

WHEN RECORDED, RETURN TO:

City of Goodyear, Arizona
Office of the City Clerk
190 North Litchfield Rd.
Goodyear, Arizona 85338

**SECOND AMENDMENT TO
INFRASTRUCTURE DEVELOPMENT AGREEMENT
FOR PROJECT 10-11**

This Second Amendment to Infrastructure Development Agreement for PHX 10-11 (the “Second Amendment”) is entered into by and between Microsoft Corporation, a Washington corporation (“Owner”) and the City of Goodyear, an Arizona municipal corporation (the “City”).

RECITALS

A. WHEREAS Owner owns approximately 279 acres of real property within the City of Goodyear generally located between the north side of Broadway Road and the south side of MC-85 and extending from east of Bullard Avenue to west of Litchfield Road, as legally described in Exhibit 1 to the First Amendment to the Infrastructure Development Agreement for Project 10-11 and incorporated herein by this reference.

B. WHEREAS, Owner is developing the Property under the name PHX 10-11.

C. WHEREAS, Owner is responsible for the design and construction of all public infrastructure, within the boundaries of the Property and outside the boundaries of the Property as reasonably determined by the City to be both in accordance with the duly-adopted Development Regulations and needed to support the development of the Property and to allow the City to provide City services to the Property.

D. WHEREAS, Owner intends to develop the Property in phases, and anticipates that when fully developed the Property could consist of five (5) buildings.

E. WHEREAS, the first phase of the development of the Property consisted of the construction of one building that is approximately 290,000 square feet; and the second phase of the development of the Property will consist of the construction of a second building that is approximately 250,000 square feet.

F. WHEREAS, Owner and the City entered into that certain Infrastructure Development Agreement for Project 10-11 recorded on June 27, 2019 in the official records of Maricopa County, Arizona at recording number 2019 0486224 (hereinafter referred to as the “PHX 10-11 IDA”), which addressed certain requirements regarding the development of the Property, including requirements for infrastructure that was to be completed before any certificate of completion and/or certificate of occupancy would be issued for the first building being constructed on the Property, and that certain First Amendment to Infrastructure Development Agreement for

Project 10-11 recorded on July 14, 2020, in the official records of Maricopa County, Arizona at recording number 20200625939 (hereinafter referred to as the “First Amendment”), which addressed the timing of certain portions of the Phase One Improvements by Owner and the completion of the Raw Water Line by the City. Together, the PHX 10-11 IDA and the First Amendment are referred to herein as the “Agreement.”

G. WHEREAS, under the terms of the Agreement, City must expressly approve of any building permits to be issued on the Property other than the building permits for the Phase One Development.

H. WHEREAS, the Owner’s Site Plan that contemplates the development of the Phase Two Development (as defined herein), and Owner desires to obtain building permits for the same.

I. WHEREAS, the Owner will agree to limit the industrial discharge from the Phase One Development and the Phase Two Development to 500,000 gallons per day and to install the Discharge Control System (as defined herein) to ensure that such limit is not exceeded.

J. WHEREAS, the City will agree to obtain the Additional Carollo Study (as defined herein), at Owner’s sole cost and expense, to address the water supply and Additional Necessary Utility Infrastructure Improvements required for future buildings on the Property.

K. WHEREAS, the City desires to amend the Agreement, to issue building permits for the Phase Two Development, and to allow Owner to begin construction of the same while the City and Owner work together to approve the Discharge Control System (as defined herein) and the Additional Carollo Study and identify the Additional Necessary Utility Infrastructure Improvements for other future buildings on the Property.

L. WHEREAS, the City acknowledges the development of the Property is consistent with the City’s general plan.

M. WHEREAS, Owner and the City intend this Second Amendment to be a Development Agreement within the meaning of A.R.S. § 9-500.05 that binds Owner and all future owners of all or any portion of the Property.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **INCORPORATION OF RECITALS.** The Parties hereby adopt and incorporate, as if fully set forth herein, the Recitals stated above.

