

INTERGOVERNMENTAL AGREEMENT AMONG THE
ARIZONA MUNICIPAL CORPORATIONS OF GILBERT, QUEEN CREEK, AND MESA
CONCERNING THE CONSTRUCTION AND OPERATION OF THE
GREENFIELD WATER RECLAMATION PLANT

This Intergovernmental Agreement (the "Agreement") is entered into this _____ day of _____, 2018, among the Arizona municipal corporations of Gilbert, Queen Creek, and Mesa.

WHEREAS, MESA AND GILBERT entered into an Intergovernmental Agreement, effective on September 22, 1995, for the purpose of conducting a preliminary design study to analyze the feasibility and design for a water reclamation plant to serve Mesa and Gilbert ("Preliminary Design IGA");

WHEREAS, the preliminary design study concluded that a joint water reclamation plant was feasible and that an interim lift station should be constructed consisting of a 4.3 million gallons per day ("MGD") sewage lift station, flow equalization basins, force mains, and other associated improvements with the ultimate construction of a water reclamation plant (the "GWRP");

WHEREAS, pursuant to § 5.2 of the Preliminary Design IGA, Mesa and Gilbert chose to participate jointly in the plant and enter into a comprehensive intergovernmental agreement concerning the final design, construction, and operation of the plant;

WHEREAS, Mesa and Gilbert entered into such a comprehensive Intergovernmental Agreement on May 6, 1997, and subsequently amended that agreement on July 25, 2000;

WHEREAS, Mesa and Gilbert agreed in 2004 that it was desirable that Queen Creek also participate in the design, construction and operation of the GWRP, and to convert the lift station into a treatment plant with the capacity to treat 16 MGD annual average day flow ("AADF") in liquids and 24 MGD AADF solids equivalent ("GWRP Phase II") in order to accommodate anticipated future demand;

WHEREAS, Mesa, Gilbert and Queen Creek amended and restated the original Intergovernmental Agreement by entering into that certain Intergovernmental Agreement among the Arizona Municipal Corporations of Gilbert, Queen Creek and Mesa Concerning the Construction and Operation of a Greenfield Water Reclamation Plant dated June 22, 2004, and recorded August 20, 2004, as Instrument No. 2004-0971538, Official Records of Maricopa County, Arizona; and

WHEREAS, the Parties now desire to further expand the plant to provide an additional 14 MGD AADF of liquids and solids treatment capacity at the existing GWRP, complete with the required infrastructure, technology, and environmental features to ensure a reliable, efficient, and expanded plant to meet the current and future demands of Gilbert, Mesa, and Queen Creek, and to further amend and restate their rights,

privileges, duties and obligations with respect to the construction, operation, maintenance, and use of, as well as payment for, the GWRP.

NOW, THEREFORE, for and in consideration of the terms and conditions of this Agreement, the Parties agree as follows:

1. Definitions.

1.1 ACTUAL WASTEWATER FLOW: The flow of wastewater into the GWRP, measured continuously with average daily flows determined on a monthly basis. Due to the concentrated nature of the flows into the GWRP from the SEWRP Sludge line, Actual Wastewater Flow shall not include influent quantities from that source for the purpose of Reclaimed Water proportional share calculations under Section 7

1.2 BIOCHEMICAL OXYGEN DEMAND or BOD: The measurement used for quality control of COD values, plant operations and effluent permit limitations.

1.3 CHEMICAL OXYGEN DEMAND or COD: The measurement used for billing in the Cost of Service Study.

1.4 COD CAPACITY: The amount of Chemical Oxygen Demand (COD) treatment capacity which the GWRP is designed to treat, expressed in pounds of COD per day and calculated on the basis of total pounds of COD during any continuous thirty-day period divided by thirty.

1.5 CAPITAL COSTS: The total amount paid by the Parties to build or expand the GWRP. Capital Costs include the cost of (i) preliminary planning to determine the feasibility of treatment works, (ii) engineering, architectural, legal, fiscal or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures, or other necessary actions, (iii) erection, building, acquisition, alteration, remodeling, improvement, or extension of treatment works including inspections or supervision of any of the foregoing items, (iv) design, construction management and administration, (v) cost of appropriate indirect services rendered by the various departments of the lead agent, (vi) landscape improvements and berming necessary to screen the GWRP and (vii) Equipment Replacement.

1.6 CAPITAL BUDGET: The fiscal budget for Capital Costs, which includes unexpended contracted Capital Costs from previous Capital Budgets, and anticipated current Year Capital Costs.

1.7 CAPITAL IMPROVEMENT PLAN (CIP): The list of Capital Improvement Projects approved by the GWRP Committee.

1.8 CAPITAL IMPROVEMENT PROJECT: A specific study or plan of action for the design and construction for replacement, enhancement or expansion of the GWRP.

Minor equipment replacement and repairs to existing property and equipment will be included in the Operating and Maintenance Budget.

1.9 COST OF SERVICE STUDY: An analysis of the cost of rendering service for various wastewater components and what charges will have to be assessed for each component in order to recover total expense requirements for rendering the service.

1.10 CURRENT COD OWNERSHIP CAPACITY: The amount of COD Capacity that a Party has purchased in the GWRP as set forth in Exhibit B.

1.11 CURRENT ES OWNERSHIP CAPACITY: The amount of ES Capacity that a Party has purchased in the GWRP as set forth in Exhibit B.

1.12 CURRENT FACILITY OWNERSHIP SHARE OR OWNERSHIP SHARE: The current facility ownership share of the GWRP of each Party, expressed as a percentage, based on distribution among the Parties of Capital Costs. The Current Facility Ownership Shares shall be as specified on Exhibit G.

1.13 CURRENT FLOW OWNERSHIP CAPACITY: The amount of Flow Capacity that a Party has purchased in the GWRP as set forth in Exhibit B.

1.14 CURRENT N OWNERSHIP CAPACITY: The amount of N Capacity that a Party has purchased in the GWRP as set forth in Exhibit B.

1.15 CURRENT SS OWNERSHIP CAPACITY: The amount of SS Capacity that a Party has purchased in the GWRP as set forth in Exhibit B.

1.16 DISCHARGE POINT: A point from which treated wastewater is discharged from a wastewater treatment plant site after all treatment has been completed. The Discharge Points from the GWRP are the effluent pump station and the effluent splitter box at the GWRP.

1.17 EQUIPMENT REPLACEMENT: Obtaining and installing equipment, accessories, or appurtenances that are necessary during the useful life of the GWRP to maintain the capacity and performance for which the GWRP was designed and constructed and that the GWRP Committee agrees should be financed as a Capital Cost and not an ordinary operation and maintenance cost, as set forth in Section 12.

1.18 EQUIVALENT SLUDGE ("ES") CAPACITY: The amount of Sludge from wastewater treatment facilities, including the SEWRP and the GWRP, that the GWRP is designed to treat based on the flow rating of those facilities, expressed in millions of gallons during any thirty-day period divided by thirty.

1.19 EQUIVALENT SLUDGE ("ES") FLOW: The flow of Sludge treated at the GWRP, based upon the average daily wastewater flows determined on a monthly basis, expressed in millions of gallons during any thirty-day period divided by thirty.

1.20 FLOW CAPACITY: The hydraulic capacity that the GWRP is designed to treat, expressed in MGD and calculated on the basis of total million gallons of wastewater during any continuous thirty-day period divided by thirty.

1.21 GREENFIELD WATER RECLAMATION PLANT or GWRP: The wastewater treatment facility that is located as shown in Exhibit A, and its appurtenances, composed of, but not limited to, the Interim Lift Station, GWRP Phase II, GWRP Phase III and subsequent phases of development including preliminary treatment, primary treatment, secondary treatment, nutrient removal, filtration, disinfection, Sludge treatment, effluent pumping and piping to the effluent splitter structure, and support facilities. After construction of GWRP Phase III, the GWRP shall have the treatment capacities specified in Exhibit B. The GWRP may be expanded through Phase IV and any other subsequent phases or Capital Improvement Projects to have the ultimate treatment capacity specified in Exhibit B as the total ultimate capacity.

1.22 GWRP COMMITTEE: The committee described in Section 18.

1.23 GWRP PHASE II: That phase of the GWRP completed on June 14, 2007 to provide a liquid treatment capacity of 16 MGD and a solids treatment capacity equivalent to 24 MGD and to install certain piping, process equipment and support facilities sized for the maximum anticipated capacity of the GWRP.

1.24 GWRP PHASE III: That phase of the GWRP that began construction during 2017 to provide an additional 14 MGD AADF of liquids and solids treatment capacity, including installation of certain piping, process equipment and support facilities sized for the maximum anticipated capacity of the GWRP.

1.25 INTERIM LIFT STATION OR GWRP PHASE I: The first phase of the GWRP included a 4.3 MGD sewage lift station, flow equalization basins, force mains, and other associated improvements completed on March 18, 1999.

1.26 LEAD AGENT: The Party identified and having the duties set forth in Section 3.

1.27 N CAPACITY: The amount of total nitrogen (N) treatment capacity which the GWRP is designed to treat, expressed in pounds of N per day and calculated on the basis of total pounds of N during any continuous thirty-day period divided by thirty. For analytical purposes, N shall be measured as Total Kjeldahl Nitrogen (TKN).

1.28 OPERATING AND MAINTENANCE COSTS: The fixed and variable costs for personnel, contractual services, commodities, general administration, and any other appropriate activity required to operate and maintain the GWRP.

1.29 OPERATING AND MAINTENANCE BUDGET: The fiscal budget for Operating and Maintenance Costs prepared in advance of each Year.

1.30 OTHER USER: An entity that has contracted with one of the Parties to use a portion of that Party's Current COD Ownership Capacity, Current ES Ownership Capacity, Current Flow Ownership Capacity, Current N Ownership Capacity or Current SS Ownership Capacity and that is located outside of any Party's sewer service area.

