

Exhibit "A"

Amended and Restated Water Transportation Agreement

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AMENDED AND RESTATED
WATER TRANSPORTATION AGREEMENT
BETWEEN
SALT RIVER VALLEY WATER USERS' ASSOCIATION
AND
CITY OF CHANDLER

TABLE OF CONTENTS

	<u>SECTION</u>	<u>SECTION TITLE</u>	<u>PAGE</u>
1	1	PARTIES	1
2	2	RECITALS	1
3	3	AGREEMENT	2
4	4	DEFINITIONS	2
5	5	SCOPE OF SERVICE	3
6	6	TERM	4
7	7	RATES, FEES, AND CHARGES	4
8	8	BILLING AND PAYMENT	5
9	9	WATER ACCOUNTING	6
10	10	APPOINTMENT/DUTIES OF AUTHORIZED REPRESENTATIVES	6
11	11	WATER QUALITY	7
12	12	TRANSPORTATION LOSSES	8
13	13	PRIORITY OF SERVICE	8
14	14	RIGHT TO CONTRACT OR SUBCONTRACT	8
15	15	DISTRIBUTION	9
16	16	INTERRUPTIONS OR CURTAILMENTS IN DELIVERY	9
17	17	FLOW MEASUREMENT	10
18	18	ACCESS TO PREMISES AND FACILITIES	10
19	19	FUTURE FACILITIES	11
20	20	NOTICE OF WATER DELIVERIES	11
21	21	EFFECTIVE DATE	11
22	22	GENERAL LIABILITY	11
23	23	AUDIT	11
24	24	UNCONTROLLABLE FORCES	12
25	25	NOTICES	12
	26	WAIVER	12
	27	HEADINGS	12

1	28	RECLAMATION REFORM ACT	12
2	29	RESOLUTION OF DISPUTES	13
3	30	ACTION PENDING RESOLUTION OF DISPUTES	13
4	31	CONTRACT REOPENER	13
5	32	GOVERNING LAW	13
6	33	PERMITS	14
7	34	NO THIRD PARTY BENEFICIARIES	14
8	35	ENTIRE AGREEMENT	14
9	36	TERMINATION OF PRIOR WATER TRANSPORTATION AGREEMENT	14
10	EXHIBIT A	POINTS OF DELIVERY	
11	EXHIBIT B	POINTS OF RECEIPT	
12	EXHIBIT C	WATER TRANSPORTATION PRIORITY	
13	EXHIBIT C-1	EXISTING ASSOCIATION WATER DELIVERY CONTRACTS AND EXISTING DECREES	
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			

AMENDED AND RESTATED WATER TRANSPORTATION AGREEMENT BETWEEN
SALT RIVER VALLEY WATER USERS' ASSOCIATION AND CITY OF CHANDLER

1. PARTIES:

The Parties to this Amended and Restated Water Transportation Agreement (Agreement) made and entered into as of this ____ day of _____, 20__, are the CITY OF CHANDLER, an Arizona municipal corporation (City) and SALT RIVER VALLEY WATER USERS' ASSOCIATION, an Arizona corporation (Association).

2. RECITALS:

This Agreement is made with regard to the following:

- 2.1 The Colorado River Basin Project Act of 1968 (82 Stat. 885) provides, among other things, that for the purposes of furnishing irrigation water and municipal and industrial water supplies to water deficient areas in Arizona and Western New Mexico through direct diversion or exchange of water, control of floods, conservation, development of fish and wildlife resources, enhancement of recreation opportunities and for other purposes, the Secretary of Interior for the United States of America (Secretary of Interior) shall construct, operate and maintain the Central Arizona Project (CAP).
- 2.2 Shareholders of Association are owners of land within the Salt River Reservoir District, having valid appropriative rights to waters of the Salt and Verde Rivers. Association is responsible for delivery to said lands of waters developed, controlled or stored by it for the benefit of such lands. Association is the agent of the Salt River Project Agricultural Improvement and Power District (District), a political subdivision of the State of Arizona, in the operation of the water delivery system of the Salt River Project, a federal reclamation project, pursuant to an agreement dated March 22, 1937, as amended by agreements dated February 28, 1944, and September 12, 1949, and is also the agent of the United States of America (USA) in the operation of said federal reclamation project pursuant to contract dated September 6, 1917. Association, in distributing water developed by Salt River Project works and facilities, is governed by the decree in Hurley v. Abbott, filed March 1, 1910, and all supplemental decrees thereto, all commonly referred to as the "Kent Decree"; the Articles of Incorporation and By-laws and rules and regulations of Association; contracts now in effect and hereafter executed between the Association, the District and the USA; rules and regulations promulgated by the Secretary of Interior, pursuant to the provisions of an Act of Congress, approved June 17, 1902 (32 stat. 388), and acts amendatory thereof and supplementary hereto, all of which are commonly known and referred to as Federal Reclamation Law; and by applicable laws of the State of Arizona.
- 2.3 City, in distributing water within its water service area, is governed by, among other things, applicable laws, ordinances, regulations and orders.
- 2.4 Association operates and maintains the water delivery system on behalf of and for the primary benefit of its shareholders, who hold rights to water developed by the Salt River Project, and to whom Association is obligated to deliver such water.
- 2.5 City has valid rights to the City Water to be transported, has existing contracts to transport such water through the CAP and the Interconnection Facility and has the right pursuant to an

existing contract to subcontract to third parties any part or all of its share of capacity in such Interconnection Facility.

2.6 City is in need of a link between the Interconnection Facility and its facilities; therefore, City desires to transport City Water through the Association Water Delivery System for use by City and/or its subcontractors, and has the authority to enter into this Agreement for transportation of such water.

