

**First Amendment to the Agreement
Regarding Collaborative Efforts to Accept Municipal Brackish Water
into the Water Reclamation Supply System Pipeline**

This First Amendment to the Agreement Regarding Collaborative Efforts to Accept Municipal Brackish Water into the Water Reclamation Supply System Pipeline (the "First Amendment") is entered between Arizona Public Service Company, an Arizona corporation ("APS"), in its capacity as co-owner and operating agent for Palo Verde Generating Station ("PVGS"), the City of Goodyear ("Goodyear"), a municipal corporation formed under the laws of the state of Arizona, and the City of Buckeye ("Buckeye"), a municipal corporation formed under the laws of the state of Arizona (collectively, APS, Goodyear, and Buckeye are referred to hereafter as the "Parties").

Whereas, the Parties entered into that certain Agreement Regarding Collaborative Efforts to Accept Municipal Brackish Water into the Water Reclamation Supply System Pipeline in August 2022 (the "Agreement").

Whereas, the Parties desire to complete additional pre-operational activities as a part of the Agreement prior to entering agreements to incorporate construction costs for the project and a long-term operational agreement contemplated in the Agreement. These additional pre-operational activities either require system outages or involve material challenges that require an amendment to the Agreement.

Therefore, in accordance with the provisions of Section 13 of the Agreement and in reliance on the commitments and obligations set forth herein, the Parties agree to amend the Agreement as follows:

- (1) Section 1 of the Agreement is hereby amended by adding the following subsection (d):
 - d. Construction: APS will provide or procure construction services to support the Work described in Attachment C (Additional Scope of Work), as applicable.
- (2) Section 2 (Design Development) of the Agreement is hereby amended by adding subsection (g) as follows:
 - g. Additional Scope of Work as set forth in Attachment C ("Additional Scope of Work"), which is attached hereto and incorporated herein by this reference.
- (3) Section 3 (Payment of Invoices) of the Agreement is hereby amended to read as follows:
 3. Payment of Invoices. APS shall invoice the Municipalities for the actual cost of the Work as it is incurred. The invoice shall split the costs between the Municipalities

equally unless otherwise provided in this Agreement. Notwithstanding the foregoing, if either Buckeye or Goodyear terminates its participation in this Agreement pursuant to Section 11, APS shall invoice the remaining Municipal Party 100 % of the actual cost of the Work performed after the termination. The Parties agree that the Terms and Conditions provided below shall govern the performance of any and all Work, cost reimbursement, payment, or other activities contemplated or governed by this Agreement.

- (4) Subsection (a) of Section 8 (Price and Payment) of the Agreement is hereby amended to read as follows:

(a) As long as they are Parties to this Agreement, the Municipalities are jointly and severally liable for reimbursing APS the full costs incurred by APS under this Agreement. APS represents that it will not accept double recovery for any of the Work performed under this Agreement. Except as otherwise provided in the Agreement, the Municipalities will each pay 50% of the actual cost of the Work. As set forth on Table D, Attachment A, the total cost of the Work under this Agreement shall not exceed \$1,722,867 for Buckeye. The total cost of the Work under this Agreement shall not exceed \$3,000,000 for Goodyear. In the case that the total cost of Work is expected to exceed either \$3,000,000 for Goodyear or \$1,722,867 for Buckeye, the Parties may negotiate an amendment to the Agreement pursuant to Section 13.

- (5) Subsection (b) of Section 8 (Price and Payment), is hereby amended to read as follows:

(b) Estimated Price of Goods and Services. Price estimates are provided in Attachment A, and the total cost of the Work under the Agreement is estimated to be \$ 3,072,034.

- (6) Subsection (c) of Section 8 (Price and Payment) is hereby amended to read:

(c) Invoicing. APS shall invoice Goodyear for the full costs of the Work described in Section 1 and 2 of Attachment C (Additional Scope of Work). For all other Work performed under the Agreement, APS shall submit invoices to the Municipalities billing each Municipal Party 50% of the cost of the Work performed. Such invoices shall contain: (A) a reference to this Agreement; (B) a description of the goods and services covered by the invoice; and (C) any reasonable documentation including, but not limited to, invoices provided to APS by the Service Provider. Invoices must be submitted to:

City of Goodyear
Accounts Payable
1900 No. Civic Square
Goodyear, AZ 85395

City of Buckeye
Water Resources Accounts Payable
21749 W. Yuma Road, Suite 107
Buckeye, AZ 85326

- (7) To correct a scrivener's error, the Agreement is hereby amended as follows to correct the section numbers and headings:

Section 11 (Termination) is hereby inserted following paragraph b in Section 10 (New Intellectual Property).

The current Section 11 (Designated Representative and Notice) is renumbered as Section 12 (Designated Representative and Notice).

The current Section 12 (Entire Agreement, Amendments) is renumbered as Section 13 (Entire Agreement, Amendments).

The current Section 13 (Indemnification) is renumbered as Section 14 (Indemnification).

The current Section 14 (Miscellaneous) is renumbered as Section 15 (Miscellaneous)

- (8) Section 13 (Entire Agreement, Amendments) (formerly Section 12) is hereby amended to read as follows: :

13. Entire Agreement, Amendments:

Except as otherwise stated herein, this Agreement constitutes the entire agreement of the Parties with respect to its subject matter, supersedes all prior agreements, and may not be amended except in writing signed by an authorized representative of each Party. Also incorporated by reference herein are the following attachments:

- Attachment A (Estimated Costs)
- Attachment B (Confidentiality & Non-Disclosure Agreement)
- Attachment C (Additional Scope of Work)

- (9) Attachment A to the Agreement (Estimated Costs) is deleted in its entirety and replaced with the Revised Attachment A to the Agreement (Estimated Costs) attached hereto and incorporated herein by this reference.