2. **DEFINED TERMS.** All capitalized terms used but not defined in this Second Amendment shall have the meanings ascribed to such terms in the Agreement.

3. DEFINITIONS: Capitalized terms not defined in the foregoing Recitals are defined as follows:

3.1. “Additional Carollo Study” means the work to be prepared pursuant to a contract between the City of Goodyear and Carollo Engineers, Inc. and paid for by Owner that will be used to assist in the determination of the Additional Necessary Utility Infrastructure Improvements as it may be amended from time to time.

3.2. “Additional Necessary Utility Infrastructure Improvements” means the On-Site and Off-Site water, wastewater, and industrial discharge public infrastructure improvements as reasonably determined by the City based on the Development Regulations and the results of the Additional Carollo Study as being needed to support the development of the Property and to allow the City to provide City water and wastewater services to the Property at various phases of build-out and at Full Build-Out.

3.3. “Phase Two Development” means the construction of one building that is approximately 250,000 square feet within the Property.

4. EFFECTIVE DATE. The execution of this Second Amendment by the Parties and approval of this Second Amendment by Resolution of the Goodyear City Council are conditions precedent to this Second Amendment becoming effective. This Second Amendment shall take effect upon the later of dates each of the following conditions precedent have occurred: (i) the full execution of this Second Amendment by the Parties and (ii) the date the Resolution approving this Second Amendment becomes effective, such later date hereafter defined as the “Second Amendment Effective Date”.

5. AMENDMENT TO SECTION 5. The following shall be inserted into the Agreement as Sections 5.9 and 5.10:

“**5.9.** Notwithstanding any other provision in the Agreement, except as otherwise expressly agreed to in writing by the City, Owner will not discharge into the City’s wastewater treatment plant more than 500,000 gallons per day from the Phase One Development and the Phase Two Development. Owner will install one or more flow meters on the Property, monitor instantaneous and aggregate daily flows of discharge from the Phase One Development and the Phase Two Development. The City will install its own flow meter at a location outside of Microsoft’s improvements in order to provide the City real-time electronic access to the instantaneous and aggregate daily flows of discharge from the Phase One Development and Phase Two Development. Microsoft agrees to reimburse the City for the reasonable costs and expenses actually incurred to install the City’s flow meter. Prior to obtaining any Temporary or Final Certificate of Occupancy for the Phase Two Development, Microsoft will submit for the City’s review and approval, which shall not be unreasonably conditioned, delayed or denied, engineered plans showing the improvements to be constructed by Owner as part of the Phase Two Development to ensure that Owner cannot discharge more than 500,000 gallons per day from the Phase One Development and the Phase Two Development (the “Discharge Control System”). The Discharge Control System is expected to consist of two control valves (one valve in the pipeline that discharges to the City’s wastewater system, and a second valve in the pipeline that diverts water into a

secondary discharge location on the Owner's property), and to be operated such that once the total discharge from the Phase One Development and Phase Two Development reaches 500,000 gallons per day, the control valves will be used by Owner to divert the industrial discharge water to an onsite evaporation pond or other onsite storage solution that is compatible with and approved by the Phoenix/Goodyear Airport (the "Storage Improvements"). The design and operation of the Discharge Control System and Storage Improvements may be modified by Owner so long as the final designed for the same are approved by the City Engineer and are otherwise in compliance with the requirements of the Agreement. The Discharge Control System and onsite storage facility shall be fully constructed and operational prior to the issuance of any Temporary or Final Certificate of Occupancy being issued for the Phase Two Development.

5.10. In the event that Owner's industrial discharge from the Phase One Development and the Phase Two Development, in aggregate, exceeds 500,000 gallons per day (a "Discharge Overflow Event"), the following will apply: (a) Owner will pay the City the sum of \$5,000 per day on which any Discharge Overflow Event occurs; (b) Owner will reimburse the City for the actual costs incurred to remediate each Discharge Overflow Event; (c) Owner will protect, defend, indemnify and hold harmless the City, its elected officials, directors, managers, employees, representatives, and agents against any and all third party claims that may be asserted against the City directly caused by the occurrence of a Discharge Overflow Event; and (d) Owner will reimburse the City for any regulatory fines paid by the City for each Discharge Overflow Event."