1.31 PARTIES: The Town of Gilbert, the Town of Queen Creek, and the City of Mesa.

1.31A PARTY: The Town of Gilbert, the Town of Queen Creek, or the City of Mesa.

1.32 QUARTERLY MEETING: The recurring meeting of the GWRP Committee, which shall occur no less frequently than once every calendar quarter during each Year.

1.33 RECLAIMED WATER: Wastewater that has been treated at the GWRP.

1.34 SEWRP: The Southeast Water Reclamation Plant owned, operated, and maintained by Mesa.

1.35 SLUDGE: Primary solids and biosolids.

1.36 SS CAPACITY: The amount of suspended solids (SS) treatment capacity which the GWRP is designed to treat, expressed in pounds of SS per day and calculated on the basis of total pounds of SS during any continuous thirty-day period divided by thirty.

1.37 ULTIMATE COD OWNERSHIP CAPACITY: The amount of COD Capacity that a Party is anticipated to purchase when the GWRP is constructed to its anticipated maximum capacity level as set forth in Exhibit B.

1.37A ULTIMATE ES OWNERSHIP CAPACITY: The amount of ES Capacity that a Party is anticipated to purchase when the GWRP is constructed to its anticipated maximum capacity level as set forth in Exhibit B.

1.37B ULTIMATE FLOW OWNERSHIP CAPACITY: The amount of Flow Capacity that a Party is anticipated to purchase when the GWRP is constructed to its anticipated maximum capacity level as set forth in Exhibit B.

1.37C ULTIMATE N OWNERSHIP CAPACITY: The amount of N Capacity that a Party is anticipated to purchase when the GWRP is constructed to its anticipated maximum capacity level as set forth in Exhibit B.

1.37D ULTIMATE OWNERSHIP CAPACITIES: The collective amounts of Ultimate COD Ownership Capacity, Ultimate ES Ownership Capacity, Ultimate Flow Ownership Capacity, Ultimate N Ownership Capacity and Ultimate SS Ownership Capacity that a

Party is anticipated to purchase when the GWRP is constructed to its anticipated maximum capacity level as set forth in Exhibit B.

1.37E ULTIMATE SS OWNERSHIP CAPACITY: The amount of SS Capacity that a Party is anticipated to purchase when the GWRP is constructed to its anticipated maximum capacity level as set forth in Exhibit B.

1.38 WASTEWATER STRENGTH: A combination of either: i). Chemical Oxygen Demand (COD) or ii) Biochemical Oxygen Demand (BOD); suspended solids (SS), and total nitrogen (N) found in the wastewater.

1.39 YEAR: The fiscal year period of July 1 through June 30.

2. Purpose, Authorization and Approval.

2.1 The Parties agree to design, construct, maintain, and operate the GWRP, and subsequent expansions of the GWRP in accordance with this Agreement.

2.2 Each Party will be responsible for obtaining and maintaining the authorizations or approvals of its municipal management and governing body as necessary for those commitments and financial obligations it assumes under this Agreement, including as applicable to the Party, Capital Improvement Projects, Operating and Maintenance Budgets, and Capital Budgets. Each Party agrees and acknowledges that such authorizations and approvals will conform to that City or Town's organizational documents and all applicable state and local laws.

3. Lead Agent.

3.1 The Lead Agent shall be Mesa, unless and until a new Lead Agent is appointed by the GWRP Committee in accordance with Section 18.2.2.

3.2 The Lead Agent shall be authorized to act for the benefit of the Parties to the extent directed to act by this Agreement.

3.3 The Lead Agent shall act as agent for the Parties to administer the design, construction, operation and maintenance of the GWRP and perform other functions consistent with the purpose and terms of this Agreement not otherwise provided for herein. Among other things the Lead Agent shall:

3.3.1 Enter into and administer all contracts associated with the GWRP.

3.3.2 Make payments to contractors who perform work on the GWRP.

3.3.3 Acquire land for the GWRP, including a buffer area and, upon the unanimous approval of the GWRP Committee, dispose of any land not needed for the GWRP and the buffer area.

3.3.4 Submit the plans and specifications for Capital Improvement Projects to the other Parties for comments, and submit the Capital Improvement Projects for approval in accordance with Section 14 of this Agreement.

3.3.5 Operate and maintain the GWRP and treat and handle all wastewater received in accordance with applicable Federal and State laws and the terms of this Agreement and other applicable agreements. The Lead Agent shall be under no duty to receive and treat wastewater delivered by a Party or other entity that is in violation of the terms of this Agreement.

3.3.6 Calculate average wastewater flows and plant loadings for purposes of Section 6.1A.

3.3.7 Conduct sampling to determine Wastewater Strength. The Lead Agent shall prepare a sampling plan, which shall be updated annually or upon reasonable request by one of the Parties, for review and approval by the GWRP Committee. The Lead Agent shall take samples at designated locations for each Party and the GWRP in order to ascertain the Parties' respective Wastewater Strengths. Parties may also request, at their own expense, a third-party sample to determine Wastewater Strength, to be considered by the Lead Agent along with Lead Agent sampling plan.

3.3.7A The Lead Agent shall then use the average of its sample result and the third-party sample results for billing purposes for the Party that requested the third-party sample be taken. If the two samples are not within the acceptable variability for the sampled constituents, then resampling shall occur. If after resampling a Party disputes the Wastewater Strength calculation, such dispute shall be resolved under Section 19.

3.3.8 Obtain and maintain all required regulatory permits and approvals.

3.3.9 Provide itemized monthly bills and supporting data to the other Parties for payment of their respective share of costs.

3.3.10 Ensure that the activities undertaken pursuant to this Agreement do not violate the terms of the "Intergovernmental Agreement for the Construction, Operation and Maintenance of the Jointly Used Sewerage Treatment and Transportation Facilities" entered into among the cities of Glendale, Mesa, Phoenix, Scottsdale, and Tempe, as may be amended.

3.3.11 Provide status reports to the GWRP Committee on a quarterly basis and at such additional times as directed by the GWRP Committee.

3.3.12 Prepare Operating and Maintenance Budgets and Capital Budgets for review and approval as required by Section 12 of this Agreement.

3.3.13 Provide information requested by the GWRP Committee or a Party (when requested by the designated representative of a Party or his or her designee) through the GWRP Committee regarding the planning, design, operation, maintenance, and financing of the GWRP.

3.3.14 Undertake Cost of Service Studies and submit them to the GWRP Committee in accordance with Section 6.1.2.

3.3.15 Obtain and maintain, if available, general liability, property, and workers compensation insurance for the GWRP, as directed by the GWRP Committee.

4 GWRP Expansion Until the GWRP reaches its maximum capacity levels as specified in Exhibit B, planning for any GWRP facilities expansion will be evaluated every five (5) Years or at such additional intervals as may be determined by the GWRP Committee. Design shall commence no later than when existing influent flows and/or loadings reach seventy-five percent (75%) of existing capacity at the GWRP, and construction shall commence no later than when existing influent flows and/or loadings at the GWRP reach ninety percent (90%) of existing capacity. Should pollutant loadings for specific parameters (such as total nitrogen) be determined to threaten permit conditions, under such circumstances expansion of the GWRP may commence regardless of flow and loading conditions.

5. Ownership of Treatment Capacities. The Current Flow Ownership Capacity, Current BOD/COD Ownership Capacity, Current SS Ownership Capacity, Current N Ownership Capacity, and the Current ES Ownership Capacity of each Party are set forth in Exhibit B, which is attached to and incorporated into this Agreement.

6. Capacity Rental.

6.1 No Party shall discharge wastewater flow in excess of its Current Flow Ownership Capacity, Current COD Ownership Capacity, Current SS Ownership Capacity, Current N Ownership Capacity, or Current ES Ownership Capacity unless capacity is available in the GWRP to accept such excess flow. If capacity is available, the Party that exceeds its capacity shall pay a monthly rental charge in accordance with Section 13.

6.1A For purposes of this Section, wastewater flow and other constituents shall be determined using the average daily values (not peak values) of wastewater and other constituents received at the GWRP over a consecutive six-month period. The average daily values shall be computed by dividing the total wastewater flow and other constituents over the appropriate six-month period by the number of days in that period.

6.1.1 The monthly rental charge shall be calculated as follows:

$$\text{MRC} = (\text{QC}) (\text{EQ}) + (\text{CODC}) \text{ or } (\text{ECOD}) + (\text{SSC}) (\text{ESS}) + (\text{NC}) (\text{EN}) + (\text{ESC}) (\text{EES})$$

Where:

MRC = the monthly rental charge to be paid by a Party

QC = dollars per million gallons per day of Flow Capacity as per the Cost of Service Study

EQ = million gallons per day of Actual Wastewater Flow in excess of Current Flow Ownership Capacity received during the month

CODC = dollars per pound of COD Capacity as per the Cost of Service Study.

ECOD = actual pounds of Chemical Oxygen Demand in excess of Current COD Ownership Capacity received during the month

SSC = dollars per pound of SS Capacity as per the Cost of Service Study

ESS = actual pounds of suspended solids in excess of Current SS Ownership Capacity received during the month

NC = dollars per pound of N Capacity as per the Cost of Service Study

EN = actual pounds of total nitrogen in excess of Current N Ownership Capacity received during the month

ESC = dollars per million gallons per day of ES Capacity as per the Cost of Service Study

EES = million gallons per day of ES Flow in excess of Current ES Ownership Capacity attributable to the Party during the month

6.1.2 An example of the monthly rental charge calculation is attached to this Agreement as Exhibit F.

6.2 At least sixty (60) days before any subsequent phase of the GWRP becomes operational, the Lead Agent, in consultation with the other Parties, shall complete a Cost of Service Study to determine the initial amount for each of the items in Section 6.1.1 by taking into account the total annualized Capital Cost of the GWRP and reasonably allocating such cost to either wastewater flow, Chemical Oxygen Demand, suspended solids, total nitrogen, or equivalent Sludge production on a per unit basis. The Cost of Service Study shall take into account the different Capital Costs for ownership capacities, as set forth under Section 10.1. Rental charges shall be calculated pursuant to Section 6.1.1 based on the most recent Cost of Service Study conducted. The Lead Agent shall submit the Cost of Service Study to the GWRP Committee for review and approval.