2.7 Association does not as a rule make its water delivery system available to all water users potentially served by it and does not operate for profit. However, as an accommodation to City and for the incidental benefit to Association shareholders, Association will transport City Water for City and its subcontractors as an incident to its primary function; provided that the transportation of such water shall not in any way disrupt or interfere with the operation of the Association Water Delivery System on behalf of Association shareholders and pursuant to existing decrees and existing contracts; and provided further that this Agreement will not affect the responsibilities of Association and City with respect to waters developed, controlled or stored by Association and delivered to City pursuant to rights of Association shareholders and existing decrees and existing contracts. (see Exhibit C-1)

2.8 As Association limits the use of the Association Water Delivery System to the transportation and delivery of water to its shareholders and those entities with specific entitlements to such delivery service, to the exclusion of the general public, this Agreement is necessary for Association to transport City Water for City and its subcontractors.

2.9 On September 10, 1991, City and Association entered into the Water Transportation Agreement, which only allowed for water transportation in Association canals. The purpose of this Agreement is to create one agreement that allows for water transportation service in canals, laterals, and drain ditches, and other revisions related to such service expansion.

3. AGREEMENT:

In consideration of the premises and mutual covenants and agreements herein set forth, the Parties hereto agree as follows:

4. DEFINITIONS:

As used in this Agreement the following terms, when capitalized, have the meanings indicated:

4.1 Annual Index: The number calculated by dividing the Association Acreage Assessment for the current calendar year (commencing with 1992) by the Association Acreage Assessment for the previous calendar year. The Annual Index shall be determined in January of each year commencing in 1992. The Annual Index shall be calculated to four (4) decimals and rounded to three (3). Rounding shall be done by dropping the fourth (4th) decimal when it is less than five (5) or by increasing the third (3rd) decimal by one (1) when the fourth (4th) decimal is five (5) or greater.

4.2 Association Acreage Assessment: The fee charged against Association assessed land to pay the cost of construction, improvement, enlargement, betterment, repairs, operation and maintenance of the irrigation and other works of Association, or of those under its management, operation and maintenance.

1 4.3 Association Water Delivery System: Association's canal, lateral and drain ditch system,
2 including canal, lateral, and drain ditch gates and measuring devices.

3 4.4 Authorized Representative(s): Those representatives of the Parties appointed to administer
4 the provisions of this Agreement pursuant to Section 10.1.

5 4.5 City Water:

6 a) City's share of the water resulting from City's funding of CAP Plan 6 modifications to
7 Roosevelt Dam and reservoir.

8 b) City's share of any water resulting from City's funding of acquisition of a water supply
9 alternative to that which was expected to have been provided by the now canceled
10 Cliff Dam feature of CAP Plan 6.

11 c) Water discharged for City into the Association Water Delivery System from the
12 Interconnection Facility.

13 d) Any other water as agreed to by the Authorized Representatives.

14 4.6 Effective Date: The date on which this Agreement becomes effective pursuant to Section 21.

15 4.7 Evacuated Water: Water released from the Association Water Delivery System:

16 a) As a result of excess storm runoff and under emergency conditions.

17 b) In the event of the discovery of contaminated water in the Association Water Delivery
18 System.

19 4.8 Interconnection Facility: The facility located adjacent to the Granite Reef Diversion Dam which
20 interconnects the CAP canal with the Association Water Delivery System and the Salt River
21 Bed.

22 4.9 Point(s) of Delivery: The points designated in Exhibit A, hereto, at which City Water is diverted
23 from the Association Water Delivery System for delivery to City or its subcontractors. Points
24 of Delivery may be added or deleted upon mutual agreement of the Authorized
25 Representatives. Association shall revise Exhibit A accordingly.

4.10 Point(s) of Receipt: The points designated in Exhibit B, hereto, where City Water is diverted
into the Association Water Delivery System for transportation to City Points of Delivery. Points
of Receipt may be added or deleted upon mutual agreement of the Authorized
Representatives. Association shall revise Exhibit B accordingly.

4.11 Transportation Losses: The amount of water lost through seepage, evaporation or other
causes while being transported within the Association Water Delivery System from the Point
of Receipt to the Point of Delivery. Transportation Losses shall not include Evacuated Water.

4.12 Water Accounting: The general determination of the quantity of City Water transported by
Association hereunder.

5. SCOPE OF SERVICE:

This Agreement is limited to transportation of City Water in the Association Water Delivery System
from the Point of Receipt to the Point of Delivery.

1 6. TERM:

2 This Agreement shall become effective on the date provided in Section 21 and shall remain in effect
3 through June 30, 2041 unless otherwise terminated in accordance with the provisions of this
4 Agreement.

5 7. RATES, FEES, AND CHARGES:

6 7.1 For City Water transported in Association canals, Association shall bill City and City shall pay
7 Association \$39.60 for each acre foot (AF) of City Water or fractional AF received at the Points
8 of Receipt whether or not City accepted or used such City Water. Beginning in calendar year
9 2027 and every five (5) years thereafter, Association may adjust such fee.

10 7.2 For City Water transported in Association laterals and drain ditches there shall be an additional
11 fee of \$10.55 per acre-foot for such transportation. Beginning in calendar year 2027 and every
12 five (5) years thereafter, Association may adjust such fee.