6. AMENDMENT TO SECTION 14. Section 14 of the Agreement is hereby deleted in its entirety and replaced with the following:

"14. CERTIFICATES OF OCCUPANCY REQUIREMENTS FOR PHASE ONE AND PHASE TWO. Except as provided below, no certificates of completion and/or certificates of occupancy shall be issued for the building being constructed in the Phase One Development and Phase Two Development until the Owner's Phase One Improvements described in Sections 6 through 11 above and all subsections therein have been completed. Upon the City Engineer's affirmative determination of the foregoing and upon satisfaction of all other requirements necessary for the issuance of a certificate of completion and/or certificate of occupancy in accordance with applicable Development Regulations, the City shall promptly issue to Owner the applicable certificate of completion and/or certificate of occupancy. The Phase One Improvements will be dedicated to the City and accepted by the City upon completion, and shall be considered complete when the City Engineer has accepted the Phase One Improvements. Owner shall warrant the Phase One Improvements for two (2) years following the City's acceptance, as set forth in the City's Engineering Design Standards and Policies Manual.

14.1. Notwithstanding the foregoing, Owner shall delay the construction of the Broadway Road Improvements until the City has completed the construction of the Raw Water Line. Owner shall commence construction of the Broadway Road Improvements as soon as practicable after being notified, in writing, by the City Engineer that the Raw Water Line has been completed (the "City Completion Notice"), but in no event later than 90 days from the later of the following dates: (a) the date of the City Completion Notice, or (b) the

Second Amendment Effective Date. For purposes of this Second Amendment, the Raw Water Line will be considered completed when it has been installed and successfully pressure tested.

14.2. If the Broadway Road Improvements have not been completed before the buildings being constructed in the Phase One Development and the Phase Two Development are completed because of such delay, the City shall nonetheless issue a certificate of completion and/or certificates of occupancy provided all other requirements set forth in the PHX 10-11 IDA and the First Amendment and Second Amendment have been satisfied.

14.3. The Broadway Road Improvements shall be completed as soon as practicable after construction of such improvements has commenced. Following the completion of the Raw Water Line, no certificates of completion and/or occupancy shall be issued for any building other (a) than the first building being constructed in the Phase One Development and (b) the improvements within the Phase Two Development until the Broadway Road Improvements are completed.”

7. AMENDMENT TO SECTION 15. Section 15 of the Agreement is hereby deleted in its entirety and replaced with the following:

“15. PHASE TWO DEVELOPMENT BUILDING PERMITS. Notwithstanding any other term, condition, requirement, or prohibition contained in the Agreement, including but not limited to Sections 19 and 20, or any restriction contained in the Development Regulations, City hereby agrees to issue all appropriate building permits for the Phase Two Development upon approval of the Development Application for the same, except that any requirement or condition relating to water supplies or water and sewer infrastructure that would otherwise constitute Necessary Utility Infrastructure Improvements shall be as set forth in the Agreement. Notwithstanding the issuance of building permits for the Phase Two Development, Owner shall not request or utilize any more water than the 1 MGD of water supplied by the City for the Phase One Development and Phase Two Development until the requirements in Section 19 of the Agreement are satisfied. Further, except as set forth in Section 5.9 and 5.10 of the Agreement, nothing in this Second Amendment shall modify Owner’s obligations with respect to industrial discharge from the Property.”

8. AMENDMENT TO SECTION 16. Section 16 of the Agreement is hereby deleted in its entirety and replaced with the following:

“16. FUTURE BUILDING PERMITS AND CERTIFICATES OF COMPLETION.

