

RESOLUTION NO. 5470

AUTHORIZING A RECLAIMED WATER AGREEMENT AND PROJECT AGREEMENT NO. 4 UNDER THE PUBLIC INFRASTRUCTURE MASTER AGREEMENT DATED MAY 24, 2019, BETWEEN THE CITY OF CHANDLER AND INTEL CORPORATION, A DELAWARE CORPORATION, FOR THE CONSTRUCTION OF A RECLAIMED WATER INTERCONNECT FACILITY AND RELATED PUBLIC INFRASTRUCTURE NEEDED TO SERVE INTEL'S CAMPUS AT 4500 S. DOBSON ROAD.

WHEREAS, City and Intel are parties to that certain Public Infrastructure Master Agreement dated May 24, 2019, which provides for the construction and financing of public infrastructure necessary to serve a manufacturing facility under A.R.S. § 42-5032.02; and

WHEREAS, City and Intel are parties to that certain Small Volume Reclaimed Water Use Agreement dated July 1, 2020 (the "Existing Agreement") which provides that City will use its best efforts to deliver up to an annual average of 2.47 million gallons per day (MGD) of reclaimed water to Intel; and

WHEREAS, the Existing Agreement is for a one-year term, Intel desires to firm City's commitment to deliver reclaimed water under the Existing Agreement by removing the one-year term, and City requires additional infrastructure to firm its commitment to deliver reclaimed water to Intel and to meet any future Intel reclaimed water needs; and

WHEREAS, City is under contract for the design of a reclaimed water interconnect facility (RWIF) with a capacity of five MGD for delivery to City's reclaimed water distribution system and aquifer storage facilities; and

WHEREAS, increasing the capacity of the RWIF from five MGD to ten MGD will enable City to firm reclaimed water deliveries to Intel under the Existing Agreement; and

WHEREAS, Intel will pay one-half of the cost of the RWIF, including any sunk costs, utilizing the funding mechanism provided under A.R.S. § 42-5032.02 as available; and

WHEREAS, upon completion of the RWIF and payment of Intel's share of the cost, City and Intel will enter into a new Reclaimed Water Delivery Agreement upon the same terms and conditions as the Existing Agreement, but with the one-year term removed; and

WHEREAS, Intel and City have further agreed to the essential terms and conditions under which City ultimately will make available to Intel up to five MGD of reclaimed water for industrial cooling purposes.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

- Section 1. The City of Chandler is authorized to enter into the Project Agreement (Project 4 – Reclaimed Water Interconnect Facility) between the City and Intel attached to this Resolution as Exhibit “A”.
- Section 2. The City of Chandler is authorized to enter into the Reclaimed Water Agreement between the City and Intel attached to this Resolution as Exhibit “B”.
- Section 3. Consistent with the terms of the Reclaimed Water Agreement, the term of the Existing Agreement is extended until the City completes construction of the RWIF.
- Section 4. Upon completion of the RWIF and payment in full of Intel’s share of the costs, the City of Chandler is authorized to enter into a Reclaimed Water Delivery Agreement between the City and Intel in substantially the form attached as Exhibit A to the Reclaimed Water Agreement.
- Section 5. The Mayor is authorized to execute the Project Agreement, the Reclaimed Water Agreement, and this Resolution on behalf of the City of Chandler.
- Section 6. Upon completion of the RWIF and payment in full of Intel’s share of the costs of construction, the Public Works & Utilities Director is authorized to execute the Reclaimed Water Delivery Agreement.

PASSED AND ADOPTED by the City Council of Chandler, Arizona, this 22nd day of April, 2021.

ATTEST:

CITY CLERK

MAYOR

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 5470 was duly passed and adopted by the Chandler City Council at a regular meeting held on the 22nd day of April, 2021, at which a quorum was present.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

