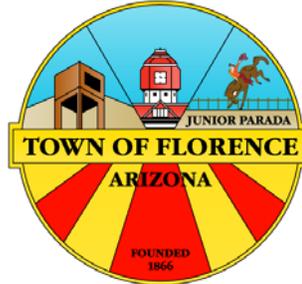


TOWN OF FLORENCE REGULAR MEETING AGENDA

Mayor Tara Walter
Vice-Mayor John Anderson
Councilmember Bill Hawkins
Councilmember Karen Wall
Councilmember Kristen Larsen
Councilmember Michelle Cordes
Councilmember Judy Hughes



Florence Town Hall
775 N. Main Street
Florence, AZ 85132
(520) 868-7500
www.florenceaz.gov
Meet 1st and 3rd Mondays

Tuesday, January 21, 2020

6:00 PM

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Town of Florence Council and to the general public that a Regular Meeting of the Florence Town Council will be held on Tuesday, January 21, 2020, at 6:00 p.m., in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona. The agenda for this meeting is as follows:

1. CALL TO ORDER

2. ROLL CALL: Tara Walter___, John Anderson___, Bill Hawkins___, Karen Wall___, Kristen Larsen___, Michelle Cordes___, Judy Hughes___

3. ROLL CALL: MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1.
Tara Walter___, John Anderson___, Bill Hawkins___, Karen Wall___, Kristen Larsen___, Michelle Cordes___, Judy Hughes___

4. NEW BUSINESS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1.

- a. Discussion and possible action to approve Merrill Ranch Community Facilities District No. 1 December 16, 2019 Special Meeting minutes.

5. ROLL CALL: MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2
Tara Walter___, John Anderson___, Bill Hawkins___, Karen Wall___, Kristen Larsen___, Michelle Cordes___, Judy Hughes___

6. ADJOURNMENT TO JOINT EXECUTIVE SESSION BETWEEN THE TOWN OF FLORENCE AND MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 AND MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 for the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3) and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1 and No. 2 and the Town of Florence.

- a. Motion of Florence Town Council.
- b. Motion of Merrill Ranch Community Facilities District No. 1
- c. Motion of Merrill Ranch Community Facilities District No. 2

7. ADJOURNMENT FROM EXECUTIVE SESSION

- a. Motion of Florence Town Council.
- b. Motion of Merrill Ranch Community Facilities District No. 1
- c. Motion of Merrill Ranch Community Facilities District No. 2

8. ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1.

9. NEW BUSINESS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

- a. Public Hearing on Feasibility Report for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32. (Rebecca Jimenez)
- b. Discussion and possible action on Resolution No. MRCFD2 240-20 to approve the Feasibility Report and for the execution and delivery of Special Assessment Installment Purchase Agreement (Assessment Area 8) and related matters in the amount not to exceed \$280,000 for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32. (Rebecca Jimenez)
- c. Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 December 16, 2019 Special Meeting minutes.

10. ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

11. MOMENT OF SILENCE

12. PLEDGE OF ALLEGIANCE

13. CALL TO THE PUBLIC Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

14. PRESENTATIONS

- a. Florence Transportation Study Presentation (Chris Salas)
- b. Presentation on Fiscal Year 2019-2020 Second Quarter Financial Report. (Rebecca Jimenez)

15. CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. **Approval to enter into** a contract with Cactus Transport, Inc., dba Cactus Asphalt, to sweep, prepare and apply fog seal and rejuvenate existing roads, in an amount not to exceed \$66,455.96 (Proposal for \$57,787.79, with a 15% contingency, \$8,668.17). (Chris Salas)
- b. **Approval to enter into** a professional services contract with Best Environmental Subsurface Sampling Technologies (BESST), for zonal sampling for a Dynamic Spinner Log – USGA Tracer Flowmeter and Packer Feasibility Report, in an amount not to exceed \$75,000. (Chris Salas)
- c. **Approval to enter into** a Professional Services Agreement with Ninyo & Moore Geotechnical & Environmental Sciences Consultants for Geotechnical Services, for on-call engineering services, in an amount not to exceed \$100,000. (Chris Salas)
- d. **Approval of the annual** software renewal for the Microsoft Office 365 E3 Government, in an amount not to exceed \$26,595.25. (Trenton Shaffer)
- e. Approval of **December 16, 2019** Town Council Meeting minutes.
- f. Receive and file the following board and commission minutes:
 - 1. **November 14** and **December 12, 2019** Arts and Culture Commission minutes.
 - 2. **October 30, 2019** Historic District Advisory Commission Meeting minutes.

16. NEW BUSINESS

- a. **First reading of Ordinance** No. 687-20: AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING 30.45 ENTITLED ACTION TAKEN BY ORDINANCE. (Lisa Garcia)
- b. **Discussion/Approval/Disapproval** of approving the notice of intention to increase water and wastewater rates, per the 2018 rate study adopted May 21, 2019, Resolution No. 1664-18 and scheduling a Public Hearing February 21, 2020 to receive citizen comment. (Rebecca Jimenez)
- c. **Discussion/Approval/Disapproval** for a Professional Services Agreement with Westland Resources, Sunrise Engineering and Hazen and Sawyer, for On-call utility services, in an amount not to exceed \$350,000 for each. (Chris Salas)
- d. **Discussion/Approval/Disapproval** for a Professional Services Agreement with Sunrise Engineering, and EPS Group, for land surveying, in an amount not to exceed \$75,000 for each. (Chris Salas)

17. **MANAGER'S REPORT**

18. CALL TO THE PUBLIC

19. CALL TO THE COUNCIL – CURRENT EVENTS ONLY

20. ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3) and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding:

- a. Association of Florence Fire Fighters, International Association of Fire Fighters Local 4512, Its Members, and ABC Plaintiffs 1-100 v. Town of Florence, Case No. CV2015-00235 litigation update.
- b. Town's position and instruct its attorneys regarding pending litigation in Maricopa County Superior Court: Town of Florence v. Florence Copper, Inc. CV2015-000325, including counterclaims and appellate proceedings to reviewing Courts.
- c. Town's position and instruct its attorneys regarding Arizona Department of Environmental Quality proceedings, related to Water Quality Appeals Board Case No. 16-002, including appellate proceedings to reviewing courts.
- d. Discussion and consultation regarding Town's position on property lien.

21. ADJOURNMENT FROM EXECUTIVE SESSION

22. ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3). One or more members of Council may appear for part or all of the meeting including Executive Session telephonically.

POSTED ON JANUARY 16, 2020, BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA, AND AT WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 AGENDA

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Merrill Ranch Community Facility District No. 1 Members and to the general public that a Special Meeting of the District Board will be held on Monday, January 21, 2020 at 6:00 p.m., or immediately following the Town of Florence Council Meeting, in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona. The agenda for this meeting is as follows:

1. CALL TO ORDER

2. ROLL CALL: Tara Walter __, John Anderson __, Bill Hawkins __, Karen Wall ____, Kristen Larsen ____, Michelle Cordes __, Judy Hughes __.

