of change of address is provided by either Party to the other):

To Lessor:

Town of Queen Creek Fire &
Medical Department
22358 S. Ellsworth Rd.
Queen Creek, Arizona, 85142

With a copy to the Town Manager at the following address:

Bruce Gardner
Town of Queen Creek 22358
S. Ellsworth Rd. Queen
Creek, Arizona 85142

To Lessee:

Banner Air

26. WAIVER BY LESSOR. The waiver by either Party of any breach or breaches by the other of any one or more of the covenants, agreements, conditions, or obligations herein contained shall not bar either Party's right to employ any rights or remedies in the event of any subsequent breach of any such or other covenants, agreements, conditions, or obligations. Any entry and/or re-entry by the Lessor, whether had or taken under what is generally known as summary proceedings, or otherwise, as provided by the terms of this Lease, shall not be deemed to absolve or discharge the Lessee from liability hereunder.

27. SEVERABILITY. The invalidity of any provision of this Lease as determined by a Court of competent jurisdiction, shall in no way effect the validity of any other

provision hereof, so long as the original intent of the Parties is not defeated thereby.

28. CHANGE IN LEASE. The making, execution and delivery of this Lease has not been induced by any representation, statement, warranties or agreements other than those herein expressed. It is mutually agreed by and between the Parties hereto that this Lease supersedes all other previous and/or other agreements bearing upon the Leased Premises, and it is further agreed that no changes to or in this Lease shall be made without being in writing, signed by all of the Parties hereto.

29. RESERVATION BY LESSOR. Lessor reserves the right to make improvements and additions upon the Leased Premises. Any such additions or improvements, if not an integral part of the Leased Premises, shall be property of Lessor and shall not be deemed part of the Leased Premises.

30. CONFLICT OF INTEREST. Pursuant to A.R.S. § 38-511, the Town of Queen Creek may cancel this Lease, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Lease on behalf of the Town is, at any time while the Lease or any extension of the Lease is in effect, an employee or agent of any other Party to the Lease in any capacity or a consultant to any other Party of the Lease with respect to the subject matter of the Lease. In the foregoing event, the Town of Queen Creek further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Lease on behalf of the Town of Queen Creek from any other Party to the Lease arising as a result of this Lease.

31. CONSTRUCTION. The terms and conditions of this Lease shall be construed and governed in accordance with the laws of the State of Arizona without regard to conflict of law principles.

32. DISPUTE RESOLUTION. The Parties hereto expressly covenant and agree that in the event of a dispute arising from this Lease, each of the Parties hereto waives any right to a trial by jury. In the event of litigation, the Parties hereby agree to submit to a trial before the Court. The Parties hereto further expressly covenant and agree that in the event of litigation arising from this Lease, neither Party shall be entitled to an award of attorneys' fees, either pursuant to the Lease, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

33. TIME IS OF THE ESSENCE. Time is of the essence of this Lease. The failure of either Party to require the strict performance by the other of any provision of this Lease

shall not be deemed a waiver of the right of said Party thereafter to require strict performance of that or any other provision of this Lease in accordance with the terms hereof, and without notice.

34. NON-DISCRIMINATION CLAUSE. The Lessee, with regard to the provisions of services to the general public pursuant to this Lease, will not discriminate on the grounds of race, color, national origin, religion, sex, disability or familial status. The Lessee will not participate either directly or indirectly in the discrimination prohibited by or pursuant to Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, the Age Discrimination Act of 1975, and Executive Orders 99-4 and 2000-4.

35. CONTRACT ADMINISTRATOR. The Contract Administrator for the purposes of this Lease shall be the Fire Chief (or his designee), until such time that a different contract administrator is designated by the Queen Creek Town Manager. Whenever the consent of the Town of Queen Creek is required pursuant to the terms of this Lease, the Contract Administrator is hereby empowered to give such consent on behalf of the Lessor, with the exception of any material changes to the Lease pursuant to Paragraph 28, which are required to be approved by the Queen Creek Town Council.

36. COUNTERPARTS. This Lease may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Lease shall be deemed to possess the full force and effect of the original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on or as of the day and year first written above.

LESSOR: TOWN OF QUEEN CREEK

LESSEE: BANNER AIR

Bruce Gardner, Town Manager

Name: _____
Title: _____

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM BY:

Dickinson Wright, PLLC
Attorney for the Town



TOWN OF
QUEEN CREEK
ARIZONA

8.E

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: JENNIFER LINDLEY, DOWNTOWN DEVELOPMENT MANAGER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A PROFESSIONAL SERVICES CONTRACT WITH DESIGNING LOCAL IN AN AMOUNT NOT TO EXCEED \$35,000 FOR A DOWNTOWN QUEEN CREEK ARTS & PLACEMAKING MASTER PLAN. (FY 22/23 BUDGETED ITEM)

DATE: February 15, 2023

Suggested Action:

To approve a professional services contract with Designing Local in an amount not to exceed \$35,000 for a Downtown Queen Creek Arts & Placemaking Master Plan. (FY 22/23 Budgeted Item)

Relevant Council Goal(s):

Secure Future: Quality Lifestyle

Discussion:

In March 2020, the Town of Queen Creek Town Council established a Downtown Queen Creek Arts & Placemaking Sub Advisory Committee. The purpose of the committee is to encourage arts in the downtown core, helping strategically shape the physical and social character of the area. The committee supports the image and identity objective within the quality lifestyle priority identified in the Town's Corporate Strategic Plan. The committee reports to the Economic Development Commission.

On September 22, 2022, the Town issued a Request for Proposal (RFP) 23-009 for a Downtown Arts & Placemaking Master Plan. The goal of the plan will be to assist the Town in establishing an approach to public art & placemaking, identify resources for the support of public art & placemaking throughout Queen Creek and to set priorities for public art with the downtown area.

Two proposals were received and both firms were interviewed by the evaluation committee. The evaluation committee recommended moving forward with the firm Designing Local.

Designing Local was founded in 2014, and was born from the belief that design, art, culture, historic preservation, and other important unique attributes of communities are often overlooked in the planning process. Designing Local recognizes that prosperity and economic development come from strategically planning and investing in a communities culture and unique assets. They seek to help communities grow their pride, realize their ability to influence the future, and create a prosperous community for all.

The plan is expected to take up to 8 months to complete. Public engagement will play a major role in the development of the recommendations and intentional outreach to diverse populations of all

backgrounds and ages will be crucial to the success of this planning process.

Included in the 2022-2027 Corporate Strategic Plan under Quality Lifestyle, Image & Identity is the goal to continue to support the Downtown Core Arts & Placemaking Sub-Advisory Committee, which is consistent with the Town Center Plan, the Economic Development Strategic Plan goals and Council goals. The Downtown Core Arts & Placemaking Sub-Advisory Committee should consider developing a master plan/action plan with a phased approach to implementation with the Downtown Core identified as a key area to create an environment of creativity and placemaking (as part of a larger initiative to activate the Downtown Core.)

Fiscal Impact:

Funding is identified within the FY22/23 Town Center adopted budget to award this contract. No budget adjustments are necessary.

Alternatives:

Council could choose not to approve the contract.

Attachment(s):

1. [Designing Local Contract.](#)

**TOWN OF QUEEN CREEK
PROFESSIONAL SERVICES CONTRACT**

This Contract is made and entered into effective as of the 15th day of February, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Designing Local Ltd., an Ohio Limited Liability Partnership ("Consultant"). Town and Consultant may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, Town issued a Request for Proposal for Downtown Queen Creek Arts & Placemaking Master Plan, RFP No. 23-009, (hereinafter "the RFP"); and,

WHEREAS, Consultant submitted a response to the RFP on or before October 19, 2022 ("Response"); and,

WHEREAS, Town received and evaluated responses in response to the RFP; and,

WHEREAS, Town has the power to execute this Agreement on behalf of Town; and,

WHEREAS, Consultant has the power to execute this Agreement on behalf of Consultant; and,

WHEREAS, Town desires to hire Consultant to provide those services specified hereinafter; and,

NOW THEREFORE, Town and Consultant do hereby agree as follows:

NOW THEREFORE, IN CONSIDERATION of the mutual terms, conditions, promises, covenants and payments hereinafter set forth, Town and Consultant agree as follows:

AGREEMENTS

ARTICLE 1. SCOPE OF SERVICES

Consultant shall provide the services described in the Scope of Services attached hereto as Exhibit B (the "Services"). All work will be reviewed and approved by the Contract Administrator to determine acceptable completion. Review and approval by the Contract Administrator shall not relieve Consultant of any liability for defective, non-complying, improper, negligent or inadequate services rendered pursuant to this Contract.

ARTICLE 2. FEES

1. Consultant shall be paid according to the schedule set forth in Exhibit C.
2. Monthly payments may be made to Consultant on the basis of a progress report prepared and submitted by Consultant for the work completed through the last day of the preceding calendar month. The Town reserves the exclusive right to determine the amount of work performed and payment due the Consultant on a monthly basis. Consultant shall include with each invoice delivered to the Town such documentation as the Contract Administrator may

require to make its determination of work performed and payment due and any such determination by the Town shall be for the purpose of payment and shall not be deemed an approval of any portion of the Services or a waiver of any of the Town's rights hereunder.

3. If for any reason the Consultant fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Consultant violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Consultant such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Consultant is agreed to by the parties in writing, or is determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. This Contract shall be in full force and effect when approved by the Town Council of Queen Creek, Arizona and signed by the Queen Creek Mayor as attested by the Town Clerk.

2. The Services shall be completed by 12/31/2023. In the event the Services cannot be completed within the time specified, the Contract Administrator may approve a change order extending the time for completion of the work when s/he determines it is in the best interest of the Town do so, for such period as the Contract Administrator deems reasonable. A change order extending the time for completion of the Services pursuant to this subparagraph shall not entitle Consultant to additional compensation.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience or to terminate any portion of the Services which have not been performed by the Consultant.

2. In the event the Town terminates this Contract or any part of the Services as herein provided, the Town shall notify the Consultant in writing, and immediately upon receipt of such notice, the Consultant shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Consultant shall immediately deliver to the Town any and all documents or work product generated by the Consultant under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Consultant shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. Upon receipt of notice of termination, Consultant shall apprise the Town of the Services it has completed but has not yet been paid for and shall submit the Services and appraisal to the Contract Administrator for evaluation.

5. The Consultant shall receive as compensation in full for Services performed and approved by the Contract Administrator to the date of such termination, a fee for the percentage of Services actually completed and accepted by the Town. This fee shall be in an amount to be mutually agreed-upon by the Consultant and the Town, based upon the Scope of Work set

forth in Exhibit B and the payment schedule set forth in Article 2 of this Contract. If mutual agreement between the Parties cannot be reached after reasonable negotiation, the Contract Administrator shall determine the percentage of satisfactory completion of each task set forth in the Scope of Work and the amount of compensation Consultant is entitled to for such work, and the Contract Administrator's determination in this regard shall be final. The Town shall make such final payment within 60 days after the latest of: (i) Consultant's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Consultant's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in Exhibit B. Services which are not included in Exhibit B will be considered Additional Services, only if approved in writing by the Contract Administrator prior to their performance. The Consultant shall not perform such Additional Services without prior written authorization in the form of an approved change order or contract amendment from the Town. In the event the Consultant performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Consultant shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Consultant may engage such subconsultants or professional associates as Consultant may deem necessary or desirable for the timely and successful completion of this Contract. However, the use of such subconsultants or professional associates for the performance of any part of the Services specified in Exhibit B shall be subject to the prior written approval of the Town. Consultant will submit a complete list of subconsultants on Exhibit D and will update the information on the list during the term of the Contract, should the status or identity of said subconsultants change. Employment of such subconsultants or professional associates in order to complete the work set forth in Exhibit B shall not entitle Consultant to additional compensation beyond that set forth in Article 2. The Consultant shall be responsible for and shall warrant all Services including work delegated to such subconsultants or professional associates.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Consultant shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all work done pursuant to the Contract including, but not limited to the Services, the Work Product, and the reports, survey work, plans, supporting data and special provisions prepared or compiled pursuant to Consultant's obligations under this Contract and shall correct at Consultant's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Consultant's Services shall in no

way relieve the Consultant of any of Consultant's responsibilities hereunder.

ARTICLE 8. OWNERSHIP OF DOCUMENTS

All documents including but not limited to data computation, studies, reports, design notes and any original drawings which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Consultant or upon termination of this Contract for any reason. To the extent any such documents or the Work Product is deemed to be the property of Consultant, Consultant hereby assigns all of Consultant's right, title and interest (including any applicable copyrights) in such documents and Work Product to the Town.

Notwithstanding the above, computer software (including without limitation financial models, compilations of formulas and spreadsheet models), prepared by Consultant are Instruments of Service of Consultant and shall remain the property of Consultant. Consultant shall likewise retain all common law, statutory and other reserved rights, including the copyright thereto.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, the Consultant shall, indemnify, save and hold harmless the Town and its officials, officers, employees and agents (collectively "Indemnitees") from and against any and all damages, claims, losses, liabilities, actions or expenses (including, but not limited to, attorneys' fees, court costs, and the cost of appellate proceedings) (collectively, "Claims") relating to, arising out of or alleged to have resulted from the performance of Services pursuant to this Contract including, but not limited to, any such performance by any subconsultant. The Consultant's duty to, hold harmless and indemnify Indemnitees pursuant to this section shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, including death, or to injury to, impairment, or destruction of property including loss of use resulting therefrom, caused in whole or in part by the acts, errors, mistakes, omissions, work or services of the Consultant or anyone for whose acts the Consultant may be legally liable. It is the specific intention of the Parties that the Indemnitee shall be indemnified by Consultant only to the extent caused by the negligence, recklessness or intentional wrongful conduct of such consultant, subconsultant or design professional or other persons employed or used by such consultant, subconsultant or design professional in the performance of the contract or subcontract. The Consultant will be responsible for primary loss investigation and defense and judgment costs where this Indemnification applies.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Consultant, at Consultant's sole cost and upon at least 10 day's written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Consultant's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in any way to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Consultant shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit A.

ARTICLE 11. WARRANTIES

1. The Consultant shall be responsible for and shall and hereby does warrant that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed workers, subconsultants, and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statutes and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Consultant's warranties running in favor of the Town under this Contract.

2. Immediately upon notice from the Contract Administrator thereof, Consultant shall correct or replace as required by the Contract Administrator, at Consultant's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services provided under this Contract. The Town's acceptance or approval of the Services shall in no way relieve the Consultant of any of Consultant's responsibilities hereunder. Unless a longer period is provided in the Contract Documents, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services.

ARTICLE 12. DISCLOSURES BY CONSULTANT.

1. The Consultant shall reveal fully and in writing any financial or compensatory agreements which the Consultant has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Consultant hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this contract, and that the Consultant has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Consultant any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Consultant shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, AZ 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Consultant: Josh Lapp
Designing Local Ltd.
1223 E Main Street, #311
Columbus, OH 43205

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by Email, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by Email shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by Email.

ARTICLE 15. GENERAL PROVISIONS

A. RECORDS AND AUDIT RIGHTS. Consultant's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the work, and any invoices, change orders, payments or claims submitted by the Consultant or any of his payees

pursuant to the execution of the contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Consultant's records and personnel pursuant to the provisions of this article throughout the term of this contract and for a period of three years after last or final payment.

B. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

C. ATTORNEYS' FEES. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or an account of any breach or default hereof, the prevailing Party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses (including expert witness fees), determined by the arbitrator or court sitting without a jury, which fees shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

D. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

E. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court for such purposes.

F. INDEPENDENT CONTRACTOR. The services Consultant provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Consultant shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide his/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

G. TAXES. Consultant shall be solely responsible for any and all tax obligations which may result out of the Consultant's performance of this contract. The Town shall have no obligation to pay any amount for taxes, of any type, incurred by the Consultant. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual payments. Consultant acknowledges that Consultant may be subject to I.R.S. provisions for payment of estimated income tax. Consultant is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

H. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

I. COMPLIANCE WITH LAW. The Consultant specifically agrees and hereby warrants to the Town that in the performance of the Services, Consultant and anyone acting on Consultant's behalf, including but not limited to Consultant's subconsultants, will comply with all state, federal and local statutes, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

J. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

K. WAIVER. None of the provisions of this Contract shall be deemed to have been waived by any act or knowledge of any Party or its agent or employees, but only by a specific written waiver signed by an authorized officer of such Party and delivered to the other Party. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

L. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

M. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Consultant warrants to the Town that the Consultant and all its subconsultants are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-214(A). Consultant acknowledges that a breach of this warranty by the Consultant or any of its subconsultants is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Consultant or any subconsultant who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Consultant and any of its subconsultants to ensure compliance with this warranty.

The Town will not consider Consultant or any of its subconsultants in material breach of the foregoing warranty if Consultant and its subconsultants establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Consultant enters into with any and all of its subconsultants who provide services under this Contract or any subcontract. As used in this Section M "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or

maintenance of any structure, building or transportation facility or improvement to real property.

N. ISRAEL BOYCOTT PROVISION. To the extent possible, Consultant certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

O. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

P. LICENSES. Consultant shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Consultant and the Services.

Q. PERMITS AND RESPONSIBILITIES. Consultant shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

R. LIENS. Consultant shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Consultant shall deliver appropriate written releases, in statutory form of all liens to the Town.

S. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Consultant or any other person except with the prior written permission of the Town.

T. WORKPLACE COMPLIANCE. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

U. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 16. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue

this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 14 of this Contract at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Julia Wheatley, Mayor

Bruce Gardner, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

CONSULTANT:



Designing Local

EXHIBIT A
INSURANCE REQUIREMENTS

Any Respondent awarded a contract subsequent to this solicitation will be expected, upon request by the Town, to submit the forms in this Attachment as a condition of the Contract.

INSURANCE PROVISIONS AND REQUIRED COVERAGE, TERM AND TERMINATIONS

- A. Consultant and subconsultant shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Consultant, its agents, representatives, employees or subconsultants.
- B. The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Town of Queen Creek in no way warrants that the minimum limits contained herein are sufficient to protect the Consultant from liabilities that arise out of the performance of the work under this Contract by the Consultant, its agents, representatives, employees or subconsultants, and the Consultant is free to purchase additional insurance.
- C. Minimum Scope and Limits of Insurance
- D. Consultant shall provide coverage with limits of liability not less than those stated below.
- E. Commercial General Liability (CGL) – Occurrence Form
- F. Policy shall include bodily injury, property damage, and broad form contractual liability coverage.
 - a. General Aggregate \$1,000,000
 - b. Products – Completed Operations Aggregate \$500,000
 - c. Personal and Advertising Injury \$500,000
 - d. Damage to Rented Premises \$25,000
 - e. Each Occurrence \$500,000
- f. The policy shall be endorsed, as required by this written agreement, to include the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Consultant.
- g. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Consultant.
- G. Business Automobile Liability
- H. Bodily Injury and Property Damage for any owned, hired, and/or non-owned automobiles used in the performance of this Contract.
 - a. Combined Single Limit (CSL) \$500,000
 - Policy shall be endorsed, as required by this written agreement, to include the Town of Queen Creek, and its departments, boards, commissions,

officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Consultant involving automobiles owned, hired and/or non-owned by the Consultant.

- a. Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Consultant.
- I. Workers' Compensation and Employers' Liability
 - a. Workers' Compensation Statutory
 - b. Employers' Liability
 - a. Each Accident \$500,000
 - b. Disease – Each Employee \$500,000
 - c. Disease – Policy Limit \$500,000
 - c. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Consultant.
 - d. This requirement shall not apply to each Consultant or subconsultant that is exempt under A.R.S. § 23-901, and when such Consultant or subconsultant executes the appropriate waiver form (Sole Proprietor or Independent Contractor).
- J. Professional Liability (Errors and Omissions Liability)
 - a. Each Claim \$1,000,000
 - b. Annual Aggregate \$1,000,000
 - c. In the event that the Professional Liability insurance required by this Contract is written on a claims-made basis, Consultant warrants that any retroactive date under the policy shall precede the effective date of this Contract and, either continuous coverage will be maintained, or an extended discovery period will be exercised, for a period of two (2) years beginning at the time work under this Contract is completed.
- d. The policy shall cover professional misconduct or negligent acts for those positions defined in the Scope of Work of this contract.
- K. Additional Insurance Requirements
- L. The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:
- M. The Consultant's policies, as applicable, shall stipulate that the insurance afforded the Consultant shall be primary and that any insurance carried by the Town of Queen Creek, and its departments, boards, commissions, officers, officials, agents, and employees shall be excess and not contributory insurance.
- N. Insurance provided by the Consultant shall not limit the Consultant's liability assumed under the indemnification provisions of this Contract.
- O. Notice of Cancellation

- P. Applicable to all insurance policies required within the Insurance Requirements of this Contract, Consultant's insurance shall not be permitted to expire, be suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the Town of Queen Creek. Within two (2) business days of receipt, Consultant must provide notice to the Town of Queen Creek if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Procurement Department and shall be mailed, emailed, or hand delivered to Procurement Department, 22358 S. Ellsworth Rd, Queen Creek, AZ 85142 or Procurement@Queencreekaz.gov.
- Q. Acceptability of Insurers
- R. Insurers shall have an "A.M. Best" rating of not less than A- VII. The Town of Queen Creek in no way warrants that the above-required minimum insurer rating is sufficient to protect the Consultant from potential insurer insolvency.
- S. Verification of Coverage
- T. Consultant shall furnish the Town of Queen Creek with certificates of insurance (valid ACORD form or equivalent approved by the Town of Queen Creek) evidencing that Consultant has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.
- U. All such certificates of insurance and policy endorsements must be received by the Town of Queen Creek before work commences. The Town of Queen Creek's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
- V. Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- W. All certificates required by this Contract shall be sent directly to the Procurement Department at 22358 S. Ellsworth Road, Queen Creek, AZ. 85142, or procurement@queencreekaz.gov. The Town of Queen Creek project/contract number and project description shall be noted on the certificate of insurance. The Town of Queen Creek reserves the right to require complete copies of all insurance policies required by this Contract at any time.
- X. Subconsultants
- Y. Consultant's certificate(s) shall include all suconsultants as insureds under its policies or Consultant shall be responsible for ensuring and/or verifying that all subconsultants have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subconsultant. All coverages for subconsultants shall be subject to the minimum Insurance Requirements identified above naming the Town and Consultant as "Additional Insured" on all insurance policies, except Worker's compensation. The Town reserves the right to require, at any time throughout the life of this contract, proof from the Consultant that its subconsultants have the required coverage.
- Z. Approval and Modifications

AA. The Town reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary, subject to at least 30 days written notice. Such action will not require a formal Contract amendment but may be made by administrative action.

BB. Exceptions

CC. In the event the Consultant or subconsultant(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance.

EXHIBIT B

SCOPE OF SERVICES

The final Downtown Public Arts Master Plan shall include, but is not limited to, the following key elements:

- Establish a vision, values, and goals for the Public Arts and Placemaking Master Plan;
- Identify clear goals and action strategies that include both short-term and long-term priorities, estimated budget and costs, and clear implementation dates;
- Recommended public art guidelines, policies and processes;
- Recommended policies and programs related to the implementation of the mission, vision and goals for the Public Arts Master Plan;
- Development of guidelines for inclusion of public art in public improvement projects;
- Create strategies for ongoing community engagement and outreach to a diverse group of stakeholders;
- Identification of potential funding models for public art;
- Undertake a comprehensive community outreach program to fully engage residents, stakeholders and the community at large in shaping and defining what Public Art is in Queen Creek;
- Undertake specific outreach to residents and the community to help identify specific opportunities for public art engagement that will be beneficial for those communities;
- Provide a thorough inventory and assessment of the Town's cultural assets and opportunities;
- Provide site identification criteria or recommendations for placement of art;
- Identification of sites for future temporary and permanent public art projects; and
- Establish standards for maintenance, upkeep and replacement.
- Facilitate and manage activities and communications with designated Town staff including, but not limited to, meeting schedules, agendas and material preparation for

planning purposes and progress updates.

- Present the completed Downtown Arts Master Plan to the Downtown Queen Creek Arts

& Placemaking Sub Advisory Committee and the Town Council, including preparation of presentation materials (PowerPoint presentation, information boards, handouts, etc.).

- Provide electronic copies of the completed Downtown Arts Master Plan, as well as electronic copies of all accompanying supplemental materials in a format to be determined by the Town.

EXHIBIT C

Fee Schedule

Designing Local					
Staff	Golden	Lapp	Graphic Design		
Title	Principal	Principal	Principal		
Hourly Rate	\$125	\$125	\$125		
	Hours	Hours	Hours		Totals
TASK 1: DISCOVERY					
1.1	Research and Document	0	20	0	20
1.2	Discover	0	20	0	20
1.3	Work Plan & Schedule	0	0	0	0
	Task 1 Total	0	40	0	40
	Task 1 Fee	\$0	\$5,000	\$0	\$5,000
TASK 2: COMMUNITY INPUT GATHERING					
2.1	Determine Existing Attitudes	0	30	0	30
2.2	Determine Optimal Method for Engagement				0
	a. Create	0	10	0	10
	b. Market	0	0	2	2
	c. Facilitate	0	30	0	30
	d. Report	0	10	0	10
	Task 2 Total	0	80	2	82
	Task 2 Fee	\$0	\$10,000	\$250	\$10,250
TASK 3: SYNTHESIZE IDEAS AND DEFINE STRATEGY					
3.1	Articulation of a common vision	10	34	0	44
3.2	Develop strategy for consensus	5	10	0	15
	Task 3 Total	15	44	0	59
	Task 3 Fee	\$1,875	\$5,500	\$0	\$7,375
TASK 4: INITIAL RECOMMENDATIONS					
4.1	Present outline of the plan	0	15	0	15
4.2	Present Draft Master Plan	0	5	0	5
4.3	Creation of Final Master Plan	0	10	10	20
4.4	Outreach Materials	0	0	2	2
	Task 4 Total	0	30	12	42
	Task 4 Fee	\$0	\$3,750	\$1,500	\$5,250
TASK 5: FINAL REVIEW AND RECOMMENDATION					
5.1	Present Final Plan	0	10	7	17
	Task 5 Total	0	10	7	17
	Task 5 Fee	\$0	\$1,250	\$875	\$2,125
ESTIMATED COSTS					
		Quantity	Unit	Unit Cost	Total
	Travel			\$5,000.00	\$5,000
	Costs Total				\$5,000
GRAND TOTAL					\$35,000



TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: PAUL GARDNER, UTILITIES DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A ONE-YEAR CONTRACT, WITH UP TO FOUR POSSIBLE RENEWALS WITH HYDRO ELECTRIC COMPANY FOR WATER TANK CLEANING, INSPECTION AND REPAIR SERVICES ON AN AS NEEDED BASIS NOT TO EXCEED \$100,000 ANNUALLY. (FY 22/23 BUDGETED ITEM)

DATE: February 15, 2023

Suggested Action:

To approve a one-year contract, with up to four possible renewals with Hydro Electric Company for Water Tank Cleaning, Inspection and Repair Services on an as needed basis not to exceed \$100,000 annually.

Relevant Council Goal(s):

Secure Future: KRA Environment

Discussion:

The Town of Queen Creek Utility Services Department provides high quality drinking water to thousands of customers inside and outside of the Town of Queen Creek. Being a 100% ground water system, water pumped from the ground contains sand and organic material/ debris that settles out within our water storage tanks that needs to be periodically removed.

The Water Division monitors sand and sedimentation levels via periodically cleaning and inspecting of the water storage tanks and schedules diving companies to remove the sand/ sedimentation on a regular rotation to maintain the water quality and longevity of the water infrastructure.

Prior to the purchase of H₂O, there were only four tanks that regularly needed cleaning and inspection, and the financial impact was typically between \$5,000 and \$10,000 annually to service 2 tanks on a two-year rotation that was staggered for the needed services. With the purchase of H₂O and Diversified Water, there is now a need to service 25 water storage tanks with a need to service between 5 and 7 tanks annually in order to minimize sand/ sedimentation build up and preserve water quality. Tanks vary in size from 600k to 3 million gallons, 16' – 32' high and 33' – 125' in diameter.

On November 7, 2022, the Town issued a Request for Proposal (RFP) 23-010 for Water Tank Cleaning, Inspection and Repair Services. On December 6, 2022, staff received six (6) proposals in response to this RFP. The selection and evaluation process was conducted in accordance with Town policies and procedures and administered by Purchasing staff. The proposals were reviewed for responsiveness to the RFP; the Town recommends awarding the contract to Hydro Electric Company.

Costs will vary based on the ultimate depths of sand/ sedimentation found within the tanks at the time the divers enter, but based on historical experience costs are estimated between \$50,000 and \$100,000 annually.

Fiscal Impact:

Funding is identified within the FY 2023 Water Operating Fund for these services and will continued to be included in the annual budget each year.

Alternatives:

Council could choose not to approve the contracts, in which case staff would continue to request quotes for services and not exceed \$25,000 annually which has the potential to not allow for the cleaning and inspecting of the needed number of tanks possibly resulting in higher chlorine consumption costs and the potential for water quality issues. This is not recommended.

Attachment(s):

1. [Contract - Hydro Electric](#)

TOWN OF QUEEN CREEK

SERVICES CONTRACT

This Contract is made and entered into effective as of the 15th day of February, 2022 (the "Effective Date"), by and between the Town of Queen Creek, an Arizona municipal corporation ("Town"), and Hydro Electric Service Co., an Arizona Limited Liability Company ("Vendor"). Town and Vendor may be referred to in this Contract collectively as the "Parties" and each individually as a "Party."

RECITALS

WHEREAS, Town issued a Request for Proposals for Municipal Water Tank Cleaning Services, RFP No. 23-010, (hereinafter "the RFP"); and,

WHEREAS, Vendor submitted a response to the RFP on or before December 6, 2022 ("Response"); and,

WHEREAS, Town received and evaluated responses in response to the RFP; and,

WHEREAS, Town has the power to execute this Agreement on behalf of Town; and,

WHEREAS, Vendor has the power to execute this Agreement on behalf of Vendor; and,

WHEREAS, Town desires to hire Vendor to provide those services specified hereinafter; and,

NOW THEREFORE, Town and Vendor do hereby agree as follows:

NOW THEREFORE, IN CONSIDERATION of the mutual terms, conditions, promises, covenants and payments hereinafter set forth, Town and Vendor agree as follows:

AGREEMENTS

ARTICLE 1. SCOPE OF SERVICES

Vendor shall provide the services described in the Scope of Services attached here to as Exhibit B (the "Services"). The Services may include providing and/or installing certain Goods, as either specified on Exhibit B or as necessary to properly provide the Services ("Goods"), in which case such Goods to be provided shall be included in the Services provided under this Contract. All Services will be reviewed and approved by the Contract Administrator to determine acceptable completion. Review and approval by the Contract Administrator shall not relieve Vendor of any liability for defective, non-complying, improper, negligent or inadequate Services rendered, and/or Goods provided, pursuant to this Contract.

ARTICLE 2. FEES

1. The amount paid under this Agreement shall be on an as needed basis and in

accordance with the Town's Purchasing Policy and Procedures.

2. Vendor shall be paid according to the schedule set forth in Exhibit C.

3. The Town will make every effort to process payment for the purchase of goods or services within thirty (30) calendar days after receipt of goods or services and a correct notice of amount due, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. A Town issued purchase order is required prior to any services being rendered. A Town purchasing card is an acceptable method of payment.

4. If for any reason the Vendor fails to fulfill in a timely and proper manner its obligations under this Contract, or if the Vendor violates any of the covenants, agreements, or stipulations of this Contract, the Town may withhold from payment due to the Vendor such amounts as are necessary to protect the Town's position for the purpose of set-off until such time as the exact amount of damages due to the Town from Vendor is agreed to by the parties in writing, or is finally determined by a court of competent jurisdiction.

ARTICLE 3. TERM OF CONTRACT

1. This Contract shall be in full force and effect when approved by the Town Council of Queen Creek, Arizona and signed by its Mayor as attested by the Town Clerk.

2. The Vendor shall proceed with providing the Services immediately upon receipt of a notice to proceed issued by the Contract Administrator.

3. The term of the Contract shall commence on the date of award and shall continue for a period of one (1) year from the date of the award. The Town has the option, in the Town's sole discretion to renew the Contract for four (4) additional one year periods. If the Contract is renewed, the total length of the Contract shall not exceed five (5) years. Any of the one (1) year contracts may be unilaterally extended by the Town for a period of thirty-one (31) days.

4. Price Adjustment: The Town will review fully documented requests for price increases after any contract has been in effect for one (1) year. Any price increase adjustment will only be made at the time of contract extension and will be a factor in the extension review process. The Town will determine whether the requested price increase or an alternate option, is in the best interest of the Town. Any price adjustment will be effective upon the effective date of the contract extension.

5. Price Reduction: A price reduction adjustment may be offered at any time during the term of a contract and shall become effective upon notice.

ARTICLE 4. TERMINATION OF CONTRACT

1. The Town has the right to terminate this Contract for cause or convenience, or to terminate any portion of the Services which have not been performed by the Vendor.

2. In the event the Town terminates this Contract or any part of the Services as

herein provided, the Town shall notify the Vendor in writing, and immediately upon receipt of such notice, the Vendor shall discontinue all Services, or the specific Services being terminated, as applicable, under this Contract.

