

Potable Water Interconnect Agreement between the City of Chandler and Pima Utility Company

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Potable Water Interconnect Agreement between the City of Chandler and Pima Utility Company

This Potable Water Interconnect Agreement (this "Agreement") is entered into effective this ____ day of _____, 2021 (the "Effective Date"), by and between the City of Chandler, an Arizona municipal corporation ("City"), Pima Utility Company, an Arizona corporation ("Pima"), and Sun Lakes Marketing Limited Partnership, LLP, an Arizona limited liability partnership and a corporate affiliate of Pima ("SLM"). This Agreement may refer to City, Pima, or SLM individually as a "Party" or collectively as the "Parties."

RECITALS

Whereas, City and Pima each own and operate separate and adjacent water systems that provide potable water within their respective service areas;

Whereas, Pima recognizes the need to augment its water system in the event of certain unanticipated water shortages, including but not limited to the types of water shortages and causes identified in Section 10.0 of this Agreement;

Whereas, SLM owns four inactive irrigation wells (the "Inactive Wells") within Pima's service area for which Pima has no future intended use. The Inactive Wells are registered with the Arizona Department of Water Resources as:

- 55-625788 (located near Alma School and Willis Roads);
- 55-625789 (located near Alma School and Queen Creek Roads);
- 55-625791 (located near Alma School and Willis Roads); and
- 55-625792 (located near Alma School and Pecos Roads)

Whereas, City desires that the Inactive Wells be abandoned consistent with Arizona Administrative Code R12-15-816 in order to prevent the vertical movement of water between the upper and middle units of the regional aquifer in proximity to City's drinking water wells; and

Whereas, the Parties desire to enter into this Agreement to provide for the delivery of potable water through interconnections between City's and Pima's potable water distribution systems under certain circumstances and the abandonment of the Inactive Wells, all as set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, mutual covenants, and conditions contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

1.0 RECITALS. The Parties agree that the Recitals set forth above are true and correct and are incorporated into the Agreement by this reference.

2.0 WELL ABANDONMENT. Within 180 days of the Effective Date of this Agreement, SLM shall abandon the Inactive Wells consistent with Arizona Administrative Code 12-15-816(G) as set forth in the Arizona Department of Water Resources Well Abandonment Handbook dated September 25, 2008. City will review and approve of the well abandonment plans prior to work commencing. Upon completion, Pima shall provide a copy of the well abandonment completion report for each of the Inactive Wells to City. City agrees the Inactive Wells have not been a known source of contaminants, or a known cause of a migration of contaminants, that have caused harm to or limited the use of any City wells.

3.0 DESIGN AND CONSTRUCTION OF INTERTIES

3.1 Interties will be established for delivery of water from City's domestic water system to Pima's domestic water system at the locations identified on the attached Exhibit A, incorporated by this reference. City and Pima may establish additional points of delivery or modify points of delivery if mutually agreed upon in writing. During the design review, City reserves the right to change the locations and capacity of the proposed interties as necessary to ensure adequate volumes of water can be supplied while maintaining the integrity of City's distribution system.

3.2 Pima will, at its expense, subject to the terms and conditions of this Agreement, and subject to Arizona Revised Statutes Title 34, contract for the design and construction of new and/or modified interties between the City's domestic water system and Pima's domestic water system at the locations described in Subsection 3.1 above. Subject to City's approval and in compliance with Title 34, Pima will select and hire an engineer to design and prepare plans for such construction of the interties (the "Intertie Improvement Plans"). Pima or its engineer will apply for and obtain all necessary regulatory and construction permit approvals for the Intertie Improvement Plans.

3.3 Once the Intertie Improvement Plans are approved pursuant to Subsection 3.2 above (the "Approved Plans"), Pima shall have the right, at Pima's expense, to select, with the reasonable approval of City and in compliance with Arizona Revised Statutes Title 34, a contractor or contractors to perform the construction work in accordance with such plans and may negotiate a construction contract for the construction of the intertie improvements as set forth on the Approved Plans (the "Approved Improvements"). Pima shall not permit any lien or claim of lien to be recorded or asserted against the real property on which the City water facilities are located for any work done or materials furnished in connection with the design or construction by Pima of the Approved Improvements and in the event any such lien or claim of lien arises, Pima shall cause the same to be released of record (either by payment or posting of a statutory bond) within fifteen (15) days following written demand from City. The Approved Improvements shall be deemed completed upon (i) delivery to City of a certificate

of substantial completion issued by the engineer who prepared the Approved Plans, and (ii) submission of paid invoices from the contractor(s) and subcontractor(s) evidencing the total actual cost of design and construction of the Approved Improvements, together with final lien waivers, (iii) delivery of "as built" plans for the Approved Improvements prepared by Pima's engineer, (iv) satisfactory inspection and approval by City of the Approved Improvements and as-built plans prior to the site commencing operation, and (v) final acceptance by the City of the Approved Improvements on City's property.

