

**INTERGOVERNMENTAL AGREEMENT
BETWEEN
THE TOWN OF GILBERT, THE CITY OF MESA, AND THE CITY OF CHANDLER
FOR THE DOWNSTREAM IMPACT STUDY RELATED TO THE SRP/CAP
INTERCONNECTION FACILITY**

This Intergovernmental Agreement (“Agreement”) is entered into this __ day of _____, 2026, by and between the Town of Gilbert, an Arizona municipal corporation, (“Gilbert”), the City of Mesa, an Arizona municipal corporation (“Mesa”), and the City of Chandler, an Arizona Municipal Corporation (“Chandler”). Gilbert, Mesa, and Chandler are sometimes collectively referred to as the “Parties,” and each is referred to as a “Party.”

RECITALS

- A. Arizona Revised Statutes (“A.R.S.”) §§ 11-951 et seq., provide that public agencies may enter into Intergovernmental Agreements for joint or cooperative action. Gilbert, Mesa, and Chandler are authorized by A.R.S. §§ 9-240 and 9-511 to provide utility services, including the provision of water resources.
- B. The Salt River Project (SRP)/Central Arizona Project (CAP) Interconnection Facility (SCIF) project aims to enable SRP water to be pumped into the CAP canal. The Parties are downstream water users and wish to evaluate the potential impact of the SCIF project on their infrastructure.
- C. The Parties wish to engage a professional consultant, WaterWorks Engineers, to cooperatively study the potential effects of the SCIF project to identify new or modified unit processes to meet water quality standards under maximum SCIF impact scenarios. To that end, the Parties desire to jointly share the costs associated with this study.
- D. Because the Parties all own and operate water treatment facilities downstream of the proposed SCIF project, the anticipated effects of the project will impact each of the Parties; as such, the cooperation between Mesa, Gilbert, and Chandler to jointly complete this study will serve the best interests of the public through potential cost savings by reducing duplicative work.

PURPOSE OF THE AGREEMENT

- 1) The purpose of this Agreement is to allow for cost sharing between the Parties of the WaterWorks Engineers study into the downstream effects of the SCIF project (the Study). The scope of this study is more specifically described in the attached Exhibit A.

TERMS OF THE AGREEMENT

2) Gilbert Responsibilities:

- a) Gilbert shall be the lead agency and have final decision-making authority regarding the Study. Gilbert shall assume the lead for the procurement, negotiation, and management needed to complete

the Study. Gilbert shall cooperate with Mesa and Chandler in effecting this subsection.

- b) Upon the execution of the contract by Gilbert with WaterWorks, Gilbert shall calculate the total costs of the WaterWorks contract not to exceed \$145,840. Throughout the term of the WaterWorks contract, Gilbert shall invoice Mesa and Chandler for one-third of the costs reflected in each invoice Gilbert receives from WaterWorks. Subject to Section 4, Gilbert shall invoice Mesa and Chandler for one-third the cost of any approved change orders that increase the total contract price above the not-to-exceed amount.
- c) After the execution of the contract and upon request from Mesa or Chandler, Gilbert will provide the requesting entity progress updates on the Study within ten (10) calendar days of receipt of such request to the extent Gilbert has responsive information in its possession. Mesa and Chandler may request such updates no more than once in any thirty (30) day period.
- d) Upon receipt of a request from WaterWorks for a meeting related to the Study, Gilbert shall promptly notify Mesa and Chandler of such meeting with sufficient advance notice to provide Mesa and Chandler an opportunity to attend. Gilbert shall make reasonable efforts to provide such notice no later than three (3) business days prior to the scheduled meeting date, or such shorter period as circumstances may require.
- e) Upon completion of the Study, Gilbert shall provide Mesa and Chandler with copies of any draft and final reports it has received from WaterWorks Engineers. Subject to Section 4, Gilbert will also provide an invoice for one-third of any remaining costs related to the Study.