16.1. Additional Carollo Study.

16.1.1. The City has entered into a contract with Carollo to perform the Additional Carollo Study based on the scope of work as set forth in Schedule 16.1.a and the Fee Estimate as set for the in Schedule 16.1.b, both attached hereto and incorporated

herein by this reference (the “Work”), and agrees not to terminate such contract in the absence of a breach of this Agreement. The contract between the City and Carollo names Microsoft as an intended third-party beneficiary. The Parties may expand the scope of the Work as they may agree upon by amending this Agreement as provided in this Second Amendment, which amendment shall include Microsoft’s agreement to deposit with the City the estimated costs for expanded scope of Work.

16.1.2. Reimbursements. Microsoft agrees to reimburse the City as follows: Microsoft shall deposit with the City \$ 50,000 within thirty (30) days of the Effective Date of this Second Amendment. The City shall be entitled to transfer from the deposit the amount invoiced by Carollo for the Work as Carollo’s invoices are received. If the deposit is not sufficient to cover the costs of the Work as invoiced by Carollo, Microsoft shall reimburse the City upon the completion of the Work within thirty (30) days of the date of an invoice from the City to Microsoft for the balance owing for the Work completed as part of the Additional Carollo Study.

16.2. Except for the Phase One Development, the Phase Two Development, and as otherwise expressly agreed to in writing by the City, no building permits shall be issued for the construction of any additional structures on the Property until all of the following have occurred: (i) the City has identified the Additional Necessary Utility Infrastructure Improvements required for the City to provide water service and wastewater service, including the disposal of industrial discharge to the structures for which the building permits are being sought and (ii) the City and Owner have entered into an amendment of this Agreement or a new agreement that, at a minimum, includes: the terms identified in Section 19 of this Agreement; identifies the Additional Necessary Utility Infrastructure Improvements Owner is required to purchase, design construct and install or cause to be purchased, designed, constructed and installed for the City to provide water service and wastewater, including the disposal of industrial discharge to the structure(s) for which the building permit(s) are being sought, that addresses the timing for the completion of such infrastructure.

16.3. No certificates of completion and/or certificates of occupancy shall be issued for any other structure (other than the Phase One Development and Phase Two Development) on the Property unless the City Engineer has determined that all of the On-Site and Off-Site infrastructure needed for the City to provide water service, and wastewater service to the structures for which the certificate of completion and/or certificate of occupancy is being sought has been completed. All Off-site infrastructure improvements shall be dedicated to the City and accepted by the City upon completion, and shall be considered complete when the City Engineer has accepted the improvements. Owner shall warrant the infrastructure improvements for two (2) years following the City’s acceptance as set forth in the City’s Engineering Design Standards and Policies Manual.”

16.4. Waiver of Claims. MICROSOFT SHALL HOLD HARMLESS AND WAIVE ALL CLAIMS, IT MAY HAVE AGAINST THE CITY AND ITS ELECTED OFFICIALS, OFFICERS AND EMPLOYEES FOR DAMAGES, LOSSES, AND EXPENSES , INCLUDING ATTORNEYS’ FEES (“CLAIMS”) ARISING FROM, RELATED TO, AND/OR RESULTING FROM THE CITY’S EFFORTS ON BEHALF OF