3. Upon such termination, the Vendor shall immediately deliver to the Town any and all documents or work product generated by the Vendor under the Contract (collectively, the "Work Product"), together with all unused material supplied by the Town, applicable to the Services being terminated. Vendor shall be responsible only for such portion of the work as has been completed and accepted by the Town. Use of incomplete data by the Town shall be the Town's sole responsibility.

4. The Vendor shall receive as compensation in full only for Services performed and Goods delivered to the Town, and approved in writing by the Contract Administrator, prior to the date of such termination. The Town shall make such final payment within 60 days after the latest of: (i) Vendor's completion or delivery to the Town of any portion of the Services not terminated; or (ii) Vendor's delivery to the Town of all Work Product and any unused material supplied by the Town, in accordance with Paragraph 3 of Article 4.

ARTICLE 5. ALTERATIONS OR ADDITIONAL SERVICES

The entire Scope of Services to be performed in accordance with this Contract is set forth in Exhibit B. Services and Goods which are not included or necessary to providing the Services set forth in Exhibit B will be considered Additional Services, only if approved in writing by the Contract Administrator prior to their performance. The Vendor shall not perform such Additional Services without prior written authorization in the form of an approved written change order or contract amendment from the Town. In the event the Vendor performs such claimed Additional Services without prior written authorization from the Town, it shall be conclusively presumed that the claimed Additional Services were included in the Scope of Services and Vendor shall not be permitted to request or receive any additional compensation for such claimed Additional Services.

ARTICLE 6. ASSIGNMENT AND SUBCONTRACTING

1. This Contract may not be assigned in whole or in part without the prior written consent of the Town, and any such attempted assignment shall be null and void and a material breach of this Contract, and shall transfer no rights to the purported assignee.

2. The Vendor may engage such subvendors as Vendor may deem necessary or desirable for the timely and successful completion of this Contract. However, the use of such subvendors for the performance of any part of the Services specified in Exhibit B shall be subject to the prior written approval of the Town. Employment of such subvendors in order to complete the Services set forth in Exhibit B shall not entitle Vendor to additional compensation beyond that set forth in Article 2. The Vendor shall be responsible for and shall warrant all Services including work delegated to such subvendors.

ARTICLE 7. COMPLETENESS AND ACCURACY

The Vendor shall be responsible for and shall and hereby does warrant the completeness, accuracy and quality of all Services performed pursuant to the Contract including, but not limited to the Services, and any the reports, surveys, plans, supporting data and/or other documents prepared or compiled pursuant to Vendor's obligations under this Contract and shall correct at Vendor's expense all errors or omissions which may be discovered therein. Town's acceptance or approval of the Vendor's Services shall in no way relieve the Vendor of any of Vendor's responsibilities hereunder.

ARTICLE 8. OWNERSHIP OF DOCUMENTS

All documents including but not limited to data computation, studies, reports, notes, drawings, or other documents, which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Contract Administrator before final payment under this Contract is made to the Vendor, or upon termination of this Contract for any reason. To the extent any such documents is deemed to be the property of Vendor, Vendor hereby assigns all of Vendor's right, title and interest (including any applicable copyright) in such documents and Work Product to the Town.

ARTICLE 9. INDEMNIFICATION

1. To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the Town of Queen Creek, and its departments, agencies, boards, commissions, officers, officials, agents, and employees (hereinafter referred to as "Indemnatee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Contractor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the parties that the Indemnatee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnatee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the Town of Queen Creek, its officers, officials, agents, and employees for losses arising from the work performed by the Contractor for the Town of Queen Creek.

2. In the event that any action or proceeding shall at any time be brought against any of the Indemnitees by reason of any Claim referred to in this Article, the Vendor, at Vendor's sole cost and upon at least 10 day's written notice from Town, shall defend the same with counsel acceptable to Town, in Town's sole discretion.

3. The Vendor's obligations under this Article shall survive the expiration or earlier termination of this Contract.

4. The insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this Article and shall not be construed in anyway to limit the scope and magnitude of this Indemnification, nor shall this Indemnification be construed in any way to limit the scope, magnitude or applicability of the insurance provisions.

ARTICLE 10. INSURANCE

Vendor shall secure and maintain during the life of this Contract, the insurance coverages set forth on Exhibit A.

ARTICLE 11. WARRANTIES

1. The Vendor shall be responsible for and shall and hereby does warrant the that all Services provided shall: (i) be of good quality; (ii) be provided by properly trained, qualified, and licensed (where applicable) workers and/or subvendors; (iii) conform to the requirements of this Contract (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects; (v) be appropriate for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statues and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Vendor's warranties running in favor of the Town under this Contract.

2. The Vendor shall be responsible for and shall and hereby does warrant the that all Goods provided pursuant to this Contract shall: (i) be new; (ii) be of good quality and manufacture; (iii) conform to the requirements of this Contract and the specific Purchase Order (including all applicable descriptions, specifications, drawings and samples); (iv) be free from defects in material, workmanship, or design; (v) be fit for the intended purpose; (vi) meet or exceed all specifications, requirements and legal regulations, statues and/or codes that apply thereto, including, without limitation, all federal, state, county, and Town rules regulations, ordinances and/or codes that may apply; and (vii) be fully covered by Vendors and manufacturers' warranties applicable to the Goods running in favor of the Town.

3. Copies of all applicable manufacturers' warranties shall be delivered to the Town with or before delivery to the Town, or installation of any Goods. The Contract Administrator may at any time require Vendor to deliver to the Contract Administrator written warranties from the Vendor, and/or the manufacturers of the Goods, for review and approval by the Town. These warranties shall be in form and content satisfactory to the Town, the Project building owner (if different than the Town), the Town's lender(s), if any, and any other person reasonably requested by the Town, or the Town's lender(s). If the Vendor fails to deliver such warranties, or if the warranties are determined by the Contract Administrator to be inadequate or unacceptable, the Vendors will be considered to be in material breach of this Contract.

4. Immediately upon notice from the Contract Administrator thereof, Vendor shall correct or replace as required by the Contract Administrator, at Vendor's expense, all defects, noncompliance, or inadequacies which may be discovered in any of the Services and/or Goods provided under this Contract. The Town's acceptance or approval of the Serivices and/or Goods shall in no way relieve the Vendor of any of Vendor's responsibilities hereunder.

Unless a longer period is provided in the Contract Documents, the Vendor's or manufacturers' written warranties, this obligation to correct or replace shall continue for a period of two (2) years after acceptance of the specific Services and/or Goods.

ARTICLE 12. ADDITIONAL DISCLOSURES BY VENDOR

1. The Vendor shall reveal fully and in writing any financial or compensatory agreements which the Vendor has with any prospective contractor prior to the Town's publication of requests for proposals or comparable documents.

2. The Vendor hereby warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Vendor, to solicit or secure this contract, and that the Vendor has not paid or agreed to pay any person, company, corporation, individual or firm other than a bona fide employee working solely for the Vendor any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this contract.

3. The Vendor shall comply with Executive Order No. 11246 entitled "Equal Opportunity Employment" as amended by Executive Order no. 11375, and supplemented Department of Labor Regulations 41 CFR, Part 16.

ARTICLE 13. CONTRACT ADMINISTRATOR

The Town's Contract Administrator for this Contract shall be the Town Manager or his/her designee(s).

ARTICLE 14. NOTICE

All notices or demands required to be given, pursuant to the terms of this Contract, shall be given to the other Party in writing, delivered in person, sent by facsimile transmission, deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested or deposited with any commercial air courier or express service at the addresses set forth below, or to such other address as the Parties may substitute by written notice, given in the manner prescribed in this paragraph.

Town: John Kross, Town Manager
22350 South Ellsworth Road
Queen Creek, AZ 85142
Facsimile: (480) 358-3189

With a copy to: Dickinson Wright PLLC
1850 N Central Avenue, Suite 1400
Phoenix, Arizona 85004
Attn: Scott A. Holcomb
Email: SHolcomb@dickinsonwright.com

Vendor: Hydro Electric Service Co.
PO Box 1234
Pine, AZ 85544
hydroelectricsvc@gmail.com

A notice shall be deemed received on the date delivered, if delivered by hand, on the day it is sent by Email, on the second day after its deposit with any commercial air courier or express services or, if mailed, three (3) working days (exclusive of United States Post Office holidays) after the notice is deposited in the United States mail as above provided, and on the delivery date indicated on receipt, if delivered by certified or registered mail. Any time period stated in a notice shall be computed from the time the notice is deemed received. Notices sent by Email shall also be sent by regular mail to the recipient at the above address. This requirement for duplicate notice is not intended to change the effective date of the notice sent by Email.

ARTICLE 15. GENERAL PROVISIONS

A. RECORDS AND AUDIT RIGHTS. Vendor's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and claims related to this contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the Services, and any invoices, change orders, payments, or claims submitted by the Vendor or any of his payees related to or arising out of the Contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Vendor's records and personnel throughout the term of this Contract and for a period of three (3) years after last or final payment.

B. INCORPORATION OF RECITALS AND EXHIBITS. The Recitals, Exhibits and Appendices attached hereto are acknowledged by the Parties to be substantially true and correct, and hereby incorporated as agreements of the Parties.

C. ATTORNEYS' FEES. In the event either Party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or an account of any breach or default hereof, the prevailing Party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses (including expert witness fees), determined by the arbitrator or court sitting without a jury, which fees shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

D. ENTIRE AGREEMENT. This Contract constitutes the entire understanding of the Parties and supersedes all previous representations, written or oral, with respect to the services specified herein.

E. GOVERNING LAW. This Contract shall be governed by and construed in accordance with the substantive laws of the State of Arizona, without reference to conflict of laws and principles. Exclusive jurisdiction and venue for any action brought to enforce or construe any provision of this Contract shall be proper in the Superior Court of Maricopa County, Arizona and both Parties consent to the sole jurisdiction of, and venue in, such court

for such purposes.

F. INDEPENDENT CONTRACTOR. The services Vendor provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. As an independent contractor, Vendor shall: (a) have discretion in deciding upon the method of performing the services provided; (b) not be entitled to worker's compensation benefits from the Town; (c) not be entitled to any Town sponsored benefit plan; (d) shall select the hours of his/her work; (e) shall provide her/her own equipment and tools; and (f) to the extent required by law, be responsible for obtaining and remaining licensed to provide the Services.

G. TAXES. Vendor shall be solely responsible for any and all tax obligations which may result out of the Vendors performance of this contract. The Town shall have no obligation to pay any amounts for taxes, of any type, incurred by the Vendor. The Town will report the value paid for these Services each year to the Internal Revenue Service (I.R.S.) using Form 1099. The Town shall not withhold income tax as a deduction from contractual payments. Vendor acknowledges that Vendor may be subject to I.R.S. provisions for payment of estimated income tax. Vendor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements. Sales tax for Goods received by the Town in relation to this Contract shall be indicated as a separate item on any notice of amount due.

H. AMENDMENTS. Any amendment, modification or variation from the terms of this Contract shall be in writing and signed by all Parties hereto.

I. COMPLIANCE WITH LAW. The Vendor specifically agrees and hereby warrants to the Town that in the performance of the Services, Vendor and anyone acting on Vendor's behalf, including but not limited to Vendor's subvendors, will comply with all state, federal and local statues, ordinances and regulations, and will obtain all permits and licenses applicable for performance under this contract.

J. SEVERABILITY. In the event that any provision of this Contract shall be held to be invalid and/or unenforceable, the remaining provisions shall be valid and binding upon the Parties.

K. WAIVER. One or more waivers by either Party of any provisions, terms, conditions, or covenants of this Contract, or any breach thereof, shall not be construed as a waiver of a subsequent breach by the other Party.

L. COUNTERPARTS. This Contract may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, binding on all of the Parties. The Parties agree that this Contract may be transmitted between them via facsimile. The Parties intend that the faxed signatures constitute original signatures and that a faxed contract containing the signatures (original or faxed) of all the Parties is binding upon the Parties.

M. COMPLIANCE WITH IMMIGRATION LAWS AND REGULATIONS.

Pursuant to the provisions of A.R.S. §41-4401, the Vendor warrants to the Town that the Vendor and all its subvendors are in compliance with all Federal Immigration laws and regulations that relate to their employees and with the E-Verify Program under A.R.S. §23-

214(A). Vendor acknowledges that a breach of this warranty by the Vendor or any of its subvendors is a material breach of this Contract subject to penalties up to and including termination of this Contract or any subcontract. The Town retains the legal right to inspect the papers of any employee of the Vendor or any subvendor who works on this Contract to ensure compliance with this warranty.

The Town may conduct random verification of the employment records of the Vendor and any of its subvendors to ensure compliance with this warranty.

The Town will not consider Vendor or any of its subvendors in material breach of the foregoing warranty if Vendor and its subvendors establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

The provisions of this Article must be included in any contract the Vendor enters into with any and all of its subvendors who provide services under this Contract or any subcontract. As used in this Section M "services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

N. ISRAEL BOYCOTT PROVISION. Contractor certifies to Town that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393

O. CANCELLATION FOR CONFLICT OF INTEREST. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a Vendor to any other party to the contract with respect the subject matter of the contract.

P. LICENSES. Vendor shall maintain in current status all Federal, State, and Local licenses and permits required for the operation of the business conducted by Vendor and the services to be performed under the resultant contract.

Q. PERMITS AND RESPONSIBILITIES. Vendor shall, without additional expense to the Town, be responsible for obtaining any necessary licenses and permits and for complying with any applicable Federal, State and Municipal Laws, codes and regulations in connection with the execution of the work.

R. LIENS. Vendor shall cause all materials, service or construction provided or performed under the resultant contract to be free of all liens, and if the Town requests, Vendor shall deliver appropriate written releases, in statutory form of all liens to the Town.

S. PATENTS AND COPYRIGHTS. All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Town and shall not be used or released by Vendor or any other person except with the prior written permission of the Town.

T. WORKPLACE COMPLIANCE. Vendor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

U. PRIORITY OF DOCUMENTS. In the event of a conflict between the terms of this Contract and the terms of any other document related to the Services, including but not limited to Scope of Services, the terms of this Contract shall prevail. In the event of a conflict between the terms of any bid document (RFP, RFQ, IFB) and the terms of a response, the terms of the bid document will control.

ARTICLE 16. FUNDS APPROPRIATION

If the term of this Contract or provision of any Services hereunder extends beyond the current fiscal period of the Town and the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees, to the extent reasonably practical, to give written notice of such termination pursuant to Article 13 of this Agreement at least thirty (30) days prior to the end of the current fiscal period and will pay to the Consultant approved charges incurred through the end of such period.

THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK.

In witness whereof, the parties hereto have executed and caused to be signed by their duly authorized representatives, this Contract effective on the date first written above.

TOWN OF QUEEN CREEK:

Approval of Town Council:

Approval of Contract Administrator:

Julia Wheatley, Mayor

Bruce Gardner, Town Manager

ATTEST:

Maria Gonzalez, Town Clerk

REVIEWED AS TO FORM:

Dickinson Wright PLLC
Town Attorneys

VENDOR:

Michael Greer, Hydro Electric Service Co.

EXHIBIT A
INSURANCE

Insurance Requirements

- 1) Contractor and subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract, insurance against claims for injury to persons or damage to property arising from, or in connection with, the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.
- 2) The Insurance Requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Town of Queen Creek in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that arise out of the performance of the work under this Contract by the Contractor, its agents, representatives, employees or subcontractors, and the Contractor is free to purchase additional insurance.

3) Minimum Scope and Limits of Insurance

Contractor shall provide coverage with limits of liability not less than those stated below.

a) Commercial General Liability (CGL) – Occurrence Form

Policy shall include bodily injury, property damage, and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$50,000
- Each Occurrence \$1,000,000
 - a. The policy shall be endorsed, as required by this written agreement, to include the Town of Queen Creek, and its departments, agencies, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.
 - b. Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the Town of Queen Creek, and its departments, agencies, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

4) Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or nonowned automobiles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000
 - (a) Policy shall be endorsed, as required by this written agreement, to include the Town of Queen Creek, and its departments, agencies, boards, commissions, officers, officials, agents, and employees as additional insureds with respect to liability arising out of the activities performed by, or on behalf of, the Contractor involving automobiles owned, hired and/or non-owned by the Contractor.
 - (b) Policy shall contain a waiver of subrogation endorsement as required by this written agreement in favor of the Town of Queen Creek, and its departments, agencies, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

b) Workers' Compensation and Employers' Liability

Workers' Compensation Statutory

Employers' Liability

- Each Accident \$1,000,000
- Disease – Each Employee \$1,000,000
- Disease – Policy Limit \$1,000,000

(a) Policy shall contain a waiver of subrogation endorsement, as required by this written agreement, in favor of the Town of Queen Creek, and its departments, agencies, boards, commissions, officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

(b) This requirement shall not apply to each Contractor or subcontractor that is exempt under A.R.S. § 23-901, and when such Contractor or subcontractor executes the appropriate waiver form (Sole Proprietor or Independent Contractor).

5) Additional Insurance Requirements

The policies shall include, or be endorsed to include, as required by this written agreement, the following provisions:

- a) The Contractor's policies, as applicable, shall stipulate that the insurance afforded the Contractor shall be primary and that any insurance carried by the Department, its agents, officials, employees or the Town of Queen Creek shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- b) Insurance provided by the Contractor shall not limit the Contractor's liability assumed under the indemnification provisions of this Contract.

6) Notice of Cancellation

Applicable to all insurance policies required within the Insurance Requirements of this Contract, Contractor's insurance shall not be permitted to expire, be

suspended, be canceled, or be materially changed for any reason without thirty (30) days prior written notice to the Town of Queen Creek. Within two (2) business days of receipt, Contractor must provide notice to the Town of Queen Creek if they receive notice of a policy that has been or will be suspended, canceled, materially changed for any reason, has expired, or will be expiring. Such notice shall be sent directly to the Procurement Department and shall be mailed, emailed, or hand delivered to the Procurement Department at 22358 S. Ellsworth Road, Queen Creek, AZ. 85142, or procurement@queencreekaz.gov.

7) Acceptability of Insurers

Contractor's insurance shall be placed with companies licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII. The Town of Queen Creek in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

8) Verification of Coverage

Contractor shall furnish the Town of Queen Creek with certificates of insurance (valid ACORD form or equivalent approved by the Town of Queen Creek) evidencing that Contractor has the insurance as required by this Contract. An authorized representative of the insurer shall sign the certificates.

- a) All such certificates of insurance and policy endorsements must be received by the Town before work commences. The Town's receipt of any certificates of insurance or policy endorsements that do not comply with this written agreement shall not waive or otherwise affect the requirements of this agreement.
- b) Each insurance policy required by this Contract must be in effect at, or prior to, commencement of work under this Contract. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- c) All certificates required by this Contract shall be sent directly to the Procurement Department at 22358 S. Ellsworth Road, Queen Creek, AZ. 85142, or procurement@queencreekaz.gov. The Town of Queen Creek project/contract number and project location shall be noted on the certificate of insurance. The Town of Queen Creek reserves the right to require complete copies of all insurance policies required by this Contract at any time.

9) Subconsultants

Consultant's certificate(s) shall include all subconsultants as insureds under its policies or Consultant shall be responsible for ensuring and/or verifying that all subconsultants have valid and collectable insurance as evidenced by the certificates of insurance and endorsements for each subconsultant. All coverages for subconsultants shall be subject to the minimum Insurance Requirements identified above naming the Town and Consultant as "Additional Insured" on all insurance policies, except Worker's compensation. The Town reserves the right to require, at any time throughout the life of this contract, proof from the Consultant that its subconsultants have the required coverage.

10) Approval and Modifications

The Contracting Agency, in consultation with Town of Queen Creek Risk, reserves the right to review or make modifications to the insurance limits, required coverages, or endorsements throughout the life of this contract, as deemed necessary and subject to at least 30 days written notice. Such action will not require a formal Contract amendment but may be made by administrative action.

11) Exceptions

In the event the Contractor or subcontractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a certificate of self-insurance.

EXHIBIT B

SCOPE OF SERVICES

1. **Water Tank Inspection:**

- 1.1 Inspection consists of visual inspection of tank interior prior to tank cleaning and again after tank cleaning. Visual inspection shall include all tank interior surfaces.
- 1.2 Two copies of video documentation shall be provided to the Town.
- 1.3 Contractor will need to be available for emergency/urgent request and be able to be onsite working within 1-2 business days of the request.

2. **Water Tank Cleaning and Minor Diver-Related Tasks:**

- 2.1 Provide sand removal and video inspection report of above ground tanks of varying sizes between 600k to 3 million gallons, with varying diameters and heights.
 - a. Access entries are 24" – 36" hatches on top of the tanks from 16' to 32' above ground.
- 2.2 When services are needed, Town will provide tank dimensions of tanks to be serviced to assist in price quotes. Pricing for these quotes will be generated using the daily crew rate pricing submitted in the Pricing Table in OpenGov.
- 2.3 This is chlorinated potable water and requirements must be met regarding diving procedures, as outlined by AWWA standards. A disinfection plan shall be provided to the Town as part of this submittal.
- 2.4 Work shall include 2 divers working simultaneously during sand removal process and shall not use less than 2" trash pump for removal of sand for each diver.
- 2.5 Contractor is to utilize hard hose (not lay flat) from pumps to the discharge point. Contractor will need to determine length of run previous to the day work will be performed.
- 2.6 Town will provide weir, decant and/or holding tanks and will dispose of material removed from tanks and associated water.

Additions/Deletions of Service: The Town reserves the right to add and/or delete the number of water tanks and/or services.

EXHIBIT C
PAYMENT SCHEDULE/TERMS

Description:	Unit of Measure	Unit Cost
Sediment Removal	Per Day	\$6,967.00
Mobilization / Demobilization	Per Day	\$2,000.00
Sand bag / Filter	Each	NA
Oil Removal	Per Hour	NA
Inspection not associated with a Tank Cleaning	Per Hour	\$125.00
Inspection Report	Each	\$225.00



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: PAUL GARDNER, UTILITIES DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A JOB ORDER 34 WITH MGC CONTRACTORS, INC., CONTRACT 2019-134 IN AN AMOUNT NOT TO EXCEED \$998,943 FOR THE PHASE 3 OF THE RESERVOIR ASSESSMENT AND MINOR REPAIRS PROGRAM, PROJECT WA206. (FY 22/23 BUDGETED ITEM)

DATE: February 15, 2023

Suggested Action:

To approve a Job Order 34 with MGC Contractors, Inc., Contract 2019-134 in an amount not to exceed \$998,943 for the Phase 3 of the Reservoir Assessment and Minor Repairs Program, Project WA206.

Relevant Council Goal(s):

Secure Future: KRA Environment

Discussion:

The Water Storage Tank Assessment and Repair program is a Utility Services Department (USD) project set up with the goal of assessing the condition and integrity of the Town's potable water storage tanks. The Town currently has 20 welded steel storage tanks in its system and 1 recently constructed concrete storage tank. While concrete storage tanks are expensive to build, they require very little maintenance for several decades. Welded steel storage tanks however, are more prone to failure and require much closer oversight to ensure they function adequately.

When welded steel water storage tanks are constructed, a coating material is applied to the tank to protect the steel from corrosion and rusting. The tank coatings have an estimated life expectancy of 12 - 20 years. Most welded steel tanks in Queen Creek's water system are now within the 12 - 20 year age bracket. While the Town cleans and inspects the USD tanks approximately once every 4 to 5 years, it is now time to complete a more in-depth forensic inspection to determine the integrity of the tank coatings and condition of the steel and weldings.

On February 3, 2021, Council approved a Job Order for Phase 1 of the Program. Phase 1 included performing a tank analysis to determine the estimated life expectancy remaining in the tank coatings and steel material. For a tank to be analyzed, it is drained, cleaned, scaffolding is erected inside the tank and a coatings specialist analyzes the coating thicknesses, steel thicknesses, and any failures that are starting to develop. While the tank is exposed in this condition, the inspection company will also perform minor repairs. The information developed through this detailed inspection has allowed USD to identify which tanks are the most critical to rehabilitate first, enabling the USD to create a schedule and budget to move forward with over the next several years. Phase 1 included the assessment of Pecan North Tank 1, Pecan North Tank 2, Villages Tank, Encanterra Tank, Cortina Tank, Victoria Tank, Victoria Passive Tank and the Castlegate Tank.

On January 19, 2022, Council approved a Job Order for Phase 2 of the Program. The Job Order for

Phase 2 included the cleaning, inspection, valve and level board installation, overflow structure cleaning, and disinfection of reservoir tanks at seven Town well sites including Terra Ranch, Shea South, Main Plant South, Ironwood Crossing, Gantzel and Pecan South 2. It is most important that we catch any critical repairs early before a tank coating fails significantly. Significant failures that go unchecked and unrepaired in welded steel tank coatings have a well-documented history of being very costly to remedy up to and including the requirement to replace the entire tank. Additionally, unchecked conditions can result at times in catastrophic failure.

This Job Order for Phase 3 will include the cost for both interior and exterior coating systems on the Hilltop Upper and Lower tanks, additional roof vents, additional 36-inch manway, additional inlet/outlet pipe supports, new site gate valves, new water level gauge boards, miscellaneous tank improvement nozzles, as well as dirt road erosion remediation to the tank sites.

The timing of the completion of each tank is vital because major tank maintenance projects can only be performed in the winter time when demand on the water system is low and other storage tanks can cover a tank being taken out of service for a time.

Fiscal Impact:


The total not to exceed the amount of \$998,943 includes the contract amount of \$908,130 plus \$90,813 (10%) in contingency for possible unanticipated services. Projects WA206 Tank Rehabilitation is included in the FY 2022/23 Adopted Water Operating Budget.

Alternatives:

Council may choose not to approve this Job Order. If not approved, the USD will work with Council to understand concerns and to work towards an assessment and repair program that follows that direction. The option to not move forward with an assessment and repair program is not recommended at this time.

Attachment(s):

1. [MGC Job Order 34 - Phase 3 Reservoir Assessment Tank Rehab](#)

 JOB ORDER	CONTRACT NUMBER: 2019-134	January 24, 2023
	JOB ORDER NUMBER: 34	

TO: MGC Contractors, Inc
Job Order Contracting Contractor ("Contractor")

FROM: Nathan Mecham
Project Manager/Principle Engineer
Town of Queen Creek

RE: Phase 3 Reservoir Assessment - Hilltop
Upper and Lower Tanks

This Job Order is issued pursuant to the Agreement between the Town of Queen Creek and **Contractor** dated **November 19, 2019**, and the other documents that were made part of and referenced in the Agreement. This Job Order is the Notice to Proceed with the subject Job Order Project on the below Job Order Beginning Date. The terms of this Job Order are as follows:

Part I - Scope of Job Order Work

- Description of the Scope of Job Order Work:
The Scope includes the cost proposal for both interior and exterior coating systems on Hilltop Upper and Lower Tanks, roof vents, 36 inch manway, additional inlet/outlet pipe supports, new site gate valves, new water level gauge boards, miscellaneous tank improvement nozzles, as well as dirt road erosion remediation to the tank sites per the proposal dated January 23, 2023.
- A list of Specifications for the Project is attached as "**Attachment 1**".

Part II - Specific Information

1. Job Order Price		\$908,130.00
2. Schedule	Job Order Beginning Date: (Date project must start)	Upon Approval
	Job Order Final Completion Date: i.e. Date project is complete, including, without limitation, all deficiency, incomplete or correction items (Job Order Punch List)	TBD

If there are more than sixty (60) calendar days between the Beginning Date and the Final Completion Date, or if the Town of Queen Creek has requested a Job Order Progress Schedule, a Job Order Progress Schedule should be attached as "**Attachment 2**".

Part II - Approvals

<u><i>Nathan Mecham</i></u> Nathan Mecham, Project Manager	<u>01/23/2023</u> Date
<u><i>Paul T. Gardner</i></u> Paul Gardner, Utilities Director	<u>01/23/2023</u> Date
<u>Bruce Gardner, Town Manager</u>	<u> </u> Date
<u><i>[Signature]</i></u> MGC Contractors, Inc.	<u>01/26/2023</u> Date



Job Order Contract - PO: 2019-134
Cost Proposal
Project Name:
Phase 3 Reservoir Rehabilitation Program
(Winter 2023)



January 23, 2023

Town of Queen Creek
22358 S Ellsworth Road
Queen Creek, AZ 85142

Attn: PE Nathan Mecham

Re: JOC Cost Proposal
Phase 3 Reservoir Rehab Program – Revision 01

Dear Nate:

In accordance with the information provided, we are pleased to offer a cost proposal for both interior and exterior coating systems on the Hilltop Upper and Lower tanks, additional roof vents, additional 36-inch manway, additional inlet/outlet pipe supports, new site gate valves, new water level gauge boards, miscellaneous tank improvement nozzles, as well as dirt road erosion remediation to the tank sites. The total price of work is (\$908,130.00) Nine Hundred-Eight Thousand One Hundred Thirty dollars and Zero Cents. A further breakdown of the proposal and quotations are attached. We have included an owner's contingency amount of \$41,317.00 in this proposal for unforeseen scope items, potential rafter repairs, as well material escalations due to market volatility. We have included bond and sales tax. Please note the following clarifications:

Hilltop Tanks Access Road Erosion Remediation Scope:

- Install stormwater pipe and riprap backfill in eroded ditch near the W Sun Dance Road turn-off to allow for safe vehicle access.
- Procure and install geofabric and riprap along roadway to re-establish the original road width for the transportation of necessary equipment to the tank sites to perform work.
- Clearing, grubbing, and leveling of existing Upper Tank access road and Lower Tank staging area to establish a heavy equipment platform to stage large machinery for tank blasting and coating procedures.
- Remove and replace broken irrigation pipe under Hilltop 1 site entrance and replace with new pipe. Site entrance will be widened slightly to allow for safe vehicle access.

Hilltop Upper Tank (2) Included scope:

- Prepare steel and apply new, NSF 61 approved, 100% solids coating to interior shell and floor.
- Prepare steel and apply new Epoxy coating system on interior roof.
- Prepare and prime steel and apply Polyurethane finish coat on tank's exterior.
- Fabricate and install (4) new 24-inch vents on the tank roof.
- Fabricate and install (1) new 36-inch manway.
- Remove and relocate (1) existing 24-inch manway. If the 24" manway is unable to be relocated due to steel integrity, a new 36" manway will be installed and requested for funding from the owner's

4110 E. Elwood St. Phoenix, Arizona 85040 Telephone (602) 437-5000 Fax (602) 470-4000
License Numbers ROC069949 & ROC071441

contingency.

- Fabricate and install (1) 4-inch flanged drain nozzle on tank shell with new 4-inch gate valve. The existing 2-inch thread-o-let on the tank shell is to be abandoned and patched with new steel.
- Fabricate and install (1) 4-inch flanged nozzle for future Ultrasonic Level Indicator (future) on the tank roof.
- Fabricate and install (1) 2-inch flanged drain nozzle on the tank shell for the pressure level indicator relocation.
- Fabricate and install new Pressure Level Indicator (PIT) security cage with concrete pad.
- Furnish and install (2) new pipe supports for inlet/outlet piping, as well as concrete support pads.
- Furnish and install new Varec Gauge Board.
- Procure and install new 9-inch flanges on overflow pipe to allow for installation of new flapper valve and 316SS screen mesh.
- Installation of native riprap and grout at overflow outlet location.
- Remove and replace the existing 12-inch inlet/outlet gate valve and include a new Restrained Flange Coupling Adaptor for future dismantling.
- Third-party inspections for all stages of interior and exterior coatings and weld inspections.
- Perform leak test upon completion.
- Disinfection and Bac-T samples of reservoir tank before placing into service.
- Miscellaneous piping materials for re-connecting relocated tank appurtenances.

Hilltop Lower Tank (1) Included scope:

- Prepare steel and apply new NSF 61 approved 100% solids coating to interior shell and floor.
- Prepare steel and apply new Epoxy coating system on the interior roof.
- Prepare and prime steel and apply Polyurethane finish coat on the tank's exterior.
- Fabricate and install (4) new 24-inch vents on the tank roof.
- Fabricate and install (1) new 36-inch manway.
- Remove and relocate (1) existing 24-inch manway. If the 24" manway is unable to be relocated due to steel integrity, a new 36" manway will be installed and requested for funding from the owner's contingency.
- Fabricate and install (1) 4-inch flanged nozzle for future Ultrasonic Level Indicator on the tank roof.
- Furnish and install (1) new pipe support for inlet/outlet piping, and a concrete support pad.
- Furnish and install new Varec Gauge Board.
- Procure and install new 16-inch flange on the overflow pipe to allow for installation of new flapper valve and 316SS screen mesh. Modification to the existing overflow shotcrete is necessary to allow for the new flange to be installed and will be replaced in kind.
- Procure and install site gate valves including a new Restrained Flange Coupling Adapter for future dismantling.
- Installation of a new Atmospheric valve on the tank inlet/outlet valve (valve supplied by TOQC).
- Third-party inspections for all stages of interior and exterior coatings and weld inspections.
- Perform leak test upon completion.

- Disinfection and Bac-T samples of reservoir tank before placing into service.
- Miscellaneous piping materials for re-connecting relocated tank appurtenances.
- Procure and install new cathodic protection system at Hilltop tank 1, which includes wiring to the existing electrical panel.