13 7.3 Association shall also bill City and City shall pay Association an annual administration fee of
14 \$3,645.49 which shall cover both the first Point of Delivery and first Point of Receipt listed on
15 Exhibits A and B respectively, and \$655.11 for each additional Point of Receipt or Point of
16 Delivery, whether separate or in common with that of another contractor or subcontractor.
17 Commencing January 1, 2022, and in each January thereafter, the fees shall be adjusted by
18 the Annual Index. Such fees shall be billed when service is commenced, and in each January
19 thereafter, and paid in accordance with Section 8. The fees shall be prorated for those partial
20 years of service resulting from initiation or permanent termination of service at Points of
21 Receipt or Points of Delivery.

22 7.4 For purposes of Section 7.3, "adjusted by the Annual Index" means that the annual
23 administration fee for the previous calendar year is multiplied by the Annual Index. The rate
24 and annual administration fee shall be calculated to three (3) decimals and rounded to two
25 (2). Rounding shall be done by dropping the third (3rd) decimal when it is less than five (5) or
by increasing the second (2nd) decimal by one (1) when the third (3rd) decimal is five (5) or
greater.

7.5 Association shall consider the Interconnection Facility and Granite Reef Dam as one Point of
Receipt when determining the rates and fees which shall be billed to City.

7.6 If Association discontinues the Acreage Assessment or if the Parties determine the
purpose/components of it have drastically changed, the most recent two (2) consecutive
October values of the Consumer Price Index shall be substituted for the Association Acreage
Assessment in the Annual Index to adjust the rates and fees under this Agreement during its
remaining term absent superseding provisions pursuant to Sections 7.9 and 31.

7.7 Beginning in calendar year 2027 and thereafter, Association may change the rate or rate
structure provided in Section 7.3 no more frequently than five year intervals, based on
changed circumstances beyond the control of Association and which have increased the cost
of providing the service hereunder beyond those increases in costs reflected by the Annual
Index.

7.8 If Association proposes to adjust the fee pursuant to Section 7.1, Section 7.2, or Section 7.7:

1 7.8.1 Association must provide City with written notice of the fee or new rate or rate
2 structure, and documentation to substantiate the changed circumstances and the
3 increased cost by January 31 of the year preceding the year in which the fee or new
4 rate or rate structure becomes effective.

5 7.8.2 If City is not willing to pay the fee or new rate/rate structure, City may terminate this
6 Agreement by giving written notice to Association before the fee or new rate or rate
7 structure becomes effective.

8 7.8.3 If City gives notice pursuant to Section 7.8.2, this Agreement shall remain in effect for
9 a period of three (3) years from the date of the City's notice, unless otherwise agreed
10 by the Parties. During this period, City shall pay the new fee or new rate as provided
11 in Section 7.1, Section 7.2, or Section 7.7, respectively.

12 7.9 If, as a result of the services provided to City pursuant to this Agreement, Association becomes
13 liable to a governmental authority other than District for any tax, tariff, duty, toll, fee, impost,
14 charge or other exaction, or any increase thereof, pursuant to Section 8, Association shall bill
15 City and City shall pay Association the amount for which Association is liable.

16 8. BILLING AND PAYMENT:

17 8.1 Bills for services provided to City shall be submitted by Association to City on or before the
18 twenty-fifth (25th) day of each month (or if such day is not a business day, on the next
19 succeeding business day) immediately following the month during which City has incurred
20 charges for such services. Such bills may include adjustments or corrections to bills previously
21 submitted by Association to City.

22 8.2 Payment by City to Association shall be made in good funds on or before the thirtieth (30th)
23 day following the date on which the bill was postmarked or if such day is not a business day,
24 on the next succeeding business day. Bills which are not paid by this date shall be delinquent
25 and thereafter accrue an interest charge at the prime rate of interest as established by the
Bank of America on the last business day of the month following the month for which the bill
was submitted, plus 2% per annum, prorated by days of the unpaid principal, computed daily
until payment is received. Any payment received shall first be applied to any interest charges
owed, and then to any bills owed for service rendered.

8.3 In the event any portion of any bill is disputed, the disputed amount shall be paid under protest
when due and shall be accompanied by a written statement indicating the basis for the protest.
If the protest is found to be valid, City shall be refunded any overpayment plus interest,
accrued at the rate set forth in Section 8.2, prorated by days from the date payment was
credited to City to the date the refund check is mailed.

8.4 In the event any delinquent amount is not paid by City within thirty (30) days after receipt by
City of written notice by Association to City of the delinquency and the remedies available to
Association under this Agreement if the delinquent amount is not paid, Association shall have
the right, without liability of any kind, to refuse to transport City Water so long as the said
amount remains unpaid and may terminate this Agreement. Nothing herein shall limit the
rights of Association to use any other available legal remedy to effect collection of said
amounts.

1 9. WATER ACCOUNTING:

2 9.1 Association will provide daily Water Accounting of City Water received for City at the Points
3 of Receipt. Such Water Accounting shall be retained by Association for at least three (3) years
4 and be made available for City's inspection upon written request.

5 9.2 City shall provide a monthly report of the total amounts of water received each day during the
6 month as measured at each Point of Delivery in accordance with operating procedures
7 prepared by Association. Such report shall be submitted to Association by the sixth (6th)
8 business day following the month end, pursuant to such operating procedures.

9 9.3 Association shall prepare a monthly Water Accounting report based on the daily Water
10 Accounting provided under Section 9.1. It shall also include the daily water deliveries as
11 reported by City pursuant to Section 9.2. Such Water Accounting report may be combined
12 with other existing Association reports to City and shall include City Water delivered to each
13 Point of Delivery, Transportation Losses, and Evacuated Water during that month.