3) Responsibilities of Mesa and Chandler:

- a) Mesa and Chandler hereby designate Gilbert as the lead agency for procurement, negotiation, and management for the Study.
- b) Except as otherwise provided herein, Mesa and Chandler shall return review comments to Gilbert on all draft reports within fifteen (15) calendar days of receipt. Mesa and Chandler shall respond within five (5) business days to all other requests by Gilbert for information regarding the Study.
- c) Mesa and Chandler shall use reasonable efforts to attend meetings for which they receive notice. And upon request from WaterWorks or Gilbert, Mesa and Chandler shall provide any information or data within their possession that is necessary for the completion of the Study.
- d) Mesa and Chandler shall remit payment to Gilbert for its share of the costs associated with the Study within thirty (30) days of receipt of an invoice issued pursuant to Section 2 above.

4) Change Orders

- a) Following the execution of the contract, Gilbert shall notify Mesa and Chandler of any change order requests related to such contract that would increase the total contract amount above the not-to-exceed amount listed in Section 2(b). Should Mesa or Chandler object to any change order, it shall notify Gilbert within five (5) business days of receipt of the change order request. Gilbert shall give due consideration to any objection from Mesa or Chandler, but shall retain sole discretion (which shall not be exercised unreasonably) to execute any commercially reasonable change order. In the

event Gilbert approves any change order request(s) over Mesa or Chandler's timely objections, the objecting entity shall not be responsible for the costs associated with such change order request(s) to the extent they increase the total cost of the Study more than twenty percent (20%) above the not-to-exceed amount listed in Section 2(b) plus any previously-approved change orders.

5) Term

- a) The term of this Agreement shall commence on the date it is fully executed ("Effective Date") and shall end upon the earlier of (i) the completion and acceptance by Gilbert of the final report produced as a result of the Study, (ii) three (3) years from the Effective Date, or (iii) upon written agreement of the Parties; provided, however, any termination of this Agreement shall not terminate any then-existing obligation to pay for Study nor shall it terminate the indemnities specified in Section 6. Notwithstanding the foregoing, any funding provided for in this Agreement is contingent upon being budgeted and appropriated by the Gilbert Town Council, the Mesa City Council, and the Chandler City Council in accordance with A.R.S. § 42-17106 for such fiscal year.

6) Indemnity:

- a) Gilbert hereby agrees that, to the extent permitted by law, Gilbert shall defend, indemnify, and hold harmless Mesa and Chandler, their departments, agencies, officers, employees, elected officials or agents, ("Mesa & Chandler Indemnitees") from and against all third party losses, damages, claims, and expenses (including court costs, expenses for litigation, and reasonable attorney fees), or other liabilities of any kind ("Liability") resulting from or arising out of Gilbert's acts or omissions under this Agreement (including, without limitation, Liability on account of any injury, sickness, disease, or death of any person or damage, destruction, or loss of any property), to the extent such Liability is due to the gross negligence or more culpable conduct of Gilbert, its officers, employees, elected officials, agents, or anyone under Gilbert's direction and control. Nothing herein shall require Gilbert to indemnify or hold harmless the Mesa & Chandler Indemnitees for any Liability to the extent caused by the negligent acts or omissions of the Mesa & Chandler Indemnitees.
- b) Mesa hereby agrees that, to the extent permitted by law, Mesa shall defend, indemnify, and hold harmless Gilbert and Chandler, their departments, agencies, officers, employees, elected officials or agents, ("Gilbert & Chandler Indemnitees") from and against all third party losses, damages, claims, and expenses (including, without limitation, court costs, expenses for litigation, and reasonable attorney fees), or other liabilities of any kind ("Liability") resulting from or arising out of Mesa's acts or omissions under this Agreement (including, without limitation, Liability on account of any injury, sickness, disease, or death of any person or damage, destruction, or loss of any property), to the extent such Liability is due to the gross negligence or more culpable conduct of Mesa, its officers, employees, elected officials, agents, or anyone under Mesa's direction and control. Nothing herein shall require Mesa to indemnify or hold harmless the Gilbert & Chandler Indemnitees for any Liability to the extent caused by the negligent acts or omissions of the Gilbert & Chandler Indemnitees.
- c) Chandler hereby agrees that, to the extent permitted by law, Chandler shall defend, indemnify,