Clarifications and Exceptions:

- The procedure being proposed by STS and MGC has been decided by the Town of Queen Creek as the best remediation recommendation.
- We have excluded cathodic protection in this proposal for Hilltop Tank 2.
- We have excluded the installation of power conduits between Hilltop Tank 1 and Tank 2 sites.
- We have excluded any large-diameter steel piping replacements on the exterior of the tank.
- All unused owner's contingency monies will be returned to the Town of Queen Creek.
- We have excluded the costs of construction water.
- We have excluded the procurement and installation of a new steel floor on both tanks.
- This proposal does not include the temporary relocation of the communication antenna on tank 1. However, MGC will have equipment on-site during exterior coating application to assist coordination efforts with TOQC.
- We have excluded Atmospheric valve installation representative for startup and commissioning. TOQC to provide Singer representative for valve tuning if found necessary.

Thank you for the opportunity to be of service, if you have any questions please do not hesitate to call.

Sincerely,



Wesley Forster
Project Manager



**PHASE 3 RESERVOIR REHAB PROGRAM (WINTER 2023)
TOTAL PROJECT BREAKDOWN**

Project Number:				
Contractor:	MGC Contractors Inc.			
Date:	20-Jan-23			
Division	Description	% of Total	Cost	Comments
	Construction Indirect Costs Summary			
00000	Division 0 - Bidding and Contract Requirements			
	Sales Tax	6.41%	\$58,207	
	Sales Tax Deduct	0.00%	\$0	
	Overhead (Self-Performed + General Requirements)	1.66%	\$15,052	6.00%
	Profit (Self-Performed + General Requirements)	2.49%	\$22,578	9.00%
	Profit (Subcontractors Only)	2.81%	\$25,547	5.00%
	Insurance (GL, IF, PL)	1.25%	\$11,338	
	Bond	1.50%	\$13,605	
00000	Sub-Total	16.1%	\$146,326	
01000	Division 1 - General Requirements			
	Project Staff	8.71%	\$79,123	
	Project Site Temporary Facilities	1.78%	\$16,160	
01000	Sub-Total	10.5%	\$95,283	
	Sub-Total Indirect Costs	26.6%	\$241,610	
	SUBCONTRACTORS AND CONSULTANTS			
	Steel Tank Sub: Tank #2 Inspection Blast	0.91%	\$8,233	STS
	Steel Tank Sub: Tank #2 Interior Coatings	10.06%	\$91,351	STS
	Steel Tank Sub: Tank #2 Exterior Coatings	3.50%	\$31,817	STS
	Steel Tank Sub: Tank #2 Disinfection	0.11%	\$1,000	STS
	Steel Tank Sub: Tank #2 Qty (4) Roof Vents	3.70%	\$33,600	STS
	Steel Tank Sub: Tank #2 Qty (4) Roof Safety D Rings	0.09%	\$840	STS
	Steel Tank Sub: Tank #2 Roof Cathodic Protection Preperation	0.15%	\$1,400	STS
	Steel Tank Sub: Tank #2 Relocate 24" Manway	0.70%	\$6,400	STS
	Steel Tank Sub: Tank #2 New 36" Manway	0.98%	\$8,924	STS
	Steel Tank Sub: Tank #2 Overflow Flange w/ Tideflex	0.64%	\$5,800	STS
	Steel Tank Sub: Tank #2 Qty (1) 2" Sheel Flange for PIT	0.07%	\$615	STS
	Steel Tank Sub: Tank #2 Qty (1) 4" Shell Flange for Drain	0.07%	\$615	STS
	Steel Tank Sub: Tank #2 Qty (1) 4" Roof Flange for Ultrasonic LIT	0.07%	\$615	STS
	Steel Tank Sub: Tank #2 Qty (1) Mobilization	0.44%	\$4,000	STS
	Inspections Sub: Tank #2 Third-Party Coatings Inspections	1.82%	\$16,500	II&C
	Electrical Sub: Tank #2 Relocate Existing PIT	0.33%	\$3,000	Swain
	Steel Tank Sub: Tank #1 Inspection Blast	0.91%	\$8,233	STS
	Steel Tank Sub: Tank #1 Interior Coatings	16.07%	\$145,928	STS
	Steel Tank Sub: Tank #1 Exterior Coatings	4.72%	\$42,872	STS
	Steel Tank Sub: Tank #1 Disinfection	0.11%	\$1,000	STS
	Steel Tank Sub: Tank #1 Qty (4) Roof Vents	3.70%	\$33,600	STS
	Steel Tank Sub: Tank #1 Qty (4) Roof Safety D Rings	0.09%	\$840	STS
	Steel Tank Sub: Tank #1 Roof Cathodic Protection Preperation	0.15%	\$1,400	STS
	Steel Tank Sub: Tank #1 Relocate 24" Manway	0.70%	\$6,400	STS
	Steel Tank Sub: Tank #1 New 36" Manway	0.98%	\$8,924	STS
	Steel Tank Sub: Tank #1 Overflow Flange w/ Tideflex	0.64%	\$5,800	STS
	Steel Tank Sub: Tank #1 Qty (1) 2" Sheel Flange for PIT	0.07%	\$615	STS
	Steel Tank Sub: Tank #1 Qty (1) 4" Shell Flange for Drain	0.07%	\$615	STS
	Steel Tank Sub: Tank #1 Qty (1) 4" Roof Flange for Ultrasonic LIT	0.07%	\$615	STS
	Steel Tank Sub: Tank #1 Qty (1) Mobilization	0.44%	\$4,000	STS
	Inspections Sub: Tank #1 Third-Party Coatings Inspections	2.09%	\$19,000	II&C
	Cathodic Sub: Tank #1 Cathodic Protection System	1.39%	\$12,600	ACCI
	Electrical Sub: Tank #1 Install Cathodic Wiring	0.42%	\$3,781	Swain
	Sub-Total	56.3%	\$510,933	



**PHASE 3 RESERVOIR REHAB PROGRAM (WINTER 2023)
TOTAL PROJECT BREAKDOWN**

Project Number:				
Contractor:	MGC Contractors Inc.			
Date:	20-Jan-23			
	SUPPLIERS	% of		
	Small Tools (10% of Labor)	0.44%	\$4,010	\$40,104
	Safety Supplies (3% of Labor)	0.13%	\$1,203	\$40,104
	Pipe & Valve Materials (See attached pipe takeoff)	3.24%	\$29,418	
1.00.00	Access Improvements Civil Materials (See attached materials takeoff)	0.35%	\$3,146	
2.00.00 / 3.00.00	Tanks 1 & 2 Civil Materials (See attached materials takeoff)	0.69%	\$6,222	
	Sub-Total	4.8%	\$44,000	
1.00.00	MGC SELF-PERFORMED (ACCESS IMPROVEMENTS)			
1.01.00	Minor Roadway Improvements for Access	0.56%	\$5,102	
1.02.00	Tank #2 (Upper) Minor Hilltop Grading Inside Site for Access	0.45%	\$4,091	
1.03.00	Tank #1 (Lower) Minor Hilltop Grading Inside Site for Access	0.41%	\$3,715	
	Sub-Total	1.4%	\$12,909	
2.00.00	MGC SELF-PERFORMED (TANK 2)			
2.01.00	Tank #2 (Upper) Mobilize, Dewater, & Clean Reservoir	0.64%	\$5,838	
2.02.00	Tank #2 (Upper) Install Scaffolding & Inspection	0.34%	\$3,121	
2.03.00	Tank #2 (Upper) Install New Varec Level Gauge	0.21%	\$1,903	
2.04.00	Tank #2 (Upper) Additionally Requested Work	0.65%	\$5,860	
2.05.00	Tank #2 Subcontractor Assistance	1.39%	\$12,646	
	Sub-Total	3.2%	\$29,368	
3.00.00	MGC SELF-PERFORMED (TANK 1)			
3.01.00	Tank #1 (Lower) Mobilize, Dewater, & Clean Reservoir	0.22%	\$1,972	
3.02.00	Tank #1 (Lower) Install Scaffolding & Inspection	0.34%	\$3,121	
3.03.00	Tank #1 (Lower) Install New Varec Level Gauge	0.21%	\$1,903	
3.04.00	Tank #1 (Lower) Additionally Requested Work	1.05%	\$9,534	
3.05.00	Tank #1 Subcontractor Assistance	1.26%	\$11,464	
	Sub-Total	3.1%	\$27,994	
4.00.00	OWNERS CONTINGENCY			
4.01.00	Tank #2 (Upper) Replace Roof Rafters	0.10%	\$878	
4.01.00	Steel Tank Sub: Tank #2 (Upper) Replace up to 6 Rafters (\$1400 Ea.)	0.92%	\$8,400	STS
4.02.00	Tank #1 (Lower) Replace Roof Rafters	0.05%	\$439	
4.02.00	Steel Tank Sub: Tank #1 (Lower) Replace up to 6 Rafters (\$1100 Ea.)	0.73%	\$6,600	STS
4.03.00	Owners Allowance for Unforseen Conditions	2.75%	\$25,000	
	Sub-Total	4.5%	\$41,317	
	Sub-Total Direct Costs	73.4%	\$666,520	
	Overall Total		\$908,130	

PHASE 3 RESERVOIR REHAB PROGRAM (WINTER 2023)

Division 01

BY:

-

#	DESCRIPTION	QUANT	UNIT	UNIT COST	AMOUNT	Comments
1.	Mobilization/Demobilization:				-	
	- Company Equipment	4	Ea	\$ 500	\$ 2,000	
		0	Ea	\$ 600	\$ -	
	- Rental Equipment	4	Ea	\$ 650	\$ 2,600	
	- Equipment Delivery	0	Ea	\$ 400	\$ -	
	- Other	0	Ea	\$ 400	\$ -	
2.	Permits				\$ -	
	- Local	0	Ea		\$ -	
	- County (Pinal)	1	Ea	\$ 150	\$ 150	Dust Control Permit
	- Railroad	0	Ea		\$ -	
	- Other	0	Ea		\$ -	
3.	Trailers:				\$ -	
	- MGC - storage	0	Mo	\$ 250	\$ -	
	- MGC - office	0	Mo	\$ 450	\$ -	
	- Engineer's office	0			\$ -	
4.	Temporary/Cellular Phone	4	Mo	\$ 150	\$ 600	
5.	Temporary Power:				\$ -	
	- Set-up	0	Ea	\$ 200	\$ -	
	- Construction - monthly	4	Mo	\$ 75	\$ 300	
	- Trailer - construction mo.	0	Mo	\$ 50	\$ -	
	- Trailer - Engineer mo.	0			\$ -	
6.	J-Jon/Sanitation Facilities	4	Mo	\$ 375	\$ 1,500	
7.	Water - drinking/ice	4	Mo	\$ 75	\$ 300	
8.	Water - construction	0	LS	\$ 900	\$ -	Backflow w/ Certs
9.	Temporary Fencing:				\$ -	
	- Set-up	1	LS	\$ 50	\$ 50	
	- Monthly Charges	4	Mo	\$ 90	\$ 360	Around Equipment
10.	Surveying/Construction Staking	0	LS	\$ 550	\$ -	
11.	Subcontractor Bonds	0			\$ -	
12.	Construction Testing	0	Mo	\$ -	\$ -	
13.	Design/P.E. Stamp	0			\$ -	
14.	Dumpster - monthly	0	Ea	\$ 500	\$ -	Using Dump Trailer
	Dump Fees	1	LS	\$ 400	\$ 400	
15.	Clean-up	0	LS	\$ 1,500	\$ -	
16.	AGC Fees	0	LS		\$ -	
17.	Site Signage	0	LS	\$ 950	\$ -	
18.	Liquidated Damages	0			\$ -	
19.	Traffic Control:	0	Dy	\$ 150	\$ -	
	Traffic plates	0	Mo	\$ 2,500	\$ -	
	Traffic officer	0	Hr	\$ 75	\$ -	
20.	Subsistence	0			\$ -	
21.	Courier Fees	0			\$ -	
22.	Reprographics	0	LS	\$ 350	\$ -	
23.	O&M Costs	0	LS	\$ 150	\$ -	Time & Binder Materials
	OCR Recognition	0			\$ -	
24.	Security Costs	4	Mo	\$ 1,100	\$ 4,400	Capture Cam
25.	Insurance - Builders Risk	0	Mo	\$ 576	\$ -	
26.	Dust Control - Materials	4	Mo	\$ 175	\$ 700	
27.	Other	0	Mo	\$ 260	\$ -	Sweeper Once/Month
28.	SWPPP Permit	0	LS	\$ 1,100	\$ -	
	SWPPP Materials	0	LS	\$ 350	\$ -	
27.	Per Diem	0	Dy		\$ -	
28.	Hotel / Subsistence	0	Rm		\$ -	
29.	Engineering -	0	LS	\$ -	\$ -	
					\$ -	
30.	Communications	4	MO	\$ 700	\$ 2,800	Internet \$400, Printer \$300
					\$ -	
	TOTAL				\$ 16,160	

Project Staff

Labor				
Position	Unit	Quantity	Labor Cost	
			Unit	Total
Project Executive	HR	24.0	\$122.50	\$2,940
Sr. Project Manager	HR	0.0	\$110.60	\$0
Project Manager	HR	400.0	\$94.03	\$37,612
Project Engineer	HR	0.0	\$65.16	\$0
Project Superintendent	HR	160.0	\$105.70	\$16,912
General Superintendent	HR	20.0	\$112.53	\$2,251
CAD Engineer	HR	0.0	\$65.16	\$0
Administration	HR	8.0	\$50.00	\$400
Estimator	HR	60.0	\$65.16	\$3,910
QA/QC Manager	HR	20.0	\$112.53	\$2,251
	HR	0.0		\$0
Total Labor Cost:				\$66,275

Equipment				
Item	Unit	Quantity	Equipment Cost	
			Unit	Total
Pickup Truck	HR	424.0	\$17.85	\$7,568.40
Supervisor (Heavy Duty) Truck	HR	200.0	\$26.40	\$5,280.00
Total Equipment Cost:				\$12,848.40

Miscellaneous				
Item	Unit	Quantity	Material Cost	
			Unit	Total
Field Office Supplies	LS	1.00	\$750.00	\$750.00
				\$0.00
				\$0.00
				\$0.00
Total Material Cost:				\$750.00

Job Name: Phase 3 Reservoir Rehab Program (Winter 2023)

Work Order Breakdown - Labor & Equipment

#	Water & Wastewater Facilities Projects	Info	LABOR					EQUIPMENT											\$ Total For Line
			HRS Forman	HRS Operator Group 1	HRS Crane Operator	HRS Pipefitter	HRS Labor Group 1	HRS Back Hoe	HRS Mini- Excavator	HRS SM (3.5) Loader	HRS Water Trailer	HRS Jack- Hamr/Cmp	HRS Conf. Space Eq.	HRS Trash Pump	HRS Scaffolding	HRS Pressure Washer	WKS PC094 Crane	WKS URW295 Crane	
0.00.00	Phase 1 Reservoir Rehab Program (Winter 2023)																		
1.00.00	Access Improvements																		
1.01.00	Minor Roadway Improvements for Access																		
1.01.01	Load, Haul, Dump Rip-Rap & Millings		0.0	12.0	0.0	0.0	16.0	4.0	8.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 2,195
1.01.02	Fill-in & Compact Eroded Areas Along Roadway		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,454
1.01.03	Place & Compact Millings Along Roadway		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,454
1.02.00	Tank #2 (Upper) Minor Hilltop Grading Inside Site for Access																		
1.02.01	Flatten, Grade, & Slight Fill		0.0	24.0	0.0	0.0	48.0	0.0	12.0	12.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 4,091
1.03.00	Tank #1 (Lower) Minor Hilltop Grading Inside Site for Access																		
1.03.01	Widen Roadway for Access		0.0	12.0	0.0	0.0	24.0	0.0	12.0	12.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 2,787
1.03.02	Flatten, Grade, & Sight Fill for Laydown		0.0	4.0	0.0	0.0	8.0	0.0	4.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 929
2.00.00	Tank #2 (Upper) Work																		
2.01.00	Tank #2 (Upper) Mobilize, Dewater, & Clean Reservoir																		
2.01.01	Mobilize & Stage Equipment & Assisting STS w/ Equipment Setup		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,454
2.01.02	Install Temporary Dewatering Piping		0.0	2.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 175
2.01.03	Dewater/Spot Clean Reservoir		10.0	0.0	0.0	4.0	48.0	0.0	0.0	0.0	10.0	0.0	10.0	10.0	0.0	20.0	0.0	0.0	\$ 4,209
2.02.00	Tank #2 (Upper) Install Scaffolding & Inspection																		
2.02.01	Install Scaffolding Inside Reservoir		4.0	0.0	0.0	4.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	\$ 701
2.02.02	Breakdown Scaffolding		4.0	0.0	0.0	4.0	8.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	\$ 1,301
2.02.03	Provide Confined Space Entry for Inspection		4.0	0.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	\$ 1,120
2.03.00	Tank #2 (Upper) Install New Varec Level Gauge																		
2.03.01	Install New Varec Level Gauge System		8.0	0.0	0.0	8.0	16.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	2.0	0.0	0.0	0.0	\$ 1,903
2.04.00	Tank #2 (Upper) Additionally Requested Work																		
2.04.01	Install Replacement 12" Inlet/Outlet Gate Valve & RFCA		8.0	0.0	0.0	8.0	16.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,674
2.04.02	Install Replacement 4" Drain Gate Valve & Blind Flange		2.0	0.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 263
2.04.03	Install New Pipe Supports on Pipe Qty (2)		16.0	0.0	0.0	16.0	32.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 2,690
2.04.04	Install Replacement Small Bore Dielectric Nipples & Ball Valves		0.0	0.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 145
2.04.05	Install Lockable Cage for PIT (Security)		4.0	0.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 563
2.04.06	Install Grouted Rip-Rap at Overflow & Drain		4.0	0.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 526
2.05.00	Tank #2 Subcontractor Assistance																		
2.05.01	Assist STS w/ Hoisting Vents & Manways		8.0	0.0	8.0	0.0	16.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	\$ 4,630
2.05.02	Assist STS w/ Moving Vents & Manways from Staging to Tank		2.0	2.0	0.0	0.0	4.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 439
2.05.03	Assist STS w/ Intermittent Cleanup & Haul-Off		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,286
2.05.04	Assist STS w/ Demobilization of Equipment		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,286
2.05.05	Assist STS w/ Disinfection		2.0	0.0	0.0	0.0	4.0	0.0	0.0	8.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	\$ 1,111
2.05.06	1-Year Anniverssary Inspection		12.0	0.0	0.0	12.0	24.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	8.0	4.0	0.0	0.0	\$ 3,895
3.00.00	Tank #1 (Lower) Work																		
3.01.00	Tank #1 (Lower) Mobilize, Dewater, & Clean Reservoir																		
3.01.01	Mobilize & Stage Equipment		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,454
3.01.02	Install Temporary Dewatering Piping		0.0	2.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 175
3.01.03	Dewater Tank		2.0	0.0	0.0	2.0	4.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	\$ 343
3.02.00	Tank #1 (Lower) Install Scaffolding & Inspection																		
3.02.01	Install Scaffolding Inside Reservoir		4.0	0.0	0.0	4.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	\$ 701
3.02.02	Breakdown Scaffolding		4.0	0.0	0.0	4.0	8.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	\$ 1,301
3.02.03	Provide Confined Space Entry for Inspection		4.0	0.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	4.0	0.0	0.0	0.0	\$ 1,120
3.03.00	Tank #1 (Lower) Install New Varec Level Gauge																		
3.03.01	Install New Varec Level Gauge System		8.0	0.0	0.0	8.0	16.0	0.0	0.0	0.0	0.0	0.0	4.0	0.0	2.0	0.0	0.0	0.0	\$ 1,903
3.04.00	Tank #1 (Lower) Additionally Requested Work																		
3.04.01	Install Replacement Valves (12", 12", 8", 6", 4") & RFCA's		32.0	0.0	0.0	32.0	64.0	0.0	32.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 6,695
3.04.02	Install Owner Provided 12" Atmosphere Valve Components		0.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 581
3.04.03	Install New Pipe Supports on Pipe Qty (1)		0.0	0.0	0.0	12.0	12.0	0.0	0.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,022
3.04.04	Install Replacement Small Bore Dielectric Nipples & Ball Valves		0.0	0.0	0.0	8.0	16.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 800
3.04.05	Cut & Replace Corroded 6" Pipe w/ New Steel Tee & ARV		0.0	0.0	0.0	6.0	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 436
3.05.00	Tank #1 Subcontractor Assistance																		
3.05.01	Assist STS w/ Hoisting Vents & Manways		8.0	0.0	8.0	0.0	16.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	\$ 4,046
3.05.02	Chip Out Existing Shotcrete Under OF Pipe & Grout Back		8.0	0.0	0.0	8.0	8.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,126

Job Name: Phase 3 Reservoir Rehab Program (Winter 2023)
 Work Order Breakdown - Labor & Equipment

#	Water & Wastewater Facilities Projects	Info	LABOR					EQUIPMENT											\$ Total For Line
			HRS Forman	HRS Operator Group 1	HRS Crane Operator	HRS Pipefitter	HRS Labor Group 1	HRS Back Hoe	HRS Mini- Excavator	HRS SM (3.5) Loader	HRS Water Trailer	HRS Jack- Hamr/Cmp	HRS Conf. Space Eq.	HRS Trash Pump	HRS Scaffoldin	HRS Pressure Washer	WKS PC094 Crane	WKS URW295 Crane	
3.05.03	Assist STS w/ Intermitten Cleanup & Haul-Off		0.0	8.0	0.0	0.0	16.0	0.0	0.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 1,286
3.05.04	Assist STS w/ Disinfection		2.0	0.0	0.0	0.0	4.0	0.0	0.0	8.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	\$ 1,111
3.05.05	1-Year Anniverssary Inspection		12.0	0.0	0.0	12.0	24.0	0.0	0.0	0.0	0.0	0.0	12.0	0.0	8.0	4.0	0.0	0.0	\$ 3,895
4.00.00	Owners Contingency																		
4.01.00	Tank #2 (Upper) Replace Roof Rafters																		
4.01.01	Assist STS w/ Moving Roof Rafters from Staging to Tank	Qty (1 to 6)	4.0	4.0	0.0	0.0	8.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 878
4.02.00	Tank #1 (Lower) Replace Roof Rafters																		
4.01.01	Assist STS w/ Moving Roof Rafters from Staging to Tank	Qty (1 to 6)	2.0	2.0	0.0	0.0	4.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 439
																			\$ -
1	Total Column		178.0	120.0	16.0	172.0	626.0	4.0	76.0	124.0	90.0	11.0	62.0	12.0	44.0	28.0	2.0	2.0	\$ 71,587
2	Unit Cost		\$ 58.72	\$ 33.05	\$ 48.66	\$ 45.34	\$ 27.33	\$ 51.25	\$ 50.50	\$ 73.00	\$ 21.00	\$ 37.50	\$ 150.00	\$ 12.85	\$ 16.50	\$ 14.50	\$ 1,250.00	\$ 1,500.00	
3	Total Cost \$		\$ 10,452	\$ 3,966	\$ 779	\$ 7,798	\$ 17,109	\$ 205	\$ 3,838	\$ 9,052	\$ 1,890	\$ 413	\$ 9,300	\$ 154	\$ 726	\$ 406	\$ 2,500	\$ 3,000	\$ 71,587

Pipe Takeoff (PTO)

SYSTEM	SIZE	UNITS	QTY	UNITS	EQUIPMENT DESCRIPTION	UNIT COST	TOTAL COST
2.04.01							
Hilltop Tank #2 (Upper) (2.04.01)							
HTT2 Inlet/Outlet	12	INCH	1	EA	12" Gate Valve FLG (C515 RW OS&Y w/ Handwheel)	\$ 3,828.00	\$ 3,828.00
HTT2 Inlet Outlet	12	INCH	1	EA	12" RFCA (Steel Application)	\$ 560.00	\$ 560.00
HTT2 Inlet Outlet	12	INCH	2	EA	12" Isolation Kit (RFCA to GV) (GV TO TANK)	\$ 219.00	\$ 438.00
HTT2 Drain Line	4	INCH	1	EA	4" Gate Valve FLG (C515 RW OS&Y W/ Handwheel)	\$ 770.00	\$ 770.00
HTT2 Drain Line	4	INCH	1	EA	4" Isolation Kit (Tank to Gate Valve)	\$ 69.30	\$ 69.30
2.04.02							
Hilltop Tank #2 (Upper) (2.04.02)							
HTT2 Inlet Outlet	12	INCH	1	EA	12" Saddle Pipe Support (Approximately 3' to Center)	\$ 516.00	\$ 516.00
HTT2 Inlet Outlet	12	INCH	1	EA	12" Flanged Pipe Support (Approximately 3' to Center)	\$ 516.00	\$ 516.00
2.04.03							
Hilltop Tank #2 (Upper) (2.04.03)							
HTT2 Inlet/Outlet/Suction	1.5	INCH	1	EA	1.5" X 3" Dielectric Nipple	\$ 10.00	\$ 10.00
HTT2 Inlet/Outlet/Suction	1.5	INCH	1	EA	1.5" Stainless Steel Ball Valve	\$ 148.00	\$ 148.00
2.04.04							
Hilltop Tank #2 (Upper) (2.04.04)							
HTT2 Inlet/Outlet/Suction	1.5	INCH	1	EA	1.5" X 3" Dielectric Nipple	\$ 10.00	\$ 10.00
HTT2 Inlet/Outlet/Suction	1.5	INCH	1	EA	1.5" Stainless Steel Ball Valve	\$ 148.00	\$ 148.00
HTT2 Inlet/Outlet/Suction	1.5	INCH	1	EA	1.5" SS Union	\$ 26.00	\$ 26.00
HTT2 Inlet/Outlet/Suction	2	INCH	1	EA	2" X 3" Dielectric Nipple	\$ 16.00	\$ 16.00
HTT2 Inlet/Outlet/Suction	2	INCH	1	EA	2" SS Ball Valve	\$ 172.00	\$ 172.00
2.04.05							
Hilltop Tank #2 (Upper) (2.04.05)							
HTT2 PIT Cage	N/A	N/A	1	EA	Security Cage for PIT	\$ 500.00	\$ 500.00
3.04.01							
Hilltop Tank #1 (Lower) (3.04.01)							
HTT1 Inlet/Outlet	12	INCH	1	EA	12" Isolation Kit w/ Gasket & 316 SS Bolts (Tank FLG to GV)	\$ 219.00	\$ 219.00
HTT1 Inlet/Outlet	12	INCH	1	EA	12" Gate Valve FLG (C515 RW OS&Y w/ Handwheel)	\$ 3,828.00	\$ 3,828.00
HTT1 Inlet/Outlet	12	INCH	1	EA	12" Isolation Kit w/ Gasket & 316 SS Bolts (GV to Reducer)	\$ 219.00	\$ 219.00
HTT1 Inlet/Outlet	8	INCH	1	EA	8" Isolation Kit w/ Gaskets & 316 SS Bolts (8" Reducer to CV)	\$ 170.00	\$ 170.00
HTT1 Inlet/Outlet	8	INCH	1	EA	8" Control Valve FLG x FLG TOQC Provided	\$ -	\$ -
HTT1 Inlet/Outlet	8	INCH	1	EA	8" BNG (Control Valve to RFCA)	\$ 73.00	\$ 73.00
HTT1 Inlet/Outlet	8	INCH	1	EA	8" RFCA (DIP Application)	\$ 460.25	\$ 460.25
HTT1 Inlet/Outlet	8	INCH	1	EA	8" BNG (DIP to Gate Valve)	\$ 27.00	\$ 27.00
HTT1 Inlet/Outlet	8	INCH	1	EA	8" Gate Valve FLG (C515 RW OS&Y w/ Handwheel)	\$ 2,000.00	\$ 2,000.00
HTT1 Inlet/Outlet	8	INCH	1	EA	8" FLG X PE (CML-Primed)	\$ 525.00	\$ 525.00
HTT1 Inlet/Outlet	12	INCH	1	EA	12" BNG (12" Reducer to Steel Pipe Ship loose flange)	\$ 28.00	\$ 28.00
HTT1 Inlet/Outlet	12	INCH	1	EA	12" Ship Loose Weld on Steel Flange	\$ 888.00	\$ 888.00
HTT1 Pump Suction	8	INCH	1	EA	8" Isolation kit w/ Gaskets & 316 SS Bolts (GV to Stl)	\$ 170.00	\$ 170.00
HTT1 Pump Suction	8	INCH	1	EA	8" Gate Valve FLG (C515 RW OS&Y w/ Handwheel)	\$ 2,000.00	\$ 2,000.00
HTT1 Pump Suction	8	INCH	1	EA	8" BNG Kit (GV to RFCA)	\$ 73.00	\$ 73.00
HTT1 Pump Suction	8	INCH	1	EA	8" RFCA (Steel Application)	\$ 460.25	\$ 460.25
HTT1 Pump Suction	6	INCH	1	EA	6" Isolation Kit w/ Gaskets & 316 SS Bolts (6" Red to GV)	\$ 91.00	\$ 91.00
HTT1 Pump Suction	6	INCH	1	EA	6" Gate Valve FLG (C515 RW OS&Y w/ Handwheel)	\$ 1,310.00	\$ 1,310.00
HTT1 Pump Suction	6	INCH	2	EA	6" RFCA (Steel Application)	\$ 360.89	\$ 360.89
3.04.03							
Hilltop Tank #1 (Lower) (3.04.03)							
HTT1 Inlet/Outlet/Suction	1.5	INCH	2	EA	3/4" Sample Tap (Threadless Bronze)	\$ 26.72	\$ 53.44
HTT1 Inlet/Outlet/Suction	1.5	INCH	3	EA	1.5" x 3" Dielectric Nipple	\$ 10.00	\$ 30.00
HTT1 Inlet/Outlet/Suction	1.5	INCH	3	EA	1.5" SS Ball Valve	\$ 148.00	\$ 444.00
HTT1 Inlet/Outlet/Suction	1.5	INCH	3	EA	1.5" SS Union	\$ 26.00	\$ 78.00
HTT1 Inlet/Outlet/Suction	2	INCH	3	EA	2" X 3" Dielectric Nipple	\$ 16.00	\$ 48.00
HTT1 Inlet/Outlet/Suction	2	INCH	3	EA	2" SS Ball Valve	\$ 172.00	\$ 516.00
HTT1 Inlet/Outlet/Suction	2	INCH	4	EA	2" SS Union	\$ 31.00	\$ 124.00
HTT1 Inlet/Outlet/Suction	1	INCH	3	EA	1"x3" Dielectric Nipple	\$ 10.00	\$ 30.00
HTT1 Inlet/Outlet/Suction	1	INCH	3	EA	1" SS Ball Valves	\$ 93.00	\$ 279.00
HTT1 Inlet/Outlet/Suction	1	INCH	3	EA	1" SS Union	\$ 22.00	\$ 66.00
3.04.04							
Hilltop Tank #1 (Lower) (3.04.04)							
HTT1 Inlet Outlet	12	INCH	1	EA	12" Saddle Pipe Support (Approximately 3' to Center)	\$ 516.00	\$ 516.00
3.04.05							
Hilltop Tank #1 (Lower) (3.04.05)							
HTT1 Pump Suction	2	INCH	1	EA	2" ARI Release Valve (For Tee)	\$ 597.00	\$ 597.00
HTT1 Pump Suction	2	INCH	1	EA	2" Union SS	\$ 31.00	\$ 31.00
HTT1 Pump Suction	2	INCH	1	EA	2" SS Ball Valve	\$ 172.00	\$ 172.00
HTT1 Pump Suction	2x3	INCH	1	EA	2" x 3" Dielectric Nipple	\$ 16.00	\$ 16.00
HTT1 Pump Suction	6	INCH	2	EA	6" Ship Loose Weld on Flange (Installed/Welded)	\$ 650.00	\$ 1,300.00
HTT1 Pump Suction	6	INCH	1	EA	6" Steel Blind Flange 2" Tap	\$ 525.00	\$ 525.00
HTT1 Pump Suction	6	INCH	3	EA	6" BNG (Steel Tee Bolt Kits)	\$ 57.00	\$ 171.00
HTT1 Pump Suction	6	INCH	1	EA	6" x 6" x 6" Flange Tee (Steel Fabricated)	\$ 3,750.00	\$ 3,750.00
HTT1 Pump Suction	6	INCH	3	EA	6" BNG (Steel to Steel)	\$ 14.00	\$ 42.00

Total \$ 29,418.13

Civil Materials Takeoff

Item #	Description	Size	Quantity	Unit	Cost Each	Total	Notes
Phase 1 Reservoir Rehab Program (Winter 2023)							
1.00.00	Access Improvements						
1.01.00	Haul Trucking for Materials		4	Hrs	\$ 135.00	\$ 540.00	
1.01.00	Rip-Rap		40	Tns	\$ 28.50	\$ 1,140.00	
1.01.00	Filter Fabric		1	Rl	\$ 850.00	\$ 850.00	
1.02.00	ABC Fill Material		22	Tns	\$ 14.00	\$ 308.00	
1.03.00	ABC Fill Material		22	Tns	\$ 14.00	\$ 308.00	
1.00.00	Access Improvements Subtotal:					\$ 3,146.00	
2.00.00	Tank #2 (Upper) Work						
2.01.00	No Materials Needed		1	Ls	\$ -	\$ -	
2.02.00	No Materials Needed		1	Ls	\$ -	\$ -	
2.03.00	Purchase Varec Gauge System		1	Ea	\$ 3,000.00	\$ 3,000.00	
2.04.00	Bag Concrete for Pipe Supports and PIT Security Cage		14	Bags	\$ 5.68	\$ 79.52	
2.04.00	Bag Grout for Pipe Supports & OF/Drain Rip-Rap		4	Bags	\$ 18.28	\$ 73.12	
2.05.00	No Materials Needed		1	Ls	\$ -	\$ -	
2.00.00	Tank #2 (Upper) Work Subtotal:					\$ 3,152.64	
3.00.00	Tank #1 (Lower) Work						
3.01.00	No Materials Needed		1	Ls	\$ -	\$ -	
3.02.00	No Materials Needed		1	Ls	\$ -	\$ -	
3.03.00	Purchase Varec Gauge System		1	Ea	\$ 3,000.00	\$ 3,000.00	
3.04.00	Bag Concrete for Pipe Support		6	Bags	\$ 5.68	\$ 34.08	
2.04.00	Bag Grout for Pipe Support		1	Bags	\$ 18.28	\$ 18.28	
3.05.00	Bag Concrete for Removed Shotcrete Section		3	Bags	\$ 5.68	\$ 17.04	
3.00.00	Tank #1 (Lower) Work Subtotal:					\$ 3,069.40	

Total Cost	\$ 9,368.04
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January 18, 2023

Bryan Forster,
 Re: TOQC Phase #3 Projects

Below are the prices for the multiple tanks listed in Phase #3 for the TOQC. Some of the sites are non-accessible for our equipment. MGC to insure there is adequate staging area for equipment and materials on the projects along with safe road ways for equipment. MGC to help move equipment and materials to the site and structural items around the tank if needed.