MICROSOFT UNDER THIS AGREEMENT INCLUDING: THE AGREEMENT THE CITY ENTERS WITH CAROLLO FOR THE ADDITIONAL CAROLLO STUDY; DELAYS IN THE PERFORMANCE BY CAROLLO; ANY NEGLIGENCE OR MISCONDUCT OF CAROLLO IN CONNECTION WITH THE PERFORMANCE OF THE WORK (FOR AVOIDANCE OF DOUBT, SUCH WAIVER SHALL NOT AFFECT ANY CLAIMS MICROSOFT MAY HAVE AGAINST CAROLLO). THE WAIVER PROVISION PROVIDED HEREIN DOES NOT EXTEND TO: (I) CLAIMS ARISING FROM THE INTENTIONAL WRONGDOING OF THE CITY AND ITS ELECTED OFFICIALS, OFFICERS AND EMPLOYEES; OR (II) TO CLAIMS FOR BODILY INJURY OR PROPERTY DAMAGE CAUSED BY THE NEGLIGENCE OF THE CITY AND ITS ELECTED OFFICIALS, OFFICERS AND EMPLOYEES TO PERSONS OR PROPERTY ON THE PROPERTY WHILE SUCH CITY EMPLOYEE IS ON THE PROPERTY; OR (III) THE CITY'S NEGLIGENT BREACH OR FAILURE TO PERFORM THE OBLIGATIONS EXPRESSLY SET FORTH IN THIS AGREEMENT, INCLUDING THE CITY'S FAILURE TO ISSUE PERMITS AND CERTIFICATES OF OCCUPANCY AS REQUIRED UNDER THIS AGREEMENT. NOTHING IN THIS SECTION 16.4 MODIFIES SECTION 35 OF THE AGREEMENT AND SECTION 35 SHALL APPLY TO THE REMEDIES AVAILABLE TO MICROSOFT PURSUANT TO THIS SECTION 16.4. THE TERMS OF THIS PARAGRAPH 16.4 SHALL SURVIVE THE EXPIRATION AND/OR TERMINATION OF THIS AGREEMENT."

GENERAL TERMS

9. **ENTIRE AGREEMENT.** This Second Amendment and the exhibit(s) referred to herein and attached hereto, along with the unchanged provisions in the Agreement constitute the sole and entire agreement between the Parties with respect to the matters covered herein and supersede any prior or contemporaneous agreements, understandings or undertakings, written or oral, by or between the Parties, and/or by or between any of the Parties and any third parties. This Second Amendment shall be deemed to amend and supersede the Agreement with respect to all terms, provisions and changes set forth in this Second Amendment. To the extent of any conflict between this Second Amendment and the Agreement, this Second Amendment shall control. Except as amended by this Second Amendment, all terms, provisions and conditions of the Agreement shall remain in full force and effect.

10. **AMENDMENTS.** The Agreement and this Second Amendment thereto, may not be changed modified or rescinded except in writing as agreed to and signed by the Parties hereto and approved by a Resolution of the Mayor and Council of the City of Goodyear.

11. **SECTION HEADINGS.** The section headings contained in this Second Amendment are for convenience in reference only and are not intended to define or limit the scope of any provision of this Second Amendment.

12. **FAIR INTERPRETATION.** The terms and provisions of this Second Amendment represent the result of negotiations between the Parties, each of which has had the opportunity to consult with counsel of their own choosing and/or has been represented by counsel of their own choosing, and none of whom has acted under any duress or compulsion, whether economic or otherwise. Consequently, the Parties agree the terms and provisions of this Second

Amendment shall be construed according to their usual and customary meanings, and the Parties each hereby waive the application of any rule of law (common law or otherwise) that ambiguous or conflicting terms be resolved against the Party who prepared, or whose attorney prepared, the executed Agreement or any earlier draft of same. The terms of this Section 11 shall survive the expiration or earlier termination of the Agreement.

13. REPRESENTATIONS AND WARRANTIES OF OWNER. As of the date of the execution of this Second Amendment, Owner represents and warrants the following:

13.1. OWNERSHIP. Owner is the owner of the Property and has the full right and authority to submit its interest in the Property to the obligations hereunder. Owner holds title free and clear of all monetary liens other than liens for taxes not yet due and payable.

13.2. AUTHORIZATION. Owner is qualified to do business in Arizona and in good standing; Owner (including the person signing for Owner) has the authority and the right to enter into this Second Amendment as authorized by Owner, and Owner is not prohibited from executing this Second Amendment by any law, rule, regulation, instrument, agreement, order or judgment.

13.3. DUE DILIGENCE. Owner reviewed this Second Amendment and reached its own conclusions as to the binding and enforceable nature thereof and all of the provisions contained therein, and has not relied on any representations or warranties of City other than those expressly provided in this Second Amendment.