14 10. APPOINTMENT/DUTIES OF AUTHORIZED REPRESENTATIVES:

15 10.1 Association and City shall each appoint an Authorized Representative and an alternate to
16 administer Sections 10.1.1 through 10.1.10. The alternate shall act only in the absence of the
17 Authorized Representative. All decisions and agreements of the Authorized Representatives
18 shall be documented by a writing signed by both Authorized Representatives. Subject to each
19 Party's internal approval and authorization process, the Authorized Representatives:

20 10.1.1 Shall review the operating procedures as developed by Association for implementing
21 the provisions herein.

22 10.1.2 May add or delete Points of Delivery pursuant to Section 4.9 or Points of Receipt
23 pursuant to Section 4.10.

24 10.1.3 May agree to transportation in the Association Water Delivery System of City Water
25 specified in Section 4.5d and shall establish any water quality or other limitations on
the transportation of such water. Priority for transportation of such water is "Fourth",
in accordance with Exhibit C.

10.1.4 May change the proportioning of City Water to City's multiple Points of Delivery
pursuant to Section 15.2 hereof.

10.1.5 Shall approve City's flow measurement systems, test procedures and adjustment
frequency therefor, and the communication interfaces required pursuant to Section
17 or waive or reduce the requirements to install such flow measurement systems
and communication interfaces pursuant to Section 17.

10.1.6 Shall approve the manner of access pursuant to Section 18.

10.1.7 Shall arrange for the return of water by the owing Party pursuant to Section 23.2.

10.1.8 May agree to impair the transportation of City Water under this Agreement pursuant
to Exhibit C-1.

10.1.9 Shall review and agree to all changes or improvements to the Association Water
Delivery System to accommodate its use by City pursuant to Section 15.3.

10.1.10 May agree on how to administer, implement, or effectuate certain sections of this Agreement as necessary. Such documented understandings may pertain to operational, accounting, and financial arrangements of this Agreement.

10.2 If the Authorized Representatives disagree as to any action to be taken or decision to be made, or as to the need for taking any action or making any decision, or as to whether any matter is within the scope of the Authorized Representatives' responsibilities hereunder, the question or questions at issue may be referred by either Party to arbitration pursuant to Section 29.

10.3 Each Party shall notify the other Party in writing within thirty (30) days after execution of this Agreement of the designation of its Authorized Representative and alternate and shall promptly notify the other Party of any subsequent changes in such designation.

10.4 The Authorized Representatives shall have no authority to modify, amend or supplement this Agreement, other than as expressly provided in this Section 10.

11. WATER QUALITY:

11.1 Association neither guarantees nor warrants the quality of water transported through the Association Water Delivery System to City pursuant to this Agreement, and City assumes all responsibility for purifying or otherwise treating City Water received at City's Points of Delivery to meet applicable water quality standards established by federal, state or local authorities. Nothing in this Agreement shall be construed so as to require that Association receive or transport water from any source when such receipt or transportation is likely to result in a violation of then existing federal, state or local laws or regulations regarding water quality.

11.2 Except for Salt and Verde River water that is not stored underground, City shall indemnify Association against all losses to third parties resulting from water quality degradation due to commingling of City Water in the Association Water Delivery System, and shall defend Association against all claims for such losses.

11.3 If Association coincidentally introduces water into the Association Water Delivery System through the Interconnection Facility, or other causes contribute to the losses of third parties, City will indemnify and defend only for those losses to third parties attributable to commingling of City Water in the Association Water Delivery System.

11.4 Association shall cooperate fully with City in the defense of all claims of third parties for losses under this Section 11 and shall provide City with all information, expert witnesses and records necessary for City to defend against such claims.

11.5 City's obligation to indemnify under this Section 11 shall encompass only:

11.5.1 The payment of losses to third parties that have been determined by mutual agreement of City and Association, arbitration or a court to have resulted from water quality degradation due to commingling of City Water in the Association Water Delivery System.

11.5.2 All costs of defending against claims by third parties for such losses and all costs incurred by Association in cooperating with City under Section 11.4 in the defense of such claims.

1 12. TRANSPORTATION LOSSES:

2 12.1 For City Water transported in canals, City shall be assessed Transportation Losses at the rate
3 of 0.08 percent per AF per mile between the Point of Receipt and the Point of Delivery. Using
4 the water balance of supply and delivery, a procedure similar to the loss calculation used in
5 standard reporting to the Arizona Department of Water Resources and the United States
Bureau of Reclamation, Association shall review and adjust such Transportation Loss rate
annually in April based on annual average Association Water Delivery System losses during
the preceding five (5) years. Such adjusted rate shall remain in effect until next adjusted.

6 12.2 Until otherwise determined by Association, for City Water transported in a lateral or drain ditch,
7 City shall not be assessed additional Transportation Losses; however, Association reserves
8 the right at any time to assess additional losses to City based on Association's water loss
9 experience in the lateral(s) or drain ditch(es) being used to transport City Water. Prior to
assessing additional Transportation Losses pursuant to this Section 12.2, Association shall
provide City written notice and evidence and/or calculation supporting the assessed rate of
additional Transportation losses.

10 13. PRIORITY OF SERVICE:

11 13.1 City Water may be transported under this Agreement only to the extent that such
12 transportation does not impair nor prejudice the transportation and delivery of water to
Association shareholders or pursuant to existing decrees and existing contracts between
Association and City or between Association and any third party. (see Exhibit C-1)

13 13.2 Association shall transport water, as among all contractors for such service from Association,
14 according to the capacity of the Association Water Delivery System as determined by
Association, the priority set forth in Exhibit C hereto, and the date provided in Section 2.9 as
15 such date is applicable in determining water transportation priorities.