3.4 City shall grant Pima a temporary construction easement allowing Pima and its contractors and subcontractors to enter upon the real property on which City's water distribution system is located in order to construct the Approved Improvements. Moreover, City agrees to reasonably cooperate with Pima in connection with (i) obtaining all necessary governmental permits and approvals for the construction of the Approved Improvements; and (ii) taking such other action as may be reasonably necessary to accomplish the purpose and intent of this Agreement, including without limitation granting Pima any licenses, easements, or encroachment permits necessary for the installation and operation of the Approved Improvements. Nothing in this Section shall be construed as a waiver of Pima's obligation to comply fully with all applicable provisions of the City Code, including payment of fees.

3.5 Each intertie will include a suitable metering device or devices to accurately measure the water delivered from City to Pima, including flush volumes.

3.6 Each intertie will include suitable secure valving and locking devices to prevent unintentional, accidental, or malicious opening of the intertie.

3.7 Each intertie will include suitable devices for flushing the intertie before each use.

4.0 OWNERSHIP. City and Pima each shall own and operate Approved Improvements on its side of the interties. The Approved Plans and as-builts will identify ownership of all infrastructure constructed as part of the Approved Improvements.

5.0 MAINTENANCE AND REPAIR

5.1 City and Pima each shall own, maintain, and repair the Approved Improvements on its side of the interties. Each party shall be responsible for ensuring its interconnection facilities and equipment are maintained in operable condition.

5.2 Pima shall reimburse City for the costs incurred for maintenance and repair of the Approved Improvements owned by City.

6.0 OPERATION

6.1 The interties shall be operated only for Qualified needs as defined in Section 10.0 of this Agreement.

6.2 Following notice as provided in Subsection 6.5 of this Section, personnel from both Parties shall adhere to the following procedures for operation of each intertie. The following actions can only occur when a representative for each Party is present:

- 6.2.1 Unlock the valves on each Party's respective side of the intertie as applicable;
- 6.2.2 Open the flushing devices on each Party's respective side of the intertie and flush those "dead end" portions of the system approaching the intertie as applicable;
- 6.2.3 After the water from both systems has cleared, each Party shall open the unlocked valves on its respective side of the system, as applicable;
- 6.2.4 For direct connections to Pima's distribution system, Pima shall then open a flushing device on its side of the intertie to flush any remaining stagnant water from the intertie;
- 6.2.5 After flushing the line for an amount of time sufficient to remove all stagnant water from the intertie section as applicable, the water shall be allowed to flow into Pima's domestic water system;
- 6.2.6 For connections from City's system directly to Pima water plants/storage tanks, flushing on the Pima side of the interconnection shall not apply;
- 6.2.7 After Pima notifies City in writing the need for water has ceased, or City notifies Pima in writing that it no longer has water available to satisfy the need as determined under Section 9 of this Agreement, personnel from both Parties shall return all intertie valving to the closed position.

6.3 The meter at each intertie operated under this Agreement shall be read by both Parties prior to the start of an interconnection and again after the intertie is closed.

6.4 The persons identified in Subsection 6.5 of this Section shall refine the procedures outlined herein, as necessary, and no operation of any intertie shall be commenced if there is a material dispute as to the operational protocol to be followed.

6.5 Pima requests for operation of any intertie must be received from one of the following:

- Robson Communities Utilities Director; or
- Pima Utility General Manager; or
- a duly authorized representative of the Utilities Director or General Manager.

The request must be made, in writing, to the City Water Systems Manager and copied to the Utilities Operations Manager. The Water Systems Manager will coordinate the effort with the authorized Pima representative and pertinent City staff.