Interior:

1. Inspection blast random areas on floor, shell, rafters, and center column
2. Prep- SSPC-SP10 near white blast
3. Roof Prime- NSF 61 approved epoxy applied at 6-8 Mils
4. Roof Finish- NSF 61 approved epoxy applied at 6-8 Mils
5. Floor and Shell- 100% Solids NSF 61 coatings applied at 20- 30 Mils

Exterior:

1. Prep-Hydroblast and power tool clean
2. Spot Prime- epoxy applied at 4-6 Mils "As needed for bare steel"
3. Finish- Polyurethane applied at 3-5 Mils

Hilltop Upper: 48' X 32'

Inspection blast	\$8,233.00
Interior	\$91,351.00
Exterior	\$31,817.00
Disinfection per C-652 Method #2	\$1,000.00

Hilltop Lower: 74' X 20'

Inspection blast	\$12,876.00
Interior	\$145,928.00
Exterior	\$42,872.00
Disinfection per C-652 Method #2	\$1,000.00

Pecan South #2: 78 X 24'

Inspection blast	\$16,442.00
Interior	\$164,838.00
Exterior	\$51,040.00
Disinfection per C-652 Method #2	\$1,000.00



Separate Project

4900 N Hayfield Draw Suite I
 Camp Verde AZ 86322

Main Campus #1: 68' X 32'	
Inspection blast	\$13,056.00
Interior	\$147,742.00
Exterior	\$50,641.00
Disinfection per C-652 Method #2	\$1,000.00
Main Campus #2: 55' X 32'	
Inspection blast	\$9,336.00
Interior	\$105,863.00
Exterior	\$38,031.00
Disinfection per C-652 Method #2	\$1,000.00
Brooks Farms; Paint touch ups to new structural items	
Paint touch ups	\$2,873.00

Separate Projects

- *Prices based on 50-hour work weeks
 - *All BacT testing filling of tanks and sampling to be done by others.
 - *Prices based on existing interior coatings ranging between 12-16 Mils DFT
 - *Prices are for open Air sandblasting on interior and Spray application on interior and exterior surfaces.
 - *Prices do not include Taxes', Dehumidification, Bonding, Lead abatement, Containment system, Permits, Tero, or Prevailing wages.
 - *STS requires Full payments on all Invoices no later than net 30.
- By acceptance of this bid you agree to our above terms and conditions.*

Sincerely,
Brandon Bentley
Project Manager/ Estimator



4900 N Hayfield Draw Suite I
Camp Verde AZ 86322

SOUTHWEST TANK AND STEEL, INC
AWWA & API Tanks, Foundations, Engineering, Inspections, and Painting
ROC 268351



Corporate Office:

4900 N. Hayfield Draw, Ste I Camp Verde, AZ 86322
Phone 928-646-5900 Fax 928-646-5908

January 18, 2023

To: MGC Contractors Inc.
Attn: Bryan Forster
Ref: Hilltop Upper & Lower Tanks

Confirmed, \$4,000
per site with no door
sheet or slot & shell.

Bryan:
Southwest Tank Company submits the following **Budgetary proposal** for the above referenced project. Proposal is based on information provided by MGC for the project.

- Mobilization - \$8,000 Includes 2 Mobilizations per tank, 1 to install door sheet & slot the shell. The other to install floor and complete other upgrades
- ~~Engineering - \$7,800 per tank~~

Upper Tank

~~Floor replacement - \$145,875.00~~
Overflow flange W/Tideflex - \$5,800.00
Roof CP prep - \$1,400.00
2" & 4" flanges - \$615.00 ea. (3)
Relocate 24" Manway - \$6,500
New 36" Manway - \$8,924.00
Replace Rafters- \$1,400.00 ea. 1-6 rafters
Total \$194,544.00

Lower Tank

~~Floor replacement - \$112,815.00~~
Overflow flange W/Tideflex - \$5,800.00
Roof CP prep - \$ 1,400.00
2" & 4" flanges - \$615.00 ea. (3)
Relocate 24" Manway - \$6,500.00
New 36" Manway - \$8,924.00
Replace Rafters- \$1,100.00 ea. 1-6 rafters
Total \$153,684.00

If you have any questions or require additional information, please contact me on my cell phone at **480-685-0622**.

Sincerely,
Jeremy Flores
Technical Sales & Estimating

TOQC Phase #3 SOV:

Mobilization	\$3,750.00
24" roof Vents (4)	\$8,400.00 Each
36" Manway	\$8,511.00
D- Rings	\$210.00 Each
Cut and Raise Overflow	\$2,350.00
Install new exterior ladder w/ cage and wing rails	\$13,883.00
Remove Interior Ladder	\$850.00
12" round Floor patch plate	\$125 Each
12" round Shell patch plate	\$125 Each
Interior coatings repair	\$35.00 Per SQ FT
Exterior coating repair	\$45.00 Per SQ FT

*All new structural items will come pre primed.



4900 N Hayfield Draw Suite I
Camp Verde AZ 86322

INDUSTRIAL INSPECTION GROUP, INC.

COATING INSPECTION AND CONSULTING SERVICES

JANUARY 19, 2023

MR. MATHEW BLAKE
MGC CONTRACTORS
4110 EAST ELWOOD STREET
PHOENIX ARIZONA 85082

RE: TOWN OF QUEEN CREEK
HILLTOP TANK 1 AND TANK 2; INTERIOR AND EXTERIOR
AMPP/NACE /SSPC COATING INSPECTION

MR. BLAKE,

PLEASE ACCEPT THE PROVIDED PROPOSAL AND SCOPE FOR NACE INSPECTION SERVICES OF THE ABOVE REFERENCED PROJECT. THIS IS PROPOSAL IS BASED ON THE INFORMATION RECEIVED ON JANUARY 19, 2023.

SCOPE OF WORK MAY INCLUDE:

1. DOCUMENT SURFACE PREPARATION.
2. DOCUMENT ENVIRONMENTAL CONDITIONS WHILE ONSITE.
3. DOCUMENT DFT READINGS WHEN COMPLETE.
4. VISUALLY INSPECT FOR DEFICIENT AREAS (RUNS/SAGS/HOLIDAYS), MARKING ALL LOCATED DEFICIENT AREAS FOR REPAIR AND WITNESSING THE REPAIRS AS REQUIRED.
5. PROVIDE A WRITTEN PDF REPORT OF INSPECTIONS COMPLETED UPON THE COMPLETION OF THE PROJECT.

PROPOSED PRICING:

LOCATION/DESCRIPTION	SIZE (APPROXIMATE)	AMPP INSPECTION	ANNIVERSARY INSPECTION	TOTAL
HILLTOP TANK 1 (INTERIOR/EXTERIOR)	650K	\$16,500.00	\$2,500.00	\$19,000.00
HILLTOP TANK 2 (INTERIOR/EXTERIOR)	450K	\$14,000.00	\$2,500.00	\$16,500.00

THANK YOU FOR THE OPPORTUNITY AND LOOK FORWARD TO WORKING WITH YOU ON THIS PROJECT.

RESPECTFULLY SUBMITTED,



CHAD KAUFFMAN
602-525-0360
CHAD@INDINSPECT.COM

DATE: 1-17-23

PROPOSAL INTERNAL CATHODIC PROTECTION

**CITY OF QUEEN CREEK
"HILLTOP TANKS #1 & #2"
QUEENCREEK, ARIZONA**

PROPOSAL # ACCAZ-23-09

The following proposal is for engineering, materials, installation and testing of TWO (2) Cathodic Protection (CP) system. Materials inclusive to this proposal consist of an automatic IR-drop free potential controlled rectifier unit with a NEMA FRP cabinet, vertically suspended Titanium Mixed Metal Oxide .062" anode assemblies; Cu/CuSO4 reference electrodes; D.C. wiring and incidental splicing materials. **(CP system components exposed to the reservoir interior are to be in accordance with State Regulatory requirements & NSF Standard 61)**

Installation and testing will be performed by qualified ACCI personnel. Design and test data shall be reviewed under direct supervision of a NACE Cathodic Protection Specialist.

"74' X 24'H" TANK #1	
PRICING SUMMARY	
MATERIALS	\$7,560.00
MOBILIZATION, INSTALLATION & TESTING	\$5,040.00
PER TANK:	<u>\$12,600.00</u>

"48' X 32'H" TANK #2	
PRICING SUMMARY	
MATERIALS	\$7,320.00
MOBILIZATION, INSTALLATION & TESTING	\$4,880.00
PER TANK:	<u>\$12,200.00</u>

TOTAL: \$24,800.00

(Pricing does not include taxes, please provide tax exempt certificate if applicable.)

DESIGN SERVICES:

ACCI will require the tank and site elevation drawings to facilitate the CP design preparation. The CP system will be designed in accordance with NACE SP0388-14 & AWWA & D104-17 Standards, with a minimum anode system design life of 20 years, providing proper protective current distribution within the submerged surface area of the reservoir. ACCI will provide a submittal package for the proposed CP system, consisting of design calculations, drawings and material cut sheets for approval prior to ordering materials. Upon approval and formal notice to proceed, materials shall be ordered and shipped, with an expected lead time of 4-6 weeks.

INSTALLATION:

ACCI personnel will install the CP system, ensuring conformance to both ACCI design and applicable project specifications. Engineering services associated with the installation is estimated and based on the tasks listed below. Labor costs associated with the installation support are inclusive.

INTERNAL CATHODIC PROTECTION INSTALLATION
ANODE FABRICATION
MATERIAL (CP) INSTALLATION
DC WIRE RUN
RECTIFIER INSTALLATION

Scope of Services provided by Others:

- Construction Tank drawings to be provided for CP Design
- Project schedule (Notify ACCI at least 30-days in advance to projected installation date)
- Pricing does **not** include cutting of 5" (IN) & 7/16" (IN) Hand & Hardware Holes
- Pricing does **not** include provisions for 120V/20 amp/1ph/60 Hz AC input to rectifier
- Pricing does **not** include any Welding and/or Coatings
- Pricing does **not** include provisions for conduit run stand-off supports
- Pricing does **not** include provisions for Buried DC conduit/ wiring or mounting pads

POST-INSTALLATION:

ACCI will perform the following tasks listed below, once the tank has been returned to service and has been fully accepted by the owner to ensure the CP components are working properly and providing proper levels of Cathodic Protection per NACE & AWWA criteria. All field test data obtained will be compiled in a report and submitted within 30 days of energizing of the CP system. This report will include start-up report and operation manual.

SYSTEM TESTING & REPORT
TANK POTENTIAL TESTING / NATIVE -STATIC "OFF"
TANK POTENTIAL TESTING / IR "ON"
TANK POTENTIAL TESTING / IR FREE "INSTANT OFF"
OPERATION & MAINTENANCE MANUAL

MATERIALS & SHIPPING:

The materials and quantities listed below will be provide per the initial design. The quantities and associated price will be confirmed once the design has been completed and approved. Cost of freight is inclusive to pricing of material. FOB: Job Site / Continental United States.

PROPOSED SYSTEM MATERIALS		
ITEM	QTY	REFERENCE
ANODE ASSEMBLY TITANIUM MMO .062"	TBD	PER ACCI DESIGN
REFERENCE ELECTRODE Cu/CuSO4	2	PER ACCI DESIGN
CABLE AWG #10 HMW-PE	TBD	ANODE / POWER FEED
PORCELAIN PIN INSULATORS	TBD	ANODE / REF. CELL SUPPORTS
HAND HOLE COVERS 6" STEEL PLATED	TBD	FULL ASSEMBLY
PORCELAIN SPOOL INSULATORS	TBD	ANODE WEIGHT
IRT AUTOMATIC RECTIFIER	2	FRP CABINET



START-UP / WARRANTY:

ACCI will provide operating instructions at the time of start up to designated personnel responsible for maintaining the CP system. The tank will need to be full at the time of testing to ensure proper calibration. All CP materials and labor shall be guaranteed for a period of **ONE (1) year** by ACCI standard warranty, beginning from the date of final acceptance or at such time that the system is energized for useful purposes.

ACCI payment terms are due upon receipt, subject to credit approval and ACCI professional terms & conditions, available upon request. Invoices are issued on a work complete to date basis. ACCI will not accept payment terms that are contingent upon payment to your firm by an outside source. An original copy of this quotation will be provided by U.S. Mail upon request.

Thank you for the opportunity to submit this proposal, as it will be honored for 30 days from this date.

Please have the signatory space below signed and emailed back to jackr@accuratecorrosion.com to my attention.

Should you have any questions or if I can be of any further assistance, please contact me directly at (623) 237-0645

Respectfully,



Jack Ripley
Business Development & Project Management
Accurate Corrosion Control, Inc.
Office (623) 486-7800
Cell (623) 237-0645
Email jackr@accuratecorrosion.com
www.accuratecorrosion.com

Acceptance/Signatory

Date

PO#

QUOTE# AZ-23-09

DATE: 1-17-23





TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: PAUL GARDNER, UTILITIES DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF A JOB ORDER 35 WITH MGC CONTRACTORS, INC., CONTRACT 2019-134 IN AN AMOUNT NOT TO EXCEED \$263,085 FOR THE PHASE 4 OF THE RESERVOIR ASSESSMENT AND MINOR REPAIRS PROGRAM, PROJECT WA206. (FY 22/23 BUDGETED ITEM)

DATE: February 15, 2023

Suggested Action:

Move to approve a Job Order 35 with MGC Contractors, Inc., Contract 2019-134 in an amount not to exceed \$263,085 for the Phase 4 of the Reservoir Assessment and Minor Repairs Program, Project WA206.

Relevant Council Goal(s):

Secure Future: KRA Environment

Discussion:

The Water Storage Tank Assessment and Repair program is a Utility Services Department (USD) project set up with the goal of assessing the condition and integrity of the Town's potable water storage tanks. The Town currently has 20 welded steel storage tanks in its system and 1 recently constructed concrete storage tank. While concrete storage tanks are expensive to build, they require very little maintenance for several decades. Welded steel storage tanks however, are more prone to failure and require much closer oversight to ensure they function adequately.

When welded steel water storage tanks are constructed, a coating material is applied to the tank to protect the steel from corrosion and rusting. The tank coatings have an estimated life expectancy of 12 - 20 years. Most welded steel tanks in Queen Creek's water system are now within the 12 - 20 year age bracket. While the Town cleans and inspects the USD tanks approximately once every 4 to 5 years, it is now time to complete a more in-depth forensic inspection to determine the integrity of the tank coatings and condition of the steel and weldings.

On February 3, 2021, Council approved a Job Order for Phase 1 of the Program. Phase 1 included performing a tank analysis to determine the estimated life expectancy remaining in the tank coatings and steel material. For a tank to be analyzed, it is drained, cleaned, scaffolding is erected inside the tank and a coatings specialist analyzes the coating thicknesses, steel thicknesses, and any failures that are starting to develop. While the tank is exposed in this condition, the inspection company will also perform minor repairs. The information developed through this detailed inspection has allowed USD to identify which tanks are the most critical to rehabilitate first, enabling the USD to create a schedule and budget to move forward with over the next several years. Phase 1 included the assessment of Pecan North Tank 1, Pecan North Tank 2, Villages Tank, Encanterra Tank, Cortina Tank, Victoria Tank, Victoria Passive Tank and the Castlegate Tank.

On January 19, 2022, Council approved a Job Order for Phase 2 of the Program. The Job Order for

Phase 2 included the cleaning, inspection, valve and level board installation, overflow structure cleaning, and disinfection of reservoir tanks at seven Town well sites including Terra Ranch, Shea South, Main Plant South, Ironwood Crossing, Gantzel and Pecan South 2. It is most important that we catch any critical repairs early before a tank coating fails significantly. Significant failures that go unchecked and unrepaired in welded steel tank coatings have a well-documented history of being very costly to remedy up to and including the requirement to replace the entire tank. Additionally, unchecked conditions can result at times in catastrophic failure.

The Job Order for Phase 3 is also scheduled for Council approval on February 15, 2023 and will include the cost for both interior and exterior coating systems on the Hilltop Upper and Lower tanks, additional roof vents, additional 36-inch manway, additional inlet/outlet pipe supports, new site gate valves, new water level gauge boards, miscellaneous tank improvement nozzles, as well as dirt road erosion remediation to the tank sites.

This Job Order for Phase 4 will include the cost for the cleaning, inspection, valve, and level board installation, overflow structure cleaning, disinfection, and additional work items for three reservoir tanks including the tanks at Brooks Farm, Pecan South and Quail Ranch well sites.

The timing of the completion of each tank is vital because major tank maintenance projects can only be performed in the winter time when demand on the water system is low and other storage tanks can cover a tank being taken out of service for a time.

Fiscal Impact:

The total not to exceed the amount of \$239,169 includes the contract amount of \$239,169 plus \$23,916 (10%) in contingency for possible unanticipated services. Projects WA206 Tank Rehabilitation is included in the FY 2022/23 Adopted Water Operating Budget.

Alternatives:

Council may choose not to approve this Job Order. If not approved, the USD will work with Council to understand concerns and to work towards an assessment and repair program that follows that direction. The option to not move forward with an assessment and repair program is not recommended at this time.

Attachment(s):

1. [MGC Job Order 35 - Phase 4 Reservoir Assessment Tank Rehab](#)



JOB ORDER

CONTRACT NUMBER: 2019-134

JOB ORDER NUMBER: 35

January 25, 2023

TO: MGC Contractors, Inc
Job Order Contracting Contractor ("Contractor")

FROM: Nathan Mecham
Project Manager/Principle Engineer
Town of Queen Creek

RE: Phase 4 Reservoir Assessment - Brooks Farm
and Pecan South and Quail Ranch

This Job Order is issued pursuant to the Agreement between the Town of Queen Creek and **Contractor** dated **November 19, 2019**, and the other documents that were made part of and referenced in the Agreement. This Job Order is the Notice to Proceed with the subject Job Order Project on the below Job Order Beginning Date. The terms of this Job Order are as follows:

Part I - Scope of Job Order Work

- 1. Description of the Scope of Job Order Work:
The Scope includes the cost proposal for the cleaning, inspection, valve, and level board installation, overflow structure cleaning, disinfection, and additional work items for three reservoir tanks per the proposal dated January 10, 2023.
- 2. A list of Specifications for the Project is attached as "**Attachment 1**".

Part II - Specific Information

1. Job Order Price		\$239,168.45
2. Schedule	Job Order Beginning Date: (Date project must start)	Upon Approval
	Job Order Final Completion Date: i.e.Date project is complete, including, without limitation, all deficiency, incomplete or correction items (Job Order Punch List)	TBD

If there are more than sixty (60) calendar days between the Beginning Date and the Final Completion Date, or if the Town of Queen Creek has requested a Job Order Progress Schedule, a Job Order Progress Schedule should be attached as "**Attachment 2**".

Part II - Approvals

Nathan Mecham
Nathan Mecham, Project Manager

01/23/2023
Date

Paul T. Gardner
Paul Gardner, Utilities Director

01/23/2023
Date

Bruce Gardner, Town Manager

Date

[Signature]
MGC Contractors, Inc.

01/26/2023
Date



This scope and fee proposal has been reviewed and approved for staff report and PO issuance.
24-Jan-2023

Master & Mulam

Employee Owned



QUALITY · PERFORMANCE · VALUE



Job Order Contract - PO: 2019-134

Cost Proposal

Project Name:

Phase 4 Steel Reservoir Assessment & Repair Program
(Winter 2023) - Revision 01



January 10, 2023

Town of Queen Creek
 22358 S Ellsworth Road
 Queen Creek, AZ 85142

Attn: PE Nathan Mecham
 Re: Cost Proposal
 Phase 4 (Winter 2023) Reservoir Assessment and Minor Repairs Program – Revision 1

Dear Nate:

In accordance with the information provided, we are pleased to offer a cost proposal for the cleaning, inspection, valve, and level board installation, overflow structure cleaning, disinfection, and additional work items for three reservoir tanks. The total BASE BID price of work is (\$239,168.45) Two Hundred Thirty-Nine Thousand One Hundred Sixty-Eight dollars and Forty-Five Cents. The Town of Queen Creek requested bid alternates have been included in the alternate bid pricing breakdown worksheet. A (\$25,874.43) Owners Allowance for bid alternate work has been included. The total BASE BID with OWNERS ALLOWANCE price of work is (\$265,042.88) Two Hundred Sixty-Five Thousand Forty-Two dollars and Eighty-Eight Cents. A further breakdown of the proposal and quotations are attached. We have included bond and sales tax. Please note the following clarifications:

Base Bid Included scope:

- See the ‘Proposal Scope’ sheet for unit pricing breakouts for Base Bid items.
- Reference the ‘Proposal Scope’ for scoping information for all three (3) reservoir tanks.
- All equipment, materials, and staffing are required for confined space entries.
- Third-party inspection for all (3) steel reservoirs. Inspections will be for coatings and code compliance of reservoir tanks. A written report with repair recommendations will be sent to the Town.
- MGC will compile and provide summary reports for tank inspections.
- Furnish and installation of replacement valves on reservoir tanks, hydrotanks, and booster pump stations as follows:
 - Included valve replacements at Brooks Farms Site:

Location	Service(s)	Quantity	Size	Type	Notes
Reservoir Shell	Source Sample	1	1.5	SS Ball Valve	Incl. Dielectric Thrd Nipple
Reservoir Shell	PIT	1	1	SS Ball Valve	Incl. Dielectric Thrd Nipple & Union
Booster Pump Station Suction Header	ARV	1	2	SS Ball Valve	Incl. Dielectric Thrd Nipple
Booster Pump Station Discharge Header	ARV, Spares	3	2	SS Ball Valve	Incl. Dielectric Thrd Nipple
Booster Pump Station Discharge Header	Source Sample & Analyzer Feed	2	2	SS Ball Valve	Incl. Dielectric Thrd Nipple
Hydrotank	PG, Sight Glass, Spare	5	1	SS Ball Valve	Incl. Dielectric Thrd Nipple & Unions for Sight Glass.
Hydrotank	Spare	1	1.5	SS Ball Valve	Incl. Dielectric Thrd Nipple
Hydrotank	Air Inlet and (2) Spares	3	2	SS Ball Valve	Incl. Dielectric Thrd Nipple & Unions

4110 E. Elwood St. Phoenix, Arizona 85040 Telephone (602) 437-5000 Fax (602) 470-4000
 License Numbers ROC069949 & ROC071441

○ Included valve replacements at Pecan South Site:

Location	Service(s)	Quantity	Size	Type	Notes
Reservoir Shell	Outlet	1	12	Gate Valve - OS&Y	Incl. Isolation Bolt, Nut, Gaskets
Reservoir Shell	Inlet	1	10	Gate Valve - OS&Y	Incl. Isolation Bolt, Nut, Gaskets
Reservoir Shell	Drain	1	4	Gate Valve - OS&Y	Incl. Isolation Bolt, Nut, Gaskets
Reservoir Shell	Spare	1	2	SS Ball Valve	Incl. Dielectric Thrd Nipple
Reservoir Shell	Source Sample	1	1.5	SS Ball Valve	Incl. Dielectric Thrd Nipple
Reservoir Shell	PIT	1	1	SS Ball Valve	Incl. Dielectric Thrd Nipple & Union
Hydotank 1 (South)	HPS, Air Inlet, PG, Spare	4	1	SS Ball Valve	Incl. Dielectric Thrd Nipple & Union for HPS
Hydotank 2 (North)	HPS, Air Inlet, PG, Spare	4	1	SS Ball Valve	Incl. Dielectric Thrd Nipple & Union for HPS
Hydotank 1 (South)	Probe Bottle & Sight Glass, Hose Bib, Source Sample/PG	8	1.5	SS Ball Valve	Incl. Dielectric Thrd Nipple & Unions
Hydotank 2 (North)	Probe Bottle & Sight Glass, Hose Bib, Source Sample/PG	8	1.5	SS Ball Valve	Incl. Dielectric Thrd Nipple & Unions

- Cleaning of reservoir tank Overflow (OF) boxes. City to provide OF line jetting if required.
- Furnish and install new reservoir Varc gauge boards.
- Disinfection of reservoirs before being put back into service.
- Cutting of overflow piping to meet current ADEQ requirements. Touch-up paint will be applied where on exposed metal. Stainless steel mesh will be reinstalled.
- A qty (4) tie-off “D-rings” will be installed at locations where both reservoir tanks require tie-off per OSHA.
- 36-inch manways will be fabricated and installed.
- Cathodic protection systems will be inspected, tested, and installed as listed on the ‘Proposal Scope’ sheet.
- Interior ladders will be removed, and touch-up paint will be applied.
- During Phase 2 of this program, qty (4) roof vents were fabricated for the Pecan South tank 2 reservoir. They will be installed and painted in this phase, Phase 3.
- A qty (2) reservoir vents will be fabricated and installed on the Brooks Farms tank.
- A total of qty (3) hydrotank sight glasses and appurtenances will be replaced.
- A total of qty (2) steel reservoir subcontractor mobilizations have been included.

Bid Alternates Included Scope:

- See the ‘Proposal Scope’ sheet for unit pricing breakouts for Bid Alternate items.
- Replacement of the exterior ladder at Brooks Farms has been included as Bid Alternate if the Town of Queen Creek elects to proceed with the existing ladder replacement.
- Minor floor and wall shell structural repair, if required.
- Minor interior and exterior coating repairs, if required.



Clarifications and Exceptions:

- Item 2 - Dewatering and cleaning of reservoirs (NTE T&M Work): Base bid item 2 is a Not-To-Exceed price that will be billed out as a time and material cost. A formal proposal will be submitted to the Owner for approval.
- All allowances will not be billed unless the work is performed.
- We have excluded the costs of construction water. We have assumed we can install a certified backflow preventer onto the discharge of the wellhead for construction water. We have included a \$75.00 cost to provide backflow certification.

Thank you for the opportunity to be of service. If you have any questions, please do not hesitate to call.

Sincerely,



Wesley Forster
Project Manager

PROPOSAL SCOPE

**Phase 4 (Winter 2023) - Reservoir Assessments & Minor Repairs Program - Revision 1
Town of Queen Creek, MGC JOC Project 19389**

#	SCOPE DESCRIPTION	BID ITEM COST EACH Per Total Breakdown WS (Sub/Supplier + Self-Perfomed)	Sales Tax (6.42%)	Fee (8%)	Bond (1%)	Insurance (2%)	BID ITEM COST EACH Including Markup	Pecan Creek South 1 - QTY (1) 1MG Tank	Brooks Farms QTY (1)	Quail Run	NOTES/COMMENTS	EXTENDED BID ITEM COST \$ ('BID ITEM COST EACH Including Markup' x Site Quantities)
Phase 3 (Winter 2023) - Reservoir Assessments & Minor Repairs Program - BASE BID												
1	Mobilize & Install Temporary Dewatering Line	\$ 890.40	\$ 57.16	\$ 71.23	\$ 8.90	\$ 17.81	\$ 1,045.51	1	1	0		\$ 2,091.02
2	Dewater & Clean Reservoir (NTE T&M Work)	\$ 13,966.50	\$ 896.65	\$ 1,117.32	\$ 139.66	\$ 279.33	\$ 16,399.46	1	1	0		\$ 32,798.92
3	Install / Remove Scaffolding	\$ 1,925.10	\$ 123.59	\$ 154.01	\$ 19.25	\$ 38.50	\$ 2,260.45	1	1	0		\$ 4,520.90
4	Inspect & Provide Reports, Incl MGC Reports	\$ 4,742.34	\$ 304.46	\$ 379.39	\$ 47.42	\$ 94.85	\$ 5,568.46	1	1	1		\$ 16,705.37
5	F&I Reservoir 12" Tank Outlet Valve & Appurtenances	\$ 5,552.64	\$ 356.48	\$ 444.21	\$ 55.53	\$ 111.05	\$ 6,519.91	1	0	0		\$ 6,519.91
6	F&I Reservoir 10" Tank Inlet Valve & Appurtenances	\$ 4,180.04	\$ 268.36	\$ 334.40	\$ 41.80	\$ 83.60	\$ 4,908.20	1	0	0		\$ 4,908.20
7	F&I Reservoir 8" Blending Valve & Appurtenances (Not Being Provided)	\$ 3,108.85	\$ 199.59	\$ 248.71	\$ 31.09	\$ 62.18	\$ 3,650.41	0	0	0		\$ -
8	F&I Reservoir 6" Tank Inlet Valve & Appurtenances (Not Being Provided)	\$ 2,197.85	\$ 141.10	\$ 175.83	\$ 21.98	\$ 43.96	\$ 2,580.72	0	0	0		\$ -
9	F&I Reservoir 4" Tank Drain Valve & Appurtenances	\$ 1,235.54	\$ 79.32	\$ 98.84	\$ 12.36	\$ 24.71	\$ 1,450.77	1	0	0		\$ 1,450.77
10	Cleanout Reservoir OF Box	\$ 1,048.41	\$ 67.31	\$ 83.87	\$ 10.48	\$ 20.97	\$ 1,231.04	1	0	0	Owner to Jet OF Line if Plugged.	\$ 1,231.04
11	F&I New Varec Gauge Board(s)	\$ 9,723.13	\$ 624.22	\$ 777.85	\$ 97.23	\$ 194.46	\$ 11,416.90	1	1	0		\$ 22,833.80
12	Disinfect Reservoir	\$ 3,317.51	\$ 212.98	\$ 265.40	\$ 33.18	\$ 66.35	\$ 3,895.42	1	1	0		\$ 7,790.84
13A	F&I Replacement 1" Isolation Ball Valves & Nipples	\$ 159.42	\$ 10.23	\$ 12.75	\$ 1.59	\$ 3.19	\$ 187.19	8	5	0		\$ 2,433.41
13B	F&I Replacement 1.5" Isolation Ball Valves & Nipples	\$ 190.42	\$ 12.22	\$ 15.23	\$ 1.90	\$ 3.81	\$ 223.59	17	1	0		\$ 4,024.54
13C	F&I Replacement 2" Isolation Ball Valves & Nipples	\$ 244.42	\$ 15.69	\$ 19.55	\$ 2.44	\$ 4.89	\$ 286.99	1	3	0		\$ 1,147.97
13D	F&I Replacement Sight Glass on Hydro Tank	\$ 636.03	\$ 40.83	\$ 50.88	\$ 6.36	\$ 12.72	\$ 746.83	2	1	0		\$ 2,240.48
13E1'	Install Only Roof Tank Vents	\$ 5,350.63	\$ 343.51	\$ 428.05	\$ 53.51	\$ 107.01	\$ 6,282.71	4	0	0		\$ 25,130.84
13E2'	F&I Roof Tank Vents	\$ 10,028.63	\$ 643.84	\$ 802.29	\$ 100.29	\$ 200.57	\$ 11,775.62	0	2	0		\$ 23,551.23
13F	Cut and Raise Overflow	\$ 2,522.35	\$ 161.94	\$ 201.79	\$ 25.22	\$ 50.45	\$ 2,961.75	1	0	0		\$ 2,961.75
13G	F&I Roof Safety D-Rings	\$ 382.35	\$ 24.55	\$ 30.59	\$ 3.82	\$ 7.65	\$ 448.96	4	4	0		\$ 3,591.67
13H	Remove Interior Ladder	\$ 1,468.29	\$ 94.26	\$ 117.46	\$ 14.68	\$ 29.37	\$ 1,724.07	1	1	0		\$ 3,448.13
13I	F&I 36" Manway	\$ 9,691.03	\$ 622.16	\$ 775.28	\$ 96.91	\$ 193.82	\$ 11,379.21	1	1	0		\$ 22,758.41
13J	Steel Reservoir Sub Mobilization Charge	\$ 3,750.00	\$ 240.75	\$ 300.00	\$ 37.50	\$ 75.00	\$ 4,403.25	1	1	0		\$ 8,806.50
13K	F&I Chlorine Injection Quill	\$ 2,919.42	\$ 187.43	\$ 233.55	\$ 29.19	\$ 58.39	\$ 3,427.98	1	1	0		\$ 6,855.97
13L	Cathodic Protection - Mob, Install, Testing	\$ 13,356.67	\$ 857.50	\$ 1,068.53	\$ 133.57	\$ 267.13	\$ 15,683.40	1	1	0		\$ 31,366.80
								\$ 128,281.52	\$ 105,318.48	\$ 5,568.46	SUBTOTAL TANK(S) BASE BID:	\$ 239,168.45
Phase 3 (Winter 2023) Reservoir Assessments & Minor Repairs Program - BID ALTERNATES												
1	Replace Existing Exterior Ladder	\$ 15,397.45	\$ 988.52	\$ 1,231.80	\$ 153.97	\$ 307.95	\$ 18,079.69	0	1	0		\$ 18,079.69
2	Minor Floor Patch Repairs Per 1-Foot Diameter Plate	\$ 189.63	\$ 12.17	\$ 15.17	\$ 1.90	\$ 3.79	\$ 222.67	4	4	0		\$ 1,781.33
3	Minor Wall Patch Repairs Per 1-Foot Diameter Plate	\$ 193.76	\$ 12.44	\$ 15.50	\$ 1.94	\$ 3.88	\$ 227.51	4	4	0		\$ 1,820.08
4	Minor Repair Interior Coatings per Square Foot. Interior coatings shall be Tnemec FC22, PPG Amerthane 490, or Carbolite Reactamine 760.	\$ 99.63	\$ 6.40	\$ 7.97	\$ 1.00	\$ 1.99	\$ 116.99	10	10	0		\$ 2,339.76
5	Minor Repair Exterior Coatings per Square Foot. Exterior coatings shall be Tnemec N140 Epoxy and Tnemec 1075, PPG Amerlok 2 Epoxy and Pitthane Urethane, or Carbolite 891 Series Epoxy and Carbolite 133LV Urethane.	\$ 78.93	\$ 5.07	\$ 6.31	\$ 0.79	\$ 1.58	\$ 92.68	10	10	0		\$ 1,853.58
								\$ 3,897.37	\$ 21,977.06	\$ -	SUBTOTAL TANK(S) ALTERNATES:	\$ 25,874.43
								\$ 132,178.89	\$ 127,295.54	\$ 5,568.46	TOTAL TANK(S) BASE BID + BID ALTERNATES:	\$ 265,042.88