6.3 At the time of an expansion of the GWRP, a Party that is renting capacity at that time shall purchase at least enough capacity in the expansion to equal the maximum 30-day average daily wastewater flow rented by the Party during the past 12 months.

7. Reclaimed Water Ownership; Indemnification.

7.1 Each Party shall have the legal right to use, and shall be responsible for the use and disposal of, an amount of Reclaimed Water based on the proportion of Actual Wastewater Flows contributed by each Party.

7.2 In any given month, each Party shall be entitled to a proportional amount of the total Reclaimed Water produced that is equal to the proportion of that Party's Actual Wastewater Flow measured that month. For purposes of this section of the agreement, proportional share shall mean a Party's Actual Wastewater Flow divided by Total GWRP Wastewater Flow, multiplied by Total GWRP Reclaimed Water:

$$(\text{Party's Actual Wastewater Flow} / \text{Total GWRP Wastewater Flow}) * \text{Total GWRP Reclaimed Water} = \text{Party proportional share}$$

7.2.1 At the end of each month, the Lead Agent shall provide a daily accounting of total Actual Wastewater Flow received from all Parties, Actual Wastewater Flow received from each Party, a daily accounting of total Reclaimed Water produced, and a daily accounting of Reclaimed Water delivered to each Party. The Lead Agent shall make available for distribution the proportional amount of Reclaimed Water to each Party at the Discharge Point, within a five percent (5%) monthly variance.

7.2.2 In any given month if a Party receives less than its proportional amount of Reclaimed Water, the Lead Agent shall make up the variance the following month by delivering additional Reclaimed Water pursuant to a schedule as mutually agreed to by the Lead Agent and that Party.

7.2.3 Each Party shall accept delivery of its proportional share of Reclaimed Water at the Discharge Point of the GWRP and shall be responsible for all facilities downstream of the Discharge Point necessary to accept delivery of its share of Reclaimed Water. A Party may take any action not in violation of applicable law concerning the Reclaimed Water to which it has legal rights. If a Party cannot or does not accept delivery or otherwise dispose of its share of Reclaimed Water in accordance with this Section 7.2, the other Parties shall have rights of refusal of equal shares of the refused Reclaimed Water, and any Party accepting such Reclaimed Water, within its sole discretion, shall utilize or dispose of such Reclaimed Water as it deems to be in its best interest. If no Party is able to accept delivery of the refused Reclaimed Water, the Lead Agent may pursue reimbursement of direct costs associated with disposal of the water if the refused Reclaimed Water was not initially the Lead Agent's. Mesa and Gilbert agree that this Section 7.2.3 shall not be deemed to alter the terms of the Intergovernmental Agreement between the Town of Gilbert and the City of Mesa for Utility Service dated July 6th, 2004, and recorded on August 24, 2004, as Instrument No. 2004-0983060, Official Records of Maricopa County, Arizona.

7.3 In any action resulting from or associated with the use or disposal of Reclaimed Water that has been delivered to a Party at the Discharge Point of the GWRP, the Party or Parties whose Reclaimed Water is the subject of the action shall indemnify, defend, and hold harmless the other Parties for, from and against any and all losses, liabilities, obligations, penalties, fines, claims, actions, damages, and costs including reasonable attorney's fees (collectively a "Claim") that may be incurred or imposed against such other Parties in connection with use or disposal of such Reclaimed Water by the Party to whom the Reclaimed Water was delivered: except if the requirements of Section 8.1 were not met for such Reclaimed Water and such non-compliance materially contributed to the Claim, this Section shall not apply.

8. Reclaimed Water Recharge and Reuse.

8.1 Reclaimed Water from the GWRP shall meet the standards of all applicable state and federal laws for treated effluent, including without limitation: a) Class A+ Reclaimed Water under A.A.C. R18-11-303 or any amendment or replacement of that rule; b) the state aquifer protection permit program under Arizona Revised Statutes, Title 49, Chapter 2, Article 3; c) any applicable federal and state pollutant discharge and elimination system under 33 United States Code §§ 33-1251 *et seq.* and Arizona Revised Statutes, Title 49, Chapter 2, Article 3.1; and d) any other applicable Arizona Department of Environmental Quality (ADEQ) water quality permits as they may be issued and amended from time to time.

8.2 Each Party shall inform the other Parties in advance of any application for regulatory approval submitted by that Party to allow construction of recharge facilities or other arrangements for recharge or exchange of effluent related to the GWRP.

9. Operation and Maintenance Costs

9.1 The GWRP shall be operated and maintained in accordance with accepted industry standards to ensure high treatment efficiency and compliance with all regulatory requirements imposed by federal, state, or local law.

9.2 Unless otherwise specified, all Operation and Maintenance Costs associated with the GWRP shall be divided among the Parties as follows:

9.2.1 The annual fixed Operation and Maintenance Costs, including, but not limited to, the costs of labor (including salaries and benefits), maintenance, repair and replacement, monitoring, sampling, testing, reporting, insurance, administration, management, and mutually agreeable costs of appropriate indirect services rendered by various departments of the Lead Agent in operating and maintaining the GWRP, regulatory matters (such as the costs of obtaining and otherwise complying with necessary permits), and other costs that do not vary due to Actual Wastewater Flow, Wastewater Strength, or Equivalent Sludge Flow shall be paid by the Parties as follows:

$$\text{FOMC} = (\text{QO})(\text{FOM})(\% \text{QFOM}) + (\text{CODO})(\text{FOM})(\% \text{CODYFOM}) +$$

$$(SSO)(FOM)(\%SSFOM) + (NO)(FOM)(\%NFOM) + (ESO)(FOM)(\%ESFOM)$$

Where:

FOMC = the monthly payment of a Party for its share of the monthly fixed costs of operation and maintenance

QO = Current Flow Ownership Capacity of the Party divided by the total Current Flow Ownership Capacity as shown in Exhibit B

FOM = the fixed cost of operation and maintenance

%QFOM = the percentage of fixed operation and maintenance allocated to Flow Capacity as per the Cost of Service Study

CODO = Current COD Ownership Capacity of the Party divided by the total Current COD Ownership Capacity as shown in Exhibit B

%CODFOM = the percentage of fixed operation and maintenance allocated to COD Capacity as per the Cost of Service Study

SSO = Current SS Ownership Capacity of the Party divided by the total Current SS Ownership Capacity as shown in Exhibit B

%SSFOM = the percentage of fixed operation and maintenance allocated to SS Capacity as per the Cost of Service Study

NO = Current N Ownership Capacity of the Party divided by the total Current N Ownership Capacity as shown in Exhibit B

%NFOM = the percentage of fixed operation and maintenance allocated to N Capacity as per the Cost of Service Study

ESO = Current ES Ownership Capacity of the Party divided by the total Current ES Ownership Capacity as shown in Exhibit B

%ESFOM = the percent of fixed operation and maintenance allocated to ES Capacity as per the Cost of Service Study

9.2.2. The annual variable Operation and Maintenance Costs, including the costs of utilities, chemicals, biosolids management, repairs, outside contractors, and other items which vary directly due to Actual Wastewater Flow, Wastewater Strength or Equivalent Sludge Flow, shall be paid by the Parties as follows:

$$VOMC = (QVC)(Q) = (CODVC)(COD) + (SSVC)(SS) + (NVC)(N) + (ESVC)(ES)$$

Where:

- VOMC = the monthly payment by a Party for its share of the monthly variable costs of operations and maintenance
- QVC = dollars of variable operation and maintenance per million gallons of Actual Wastewater Flow as per the Cost of Service Study
- Q = Actual Wastewater Flow discharged by the Party during the month
- CODVC = dollars of variable operation and maintenance per pound of Chemical Oxygen Demand treated as per the Cost of Service Study
- COD = actual pounds of Chemical Oxygen Demand discharged by the Party during the month
- SSVC = dollars of variable operation and maintenance per pound of suspended solids treated as per the Cost of Service Study
- SS = actual pounds of suspended solids discharged by the Party during the month
- NVC = dollars of variable operation and maintenance per pound of total nitrogen treated as per the Cost of Service Study
- N = actual pounds of total nitrogen discharged by the Party during the month
- ESVC = dollars of variable operation and maintenance per million gallons of ES Flow as per the Cost of Service Study
- ES = ES Flow attributable to the Party during the month

9.2.3 All Capital Costs and Operation and Maintenance Costs associated with pumping Mesa's treated wastewater from the SEWRP to and through the GWRP shall be solely the responsibility of Mesa.

9.2.4. Pursuant to the election of the GWRP Committee as set forth in Section 18.2.14 of this Agreement, the Parties can elect to use either equivalent Chemical Oxygen Demand (COD) loading or Biochemical Oxygen Demand (BOD) loading in the calculations set forth in Sections 9.2.1 and 9.2.2 of the fixed and variable Operation and Maintenance Costs to be paid by the Parties.

9.2.5 Each Party will perform all necessary construction, maintenance and repairs to its metering and sampling stations. In the event a Party (including Lead Agent) fails to perform such maintenance and repairs for a period of longer than sixty (60) days, the Lead Agent or another Party may provide that Party with written notice to make the

necessary repairs within sixty (60) days. If the Party receiving notice fails to complete or commence making the needed repairs within such sixty (60) day period, the Lead Agent or other Party giving notice may perform such repairs and include the costs in the Operating and Maintenance bill for the Party receiving notice.