16 13.3 The Parties agree to work together and make all reasonable efforts in any settlement of an
17 Indian tribe's water rights claims to acquire federal funding to expand Association Water
Delivery System capacity, should such capacity be inadequate to satisfy the water
18 transportation needs of either Association, City, the Indian tribe, or a third party as a result of
such settlement; provided that a failure to acquire such funding shall not preclude Association
from entering into the Indian settlement agreement.

19 14. RIGHT TO CONTRACT OR SUBCONTRACT:

20 14.1 Subject to Exhibit C, Association retains the right to contract directly with other entities desiring
transportation of water in the Association Water Delivery System.

21 14.2 City may subcontract services provided to it by Association under this Agreement, provided
22 that City shall cause any such subcontract to be subject to the terms and provisions of this
Agreement the same as if such services were being provided directly to City, unless otherwise
23 agreed in writing by Association. City shall be responsible for and pay Association the rates,
fees and charges set forth in Section 7 to provide transportation service to City's
24 subcontractors the same as if such services were provided directly to City. City shall not
subcontract transportation services provided by this Agreement for an overall charge greater
25 than that charged City by Association for the same service, except to the extent necessary to
recover any additional expenses incurred by City as a result of the subcontract.

1 15. DISTRIBUTION:

2 15.1 Association's obligations and responsibilities to City under this Agreement shall commence at
3 the Point of Receipt and shall terminate at the Point of Delivery. City shall be responsible and
4 assume full liability for the further distribution of City Water received at the Point of Delivery,
including, but not limited to, all operation and maintenance costs for delivery to City's end
users.

5 15.2 If City has multiple Points of Delivery on the Association Water Delivery System, City Water
6 will be transported to each Point of Delivery in proportion to total water orders for those Points
7 of Delivery. If City factually documents the proportions of on-Project and off-Project deliveries
at each of its Points of Delivery, then upon mutual agreement of the Authorized
Representatives, Association will transport City Water according to those proportions.

8 15.3 City may request the Association to make changes or improvements to the Association Water
9 Delivery System and related structures. City shall be responsible for all costs associated with
10 any changes or improvements made pursuant to such City request if the change or
11 improvement is made for the sole purpose of accommodating City's use of the Association
Water Delivery System and related structures for the transportation of City Water; otherwise,
the cost of such change or improvement shall be divided between the Parties as mutually
agreed upon.

12 15.4 City shall not make any change or improvements to the Association Water Delivery System
13 and related structures or facilities of Association without the written approval of Association.
14 Upon termination or expiration of this Agreement, City shall restore to a condition satisfactory
to Association, the Association Water Delivery System and related structures and facilities of
Association to which City had made changes. If City fails to accomplish such restoration,
Association shall do so and the expense thereof shall be charged to and paid by City.

15 16. INTERRUPTIONS OR CURTAILMENTS IN DELIVERY:

16 16.1 Transportation of City Water shall be in accordance with City's requests as set forth in Section
17 20 of this Agreement, and shall be subject to:

18 16.1.1 Interruptions and curtailments in the capability of Association to transport City Water
19 due to emergencies, dry up of Association Water Delivery System facility, operational
constraints and necessary maintenance and repairs of the Association Water Delivery
System, all as determined solely by Association.

20 16.1.2 Interruptions, evacuations and curtailments because of excessive storm runoff
21 entering the Association Water Delivery System, as determined solely by Association,
22 or because Association determines that significant degradation of water quality in the
23 Association Water Delivery System likely to result in substantial liability is occurring
or may occur as a result of introduction of City Water, contamination or contaminated
water in the Association Water Delivery System.

24 16.1.3 No obligation on the part of Association to replace any portion of City Water evacuated
from the Association Water Delivery System.

25 16.1.4 Availability of City Water at the Points of Receipt, as determined by Association.

16.2 Transportation service interruptions, curtailments, and evacuations addressed in Section 16.1.1 and 16.1.2 shall be allocated in accordance with Exhibit C.

17. FLOW MEASUREMENT:

17.1 City shall, at its sole expense and with the approval of the Authorized Representatives, construct, install and maintain in accordance with manufacturers' specifications for the specific application, a flow measurement system and communications interface at each Point of Receipt and each Point of Delivery compatible with Association telemetry requirements. The Authorized Representatives may waive or reduce the requirements of this Section 17.1 for any Point of Receipt or Point of Delivery for which they deem the requirements excessive with respect to the quantity of water to be taken at that Point of Receipt or Point of Delivery.

17.2 City shall maintain the accuracy of its flow measurement systems (flow measurement device and detection device) as close to zero error as practical, but in no event shall error exceed plus or minus five percent (5%) of actual flow except when the flow being measured is to a City water treatment plant (WTP) operating at thirty percent (30%) or less of maximum operating capacity. In such circumstances, the accumulated volume delivered to a WTP during the periods of exception in a calendar year shall not exceed six percent (6%) of the total volume delivered to that WTP during that calendar year. City shall prepare and regularly implement testing and recalibration procedures for the flow measurement systems, which procedures must be approved by the Authorized Representatives. At least once every six months, unless otherwise agreed by the Authorized Representatives, City shall recalibrate its flow-measuring system as close to zero error as practical, but in no event shall error exceed plus or minus five percent (5%) of actual flow except as provided above in this Section. City shall notify Association of when such recalibration is planned so that Association may observe the procedure. Association may at reasonable times, at its sole expense and after reasonable notice to City, test or have tested the flow-measuring system to determine its accuracy. Association may discontinue service to City hereunder during any period of noncompliance with this Section unless City agrees to accept Association's billing and water accounting pursuant to Section 17.3.

17.3 In the event that water accounting records or any routine or special test of the flow measurement system discloses an annual volume, or a flow measurement error, that exceeds the limits provided in Section 17.2, all bills and water accounting affected by such limits having been exceeded may be adjusted by Association based on the best available data as determined by Association. However, adjustments arising from other than annual volume limits shall not encompass more than the elapsed time since the last preceding test.