The Agreement is hereby amended to add Attachment C (Additional Scope of Work) to the Agreement, which is hereby incorporated herein by this reference.

- (10) Section 15 (Miscellaneous) (formerly Section 14) is hereby amended to add the following:

n. Headings. The section headings contained in the Agreement and the amendments thereto are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement or any amendments thereto.

- (11) The Effective Date of this Amendment is the date on which the Amendment is executed by the last of the Parties.

- (12) This 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 Agreement may be executed and delivered by electronic transmission. A manually signed copy of this Agreement 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 Agreement.

- (13) No modification to this Amendment shall be binding unless in writing and executed by all of the Parties hereto. Except as provided herein, all other terms and conditions of the Agreement shall remain in full force and effect. This Amendment has been executed by an authorized representative of the Parties.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed and delivered as of the Effective Date.

ARIZONA PUBLIC SERVICE COMPANY

NAME: _____
TITLE: _____

CITY OF GOODYEAR

NAME: _____
TITLE: _____

ATTEST: CITY OF GOODYEAR _____ Darcie McCracken, City Clerk	APPROVED AS TO FORM: CITY OF GOODYEAR _____ Roric Massey, City Attorney
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CITY OF BUCKEYE

NAME: _____
TITLE: _____

ATTEST: CITY OF BUCKEYE _____ Lucinda Aja, City Clerk	APPROVED AS TO FORM: CITY OF GOODYEAR _____ Scott McCoy, City Attorney
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**"ATTACHMENT A"
TO
AGREEMENT
ESTIMATED COSTS**

The total expected expenditure by both parties is \$3,072,034. This is the sum of Table A and the expected costs of Table B and Table C (including 25% contingency on both) below.

Table A: Approximate Shared Costs Incurred and Previously Reimbursed Through January 1, 2024

Item	Entity	Costs
Conceptual Designs	WaterWorks	\$ 253,000
Project Management & Engineering	Internal	\$ 59,500
Pilot Test (equipment)	Minetek	\$ 546,034
Pilot Test (installation)	Tiffany	\$ 36,450
Survey/analysis airborne release	Trinity Consultants	\$ 7,900
Permitting Costs (Pilot)	APS + County	\$ 7,600
Permitting Consultant (Pilot)	Trinity Consultants	\$ 36,850
Pond Samples	APS	\$ 1,000
Total		\$ 948,334

Table B: Shared Estimated Costs After January 1, 2024 (and prior to a final construction and operating agreement, anticipated August 2024)

Item	Probable Entity	2024 Pre-Operational Estimated Costs
Redhawk Return Line (RRL) Design	Burns & McDonnell	\$ 250,000
RRL Advance Procurement	Burns & McDonnell	\$ 400,000
Title V Permit Consulting	TBD	\$ 85,000
Title V Permit Fees	Maricopa County	\$ 101,200
Title V Staffing	APS	\$ 60,000
NRC Environmental Plan	APS & NRC Fees	\$ 90,000
APP Revision	APS & State	\$ 12,500
Contingency (25%)		\$ 250,000
Total		\$ 1,248,700

Table C: Costs Relating to Appendix C (Additional Scope of Work), Sections 1 and 2 (Goodyear Only)

Item	Probable Entity	2024 Pre-Operational Estimated Costs
Site 12 & Bullard Tie-in Design Documents	WaterWorks	\$ 150,000
Site 12 Construction	TBD	\$ 450,000
Redhawk Temporary Compensatory Measures	APS	\$ 100,000
Contingency (25%)		\$ 175,000
Total		\$ 875,000

Table D: Total Estimated Potential Reimbursable Costs (certain future costs appear in full in both columns in case one municipality exits the agreement early, in accordance with Section 8(a) this Agreement)

Item	Goodyear's Estimated Reimbursable Costs	Buckeye's Estimated Reimbursable Costs
Costs incurred through January 1, 2024 (Table A)*	\$ 474,167	\$ 474,167
Shared Estimated Costs After January 1, 2024 (Table B)	\$ 1,248,700	\$ 1,248,700
Costs relating to Appendix C (Additional Scope of Work), Sections 1 and 2 (Table C)	\$ 875,000	
Total	\$ 2,597,867	\$ 1,722,867

*Goodyear and Buckeye have reimbursed the costs incurred through January 1, 2024, on a 50/50 basis. Accordingly, only half of the total costs are reflected here for each entity.

"ATTACHMENT C"
TO
AGREEMENT

Additional Scope of Work

This Attachment provides an additional scope of work that is necessary to preserve the timeline and scope of the long-term agreement referenced within this Agreement.

1. Final design and construction of the Goodyear system tie in with the WRSS. The tie in will connect the Goodyear's Site 12 facility at a WRSS location near Cotton Lane in Goodyear during April 2024.
2. Final design and long lead time procurement for modification of the existing interface between the WRSS and Goodyear's Bullard Campus. The construction work associated with this Section 2 is anticipated to be completed in October 2024 and will be addressed under a future agreement between the Parties.
3. Continued detailed design of, and long lead time procurement for, the Redhawk to Palo Verde pipeline, which is necessary to support the continued operation of Redhawk after the introduction of Brackish Water to the WRSS. The pipeline will be used to transport excess cooling tower blowdown water from Redhawk to the Palo Verde reservoirs for reuse in the Palo Verde cooling tower system.