10. Capital Costs

10.1 The Parties agree to apportion the Capital Costs among the Parties as specified in Exhibit G of this Agreement, which is incorporated into and made a part of this Agreement. Those Capital Costs have been distributed among the Parties according to the costs attributable to the amount of BOD/COD Capacity, Flow Capacity, SS Capacity, Nitrogen Capacity, and ES Capacity that each Party has purchased. For those costs attributable to facilities that are being sized in excess of that needed for GWRP Phase III but below the size necessary for maximum capacity level of the GWRP, the Lead Agent shall, as it or the GWRP Committee deems necessary, update Exhibit G using the methodology described in this Section and submit it to the GWRP Committee for review.

10.2. The Capital Costs for future expansions and Capital Improvement Projects of the GWRP shall be apportioned based on each Party's ownership capacities for that expansion or Capital Improvement Project. Prior to initiating any expansion, the Lead Agent shall apportion Capital Costs for that expansion using the methodology described in Section 10.1, and shall submit the apportionment to the GWRP Committee for review. Following approval of such Capital Improvement Projects, the Capital Costs shall be included in the Capital Budget and paid according to the approved apportionment or any approved update of that apportionment.

10.3 Following the final expansion of the GWRP to its maximum capacity, the Lead Agent shall recalculate the apportionment of those Capital Costs that have previously been apportioned among the Parties based, in whole or in part, on projected Ultimate Ownership Capacities of the GWRP. Such apportionment shall be recalculated among the Parties using current values and each Party's Ultimate Ownership Capacities after the final expansion of the GWRP to its maximum capacity. The Lead Agent shall submit the recalculation to the GWRP Committee for review and approval. After the GWRP Committee unanimously approves the recalculation, the Parties shall reconcile the Capital Costs paid by each Party and Ultimate Ownership Capacities using the recalculated apportionment of Capital Costs. If the GWRP Committee does not unanimously approve the recalculation and reconciliation any one or more of the Parties may seek resolution of the dispute pursuant to Section 19.

10.4 Land costs for the real property necessary for the GWRP and a buffer area are set forth in Exhibit C. Following the expansion of the GWRP to its maximum capacity level, the costs for real property necessary for the GWRP shall be reapportioned among the Parties by applying the Current Facility Ownership Share of each Party after the final expansion of the GWRP to the total cost of acquiring the real property, including any accumulated interest paid on any bonds used to finance the purchase of the property.

11. Fees and Rates. Nothing in this Agreement shall be construed to limit the ability of the Parties to establish sewer connection fees, development fees or user rates for their respective jurisdictions without consultation or approval of the other Parties.

12. Budgeting, Billing and Payment

12.1 Annual Budget Process

12.1.1 Every Year the Lead Agent will prepare an Operating and Maintenance Budget for the GWRP. The Lead Agent will also prepare the Capital Budget for the Year based on the Capital Improvement Projects identified in the CIP.

12.1.2 The proposed Operating and Maintenance Budgets and Capital Budgets will be presented in final form to the GWRP Committee no later than December 1 each Year. This timing may be adjusted on an annual basis to meet the needs of each Party as unanimously approved by the GWRP Committee. Each Operating and Maintenance Budget and Capital Budget shall include a "not to exceed amount" (to be provided by the Lead Agent by September 30) and an allocation of each Party's share in the Operating and Maintenance Budget and Capital Budget as calculated pursuant to the terms of this Agreement. The Lead Agent shall also include an estimate of the monthly cash flow for each Party's share in the Operating and Maintenance Budget and Capital Budget.

12.1.3 The Lead Agent may periodically revise the Operating and Maintenance Budget and Capital Budget during the Year, as necessary, to accurately reflect estimated expenditures and shall submit such revisions to the GWRP Committee. Any increases to the Operating and Maintenance Budget and Capital Budget beyond the "not to exceed amounts" must be submitted for consideration by the GWRP Committee at a Quarterly Meeting, with a vote on approval at the next subsequent Quarterly Meeting. Notwithstanding the preceding, each Party to this Agreement acknowledges and agrees that Actual Wastewater Flows and Wastewater Strengths vary unpredictably over time, and each Party is and shall be responsible for the costs of the GWRP for wastewater actually treated for or on behalf of such Party.

12.2 Monthly Billing Process

12.2.1 The Lead Agent will pay Operating and Maintenance Costs, and Capital Costs as they become due. These costs will be invoiced to each Party on separate invoices as outlined below:

- A. Monthly, the Lead Agent will allocate the Operating and Maintenance Costs for the previous month to each Party using the process outlined in Section 9. The monthly allocation will include any rental charges and/or credits incurred during that month.
- B. Monthly, the Lead Agent will allocate the Capital Costs to the Parties as outlined in Section 10 and this Section 12.

12.2.2 Annually, by July 20, the Lead Agent will prepare and deliver to the designated representative of each Party a final billing of all charges that have posted for the immediately preceding Year by such date, and any remaining charges posting after such date and relating to such immediately preceding Year will carry over and be attributed to the next Year.

12.2.3 The Parties will remit payment for each invoice to the Lead Agent via Electronic Funds Transfer (EFT) or Automated Clearing House (ACH) within thirty (30) days of receipt thereof.

12.2.4 If, in a rolling twenty-four (24) month period, a Party makes an untimely payment (longer than thirty (30) days in accordance with Section 12.2.3) to the Lead Agent, then any future untimely payments within the period shall be subject to a fine in the initial amount of the greater of: i.) \$5,000.00, or ii.) two percent (2%) of the unpaid amount. The amount of the fine shall increase by the greater of: i.) \$2,500.00 or ii.) one percent (1%) for each additional occurrence during the rolling period. The fine shall also accrue interest at the Interest Rate.

12.3 Past Due Balances

12.3.1 If the Lead Agent does not timely receive reimbursement for a Party's appropriate share of the costs, the Lead Agent shall first notify the finance contact of the respective Party. That Party shall within ten (10) days following such notice remit the amount necessary to bring such Party's account current.

12.3.2 If a Party fails to remit the funds within such 10 calendar day period, the Lead Agent shall escalate notification to the designated representative of the respective Party for immediate resolution.

12.3.3 The Lead Agent reserves the right to impute interest on past due balances at the Interest Rate. Should payment not be timely made, interest will accrue on the entire unpaid balance at the Interest Rate (as defined in Section 13.2) until the entire indebtedness is paid in full.

12.4 Billing Dispute. If a Party disputes any portion of any statement, the Party shall pay the Lead Agent any amount payable under protest when due and include with its payment a written statement indicating the basis for the protest. If the Lead Agent finds the protest to be valid, the Lead Agent shall refund or credit to the protesting Party any overpayment made to the Lead Agent. The protesting Party reserves the right to request reimbursement of late fees as described in this Section 12. If the Lead Agent does not find the protest to be valid, it shall inform the protesting Party, which may request dispute resolution in accordance with Section 19 of this Agreement.

12.5 Financial Reports

12.5.1 The Lead Agent shall provide each Party with quarterly expenditure reports during the Year within thirty (30) days after the end of each quarter, or more often at the request of the other Parties.

12.5.2 Annually, by September 30 of each Year, the Lead Agent shall provide each Party with written drafts of a Year-end “budget to actual” expenditure comparison report and a current equity interest report. If the financial information set forth in the reports changes after the draft reports are provided due to external audit, the Lead Agent will deliver updated reports to each Party together with an explanation of the changes. If there are no changes to the financial information, the draft reports shall serve as the final reports. The final reports will be available no later than October 15 of each Year.

13. Rental Charges

13.1 The Lead Agent shall bill rental charges owing in accordance with Section 6 on a monthly basis.

13.2 A Party that has been billed for monthly rental charges shall pay such bills to the Lead Agent within thirty (30) calendar days of receipt. Bills that are not paid shall be delinquent and thereafter shall accrue an interest charge equal to the prime rate of interest as established by the Bank of America, or its successor, on the last business day of the month following the month during which the money was due, plus two percent (2%) per annum (the “Interest Rate”), prorated by days, of the unpaid principal, computed daily until payment is received.

13.3 For each month for which monthly rental charges were collected, the rental charges shall be apportioned among the Parties not paying a monthly rental charge for that month on the basis of their excess capacity available for that month. For the purposes of this paragraph, “excess capacity available” shall mean in any month a Party’s Ownership Capacity in that component of the GWRP less the actual usage of such Ownership Capacity used by the Party.

13.4 The Lead Agent shall credit any money owed to a Party for rental charges into that Party’s monthly GWRP Operating and Maintenance Costs bill.

14. Capital Improvement Projects and Plan

14.1 Mesa as Lead Agent will submit to the GWRP Committee for approval each individual proposed Capital Improvement Project in accordance with this Section.

14.1.1 Each proposed Capital Improvement Project will initially be submitted to the GWRP Committee at a Quarterly Meeting. The submittal will include an itemization of the projected cost components, including but not limited to design, construction, administration, inspection and overhead. The Lead Agent will also provide a revised proposed Capital Budget as necessary to reflect the impact of the proposed Capital

Improvement Project for the current Year. For construction of Capital Improvement Projects, such Capital Budget shall include a licensed engineer's sealed estimate of the total construction costs of the Capital Improvement Project based on ninety percent (90%) design documents for the Capital Improvement Project.

14.1.2 Prior to the next scheduled Quarterly Meeting, each participating Party shall submit the Capital Improvement Project and associated revised Capital Budget for all necessary municipal approvals and authorizations, as applicable to that Party.

14.1.3 At the next scheduled Quarterly Meeting (or a subsequent meeting), the Lead Agent shall submit each contract for the proposed Capital Improvement Project, along with the associated revised Capital Budget, to the GWRP Committee for approval.

14.1.4 Upon approval by the GWRP Committee representatives of the participating Parties to the Project, the Lead Agent may sign each contract, which, once effective, will be binding on and among the Parties in accordance with the provisions of this Agreement. Approved Capital Improvement Projects will be included in the annual Capital Budget and the CIP.