17.4 City bears responsibility and cost for any flow-measurement system and communications interface required for all future Points of Receipt and Points of Delivery.

18. ACCESS TO PREMISES AND FACILITIES:

City grants to Association, its employees and agents the right of access to the premises identified on Exhibits A and B, at reasonable times and after reasonable notice from Association, for such purposes as installing, connecting, reading, testing, repairing, adjusting, disconnecting, removing or inspecting meters, measuring devices, communications equipment, data devices and other apparatus and equipment pertinent to the provision of or accounting for services under this Agreement. Right of access under this Section shall be in a manner approved by the Authorized Representatives.

1 19. FUTURE FACILITIES:

2 Except as otherwise provided herein, City bears responsibility and cost for any facility needed at a
3 future Point of Receipt or Point of Delivery to effect service under this Agreement.

4 20. NOTICE OF WATER DELIVERIES:

5 City shall provide adequate notice to Association of City's water orders and any subsequent order
6 changes, in accordance with operating procedures established by Association. Operating procedures
7 established by Association shall provide that, in the event of a pending Association Water Delivery
8 System curtailment, Association shall give City as much notice as reasonably practicable of the
9 pending curtailment and give City the maximum flexibility reasonably attainable to adjust or change
10 the source, as between water identified in Sections 4.5a and 4.5b, of its pro rata share of the total
11 amount of this water that has been ordered by all cities. Association shall schedule, transport and
12 account for City Water. Transportation of City Water shall be subject to operational and maintenance
13 constraints common to all parties served by the Association Water Delivery System. The amount of
14 City Water requested by City, less Transportation Losses, shall be delivered by Association to the
15 Point of Delivery, subject to the provisions of Section 15.2 and 16. Association shall schedule and
16 monitor the transportation of City Water so as not to in any manner whatsoever interfere with the
17 operation and maintenance of the Association Water Delivery System.

18 21. EFFECTIVE DATE:

19 This Agreement shall be effective as of January 1, 2022 upon execution by both Parties.

20 22. GENERAL LIABILITY:

21 Each Party shall assume liability for its own negligence and shall indemnify the other against any
22 damages the non-negligent Party incurs as a result of the negligent Party's action or inaction.

23 23. AUDIT:

24 23.1 Upon reasonable written notice, either Party at its expense shall have the right, at all
25 reasonable times, to review and audit the books, records and documents of the other Party
directly pertaining to the billings and Water Accounting data required to administer this
Agreement. Any such audit may be conducted by an employee of or independent accountant
designated by the auditing Party. The Party being audited agrees to fully cooperate with any
such audit. This right to audit shall extend for a period of three (3) years following the date of
each payment under this Agreement. The Parties agree to retain all necessary records and
documentation during this audit period. The foregoing shall not be construed to permit either
Party to conduct a general audit of the other Party's records. Information obtained by either
Party's representatives in examining the other Party's applicable records to verify such billings
and Water Accounting data shall not be disclosed to third parties without prior written consent
of the audited Party, or unless in response to compulsory judicial or regulatory process or
state law and after giving the other Party written notice as much in advance as possible.

23.2 The audited Party's Authorized Representative shall be notified in writing of any exception
taken as a result of an audit and shall respond to such notification within thirty (30) days. Upon
resolution of any exception, 1) as to payment of any monies due, the owing Party shall directly
remit the amount of any exception to the other Party within thirty (30) days, with interest
calculated at the rate set forth in Section 8.2. Interest shall be computed from the date of the

original billing to the date of payment by the Party owing as a result of the Audit, 2) as to any water due, the Authorized Representatives shall arrange for the owing Party to return the amount owed as soon as practicable.

24. UNCONTROLLABLE FORCES:

Neither Party shall be considered to be in default in the performance of any of its obligations hereunder (other than obligations of City to make payment for service hereunder) when a failure of performance shall be due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond the control of the Party unable to perform such obligation, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or nonaction by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require either Party to settle any strike or labor dispute in which it is involved.

25. NOTICES:

Any notice, demand or request provided for in this Agreement shall be in writing and delivered in person, or sent by registered or certified mail, postage prepaid, to:

Salt River Valley Water Users' Association
c/o Secretary

P. O. Box 52025

Phoenix, AZ 85072-2025

Reference: Amended and Restated Water Transportation Agreement
(With a copy to Association's Authorized Representative.)

City of Chandler
Attention: City Manager
175 S. Arizona Ave.
Chandler, AZ 85244

Reference: Amended and Restated Water Transportation Agreement
(With a copy to City's Authorized Representative.)

26. WAIVER:

The waiver by either Party of any breach of any term, covenant or condition herein contained shall not be deemed a waiver of any other term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained.

27. HEADINGS:

Title and paragraph headings herein are for reference only and are not part of this Agreement.

28. RECLAMATION REFORM ACT:

In no event shall Association's performance of obligations established herein subject Association or its shareholders to provisions of the Reclamation Reform Act of 1982 (RRA), as amended, and regulations attendant thereto, to which Association would not otherwise have been subjected. Further, in the event a change of legislation, future federal agency determination or other administrative or judicial action subjects or purports to subject Association to the RRA as a result of Association's

performance of obligations established herein, Association shall be relieved of any further obligations hereunder, and this Agreement shall be voidable at Association's discretion.