and hold harmless Gilbert and Mesa, their departments, agencies, officers, employees, elected officials or agents, (“Gilbert & Mesa Indemnitees”) from and against all third party losses, damages, claims, and expenses (including, without limitation, court costs, expenses for litigation, and reasonable attorney fees), or other liabilities of any kind ("Liability") resulting from or arising out of Chandler’s acts or omissions under this Agreement (including, without limitation, Liability on account of any injury, sickness, disease, or death of any person or damage, destruction, or loss of any property), to the extent such Liability is due to the gross negligence or more culpable conduct of Chandler, its officers, employees, elected officials, agents, or anyone under Chandler's direction and control. Nothing herein shall require Chandler to indemnify or hold harmless the Gilbert & Mesa Indemnitees for any Liability to the extent caused by the negligent acts or omissions of the Gilbert & Mesa Indemnitees.

7) General Provisions:

- a) This Agreement contains the entire understanding between the Parties with respect to the subjects addressed and supersedes all prior negotiations and agreements.
- b) This Agreement may be amended only by an instrument in writing signed by authorized representatives of the Parties.
- c) Nothing in this Agreement shall create a relationship of agency, partnership, or employer-employee between Mesa, Gilbert, and Chandler, and it is the intent and desire of the parties that the relationship be and be construed as that of independent contracting parties and not as agents, partners, joint ventures, joint employers, or a relationship of employer or employee.
- d) This Agreement is solely for the benefit of the parties hereto and, except as aforesaid, no provision of this Agreement shall be deemed to convert any remedy, claim, or right upon any third party, including any current or former employee of Mesa, Gilbert, or Chandler or any participant or beneficiary in any benefit plan, program, or arrangement.
- e) If any provision of this Agreement shall be held invalid, illegal, or unenforceable, the validity, legality, or enforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.
- f) All notices, requests, instructions, or other documents to be given hereunder to either party shall be in writing and shall be deemed to have been duly given when delivered in person or upon confirmation of receipt when transmitted by electronic mail or on receipt after dispatch by registered or certified mail, postage prepaid, addressed as follows:

If to Gilbert:

Water Resources Manager
50 E Civic Center Dr
Gilbert, AZ 85296
Email: Lauren.Hixson@gilbertaz.gov

With a copy to: Public Works Director
900 E Juniper Ave
Gilbert, AZ 85234
Email: Jessica.Marlow@gilbertaz.gov

If to Mesa: _____

Email: _____

With a copy to: _____

Email: _____

If to Chandler: _____

Email: _____

With a copy to: _____

Email: _____

- g) Attached to this Agreement are copies of appropriate action by ordinance, resolution, or otherwise authorizing the respective Parties to enter into this Agreement.
- h) This Agreement may be cancelled Pursuant to A.R.S. § 38-511.

Signatures are on the following pages

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective the date first written above.

TOWN OF GILBERT

Approved and Accepted By:

Date

Attest:

, Town Clerk

Date

APPROVAL OF GILBERT TOWN ATTORNEY

I hereby state that I have reviewed the proposed Intergovernmental Agreement between the Town of Gilbert, the City of Mesa, and the City of Chandler and declare the Agreement to be in proper form and within the powers and authority granted to their respective governing bodies under the laws of the State of Arizona.

Christopher W. Payne, Town Attorney

Date

CITY OF MESA

Approved and Accepted By:

Date

Attest:

City Clerk

Date

APPROVAL OF MESA CITY ATTORNEY

I hereby state that I have reviewed the proposed Intergovernmental Agreement between the Town of Gilbert, the City of Mesa, and the City of Chandler and declare the Agreement to be in proper form and within the powers and authority granted to their respective governing bodies under the laws of the State of Arizona.

, City Attorney

Date

CITY OF CHANDLER

Approved and Accepted By:

Date

Attest:

City Clerk

Date

APPROVAL OF CHANDLER CITY ATTORNEY

I hereby state that I have reviewed the proposed Intergovernmental Agreement between the Town of Gilbert, the City of Mesa, and the City of Chandler and declare the Agreement to be in proper form and within the powers and authority granted to their respective governing bodies under the laws of the State of Arizona.

, City Attorney

Date