City will review all requests, and provide approval via email or written correspondence from one of the following:

City of City Public Works and Utilities Director; or
Utilities Operations Manager; or
Water Systems Manager; or
a duly authorized representative of the City of Chandler Public Works and Utilities Director.

Any denial of a request shall be in writing and shall state in reasonable detail the reasons, in accordance with the terms of this Agreement, for being unable to operate the intertie.

7.0 WATER QUALITY. Both Parties understand, acknowledge and agree that the quality of the water in each domestic water system must meet Federal and State safe drinking water standards. Therefore, City agrees to provide to Pima, within 10 business days of written request by Pima to City, copies of past water quality reports, proof of compliance performance, and laboratory results for all compliance samples taken. Additionally, Pima agrees to provide to City, within 10 business days of written request by City to Pima, copies of past water quality reports, proof of compliance performance, and laboratory results for all compliance samples taken. Moreover, both Parties agree that following flushing of the intertie consistent with Subsection 6.2 above, the quality of the water delivered by City to Pima through the intertie shall meet applicable drinking water standards. Once water enters Pima's system, City is not responsible for any changes in water quality that occur within Pima's system.

8.0 INDEMNIFICATION. Pima shall indemnify, defend, save and hold harmless the City and its officers, officials, agents and employees ("City Indemnatee") from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) ("Claims") to the extent caused or alleged to be caused, by the negligent or willful acts, or errors or omissions of Pima or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. Similarly, the City shall indemnify, defend, save and hold harmless Pima and its officers, officials, agents and employees ("Pima Indemnatee") from any and all Claims to the extent caused or alleged to be caused, by the negligent or willful acts, or errors or omissions of City or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. These indemnities include any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the party to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. In each case, the Indemnifying party is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. Pima and City each waives all rights of subrogation against Indemnatee for losses arising from or related to this Agreement. The obligations of Pima and City under this Subsection shall survive the termination or expiration of this Agreement.

9.0 INSURANCE. Pima and the City each agree to procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit B against claims that may arise from or relate to their respective construction or operation of the interties under this Agreement by such party and its

agents, representatives, employees, and subcontractors. Pima and City and any applicable subcontractors must maintain this insurance until all of their obligations have been discharged, including any warranty periods. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. Neither party warrants that the minimum limits stated in Exhibit B are sufficient to protect the insured party from liabilities that might arise out of the performance of this Agreement by such party and its agents, representatives, employees, or subcontractors. Pima and City are each free to purchase such additional insurance as they may determine is necessary.

10.0 QUALIFIED NEEDS. A Qualified Need is an unanticipated water shortage not caused by growth or drought. Qualified Need includes, but are not limited to, failure of a well or booster station, rupture of a water main, structural failure of a treatment plant or water storage tank, and other significant system failures impacting the quality or quantity of water available for delivery. Qualified Need may include short-term shortages, the causes of which may be remedied within days or weeks, or longer-term shortages of up to nine months if the shortage requires rehabilitation or replacement of a well, the repair or replacement of a large storage tank, or another remedy requiring longer-term design and construction. Qualified Need may also include other circumstances as mutually agreed to by the Parties.

11.0 AVAILABILITY OF WATER.

11.1 City will not be required to furnish water under any circumstances where it has been determined by City that such an action would not be feasible or would otherwise cause significant problems in the operation of City's domestic water system.

11.2 Both parties agree that in the event where circumstances arise that the operation of an intertie will interfere with or hamper City's ability to reasonably meet its own service commitments, City shall have the right to refuse to provide water requested by Pima under this Agreement.

12.0 LIMITATION ON USE OF WATER. Water that City furnishes to Pima under this Agreement shall not be wheeled through Pima's water system for delivery to another water system without the prior, written approval of City.

13.0 ASSIGNMENT OF LONG-TERM STORAGE CREDITS. All water delivered by City to Pima pursuant to this agreement shall be accounted for as recovered Long-Term Storage Credits ("LTSC"), which shall be assigned from Pima to City under A.R.S. § 45-854.01 no later than March 31 of the calendar year following such deliveries, in an amount equal to the amount of water delivered. City and Pima may agree in writing to extend the deadline to assign LTSC, but in no event shall the deadline extend beyond 12 months after the date the water was delivered to Pima.

14.0 COST OF WATER. Pima will pay City for water delivery at City's then- current rate, at the time the water is delivered, for industrial water customers outside of City's jurisdiction.