14. REPRESENTATIONS AND WARRANTIES OF CITY. As of the Second Amendment Effective Date of this Agreement, the City represents and warrants the following:

14.1. APPROVAL. City has approved this Second Amendment at a duly held and noticed public meeting by its Mayor and City Council, at which a quorum was duly present, and has authorized the execution hereof.

14.2. AUTHORIZATION. City agrees that the persons executing this Second Amendment on behalf of City have been duly authorized to do so, and City is not prohibited from executing this Second Amendment by any law, rule, regulation, instrument, agreement, order or judgment.

15. COUNTERPARTS. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one agreement, binding on the Parties. Further this Second Amendment may be executed and delivered by electronic transmission. A manually signed copy of this Second Amendment delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Second Amendment provided however, Owner shall deliver an original to the City for recordation by the City in the Official Records of Maricopa County.

IN WITNESS WHEREOF, and agreeing to be bound by the terms of this Second Amendment to Infrastructure Development Agreement for PHX 10-11 the City and Owner have caused this Second Amendment to Infrastructure Development Agreement for PHX 10-11 to be executed by their duly appointed representatives.

OWNER:

Microsoft Corporation,
a Washington corporation

By: _____

Name: _____

Its: _____

State of _____)
County of _____)ss

The Second Amendment to Infrastructure Development Agreement for PHX 10-11 by and between Microsoft Corporation, a Washington corporation and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2021, by _____, the _____ of Microsoft Corporation, a Washington corporation, and who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the and acknowledged to me that he being authorized to do so, executed the foregoing instrument for the purposes therein contained on behalf of Microsoft Corporation, a Washington corporation.

Notary Public

CITY:

CITY OF GOODYEAR, an Arizona municipal corporation

By: _____

Julie Arendall

Its: City Manager

STATE OF ARIZONA)

) ss.

County of Maricopa)

The Second Amendment to Infrastructure Development Agreement for PHX 10-11 by and between Microsoft Corporation, a Washington corporation and the City of Goodyear, an Arizona municipal corporation was acknowledged before me this _____ day of _____, 2021, by Julie Arendall, the City Manager of the CITY OF GOODYEAR, an Arizona municipal corporation, for and on behalf thereof.

Notary Public

Attest:

Darcie McCracken, City Clerk

Approved as to Form:

Roric Massey, City Attorney

Exhibits on Following Pages

Schedule 16.1.a

Additional Carollo Study Scope of Work



**City of Goodyear
Infrastructure Evaluation to Provide Water and Clear Water Services to the Microsoft PHX
10 - 14 Data Centers**

March 24, 2021

Scope of Services

BACKGROUND

The City of Goodyear (OWNER) will be providing the water delivery, wastewater collection, and clear water flow management services for Microsoft's PHX 10 - 14 data centers, located south of the Phoenix Goodyear Airport. The PHX 10 data center is currently ramping up operations, and the OWNER is working with Microsoft to establish a development agreement for the construction of PHX 11. The OWNER asked Carollo Engineers, Inc. (ENGINEER) to evaluate the water delivery, wastewater collection, clear water delivery, and treatment requirements for water related services provided to Microsoft. This study will provide solutions to address the near-term needs associated with PHX 11, as well as the ultimate needs for all five data center buildings. The study is intended to provide information that is useful in creating the development agreement between the OWNER and Microsoft.

This current study builds upon the following previous studies:

1. Phoenix 10 Water and Wastewater Capacity Evaluation completed for the City of Goodyear.
2. Water and Wastewater Capacity Evaluation for PHX 11 completed for Microsoft.
3. Microsoft Phoenix Area Water Study completed for Microsoft.

Flow projections have changed and the OWNER's role in providing water related services to Microsoft have been clarified since the completion of these studies, creating the need for a re-evaluation. The OWNER may ultimately choose to provide the water solutions in a different manner than the solutions that have been recommended previously.

This study will address the following:

- Updated flow projections will be used to evaluate potable water delivery requirements.
- Updated clear water flow projections will be used to evaluate clear water delivery requirements through the wastewater collection system and/or to a separate clear water pipeline.
- Clear water treatment requirements will be identified.
- Clear water utilization and/or disposal options will be identified.