3. NEW BUSINESS

- a. Discussion and possible action to approve Merrill Ranch Community Facilities District No. 1 December 16, 2019 Special Meeting minutes.

4. ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3) and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1 and No. 2 and the Town of Florence.

5. ADJOURNMENT FROM EXECUTIVE SESSION

6. ADJOURNMENT

The Merrill Ranch Community Facilities District No. 1 (MRCFD1) Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3). One or more members of MRCFD1 Board may appear for part or all of the meeting including Executive Session telephonically.

POSTED ON JANUARY 16, 2020, BY LISA GARCIA, DISTRICT CLERK, AT 775 N. MAIN STREET, ARIZONA AND WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1 DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 AGENDA

Pursuant to A.R.S. § 38-431.02, notice is hereby given to the Merrill Ranch Community Facility District No. 2 Members and to the general public that a Special Meeting of the District Board will be held on Monday, January 21, 2020 at 6:00 p.m., or immediately following the Town of Florence Council Meeting, in the Florence Town Council Chambers, located at 775 N. Main Street, Florence, Arizona. The agenda for this meeting is as follows:

1. CALL TO ORDER

2. ROLL CALL: Tara Walter __, John Anderson__, Bill Hawkins__, Karen Wall____, Kristen Larsen____, Michelle Cordes__, Judy Hughes__.

3. ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(3) and (A)(4) to consider its position and instruct its representatives and/or attorneys regarding a Notice of Claim filed by Merrill Ranch Owner's Agent, L.L.C., CMR/Casa Grande, L.L.C., Roadrunner Resorts, L.L.C. and Florence Copper, Inc. against Merrill Ranch Community Facilities Districts No. 1 and No. 2 and the Town of Florence.

4. ADJOURNMENT FROM EXECUTIVE SESSION

5. NEW BUSINESS OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

- a. Public Hearing on Feasibility Report for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32 (Rebecca Jimenez)
- b. Discussion and possible action on Resolution No. MRCFD2 240-20 to approve the Feasibility Report and for the execution and delivery of Special Assessment Installment Purchase Agreement (Assessment Area 8) and related matters in the amount not to exceed \$280,000 for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32. (Rebecca Jimenez)
- c. Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 December 16, 2019 Special Meeting minutes.

6. ADJOURNMENT

The Merrill Ranch Community Facilities District No. 2 (MRCFD2) Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3). One or more members of MRCFD1 Board may appear for part or all of the meeting including Executive Session telephonically.

POSTED ON JANUARY 16, 2020, BY LISA GARCIA, DISTRICT CLERK, AT 775 N. MAIN STREET, ARIZONA AND WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD SPECIAL MEETING HELD ON MONDAY, DECEMBER 16, 2019, AT 6:00 P.M., OR IMMEDIATELY FOLLOWING THE TOWN OF FLORENCE COUNCIL MEETING, IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Walter called the meeting to order at 6:00p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Michelle
Absent: Judy Hughes, Kristen Larsen

NEW BUSINESS

Discussion and possible action accepting the Annual Financial Statement for Fiscal Year 2018-2019. (Becki Jimenez)

Ms. Becki Jimenez, Interim District Treasurer, stated that the Town's auditors are Fester & Chapman. The cost of the audit was \$8,500. The audit will provide financing entities, bond holders and the interested parties the financial status for MRCFD No. 1 and its operations. The report will also provide disclosure information for the District. She stated that there were no findings.

Mr. Ben Hur, Fester & Chapman, PLLC, provided an overview of the audit and noted that there were no deficiencies or findings. He stated that the audit was completed in accordance with Generally Accepted Accounting Principles to ensure the statements are presented fairly. There were no reported deficiencies.

Mr. Hur stated that they also provided a report to the Board of Directors, which is a required communication for the auditors. There were no new accounting standards or adopted policies and they had a clean opinion which means that there was no difficulty encountered while performing the audit nor any disagreements with the management.

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes, and carried (5-0) to accept the Annual Financial Statement for Fiscal Year 2018-2019.

Discussion and possible action to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 1 engineering services, in an amount not to exceed \$100,000. (Chris Salas)

Mr. Chris Salas, District Engineer, stated that State law and the Town Code require that the District have a separate engineering firm review all of the construction documents, feasibility reports and

other engineering related items. A non-cost competitive bid analysis was completed and EPS Group, Inc. was chosen as the most qualified firm.

Mr. Salas stated that they spent \$33,000 combined between both CFDs. The amount requested is to allow for flexibility. Staff will start out with an \$18,000 purchase order for each CFD.

Vice-Chairman Anderson inquired why the amount being requested is \$100,00 for each CFD when they spent far less last year. He is concerned about the large increase.

Mr. Salas explained that the increase is it to allow for flexibility.

On motion of Boardmember Wall, seconded by Boardmember Hawkins, and carried (5-0) to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 1 engineering services, in an amount not to exceed \$100,000.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 1 September 16 and October 7, 2019 Special Meeting minutes.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (5-0) to approve the Merrill Ranch Community Facilities District No. 1 September 16 and October 7, 2019 Special Meeting minutes.

ADJOURNMENT

On motion of Boardmember Hawkins, seconded by Boardmember Wall, and carried (5-0) to adjourn the meeting.

Tara Walter, Chairman

ATTEST:

Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Merrill Ranch Community Facilities District No. 1 Board Meeting held on December 16, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, District Clerk

DISTRICT NO. 2	MERRILL RANCH COMMUNITY FACILITIES ACTION FORM	<u>AGENDA</u> <u>ITEM</u> 9b.
MEETING DATE: January 21, 2020 DEPARTMENT: Merrill Ranch Community Facilities District No. 2 STAFF PRESENTER: Rebecca Jimenez, Interim District Treasurer		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
SUBJECT: Public Hearing on Feasibility Report followed by Resolution to consider (1) approving Feasibility Report and (2) Execution and delivery of Special Assessment Installment Purchase Agreement (Assessment Area 8) and related matters in the amount not to exceed \$280,000 for Merrill Ranch Community Facilities District 2- Assessment Area 8, Unit 32		
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input checked="" type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Staff recommends the following motion/actions:

1. Hold a Public Hearing on the Feasibility Report of the feasibility and benefits of certain projects to be financed with Special Assessment Installment Purchase Agreement (Assessment Area Eight) of Merrill Ranch Community Facilities District No. 2 (MRCFD2) ("Purchase Agreement").
2. Motion to adopt Resolution No. MRCFD2 240-20 which approves the Feasibility Report and Eighth Amendments and Waivers which in part authorizes the sale and issuance of not to exceed \$280,000 aggregate principal amount SA Bonds and related matters.

BACKGROUND/DISCUSSION:

Assessment Area 8, Unit 32 which is a new sub-district of Merrill Ranch Community Facilities District No. 2. The sub-district consists of 24.25 acres and is located off Spirit Loop west and north, then to the east along Walker Butte Wash and to the south starting along W. Merriweather Way and intersecting Walker Butte Wash.

Unit 32 within Merrill Ranch Community Facilities District No. 2 is composed of 80 individual lots which have been platted.

Total cost of improvements is \$679,000. Estimated completion date is March 1, 2020.

