

AGREEMENT

Between Salt River Project and City of Chandler Landscape Water Efficiency Assessment Program

This AGREEMENT (“Agreement”) is made and entered into as of the _____ day of _____, 2025, by and among Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of Arizona (“SRP”), and City of Chandler (“Entity”; collectively the “Parties”).

RECITALS:

1. SRP desires to coordinate with the Entity on a commercial, institutional, municipal parks and HOA landscape water efficiency assessment program (“Program”). The Program will utilize qualified contractor(s) agreed upon by the Parties to evaluate irrigation systems identified and agreed upon by the Parties, identify and list repair items and issues with such systems, and, if necessary, develop recommendations for capital improvement projects. The Program is expected to complete up to 75 assessments by SRP fiscal year 2030.
2. The Program supports Entity water conservation goals and will help enhance Entity’s water shortage/drought management plan, as well as supporting the SRP 2035 sustainability goal for water conservation and conservation plan by identifying and supporting five billion gallons of potential water conservation through partnership by 2035.
3. To support the Program, SRP will provide funding for the Contractor at an hourly rate of \$125 for an amount not to exceed \$65,625 per SRP fiscal year (May 1 – April 30) total for all assessments (\$125/hour x 35 hours/assessment x 15 assessments/SRP fiscal year) for the term of the Agreement. Hours are expected to vary depending on various factors, including system complexity, but are not expected to exceed 35 hours per system (unless otherwise agreed to by the Parties, with a maximum cap of 60 hours per assessment). SRP will separately provide matching funding up to \$10,000 per agreed upon improvement project, in accordance with the terms and conditions set out below, up to a maximum of \$150,000 per SRP fiscal year to implement Approved Customer Projects, as defined below, for the term of the Agreement.
4. The Parties believe this Agreement will benefit Entity by allowing it to provide an assessment to municipal departments and water customers seeking to implement water reduction strategies to increase water efficiency and assist the Parties in maintaining compliance with the Arizona Department of Water Resources’ regulatory conservation programs.
5. All Parties understand that there are no guaranteed water conservation savings from the Program, but anticipate that the Program will, in the aggregate, result in non-negligible water savings.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the sufficiency and adequacy of which the Parties acknowledge, SRP and Entity agree as follows:

1. GENERAL PROVISIONS

1.1 The foregoing recitals are incorporated into this Agreement.

1.2 Definitions. In addition to the defined and capitalized terms in this Agreement, the following terms shall have the following meanings:

- (a) “Program” refers to SRP’s commercial, municipal, and HOA landscape water efficiency assessment program.
- (b) “Entity” means the municipality or water organization/provider listed in the introductory paragraph above.
- (c) “Contractor” means the professional selected to perform the irrigation system assessment checklist (contained in Exhibit A) that has been mutually agreed upon by the Parties to perform assessments under the Program.
- (d) “Customer” refers to a commercial or institutional entity, HOA, or municipal park or department that (i) receives water service from Entity, and (ii) has applied to participate in the Program and (iii) been mutually agreed upon by the Parties for inclusion in the Program.
- (e) “Approved Customer Project” means a landscape efficiency project identified in a Customer assessment performed by Contractor that has been mutually approved by SRP and Entity in accordance with Section 3.1 for partial reimbursement after final completion and inspection of the project.

1.3 Effective Date. The Agreement shall be effective on the date the Agreement is fully executed (“Effective Date”). The term of the Agreement will expire on April 30, 2030, unless terminated earlier as provided herein. If Program funding is not depleted, the Agreement can be extended on an annual basis by mutual written agreement of the Parties.

1.4 SRP Responsibilities. SRP agrees to do the following in connection with the Program:

1.4.1 SRP will provide up to \$ 215,625.00 in funding to support the Program for each SRP fiscal year during the term of this Agreement in accordance with Subparagraph 2.1;

1.4.2 SRP will retain Contractor to provide assessments under the Program;

1.4.3 SRP will organize meetings, provide notes and facilitate (as necessary) with respect to each assessment;

1.4.4 SRP will coordinate and act as a liaison between the Entity and Contractor, including providing Customer information provided by Entity to Contractor to allow Contractor to schedule and complete assessments for Customers that are selected to

participate in the Program, follow up with Contractor on assessment scheduling and completion, and relay assessment reports prepared by Contractor to Entity;

1.4.5 SRP will pay the Contractor(s)' invoices in accordance with section 2.1 of this Agreement.

1.5 Entity Responsibilities. Entity agrees to do the following in connection with the Program:

1.5.1 Entity will consult with SRP to determine which Customers should be selected for participation in the Program;

1.5.2 Entity will obtain written authorization from each Customer selected to participate in the Program, via appropriate agreement, to (i) share Customer water data with Contractor and SRP, and (ii) provide access to Customer's property for purposes of the assessment. No Customer may participate in the Program without first authorizing the sharing of its water data and contact information with Contractor and SRP and authorizing Contractor to access its property. Entity will not share any confidential or non-authorized Customer data with SRP;