Scope of Services

Task 1.0 Project Management, Meetings and Workshops

ENGINEER will perform project management activities throughout the life of this project. Activities associated with Task 1.0 include monitoring the schedule, preparing meeting agendas and minutes, managing the project team to successfully complete the project, and preparing invoices. ENGINEER will lead



the project meetings and workshops noted below. Meetings will be held virtually via the City's virtual platform.

- Project Kick-Off and data request meeting.
- Water delivery and clear water collection workshop.
- Clear water treatment options workshop.
- Final Recommendations Workshop.

Task 2.0 Evaluate Water Distribution System Capacity Requirements

Microsoft owns 615.7 afy of groundwater rights to supply the data centers. Any additional water right will be provided by the OWNER.

The OWNER has a storage and booster station facility, referred to as Site 8, that is located north of the Microsoft data centers. This facility is planned to remain active at its current location and capacity to serve Microsoft and other water customers in the area.

The OWNER will provide updated potable water and clear water flow projections, including peak flows, for use in this project. ENGINEER will use the flow projections to determine the water supply infrastructure needed to deliver peak flows and fire flows to all five of the Microsoft data center buildings. ENGINEER will use the City's hydraulic model to complete this analysis. ENGINEER will also identify the additional infrastructure needed to supply the water to enable each additional data center building to be brought online based on Microsoft's proposed schedule.

Planning level project costs will be developed for the recommended water delivery infrastructure. Construction phasing will be based on the number of data center buildings that require the proposed capital improvement.

Task 3.0 Evaluate Wastewater Collection System Capacity Requirements

ENGINEER will use the revised clear water flow projections provided by the OWNER to evaluate the capacity of the wastewater collection system to convey the clear water flow from each Microsoft data center building, as well as the associated sanitary sewer flows, to the OWNER's water reclamation facility. At some flowrate, the clear water flows are expected to exceed the capacity of the collection system pipes, and a separate pipeline will be needed to convey the clear water flows. The timing and capacity of this clear water pipeline will be identified. ENGINEER will use the OWNER's collection system model to complete this capacity evaluation.

Planning level project costs will be developed for the recommended collection system infrastructure. Construction phasing will be based on the number of data center buildings that require the proposed capital improvement.

Task 4.0 Evaluate Wastewater Treatment Requirements

The clear water will likely need to be treated to support most applications for use. ENGINEER will evaluate treatment requirements and options for the clear water flows coming from each data center building. Options may be different for earlier stages of development than later stages of development. Options to be considered may include but are not limited to the following:

1. Clear water is delivered through the collection system and is treated along with the OWNER's wastewater. Then the clear water will become a portion of the OWNER's reclaimed water for the OWNER's use.

2. Clear water is delivered through a dedicated clear water pipeline to the Buckeye Irrigation District Canal for use by the irrigation district.
3. Clear water is delivered through a dedicated clear water pipeline to the OWNER's water reclamation facility where it undergoes pre-treatment prior to treatment with the OWNER's wastewater to become reclaimed water for the OWNER's use.
4. Clear water is delivered through a dedicated clear water pipeline to the OWNER's water reclamation facility where it is pre-treated and then sent to the inlet of the OWNER's surface water treatment plant.

ENGINEER will evaluate the clear water treatment requirements for stand-alone pre-treatment and as well as the potential impacts on the primary treatment processes at the OWNER's water reclamation facility.

ENGINEER will include the requirements of regulatory agencies in the evaluation process.

ENGINEER has multiple tools to evaluate water and wastewater treatment processes and will apply the tools that are appropriate for this study.

Planning level project costs will be developed for the recommended treatment infrastructure. Construction phasing will be based on the number of data center buildings that require the proposed capital improvement.

Task 5.0 Project Deliverable

ENGINEER will prepare a draft report documenting the results of this study. The report will document the study and assumptions, engineering analyses, alternative evaluations, and costs.