14.1.5 A Capital Improvement Project contract change order will be submitted to the GWRP Committee for consideration and authorization if the cost increase exceeds either (a) ten percent (10%) or more of the original contract cost beyond included contingency amounts, or (b) one hundred thousand dollars (\$100,000.00) beyond included contingency amounts, following the process set forth above in Sections 14.1.1 through 14.1.4.

14.2 If a participating Party withdraws from an approved and contracted Capital Improvement Project that remains within the projected scope and costs (including approved change orders), the withdrawing Party will be responsible for all reasonable costs incurred by the remaining Parties and necessitated by the withdrawal.

14.3 The Lead Agent will maintain a Capital Improvement Plan ("CIP") for the GWRP, with a minimum of five (5) Years projected. This CIP will outline the timing and the estimated Capital Costs, by each Year and in total, of all identified Capital Improvement Projects. The Lead Agent will annually update the Capital Improvement Plan, and submit it to the GWRP Committee for consideration in accordance with Section 18. The Capital Improvement Plan update will incorporate any newly approved Capital Improvement Projects as well as the expenditures on existing approved Capital Improvement Projects, and include an overall estimated Capital Cost total with each Party's share clearly identified and allocated according to the methodology outlined in Section 10.

15. Pretreatment of Industrial Wastewater and Limitation on Discharges.

15.1 Each Party and Other User shall be individually responsible and liable for the performance of all pretreatment requirements within the area of the Party's local jurisdiction. Each Party and Other User shall implement and enforce a pretreatment program as required by such pretreatment requirements. Each Party and Other User shall cause industrial users subject to pretreatment requirements to achieve compliance no later than the date established by the requirements.

15.2 Each Party and Other User shall have an ordinance in effect and impose conditions consistent with applicable federal and state pretreatment requirements. Such conditions shall include local limits and prohibited discharges to the GWRP that are at least as stringent as those adopted by the Lead Agent. The Lead Agent shall give notice to the Parties and Other Users of proposed changes to its local limits and prohibited discharges at least ninety (90) days in advance of the Lead Agent adopting any change unless such notice period would prevent the Lead Agent from complying with federal or state law. If an Other User is not a public entity authorized to adopt an ordinance, the Other User shall, to the satisfaction of all the Parties, legally obligate itself to implement and enforce pretreatment requirements prior to discharging wastewater to the GWRP.

15.3 Each Party and Other User shall be responsible for informing the sanitary sewer users within its jurisdiction of the prohibition against unauthorized discharge, and for enforcement of such prohibition. No Party or Other User shall accept or allow the discharge into the wastewater collection system of wastewater from any septic haulers or non-sewered discharges, unless specifically authorized by permit under standardized liquid wastewater hauler requirements at least as stringent as those adopted by the Lead Agent.

15.4 Within its jurisdiction, each Party and Other User shall enforce applicable requirements promulgated under the Federal Water Pollution Control Act (commonly known as the "Clean Water Act"), 33 United States Code § 33-1251 *et seq.* Each Party and Other User shall cooperate with the Lead Agent in meeting the requirements of the Clean Water Act and all other applicable water quality laws, statutes, and regulations and, without limiting the requirements of Sections 15.5 and 15.6, shall provide information to the Lead Agent as may be necessary for the Lead Agent to comply timely with all reporting activities required by such laws, statutes, and regulations.

15.5 Each Party and Other User shall submit annually to the Lead Agent and the other Parties a report describing its pretreatment activities over the previous twelve months. This report is due fifteen (15) days prior to the date prescribed under the pretreatment requirements for submitting an annual report to the United States Environmental Protection Agency (USEPA) and/or the ADEQ. The report shall contain information required in the annual report and, if a Party or Other User is not in compliance with one or more of the pretreatment requirements, shall indicate reasons for noncompliance and a schedule and plan for achieving full compliance.

15.6 Each Party and Other User shall submit quarterly to the Lead Agent and the other Parties a report describing all industrial users, if any, within the entity's jurisdiction

that use the GWRP and are not in compliance with the pretreatment requirements, a description of the non-compliance, a description of the enforcement action, and the status of active enforcement actions taken in previous quarters.

15.7 Each of the Parties shall have the same rights of inspection and interview, as restricted by confidentiality provisions, of each other's and each Other User's pretreatment records and personnel that is granted to USEPA and/or ADEQ by the pretreatment requirements.

15.8 Upon reasonable request by a Party or Other User, the requesting entity and the Lead Agent shall carry out joint inspection, surveillance, and monitoring procedures necessary to determine compliance with the pretreatment requirements. If the Lead Agent or requesting entity notifies another Party (including Lead Agent) or Other User of suspected noncompliance and the problem is not corrected, the Lead Agent and the requesting entity shall have the right to inspect the premises and sample the discharges of industrial users within the suspected noncomplying entity's jurisdiction. Except in an emergency, the Lead Agent shall provide reasonable notice to the Party in which jurisdiction the Lead Agent and requesting entity will inspect and that Party may accompany and participate in the inspection.

15.9 For purposes of this Section, "pretreatment requirements" shall mean all requirements applicable to the pretreatment of industrial wastewater prior to discharge into a sanitary sewer that are contained in Federal and State law and regulations, including 40 Code of Federal Regulations Part 403, and implementing permits.

15.10 No Party shall discharge or allow the discharge into the GWRP of any of the pollutants exceeding the limitations set forth in Exhibit E.

15.11 Each Party shall prevent the introduction of pollutants into the GWRP that would cause interference with the operation of the GWRP, including interference with the use and disposal of Reclaimed Water and municipal Sludge.

15.12 Any Party failing to comply with the requirements of Sections 15.10 or 15.11 shall pay to the Lead Agent within fifteen (15) days of demand the cost of correcting all damage to the GWRP caused by such pollutants as well as the cost of any protective measures necessary to neutralize such pollutants.

15.13 If a Party is damaged by another Party's failure to comply with Sections 15.10 or 15.11, the Party failing to comply shall pay to the damaged Party all damages caused by such pollutants.

16. Other Users. Other Users may be authorized only upon unanimous consent of the Parties. Any such Other Users shall, by written agreement, agree to abide by all of the relevant provisions of this Agreement, including expressly Section 15. In an action resulting from or associated with an Other User's negligence or intentional acts in violation of this Agreement, the Party who has such Other User as a customer shall indemnify,

defend, and hold harmless each of the other Parties for, from and against any and all liabilities, obligations, penalties, fines, claims, actions, damages, and costs (including reasonable attorney's fees) that may be incurred or imposed as a result of such Other User's negligence or intentional acts, except to the extent such other Party is found to have committed a negligent or intentional violation of law or this Agreement in connection therewith.

17. Areas of Service. As consideration for entering into this Agreement, to ensure effective utilization of the facilities to be constructed hereunder and to avoid wasteful duplication of facilities, the Parties shall not provide wastewater service to, or extend wastewater facilities into, any area within a strip annexation boundary or any area designated by intergovernmental agreement as a future service area of another Party without the written consent of that Party. Such consent shall not be unreasonably or unlawfully withheld.

18. GWRP Committee.

18.1 GWRP Committee Representation. Each Authorized Representative identified in Section 21 shall appoint one representative and one alternate to the GWRP Committee. The representative of the Lead Agent shall serve as chair of the GWRP Committee.

18.2 The Powers and Duties of the GWRP Committee include the following:

18.2.1 Approve or deny formally submitted recommendations.

18.2.2 Appoint the Lead Agent if the Parties unanimously agree to change the Lead Agent.

18.2.3 Approve or deny the Operating and Maintenance Budgets and Capital Budgets for the GWRP prepared by the Lead Agent.

18.2.4 Authorize, review and approve Capital Improvement Projects (and change orders), including participation in the selection of consultants and contractors for the design, construction, operation or maintenance of the GWRP, and provide input on negotiations by the Lead Agent on behalf of the Parties for such Capital Improvement Projects.

18.2.5 Approve the use and results of audits, sampling procedures, quality control and similar such reports helpful to the administration of this Agreement.

18.2.6 Approve land acquisitions for the GWRP and the buffer.

18.2.6A Unanimously approve disposition of land acquired for the GWRP and the buffer that is no longer needed.

18.2.7 Unanimously approve Other Users pursuant to Section 16.

18.2.8 Review and approve Costs of Service studies and audits performed in accordance with this Agreement.

18.2.9 Review and unanimously approve amendments to Exhibits B, D, E and F of this Agreement.

18.2.10 Appoint working groups comprised of employees and agents of the Parties to advise and assist the GWRP Committee.

18.2.11 Select consultants and contractors for studies regarding the operation and maintenance of the GWRP, as well as participate in discussions leading up to contract, scope and fee negotiation by the Lead Agent.

18.2.12 Oversee all other action necessary for the design, construction, operation or maintenance of the GWRP.

18.2.13 Review available property, general liability, and worker's compensation insurance for the GWRP, including coverage that may be available under the Lead Agent's insurance policies, and authorize and approve insurance policies negotiated by the Lead Agent.

18.2.14. Approve the use of either Biochemical Oxygen Demand (BOD) or Chemical Oxygen Demand (COD) for the completion of the Cost of Service Study pursuant to Section 6.1.2, the calculation of monthly rental charges pursuant to Section 6.1.1, and the calculation of Fixed or Variable Costs to be paid by the Parties as set forth in Section 9.2.3 and 9.2.4.

18.3 GWRP Committee Meetings and Voting

18.3.1 The GWRP Committee shall meet at least quarterly during the calendar Year. The GWRP Committee may meet more often if deemed necessary by the Parties.

18.3.2 A quorum required to convene a meeting and transact business shall consist of a simple majority of the GWRP Committee members. The GWRP Committee shall take action only by formal recorded vote.

18.3.3 Unless unanimous approval is specified by the terms of this Agreement, the affirmative vote of a majority percentage of Current Facility Ownership Shares shall be necessary to pass any formal action of the GWRP Committee.

18.3.4 All matters formally submitted by the Lead Agent to the GWRP Committee for approval shall be deemed approved if not formally accepted or disapproved by the GWRP Committee within thirty (30) days following the date of the GWRP Committee Quarterly Meeting next occurring after the date of such of submittal.