1.5.3 Entity will provide Customer contact information to SRP for coordination with the Contractor to coordinate the assessment and any necessary follow up;

1.5.4 Entity will maintain contact with the Customer throughout the assessment and reporting process;

1.5.5 Entity will share aggregated data with SRP on water savings and findings for all Customers participating in the Program. Such aggregated data will be based on 12-month pre- & 12-month post-assessment consumption;

1.5.6 Entity will provide an additional five (5) years of water data, if available, following the initial year of completion of the Program assessment to verify maintenance of the irrigation system that was assessed as part of the Program, such data shall be provided by March 1 for the previous calendar year; if available; and

1.5.7 The Entity and SRP will coordinate to create and approve a joint media release concerning the Program, including estimated water savings and landscape improvements. Entity shall provide SRP with an opportunity to review and approve all press releases, outreach or other promotional material developed by Entity related to the Program that includes a reference to SRP or the SRP logo.

2. FUNDING

2.1. SRP shall contribute up to \$ 215,625.00 to fund the Program during each SRP fiscal year this Agreement is in effect. SRP's contributions shall consist of: (i) payments to Contractor for work done pursuant to the Program in an amount not to exceed \$65,625.00 total for all Customer assessments and reports completed within the Entity's service area

in a SRP fiscal year; plus (ii) up to \$150,000.00 reimbursement to the Entity pursuant to Section 2.2 below.

- 2.2 Manner of financing Approved Customer Projects (approved per Section 3 below). Entity will fund Approved Customer Projects at Entity-owned or managed locations or reimburse qualifying Customers for the costs of Approved Customer Projects that are completed, up to a maximum of \$20,000.00 per project. Entity will invoice SRP for fifty percent (50%) of the amount actually reimbursed to qualifying Customers or paid by Entity for Entity's own Approved Customer Projects, up to a maximum of \$10,000.00 per Approved Customer Project, on a quarterly basis. Entity will provide (i) proof of completion of each invoiced project, (ii) information on technology implementation list associated with each invoiced project, and (iii) an estimate of potential water savings associated with each Approved Customer Project as backup for the invoice. SRP shall pay each invoice within sixty (60) days following the date of such invoice, or if such day is not a business day, on the next succeeding business day.

3. Approved Customer Projects

- 3.1 Following receipt of the Customer assessment reports contemplated under this Agreement, SRP and Entity shall mutually determine whether completion of any of the landscape efficiency improvements recommended by a Contractor to a Customer will result in substantial water savings.
- 3.2 In the event the Parties determine completion of any landscape efficiency improvements recommended by a Contractor will result in substantial water savings, Entity and SRP will determine whether to reimburse a Customer for the mutually approved costs associated with completion of mutually agreeable landscape efficiency improvements that will result in substantial water savings.
- 3.3 Entity will inform selected Customers of the Parties' selection of any Approved Customer Project associated with such Customer's assessment and enter into an agreement (form to be mutually agreed upon by the Parties) that sets forth the conditions and requirements for reimbursement by Entity. At a minimum, such agreement shall require the Customer to agree to share water usage data with Entity and SRP for a period of five years following completion of the Approved Customer Project.
- 3.4 Entity will share aggregated data annually with SRP on water savings and other significant findings related to each Approved Customer Project.
- 3.5 Entity will ensure any reimbursements for Approved Customer Projects are paid to the account holder of an active Entity water meter that serves the parcel on which the Approved Customer Project was completed.
- 3.6 SRP will contribute up to \$150,000.00 in funding each SRP fiscal year during the term of this Agreement, in the form of a fifty percent (50%) project cost match for

Approved Customer Projects, subject to the maximum reimbursement of \$10,000 per Approved Customer Project in accordance with section 2.2 above.

- 3.7 Entity acknowledges that SRP may claim to have funded the water savings, if any, resulting from a specific Approved Customer Project and may make certain environmental, water savings, or sustainability claims as a result of funding a specific Approved Customer Project in proportion to the amount of funding provided.