DESCRIPTION OF THE PROJECTS

The Projects to be acquired by the District pursuant to the Purchase Agreement are composed of: (1) engineering, and (2) street improvements. See the maps in Section Three for detail about location of the Projects. As described hereinabove, the Plans and Specifications are on file herewith and are incorporated herein by reference.

(1) Engineering

Plans for grading and drainage, utilities, and paving relating to storm drain and curb, gutter and sidewalk. The plans have been reviewed and approved by the Town in accordance with their guidelines and standards. The Plans and Specifications are on file with the Town and are incorporated herein by reference.

(2) Street Improvements

Installation of asphaltic paving and 4-inch roll and vertical curb, 6-foot valley gutter, and 5-foot wide sidewalks, sidewalk ramps, catch basins and scuppers within the public roadways of the Assessment Area. The pavement section is anticipated to be 2.5 inches of asphalt on 7 inches of aggregate base course, ("ABC"). The curb, gutter, sidewalk and sidewalk ramps will comply with the Maricopa Association of Governments, ("MAG") standard details, or approved alternate, within the public roadways of the Assessment Area.

<u>Detail</u>	<u>Quantity</u>
Paving	10,902 SY
Curb & Gutter	5,723 LF
Sidewalk	14,160 SF
Catch Basins	10 EA
Scuppers	1 EA
Sidewalk Ramps	6 EA

LF=Linear Feet/SF=Square Feet/SY=Square Yards/EA=Each

Pursuant to the Merrill Ranch Community Facilities District No. 2 Development Agreement, dated December 1, 2005, as amended, Pulte Home Company, LLC (Pulte) has requested the execution and deliver of the Purchase Agreement in an amount not to exceed \$280,000 to acquire from Pulte at cost completed public infrastructure (including street improvements, storm drain and engineering) for Assessment Area Eight – Unit 32.

The Feasibility Report includes a description of public infrastructure purposes to be financed, a location map, the cost of the infrastructure and the plan for financing the infrastructure.

Adopting the resolution will approve the Feasibility Report, authorize the execution and delivery of the Purchase Agreement in an amount not to exceed \$280,000 aggregate principal amount, and the subsequent levying of assessments to pay and the execution of delivery of the various documents relating to the Purchase Agreement.

The notification for public hearing has been published.

A VOTE OF NO WOULD MEAN:

Resolution No. MRCFD2 240-20 would not be adopted, and the District would not issue bonds for Assessment Area 8, Unit 32.

A VOTE OF YES WOULD MEAN:

Resolution No. MRCFD2 240-20 is adopted, and the District would execute and deliver the Purchase Agreement for Assessment Area 8, Unit 32.

FINANCIAL IMPACT:

Consistent with the Development Agreement and all prior phases of the development, each residential lot in Assessment Area Eight, Unit 32, will have a special assessment of \$3,500 based on the benefit to be received by such lots from public infrastructure described in the Feasibility Report. The Purchase Agreement secured by liens on the lots, each lot which is expected to have a value to lien in excess of 4:1 [subject to change and in the process of being determined]. Consistent with prior issues, all special assessments are subject to prepayment on any interest payment date without penalty, if desired.

State statute requires that each homebuyer be supplied with the Arizona Department of Real Estate Subdivision Report (the "Public Report"), within which these assessments must be disclosed. Prior to any home sale, the homebuyer must acknowledge by signature that they have read and accepted the Public Report. In addition, Pulte requires the homebuyer is required to sign an additional form that highlights and discloses the additional assessment payments as a result of the District financing.

The District has entered into an agreement with the Pinal County Treasurer for the collection of the assessment.

The Developer is contributing an estimated \$30,000 for costs or Issuance. This is to pay financial advisor, miscellaneous costs, including legal or engineering. The Town will keep a ledger on the costs to report to the developer. The cost will not be passed on to the assessments placed on the property.

Interest for this issue is estimated at 6% and is subject to change. The term of financing is for 25 years. The estimated annual payment to the property owners is \$272.50 plus the administrative fee the Town charges for the management of the assessment accounts. Approximately \$307.00 per year. These payments are estimates and are subject to change based upon interest rate at closing and changes in Town charges for administrative costs.

ATTACHMENTS:

Resolution No. MRCFD2 240-20
Feasibility Report

Draft Eight Amendment and Waivers
Draft Assessment Methodology Report/with attached Assessment Diagram

RESOLUTION NO. MRCFD2 240-20

(MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2)

A RESOLUTION OF THE DISTRICT BOARD OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN EIGHTH AMENDMENT AND WAIVERS (ASSESSMENT AREA EIGHT - UNIT 32) FOR DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2); AUTHORIZING AND RATIFYING THE GIVING OF NOTICE OF HEARING WITH RESPECT TO APPROVING A FEASIBILITY REPORT WHICH INCLUDES IDENTIFYING THE PUBLIC INFRASTRUCTURE OF THE PROJECTS, THE AREAS TO BE BENEFITTED, THE EXPECTED METHOD OF FINANCING AND THE SYSTEM OF PROVIDING REVENUES TO OPERATE AND MAINTAIN THE PROJECTS, ALL AS PROVIDED IN SUCH REPORT; APPROVING SUCH FEASIBILITY REPORT AND RESOLVING THE INTENT THEREFOR; ORDERING THE WORK WITH RESPECT THERETO; APPROVING THE ASSESSMENT DIAGRAM AND METHOD OF ASSESSMENT WITH RESPECT TO ASSESSMENT AREA EIGHT AND PROVIDING FOR THE LEVY OF THE RELATED ASSESSMENT

BE IT RESOLVED BY THE DISTRICT BOARD OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 as follows:

1. Findings.

a. Pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "Act") and Section 9-500.05, Arizona Revised Statutes, the Town of Florence, Arizona (hereinafter called the "Municipality"), Merrill Ranch Community Facilities District No. 2 (hereinafter called the "District") and the owner of the portions of the real property included within the District affected hereby (hereinafter called the "Owner"), among other parties entered into a District Development, Financing Participation and Intergovernmental Agreement (Merrill Ranch Community Facilities District No. 2), dated as of November 1, 2005, which has subsequently been amended by a First Amendment and Waivers (Assessment Area One), dated as of February 1, 2006, a Second Amendment and Waivers (Assessment Area Two), dated as of April 1, 2008, a Third Amendment and Waivers

(Assessment Area Three - Unit 40), dated as of November 1, 2009, a Fourth Amendment and Waivers (Assessment Area Four - Unit 20), dated as of February 1, 2010, a Fifth Amendment and Waivers (Assessment Area Five - Units 22A & 22B), dated as of April 1, 2013, a Sixth Amendment and Waivers (Assessment Area Six - Unit 36), dated as of November 1, 2015, and a Seventh Amendment and Waivers (Assessment Area Seventh - Unit 38), dated as of January 1, 2018 (as so amended hereinafter referred to as the “Original Development Agreement”), to specify, among other things, conditions, terms, restrictions and requirements for public infrastructure (as such term is defined in the Act) and the financing of public infrastructure, particularly with regard to the property which makes up the real property included within the District (hereinafter referred to as the “Property”), matters relating to the construction of certain public infrastructure by the District and the acceptance thereof by the Municipality.