18.4 GWRP Committee Procedures. The GWRP Committee may adopt its own policies and rules of procedure for conducting business.

19. Resolution of Disputes.

19.1 Disputes under \$250,000. Any dispute which is not resolved by agreement of the Parties involved, in which the monetary value is less than \$250,000 (as determined by the amount stated in the written claim submitted to commence the dispute resolution) shall be commenced by a Party submitting a written statement of claim by a Party setting forth the dispute to be resolved, which statement shall be provided to the other Party(ies) involved in the dispute pursuant to Section 21. The dispute shall then be submitted for resolution to such person as the parties involved in the dispute may agree to in writing to act as arbitrator ("Arbitrator"). If the Parties have not been able to agree on an Arbitrator within ten (10) calendar days of the submittal of the written statement of claim, the Parties may submit the dispute to the Pima County Attorney, who may appoint a member of the Pima County Attorney's Office or elect to appoint a designated representative of the Pima County Regional Reclamation Department to serve as Arbitrator. Alternatively (by a majority vote of all three Parties), the Parties may request that the Maricopa County Superior Court appoint an Arbitrator. The Arbitrator shall establish an informal process appropriate based upon the nature of the dispute and to expedite a decision. The Arbitrator shall render a written, reasoned decision no later than thirty (30) days after submittal of the dispute to the Arbitrator. The decision of the Arbitrator shall be final and binding. The cost of the Arbitration, including the costs of the Arbitrator, shall be split evenly between the Parties involved in the dispute.

19.2 Disputes of \$250,000 or more. Any dispute which is not resolved by agreement of the Parties involved, in which the monetary value is \$250,000 or more shall be commenced as set forth in Section 19.1 and submitted to mediation. The Parties to the mediation shall agree on two (2) mediators within ten (10) calendar days of the submittal of the written statement of the claim: an attorney and an expert appropriate for nature of the dispute (collectively the "Mediators"). If the parties have not been able to agree on either or both of the Mediators within ten (10) calendar days of the submittal of the written statement of the claim then the attorney mediator, if not agreed to, will be the Pima County Attorney, and the expert mediator, if not agreed to, shall be the appropriate representative of the RWRD as selected by the Pima County Attorney in consultation with the Parties. Unless otherwise agreed to by the Parties to the mediation, the mediation shall be held within thirty (30) days from the selection of the Mediators. The cost of the mediation, including the costs of the Mediators, shall be split evenly between the Parties involved in the dispute. Any agreement entered into as a result of the mediation shall be in writing, signed by the appropriately authorized representatives of the Parties to the mediation and will be enforceable through filing a lawsuit for any available remedy including specific performance.

19.3 If the mediation does not fully resolve the dispute(s) submitted to mediation, then the remaining disputes shall be resolved as follows: If the remaining disputes are

valued under \$250,000, then they shall be resolved under Section 19.1; if the remaining disputes are valued at \$250,000 or more any Party to the mediation may pursue any other legal or equitable remedy available to resolve the dispute, including the filing of litigation in the Maricopa County, Arizona, Superior Court.

19.4 Any Party that brings a lawsuit against another Party for a dispute arising under this Agreement and that does not prevail shall pay all fees and courts costs, including attorneys' fees, incurred by the other Parties to this Agreement in that lawsuit as determined by the judge, and not by a jury.

19.5 Any lawsuit related to this Agreement shall be filed only in the Maricopa County, Arizona, Superior Court, and the Parties agree that jurisdiction and venue are appropriate therein.

20. Cancellation. This Agreement may be cancelled pursuant to A.R.S. § 38-511.

21. Authorized Representatives; Notices. The individuals named below are authorized and directed to act as the designated representative for the respective Parties and shall serve as the primary contact person for such Parties. The designation of the addressee or the address listed below may be changed by notice given in the same manner as provided in this Section. Any notice, demand, or request concerning the Agreement shall be in writing and delivered in person, by hand delivery, by overnight courier service (e.g., Federal Express) or sent by first class mail (return receipt requested), postage prepaid to:

For Gilbert: Town Manager
Town of Gilbert
50 E. Civic Center Drive
Gilbert, Arizona 85296

For Mesa: City Manager
City of Mesa
P.O. Box 1466
Mesa, Arizona 85211-1466

For Queen Creek: Town Manager
Town of Queen Creek
22350 S. Ellsworth Road
Queen Creek, AZ 85242

22. Records; Audits.

22.1 Each Party shall make available for inspection by properly authorized representatives of the other Parties the non-confidential, non-privileged records in its possession related to the fulfillment of the terms of this Agreement.

22.2 An annual third-party audit of the accounting records of the Lead Agent shall be performed in support of its billings at the shared cost of the Parties. Such annual audit shall certify to the Parties, for management purposes and the use of the Parties only,

whether the Lead Agent's accounting methods and records are in accordance with Governmental Accounting Standards Board (GASB) pronouncements and generally accepted accounting principles (GAAP). The annual audit will be brought before the GWRP Committee as a whole for acceptance. In addition to the annual audit, a Party may request, at its own expense, a separate third-party audit of Lead Agent's accounting, operational and maintenance books and records in relation to Lead Agent's design, construction, operation, and maintenance of the GWRP.

23. Damages and Unforeseen Costs.

23.1 Except as specifically provided in other provisions of this Agreement and except for liabilities resulting from intentionally wrongful acts of the Lead Agent, the Parties shall share in proportion to their Current Facility Ownership Share all liabilities (including litigation costs and government penalties) arising out of the design, construction, operation, and maintenance of the GWRP.

23.2 Any liability arising from sewage flows prior to arrival at the GWRP, including the failure to comply with the requirements of Section 15, shall be assumed by the Party causing or allowing the condition that gives rise to such liability, if such responsibility can be determined.

23.3 Each Party at its own expense may obtain legal counsel in connection with any matter covered by this Section.

24. Modification or Amendment.

24.1 No modification or amendment of this Agreement shall be effective unless in writing and signed by the Parties, except that Exhibits B, D, E and F may be modified through the unanimous approval of the GWRP Committee.

25. Term of this Agreement.

25.1 This Agreement shall become effective upon appropriate approval and execution by the authorized representatives of all Parties, delivery of a fully executed original to each Party, and filing with the Maricopa County Recorder by the Lead Agent pursuant to A.R.S. § 11-952(G).

25.2 This Agreement shall remain in effect for 99 years or until the GWRP Committee unanimously determines to abandon the GWRP, whichever is shorter. At the end of the 99-year term, if not terminated previously, the Agreement may be extended for a like term by unanimous consent of the Parties. The Agreement may be terminated earlier by unanimous consent of the Parties.

26. Signature Clause. The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they

sign and that no further action or approvals are necessary before execution of this Agreement.

27. Buffer Area.

27.1 No Party shall take any action or allow or make any use of land acquired for the site or Buffer Area of the GWRP that impedes or interferes in any way with the use of the land as a water reclamation plant.

27.2 Subject to the limitation of Section 27.1, Gilbert may lease under a separate agreement with Mesa the Buffer Area surrounding the GWRP for Gilbert's municipal uses. Notwithstanding the terms of any such lease, Gilbert shall grant the other Parties without charge or compensation easements and other access across the Buffer Area for the purposes of placing, maintaining and accessing wastewater lines, discharge lines, roads, utility services, water storage facilities, and other facilities and access necessary for the design, construction, maintenance, and operation of the GWRP and the Parties' individual facilities related to the GWRP. Gilbert shall locate no fixture on the Buffer Area that will interfere with an easement or access necessary for the GWRP. Gilbert also recognizes and agrees that the Buffer Area will be subject to receiving the sheet and storm water flows from the GWRP, and Gilbert agrees not to object or to bring action to prevent such flows from entering or collecting on the Buffer Area. The Lead Agent, in accordance with this Agreement, shall obtain and comply with any water quality permits applicable to sheet and storm water flows from the GWRP. The parties are in the process of negotiating the parameters for future uses of the Buffer Area by the Parties or a Party, which parameters shall be set forth in this Section 27 of an Amended IGA. If the Parties are unable to reach a final agreement thereon, the Parties may submit any unresolved issues to dispute resolution under Section 19.

27.3 For the purposes of this Section 27, the "Buffer Area" is that real property described on Exhibit H.

28. Termination of Previous Intergovernmental Agreement.

28.1 This Intergovernmental Agreement supersedes in its entirety the Intergovernmental Agreement among the Arizona Municipal Corporations of Gilbert, Queen Creek and Mesa Concerning the Construction and Operation of a Greenfield Water Reclamation Plant dated June 22, 2004, and recorded August 20, 2004, as Instrument No. 2004-0971538, Official Records of Maricopa County, Arizona, which Intergovernmental Agreement shall terminate on the effective date of this Intergovernmental Agreement.

28.2 Any expenses incurred with regard to the GWRP Phase III Expansion on, before or after the effective date of this Agreement, shall be billed by the Lead Agent and paid by the Parties in accordance with the terms of this Intergovernmental Agreement among Arizona Municipal Corporations of Gilbert, Queen Creek and Mesa Concerning the Construction and Operations of the Greenfield Water Reclamation Plant.

IN WITNESS WHEREOF, the Parties have executed this Agreement.