4. MISCELLANEOUS PROVISIONS

- 4.1 This Agreement may not be changed, modified or rescinded, except as provided herein and in writing and signed by the Parties hereto, and any attempt at oral modification shall be void.
- 4.2 All notices required pursuant to this Agreement shall be delivered or sent via certified mail, return receipt requested, to

SRP:

Salt River Project
Attn: Elvy Barton, Senior Manager of Water and Forest Sustainability
P.O. Box 52025
Phoenix, AZ 85072-2025

CHANDLER:

City of Chandler
Attn: Simone Kjolsrud
Address: P.O. Box 4008 MS 905
Chandler, AZ 85244

- 4.3 All notices are effective when delivered or on the date that certified mail return receipt is signed.
- 4.4 SRP shall have the right to designate its own employee representative(s) or its contracted representative(s) to audit and to examine, at its own expense, any cost, payment, aggregated water usage data, or supporting documentation resulting from any items set forth in this Agreement. SRP or its representative(s) shall undertake any such audit(s) at reasonable times and appropriate locations and in conformance with generally accepted auditing standards. Entity shall fully cooperate with any such audit(s). This right to audit shall extend for a period of three (3) years following the date of each payment under this Agreement. Entity shall retain all necessary records/documentation during this audit period or until any dispute in connection with an audit is resolved, whichever is longer. SRP shall notify Entity in writing of any exception taken as a result of an audit and

Entity shall respond in writing to such notification within thirty (30) days. Upon resolution of any exception, the owing Party shall directly refund the amount of any exception to the other Party within thirty (30) days.

- 4.5 Pursuant to A.R.S. § 38-511, this Agreement may be cancelled without penalty or further obligation within three years after execution of the Agreement if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of either Party is at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of the other Party to the contract in any capacity or is a consultant to any other party of the contract with respect to the subject matter of the Agreement. Additionally, pursuant to A.R.S. § 38-511(E) the aggrieved party may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the aggrieved party, from the other party arising as the result of the Agreement.
- 4.6 SRP may terminate this Agreement by giving thirty (30) days' written notice if SRP's annual review of water savings and expenditures demonstrates that the Program is not, in SRP's reasonable discretion, resulting in anticipated water savings commensurate with expenditures.
- 4.7 Either Party may terminate this Agreement by giving written notice to the other Party at least sixty (60) days prior to the desired termination date.
- 4.8 Upon termination, all of the Parties' obligations under this Agreement shall cease, unless such obligations expressly survive termination pursuant to the terms of this Agreement.
- 4.9 This Agreement shall be governed by the laws of the State of Arizona without regard to Arizona's conflict of laws provision.
- 4.10 Any action or suit commenced in connection with this contract shall be in the Superior Court of Arizona in and for the County of Maricopa.
- 4.11 The rights and remedies of the Parties provided in this Agreement are not exclusive and are in addition to any other rights and remedies available to the Parties in law or equity.
- 4.12 Neither Party shall assume liability for claims, loss or liability arising out of or resulting from the Program other than for its own negligence and the Parties hereby release each other from any such claims, loss or liability. The Parties do not intend for anything in this Agreement or in its performance to create an employer-employee relationship, partnership, agency, joint venture, joint employer or franchise relationship between the Parties. Under no circumstances will any employee of either Party be deemed to be an employee or agent of the other Party.

- 4.13 Assignment. Neither Party shall assign this Agreement without the written consent of the other Party, which consent shall not be unreasonably withheld.
- 4.14 Entire Agreement. This Agreement, together with any supplemental provisions attached hereto, constitutes the entire Agreement between the parties. Waiver or any breach of any term, condition or covenant herein contained shall not be deemed to be a waiver or any subsequent breach of any term, covenant or condition herein. This Agreement shall be binding upon the parties hereto and their respective heirs, successors and assignees.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the ____ day of _____, 2025.

CITY OF CHANDLER

Simone Kjolsrud, Water Resources Manager

Date

APPROVED AS TO FORM:

City Attorney

DMG

Date

SRP

Elvy Barton

Elvy Barton, Senior Manager of Water &
Forest Sustainability

08/07/2025

Date

Exhibit A:

OUTDOOR EFFICIENCY CHECKLIST	
Irrigation System Action Items	Location(s)
☐ Water in or around valve box	
☐ Supply pipe/lateral line leak	
Sprinkler System Action Items	
☐ High or low pressure	
☐ Damaged sprinkler/nozzle/riser	
☐ Mismatched sprinkler heads (change to one manufacturer, same type, proper radius)	
☐ Head missing, damaged or clogged	
☐ Leaky seal or fitting	
☐ Head obstructed or arc misaligned	
☐ Head tilted, sunken (too low) or too high	
☐ Other:	
Drip System Action Items	
☐ System high pressure	
☐ System low pressure	
☐ System tubing damage	
☐ Emitter mismatched	
☐ Emitter missing, damage or clogged	
☐ Emitter placement (move uphill, move away from plant base, install goof plug or plant).	
☐ Other	
Bubbler Action Items	
☐ System high or low pressure	
☐ Berm and basins not containing water	
☐ Head mismatched	
☐ Head missing, damaged or clogged	
Other Notes & Findings:	