

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

This Second Amendment to the Agreement Regarding Collaborative Efforts to Accept Municipal Brackish Water into the Water Reclamation Supply System Pipeline for Expanded Pre-Operation Activities ("Second Amendment"), is 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, this Second Amendment amends the Agreement Regarding Collaborative Efforts to Accept Municipal Brackish Water into the Water Reclamation Supply System Pipeline, executed by the Parties in August of 2022, as amended by the First Amendment to the Agreement Regarding Collaborative Efforts to Accept Municipal Brackish Water into the Water Reclamation Supply System Pipeline, which provided for Expanded Pre-Operational Activities, executed in March of 2024 (collectively, the "Agreement").

Whereas, an amendment to the Agreement is required to (1) memorialize updated cost estimates for the work contemplated under this Agreement and (2) allow for additional Work under the Agreement to realize cost savings to Goodyear and Buckeye and mitigate operational impact to utility operations.

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) 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 \$2,803,792 for Buckeye. The total cost of the Work under this Agreement shall not exceed \$3,678,792 for Goodyear. In the case that the total cost of Work is expected to exceed either \$3,678,792 for Goodyear or \$2,803,792 for Buckeye, the Parties may negotiate an amendment to the Agreement pursuant to Section 13.

(2) 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 \$4,152,959.

(3) 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.

(4) Section 3 of Attachment C to the Agreement (Additional Scope of Work) is hereby amended to read as follows:

3. Continued detailed design of, long lead time procurement for, and limited construction and piping installation activities 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 Palo Verde for reuse in the Palo Verde cooling tower system.

The Effective Date of this Second Amendment is the date on which the Second Amendment is executed by the last of the Parties.

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.

No modification to this Second Amendment or the Agreement 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 Second Amendment has been executed by an authorized representative of the Parties.

[Signatures on the following page]

DRAFT

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

Arizona Public Service Company	City of Goodyear	City of Buckeye
Signature: _____ —	Signature: _____ —	Signature: _____ —
Name: _____	Name: _____	Name: _____
Title: _____	Title: _____ —	Title: _____ —
	ATTEST City of Goodyear	ATTEST City of Buckeye
	_____ Darcie McCracken, City Clerk	_____ Lucinda Aja, City Clerk
	APPROVED AS TO FORM	APPROVED AS TO FORM
	_____ Roric Massey, City Attorney	_____ K. Scott McCoy, City Attorney

**"ATTACHMENT A"
TO
AGREEMENT
ESTIMATED COSTS**

The total estimated expected expenditure by both Municipalities is \$4,152,959. 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	Construction Contractor	\$ 375,000
RRL Advance Procurement	Construction Contractor	\$ 400,000
RRL Partial Construction	Construction Contractor	\$ 700,000
Title V Permit Consulting	Environmental Consultant	\$ 125,000
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%)		\$ 465,925
Total		\$ 2,329,625

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)	\$ 2,329,625	\$ 2,329,625
Costs relating to Appendix C (Additional Scope of Work), Sections 1 and 2 (Table C)	\$ 875,000	
Total	\$ 3,678,792	\$ 2,803,792

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