The report will be finalized after comments have been received from the OWNER. The report will be delivered in a PDF format.

PROJECT ASSUMPTIONS

This scope and associated engineering services fee is based on the following assumptions:

1. OWNER will provide the flow projections upon which the study is based.
2. OWNER will provide the water right that is required beyond Microsoft's current water right of 615.7 afy (i.e. sufficient water rights are assumed to be available).
3. At the OWNER's request, brine management evaluations are not included in the scope.
4. Water resources have already addressed, so the scope does not include a water resource evaluation.
5. OWNER will provide information on wastewater quality needed to complete the study.
6. This evaluation does not include the OWNER's reclaimed water system. Capacity is assumed to be available for the reclaimed water flows that originate as clear water flow.
7. OWNER will provide the raw water quality used to design the OWNER's surface water treatment plant, so that the clear water pre-treatment requirements can be determined for alternatives where the clear water is delivered to the surface water treatment plant.
8. The OWNER shall provide ENGINEER the data and information pertinent to ENGINEER's services; obtain or authorize ENGINEER to obtain or provide additional reports and data as required; and ENGINEER shall be entitled to use and reasonably rely upon all such information and services provided by the OWNER or others in performing ENGINEER's services, in accordance with the prevailing standard of care. ENGINEER will use the data already provided by the OWNER for ENGINEER's services under this Agreement.



9. ENGINEER has no control over the cost of labor, materials, equipment or services furnished by others, over the incoming water quality and/or quantity, or over the way OWNER's plant and/or associated processes are operated and/or maintained. Data projections and estimates are based on ENGINEER's opinion based on experience and judgment. ENGINEER cannot and does not guarantee that actual costs and/or quantities realized will not vary from the data projections and estimates prepared by ENGINEER and ENGINEER will not be liable to and/or indemnify OWNER and/or any third party related to any inconsistencies between ENGINEER's data projections and estimates and actual costs and/or quantities realized by OWNER and/or any third party in the future, except to the extent such inconsistencies are caused by ENGINEER's negligent performance hereunder.
10. The services to be performed by ENGINEER are intended solely for the benefit of the OWNER. No person or entity not a signatory to this Task Order shall be entitled to rely on ENGINEER's performance of its services hereunder, and no right to assert a claim against ENGINEER by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Task Order or the performance of ENGINEER's services hereunder.

Schedule

The schedule for completing the draft report for this study is eight weeks following notice to proceed.

Payment

The fee for the engineering services outlined herein is \$58,970. ENGINEER will submit an invoice at the end of each month for the work that is completed up to the budget limit using the engineering labor rates provided in the attached fee breakdown.

Schedule 16.1.b

Fee Estimate for Additional Carollo Study Work

City of Goodyear
Infrastructure Evaluation to Provide Water and Clear Water Services to the Microsoft PHX 10 - 14 Data Centers
24-Mar-21

Task	Description	Carollo Labor Hours					Labor Fee	Expenses (mileage etc).	Total Task Fee
		Client Service Professional	Senior Professional	Staff Professional	Document Processing / Clerical	Total Hours			
	Labor Rate (\$/hr)	\$255	\$230	\$140	\$110				
1	Project Management, Meetings, and Workshops	18	14	12	0	44	\$9,490		\$ 9,490
2	Evaluate Water Distribution System Capacity Requirements	8	0	32	0	40	\$6,520		\$ 6,520
3	Evaluate Wastewater Collection System Capacity Requirements	8		40		48	\$7,640		\$ 7,640
4	Evaluate Wastewater Treatment Requirements	24	40	60		124	\$23,720		\$ 23,720
5	Project Deliverables	20	16	10	12	58	\$11,500	\$ 100	\$ 11,600
	Total Hours	78	70	154	12	314			
	Total Labor Cost	\$ 19,890	\$ 16,100	\$ 21,560	\$ 1,320		\$58,870	\$ 100	\$ 58,970

Total Project Fee: \$ 58,970