29. RESOLUTION OF DISPUTES:

29.1 City and Association may submit a dispute under this Agreement to a non-binding arbitrator if both Parties agree to arbitration in writing. Within 30 days of obtaining written consent to arbitrate, both Parties shall name one arbitrator. The two arbitrators selected by the Parties shall select a third arbitrator as soon as practicable. Within 30 days from the selection of the third arbitrator, the arbitrators shall hold a hearing. Within 30 days from the conclusion of the hearing, the arbitrators shall render a decision on the dispute.

29.2 Any Party that is dissatisfied with the results of non-binding arbitration may pursue any other legal or equitable remedy not expressly provided for in this Section 29 and available to resolve the dispute.

30. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Section 29, the Parties shall proceed, to the extent legally permissible, in a manner consistent with this Agreement, and shall make payments required in accordance with the applicable provisions of this Agreement. Amounts paid by a Party pursuant to this Section 30 during the pendency of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due. Upon such final resolution, the owed amounts shall be remitted in accordance with the remittance procedures/arrangements contained in Section 8.

31. CONTRACT REOPENER:

31.1 Either Party may request that this Agreement be modified because of extraordinary circumstances that were not reasonably foreseeable by the Parties, were outside of the control of the Parties and have resulted in a substantial change in the benefits or obligations under the Agreement of the Party requesting modification.

31.2 This Section 31 is intended to apply to events such as changes in legislative authority, enactment of new environmental requirements, destruction of Association Water Delivery System and related facilities, changes in water rights and changes in technology.

31.3 If a Party requests that this Agreement be modified pursuant to this Section 31, the Parties agree to negotiate in good faith to reach a reasonable and equitable modification of this Agreement. If the Parties cannot agree, the Party requesting the modification may submit the matter to arbitration in accordance with Section 29.

31.4 The Party requesting the modification has the burden of showing that the event causing the request for modification meets the requirements of Sections 31.1 and 31.2 and that the modification requested is reasonable and equitable to both Parties.

31.5 This Section 31 does not preclude the Parties from modifying this Agreement by mutual consent for reasons that do not meet the requirements of Sections 31.1 and 31.2.

32. GOVERNING LAW:

This Agreement is made under, and shall be governed by, the laws of the State of Arizona.

1 33. PERMITS:

2 City shall be responsible for obtaining any permits required to discharge City Water into the
3 Association Water Delivery System; except that if any permits are required to discharge City Water
4 from Association-owned or operated facilities into the Association Water Delivery System, Association
and City shall be jointly responsible for obtaining the permits. Denial of any necessary permit shall not
result in liability of either Party to the other.

5 34. NO THIRD PARTY BENEFICIARIES:

6 This Agreement is solely for the benefit of the Parties, and does not create nor shall it be construed to
create rights in any third party. No third party may enforce the terms and conditions of this Agreement.

7 35. ENTIRE AGREEMENT:

8 The terms, covenants and conditions of this Agreement constitute the entire Agreement between the
Parties and no understandings or obligations not herein expressly set forth shall be binding upon them.
9 This Agreement may not be modified or amended in any manner unless in writing and signed by the
Parties.

10 36. TERMINATION OF PRIOR WATER TRANSPORTATION AGREEMENT:

11 The Water Transportation Agreement that was entered into by the Parties as provided in Section 2.9,
and any supplements or amendments thereto, shall terminate on the Effective Date of this Agreement.

12 [Remainder of this page intentionally blank]
13
14
15
16
17
18
19
20
21
22
23
24
25

1 IN WITNESS WHEREOF, this Agreement is executed by the Parties hereto.

3 SALT RIVER VALLEY WATER USERS' ASSOCIATION

4 By: David C. Roberts

5 Title: AGM - WATER RESOURCES

7 Approved as to form and within the power and
8 authority granted under the laws of the Territory of
9 Arizona to the Salt River Valley Water Users'
10 Association.

11 [Signature]

13 Attest:

CITY OF CHANDLER

15 By: _____

16 Title: _____

17 Approved as to form and within the power and
18 authority granted under the laws of the State of
19 Arizona to the City of Chandler.

20 [Signature]
City Attorney

AMENDED AND RESTATED
WATER TRANSPORTATION AGREEMENT
BETWEEN
SALT RIVER VALLEY WATER USERS' ASSOCIATION
AND
CITY OF CHANDLER

EXHIBIT A

POINTS OF DELIVERY FOR CITY OF CHANDLER AND ITS SUBCONTRACTORS

A. *Water Treatment Plants:*

<u>Name</u>	<u>Capacity</u>	<u>Location</u>	<u>SRP Coordinates</u>
Chandler	60 MGD	1475 E. Pecos Road	05.2E-17.0N

B. *Underground Water Storage Facilities:*

<u>Name</u>	<u>Location</u>	<u>SRP Coordinates</u>
Granite Reef Underground Storage Project (GRUSP)	South Canal at the GRUSP turnout	32.4E-07.1N
New River-Agua Fria River Underground Storage Project (NAUSP)	Tail end of the Grand Canal near 107 th Ave & Bethany Home Rd	01.00E-10.0N

C. *Other Points of Delivery:*

<u>Name</u>	<u>Location/Identifier</u>	<u>Lateral(s)-Gate(s)</u>	<u>SRP Account No.</u>
RWCD Pumping Plant ¹	South Canal (32.5E-7.5N)	N/A	N/A

¹ For water accounting purposes, the point of measurement for the Roosevelt Water Conservation District (RWCD) shall be the weir at "RWCD at the Head" located at 32.5E-7.5N. The instrumentation and telemetry devices are owned and operated by SRP. SRP collects and maintains the water flow data at the weir. City shall report to SRP the amount of City Water delivered to the RWCD Pumping Plant.