b. It has been determined that the Original Development Agreement needs to be amended and subjected to certain waivers to reflect certain amendments and waivers necessary for the Original Development Agreement to serve the purposes hereof, and the district board of the District (hereinafter referred to as the “District Board”) has determined to enter into an Eighth Amendment and Waivers (Assessment Area Eight - Unit 32) for District Development, Financing Participation and Intergovernmental Agreement (Merrill Ranch Community Facilities District No. 2), to be dated as of January 1, 2020 (hereinafter referred to as the “Eighth Amendment”), for such purpose.

c. Further, pursuant to the Act, the District Board caused to be prepared a study of the feasibility and benefits of the projects relating to certain public infrastructure provided for in the General Plan of the District heretofore approved by the Municipality and the District, such study having included a description of certain public infrastructure to be acquired or constructed and all other information useful to understand the projects, a map showing, in general, the location of the projects, an estimate of the cost to construct, acquire, operate and maintain the projects, an estimated schedule for completion of the projects, a map or description of the area to be benefitted by the projects and a plan for financing

the projects (hereinafter referred to as the “Report”). A public hearing on the Report was held on the date of, but prior to, the adoption of this Resolution, after provision for publication and mailing to the governing board of the Municipality of notice thereof as provided by law.

d. Pursuant to Section 48-721, Arizona Revised Statutes, the District Board, by resolution and pursuant to the procedures prescribed by the Original Development Agreement as amended by the Eighth Amendment (as so amended, hereinafter referred to as the “Development Agreement”), may levy an assessment of the costs of the public infrastructure purposes as provided for in the Development Agreement and in the Report and with respect to the intent therefor and the ordering of certain work with respect thereto (hereinafter referred to as the “Area Eight Work”) resolved in this Resolution on the area of the Property to be assessed for the costs and expenses thereof (hereinafter referred to as the “Area Eight Assessed Property”) based on the benefit determined by the District Board to be received by the Area Eight Assessed Property, in each case as more fully described herein.

e. The District Board has determined special assessment lien bonds of the District (hereinafter referred to as the “Bonds”) may be issued in the future if certain conditions are met with respect to the Area Eight Work pursuant to the provisions of the Development Agreement, in the name of the District, but payable only out of a special fund collected by the District from special assessments levied upon the lots, tracts, pieces and parcels of land included within the Area Eight Assessed Property, in not to exceed twenty-five (25) annual installments from the assessment of Twenty-Five Dollars (\$25.00) or over remaining unpaid as of the date of the Bonds as provided by the Development Agreement. The Bonds shall bear interest at rates not to exceed ten percent (10%) per annum from their date, payable on the first day of January and July of each year and shall be payable in the manner and be subject to the provisions as to collection of assessments for the payment thereof, except as otherwise described in the Development Agreement and that neither the District nor the Municipality is required to purchase delinquent land at sale if there is no other purchaser, as described in Title 48, Chapter 4, Article 2, Arizona Revised Statutes, save and except that the method of collection

of such assessments shall be as provided in Sections 48-600 to 48-607, both inclusive, Arizona Revised Statutes, and not as provided in Section 48-608, Arizona Revised Statutes.

f. In the meantime, the District Board has determined that the installments of such special assessments so collected in such special fund shall be paid to the Owner for the costs of public infrastructure purposes until, if ever, the Bonds are issued for such purposes and that, until the Bonds are issued, such assessments shall bear interest, all as provided in the Development Agreement.

g. The District Board, pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as nearly as practicable, and the other procedures the District Board has provided in the Development Agreement, will cause to be levied an assessment of the costs of the Area Eight Work (hereinafter referred to as the “Area Eight Assessment”) on the Area Eight Property, and, in that respect, the Owner has waived certain matters and agreed to certain other matters with respect thereto pursuant to the Development Agreement, including as to the manner in which the Area Eight Assessments are to be allocated as the Area Eight Assessed Property is to be divided into more than one parcel and is to be prepaid and reallocated.

h. Pursuant to this Resolution, the District Board (i) resolves its intent with respect to and orders the Area Eight Work, (ii) determines that the Eighth Amendment should be executed and delivered and then, as provided in the Eighth Amendment, that the Bonds may be issued to represent the costs and expenses thereof, (iii) declares the Area Eight Work to be of more than local or ordinary public benefit and that the costs and expenses thereof be assessed upon the Area Eight Property and (iv) provides that the Area Eight Work be performed under the provisions of the Act, the Development Agreement and the Report, the Area Eight Assessed Property to be assessed and the Bonds to be issued being more fully described in the Development Agreement, the Report and this Resolution (hereinafter referred to as, collectively, the “Resolution of Intention Documents”) to which reference is hereby made for such description.

i. Pursuant to this Resolution, the District Board finds and determines that it had jurisdiction to order the Area Eight Work and orders that the Area Eight Work be done as described in the Resolution of Intention Documents and in accordance with the “Area Eight Work Plans and Specifications” which are included in the Report. Pursuant to the Development Agreement, the Owners have waived or otherwise agreed to the satisfaction of, among other things, any publication, posting, protest or objection right or obligation or hearing right or obligation with respect to the Resolution of Intention Documents.

j. There have been placed on file with the District Clerk and presented in connection herewith the proposed form of the Eighth Amendment.

k. EPS Group, Inc. (hereinafter called the “Assessment Engineers”) have prepared and presented to the District Board (i) duplicate diagrams of the Area Eight Assessed Property (hereinafter referred to as the “Diagram”), a form of such diagram being attached hereto and marked as Exhibit “A” and (ii) the method by which the Assessment Engineers have allocated the assessment which is the subject of the Diagram, such methodology being attached hereto and marked as Exhibit “B” (hereinafter referred to as the “Method of Assessment”).

l. Pursuant to this Resolution, the Diagram and the Method of Assessment will be approved and adopted and the levy of the Area Eight Assessments will be ordered. No direction will be given that demand be made on the owners of the Area Eight Assessed Property so assessed for payment of the Area Eight Assessments as such owners waived such right pursuant to the Development Agreement. The District Manager will levy and record the Area Eight Assessments for the District and execute a warrant to the District Treasurer to collect the amounts with respect to the Assessment (hereinafter referred to as the “Warrant”). Thereafter, the Warrant and the Area Eight Assessments will be returned by the District Treasurer as prescribed by law. The certified list of unpaid amounts with respect to the Area Eight Assessments will be filed with the District Clerk by the District Manager.

2. a. Approval of Eighth Amendment. The Eighth Amendment is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Chairperson of the District Board, with the advice of the District Manager and the District Counsel, shall authorize, the execution and delivery of the Eighth Amendment to be conclusive evidence of the propriety of such document and the authority of the person or persons executing the same.

b. Completion of Eighth Amendment. The District Manager or his designee is hereby authorized to complete the Eighth Amendment by including the appropriate materials as necessary therein.

c. Execution of Eighth Amendment. The Chairperson of the District Board, with the advice of the District Manager and the District Counsel, is hereby authorized and directed to execute, and the District Clerk to attest, the Eighth Amendment on behalf of the District.