**PHASE 4 (WINTER 2023) RESERVOIR ASSESSMENTS & MINOR REPAIRS PROGRAM - BASE BID
TOTAL PROJECT BREAKDOWN**

Project Number:				
Contractor:		MGC Contractors Inc.		
Date:		10-Jan-23		
Division	Description	% of Total	Cost	Comments
	Construction Indirect Costs Summary			
00000	Division 0 - Bidding and Contract Requirements			
	Sales Tax	0.00%	\$0.00	Calculated on Page 1
	Sales Tax Deduct	0.00%	\$0.00	Calculated on Page 1
	Fee	0.00%	\$0.00	Calculated on Page 1
	Insurance (GL, IF, PL)	0.00%	\$0.00	Calculated on Page 1
	Bond	0.00%	\$0.00	Calculated on Page 1
00000	Sub-Total	0.0%	\$0.00	
01000	Division 1 - General Requirements			
	Project Staff (In Bid Items)	0.00%	\$0.00	
	Project Site Temporary Facilities (In Bid Items)	0.00%	\$0.00	
01000	Sub-Total	0.0%	\$0.00	
	Sub-Total Indirect Costs	0.0%	\$0.00	
BID ITEM #	SUBCONTRACTORS & SUPPLIERS - Reference Materials Takeoff WS (Pages 9 & 10)			
1	Purchase Dewatering Line Materials	0.15%	\$150.00	
2	Purchase Dewatering and Cleaning Materials NTE Price	1.23%	\$1,266.05	
2	Purchase Wet/Jet Vacuum (Consumable Item, ~1 per Cleaning)	0.49%	\$500.00	
3	Purchase Safety Equipment for Scaffolding	0.04%	\$40.92	
4	Third Party Inspector (per Tank)	2.44%	\$2,500.00	Industrial Inspection
5	Funish Reservoir 12" Suction Outlet Gate Valve & Appurtenances	4.02%	\$4,128.00	
6	Purchase Reservoir 10" Inlet Fill Gate Valve & Appurtenances	3.12%	\$3,198.00	
7	Purchase Reservoir 8" Blending Gate Valve & Appurtenances	1.94%	\$1,994.00	
8	Purchase Reservoir 6" Outlet & Drain Gate Valve & Appurtenances	1.17%	\$1,202.00	
9	Purchase Reservoir 4" Drain Gate Valves & Appurtenances	0.81%	\$826.00	
10	Cleanout Reservoir OF Box	0.03%	\$26.28	
11	Purchase New Level Varec Gauge	3.90%	\$4,000.00	Varec
12	Disinfect Reservoir Subcontractor	2.14%	\$2,200.00	Statewide
13A	Purchase 1" Ball Valve & Isolation Nipple	0.10%	\$103.00	
13B	Purchase 1.5" Ball Valve & Isolation Nipple	0.13%	\$134.00	
13C	Purchase 2" Ball Valve & Isolation Nipple	0.18%	\$188.00	
13D	Purchase Hydrotank Sight Glass	0.34%	\$350.00	
13E1'	Steel Tank Subcontractor - Install Only Roof Vent (Each)	4.09%	\$4,200.00	
13E2'	Steel Tank Subcontractor - F&I Roof Vent (Each)	8.19%	\$8,400.00	
13F	Steel Tank Subcontractor - Cut and Raise Overflow	2.29%	\$2,350.00	
13G	Steel Tank Subcontractor - F&I Roof Safety D-Rings (Each)	0.20%	\$210.00	
13H	Steel Tank Subcontractor - Remove Interior Ladder	0.83%	\$850.00	
13I	Steel Tank Subcontractor - F&I 36" Manway	8.30%	\$8,511.00	
13J	Steel Tank Subcontractor - Mobilization Charge	3.66%	\$3,750.00	
13K	Purchase 1" Chlorine Injection Quill & Appurtenances	1.43%	\$1,465.00	
13L	Cathodic Protection Subcontractor	11.89%	\$12,200.00	ACCI
	Sub-Total	63.1%	\$64,742.24	
BID ITEM #	SELF-PERFORMED WORK-Totals=Management & Facilities WS (Page 7)+Labor & Equipment WS (Page 8)			
1	Mobilize & Install Temporary Dewatering Line	0.72%	\$740.40	
2	Dewater & Clean Reservoir (NTE T&M Work)	11.89%	\$12,200.45	
3	Install / Remove Scaffolding	1.84%	\$1,884.18	
4	Inspect & Provide Report	2.19%	\$2,242.34	
5	Install Reservoir 12" Tank Inlet Valve	1.39%	\$1,424.64	
6	Install Reservoir 10" Tank Outlet Valve	0.96%	\$982.04	
7	Install Reservoir 8" Tank Drain Valve	1.09%	\$1,114.85	
8	Install Reservoir 6" Tank Drain Valve	0.97%	\$995.85	

**PHASE 4 (WINTER 2023) RESERVOIR ASSESSMENTS & MINOR REPAIRS PROGRAM - BASE BID
TOTAL PROJECT BREAKDOWN**

Project Number:			
Contractor:		MGC Contractors Inc.	
Date:		10-Jan-23	
9	Install Reservoir 4" Drain Valve	% of 0.40%	\$409.54
10	Cleanout Reservoir OF Box	1.00%	\$1,022.13
11	Install New Varec Gauge Board	5.58%	\$5,723.13
12	Disinfect Reservoir	1.09%	\$1,117.51
13A	Install 1" Isolation Ball Valve & Nipple	0.05%	\$56.42
13B	Install 1.5" Isolation Ball Valve & Nipple	0.05%	\$56.42
13C	Install 2" Isolation Ball Valve & Nipple	0.05%	\$56.42
13D	Install Hydrotank Sight Glass	0.28%	\$286.03
13E1'	Support for Steel Tank Sub - Roof Vent Installation	1.12%	\$1,150.63
13E2'	Support for Steel Tank Sub - Roof Vent Installation	1.59%	\$1,628.63
13F	Support for Steel Tank Sub - Cut and Raise Overflow	0.17%	\$172.35
13G	Support for Steel Tank Subcontractor - F&I Roof Safety D-Rings	0.17%	\$172.35
13H	Support for Steel Tank Subcontractor - Remove Interior Ladder	0.60%	\$618.29
13I	Support for Steel Tank Subcontractor - F&I 36" Manway	1.15%	\$1,180.03
13J	Support for Steel Tank Subcontractor - Mobilization Charge	0.00%	\$0.00
13K	Install 1" Chlorine Injection Quill & Appurtenances	1.42%	\$1,454.42
13L	Support for Cathodic Protection Subcontractor	1.13%	\$1,156.67
		Sub-Total	36.9%
			\$37,845.71
		Sub-Total Direct Costs	100.0%
			\$102,587.95
		Overall Total	\$102,587.95

Job Name: Phase 4 (Winter 2023) Reservoir Assessment & Minor Repair Program
(M&F) Management & Facility Worksheet - Base Bid
By: BF, WF, DF

#	Water & Wastewater Facilities Projects	Info	MANAGEMENT						GENERAL CONDITIONS									\$ Total For Line
			HRS Project Executive	HRS Project Manager	HRS Project Engineer	HRS General Super	HRS Admin	HRS Estimator	HRS QA/QC Manager	HRS Light Duty Truck	HRS Office Supplies	HRS Constructio	HRS Cell Phones	HRS Constructio	HRS J-Jon's	HRS Drinking Water	HRS Internet / Comm.	
1	Phase 3 (Winter 2023) Tank Assesments & Minor Repairs																	
2	Assessments & Minor Repair - Base Bid Unit Pricing																	
3	Mobilize & Install Temporary Dewatering Line	Bid Item # 1	0.00	0.25	0.50	0.00	0.00	0.00	0.00	0.75	15.00	75.00	8.00	8.00	8.00	12.00	5.00	
4	Dewater & Clean Reservoir	Bid Item # 2	0.50	1.00	2.00	0.50	0.00	2.00	0.50	4.50	35.00	0.00	16.00	16.00	16.00	35.00	15.00	
5	Install / Remove Scaffolding	Bid Item # 3	0.50	1.00	2.00	0.50	1.00	0.00	1.00	5.00	20.00	0.00	16.00	0.00	16.00	35.00	15.00	
6	Inspect & Provide Reports	Bid Item # 4	1.00	2.00	4.00	0.00	0.00	0.00	1.00	8.00	40.00	0.00	8.00	0.00	0.00	0.00	80.00	
7	Install Reservoir 12", 10", 8", 6", & 4" Valves	Bid Items # 5-9	0.00	1.00	2.00	1.00	0.00	0.00	1.00	5.00	15.00	0.00	4.00	4.00	4.00	12.00	15.00	
8	Cleanout Reservoir OF Boxes	Bid Item # 10	0.00	1.00	2.00	0.50	0.00	0.00	0.50	4.00	15.00	0.00	4.00	4.00	4.00	8.00	15.00	
9	Install New Varec Level Gauges	Bid Item # 11	0.50	1.00	2.00	0.50	1.00	0.00	0.50	4.50	15.00	0.00	8.00	8.00	8.00	8.00	15.00	
10	Disinfect Reservoir	Bid Item # 12	0.50	1.00	1.00	0.50	1.00	0.00	0.50	3.50	15.00	0.00	8.00	8.00	8.00	12.00	15.00	
11	Install Isolation Ball Valve & Nipple	Bid Items # 13A-C	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
12	Replace Hydrotank Sight Glass	Bid Item # 13D	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
13	Install Only Roof Tank Vent	Bid Items # 13E1	0.00	1.00	2.00	0.50	0.00	0.00	0.50	4.00	10.00	0.00	2.00	2.00	2.00	12.00	10.00	
14	F&I Roof Tank Vent	Bid Items # 13E2	0.50	2.00	4.00	0.50	1.00	0.50	0.50	7.50	25.00	0.00	4.00	4.00	4.00	12.00	15.00	
15	Cut and Raise Overflow Pipe	Bid Items # 13F	0.00	0.25	0.25	0.00	0.00	0.00	0.00	0.50	4.00	0.00	8.00	8.00	8.00	12.00	5.00	
16	F&I Roof Safety Rings	Bid Items # 13G	0.00	0.25	0.25	0.00	0.00	0.00	0.00	0.50	4.00	0.00	8.00	8.00	8.00	12.00	5.00	
17	Remove Interior Ladder	Bid Items # 13H	0.00	1.00	1.00	0.00	0.00	0.00	0.00	2.00	15.00	0.00	8.00	8.00	8.00	12.00	5.00	
18	F&I 36" Manway	Bid Items # 13I	0.50	2.00	4.00	0.50	1.00	0.25	0.50	7.50	10.00	0.00	8.00	8.00	8.00	10.00	15.00	
19	Sub Mobilization Charge	Bid Items # 13J	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
20	Install 1" Chlorine Injection Quill & Appurtenances	Bid Items # 13K	0.50	2.00	4.00	0.50	1.00	0.00	0.50	7.50	10.00	0.00	8.00	8.00	8.00	10.00	15.00	
21	Cathodic Protection Testing	Bid Items # 13L	0.50	1.00	1.00	0.50	0.50	0.00	0.50	3.50	10.00	0.00	4.00	4.00	4.00	10.00	15.00	
1	Assessments & Minor Repair - Alt Bid Unit Pricing																	
2	Replace Existing Exterior Ladder	Bid Item # 2	0.50	1.00	1.00	0.50	0.00	0.10	0.50	3.50	10.00	0.00	3.50	8.00	4.00	12.00	15.00	
3	Minor Floor Patch Repairs	Bid Item # 1	0.00	0.00	0.10	0.00	0.00	0.10	0.00	0.10	2.00	0.00	0.50	0.50	0.50	1.00	2.00	
4	Minor Wall Patch Repairs	Bid Item # 2	0.00	0.00	0.10	0.00	0.00	0.10	0.00	0.10	2.00	0.00	0.50	0.50	0.50	1.00	2.00	
5	Minor Repair Interior Coatings	Bid Item # 3	0.00	0.00	0.10	0.00	0.00	0.10	0.00	0.10	2.00	0.00	0.50	0.50	0.50	1.00	2.00	
6	Minor Repair Exterior Coatings	Bid Item # 4	0.00	0.00	0.10	0.00	0.00	0.10	0.00	0.10	2.00	0.00	0.50	0.50	0.50	1.00	2.00	
	Total Column Unit Cost		5.50	18.75	34.15	6.50	6.50	3.25	8.00	72.90	276.00	75.00	127.50	108.00	120.00	228.00	283.00	
	Total Cost \$		\$ 110.60	\$ 94.05	\$ 65.16	\$ 90.00	\$ 50.00	\$ 65.16	\$ 90.00	\$ 25.00	\$ 1.00	\$ 1.00	\$ 0.75	\$ 1.50	\$ 1.88	\$ 1.00	\$ 1.00	
			608.30	1,763.44	2,225.21	585.00	325.00	211.77	720.00	1,822.50	276.00	75.00	95.63	162.00	225.00	228.00	283.00	
																	\$ 9,606	

Job Name: Phase 4 (Winter 2023) Reservoir Assessment & Minor Repair Program

(L&E) Labor & Equipment Breakdown - Base Bid

By: BF, WF, DF

#	Water & Wastewater Facilities Projects	Info	LABOR				EQUIPMENT								\$ Total For Line	
			HRS Craft Supt	HRS Forman	HRS Pipefitter	HRS Laborer	HRS Sup't Truck	HRS Mechanic Truck	HRS Conf. Space Eq.	HRS Scaffolding	HRS Trash Pump	HRS Dump Trailer	HRS Pressure Washer	HRS Sub Pump		
1	Phase 3 (Winter 2023) Tank Assessments & Minor Repairs															\$ -
2	Assessments & Minor Repair - Base Bid Unit Pricing															\$ -
3	Mobilize, Dewater, & Clean Reservoir	Bid Item #														\$ -
4	Mobilize & Stage Equipment	1	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 527
5	Install Temporary Dewatering Piping	1	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 527
6	Remove Manway, Dewater/Clean Reservoir (NTE T&M Work)	2	24.0	24.0	24.0	48.0	24.0	0.0	24.0	24.0	24.0	16.0	24.0	24.0	24.0	\$ 11,437
7																\$ -
8	Install Scaffolding & Inspection	Bid Item #														\$ -
9	Install Scaffolding Inside Reservoir	3	6.0	6.0	6.0	6.0	6.0	0.0	6.0	6.0	0.0	0.0	0.0	0.0	0.0	\$ 2,417
10	Breakdown Scaffolding	3	3.0	3.0	3.0	3.0	3.0	0.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	\$ 1,208
11	Provide Confined Space Entry for Inspection	4	4.0	0.0	4.0	0.0	4.0	0.0	4.0	4.0	0.0	0.0	0.0	0.0	0.0	\$ 1,267
12																\$ -
13	Install Reservoir Valves	Bid Item #														\$ -
14	Install Reservoir 12" Inlet Valves	5	3.0	3.0	3.0	3.0	3.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 837
15	Install Reservoir 10" Outlet Valve	6	3.0	3.0	3.0	3.0	3.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 837
16	Install Reservoir 8" Drain Valve	7	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 527
17	Install Reservoir 6" Drain Valve	8	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 527
18	Install Reservoir 4" Drain Valve	9	2.0	0.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 410
19																\$ -
20	Clean Reservoir OF Boxes	Bid Item #														\$ -
21	Hand Shovel/Clean & Dispose of Sediment	10	2.0	2.0	2.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 527
22																\$ -
23	Install New Varec Level Gauges	Bid Item #														\$ -
24	Install New Gauge Board	11	4.0	4.0	4.0	4.0	4.0	0.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	\$ 1,120
25																\$ -
26	Disinfect Reservoir	Bid Item #														\$ -
27	Assist & Provide Confined Space for Disinfection	12	2.0	0.0	2.0	0.0	2.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 601
28																\$ -
29	Additionally Requested Work	Bid Item #														\$ -
30	Install Replacement 1" Isolation Ball Valve & Nipple (Ea)	13A	0.00	0.00	0.25	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 11
31	Install Replacement 1.5" Isolation Ball Valve & Nipple (Ea)	13B	0.00	0.00	0.25	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 11
32	Install Replacement 2" Isolation Ball Valve & Nipple (Ea)	13C	0.00	0.00	0.25	0.00	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 11
33	Install Replacement Hydrotank Sight Glass	13D	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 263
34	Install Vents Supervise & Support for Sub	13E1'	1.0	0.0	1.0	1.0	1.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 696
35	Install Vents Supervise & Support for Sub	13E2'	1.0	0.0	1.0	1.0	1.0	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 696
36	Cut and Raise Overflow Piping Supervision for Sub	13F	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 66
37	Install Roof Safety D-Rings Supervision for Sub	13G	0.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 66
38	Remove Interior Ladder Supervision & Support for Sub	13H	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	\$ 344
39	Install 36" Manway Supervision for Sub	13I	2.0	0.0	0.0	0.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 264
40	Subcontractor Mobilization Charge	13J	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ -
41	Install Chlorine Injection Quill	13K	2.0	0.0	4.0	4.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	\$ 555
42	Cathodic Protection Testing Supervision for Sub	13L	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0	0.0	0.0	0.0	0.0	0.0	\$ 688
43																\$ -
44	Total Column		72.0	54.0	71.8	89.0	72.0	4.0	50.0	44.0	24.0	16.0	24.0	24.0		\$ 26,441
45	Unit Cost		\$ 105.70	\$ 58.72	\$ 45.34	\$ 27.33	\$ 26.40	\$ 23.15	\$ 122.81	\$ 16.50	\$ 12.85	\$ 13.02	\$ 14.50	\$ 10.38		
46	Total Cost \$		\$ 7,610	\$ 3,171	\$ 3,253	\$ 2,432	\$ 1,901	\$ 93	\$ 6,141	\$ 726	\$ 308	\$ 208	\$ 348	\$ 249		\$ 26,441

**Phase 4 (Winter 2023) - Reservoir Assessments and Minor Repairs Program
Material Takeoff**

Item #	Description	Size	Quantity	Unit	Cost Each	Total	Notes
Phase 2 (Winter 2022) Reservoir Assessments & Minor Repair Materials- BASE BID							
1	BID ITEM 1 - Mobilize & Install Temporary Dewatering Line						
2	Dewatering Line (Fittings Only)		1	Ls	\$ 150.00	\$ 150.00	
3	BID ITEM 1 Materials Sub-Total					\$ 150.00	
4	BID ITEM 2 - Dewater & Clean Reservoir (NTE T&M Work)						
5	Manway Gasket		1	Ea	\$ 275.00	\$ 275.00	
6	Manway Isolation Bolt Kit		1	Ea	\$ 661.00	\$ 661.00	
7	Small Hand Tools - 10% of Labor (\$948.36)	\$ 4,334.84	3	Ls	\$ 130.05	\$ 130.05	
8	Fire Hose for Washing Out Reservoir		1	Ea	\$ 200.00	\$ 200.00	
9	BID ITEM 2 Materials Sub-Total					\$ 1,266.05	
10	BID ITEM 3 - Install / Remove Scaffolding						
11	Misc. Safety Supplies - 3% of Labor (\$7,294.44)	\$ 1,363.87	3	%	\$ 40.92	\$ 40.92	
12	BID ITEM 3 Materials Sub-Total					\$ 40.92	
13	BID ITEM 4 - Inspect & Provide Report (NO MATERIALS)						
14	BID ITEM 5 - Reservoir 12" Suction Outlet Gate Valve						
15	12" FlgxFlg Gate Valve (OS&Y)		1	Ea	\$ 3,560.00	\$ 3,560.00	
16	12" 316SS Isolation Bolt, Nut, Gasket Kits		2	Ea	\$ 219.00	\$ 438.00	
17	12" Existing Coupling Adaptor Gaskets		2	Ea	\$ 65.00	\$ 130.00	
18	BID ITEM 5 Materials Sub-Total					\$ 4,128.00	
19	BID ITEM 6 - Furnish Reservoir 10" Inlet Fill Gate Valve						
20	10" FlgxFlg Gate Valve (OS&Y)		1	Ea	\$ 2,734.00	\$ 2,734.00	
21	10" 316SS Isolation Bolt, Nut, Gasket Kits		2	Ea	\$ 170.00	\$ 340.00	
22	10" Existing Coupling Adaptor Gaskets		2	Ea	\$ 62.00	\$ 124.00	
23	BID ITEM 6 Materials Sub-Total					\$ 3,198.00	
24	BID ITEM 7 - Furnish Reservoir 8" Blending Gate Valve						
25	8" FlgxFlg Gate Valve (OS&Y)		1	Ea	\$ 1,672.00	\$ 1,672.00	
26	8" 316SS Isolation Bolt, Nut, Gasket Kits		2	Ea	\$ 113.00	\$ 226.00	
27	8" Existing Coupling Adaptor Gaskets		2	Ea	\$ 48.00	\$ 96.00	
28	BID ITEM 7 Materials Sub-Total					\$ 1,994.00	
29	BID ITEM 8 - Furnish Reservoir 6" Outlet/Drain Gate Valve						
30	6" FlgxFlg Gate Valve (OS&Y)		1	Ea	\$ 1,020.00	\$ 1,020.00	
31	6" 316SS Isolation Bolt, Nut, Gasket Kits		2	Ea	\$ 91.00	\$ 182.00	
32	BID ITEM 8 Materials Sub-Total					\$ 1,202.00	

**Phase 4 (Winter 2023) - Reservoir Assessments and Minor Repairs Program
Material Takeoff**

Item #	Description	Size	Quantity	Unit	Cost Each	Total	Notes
33	BID ITEM 9 - Furnish Reservoir 4" Drain Gate Valves						
34	4" FlgFlg Gate Valve (OS&Y)		1	Ea	\$ 700.00	\$ 700.00	
35	4" 316SS Isolation Bolt, Nut, Gasket Kits		2	Ea	\$ 63.00	\$ 126.00	
36	BID ITEM 9 Materials Sub-Total					\$ 826.00	
37	BID ITEM 10 - Cleanout Reservoir OF Box						
38	Small Hand Tools - 10% of Labor (\$948.36)	\$ 262.78	10	%	\$ 26.28	\$ 26.28	
39	BID ITEM 10 Materials Sub-Total					\$ 26.28	
40	BID ITEM 11 - Install New Varec Gauge						
41	Varec Gauge System		1	Ea	\$ 4,000.00	\$ 4,000.00	
42	BID ITEM 11 Materials Sub-Total					\$ 4,000.00	
43	BID ITEM 12 - Disinfect Reservoir (NO MATERIALS)						
44	BID ITEM 13A-L - Additionally Requested Work						
45	1" Dielectric Nipple	13A	1	Ea	\$ 10.00	\$ 10.00	
46	1" SS Ball Valve - FIPT, SS Body 2-Piece Full Port w/ Lever	13A	1	Ea	\$ 93.00	\$ 93.00	
47	1.5" Dielectric Nipple	13B	1	Ea	\$ 12.00	\$ 12.00	
48	1.5" SS Ball Valve - FIPT, SS Body 2-Piece Full Port w/ Lever	13B	1	Ea	\$ 122.00	\$ 122.00	
49	2" Dielectric Nipple	13C	1	Ea	\$ 16.00	\$ 16.00	
50	2" SS Ball Valve - FIPT, SS Body 2-Piece Full Port w/ Lever	13C	1	Ea	\$ 172.00	\$ 172.00	
51	Replacement Hydrotank Sight Glass	13D	1	Ea	\$ 350.00	\$ 350.00	
52	Install Only Steel Reservoir Subcontractor - Reservoir Roof Vent	13E1'	1	Ea	\$ 4,200.00	\$ 4,200.00	
53	F&I Steel Reservoir Subcontractor - Reservoir Roof Vent	13E2'	1	Ea	\$ 8,400.00	\$ 8,400.00	
54	F&I Steel Reservoir Subcontractor - Cut and Raise OF	13F	1	Ea	\$ 2,350.00	\$ 2,350.00	
55	F&I Steel Reservoir Subcontractor - F&I Roof Safety D-Rings	13G	1	Ea	\$ 210.00	\$ 210.00	
56	F&I Steel Reservoir Subcontractor - Remove Interior Ladder	13H	1	Ea	\$ 850.00	\$ 850.00	
57	F&I Steel Reservoir Subcontractor - F&I 36" Manway	13I	1	Ea	\$ 8,511.00	\$ 8,511.00	
58	F&I Steel Reservoir Subcontractor - Mobilization Charge	13J	1	Ea	\$ 3,750.00	\$ 3,750.00	
59	1" Chlorine Injection Quill	13K	1	Ea	\$ 1,113.00	\$ 1,113.00	
60	1" Chlorine Injection Tubing	13K	5	Ft	\$ 13.00	\$ 65.00	
61	1" Chlorine Injection Fittings	13K	1	Ls	\$ 62.00	\$ 62.00	
62	1" Chlorine Injection TU Isolation Ball Valve (Viton O-Rings)	13K	1	Ea	\$ 225.00	\$ 225.00	
63	No Materials	13L	1	LS	\$ -	\$ -	
64	BID ITEM 13A-L Materials Sub-Total					\$ 30,511.00	

TANK 1 BASE BID MATERIAL TOTAL \$ 47,342.24

PHASE 4 (WINTER 2023) - RESERVOIR ASSESSMENTS & MINOR REPAIRS PROGRAM - ALT'S TOTAL PROJECT BREAKDOWN

Project Number:				
Contractor:		MGC Contractors Inc.		
Date:		10-Jan-23		
Division	Description	% of Total	Cost	Comments
	Construction Indirect Costs Summary			
00000	Division 0 - Bidding and Contract Requirements			
	Sales Tax	0.00%	\$0.00	Calculated on Page 1
	Sales Tax Deduct	0.00%	\$0.00	Calculated on Page 1
	Fee	0.00%	\$0.00	Calculated on Page 1
	Insurance (GL, IF, PL)	0.00%	\$0.00	Calculated on Page 1
	Bond	0.00%	\$0.00	Calculated on Page 1
00000	Sub-Total	0.0%	\$0.00	
01000	Division 1 - General Requirements			
	Project Staff (Included in Bid Items)	0.00%	\$0.00	
	Project Site Temporary Facilities (Included in Bid Items)	0.00%	\$0.00	
01000	Sub-Total	0.0%	\$0.00	
	Sub-Total Indirect Costs	0.0%	\$0.00	
BID ALT #	SUBCONTRACTORS & SUPPLIERS - Reference Materials Takeoff Worksheet (Page 13)			
1	Steel Tank Subcontractor - Replace Exterior Ladder	86.99%	\$13,883.00	STS
2	Steel Tank Subcontractor - Floor Patch	0.78%	\$125.00	STS
3	Steel Tank Subcontractor - Wall Patch	0.78%	\$125.00	STS
4	Steel Tank Subcontractor - Interior Coating Repair	0.22%	\$35.00	STS
5	Steel Tank Subcontractor - Exterior Coating Repair	0.28%	\$45.00	STS
	Sub-Total	89.1%	\$14,213.00	
BID ALT #	SELF-PERFORMED WORK - Total = Alternate Labor & Equipment WS (Page 12)			
1	Supervise & Support Replacement Exterior Ladder	9.49%	\$1,514.45	
2	Minor Floor Patch Repair	0.40%	\$64.63	
3	Minor Wall Patch Repair	0.43%	\$68.76	
4	Minor Interior Coating Repair	0.40%	\$64.63	
5	Minor Exterior Coating Repair	0.21%	\$33.93	
	Sub-Total	10.9%	\$1,746.40	
	Sub-Total Direct Costs	100.0%	\$15,959.40	
	Overall Total		\$15,959.40	

Job Name: Steel Reservoir Assessment & Repair Program
(L&E) Labor & Equipment Breakdown - Alternate Bid Items
By: BF, WF, DF

#	Water & Wastewater Facilities Projects	Info	LABOR				EQUIPMENT							\$ Total For Line	
			HRS Craft Supt	HRS Forman	HRS Pipefitter	HRS Laborer	HRS Sup't Truck	HRS Mechanics Truck	HRS Conf. Space Eq.	HRS Wacker	HRS Scaffolding	HRS Trash Pump	HRS Sub Pump		
1	Pecan North Reservoir Tank Inspection & Work													\$	-
2	Bid Alternates													\$	-
3	Minor Repair Patching & Coatings	Bid Item #												\$	-
4	Supervise & Support Replacement Exterior Ladder	1	8.0	0.0	0.00	0.0	8.0	0.0	0.00	0.0	0.00	0.0	0.0	\$	1,057
5	Supervise, Provide Confined Space for Floor Patch Repairs	2	0.0	0.0	0.25	0.0	0.0	0.0	0.25	0.0	0.00	0.0	0.0	\$	42
6	Supervise, Provide Confined Space for Wall Patch Repairs	3	0.0	0.0	0.25	0.0	0.0	0.0	0.25	0.0	0.25	0.0	0.0	\$	46
7	Supervise, Provide Confined Space for Interior Coating Repairs	4	0.0	0.0	0.25	0.0	0.0	0.0	0.25	0.0	0.00	0.0	0.0	\$	42
8	Supervise, Provide Scaffolding for Exterior Coating Repairs	5	0.0	0.0	0.25	0.0	0.0	0.0	0.00	0.0	0.00	0.0	0.0	\$	11
9														\$	-
10	Total Column		8.0	0.0	1.0	0.0	8.0	0.0	0.8	0.0	0.3	0.0	0.0	\$	1,198
11	Unit Cost		\$ 105.70	\$ 58.72	\$ 45.34	\$ 27.33	\$ 26.40	\$ 23.15	\$ 122.81	\$ 12.50	\$ 16.50	\$ 12.85	\$ 10.38		
12	Total Cost \$		\$ 846	\$ -	\$ 45	\$ -	\$ 211	\$ -	\$ 92	\$ -	\$ 4	\$ -	\$ -	\$	1,198

**Phase 4 (Winter 2023) - Reservoir Assessments and Minor Repairs Program
Material Takeoff**

Item #	Description	Size	Quantity	Unit	Cost Each	Total	Notes
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Phase 2 (Winter 2022) Reservoir Assessments & Minor Repairs Program Materials - BID ALTERNATES							
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1	BID ALT 1 - Replace Exterior Ladder	1	1	Ea	\$ 13,883.00	\$ 13,883.00	
2	BID ALT 2 - Minor Floor Patch Repair (NO MATERIALS)	2	1	LS	\$ -	\$ -	
3	BID ALT 3 - Minor Wall Patch Repair (NO MATERIALS)	3	1	LS	\$ -	\$ -	
4	BID ALT 4 - Minor Repair Interior Coatings (NO MATERIALS)	4	1	LS	\$ -	\$ -	
5	BID ALT 5 - Minor Repair Exterior Coatings (NO MATERIALS)	5	1	LS	\$ -	\$ -	

TANK BID ALTERNATE MATERIAL TOTAL						\$ 13,883.00
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TOQC Phase #4 SOV:

Mobilization	\$3,750.00
24" roof Vents (4)	\$8,400.00 Each
24" roof Vents (Install Only)	\$4,200 Each
36" Manway	\$8,511.00
D- Rings	\$210.00 Each
Cut and Raise Overflow	\$2,350.00
Install new exterior ladder w/ cage and wing rails	\$13,883.00
Remove Interior Ladder	\$850.00
12" round Floor patch plate	\$125 Each
12" round Shell patch plate	\$125 Each
Interior coatings repair	\$35.00 Per SQ FT
Exterior coating repair	\$45.00 Per SQ FT

*All new structural items will come pre primed.