AMENDED AND RESTATED
WATER TRANSPORTATION AGREEMENT
BETWEEN
SALT RIVER VALLEY WATER USERS' ASSOCIATION
AND
CITY OF CHANDLER

EXHIBIT B

POINTS OF RECEIPT FOR CITY OF CHANDLER AND ITS SUBCONTRACTORS

1. Where the Interconnection Facility discharges City Water into the Association's Arizona Canal or South Canal.
2. Where City Water is diverted from Granite Reef Diversion Dam into Association's Arizona Canal or South Canal.

AMENDED AND RESTATED
WATER TRANSPORTATION AGREEMENT
BETWEEN
SALT RIVER VALLEY WATER USERS' ASSOCIATION
AND
CITY OF CHANDLER

EXHIBIT C

WATER TRANSPORTATION PRIORITY

Priority for transportation of water is:

- First -
- a. Pursuant to rights of Association shareholders from any existing and future sources, including water exchanged for shareholder use and water used to augment or replace shareholder supplies.
 - b. Pursuant to existing Association water delivery contracts and existing decrees. (see Exhibit C-1)
 - c. Pursuant to rights of District to CAP allocation for electric power generation.
 - d. To an Indian tribe as a result of a settlement of the tribe's water rights claims, in the event that Association pledges to deliver such water at this priority.

(The sequence within this "First" category is not intended to imply a priority)

Second - Water set forth in Sections 4.5a and 4.5b of this Agreement. During any Association Water Delivery System capacity curtailment, this water will be delivered pro rata to Cities that have ordered it based on each City's share of the combined amount of this water ordered by all Cities entitled to it. (All water in this second priority is of equal priority).

Third - Water discharged into the Association Water Delivery System from the Interconnection Facility, excluding the water set forth in Section 4.5b of this Agreement. During any Association Water Delivery System capacity curtailment, this water will be delivered pro rata to Cities that have ordered water based on each City's percentage capacity ownership in the Arizona Canal Component or South Canal Component of the Interconnection Facility. (All water within this third priority is of equal priority).

Fourth - Other water. Within this fourth priority, sub-priority for transportation of water shall be determined:

- a. For City Water specified in Section 4.5d, according to the date of the writing signed by the Authorized Representatives agreeing to the transportation of such water.
- b. For water other than City Water, according to the date of the agreement to transport such water.

The earlier the date as determined under either (a) or (b) preceding, the higher the sub-priority.

In the event that water must be evacuated from the Association Water Delivery System, or flows into the Association Water Delivery System must be interrupted or curtailed, lower priority water will be affected first.

AMENDED AND RESTATED
WATER TRANSPORTATION AGREEMENT
BETWEEN
SALT RIVER VALLEY WATER USERS' ASSOCIATION
AND
CITY OF CHANDLER

EXHIBIT C-1

EXISTING ASSOCIATION WATER DELIVERY CONTRACTS AND EXISTING DECREES

The following list of Contracts and Decrees includes major water delivery arrangements but does not necessarily include all existing contractual and decreed deliveries. The documents listed include (1) the original contract or decree and any renewals or extensions thereof on the same terms and conditions whether precedent or subsequent to this Agreement (2) modifications of the original contract or decree made prior to the effective date of this Agreement, and (3) modifications of the original contract or decree made after the effective date of this Agreement that either result from a right or obligation contained in (1) or (2) preceding, or do not impair the transportation of City Water under this Agreement, unless the Authorized Representatives agree otherwise.

BUCKEYE IRRIGATION DISTRICT:	Basis of Settlement of Litigation Between Buckeye Irrigation District and SRVWUA (1943).
---------------------------------	---

CLASS A NON-MEMBER LAND:	Pursuant to Kent Decree (1910), entitlement to normal flow.
--------------------------	---

FORT MCDOWELL INDIANS:	Pursuant to Kent Decree (1910), entitlement to normal flow.
------------------------	---

LAKIN-LENNOX:	Agreement Between Loring C. Lennox and SRVWUA (1921).
---------------	---

MARICOPA GARDEN FARMS:	Agreement Between Fidelity Savings and Loan Association and SRVWUA (1924).
------------------------	---

MARICOPA INDIANS:	Agreement Between United States and SRVWUA (1936).
-------------------	--

NEW STATE IRRIGATION AND DRAINAGE DISTRICT:	Agreement for Installation of Pumping Plant Between SRVWUA, New State Irrigation Drainage District and St. John's Irrigation District (1929).
--	---

PENINSULA-HOROWITZ AND CHAMPION:	Agreement Between SRVWUA, Roosevelt Irrigation District and Owners of Lands Under Peninsula, Horowitz and Champion Ditches (1930).
-------------------------------------	--

PHOENIX:	Contract Between United States, City of Phoenix and SRVWUA Providing for the Installation of Spillway Gates at Horseshoe Dam (1948).
----------	--

ROOSEVELT IRRIGATION DISTRICT:	Contract Between Carrick and Mangham Agua Fria Lands and Irrigation Company and SRVWUA (1921).
-----------------------------------	---

ROOSEVELT WATER CONSERVATION DISTRICT:	Agreement Between Roosevelt Water Conservation District and SRVWUA (1924).
---	---

1	SALT RIVER INDIANS:	Contract Between United States and SRVWUA Supplementary to
2		Certain Contracts dated 6/25/04 and 9/6/17 (1922); Agreement
3		Between United States and SRVWUA Verde River Storage Works
4		(1935).
5	SALT RIVER INDIANS	Agreement Between United States and SRVWUA for Carriage of
6	(SOUTHSIDE):	Water for Irrigation of Lands of the Indians of the Salt River Indian
7		Reservation Under the Utah Canal (1927).
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		