3. Authorization and Ratification of Notice of Hearing on Report. Notice of the public hearing on the Report provided by the District Manager and attached hereto and marked as Exhibit “C” (hereinafter referred to as the “Notice”) is hereby authorized and ratified in all respects as well as the mailing of the Report and the Notice to the governing body of the Municipality. The providing of the Notice as provided by law and as caused by the District Manager is hereby authorized and ratified.

4. a. Preparation of Report. The preparation of the Report is hereby ratified and confirmed. (Upon completion of a draft of the Report, the Report, marked in a conspicuous fashion “**DRAFT**,” was submitted to the District Board and the Owner for their review and comment.)

b. Approval of Report. After review of the Report and based on the public hearing held by the District Board on even date herewith and the mailing of the Report to the governing body of the Municipality, the Report is hereby approved in the form submitted to the District Board.

c. Resolving Intent. The District Board hereby declares (1) its intent as required by Section 48-715, Arizona Revised Statutes and for purposes of Section 48-721(A), Arizona Revised Statutes and as set forth in the Development Agreement, to take such reasonable actions as may be necessary to cause the results contemplated by and set forth in the Report, including particularly the acquisition of the public infrastructure projects for the benefit of the areas described in the Report and the consummation of the expected method of financing and an appropriate system of providing revenues to maintain such projects, all as provided in the Report, and (2) that the Area Eight Work shall result in proportionate, beneficial use, principally to the land with the geographical limits of the Area Eight Assessed Property.

d. Work, Plans and Specifications and Estimates. (1) The public interest or convenience requires, and it is the intention of the District Board, to order the Area Eight Work described in substantial form in the Report including the “Area Eight Work Plans and Specifications” which are included in the Report (hereinafter referred to as, collectively, the “Area Eight Work Plans and Specifications”).

(2) The Area Eight Work shall be performed substantially in accordance with the Act, the Development Agreement and the Report including the Area Eight Work Plans and Specifications.

(3) The estimate of the cost and expense of the Area Eight Work included in the Report (hereinafter referred to as the “Area Eight Estimate”) is hereby approved, and the Area Eight Estimate is hereby adopted by the District Board.

e. Assessment Area. (1) The Area Eight Work, in the opinion of the District Board, is of more than local or ordinary public benefit and is of special benefit to the respective lots, pieces and parcels of land comprising the Area Eight Assessed Property, and the District Board hereby makes and orders the cost and expense of the Area Eight Work chargeable upon the Area Eight Assessed Property and hereby declares that the Area Eight Assessed Property benefitted by the Area Eight Work and to be assessed to pay the costs and expenses thereof in proportion to the benefits derived therefrom, is described and bounded as so set forth.

(2) The District shall not assess the costs and expenses of the Area Eight Work which are for the general public benefit against the respective lots, pieces and parcels of land located within the boundaries of the Area Eight Assessed Property and if a portion of the costs and expenses of the Area Eight Work is for the general public benefit, the District shall assess the respective lots, pieces and parcels of land located within the boundaries of the Area Eight Assessed Property only that portion of costs and expenses which benefits the lots, pieces and parcels of land located within the boundaries of the Area Eight Assessed Property.

f. Public Property. The District Board hereby declares that any lot belonging to the United States, the State of Arizona, the Municipality, a county, school district or any political subdivision or institution of the State of Arizona or county included within the boundaries of the Area Eight Assessed Property shall be omitted from the assessment hereafter to be made, and the total expense of the Area Eight Work shall be assessed on the remaining lots lying within the boundaries of the Area Eight Assessed Property except to the extent the State of Arizona, the Municipality, county, school district or any political subdivision or institution of the State of Arizona or county shall contract with the District to pay any such assessment.

g. Execution and Delivery of Eighth Amendment. The District Board hereby finds that the public convenience requires that the Eighth Amendment as described in the Report and the Development Agreement shall be executed and delivered to represent the cost and expenses of the Area Eight Work and determine that the amounts payable pursuant to the Eighth Amendment be so payable under the provisions of the Act, in the name of the District, but payable only out of a special fund collected by the District from special assessments levied upon the lots, tracts, pieces and parcels of land included within the Area Eight Assessed Property, in not to exceed twenty-five (25) annual installments from the assessment of Twenty-Five Dollars (\$25.00) or over remaining unpaid as of the date, subject to prepayment, all as provided by the Eighth Amendment. The principal amount payable pursuant to the Eighth Amendment shall not exceed \$280,000 which shall be equal to or less than the amount certified to the District Clerk as

the amount of the Area Eight Assessments remaining unpaid. The unpaid amounts of such assessments shall bear interest at rates not to exceed ten percent (10%) per annum from their date, payable on the first day of January and July of each year and shall be payable in the manner and be subject to the provisions as to collection of assessments for the payment thereof, except as otherwise described in the Development Agreement and that neither the District nor the Municipality is required to purchase delinquent land at sale if there is no other purchaser, as described in Title 48, Chapter 4, Article 2, Arizona Revised Statutes, save and except that the method of collection of such assessments shall be as provided in Sections 48-600 to 48-607, both inclusive, Arizona Revised Statutes, and not as provided in Section 48-608, Arizona Revised Statutes.

h. Publication. The publication of the Notice shall be in lieu of the posting and publication of this Resolution.

i. Waiver, Acceptance. Pursuant to the Development Agreement, the Owner has waived any and all rights of the Owner to file (1) written protests against the construction of the Area Eight Work or (2) objections to the extent of the Area Eight Assessed Property. Such waivers are hereby accepted by the District Board, and the District Board is proceeding in reliance on such waivers.

j. Ordering the Work. Based on the foregoing, the Area Eight Work is hereby ordered in accordance with the Area Eight Work Plans and Specifications and the Development Agreement.

5. a. Approval of Diagram. The Diagram, as prepared and presented to the District Board, is hereby approved by the District Board.

b. Approval of Method and Levy of Assessment. The Method of Assessment, as prepared and presented to the District Board, is hereby approved by the District Board and the levy of the Area Eight Assessments in amounts not in excess of those described therein and to result therefrom is hereby approved in accordance with the Method of Assessment,

the Area Eight Assessments being hereby declared to be based on the benefit to be received by the Area Eight Assessed Property.

c. Certification and Delivery. The District Clerk be and she hereby is authorized and directed to certify that the Diagram was approved by the District Board on this date, and after such certification the District Clerk be and she hereby is authorized and directed to deliver the Diagram to the District Manager.

d. Demand and Certification. No demand shall be made on the owners of the Area Eight Property so assessed for payment of the Area Eight Property as such owners waived such right pursuant to the Development Agreement. The District Treasurer is directed to certify to the District Clerk that nothing was collected and that the Area Eight Assessments remain unpaid in full.