4900 N Hayfield Draw Suite I
Camp Verde AZ 86322



Accurate Corrosion Control, Inc.
 7310 North 108th Avenue
 Glendale AZ 85307

**Invoice is from
 previous Pecan
 South Tank 1 Work**

Invoice

Date	Invoice #
2/28/2022	12575

Bill To
MGC Contractors Inc. P.O. Box 61748 Phoenix, AZ 85028

Job Address
Queen Creek AZ

W.O. No.	P.O. No.	Terms	Due Date	Project M...	Authorized Buyer	Master Agreement N...
5910	S/C # 19389-112	Net 30	3/30/2022	JR	Daniel Forster	n/a

Description	Quantity	Rate	Serviced Date	Amount
Queen Creek Pecan Tank				
136" X 16" H" WELDED STEEL				
MATERIALS - INTERNAL SYSTEM		5,280.00		5,280.00
MOBILIZATION, INSTALLATION & TESTING		3,520.00		3,520.00
REPLACEMENT RECTIFIER				
MATERIALS - RECTIFIER UNIT (OPTIONAL)		3,120.00		3,120.00
MOBILIZATION, INSTALLATION & TESTING		780.00		780.00
Change Order #1		12,200.00		12,200.00

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Phone #	Fax #	Web Site	Subtotal	\$24,900.00
6234867800	623-486-7827	www.accuratecorrosion.com	Tax (6.8625%)	\$0.00
Lic. AZ #235626 ~ Lic. CA #654613 ~ Lic. NV #74023 ~ Lic NM #365464 ~ Lic UT #7458219-5501 ~ WA #ACCURCC815NA			Total	\$24,900.00
			Payments/Credits	\$0.00
			Balance Due	\$24,900.00

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TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: DOREEN COTT, ECONOMIC DEVELOPMENT DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN AND THE ARIZONA DEPARTMENT OF REVENUE FOR DISTRIBUTION OF REVENUE UNDER A.R.S. 42-5032.02 TO REIMBURSE THE TOWN FOR PUBLIC INFRASTRUCTURE IMPROVEMENTS AND AUTHORIZING AND DIRECTING THE MAYOR, TOWN MANAGER, TOWN CLERK AND TOWN ATTORNEY TO NEGOTIATE, FINALIZE AND EXECUTE THE AGREEMENT AND ALL OTHER DOCUMENTS AND INSTRUMENTS AND TO TAKE SUCH ACTIONS AS NECESSARY OR APPROPRIATE TO FINALIZE AND FACILITATE THE AGREEMENT.

DATE: February 15, 2023

Suggested Action:

Move to approve the Intergovernmental Agreement (IGA) between the Town and the Arizona Department of Revenue (ADOR) to reimburse the Town for public infrastructure improvements and authorizing and directing the Mayor, Town Manager, Town Clerk, and Town Attorney to do all acts and execute all documents to finalize and facilitate the agreement.

Relevant Council Goal(s):

- Effective Government: KRA Financial Sustainability
- Secure future: KRA Environment; Land Use & Economic Development

Discussion:

On March 16, 2022, the Town entered into a development agreement with ES America, LLC (LGES) for the construction and operation of an advanced manufacturing facility bringing 1,000,000 square feet of manufacturing, distribution and office space, approximately 2,800 new full-time jobs, and a capital investment of \$2.8B. This project will result in substantial positive economic impacts to the Town and region.

As per the development agreement, the Town agreed to construct and install regional public improvements including streets, water, and wastewater infrastructure. These infrastructure improvements, which are necessary for the project, will also improve transportation access in this key area and be the catalyst for additional employment development.

One potential funding source for the required public infrastructure improvements includes revenues distributed from the Arizona Department of Revenue under A.R.S. § 42- 5032.02 (Attachment C). Under A.R.S. § 42-5032.02, the Arizona State Treasurer is authorized to direct up to \$100 million in transaction privilege tax (TPT) revenue collected from contractors engaged in the construction of improvements at a qualified manufacturing facility and related public infrastructure improvements. This revenue can reimburse a city, town or county for up to 80 percent of the cost of the public infrastructure improvements associated to the qualified manufacturing facility.

The LGES facility meets these qualifications. Additionally, pursuant to A.R.S. § 42-5032.02, LGES has submitted a sworn certification to the Arizona Commerce Authority stating it will exceed the minimum statutory requirement for \$50 million in capital investments at its new manufacturing campus in Queen Creek, in order to qualify the Town for the reimbursement program (Attachment D).

In order to obtain reimbursement of TPT revenue for these public infrastructure improvements the Town must enter into an IGA with the Arizona Department of Revenue. The IGA between the Town of Queen Creek and ADOR for the distribution of revenues under A.R.S. § 42-5032.02 will contain the terms and conditions necessary to facilitate the distribution of funds to the Town. The Town of Queen Creek will provide the ADOR with a list of all prime contractors for both the construction of the LGES manufacturing facilities as well as those prime contractors for the public infrastructure improvements that the Town constructs pursuant to the Development Agreement. The Town will provide direction to all prime contractors as to which portion of the contractor's income shall be separately identified to the Arizona Department of Revenue.

By entering into this IGA the Town will have the ability to receive money for public infrastructure improvements that would eventually have been completed anyway, but the Town and the residents will see the benefit of the improvements sooner and with reimbursement due to this program for qualified manufacturing facilities.

The term of the IGA is limited by the statute to either the date which the total maximum reimbursement of \$100 million is reached for all qualifying manufacturing facilities in the state, or September 30, 2033, whichever occurs first.

Fiscal Impact:

This IGA will provide the opportunity for the Town to be reimbursed by revenues distributed from the Arizona Department of Revenue for public infrastructure costs incurred by the Town related to the LGES development. The Town is expected to receive approximately \$30M in reimbursement through the IGA based on estimates of construction sales taxes that will be generated from the LGES and Town infrastructure projects. The total cost of the Town's projects for new roads, water and wastewater infrastructure is estimated to be about \$80M, which means reimbursement through the IGA will cover about 38% of the Town's project costs.

Alternatives:

The Council could not approve the IGA and the Town would not be able to seek reimbursement of any of the costs of the required public infrastructure through A.R.S. § 42-5032.02.

Attachment(s):

1. [Attachment A - Intergovernmental Agreement \(IGA\)](#)
2. [Attachment B - Public Infrastructure Improvements](#)
3. [Attachment C - A.R.S. 42-5032.02](#)
4. [Attachment D - Certification Letter](#)

**INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF QUEEN CREEK AND THE STATE OF ARIZONA
FOR DISTRIBUTION OF REVENUES UNDER A.R.S. § 42-5032.02**

THIS INTERGOVERNMENTAL AGREEMENT (the "**Agreement**") is entered into this ____ day of _____ 2023, pursuant to Arizona Revised Statutes ("**A.R.S.**") §§ 11-951 through 11-954 by and between the Arizona Department of Revenue ("**ADOR**") and the Town of Queen Creek, acting by and through its Mayor and Town Council (the "**Town**"). The Town and ADOR are referred to collectively in this agreement as the "**Parties**" and each individually as a "**Party**." A.R.S. references shall be to the code version in effect as of the effective date of this Agreement ("**Effective Date**"), unless otherwise provided expressly in this Agreement.

DEFINITIONS

The following definitions shall apply throughout this Agreement:

1. "**Capital Investment**" means an expenditure to acquire, lease, or improve property that is used for the benefit of the Facility, including land, buildings, machinery, and fixtures, as the term "capital investment" is defined in A.R.S. § 42-5032.02 and identified under Section I of this Agreement.
2. "**Certification**" means the sworn certification submitted by ES to the Arizona Commerce Authority on February 2, 2023.
3. "**Construction Phase Services**" has the same meaning prescribed in A.R.S. § 42-5075(N)(1).
4. "**ES**" means ES America, LLC, a Delaware limited liability company
5. "**Facility**" means an establishment that:
 - a. Is engaged in the mechanical, physical, or chemical transformation or fabrication of materials, substances, or components into new products within the State of Arizona;
 - b. Is classified within sections 31 through 33 inclusive of the 2007 edition of the North American Industry Classification System as published by the National Information Service of the United States Department of Commerce; and
 - c. Agrees to make at least fifty million dollars (\$50,000,000) in Capital Investment.
6. "**Prime Contractor**" means any contractor identified in connection with a Capital Investment or Public Infrastructure Improvement Project under this Agreement who is liable for reporting and remitting TPT levied under A.R.S. § 42-5075.
7. "**Public Infrastructure**" means water production, delivery, and disposal facilities; wastewater production, delivery, and disposal facilities, and roads that are necessary to support the activities of the Facility.
8. "**Public Infrastructure Improvement Project**" or "**PIIP**" means any project identified under Section II of this Agreement.

9. **“Public Infrastructure Master Agreement”** means the written agreement between ES and the Town that identifies and states the cost of the Public Infrastructure Improvement Projects that will be constructed and identifies the source of monies that will be used to pay for the same under A.R.S. § 42-5032.02.
10. **“Reporting Code”** means a code that ADOR provides to a Prime Contractor under Section III of this Agreement for the purpose of allowing the Prime Contractor to separately identify to ADOR such income reported under A.R.S. § 42-5075 that is derived from a contract for Capital Investment and Public Infrastructure Improvement Projects under this Agreement.
11. **“Statutory Maximum”** means the total amount paid to all cities, towns, and counties under A.R.S. § 42-5032.02, which shall not exceed the amount allowed under the statute.
12. **“TPT”** means state transaction privilege tax.

RECITALS

1. ADOR is authorized to enter into this Agreement under A.R.S. §§ 42-1004(A)(4) and 42-5032.02(G).
2. The Town is authorized to enter into this agreement under A.R.S. §§ 11-952 and 42-5032.02(G).
3. ES intends to engage in business at a production facility to be constructed within the Town that qualifies as a Facility under this Agreement.
4. ES has agreed with the Town to make a qualifying Capital Investment and has filed its Certification to this effect with the Arizona Commerce Authority.
5. No payment will be made to the Town under this Agreement until a cost report is provided to ADOR demonstrating that ES has made ten percent (10%) of the Capital Investment identified in the Certification that constitutes “construction phase services,” as that term is defined in A.R.S. § 42-5075.
6. The Town has determined that certain PIIPs are necessary to support ES’s Capital Investment.
7. ES and the Town have entered into a written agreement that identifies and states the cost of the PIIPs that will be constructed and identifies the source of monies that will be used to pay for such PIIPs.
8. Under A.R.S. § 42-5032.02(H), the Town can obtain funding for up to eighty percent (80%) of the cost of a PIIP from the portion of TPT revenue under A.R.S. § 42-5075 derived from the construction of buildings and associated improvements for the benefit of the Facility and the PIIPs that benefit the Facility.
9. The purpose of this Agreement is to facilitate ADOR’s distribution of funds to the Town under A.R.S. § 42-5032.02 and to ensure compliance with the requirements of that statute and other applicable laws.

WHEREFORE, IN CONSIDERATION of the foregoing and of the mutual covenants expressed in this Agreement, the Parties agree as follows:

I. Capital Investment.

- A. The Capital Investment and associated Prime Contractors covered by this Agreement are identified in the attached Addendum A.
- B. Future Capital Investments may be identified under this Agreement through the use of similar addenda, and in that event, the terms and conditions of this Agreement shall apply.

II. Public Infrastructure Improvement Projects (PIIPs).

- A. The Public Infrastructure necessary to support the Capital Investment is identified in the attached Addendum B.
- B. The actual amount of the construction funding that will be derived from sources other than the State is also identified in Addendum B.
- C. Using the form attached as Addendum B-1, the Town shall notify ADOR of each Prime Contractor or other service provider awarded a contract under A.R.S. Title 34 for the Public Infrastructure Improvement Project and any other Town expense related to the PIIP, together with an updated project cost, estimated start of construction date, and estimated completion date.
- D. Future PIIPs may be identified under this Agreement through the use of similar addenda and, in that event, the terms and conditions of this Agreement shall apply.
- E. The Town shall submit additional Addendum B and Addendum B-1 for each separate PIIP.

III. Prime Contractors.

- A. ADOR shall provide written notification, with a copy to the Town, to each Prime Contractor identified under this Agreement as to the means and method of reporting the portion of its income separately identified to ADOR under A.R.S. § 42-5075 as being derived from a contract for Capital Investment or PIIP under this Agreement.
- B. ADOR shall separately account for state TPT revenues identified, reported, and collected under A.R.S. § 42-5075 of the prime contracting classification from any Prime Contractor identified under this Agreement for both the PIIPs and Capital Investment project.
- C. Revenue derived from contracts subject to A.R.S. § 42-5075 for PIIPs under this Agreement shall be used exclusively to pay for PIIPs identified under this Agreement until either:
 - 1. The Statutory Maximum for payments to all cities, towns, and counties under A.R.S. § 42-5032.02 is reached or
 - 2. September 30, 2033 or such later date as amended in A.R.S. § 42-5032.02.
- D. In the event there is more than one PIIP undertaken by more than one city, town, or county for the benefit of ES that will be funded by the same Capital Investment project shall be

allocated by ADOR among the PIIPs based on available funds and whether the eighty percent (80%) threshold for each PIIP has been met.

- E. The Town agrees that any amounts paid by ADOR to a Prime Contractor resulting from an audit adjustment or claim for credit or refund of taxes collected under A.R.S. § 42-5010(A) and derived from a contract for the construction of a PIIP or Capital Investment project under this Agreement shall be recovered by ADOR by reducing the amount paid to the Town under A.R.S. § 42-5029 from monies designated as the distribution base in the month next succeeding the month in which the adjustment or claim is paid. In the event that there is more than one PIIP undertaken by more than one city, town, or county for the benefit of ES, any amount paid by ADOR to a Prime Contractor under this section shall be recovered in the manner prescribed by this section only from the city, town, or county to whom the monies were allocated pursuant to Section III(D) above.
- F. The Town agrees that if, on notification by ADOR, the State Treasurer ceases payments because the Town has received monies that meet or exceed either eighty percent (80%) of the cost of a PIIP or the Statutory Maximum, the Town shall have no claim to additional payments if ADOR subsequently pays amounts to a Prime Contractor due to an audit adjustment or claim for credit or refund of taxes.

IV. Payments to the Town.

- A. Within ten (10) business days after all of the conditions set forth in Sections IV(B)(1) through IV(B)(4) have been satisfied for a PIIP to be funded under this Agreement, and provided that TPT funds identified under A.R.S. § 42-5075(H) are available, ADOR shall provide written notice to the State Treasurer, with a copy to the Town, to begin making payments to the Town under this Agreement.
- B. ADOR shall not instruct the State Treasurer to begin making payments to the Town under this Agreement until each of the following conditions has been met:
 - 1. ADOR has received a cost report demonstrating that ES has made ten percent (10%) of the Capital Investment identified in the Certification that constitutes Construction Phase Services.
 - 2. ADOR has received documentation from the Town that it has entered into a contract for a PIIP to be funded under this Agreement.
 - 3. ADOR has received all of the information to be provided under Addendum B for a PIIP.
 - 4. At least one Prime Contractor or other service provided has been identified, and all of the information required to be provided for that Prime Contractor or other service provided under Addendum B-1, has been provided for a PIIP. Payments to the Town for any Prime Contractor, other service provider, or other Town expense identified in Addendum B-1 shall not exceed eighty percent (80%) of the construction cost, contract cost, or other expense as set forth in Addendum B-1.
- C. The total amount paid to the Town for any PIIP under this Agreement shall not exceed: (a) eighty percent (80%) of the total cost of the PIIP as set forth in Addendum B or (b) the Statutory Maximum for payments to all cities, towns, and counties under A.R.S. § 42-5032.02. If the amount needed to meet eighty percent (80%) of the PIIP would exceed the

Statutory Maximum, such amount shall be funded by the Town. In no event shall payments be made to the Town under this Agreement from and after September 30, 2033 or such later date as amended in A.R.S. § 42-5032.02.

- D. The Town agrees that the monies received under this Agreement shall be used exclusively to pay for PIIPs that are necessary to support the activities of ES.
 - E. The Town agrees that it will commit all of its portion of the revenue received pursuant to A.R.S. § 42-5029(D) derived from contracts subject to A.R.S. § 42-5075 for the construction of buildings and associated improvements for the benefit of the Facility (identified in this Agreement as Capital Improvements and PIIPs) for PIIPs under this Agreement.
 - F. The Town will promptly notify ADOR if monies received under this Agreement exceed eighty percent (80%) of the cost of any PIIP and will return the amount of the excess to the State Treasurer for deposit according to A.R.S. § 42-5032.02(G)(4) or successor provision.
 - G. ADOR shall notify the State Treasurer to cease payments under this Agreement when either: (a) the total for all payments to the Town meet or exceed eighty percent (80%) of the cost of the PIIPs under this Agreement or (b) payments to all cities, towns, and counties under A.R.S. § 42-5032.02 have reached the Statutory Maximum. The Town agrees that it has no claims to additional payments under these conditions.
 - H. ADOR shall distribute and the Town shall receive funding payments for eligible PIIP costs rendered after the Town substantiates to ADOR the cost has been expended, is allowable, and is relevant for the submitted program expenditures. To request reimbursement, the Town shall submit its request to ADOR for review and processing in a form and manner agreed upon by both the Town and ADOR. Unless otherwise specifically indicated, the Town as a funding recipient is not required to submit any supporting documentation with a reimbursement request. However, the Town is required to maintain all necessary supporting documentation to ensure such documentation is available to ADOR for review, upon request. The Town must maintain records that show:
 - 1. The total amount of funds received under this Agreement;
 - 2. How the Town used the funds;
 - 3. The total cost of the projects; and
 - 4. Other records to facilitate an effective audit.
- Allowable costs are those eligible PIIP costs invoiced to the Town on or after the month of the Effective Date of this Agreement, as substantiated by supporting documentation.
- I. ADOR will process reimbursements requests under A.R.S. § 42-5032.02 on a first-come, first-served basis, so it is important for the Town to submit payment requests as early as possible. The Town may request updates on the remaining amounts available under A.R.S. § 42-5032.02 from time to time.

V. Meet and Confer Process.

- A. In order to ensure timely compliance with the requirements of A.R.S. § 42-5032.02, the Parties shall adopt a meet and confer schedule for each PIIP at approximately the following intervals as determined by the Town, but in no event less than on a quarterly basis or upon request by ADOR:
1. At or near project initiation;
 2. At or near 20% project completion;
 3. At or near 60% project completion;
 4. At or near 80% project completion; and
 5. At or near 90% project completion.
- B. Representatives of ES and/or any Prime Contractor may attend at the request of the Town or ADOR.

- VI. Calculation of Statutory Maximum.** ADOR shall use, inter alia, the amounts subject to any distribution to the Town under A.R.S. § 42-5032.02(A) in calculating the Statutory Maximum.
- VII. Other Funding.** The funding for a PIIP that will be derived from sources other than the State will be twenty percent (20%) of the overall PIIP costs that shall be paid from the Town's Capital Improvement Project ("CIP") budget. In addition, the Town shall pay one hundred percent (100%) of any PIIP costs not reimbursed by the State under A.R.S. § 42-5032.02(A) for any reason.
- VIII. Effective Date and Duration.** This Agreement shall become effective upon execution by the Town and ADOR, and shall remain in effect until the earlier of either the point at which the Statutory Maximum is reached or September 30, 2033.
- IX. Termination.** A Party desiring to terminate this Agreement shall provide written notice to the other Party at least sixty (60) days in advance of the proposed termination date.
- X. Choice of Law.** The laws and regulations of the State of Arizona shall govern the rights of the Parties, the performance of this Agreement, and any disputes arising from this Agreement, including the Town's appeal rights pertaining to ADOR's agency actions contained herein.
- XI. Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to its subject matter and correctly sets forth the rights, duties, and obligations of each to the other as of its Effective Date. All prior or contemporaneous agreements and understandings, oral or written, are superseded and merged into this Agreement. The provisions of this Agreement may be abrogated, modified, rescinded, or amended in whole or in part only by mutual written consent of the Parties.
- XII. Notices.** All written notices concerning this Agreement shall be sent electronically and by first class mail, postage prepaid, to the Parties as follows:

A. To the Town:

Bruce Gardner, Town Manager

22358 S Ellsworth Road
Queen Creek, AZ 85142
bruce.gardner@queencreek.gov

with a copy to:

Scott A. Holcomb, Town Attorney
c/o Dickinson Wright PLLC
1850 North Central Avenue, Suite 1400
Phoenix, AZ 85004
sholcomb@dickinsonwright.com

To ADOR:

Robert Woods, Director
1600 W. Monroe St.
Phoenix, AZ 85007
rwoods@azdor.gov

with a copy to:

Hsin Pai, General Counsel
1600 W. Monroe St.
Phoenix, AZ 85007
hpai@azdor.gov

The address to which any notice, demand or other writing may be given, made or sent to any Party may be changed by written notice given by such Party as above provided.

- XIII. Nondiscrimination.** ADOR and the Town shall comply with Executive Order 2023-01, which prohibits discrimination based on race, color, sex, pregnancy, childbirth or medical conditions related to pregnancy or childbirth, political or religious affiliation or ideas, culture, creed, social origin or condition, genetic information, sexual orientation, gender identity or expression, national origin, ancestry, age, disability, military service or veteran status, or marital status, by persons performing state contracts or subcontracts. ADOR and the Town also agree to comply with Executive Orders 2003-22 and 2009-09 as amended by Executive Order 2023-01, all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act of 1990.
- XIV. Cancellation.** The requirements of A.R.S. § 38-511 shall apply to this Agreement. Either Party may cancel this Agreement without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of ADOR or the Town is, at any time while this Agreement or any extension is in effect, an employee, agent, or consultant of the other Party with respect to the subject matter of this Agreement.
- XV. Other Agreements.** This Agreement in no way restricts either Party from participating in similar activities with other public or private agencies, organizations, or individuals.

- XVI. Records Retention.** The Town and ADOR shall retain all data, books, and other records (“Records”) relating to this Agreement for at least six (6) years after the termination of this Agreement and following each annual renewal thereof. All Records shall be subject to inspection by ADOR at reasonable times. Upon request, ADOR and the Town shall produce any or all such records. This Agreement is subject to A.R.S. §§ 35-214 and 35-215.
- XVII. Compliance with Immigration Laws.** ADOR and the Town shall comply with all Federal immigration laws and regulations relating to employees and warrants compliance with A.R.S. § 23-214(A). A breach of compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and may be grounds for the immediate termination of this Agreement. ADOR and the Town retain the legal right to inspect the papers of any employee who works on the Agreement to ensure ADOR and the Town are complying with applicable Federal immigration laws and regulations and State statutes as set forth above.
- XVIII. Relationship.** It is not intended by this Agreement to, and nothing contained in this Agreement shall be construed to, create any partnership, joint venture, or employment relationship between the Parties or to create any employer-employee relationship between the Town and any ADOR employee, or between ADOR and any Town employee. Neither Party shall be liable for any debts, accounts, obligations, or other liabilities whatsoever of the other, including, without limitation, the other Party’s obligation to withhold Social Security and income taxes for any of its employees.
- XIX. Nonavailability of Funds.** Every payment obligation of ADOR under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payments of such obligation. If funds are not appropriated, allocated, and available, or if the appropriation is changed resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this section.
- XX. Failure to Enforce.** The failure to exercise any right, power, or privilege under this Agreement shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of that or any right, power, or privilege.
- XXI. Authorization to Enter into Agreement.** Attached to this Agreement and incorporated by reference is the written determination of each Party’s legal counsel that each Party is authorized under the laws of the State of Arizona to enter into this Agreement and that the Agreement is in proper form.

IN WITNESS WHEREOF, the Parties have executed this Agreement as authorized by the State of Arizona.

Arizona Department of Revenue (“ADOR”)

Town of Queen Creek (“Town”)

By: _____
Name: Robert Woods

By: _____
Name: Julia Wheatley

Title: Director

Title: Mayor

Date: _____

Date: _____

ATTEST:

Town Clerk

APPROVAL OF THE ARIZONA ATTORNEY GENERAL

Pursuant to Arizona Revised Statutes §§ 11-951 through 11-954, I have reviewed the foregoing intergovernmental agreement between the ARIZONA DEPARTMENT OF REVENUE and the TOWN OF QUEEN CREEK, and declare this Agreement to be in proper form and within the powers and authority granted to the Department under the laws of the State of Arizona.

No opinion is expressed as to the authority of the Town to enter into this Agreement.

DATED this _____ day of _____, 2023.

KRIS MAYES
Attorney General

Jerry Fries
Tax Section Chief Counsel

IGA DETERMINATION—TOWN

This IGA, which is an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who has determined that it is in the proper form and is within the power and authority granted under the laws of the State of Arizona to those parties to the Agreement represented by the Town Attorney.

Scott A. Holcomb, Town Attorney

ADDENDUM A

Capital Investment

The following Capital Investment and Prime Contractor(s) are identified pursuant to Section I of the Intergovernmental Agreement entered into between the Arizona Department of Revenue and the Town of Queen Creek on or about _____, 2023 (the "Agreement"):

[LOT DESCRIPTION]

Prime Contractor(s): To Be Determined
Anticipated Construction Start Date: Summer 2023
Estimated Date of Completion: To Be Determined
Estimated Construction Cost: Approximately \$2.8 billion

Each Prime Contractor identified above has been notified as to which portion of the Prime Contractor's income shall be separately identified to the Department pursuant to A.R.S. § 42-5075(H).

The provisions of the Agreement are incorporated and shall control as fully as if they were set forth in this Addendum.

Arizona Department of Revenue

Town of Queen Creek, a municipal corporation

By: _____

Name: _____

Name: Bruce Gardner

Title: _____

Title: Town Manager

Date: _____

Date: _____

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Scott A. Holcomb, , Town Attorney

ADDENDUM B

Public Infrastructure Improvement Project - Project No. AR100 – ASLD Infrastructure Improvements

Town represents that the following Public Infrastructure Improvement Projects are necessary to support the Capital Investment identified in Addendum A, dated _____, to the Intergovernmental Agreement entered into between the Arizona Department of Revenue and the Town of Queen Creek on or about _____, 2023 (the "Agreement"):

Town of Queen Creek	AR100 – ASLD Infrastructure Improvements
Prime Contractors:	Identified in Addendum B-1
Anticipated Construction Start Date:	3/1/2023
Estimated Date of Completion:	9/30/2026
Estimated Construction Cost	\$80,000,000
State TPT (80%)	\$ 64,000,000
Town CIP (20%)	\$ 16,000,000

The Parties shall meet and confer at or near the start of construction and at such subsequent times as provided under Section V of the Agreement.

The provisions of the Agreement are incorporated and shall control as fully as if they were set forth in this Addendum.

Dated: _____

TOWN OF QUEEN CREEK _____, Town
Manager

Bruce Gardner, Town Manager

ATTEST:

Town Clerk

APPROVED AS TO FORM:
_____, Town Attorney

Assistant Chief Counsel

ADDENDUM B-1

Prime Contractors - Public Infrastructure Improvement Project No. AR100 – ALSD Infrastructure Improvements

Town represents that the following Town expenses related to the Public Infrastructure Improvement Project have been paid and that Prime Contractors or other service providers have been awarded contracts under Title 34 for the design, construction, materials and equipment, or other services necessary to construct the Public Infrastructure Improvement Project identified in Addendum B, dated ("Project No. _____"), to the Intergovernmental Agreement entered into between the Arizona Department of Revenue and the Town of Queen Creek on or about _____, 2023 (the "Agreement"):

Town of Queen Creek AR100 – ALSD Infrastructure Improvements

Prime Contractor:	Haydon Building Corporation
Anticipated Construction Start Date:	3/1/2023
Estimated Date of Contract Completion:	_____
Construction Cost	Approximately \$ 80,000,000
State TPT (80%)	\$ 64,000,000
Town CIP (20%)	\$ 16,000,000

Other Service Provider:	
Anticipated Contract Start Date:	_____
Estimated Date of Contract Completion:	_____
2019 Contract Cost:	\$ _____
State TPT (80%)	\$ _____
Town CIP (20%)	\$ _____

Other Town Expense Description:	
Date of Expense:	_____
Expense amount:	\$ _____
State TPT (80%)	\$ _____
Town CIP (20%)	\$ _____

Town has notified each Prime Contractor identified above as to which portion of the contractor's income shall be separately identified to the Department pursuant to A.R.S. § 42-5075(H) using the Reporting Code provided by the Department for that purpose.

The provisions of the Agreement are incorporated and shall control as fully as if they were set forth in this Addendum.

[Page 2, Addendum B-1]

Dated: _____, 2023

TOWN OF QUEEN CREEK

_____, Town Manager

_____, Chief Financial Officer

ATTEST:

Town Clerk

APPROVED AS TO FORM:

_____, Town Attorney

Assistant Chief Counsel

Infrastructure Improvements

Germann Road:

Street Improvements:

Classification: Major Arterial per Town of Queen Creek Standard Detail R-102

Improvements: The northern half street improvements including; two travel lanes, one in each direction, street signs, bike lane, streetlights, sidewalk, curb and gutter and the required storm drain improvements from Ironwood Road to Kenworthy Road.

Access points – Town will coordinate access points with the design team of the Employer to provide access as may be required and in accordance with Town standards. If Employer provides access point location information to the Town in time and the access point aligns with one of the two roadways onto Germann in that area, the Town will design and construct a traffic signal on Germann Road at approximately one-half mile east of Ironwood Road. This signal will not be installed by the Town until traffic warrants are met.

Water and Wastewater Improvements

Water – from Meridian Road to Kenworthy Road, 24” diameter pipe.

Wastewater – from Meridian Road to Kenworthy Road, 18” diameter pipe.

Ironwood Road:

Street Improvements

Classification: Major Arterial per Town of Queen Creek Standard Detail R-101

Improvements: The Eastern half street improvements including; one additional northbound travel lane, street signs, bike lane, street lights, sidewalk, curb and gutter and the required storm drain improvements from Germann Road to Pecos Road. Fully signalized intersections will be constructed at the Germann Road and Pecos Road intersections and one-half mile north of Germann Road.

Access points – Town will coordinate access points with the design team of the Employer to provide access as may be required and in accordance with Town standards. At a minimum, a fully signalized intersection will be designed and constructed for a location one half mile north of Germann Road when traffic warrants are met.

Water and Wastewater Improvements

Water – from Germann Road to Pecos Road, 12” diameter pipe.

Wastewater – from Germann Road to 1/3 mile north of Germann and from Pecos Road to 1/3 mile south of Pecos Road, pipe diameters and ultimate extent will be determined during design to ensure the ability to service the Site and future regional development.

Pecos Road:

Street Improvements

Classification: Major Arterial per Town of Queen Creek Standard Detail R-102

Improvements: Full roadway improvements to include two or four travel lanes (number of lanes not to exceed four lanes to be determined by the final regional transportation study described above) and a center median/turn lane(s) and bike lanes, street signs, street lights adjacent to the development parcel at such time as construction commences on the adjacent parcel, sidewalk adjacent to the development parcel at such time as construction commences on the adjacent parcel, curb and gutter and the required storm drain improvements.

Access points – Town will coordinate access points with the design team of the Employer to provide access as may be required and in accordance with Town standards. At a minimum, a fully signalized intersection will be designed and constructed when traffic warrants are met one-half mile east of Ironwood Road.

Water and Wastewater Improvements

Water – from Ironwood Road to Kenworthy Road, 12” diameter pipe.

Wastewater – from Meridian Road to Kenworthy Road, pipe diameter will be determined during design to ensure the ability to service the Site and future regional development.

Kenworthy Road:

Street Improvements

Classification: Major Arterial per Town of Queen Creek Standard Detail R-102

Improvements: Full roadway improvements to include two or four travel lanes (number of lanes not to exceed 4 lanes to be determined by the final transportation study described above) and a center median/turn lane(s) and bike lanes, street signs, street lights infrastructure at such time as construction commences on the adjacent parcel, sidewalk adjacent to the development parcel at such time as construction commences on the adjacent parcel, curb and gutter and the required storm drain improvements. Fully signalized intersections will be designed at the Germann Road and Pecos Road intersections and one-

half mile north of Germann Road. The signals will not be installed until traffic warrants are met.

Access points – Town will coordinate access points with the design team of the Employer to provide access as may be required and in accordance with Town standards. At a minimum, a fully signalized intersection will be designed and constructed when traffic warrants are met for a location one half mile north of Germann Road.

Water and Wastewater Improvements

Water – from Germann Road to Pecos Road, 16” diameter pipe.

Wastewater – from Germann Road to 1/3 mile north of Germann and from Pecos Road to 1/3 mile south of Pecos Road, pipe diameters and ultimate extent will be determined during design to ensure the ability to service the Site and future regional development.

42-5032.02. Distribution of revenues for city, town or county infrastructure improvements related to manufacturing facilities; definitions

A. Subject to subsection B of this section, from and after September 30, 2013 through September 30, 2033, each month the state treasurer shall pay a city, town or county the amount determined under subsection C of this section for the purpose of funding up to eighty percent of the cost of public infrastructure improvements for the benefit of a manufacturing facility.