15.0 REPORTS. Logs of all operations of each intertie including date operation commenced, duration of operation, beginning meter readings and ending meter readings shall be maintained by both Parties. Quarterly intertie operation reports shall be submitted by each Party to the other by the 15th day of each month following the quarter in which an intertie was operated. Any differences in meter readings will be reconciled by mutual agreement of both Parties. If the Parties are unable to agree on a reconciliation of meter discrepancies, meters will be tested for accuracy using manufacturer's specifications for testing, and the most accurate meter will be used to quantify water delivered.

16.0 TERM. This Agreement may be cancelled at any time and for any reason by either Party after providing 365 days written notice to the other Party of its intent to cancel. If this Agreement expires or is terminated without provisions for extension or modification, the interconnection facilities will be removed or abandoned by each Party in accordance with applicable requirements, with the understanding Pima will reimburse City for all incurred abandonment costs directly related to the Approved Improvements. Unless cancelled early pursuant to this Section, this Agreement shall terminate on January 1, 2040, with the understanding that the Agreement may be amended to extend it for a new term by mutual agreement of the Parties.

17.0 MISCELLANEOUS

17.1 City acknowledges Pima may enter into agreements with other entities to provide for interconnections, interties or to otherwise meet any water needs of Pima and that nothing herein shall be deemed to require Pima to use City exclusively to provide the water City agrees to provide pursuant to this Agreement. Similarly, this Agreement does not prohibit City from entering into interconnection or other similar agreements with other entities.

17.2 The Parties hereby represent and warrant to one another as follows: (i) each of the Parties is duly formed and validly existing under the laws of its state of organization; and (ii) the individuals executing this Agreement on behalf of the respective Parties are authorized and empowered to bind the Parties on whose behalf each such individual is signing.

17.3 In the event of any legal action or proceeding for the enforcement of any right or obligation herein contained, the prevailing party shall be entitled to recover from the unsuccessful party its costs and attorneys' fees incurred in the preparation and prosecution of such action or proceeding, or any appeal thereof.

17.4 This Agreement shall bind and inure to the successors and assigns of the Parties. Notwithstanding the foregoing, neither Party shall have the right to assign any of its rights hereunder to any third party. Any attempt by either Party to assign any rights under this Agreement shall be void ab initio and of no force and effect. No other person or entity shall be a third party beneficiary to this Agreement and no term or provision of this Agreement or the exhibits hereto is intended to be, nor may any term or provision be construed to be, for the benefit of any other person or entity not a party to this

Agreement and no other person or entity has any right or cause of action under this Agreement.

- 17.5 Except for requests, approvals, and denials under Subsection 6.5, any and all notices required or permitted under this Agreement shall be given in writing and personally delivered or faxed or sent via registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier service (e.g. Federal Express, DHL) addressed as follows:

To Pima: Pima Utility Company
Attention: Brian Smith, or the then-acting Utilities Director
9532 E. Riggs Road
Sun Lakes, Arizona 85248-7411
Facsimile No. 480-895-4235

With a copy to: Pima Utility Company
Pamela Gulsvig, or the then-acting General Counsel
9532 E. Riggs Road
Sun Lakes, Arizona 85248-7411
Facsimile No. 480-895-4237

To City: City of Chandler
Attention: Water Systems Manager
1475 E. Pecos Road
Chandler, Arizona 85248
Facsimile No. (480) 782-3630

With a copy to: Chandler City Attorney
P. O. Box 4008, MS 602
Chandler, AZ 85244
Facsimile No. (480) 782-4652

or any other address designated by such Party by prior written notice to the other Party at the address set forth above, and such notice of such communication shall be deemed to have been given as of the date of delivery (including if such delivery is rejected or refused), if hand-delivered, or courier-delivered (including Federal Express or other established nationally recognized overnight service which obtains a signed receipt upon delivery), or as of the date faxed, if transmitted prior to 5:00 PM, Arizona time, on a business day, otherwise it shall be deemed to have been given as of the next business day, or as of three days after the date of mailing if mailed certified, return receipt requested, postage prepaid.