6. a. Assessments. The amounts due pursuant to the Area Eight Assessments and unpaid are and shall be a first lien on the Area Eight Assessed Property so assessed, subject only to general property taxes and prior special assessments and shall be collected as prescribed by Sections 48-599 and 600, Arizona Revised Statutes, as nearly as practicable or such other procedures as the Board may prescribe. In the event of nonpayment of amounts due pursuant to the Area Eight Assessments and, except as otherwise provided herein, the procedures for collection of delinquent amounts and sale of delinquent property prescribed by Sections 48-601 through 48-607, Arizona Revised Statutes, apply, as nearly as practicable, except that neither the District nor the Municipality is required to purchase the delinquent land at the sale if there is no other purchaser.

b. Obligations of Municipality. Nothing contained in this Resolution, the Development Agreement (specifically as amended by the Eighth Amendment) or any other instrument shall be construed as obligating the Municipality, except to the extent provided in such documents or instruments, or as incurring a charge upon the general credit of the Municipality nor shall the breach of any agreement contained in this Resolution, the

Development Agreement or any other instrument or documents executed in connection therewith impose any charge upon the general credit of the Municipality.

7. a. Repeal of Resolution. After the Eighth Amendment is executed and delivered, this Resolution shall be and remain irrevocable until the unpaid principal amounts due thereunder and the interest thereon shall have been fully paid, canceled and discharged.

b. Severability; Amendment; Ratification. (1) If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

(2) This Resolution may only be amended as provided by the terms of the Indenture.

(3) All prior acts of the District Board, of the District Manager and of the District Treasurer with respect to all matters concerning the District Resolution, the Development Agreement, the Report, the Resolution of Intention Documents, the Area Eight Assessments, the Area Eight Warrant and this Resolution are hereby ratified and confirmed.

c. Effective Date. This Resolution shall be effective immediately.

PASSED by the District Board of Merrill Ranch Community Facilities District
No. 2 this 21st day of January, 2020.

.....
Chairperson, District Board,
Merrill Ranch Community Facilities District No. 2

ATTEST:

.....
District Clerk,
Merrill Ranch Community Facilities District No. 2

APPROVED AS TO FORM:

.....
District Counsel,
Merrill Ranch Community Facilities District No. 2

ATTACHMENTS:

- EXHIBIT A – Area Eight Assessment Diagram
- EXHIBIT B – Area Eight Method of Assessment
- EXHIBIT C – Form of Notice of Hearing on Report

* * *

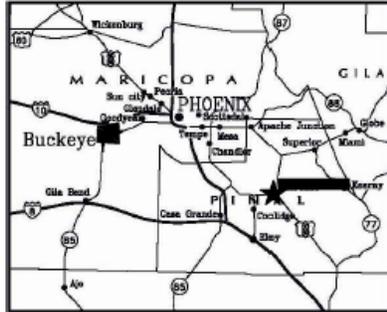
EXHIBIT A
AREA EIGHT ASSESSMENT DIAGRAM

[DIAGRAM FOLLOWS ON NEXT PAGE]

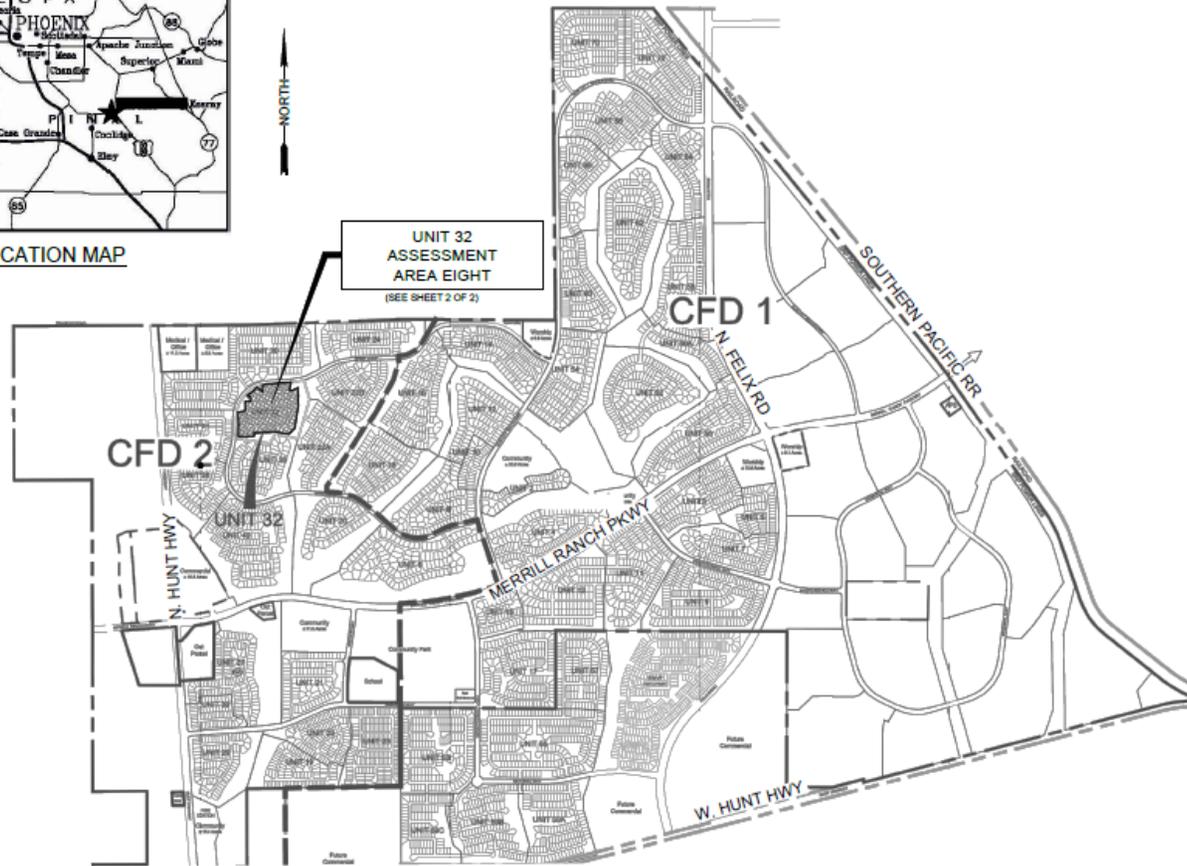
(TOWN OF FLORENCE, ARIZONA)

MERRILL RANCH

COMMUNITY FACILITIES DISTRICT NO. 2
ASSESSMENT AREA EIGHT



LOCATION MAP



UNIT 32
ASSESSMENT
AREA EIGHT
(SEE SHEET 2 OF 2)

LEGEND

UNIT 32- MERRILL RANCH
ASSESSMENT AREA EIGHT

032+01+001 ASSESSMENT NO.