B. The state treasurer shall not make any payments under subsection C of this section until both of the following apply:

1. Ten percent of the qualifying capital investment that is certified under subsection D of this section and that constitutes construction phase services, as defined in section 42-5075, has been made by the manufacturing facility.

2. From and after June 30, 2014.

C. The amount to be paid to a city, town or county under subsection A of this section is the total amount of state transaction privilege tax revenues collected under section 42-5010, subsection A from persons conducting business under section 42-5075 derived from contracts to construct buildings and associated improvements for the benefit of a manufacturing facility. The total amount paid to all cities, towns and counties under this subsection shall not exceed a maximum of \$100,000,000.

D. Within one hundred eighty days after the commencement of the construction of buildings and associated improvements for the benefit of a manufacturing facility that will require a city, town or county to make infrastructure improvements, the manufacturing facility shall file a sworn certification with the Arizona commerce authority and submit a copy of this sworn certification to the applicable city, town or county that the manufacturing facility agrees to either:

1. Make at least \$500,000,000 in capital investment if the manufacturing facility is located in a county that has a population of eight hundred thousand persons or more.

2. Make at least \$50,000,000 in capital investment if the manufacturing facility is located in a county that has a population of less than eight hundred thousand persons.

E. The certification under subsection D of this section shall contain a sworn statement or certification, signed by an officer of the manufacturing facility under penalty of perjury, that the information contained is true and correct according to the best belief and knowledge of the person submitting the information after a reasonable investigation of the facts.

F. Before submitting the certification to the Arizona commerce authority, the manufacturing facility and the city, town or county must enter into a written agreement that:

1. Identifies and states the cost of the public infrastructure improvements that will be constructed.

2. Identifies the sources of monies, including monies received pursuant to this section, that will be used to pay for the public infrastructure improvements.

G. On receipt of the sworn certification from a manufacturing facility pursuant to subsection D of this section, the city, town or county shall enter into a written agreement with the department. This agreement and any amendments or changes to the agreement shall:

1. State the cost of the public infrastructure improvements and separately identify the particular improvements that will be made.

2. State that the monies received under this section will be used exclusively to pay for public infrastructure improvements that are necessary to support the activities of the manufacturing facility.
3. State that the city, town or county will commit all of its portion of the revenue received pursuant to section 42-5029, subsection D derived from contracts subject to section 42-5075 to construct buildings and associated improvements for the benefit of the manufacturing facility for public infrastructure improvements that benefit the manufacturing facility.
4. State that the city, town or county will immediately notify the department when monies received under this section exceed eighty percent of the cost of the infrastructure improvements and will return the amount of the excess to the state treasurer for deposit in the state general fund.
5. Stipulate the actual amount of the construction funding that will be derived from sources other than this state.
6. Identify the persons who will be prime contractors on the construction of buildings and associated improvements for the benefit of a manufacturing facility and state that each prime contractor has been notified as to which portion of the contractor's income shall be separately identified to the department pursuant to section 42-5075, subsection H.
7. State that the city, town or county agrees that any amounts paid by the department to a prime contractor as identified under paragraph 6 of this subsection resulting from an audit adjustment or claim for credit or refund of taxes described in subsection C of this section shall be recovered by the department from the city, town or county by reducing the amount paid to the city, town or county under section 42-5029 from monies designated as distribution base in the month next succeeding the month in which the adjustment or claim is paid.
8. State that the city, town or county agrees that the department will use the amounts subject to any distribution required under subsection A of this section in calculating the maximum amount set by subsection C of this section.
9. State that the city, town or county agrees that if, on notification by the department, the state treasurer ceases payments because of the condition described in subsection H of this section, the city, town or county has no claim to additional payments if the department subsequently pays amounts to a prime contractor identified in an agreement with any city, town or county, as described in paragraph 6 of this subsection, due to an audit adjustment or claim for credit or refund of taxes described in subsection C of this section.
10. Provide any other information deemed necessary by the department.

H. On notification by the department, the state treasurer shall cease payments under subsection A of this section if either of the following occurs:

1. The city, town or county has received monies that meet or exceed eighty percent of the cost of the public infrastructure improvements that are necessary to support the activities related to the manufacturing facility as described in the written agreement pursuant to subsection G of this section.
2. The total amount subject to any distribution required under subsection A of this section has met the maximum amount set by subsection C of this section.

I. For the purposes of this section:

1. "Associated improvement" includes any public infrastructure improvement that is made for the benefit of the manufacturing facility outside of the parcel or parcels of real property where the manufacturing facility is located.
2. "Capital investment" means an expenditure to acquire, lease or improve property that is used for the benefit of a manufacturing facility, including land, buildings, machinery and fixtures.

3. "Manufacturing facility":

(a) Means an establishment that is engaged in the mechanical, physical or chemical transformation or fabrication of materials, substances or components into new products in this state, that is classified within sections 31 through 33 inclusive of the 2007 edition of the North American industry classification system as published by the national technical information service of the United States department of commerce and that agrees to either:

(i) Make at least \$500,000,000 in capital investment if the manufacturing facility is located in a county that has a population of eight hundred thousand persons or more.

(ii) Make at least \$50,000,000 in capital investment if the manufacturing facility is located in a county that has a population of less than eight hundred thousand persons.

(b) Does not include mining, milling or smelting mineral ore or generating electricity.

4. "Population" means the population determined in the most recent United States decennial census or the most recent special census as provided in section 28-6532.

5. "Public infrastructure" means water production, delivery and disposal facilities, wastewater production, delivery and disposal facilities and roads that are necessary to support the activities of the manufacturing facility.

January 31, 2023

Arizona Commerce Authority
ATTN: Sandra Watson
100 N. 7th Avenue, Suite 400
Phoenix, AZ 85007

RE: CERTIFICATION PURSUANT TO A.R.S. § 42-5032.02

Dear Ms. Watson:

ES America, LLC, a Delaware limited liability company ("ES"), has entered into a Development Agreement with the Town of Queen Creek and Pinal County Arizona ("Development Agreement") to build a battery production facility on a site located in Queen Creek and Pinal County ("Site"). The Development Agreement requires Queen Creek to construct improvements to public infrastructure as contemplated under A.R.S. § 42-5032.02 and set forth in the Development Agreement.

Pursuant to A.R.S. § 42-5032.02(D), ES submits this sworn certification that it has agreed to make capital investments of at least \$50 million in the construction of the new manufacturing facilities at the Site.

I hereby certify under penalty of perjury that the information contained in this letter is true and correct according to my best belief and knowledge, after a reasonable investigation of the facts.

Sincerely,

ES America, LLC
A Delaware limited liability company



Byungsoo Ko, Director

CC: Doreen Cott, Queen Creek Economic Development Director

4894-6881-9237 v1 [53749-34]

QB\177043.00001\77465347.3



TOWN OF
QUEEN CREEK
ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: PAUL GARDNER, UTILITIES DIRECTOR

RE: CONSIDERATION AND POSSIBLE APPROVAL OF THE FUND GRANT AGREEMENT BETWEEN THE TOWN OF QUEEN CREEK AND PINAL COUNTY FOR GROUNDWATER RECHARGE AND WATER PROJECTS IN AN AMOUNT NOT TO EXCEED \$35,088,200; AND AUTHORIZING THE MAYOR, TOWN MANAGER, TOWN ATTORNEY AND TOWN CLERK TO TAKE ALL ACTIONS AND EXECUTE ALL DOCUMENTS NECESSARY TO NEGOTIATE, FINALIZE AND IMPLEMENT THE AGREEMENT.

DATE: February 15, 2023

Suggested Action:

To approve the Fund Grant Agreement between the Town of Queen Creek and Pinal County for groundwater recharge and water projects in an amount not to exceed \$35,088,200; and authorizing the Mayor, Town Manager, Town Attorney and Town Clerk to take all actions and execute all documents necessary to negotiate, finalize and implement the Agreement.

Relevant Council Goal(s):

- Secure Future: KRA Environment
- Effective Government: KRA Financial Management, Financial Sustainability
- Superior Infrastructure - Capital Improvement Program

Discussion:

Pinal County has received money from the American Rescue Plan Act of 2021 ("ARPA"). The U.S. Department of the Treasury has determined the rules to implement the ARPA funds. ARPA funds may be used to make necessary investments in water and sewer infrastructure. This includes, but is not limited to, projects for the treatment, transmission and injection of wastewater for groundwater recharge and projects for water treatment, transportation and storage. Additionally, the funds must be used on projects located within the geographical boundaries of Pinal County.

Pinal County is authorized to distribute the ARPA funds to sub-recipients. The Town of Queen Creek wishes to become a sub-recipient and submitted a proposal to Pinal County to utilize these funds for the transmission and injection of wastewater for groundwater recharge projects and water treatment, transportation and storage projects as identified below and described in Exhibit A of the attached Funding Agreement. . All of these projects are included in the recently adopted Comprehensive Utility Master Plan and were expected to be completed within the next five years. The Agreement allows these projects to be completed sooner than originally planned.

Kenworthy Road Water Transmission Line	\$9,274,286
Home Place Water Transmission Line	\$2,656,957
Water Storage Tank and Booster Site	\$9,000,000
Gravel Pit Acquisition	\$3,500,000

Recharge Improvements	\$5,000,000
Groundwater Wells and Boosters	\$3,000,000
Germann Road Transmission Line	\$2,656,957
TOTAL	\$35,088,200

On October 19, 2022, the Pinal County Board of Supervisors unanimously approved the Project Funding List submitted by the Town. Project costs must incur between March 3, 2021 and December 31, 2024. Additionally, the funds must be obligated by December 31, 2024 and expended no later than December 31, 2026.

Descriptions of the Projects the funding is to be applied to and approved by Pinal County are included in Exhibit A to the Agreement.

Fiscal Impact:

The FY 2022/23 CIP Adopted Budget and the FY 2023/24 Forecasted CIP Budget include the seven groundwater recharge and water projects that will be part of the Fund Grant Agreement between the Town of Queen Creek and Pinal County being considered. The Town will be responsible for any project costs above the amount Pinal County has agreed to provide the Town under the Agreement.

Alternatives:

If the Council decides not to accept the ARPA funding from Pinal County, the Town would bear the full costs for developing these water, wastewater and recharge infrastructure Projects.

Should Council have issues of concern regarding specific language or terms of the agreement, this Motion provides the flexibility and authorization to the Mayor and appropriate Town Officers to negotiate, take the actions and execute the documents necessary to implement any additional direction from the Council.

Attachment(s):

1. [Pinal County ARPA Fund Grant Agreement](#)
2. [Project Map](#)

AMERICAN RELIEF ACT STATE AND LOCAL RELIEF FUND GRANT AGREEMENT

This AGREEMENT is made effective this _____ day of _____, 2023, (“Effective Date”) between Pinal County, a political subdivision of the State of Arizona (hereinafter referred to as “Pinal County”) and the Town of Queen Creek, a municipal corporation of the State of Arizona (hereinafter referred to as “Queen Creek” or “Grantee”).

RECITALS

WHEREAS, Pinal County has received money from the American Rescue Plan Act of 2021 (hereinafter referred to as “ARPA”), H.R. 1319; Title IX—Committee on Finance; Subtitle M—Coronavirus State and Local Fiscal Recovery Funds; Section 9901, Coronavirus State and Local Fiscal Recovery Funds; and

WHEREAS, the U.S. Department of the Treasury has published final rules to implement the ARPA (Federal Register / Vol. 87, No. 14 / Thursday, January 27, 2022, 31 CFR Part 35 / (Rules and Regulations); and

WHEREAS, the ARPA funds may be used to make necessary investments in water and sewer infrastructure. Under the Final Rules water and sewer infrastructure investment projects include; and

WHEREAS, § 35.6(e)(1) of the Rules and Regulations identify water conservation measures eligible under the Clean Water State Revolving Fund and water infrastructure projects under the Drinking Water State Revolving Fund as acceptable programs and services for which ARPA funds may be used; and

WHEREAS, Section 603(c)(9) of the Clean Water State Revolving Fund regulations specify that projects for the treatment, transmission and injection of wastewater for groundwater recharge and 40 CFR § 35.3520(b) specified that projects for water treatment, transportation and storage are eligible projects; and

WHEREAS, the purpose of this Agreement is to respond to the public health emergency caused by COVID-19, and to provide funds to assist in the economic recovery from the pandemic. Therefore time is of the essence and the speedy use of these funds is vital to the effectiveness of the ARPA; and

WHEREAS, Queen Creek has submitted a proposal for the transmission and injection of wastewater for groundwater recharge as set forth in Exhibit A hereto; and

WHEREAS, the funds must be used for costs incurred between March 3, 2021 and December 31, 2024. The funds must be obligated by December 31, 2024 and expended no later than December 31, 2026; and

WHEREAS, the Federal Government’s published reporting requirements for the use of ARPA funds include, but are not limited to; Code of Federal Regulations, 2 CFR Part 200 (<https://ecfr.federalregister.gov/current/title-2/subtitle-A>), information from the General Services Administration (<https://sam.gov/fal/7cecfdef62dc42729a3fdcd449bd62b8/view>), Compliance and Reporting Guidance (<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>) from the Department of the Treasury, the 2020 OMB Compliance Supplement Part 3, Compliance Requirements for 2 CFR Part 200, Appendix XI, issued on August 18, 2020 (https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf), 31 CFR Part 35, RIN 1505-AC77 Department of the Treasury , Coronavirus State and Local Fiscal Recovery Fund Final Rule effective April 1, 2022 (<https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>) and memorandums from the Office of Management and Budget (<https://www.whitehouse.gov/wp-content/uploads/2020/04/Implementation-Guidance-for-Supplemental-Funding-Provided-in-Response.pdf>, and https://www.whitehouse.gov/wp-content/uploads/2021/03/M_21_20.pdf); and

WHEREAS, the ARPA funds are to be used within the geographical boundaries of Pinal County, and for the benefit of residents of Pinal County; and

WHEREAS, Pinal County is authorized to distribute the ARPA funds to sub-recipients. Sub-recipients are required to use ARPA funds to accomplish the purposes of the ARPA; and

WHEREAS, Queen Creek wishes to become a sub-recipient of ARPA funds and has requested \$35,088,200.00.

WHEREAS, the ARPA funds are subject to repayment if they are not spent consistent with the purposes, laws, rules, and guidelines of the ARPA.

WHEREAS, Pinal County and Grantee believe the use of the funds pursuant to this Agreement is allowed by the laws, rules, and guidelines of the ARPA.

WHEREAS, Pinal County has the authority to enter into this Agreement pursuant to the ARPA, and A.R.S. §§ 11-201, and 11-251.

AGREEMENT

NOW THEREFORE, Pinal County and Grantee, in consideration of the mutual covenants set forth herein, agree to be legally bound as follows.

1. Incorporation of Recitals

- a. The Recitals set forth above are incorporated into this Agreement.

2. Duration of this Agreement

This Agreement shall commence on the Effective Date and shall remain in effect until the end of the Federal Government's right to audit and require the return of any misspent funds.

3. Termination

- a. If either party fails to perform its respective obligations herein, the non-defaulting party shall give written notice of the default to the defaulting party. If the default is not cured within thirty (30) days of receipt of the notice of default, the non-defaulting party may terminate this Agreement upon written notice of termination delivered to the defaulting party. Any termination of this Agreement shall not relieve the parties of responsibility for obligations incurred prior to the effective date of the termination. Further, any monies not properly spent by Grantee prior to termination shall be returned to Pinal County no later than ten (10) days from the date of termination. Paragraphs 6(e), 6(f), 6(g) and (7) shall survive the termination of this Agreement.

4. Conflict of Interest

- a. This Agreement is subject to cancellation under the conflict of interest provisions of A.R.S. § 38-511.

5. Duties of Pinal County

- a. Pinal County agrees to provide the ARPA funds as outlined in this Agreement.
- b. Pinal County has reviewed the funding request submitted by Grantee identifying projects it intends to accomplish with the ARPA funds. The projects were included in the Project Funding List approved on October 19, 2022.
- c. Upon Grantee providing Pinal County with documentation confirming payment for the each project or purposes of this Agreement, Pinal County will reimburse Grantee with ARPA funds within thirty (30) calendar days.
- d. Pinal County shall comply with the Federal Government's reporting requirements for the ARPA (including 2 CFR 200.1).
- e. Pinal County shall monitor the use of these ARPA funds by Grantee, consistent with the Federal Government's requirements (including 2 CFR 200.332).
- f. Pinal County will assist Grantee to identify applicable requirements related to ARPA funding.

6. Duties of Grantee

- a. Grantee agrees to expend these ARPA funds solely for the following purposes:

- i. Groundwater recharge and water projects described in Exhibit A.
- b. Grantee's use of the ARPA funds shall be abide by all laws, rules, and guidelines of the Federal Government for these ARPA funds.
- c. Grantee shall provide in a timely manner any information Pinal County needs to comply with the Federal Government's reporting requirements (including 2 CFR 200.1 and 2 CFR 200.332). This includes, but is not limited to; providing copies of contracts, contract amendments, line-item detail of project budgets, receipts, invoices, packing slips, purchase orders, and payments.
- d. Grantee shall comply with, and assist Pinal County in complying, any Federal Government Audit requirements (including 2 CFR Part 200, Subpart F). Grantee shall keep and maintain proper and complete books, records, files, and accounts of all its operations, which shall be open for inspection and audit by Pinal County or its auditors, at all reasonable times. All books, accounts, reports, files and other records relating to this Agreement shall be subject to inspection and audit by Pinal County for the later of three years after completion of the Agreement or the last date of the Federal Government's auditing of the use of ARPA funds.
- e. Grantee shall reimburse Pinal County for any and all use of these ARPA funds in the event that the Federal Government determines the use did not comply with the ARPA laws, rules, and guidelines. The intent of the parties is that Grantee will reimburse Pinal County within a timeframe that allows Pinal County to use the reimbursed funds to refund the money to the U.S. Department of the Treasury, as required by the ARPA.
- f. Grantee shall comply with the Federal Government's requirements regarding the purchase, use, and disposition of real property and/or equipment. This includes, but is not limited to, the following:
 - i. Equipment and real property acquired with these funds must be used solely for the purpose(s) stated in this Agreement and consistent with the ARPA.
 - ii. Any purchase, use, and disposition of equipment or real property with these funds must comply with the Uniform Guidance at 2 CFR Part 200, Subpart D (including 2 CFR 200.311 and 2 CFR 200.313).

7. Indemnification

- a. To the fullest extent allowed by law, Grantee shall indemnify, defend, and hold harmless Pinal County, its officials, board members, officers, agents and employees, from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including any attorney's fees, litigation expenses and/or arbitration expenses, which may be brought or made against or incurred by Pinal County on account of loss of or damage to any property or for injuries to or death of any person, caused by, arising out of, or contributed to, by reason of any omission,

professional effort, fault, mistake or negligent act, whether active or passive, of Grantee, its employees, agents or representatives or subcontractors, their employees, volunteers, agents or representatives in connection with or incident to the performance of this Agreement. Such indemnity shall not be limited by reason of remuneration of any insurance coverage herein provided. Every provision of this indemnification paragraph shall survive the termination of this Agreement.

8. Governing Law

- a. This Agreement is executed in the State of Arizona and this Agreement and every matter or thing arising therefrom shall be construed in accordance with the laws of the State of Arizona. In the event of litigation, jurisdiction and venue shall be Pinal County.

9. Alternative Dispute Resolution

- a. Pursuant to A.R.S. § 12-1518, disputes under this Agreement shall be resolved through the use of arbitration when the case or lawsuit is subject to mandatory arbitration pursuant to rules adopted under A.R.S. § 12-133.

10. Entire Agreement

- a. This Agreement contains the entire, integrated agreement of the parties and there are no oral agreements, understandings, or representations relied upon by the parties. This Agreement supersedes all prior negotiations, representations, or agreements, whether written or oral.

11. Amendments and Modifications

- a. No modification or amendment of any provision of this Agreement shall be valid unless it is in writing and signed by the party against whom it is sought to be enforced.

12. Notice

- a. All notices and other communication authorized or required in this Agreement shall be in writing and shall be deemed to have been given when delivered personally or deposited in the United States mail in a postage pre-paid envelope addressed to the other party to the address provided herein.

Pinal County
Heather Patel
Pinal County Grants Manager

P.O. Box 1348
Florence, AZ 85132

Town of Queen Creek
Bruce Gardner
Town Manager
Town of Queen Creek
22350 S. Ellsworth Rd.
Queen Creek, AZ 85142

13. Assignability

- a. Grantee agrees that it shall not assign, sublet, subcontract or transfer its interest in this Agreement without the written consent of the Pinal County Board of Supervisors.

14. Successors and Assigns

- a. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

15. Waiver

- a. Waiver of any of the terms of this Agreement shall not be valid unless it is in writing and signed by all parties. The failure of claimant to enforce the provisions of this Agreement or require performance by opponent of any of the provisions, shall not be construed as a waiver of such provisions or affect the right of claimant to thereafter enforce the provisions of this Agreement. Waiver of any breach of this Agreement shall not be held to be a waiver of any other subsequent breach of the Agreement.

16. Severability

- a. In case one or more provision of this Agreement is held invalid or voidable, the validity of the remaining provisions shall not be affected thereby, and the Agreement shall continue in full force and effect. The parties agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.

17. Legal Agreement

- a. This Agreement is an important, binding legal document, and each Party warrants it has had an opportunity to consult with an attorney about the terms set forth herein. By signing this Agreement, each person signing this Agreement represents and warrants that he or she is duly authorized and has the legal capacity to execute this Agreement and understands the meaning of all terms contained herein and agrees to their application and enforceability.

APPROVALS

By the signatures below of their duly authorized officials, the parties agree to, and accept, the terms of this Agreement.

**Pinal County, Arizona, a political
subdivision of the State of Arizona**

**Queen Creek, a municipal Corporation of
the State of Arizona**

By: _____
Jeff Serdy, Chairman
Pinal County Board of Supervisors

By: _____
Julia Wheatley, Mayor
Town of Queen Creek

Date: _____

Date: _____

This Agreement has been reviewed by the undersigned counsel who have determined that it is in appropriate form and within the powers and authority granted to each counsel's respective Party.

Attorney for Pinal County
Kent Volkmer
Pinal County Attorney

Attorney for Queen Creek

By: _____
Kevin Costello, Deputy County Attorney

By: _____
Scott A. Holcomb, Town Attorney

Date: _____

Date: _____

Attestation

By: _____
Natasha Kennedy, Clerk
Pinal County Board of Supervisors

By: _____
Maria Gonzalez, Clerk
Town of Queen Creek

EXHIBIT A

Pinal County Water Infrastructure Projects

A. Kenworthy Road Water Transmission Line:

Three and a half (3.5) miles of a 24" water line in Kenworthy Road has been identified to provide the needed quantity and quality water to the north Arizona State Lands from the new tank and booster site (Project C). This line will serve as a transmission line and a production line, which will provide water redundancy and output for existing wells along the Kenworthy corridor as well as allow additional water production through quality wells in the area. As a whole, the water line will improve the water delivery to, and through, and aid in the circulation within, the water system.

B. Home Place Water Transmission Line:

One (1) mile of a 24" water line within the Homeplace Development that spans from Schnepf Road to a new storage tank (Project C). This line is needed in conjunction with Kenworthy Road water line (Project A), to be able to provide the needed quantity and quality water to the north Arizona State Lands. This line will serve as a transmission line and a production line, which will provide water redundancy and additional capture of water production through quality wells in the area. As a whole, the water line will improve the water delivery to and through, and aid in the circulation within the water system.

C. Water Storage Tank and Booster Site:

New three (3) million gallon water storage tank with associated booster system and appurtenances (chlorination with building, electrical controls & structure, antennas, etc.) to be located next to the abandoned gravel pit (being converted to water recharge and related utility uses – Projects D and E) on Kenworthy Road and the Queen Creek wash. This tank will work in conjunction with Projects A and B to provide storage capacity and redundancy. The site is anticipated to have four (4) to eight (8) booster pumps to push out the needed quantity of water to the potable water system.

D. Gravel Pit Acquisition for Multiple Uses:

Purchase of a portion of the gravel pit property on Kenworthy Road and the Queen Creek wash for a multi-purpose approach. The property will serve as an area for multiple tanks & boosters to provide as much water storage as possible and is necessary for existing and new development. It will also serve as a strategically located site for water recharge. The acquisition also includes donation of a portion of the Queen Creek Wash that currently includes County flood control infrastructure that could be improved. The property, particularly the Queen Creek Wash portion could be suitable for other secondary uses by the Parties, such as open space, trails, and stormwater and flood control. Pinal and Queen Creek intend to cooperate in developing such appropriate uses.

E. Recharge Improvements on the Gravel Pit Site:

With the disturbed site due to the sand and gravel operation, the site is uniquely suitable for use as a site for groundwater recharge from multiple sources. The location of the property also optimizes the replenishment of the groundwater management area from the recharge efforts. The abandoned gravel pit property (Project E) will be improved with multiple recharge basins and associated pump station.

F. Ground Water Wells and Boosters:

Two (2) new potable water wells within the Home Place Development have been acquired to supply further quality water to the potable water system. The new water source will be paramount to providing additional

water to the existing system but also supply water through the proposed infrastructure (Project A, B, & C) to new undeveloped properties such as the State Land area. The existing wells have been utilized for farming irrigation purposes and will need to be equipped with larger pumps, new boosters, and chlorinator to supply as much water directly to the water system as possible. In addition, the development will be providing a designated well site area to provide site improvements.

G. Germann Road Water Transmission Line:

One (1) mile of a 24" water line within in Germann Road that spans from Kenworthy Road to Schnepf Road. This line is needed to provide the required quantity and quality water to the north Arizona State Lands and the eastern area of the Town. This line will serve as a transmission line and a production line, which will aid in water redundancy. As a whole, the waterline will improve the water delivery to and through, and aid in the circulation within, the watersystem.

	Project	Costs
A	Kenworthy Road Water Transmission Line	\$9,274,286
B	Home Place Water Transmission Line	\$2,656,957
C	Water Storage Tank and Booster Site	\$9,000,000
D	Gravel Pit Acquisition	\$3,500,000
E	Recharge Improvements	\$5,000,000
F	Groundwater Wells and Boosters	\$3,000,000
G	Germann Road Water Transmission Line	<u>\$2,656,957</u>
	TOTAL:	\$35,088,200

EXHIBIT B

I. SUBRECIPIENT INFORMATION

Organization Name	Town of Queen Creek
Address	22350 S. Ellsworth Road
City, State, Zip Code	Queen Creek, Arizona 85142
Telephone	480-358-3000
Contact Person	Bruce Gardner
Tax Identification #	
UEI	

II. PROGRAM INFORMATION

Grant	American Rescue Plan Act State and Local Fiscal Recovery Funds
Date of Agreement	March 15, 2023
Pinal County Award	\$89,891,338
Amount to Subrecipient	\$35,088,200
CFDA #	21.027
Period of Performance	March 3, 2021 – December 31, 2024
Budget Period	March 3, 2021 – December 31, 2026

Pinal County Infrastructure Improvements

GERMANN

Project G

SCHNEPF

PIMA

Legend



Tank Site



Well Sites



Water_Line



Pit/Wash Property

Project A

	Project	Cost
A	3.5 Miles 24" Transmission Line on Kenworthy Road to State Land	\$9,274,286
B	1 Mile 24" Transmission Line in Home Place From Wells to Storage Tank	\$2,656,957
C	3 Million Gallon Storage Tank and Booster Site	\$9,000,000
D	Gravel Pit Purchase	\$3,500,000
E	Recharge Improvements	\$5,000,000
F	2 Wells and Booster Sites	\$3,000,000
G	1 Mile 24" Transmission Line on Germann from Kenworthy to Schnepf	\$2,656,957
		\$35,088,200

OCOTILLO

KENWORTHY

SHERRY

Wash Property

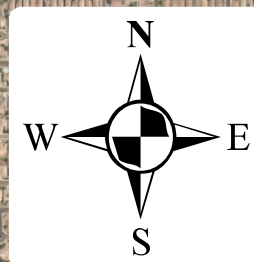
Project D & E

Pit Prop

Project C

Project B

Project F





TOWN OF
QUEEN CREEK
 ARIZONA

TO: HONORABLE MAYOR AND TOWN COUNCIL

THROUGH: BRUCE GARDNER, TOWN MANAGER

FROM: DAVE LIPINSKI, PE, CIP DEPARTMENT DIRECTOR, ROBERT SACHS, REAL ESTATE PROGRAM MANAGER

RE: CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION 1517-23, A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, APPROVING THE RIGHT OF WAY EXCHANGE AGREEMENT BETWEEN THE TOWN AND RAB INVESTMENT TRUST AND DBJ INVESTMENT TRUST FOR THE NEW PECOS ROAD AND MERIDIAN ROAD INTERSECTION ALIGNMENT; AND AUTHORIZING AND DIRECTING THE MAYOR, TOWN MANAGER, TOWN CLERK AND TOWN ATTORNEY TO TAKE ALL ACTIONS NECESSARY TO FINALIZE AND EFFECTUATE THE TRANSACTION.

DATE: February 15, 2023

Suggested Action:

To approve Resolution 1517-23, a Resolution of the Common Council of the Town of Queen Creek, Arizona, approving the Right of Way Exchange Agreement between the Town and RAB Investment Trust and DBJ Investment Trust for the new Pecos Road and Meridian Road intersection alignment; and authorizing and directing the Mayor, Town Manager, Town Clerk and Town Attorney to take all actions necessary to finalize and effectuate the transaction.

Relevant Council Goal(s):

Superior Infrastructure - Capital Improvement Program

Discussion:

As a part of the design and construction of the infrastructure to support the upcoming and future development of the Arizona State Land Department (ASLD) property located in the northeast portion of town, staff is working to correct an offset that occurs in Pecos Road alignment at the intersection of Meridian Road. Currently the alignments of Pecos Road in Maricopa County and Pinal County are offset by approximately 400 feet, not allowing for a continuous Pecos Road. Staff has worked on a new alignment and has completed the realignment for the portion of the new alignment that is located within ASLD's property and is not bringing forward this action to acquire the property for the alignment that falls on private property. This relocation is being brought forward as a no cost exchange of property allowing the Town to relocate the roadway in exchange for the existing Pecos Road right of way and a small portion of the McKenzie Road right of way directly south of the new Pecos Road alignment.

The Town is reserving a public access and utility easement across the old Pecos Road right of way. This reservation will provide access to one private residence that utilizes this alignment for utility services and access. The Town will keep this easement reservation in place until such time that the private land develops and the future developer works to reroute these utilities.

Fiscal Impact:

The Resolution does not result in a fiscal impact to the Town.

Alternatives:

Council could choose to not move forward with the property exchange. This would keep the offset in Pecos Road not allowing for continuous east-west movement in this alignment.

Council could choose to keep the excess right of way. This would keep the Pecos Road right of way in the existing location and require the Town to attempt to purchase the new right of way in the new location from the private owners.

Attachment(s):

1. [Resolution 1517-23](#)
2. [Exhibit A](#)
3. [Site Map](#)

RESOLUTION NO. 1517-23

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF QUEEN CREEK, ARIZONA, APPROVING THE RIGHT OF WAY EXCHANGE AGREEMENT BETWEEN THE TOWN AND RAB INVESTMENT TRUST AND THE DBJ INVESTMENT TRUST FOR THE NEW MERIDIAN ROAD AND PECOS ROAD INTERSECTION ALIGNMENT; AND AUTHORIZING AND DIRECTING THE MAYOR, TOWN MANAGER, TOWN CLERK AND TOWN ATTORNEY TO TAKE ALL ACTIONS NECESSARY TO FINALIZE AND EFFECUTATE THE TRANSACTION.

WHEREAS, A.R.S. § 28-7203 provides for the exchange of a roadway or portion of a roadway with an abutting owner for all or part of a new public roadway, with the title to vest in the grantee when the exchange is made; and

WHEREAS, The Town is the owner of the McKenzie Road Right-of-Way from Germann Road to State Route 24. Because of the realignment of the Meridian Road and Pecos Road intersection the Town wishes to exchange a portion of this Right-of-Way for new public right of way on abutting land, as more particularly set forth in the Right of Way Exchange Agreement attached hereto as **Exhibit “A”** (the Exchange Agreement”); and

WHEREAS, The Town is the owner of the Pecos Road Right-of-Way, which is partially located between Meridian Road and McKenzie Road. The Town wishes to abandon a portion of this Right-of-Way, (the “Pecos Abandonment”), subject to the Town’s reservation of a public access and utility easement over the same area as the Pecos Abandonment (the “Pecos Easement”), as more particularly set forth in Exchange Agreement Exhibit A; and

WHEREAS, The Town Council finds that the areas described in Exhibit A as the McKenzie abandonment and the Pecos Abandonment (collectively, the “Rights of Way”) are no longer necessary for public use; and

WHEREAS, the abandonment and exchange of the Rights of Way under the Exchange Agreement will not leave any land adjoining the roadway without a public or private legal access connecting the land with another established public road; and

WHEREAS, the Town Council has determined, after giving due consideration to the degree of fragmentation and the marketability of the Rights of Way, and to the value of the property being received in exchange for the Rights of Way, that no additional consideration will be required to be paid to the Town by the owner of the abutting property.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Common Council of the Town of Queen Creek, Arizona, as follows:

Section 1: That the Rights of Way being exchanged and abandoned are no longer necessary for public use and are hereby vacated, subject to the reservation of a public utility and public access easement for the purpose of accessing, constructing, operating, maintaining, repairing and replacing existing public

infrastructure located within the Pecos Abandonment; including, but not limited to communication and fiber optic lines, gas, electric, petroleum, water and sewer lines, pipes, or poles, on, over, under, and across the ground included within the Public Utility Easement; and subject as well to all encumbrances, liens, limitations, easements, restrictions and estates existing on the Pecos Abandonment prior to this exchange, as more particularly set forth in the Exchange Agreement Exhibit A.