- 17.6 This Agreement shall be governed by Arizona law, exclusive of its choice of law rules. Venue for any action brought hereunder shall be in Maricopa County, Arizona. The Parties understand and agree that this Agreement represents the entire agreement of the Parties with respect to its subject matter, and all agreements, oral or written, entered into prior to this Agreement are superseded by this Agreement. Any amendment or addendum hereto shall not be effective unless it is in writing signed by both Parties. The Parties understand and agree that the section headings are just for convenience and shall not affect the interpretation of the terms and provisions of this Agreement. The Parties agree that each Party has reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Agreement. Time is of the essence for the performance of all conditions and obligations of this Agreement.
- 17.7 Each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. However, if any provision of this Agreement is declared illegal, invalid or unenforceable for any reason, the remaining provisions shall, to the extent permitted by law, remain in full force and effect and shall not be invalidated, impaired or affected thereby.
- 17.8 Failure of any Party to exercise any right, remedy or option arising out of a breach of this Agreement shall not be deemed a waiver of any right, remedy or option with respect to any subsequent or different breach.
- 17.9 Notwithstanding the foregoing, the Parties acknowledge that neither Party is an agent of the other and neither shall have the power to bind the other Party without that Party's prior written consent, and nothing in this Agreement shall be construed as creating any partnership, joint venture, employment or agency between the Parties.
- 17.10 All time periods referred to in this Agreement shall include all Saturdays, Sundays and holidays, unless the period of time specifies business days. If the date to perform any act or give any notice with respect to this Agreement falls on a Saturday, Sunday or a holiday observed by the City of Chandler, the act or notice may be timely performed on the next succeeding day that is not a Saturday, Sunday or holiday observed by the City of Chandler.
- 17.11 Each Party has had the opportunity to review, understand and negotiate this Agreement and to be represented by its own independent legal counsel with respect to the same.
- 17.12 This Agreement may be executed in any number of counterparts. Any set of identical counterparts containing the original signatures of all Parties shall be deemed to constitute one instrument, and each such set of original counterpart signatures shall be deemed a complete original.
- 17.13 This Agreement may be cancelled for conflicts of interest under A.R.S. § 38-511.

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SIGNATURE PAGE ATTACHED

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as set forth below.

Pima Utility Company, an Arizona corporation

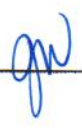
By 
Print Name: Brian S. Smith
Title: Vice President
Date signed: 1/29/21

ATTEST:

City Clerk

APPROVED AS TO FORM:

Assistant City Attorney



Sun Lakes Marketing Limited Partnership, LLP,
an Arizona limited liability partnership

By 
Print Name: Paula Robinson
Title: Vice President of General Partner
Date signed: 1/29/2021