LOT NO.
ASSESSMENT NO.
UNIT NUMBER

DISTRICT ENGINEER CERTIFICATION

I HEREBY CERTIFY THAT THE PARCEL BOUNDARIES SHOWN AS DEPICTED ON THIS PLAN WERE SUPPLIED BY BAXTER DESIGN GROUP AND ARE CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

DISTRICT ENGINEER _____ DATE 12/18/19

APPROVED BY RESOLUTION NO. _____ AT A MEETING OF THE BOARD OF DIRECTORS OF THE MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 OF THE TOWN OF FLORENCE, ARIZONA ON THE _____ DAY OF _____, 2020

DISTRICT CLERK _____ DATE _____

SIGNED THIS _____ DAY OF _____, 2020

SUBMITTED _____ SUPERINTENDENT OF STREETS _____ DATE _____

MERRILL RANCH COMMUNITY FACILITIES DISTRICT

UNIT 38-ASSESSMENT AREA SEVEN

UNIT	ASSESSMENT NO.	LOTS	DATE
32	01	80	12/18/19

NOTE: LOT LAYOUT SHOWN ON SHEET 2



125 S. Avondale Blvd., Suite 115
Avondale, AZ 85323
T: 623.547.4461 | F: 623.547.4662
www.epsgroupinc.com

DATE: 12/18/19

SHEET NO.
1 OF 2

EXHIBIT B

AREA EIGHT METHOD OF ASSESSMENT

[METHOD OF ASSESSMENT FOLLOWS ON NEXT PAGE]

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

Florence, Arizona

ASSESSMENT METHODOLOGY
ASSESSMENT AREA EIGHT
Unit 32

Prepared by:

EPS Group, Inc.
125 South Avondale Boulevard, Suite 115
Avondale, Arizona 85323
623.547.4661

December 13, 2019

1

MERRILL RANCH COMMUNITY FACILITIES DISTRICT No. 2

ASSESSMENT AREA EIGHT — UNIT 32

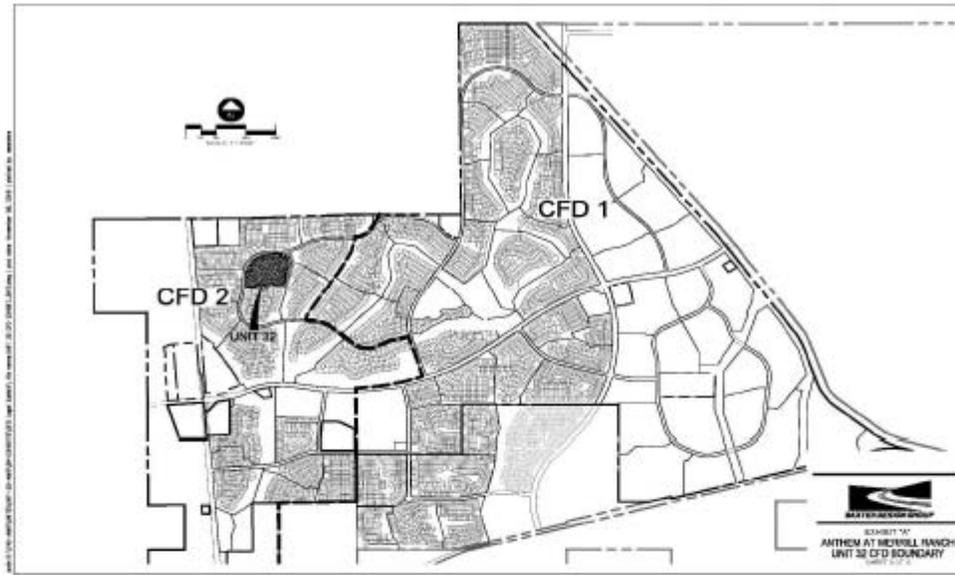
EPS Group, Inc., the District Engineer for the Merrill Ranch Community Facilities District No. 2, makes this report of benefit as directed by District staff in support of the *Feasibility Report - Not to Exceed \$280,000 of Installment Purchase Agreement (Assessment Area Eight – Unit 32) of Merrill Ranch Community Facilities District No. 2*, dated December 3, 2019 (“Feasibility Report”).

Project Description

Merrill Ranch Community Facilities District No. 2 (“District”) was formed on November 21, 2005 to finance the costs of certain public infrastructure. All of the land within the boundaries of District (approximately 1,070 acres) is being developed as part of an approximately 3,191-acre master-planned development known as Anthem at Merrill Ranch (“Anthem”). Anthem is being developed within an approximately 8,970-acre mixed use, master-planned community known as “Merrill Ranch”. Assessment Area Eight of District (“Assessment Area Eight”) consists of Unit 32, which has 80 residential lots within 24.25 gross acres. Acquisition of certain public infrastructure from Pulte Group, the developer, will be pursuant to a Development Agreement, will not exceed \$280,000.00, and will be paid only out of a special fund collected by District from installments of the assessments levied upon the lots, tracts, pieces and parcels of land included within the Assessment Area Eight, in not to exceed twenty-five (25) annual installments. Details related to the project area, infrastructure improvements, costs, land use, and financing plan can be found in Feasibility Report.

Vicinity Maps





Description of Improvements

The improvements that will be acquired by the District are the subject of Feasibility Report and this report. ("Improvements") will be public infrastructure that is eligible for funding under Arizona Revised Statutes Title 48 Community Facilities Act of 1989. Improvements are more fully described in Section 2 of Feasibility Report. Improvements are basically portions of design and construction of asphaltic paving and 4-inch roll and vertical curb, 6-foot valley gutter, and 5-foot wide sidewalks, sidewalk ramps, catch basins and scuppers within the public roadways of Assessment Area Eight. The pavement section is anticipated to be 2.5 inches of asphalt on 7 inches of aggregate base course, ("ABC"). The curb, gutter, sidewalk and sidewalk ramps will comply with the Maricopa Association of Governments, ("MAG") standard details, or approved alternate, within the public roadways of the Assessment Area.

Location of Improvements

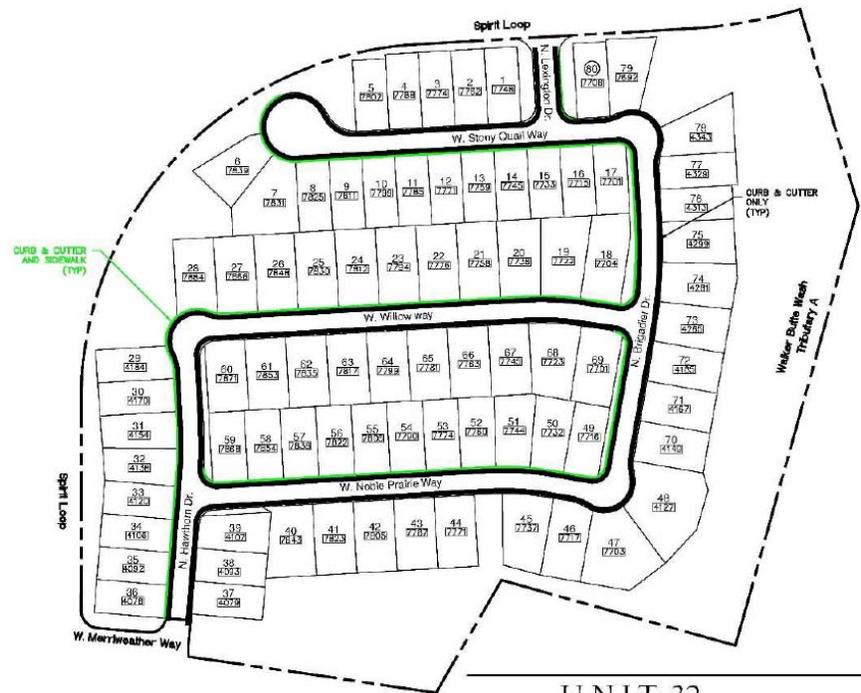
The locations of the Improvements are shown on the following diagrams:



anthem
BY DEL WEBB



BAXTER DESIGN GROUP
1707 N. Central Ex. Suite 200
Scottsdale, AZ 85261
(480) 814-8551