Section 2: The exchange and abandonment of the Rights of Way set forth in the Exchange Agreement are hereby authorized and approved.

Section 3: That the Mayor, Town Manager, Town Clerk and Town Attorney as appropriate, are hereby further authorized and directed to take all actions necessary to carry out the final negotiation, drafting, execution and implementation of the exchange of rights of way in accordance set forth in the Right of Way Exchange Agreement and execute all other documents and instruments and to take such actions as necessary or appropriate to consummate the transactions contemplated by this Resolution.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Queen Creek, Arizona, this 1st day of February, 2023.

FOR THE TOWN OF QUEEN CREEK:

ATTESTED TO:

Julia Wheatley, Mayor

Maria Gonzalez, Town Clerk

REVIEWED BY:

APPROVED AS TO FORM:

Bruce Gardner, Town Manager

Dickinson Wright, PLLC
Town Attorneys

When Recorded Mail To:

Real Estate
Town of Queen Creek
22350 South Ellsworth Road
Queen Creek, AZ 85142

EXEMPT A.R.S. § 11-1134(A)(3).

RIGHT OF WAY EXCHANGE AGREEMENT

This Right-of-Way Exchange Agreement (the “Agreement”) is made by and between the Town of Queen Creek, an Arizona municipal corporation (the “Town”), and RAB Investment Trust (“RAB”) and DBJ Investment Trust (“DBJ”) collectively (the “Trustees”). The Town and Trustees may each be referred to herein as a “Party” and collectively as the “Parties.”

RECITALS

- A. The Town is the owner of the McKenzie Road Right-of-Way from Germann Road to State Route 24. The Town wishes to abandon a portion of this Right-of-Way, more specifically described in **Exhibit “A”** (the “McKenzie Abandonment”).
- B. The Town is the owner of the Pecos Road Right-of-Way, which is partially located between Meridian Road and McKenzie Road. The Town wishes to abandon a portion of this Right-of-Way, more specifically described in **Exhibit “B”** (the “Pecos Abandonment”), subject to the Town’s reservation of a public access and utility easement over the same area described in Exhibit B as the Pecos Abandonment (the “Pecos Easement”).
- C. The Trustees are the owners of two parcels of certain real property located in Pinal County, with parcel number 104080300 owned by DBJ and parcel number 104080310 owned by RAB, located on lot 22 of the Superstition View Ranchettes, as recorded with the Pinal County Assessor at Book 9, page 41 (the “Property”).
- C. The Trustees wish to dedicate a new right-of-way to the Town through a portion of the Properties located at the intersection of Meridian Road and Pecos Road, more specifically described or depicted in **Exhibit “C”** (the “Pecos ROW”).
- D. The Town is authorized to enter into this Agreement pursuant to A.R.S. §§ 9-407 and 28-7203.
- E. The exchange is in the best interests of the citizens of the Town and Trustees, and the requirements of Arizona state and local law, including A.R.S. § 28-7203, have been satisfied.

NOW, THEREFORE, in consideration of these Recitals, hereby incorporated into this Agreement, the following mutual promises, and all other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

AGREEMENT

1. Incorporation by Reference. All of the foregoing Recitals and all Exhibits to this Agreement are fully incorporated as agreements of the Parties.

2. Grant of Right of Ways.
 - 2.1 McKenzie Abandonment. The Town hereby transfers, grants, and conveys to the Trustees as Tenants in Common, all of the Town's right, title, and interest in and to the McKenzie Abandonment.

 - 2.2 Pecos Abandonment. The Town hereby transfers, grants, and conveys to the Trustees as Tenants in Common, all of the Town's right, title, and interest in and to the Pecos Abandonment, subject to the Pecos Easement, which shall constitute a reservation of rights-of-way or easements for existing sewer, gas, water or similar pipelines and appurtenances and for canals, laterals or ditches and appurtenances, and for electric, telephone, and similar lines and appurtenances, to the extent such currently exist.

 - 2.2 Pecos ROW. Trustees hereby transfer, grant, and convey to the Town all of Trustees' right, title, and interest in and to the Pecos ROW for use as a public right of way.

3. Acceptance. The Town hereby accepts the Pecos ROW from Trustees. The Trustees hereby accept the Town ROW from the Town.

4. Release of Pecos Easement. Notwithstanding the foregoing, the Town agrees that to release the Pecos Easement if Trustees or any other future property developer provides design and construction of replacement utility services to the private residence located at 45644 N. McKenzie Road, Queen Creek, Arizona (the "McKenzie Residence"). At the time such replacement utility services are installed, the Town shall construct a relocated access to the McKenzie Residence.

5. Conflict of Interest. Pursuant to the provisions of A.R.S. § 38-511, the Town may cancel any contract or agreement, without penalty or obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Town is, at any time while the contract or any extension thereof is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party to the contract with respect to the subject matter of the contract.

6. Additional Acts. The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the purpose and intent of this Agreement.

7. Effective Date. This Agreement shall not be effective nor binding on either Party unless and until the Town Council, at a duly noticed and agenda'd public meeting, has voted to approve and accept this Agreement. This Agreement shall become effective upon such approval (the "Effective Date").

8. Covenants Run with the Land. The right-of-ways granted herein run with the land, and the easements and all covenants, restrictions and conditions hereof shall be binding upon the Parties, their successors and assigns, and shall inure to the benefit of the Parties, their successors and assigns.

9. No Implied Easements. No easements shall be implied by this Agreement.

10. Recordation. This Agreement shall be recorded in the official records of the county in which the Property is located.

11. No Partnership or Joint Venture. Nothing in this Agreement nor any acts of the Parties shall be deemed or construed by any person to create the relationship of principal and agent or of partnership or of joint venture or of any association between the Parties.

12. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof.

Exhibit A – Legal Description of the McKenzie Abandonment

Exhibit B – Legal Description of the Pecos Abandonment

Exhibit C – Legal Description of the Pecos ROW

This Agreement may be terminated, modified or amended in whole or in part only by a written agreement executed by the Parties.

13. Severability. If any provision of this Agreement is deemed by a court of competent jurisdiction to be unenforceable, the remaining provisions shall nevertheless be kept in effect.

14. Waiver. The waiver by any Party of any right granted to it under this Agreement is not a waiver of any other right granted under this Easement, nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument.

16. Governing Law, Jurisdiction, and Venue. This Agreement shall be governed by and construed or enforced in accordance with the laws of the State of Arizona without reference to conflict of laws principles. In regard to any litigation which may arise in regard to this Agreement, the Parties shall and do hereby submit exclusively to the jurisdiction of, and hereby agree that the proper venue shall be exclusively in, the Superior Court of Maricopa County, Arizona (the “Court”).

17. Attorneys’ Fees. In the event any suit is instituted by either Party against the other Party to enforce any right or remedy arising hereunder, the successful Party, as determined by the Court,

shall be entitled to recover as part of any judgment rendered therein, its court costs and a reasonable sum for its attorneys' fees, which fees shall be determined by the Court.

18. Binding Nature of Agreement. This Agreement shall be binding upon and inures to the benefit of the Parties and their respective predecessors, successors, heirs, administrators, agents, representatives, and assigns.

19. No Third Party Beneficiaries. This Agreement shall inure solely to the benefit of the Town and Trustees, and shall create no rights in any other person or entity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

TOWN: TOWN OF QUEEN CREEK, an Arizona municipal corporation

By: _____
Julia Wheatley, Mayor

ATTEST:

Maria Gonzalez, Town Clerk

APPROVED AS TO FORM:

Scott A. Holcomb
Dickinson Wright PLLC
Town Attorneys

Trustees:

Reece A. Bawden, Trustee for RAB Investment Trust

and

David B. Jarvis, Trustee for DBJ Investment Trust

AR100 – ASLD Infrastructure Improvements

TOWN:

Town of Queen Creek, Arizona

By: Julia Wheatley

Its: Mayor

Date: _____, 2023

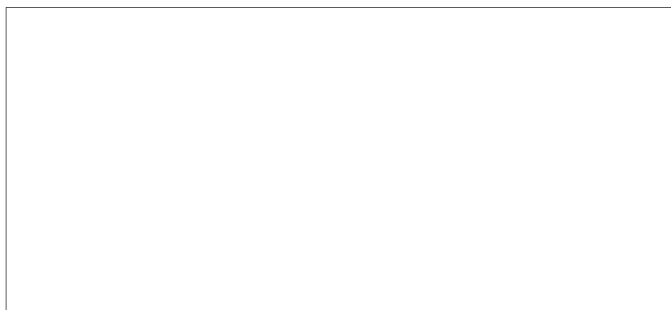
STATE OF ARIZONA)
) ss.
 COUNTY OF MARICOPA)

On this ____ day of _____, 2023, before me, the undersigned notary, personally appeared Mayor Julia Wheatley, and she, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires _____

Notary Public (signature)



Notary Stamp Seal

AR100 – ASLD Infrastructure Improvements

RAB:

RAB Investment Trust

By: _____

Its: _____

Date: _____, 2023

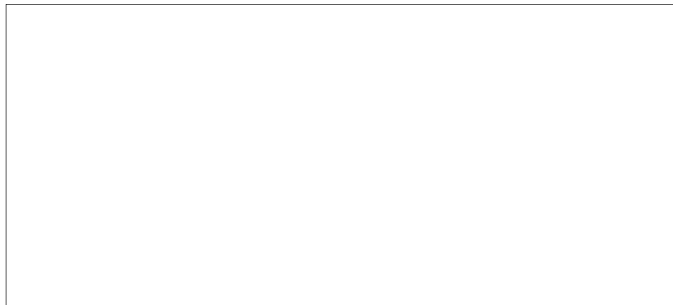
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this _____ day of _____, 2023, before me, the undersigned notary, personally appeared Reece A. Bawden, Trustee for RAB Investment Trust, and he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires _____

Notary Public (signature)



Notary Stamp Seal

AR100 – ASLD Infrastructure Improvements

DBJ:

DBJ Investment Trust

By: _____

Its: _____

Date: _____, 2023

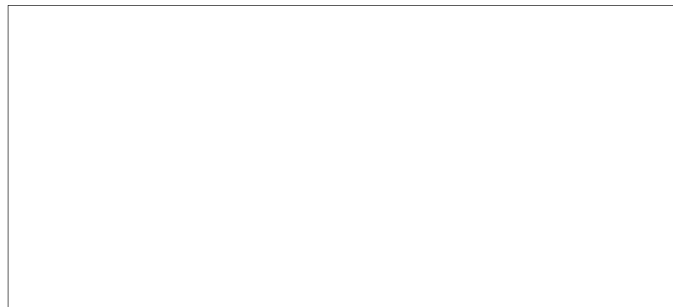
STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this _____ day of _____, 2023, before me, the undersigned notary, personally appeared David B. Jarvis, Trustee for DBJ Investment Trust, and he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires _____

Notary Public (signature)



Notary Stamp Seal

EXHIBIT “A”

Legal Description of the McKenzie Abandonment

EXHIBIT A

RIGHT OF WAY ABANDONMENT – MCKENZIE ROAD

THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA AS SHOWN IN DOCUMENT NUMBER 1978-000435, PINAL COUNTY RECORDS, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 6 FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 6 BEING AN ALUMINUM CAP STAMPED PLS 19877 2010, BEARS NORTH 89°48'54" EAST, A DISTANCE OF 3443.17 FEET;

THENCE ALONG THE NORTH LINE OF SAID SECTION 6 NORTH 89°48'54" EAST, A DISTANCE OF 760.96 FEET;

THENCE SOUTH 0°23'03" EAST, A DISTANCE OF 416.35 FEET TO THE POINT OF BEGINNING AND TO THE BEGINNING OF A CURVE TO THE NORTHEAST, HAVING A RADIUS OF 8705.00 FEET, A CENTRAL ANGLE OF 0°15'49" AND A CHORD THAT BEARS NORTH 87°20'44" EAST, A DISTANCE OF 40.03 FEET;

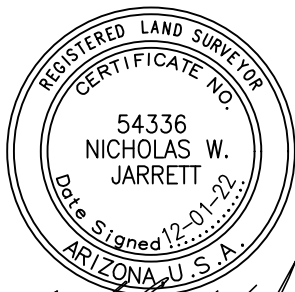
THENCE ALONG THE ARC OF SAID CURVE 40.03 FEET;

THENCE SOUTH 0°23'57" EAST, A DISTANCE OF 256.96 FEET;

THENCE SOUTH 89°36'03" WEST, A DISTANCE OF 40.00 FEET;

THENCE NORTH 0°23'57" WEST, A DISTANCE OF 255.38 FEET TO THE POINT OF BEGINNING.

CONTAINS 10,246 +/- SQUARE FEET OR 0.235 +/- ACRES MORE OR LESS



Nicholas W. Jarrett

EXHIBIT B MADE A PART HERETO



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EXHIBIT A

PECOS ROAD
N89°48'54"E 3443.17'

760.96' 2682.21'

POC
NW COR SEC 6
T2S, R8E G&SRM
PINAL COUNTY,
ARIZONA

N 1/4 COR
SEC 6, T2S,
R8E, G&SRM
PINAL COUNTY,
ARIZONA

MCKENZIE ROAD

S00°23'03"E 416.35'

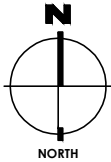
C5

POB

N00°23'57"W 255.38'

S00°23'57"E 256.96'

L5

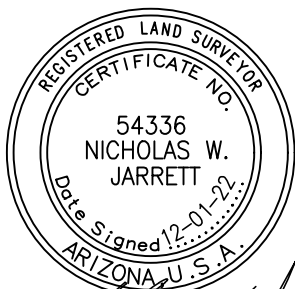


Parcel Line Table

NO.	LENGTH	DIRECTION
L5	40.00'	S89°36'03"W

CURVE TABLE

NO.	LENGTH	RADIUS	DELTA ANGLE	CHORD LENGTH	CHORD BEARING
C5	40.03	8705.00'	0°15'49"	40.03	N87°20'44"E



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EXHIBIT “B”

Legal Description of the Pecos Abandonment

EXHIBIT B

RIGHT OF WAY ABANDONMENT – PECOS ROAD

THAT PORTION OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 1 SOUTH, RANGE 8 EAST AND THAT PORTION OF THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA AS SHOWN IN DOCUMENT NUMBER 1978-000435, PINAL COUNTY RECORDS, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 6 FROM WHICH THE NORTH QUARTER CORNER OF SAID SECTION 6, BEING AN ALUMINUM CAP STAMPED PLS 19877 2010, BEARS NORTH 89°48'54" EAST, A DISTANCE OF 3443.17 FEET;

THENCE LONG THE WEST LINE OF SAID SECTION 6 SOUTH 0°37'38" EAST, A DISTANCE OF 75.58 FEET;

THENCE NORTH 89°22'22" EAST, A DISTANCE OF 50.00 FEET TO THE EAST RIGHT OF WAY LINE OF MERIDIAN ROAD AND TO THE POINT OF BEGINNING;

THENCE ALONG SAID RIGHT OF WAY LINE NORTH 0°37'35" WEST, A DISTANCE OF 150.01 FEET TO THE BEGINNING OF A CURVE TO THE SOUTHEAST, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 89°33'33" AND A CHORD THAT BEARS SOUTH 45°24'19" EAST, A DISTANCE OF 35.22 FEET;

THENCE ALONG THE ARC OF SAID CURVE 39.08 FEET;

THENCE NORTH 89°48'54" EAST, A DISTANCE OF 661.37 FEET TO THE BEGINNING OF A CURVE TO THE NORTHEAST, HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°01'56" AND A CHORD THAT BEARS NORTH 44°47'56" EAST, A DISTANCE OF 35.37 FEET;

THENCE ALONG THE ARC OF SAID CURVE 39.28 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF MCKENZIE ROAD;

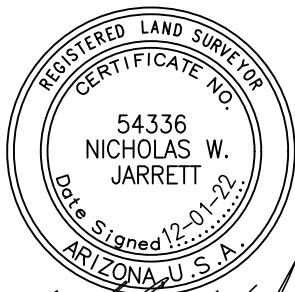
THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 0°18'57" EAST, A DISTANCE OF 149.92 FEET TO THE BEGINNING OF A CURVE TO THE NORTHWEST HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 89°47'09" AND A CHORD THAT BEARS NORTH 45°17'31" WEST, A DISTANCE OF 35.29 FEET;

THENCE ALONG THE ARC OF SAID CURVE 39.18 FEET;

THENCE SOUTH 89°48'54" WEST, A DISTANCE OF 660.55 FEET TO THE BEGINNING OF A CURVE TO THE SOUTHWEST HAVING A RADIUS OF 25.00 FEET, A CENTRAL ANGLE OF 90°26'32" AND A CHORD THAT BEARS SOUTH 44°35'38" WEST, A DISTANCE OF 35.49 FEET;

THENCE ALONG THE ARC OF SAID CURVE 39.46 FEET TO THE POINT OF BEGINNING.

CONTAINS 71,633 +/- SQUARE FEET OR 1.644 +/- ACRES MORE OR LESS



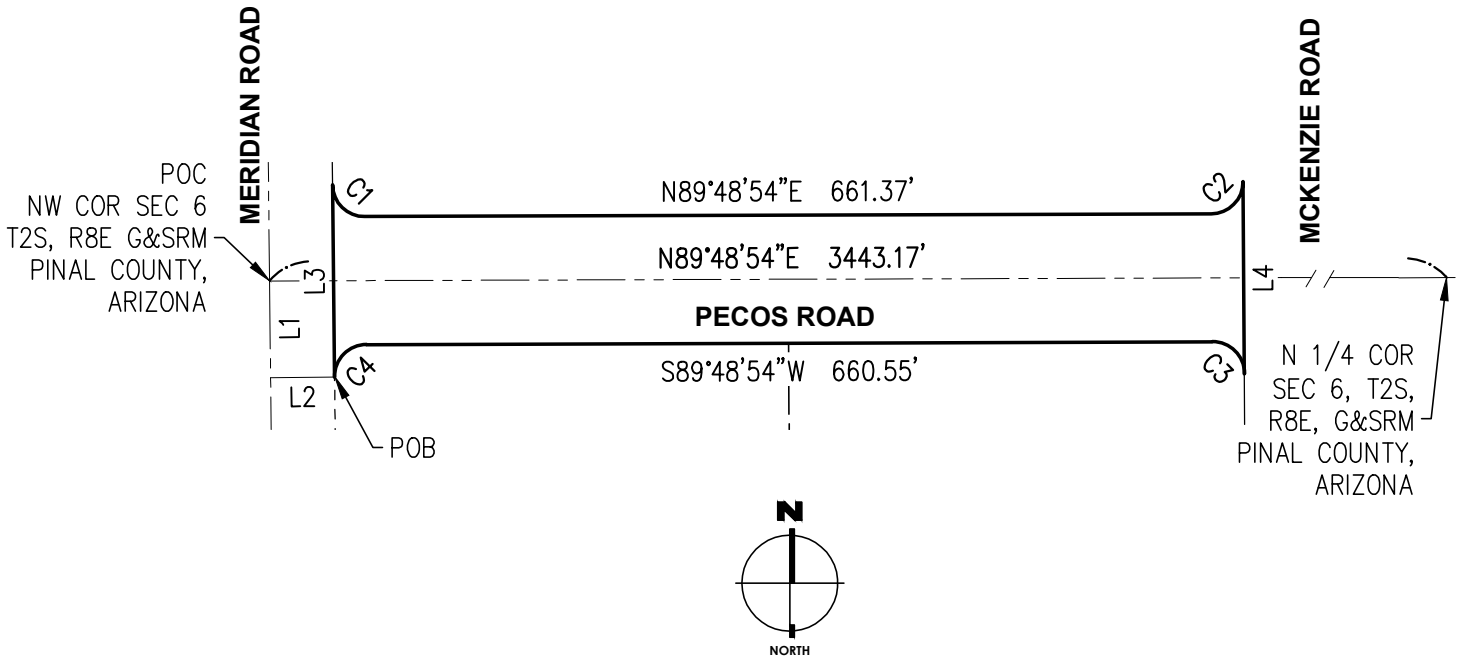
Nicholas W. Jarrett

EXHIBIT B MADE A PART HERETO



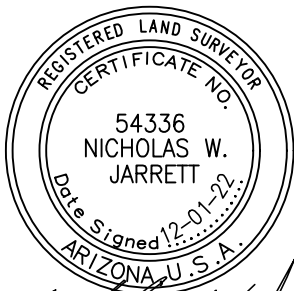
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EXHIBIT B



NO.	LENGTH	DIRECTION
L1	75.58'	S00°37'38"E
L2	50.00'	N89°22'22"E
L3	150.01'	N00°37'35"W
L4	149.92'	S00°18'57"E

NO.	LENGTH	RADIUS	DELTA ANGLE	CHORD LENGTH	CHORD BEARING
C1	39.08	25.00'	89°33'33"	35.22	S45°24'19"E
C2	39.28	25.00'	90°01'56"	35.37	N44°47'56"E
C3	39.18	25.00'	89°47'09"	35.29	N45°17'31"W
C4	39.46	25.00'	90°26'32"	35.49	S44°35'38"W



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EXHIBIT A MADE A PART HERETO



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EXHIBIT “C”

Legal Description of the Pecos ROW

EXHIBIT C

RIGHT OF WAY DEDICATION – PECOS ROAD

PORTIONS OF LOTS 21 AND 22 AS SHOWN IN DOCUMENT NUMBER 1978-000435, PINAL COUNTY RECORDS, PINAL COUNTY, ARIZONA LOCATED IN THE NORTHWEST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 2 SOUTH, RANGE 7 EAST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA FROM WHICH THE WEST QUARTER CORNER OF SAID SECTION 6 BEARS SOUTH 0°42'41" EAST, A DISTANCE OF 2363.95 FEET;

THENCE ALONG THE WEST LINE OF SAID SECTION 6 SOUTH 0°42'41" EAST, A DISTANCE OF 95.56 FEET;

THENCE NORTH 89°17'19" EAST, A DISTANCE OF 50.00 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF MERIDIAN ROAD AND TO THE POINT OF BEGINNING;

THENCE NORTH 0°42'41" WEST, A DISTANCE OF 95.53 FEET;

THENCE NORTH 0°37'33" WEST, A DISTANCE OF 94.69 FEET;

THENCE SOUTH 58°05'31" EAST, A DISTANCE OF 47.44 FEET;

THENCE NORTH 89°48'51" EAST, A DISTANCE OF 153.62 FEET;

THENCE SOUTH 81°39'18" EAST, A DISTANCE OF 101.12 FEET;

THENCE NORTH 89°48'51" EAST, A DISTANCE OF 61.50 FEET TO THE BEGINNING OF A CURVE TO THE NORTHEAST HAVING A RADIUS OF 8595.00 FEET, A CENTRAL ANGLE OF 2°21'51" AND A CHORD THAT BEARS NORTH 88°37'56" EAST, A DISTANCE OF 354.67 FEET;

THENCE ALONG THE ARC OF SAID CURVE 354.64 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF MCKENZIE ROAD;

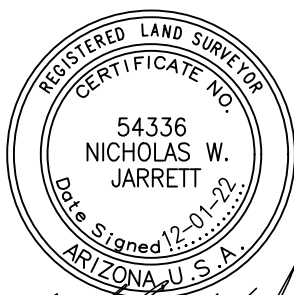
THENCE SOUTH 0°23'57" EAST, A DISTANCE OF 110.08 FEET TO THE BEGINNING OF A CURVE TO THE SOUTHWEST HAVING A RADIUS OF 8705.00 FEET, A CENTRAL ANGLE OF 2°20'13" AND A CHORD THAT BEARS SOUTH 88°38'45" WEST, A DISTANCE OF 355.07 FEET;

THENCE ALONG THE ARC OF SAID CURVE 355.05 FEET;

THENCE SOUTH 89°48'51" WEST, A DISTANCE OF 314.08 FEET;

THENCE SOUTH 44°32'58" WEST, A DISTANCE OF 56.31 FEET TO THE POINT OF BEGINNING.

CONTAINS 83,284 +/- SQUARE FEET OR 1.911 +/- ACRES MORE OR LESS.



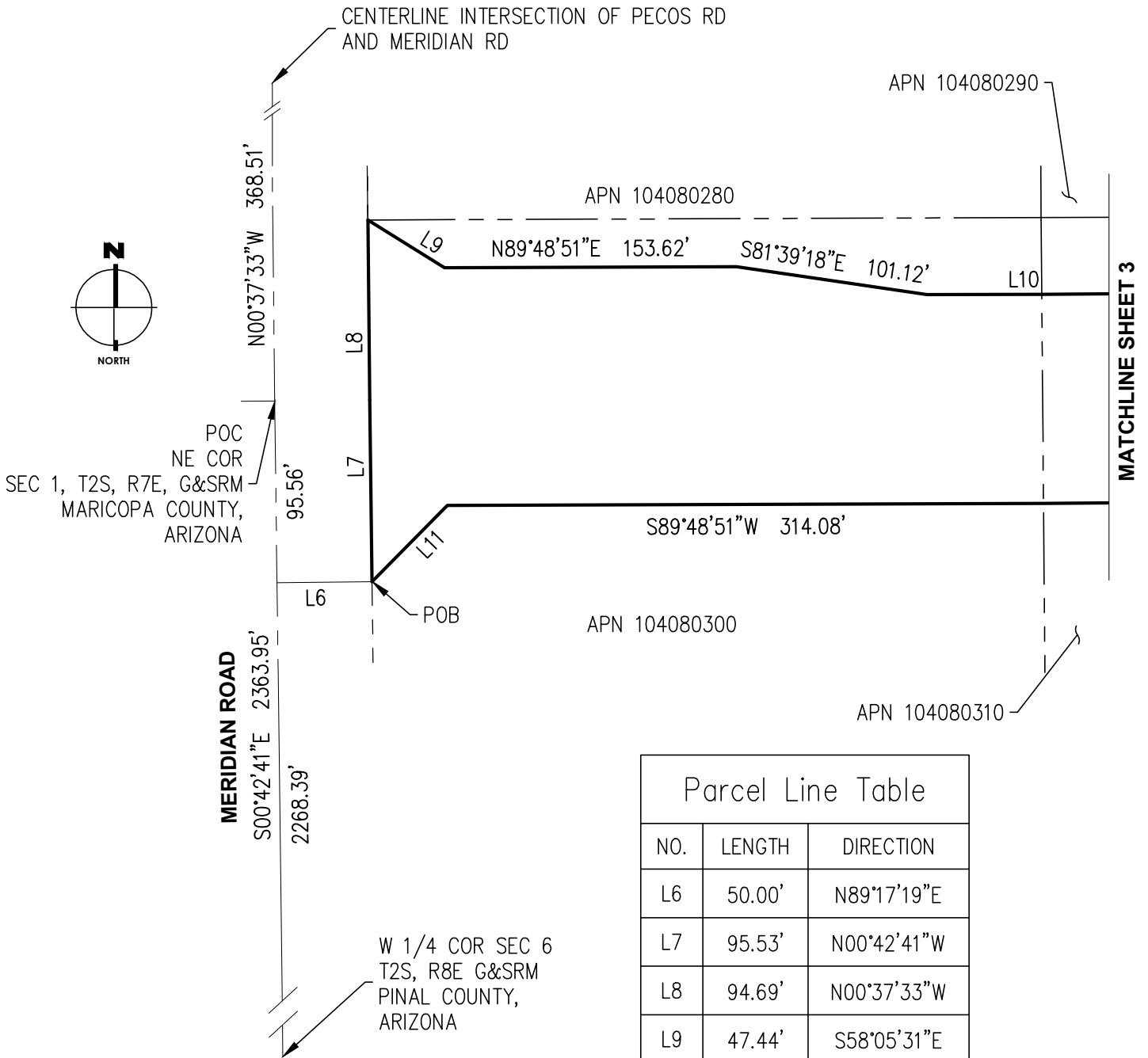
Nicholas W. Jarrett

EXHIBIT B MADE A PART HERETO



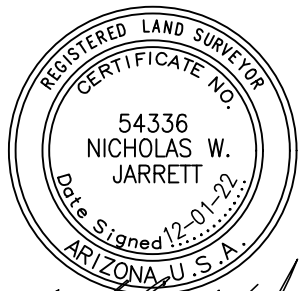
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EXHIBIT C



Parcel Line Table		
NO.	LENGTH	DIRECTION
L6	50.00'	N89°17'19"E
L7	95.53'	N00°42'41"W
L8	94.69'	N00°37'33"W
L9	47.44'	S58°05'31"E
L10	61.50'	N89°48'51"E
L11	56.31'	S44°32'58"W

EXHIBIT A MADE A PART HERETO

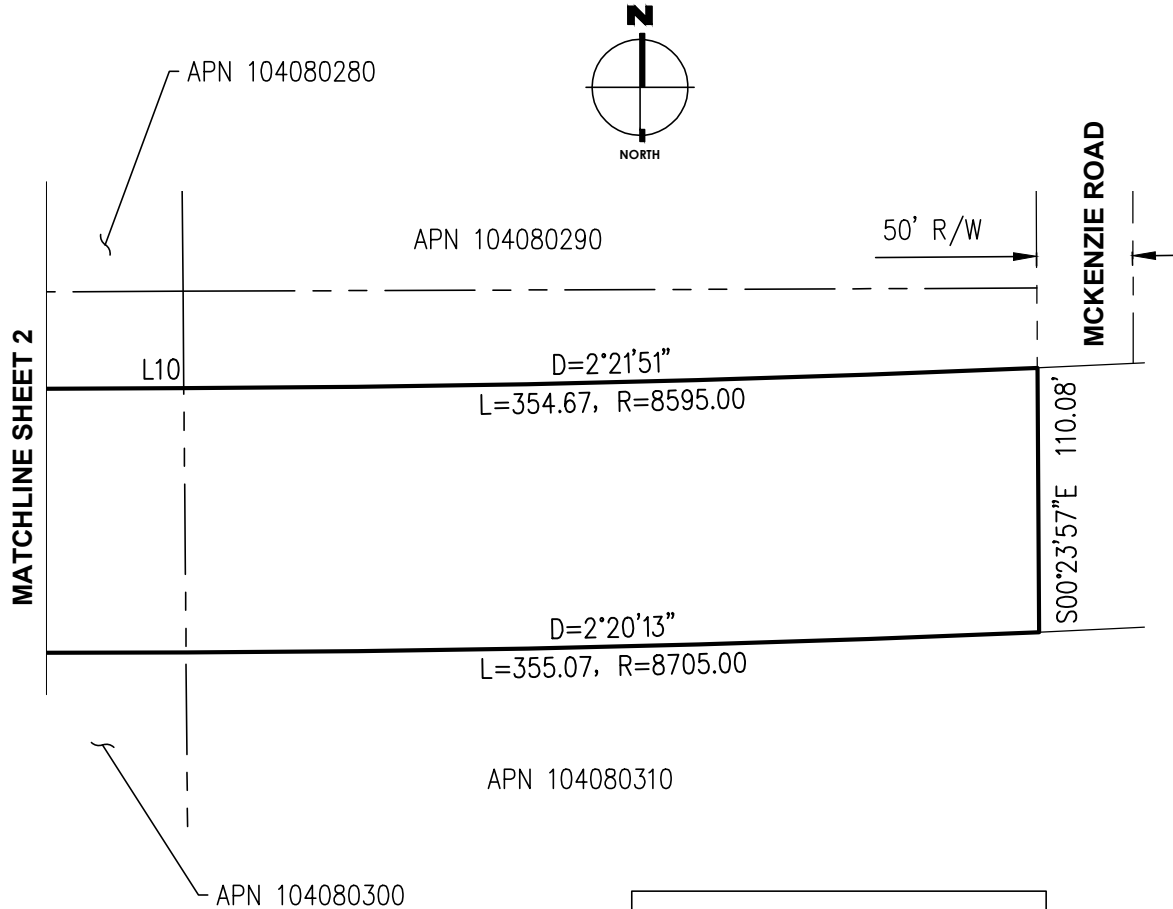


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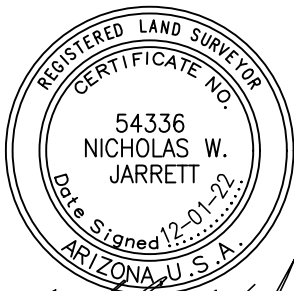
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12/01/2022	RIGHT OF WAY DEDICATION PECOS ROAD	JOB NO. 1918 190
SCALE: 1" = 80'		

EXHIBIT C



Parcel Line Table		
NO.	LENGTH	DIRECTION
L6	50.00'	N89°17'19"E
L7	95.53'	N00°42'41"W
L8	94.69'	N00°37'33"W
L9	47.44'	S58°05'31"E
L10	61.50'	N89°48'51"E
L11	56.31'	S44°32'58"W



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Pecos Road Right of Way Exchange