ATTEST:

TOWN OF GILBERT

By _____
Town Clerk

By _____
Mayor

Determined to be in proper form and
within the powers and authority
granted under the laws of the State of
Arizona to the Town of Gilbert:

By _____
Town Attorney

ATTEST:

CITY OF MESA

By _____
City Clerk

By _____
CITY MANAGER

Determined to be in proper form and
within the powers and authority
granted under the laws of the State of
Arizona to the City of Mesa:

By _____
City Attorney

ATTEST:

TOWN OF QUEEN CREEK

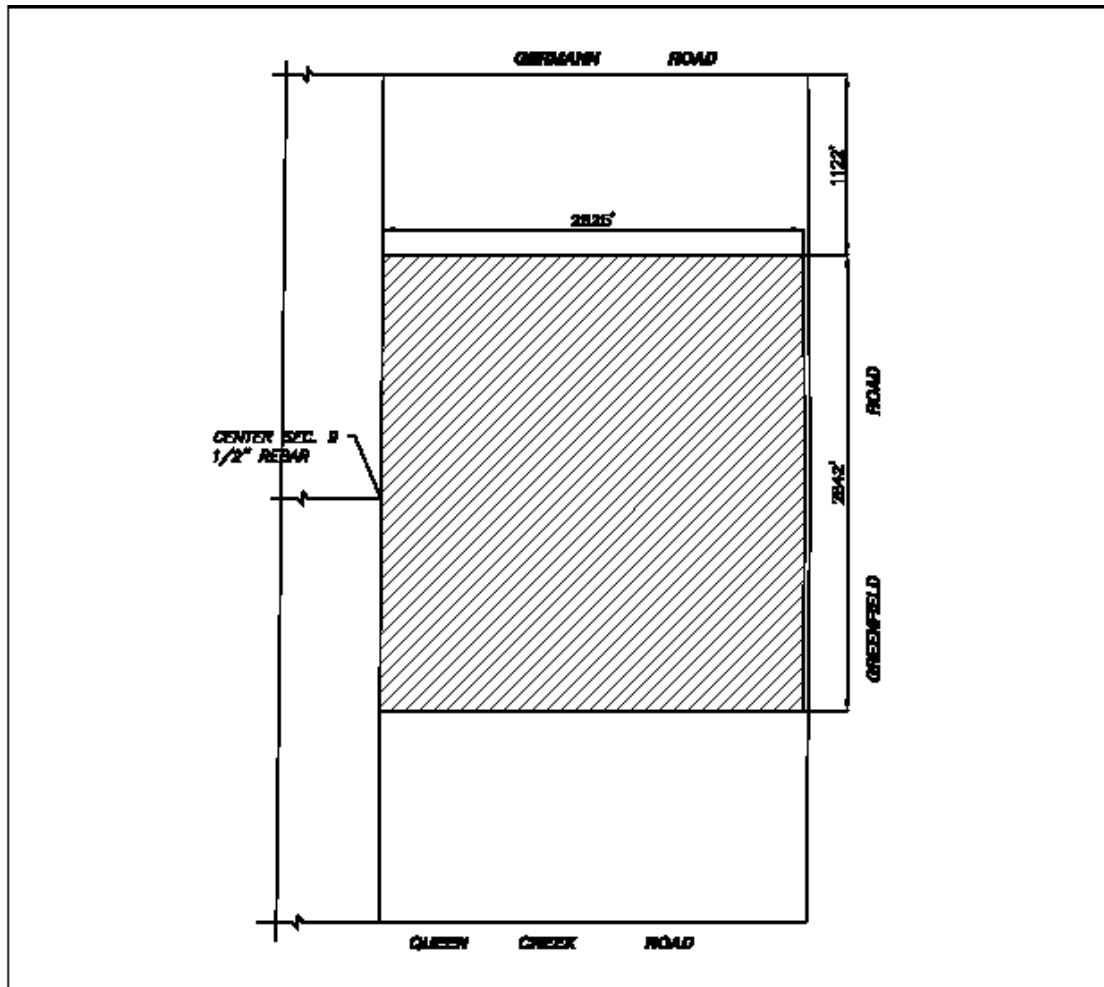
BY _____
TOWN CLERK

BY _____
MAYOR

Determined to be in proper form and

within the powers and authority
granted under the laws of the State of
Arizona to the Town of Queen Creek:

BY _____
TOWN ATTORNEY



NOT TO SCALE

Greenfield Water Reclamation Plant Site Location Map Exhibit "A"

L:\02-046\Exbt-Plant Boundary.dwg 05-04-04

EXHIBIT A

(Continued)

GREENFIELD WATER RECLAMATION PLANT

LEGAL DESCRIPTION

A parcel located in Section 9, Township 2 South, Range 6 East, Gila & Salt River Base & Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Center of said Section 9,

Thence North $00^{\circ}21'21''$ East a distance of 1522.46 feet;

Thence South $89^{\circ}57'26''$ East a distance of 2625.64 feet;

Thence South $00^{\circ}19'10''$ East a distance of 1521.74 feet;

Thence South $00^{\circ}33'47''$ West a distance of 1320.30 feet;

Thence South $89^{\circ}59'35''$ West a distance of 2638.81 feet;

Thence North $00^{\circ}21'21''$ East a distance of 1321.82 feet to the point of beginning;

This parcel contains 7,483,654.97 square feet or 171.80 acres, more or less.

EXHIBIT B

GREENFIELD WATER RECLAMATION PLANT OWNERSHIP OF TREATMENT CAPACITIES

Party	Current Ownership Capacity	Phase II Ownership Capacity (1)					Ultimate Ownership Capacity (1)				
	Flow (MGD)	Flow (MGD)	BOD (lbs/month)	SS (lbs/month)	TKN (lbs/month)	Equivalent Sludge (MGD)	Flow (MGD)	BOD (lbs/month)	SS (lbs/month)	TKN (lbs/month)	Equivalent Sludge (MGD)
Mesa	1.1	4.0	200,150	250,200	40,030	12.0	24.0	1,200,960	1,501,200	240,190	36.0
Gilbert	2.2	8.0	400,300	500,400	80,060	8.0	20.0	1,000,800	1,251,000	200,160	20.0
Queen Creek	1.0	4.0	200,150	250,200	40,030	4.0	8.0	400,320	500,400	80,060	8.0
Total	4.3	16.0	800,600	1,000,800	160,120	24.0	52.0	2,602,080	3,252,600	520,410	64.0

(1) BOD, SS, & TKN Ownership based on average 30-day loadings

NOTE: PENDING TECHNICAL UPDATE TO INCLUDE PHASE III

EXHIBIT C

LAND COSTS

Zinke Property	\$ 1,820,086.89
RWCD Property	<u>\$ 1,100,000.00</u>
Total	\$ 2,920,086.89

EXHIBIT D

[INTENTIONALLY LEFT BLANK]

EXHIBIT E

PROHIBITED DISCHARGES

1. Wastewater which could cause interference or pass-through with POTW operations.
2. Unless otherwise approved by the Utilities Manager, storm water, surface water, groundwater, roof runoff, subsurface drainage, single-pass cooling water, or condensate that may constitute inflow.
3. Pollutants which create a fire or explosion hazard to the system or treatment plant. In no case shall pollutants be discharged either:
 - (a) With a closed cup flashpoint less than one hundred forty degrees Fahrenheit (140o F) (sixty degrees Centigrade [60o C]); or
 - (b) Which would cause an exceedance of ten percent (10%) of the lower explosive limit (lel) at any point within the POTW for any single reading or more than five percent (5%) for any two (2) consecutive readings.
4. Solid or viscous pollutants, petroleum oil, nonbiodegradable cutting oil, or products of mineral oil origin in amounts that will cause any one (1) or more of the following:
 - (a) Interference;
 - (b) Pass-through; or
 - (c) Obstruction to the flow in sewers or other interference or damage with the system or treatment plant.
5. Wastewater containing a toxic, radioactive, poisonous, or other substance in sufficient quantity to injure or interfere with any POTW process, cause corrosive structural damage, constitute a hazard to humans, or create any hazard to the POTW or in the receiving waters of the POTW; or pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems.
6. Wastewater with a pH less than five (5.0) standard units (SU) or greater than ten and one-half (10.5) SU.
7. Wastewater with a temperature greater than one hundred fifty degrees Fahrenheit (150oF) or heat in amounts which will inhibit biological activity in the POTW resulting in interference; but in no event, heat in such quantities that the temperature at the headworks of the POTW exceeds one hundred four degrees Fahrenheit (104oF) (forty degrees Centigrade [40oC]).
8. Wastewater that has been diluted in any way as a substitute for pretreatment for the purpose of obtaining compliance with any categorical standard or pretreatment requirement imposed by this Chapter except where dilution is expressly authorized by any categorical standard.
9. Wastewater that could cause a violation of any categorical standard or pretreatment requirement.
10. A discharge, other than domestic wastewater, that exhibits a characteristic of a hazardous waste or contains a substance that is listed as a hazardous waste pursuant to either Arizona Administrative Code R18-8-261 or 40 C.F.R. Part 261, whichever is applicable, whether or not the discharge is otherwise subject to hazardous waste regulations. The Utilities Manager may allow a discharge of such wastes if, upon written request of the affected person, the Utilities Manager

determines that the discharge would not cause interference or pass-through with POTW operations.

11. Wastewater sampled using the following specified sample type which exceeds the limits for the following parameters, expressed in the total form as micrograms per liter (uG/L):

- (a) The instantaneous effluent limitation shall be the maximum allowable concentration permitted in a discharge at any time as measured in a grab sample. The instantaneous effluent limitation for the following parameters shall be:

<u>Parameter</u>	<u>Limit</u>	<u>Sample Type</u>
Benzene	130	Grab
Chloroform	420	Grab
Cyanide (Amenable to Chlorination)	200	Grab
Methylene Chloride	4,200	Grab
Sulfides (Dissolved)	500	Grab
Tetrachloroethylene	530	Grab
Trichloroethylene	700	Grab

- (b) The following parameters shall have a limit of zero and are therefore prohibited:

- (i) BHC-Alpha
- (ii) BHC-Beta
- (iii) BHC-Gamma (Lindane)
- (iv) Chrysene
- (v) Heptachlor
- (vi) Heptachlor Epoxide
- (vii) Phenanthrene
- (viii) Polychlorinated Biphenyl Compounds

12. The daily average effluent limitation shall be the maximum allowable concentration permitted in a discharge as measured, where feasible, in a composite sample obtained by flow proportional sampling techniques. If the Utilities Manager determines that flow-proportional campsite sampling is not feasible, the utilities Manager may allow or conduct composite sampling by time-proportional techniques or by the compositing or averaging of one (1) or more grab samples.
13. Sampling for the daily average effluent limitation shall be conducted using the sample type specified in paragraph 3 of this Section.
14. The daily average effluent limitation for the following parameters, expressed in the total form as micrograms per liter (uG/L), shall be:

<u>Parameter</u>	<u>Limit</u>	<u>Sample Type</u>
Arsenic	100	Composite
Boron	5,600	Composite
Cadmium	47	Composite
Chromium VI	No Limit	Composite
Chromium	1,400	Composite

Copper	1,700	Composite
Cyanide	2,000	Grab
Lead	500	Composite
Mercury	50	Composite
Nickel	5,000	Composite
Oil & Grease (TPH) *	100,000	Grab
Selenium	100	Composite
Silver	500	Composite
Sulfides	10,000	Grab
Zinc	5,400	Composite
* As a Measure of the Petroleum and Mineral Oil Content of a Sample as Determined by EPA Method 418.1 or Other Equivalent Method Approved Under this Article.		