City of Chandler, an Arizona municipal
corporation

By _____
John Knudson
Public Works & Utilities Director
Date signed: _____

6xHIGIT A

PIMA UTILITY MASTER WATER PLAN

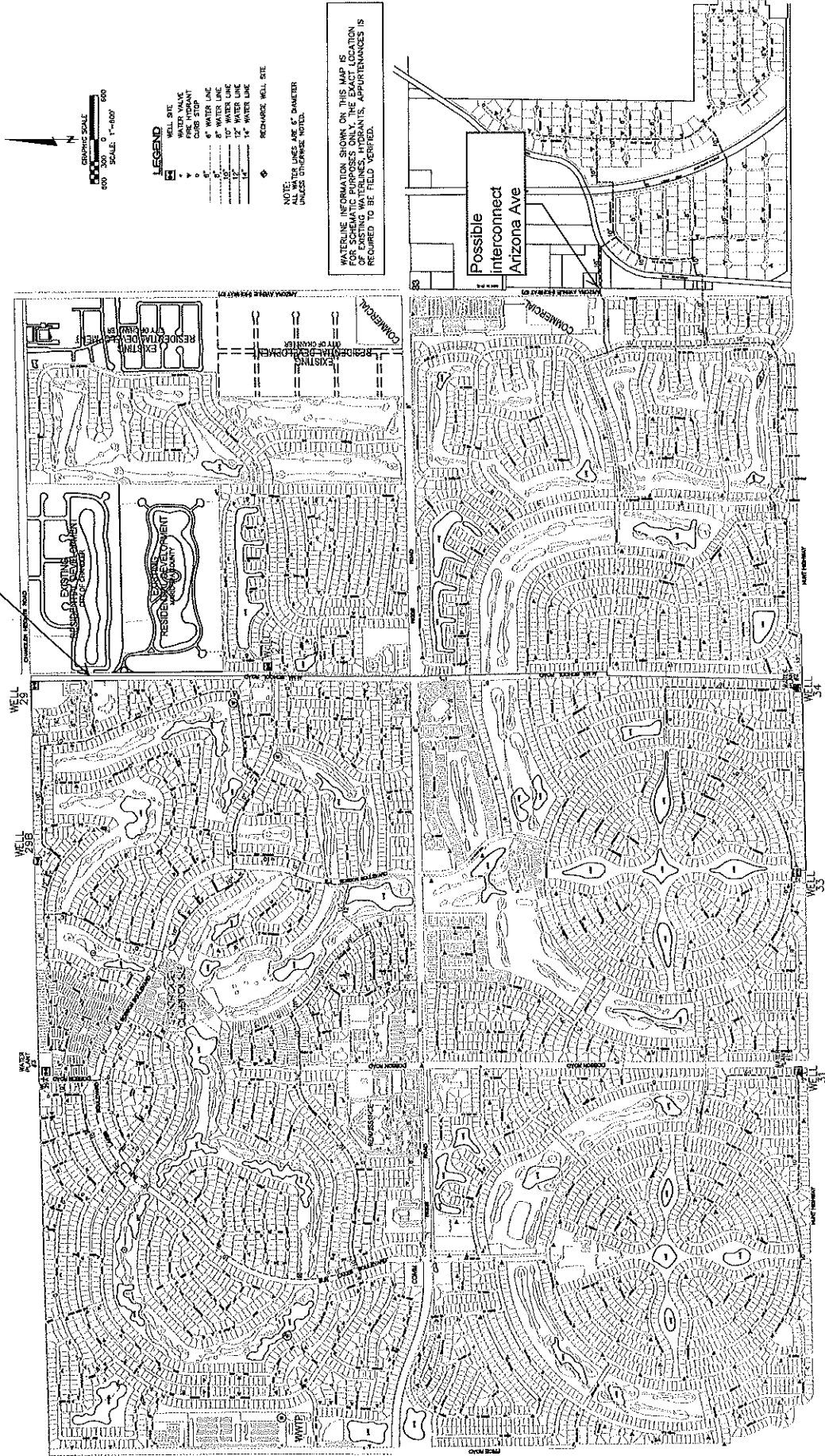


EXHIBIT B INSURANCE

General.

- A. At the same time as execution of this Agreement, Pima shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. Pima and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Pima from liabilities that might arise out of the performance of the services under this Agreement by Pima, its agents, representatives, employees, subcontractors, and Pima is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve Pima from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of Subcontractors: If any work is subcontracted in any way, Pima shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of Pima in this Agreement. Pima is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. Pima shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* Pima must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for

products and completed operations, independent contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*

Vehicle Liability: Pima must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Pima owned, hired, and non-owned vehicles assigned to or used in the performance of Pima's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

C. *Workers Compensation and Employers Liability Insurance:* Pima must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Pima employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.

Additional Policy Provisions Required.

- A. *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.
1. Pima's insurance must contain broad form contractual liability coverage.
 2. Pima's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees shall be in excess of the coverage provided by Pima and must not contribute to it.
 3. Pima's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 4. Coverage provided by Pima must not be limited to the liability assumed under the indemnification provisions of this Agreement.
 5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by Pima for the City.

6. Pima, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Approved Improvements. Pima must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this three year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Agreement, Pima must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, Pima or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.

A. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, Pima including the City's general supervision of Pima; Products and Completed operations of Pima; and automobiles owned, leased, hired, or borrowed by Pima.
2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by Pima even if those limits of liability are in excess of those required by this Agreement.

EXHIBIT C
CONTACT INFORMATION

City of Chadler:

Public Works & Utilities Director
John Knudson
John.Knudson@chandleraz.gov
(480) 782-3590

Utilities Operations Manager
Paul Roy
Paul.Roy@chandleraz.gov
(480) 782-3593

Water Systems Manager
Danny Sargent
Danny.Sargent@chandleraz.gov
(520) 904-4381

Pima/Sun Lakes:

Robson Communities Utilities Director
Brian Smith
Brian.Smith@robson.com
(480) 895-4235

Pima Utility General Manager
Dave Voorhees
Dave.Voorhees@robson.com
(480)895-5009