EXHIBIT F

EXAMPLE OF MONTHLY RENTAL CHARGE CALCULATION

NOTE: PENDING TECHNICAL UPDATE

EXHIBIT G

GWRP PHASE II CAPITAL COST ALLOCATION

SWRP COST SHARING BREAKDOWN

(Phase II flow 16 mgd, Solids 24 mgd)
(Buildout flow 52 mgd, Solids 64 mgd)

COMPONENT	SUBUNIT	TIME SPAN	SHARES			RAW COST	CONTRACTOR FEES (14.9%)	ESCALATION (5.9%)	TOTAL COSTS	PROJECT COSTS (11.5%)	SHARE COSTS		
			MESA	GILBERT	O.C.						MESA	GILBERT	O.C.
Influent pumping and Screening	Building Screens Pumps	Intermediate Note 1	0.356	0.442	0.202	\$1,429,008	\$207,206	\$84,311	\$1,720,526	\$1,913,386	\$882,945	\$947,927	\$387,514
		Phase II	0.250	0.500	0.250	\$830,540	\$120,428	\$49,002	\$999,970	\$1,114,967	\$278,742	\$557,483	\$278,742
		Phase II	0.250	0.500	0.250	\$504,900	\$73,211	\$29,789	\$607,900	\$677,808	\$169,452	\$338,904	\$169,452
Grit Removal	Building Mech Equip	Intermediate Note 1	0.356	0.442	0.202	\$1,049,500	\$152,178	\$61,921	\$1,263,598	\$1,408,912	\$501,573	\$622,739	\$284,600
		Phase II	0.250	0.500	0.250	\$460,825	\$68,791	\$27,177	\$554,593	\$618,371	\$154,593	\$309,185	\$154,593
Primary Clarification	----	Phase II	0.250	0.500	0.250	\$1,245,813	\$180,843	\$73,503	\$1,499,959	\$1,672,454	\$418,114	\$836,227	\$418,114
Aeration System	----	Phase II Note 2	0.292	0.472	0.236	\$10,743,179	\$1,557,761	\$633,848	\$12,934,788	\$14,422,288	\$4,206,501	\$6,810,525	\$3,405,262
Blower Building	----	Phase II Note 2	0.292	0.472	0.236	\$3,381,875	\$490,372	\$199,531	\$4,071,778	\$4,540,032	\$1,324,176	\$2,143,904	\$1,071,952
Secondary Clarification	----	Phase II Note 2	0.292	0.472	0.236	\$5,985,978	\$867,967	\$353,173	\$7,207,118	\$8,035,936	\$2,343,815	\$3,794,748	\$1,897,374
Tertiary Filtration	Building All Other	Buildout	0.461	0.385	0.154	\$186,000	\$26,970	\$10,974	\$223,944	\$249,698	\$115,111	\$96,134	\$38,453
		Phase II	0.250	0.500	0.250	\$5,329,095	\$772,719	\$314,417	\$6,416,230	\$7,154,097	\$1,788,524	\$3,577,048	\$1,788,524
Disinfection	----	Phase II	0.250	0.500	0.250	\$2,893,843	\$419,607	\$170,737	\$3,484,187	\$3,884,868	\$971,217	\$1,942,434	\$971,217
Effluent Pumping	----	Phase II	0.250	0.500	0.250	\$530,175	\$76,875	\$31,280	\$638,331	\$711,739	\$177,935	\$355,869	\$177,935
Admin/ Maint Building	----	Intermediate Note 1	0.356	0.442	0.202	\$2,061,000	\$298,845	\$121,599	\$2,481,444	\$2,766,810	\$984,984	\$1,222,930	\$558,896
Odor Control & Chemical Storage	Storage & Cont All Other	Intermediate Note 1,3	0.414	0.402	0.183	\$506,876	\$73,497	\$29,906	\$610,279	\$680,461	\$281,938	\$273,772	\$124,751
		Phase II Note 3	0.333	0.444	0.222	\$4,034,793	\$585,045	\$238,053	\$4,857,891	\$5,416,548	\$1,805,516	\$2,407,355	\$1,203,677
Solids Handling	Building Mech Equip	Buildout	0.562	0.313	0.125	\$8,956,349	\$1,288,671	\$528,425	\$10,763,444	\$12,023,540	\$6,757,230	\$3,763,368	\$1,502,843
		Intermediate Note 1	0.531	0.323	0.146	\$9,926,065	\$1,439,279	\$585,638	\$11,950,982	\$13,325,345	\$7,075,758	\$4,304,087	\$1,945,500
Anaerobic Digestion	Digesters & Equip Storage & Equip All Other (~Gas Mgmt)	Phase II	0.500	0.333	0.167	\$9,775,504	\$1,417,448	\$576,755	\$11,769,707	\$13,123,223	\$6,561,612	\$4,370,033	\$2,191,578
		Buildout	0.562	0.313	0.125	\$1,288,500	\$186,833	\$76,022	\$1,551,354	\$1,729,760	\$972,125	\$541,415	\$216,220
		Intermediate Note 1	0.531	0.323	0.146	\$11,958,469	\$1,733,978	\$705,550	\$14,397,997	\$16,053,766	\$8,524,550	\$5,185,367	\$2,343,850
SEWRP Sludge & Grit	----	----	1.000	0.000	0.000	\$1,374,286	\$199,271	\$81,083	\$1,654,640	\$1,844,924	\$1,844,924	\$0	\$0
Misc: Onsite	Power Center & Gen All Other	Phase II	0.250	0.500	0.250	\$7,375,000	\$1,069,375	\$435,125	\$8,879,500	\$9,900,643	\$2,530,658	\$5,061,316	\$2,530,658
		Buildout	0.461	0.385	0.154	\$9,993,750	\$1,449,094	\$589,631	\$12,032,475	\$13,416,210	\$5,184,873	\$5,185,241	\$2,066,098
Misc: Offsite	----	Buildout	0.461	0.385	0.154	\$9,300,000	\$1,348,500	\$548,700	\$11,197,200	\$12,484,878	\$5,755,529	\$4,806,678	\$1,922,671
TOTAL						\$111,121,123	\$16,112,563	\$6,556,146	\$133,789,832	\$149,175,663	\$62,412,391	\$59,334,687	\$27,850,572
									% Share				
												41.8%	39.8%
												18.4%	

Note 1: Based on 50% Phase II and 50% Buildout
Note 2: Based on loadings to the secondary system the split is 5/6 on flow and 1/6 on solids
Note 2: Two systems are flow related and one is for solids so the split is 2/3 on flow and 1/3 on solids

Share Factor Calculation			
Flow	Mesa	Gilbert	O.C.
Phase II	4/16 = 0.25	8/16 = 0.50	4/16 = 0.25
Intermediate	(0.25+0.461)/2 = 0.356	(0.50+0.385)/2 = 0.442	(0.25+0.154)/2 = 0.202
Buildout	24/52 = 0.461	20/52 = 0.385	8/52 = 0.154
Solids	Mesa	Gilbert	O.C.
Phase II	12/24 = 0.50	8/24 = 0.333	4/24 = 0.167
Intermediate	(0.50+0.562)/2 = 0.531	(0.333+0.313)/2 = 0.323	(0.167+0.125)/2 = 0.146
Buildout	36/64 = 0.562	20/64 = 0.313	8/64 = 0.125

Exhibit G.xls

Updated: 4/13/2004

NOTE: PENDING TECHNICAL UPDATE TO INCLUDE PHASE III

{00268293.1}

EXHIBIT H

BUFFER AREA LEGAL DESCRIPTION

A parcel located in Section 9, Township 2 South, Range 6 East, Gila & Salt River Base & Meridian, Maricopa County, Arizona, more particularly described as follows:

Beginning at the Center of said Section 9,

Thence North 00°21'21" East a distance of 1522.46 feet;

Thence South 89°57'26" East a distance of 2625.64 feet;

Thence South 00°19'10" East a distance of 1521.74 feet;

Thence South 00°33'47" West a distance of 1320.30 feet;

Thence South 89°59'35" West a distance of 2638.81 feet;

Thence North 00°21'21" East a distance of 1321.82 feet to the point of beginning;

EXCEPT the following described parcel:

Beginning at the Center of said Section 9,

Thence South 89°58'23" East a distance of 797.02 feet to the TRUE POINT OF BEGINNING.

Thence North 00°21'21" East a distance of 764.99 feet;

Thence South 89°58'23" East a distance of 1409.38 feet;

Thence South 00°21'21" West a distance of 1735.49 feet;

Thence North 89°58'23" West a distance of 1409.38 feet;

Thence North 00°21'21" East a distance of 970.50 feet to the TRUE POINT OF BEGINNING.

This parcel contains 5,053,198.83 square feet or 116.01 acres, more or less.