UNIT 32
Concrete

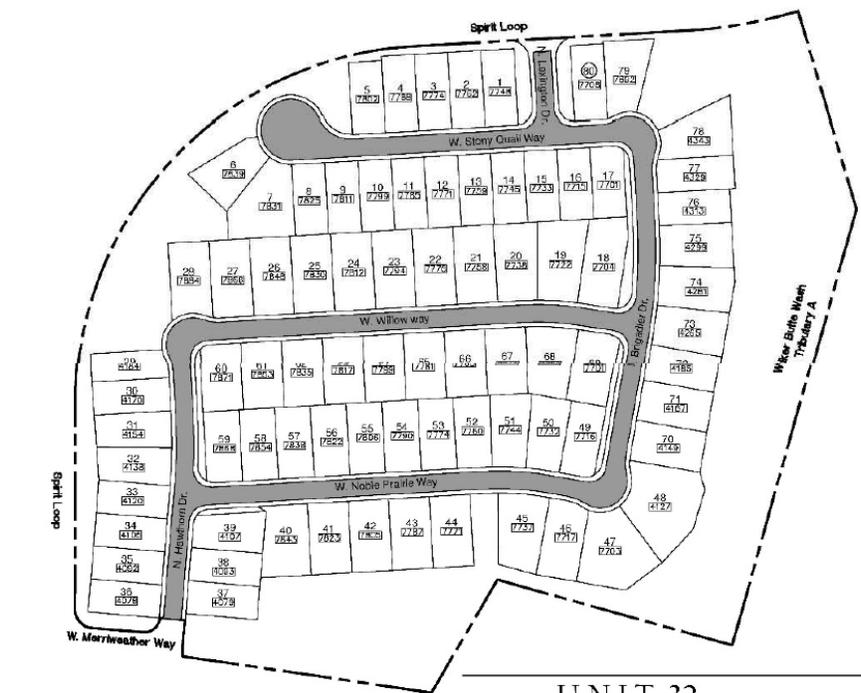
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anthem
BY DEL WEBB



BAXTER DESIGN GROUP
1707 N. Central Ex. Suite 200
Scottsdale, AZ 85261
(480) 814-8551



UNIT 32
Paving

Scale: 1" = 120'
Version I
Nov. 3, 2019
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14000-0000-0000-0000-0000.dwg 6/16/19 10:11 AM jdw

Preliminary Cost Estimate

A summary of the costs of the portion of the costs of the Improvements to be financed through the installment purchase agreement described in Feasibility Report (“Agreement”) is as follow, with details available in Feasibility Report:

**MERRILL RANCH COMMUNITY FACILITIES DISTRICT No. 2
ASSESSMENT AREA EIGHT (UNIT 32)**

COST ESTIMATE

<u>Improvement Project</u>	<u>Estimated Costs Funded Through Development Agreement</u>
UNIT 32 IMPROVEMENTS Engineering and Construction	\$679,000.00
FINANCED AMOUNT NOT TO EXCEED	\$280,000.00

Assessment Methodology

The State of Arizona Revised Statutes provides that assessments be allocated in proportion to the benefits received by each lot from the Improvements. The original assessed amount (prior to cash payments) and consequently the remaining assessments securing the Agreement are allocated to the lots within Assessment Area Eight based upon the following benefit methodology:

Improvements consist of local roadways and drainage facilities benefitting equally each of the 80 residential lots included with Assessment Area Eight. The roadways and drainage facilities provide a direct and special benefit to the developable lots to be assessed, in that primary access and required infrastructure is made available to the lots assessed for the improvements within the Assessment Area Eight, and, as such, the assessments shall be set such that each lot will be assessed an equal amount.

To further support that each lot receives the required benefit within Assessment Area Eight, no lot within the Assessment Area would be able to develop without the entire infrastructure for the parcel being in place and accepted by the Town of Florence. This standard is addressed in the Town of Florence Subdivision Development Standards.

Introduction

The Improvements consist of local residential streets and storm drainage facilities for the properties within Assessment Area Eight. Improvements fall into the following categories:

- Residential Streets
- Storm Drainage Facilities

Residential Streets Improvements

The street related improvements to be installed within Assessment Area Eight consist of new construction of the local residential streets within the parcel to be assessed. Inclusive within the street improvements will be curb and gutter, sidewalks, valley gutters, and sidewalk ramps. These improvements provide a direct and special benefit equally on a per-lot basis.

Local Storm Drainage Improvements

Each lot within the parcel drains to the street in front of the lot. The local storm drainage improvements will intercept runoff from local residential streets by either catch basins or scuppers. The runoff will be conveyed to retention facilities by underground pipe systems or above-ground channels. These improvements provide a direct and special benefit equally on a per-lot basis.

Estimated Special Assessment Lien Per Lot

Based upon the information presented above, the assessment to be placed upon each of the lots located within Assessment Area Eight (Unit 32) are as follows:

Assessment Number	Unit/Parcel Number	Use	No. of Lots	Net Acres	Assessment Lien	Assessment Lien Per Lot
Eight	32	Res	80	24.25	\$280,000.00	\$3,500.00

Assessment Diagram

(see following pages)

Legal Description of Assessment Area Eight

LEGAL DESCRIPTION FOR
MERRILL RANCH
ASSESSMENT AREA EIGHT – UNIT 32

Lots 1 through 80, inclusive, of "Anthem at Merrill Ranch Unit 32" as recorded in Document 2018-010004, Records of Pinal County, Arizona.

Conclusion

Based upon the information presented herein, it is our opinion that the special assessment allocation methodology results in assessments being allocated in proportion to the benefits received by each lot therein for the improvements to be provided thereby.

EPS Group, Inc
Woodrow C. Scoutten, PE
District Engineer



Merrill Ranch Community Facilities District No. 2
 Assessment Area Eight
 Unit 32

ASSESSMENT NUMBER	LOT NUMBER	APN	ADDRESS				ASSESSMENT AMOUNT
032-01-001	1	211-14-3910	7748 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-002	2	211-14-3920	7762 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-003	3	211-14-3930	7774 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-004	4	211-14-3940	7788 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-005	5	211-14-3950	7802 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-006	6	211-14-3960	7839 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-007	7	211-14-3970	7831 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-008	8	211-14-3980	7825 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-009	9	211-14-3990	7811 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-010	10	211-14-4000	7799 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-011	11	211-14-4010	7785 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-012	12	211-14-4020	7771 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-013	13	211-14-4030	7759 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-014	14	211-14-4040	7745 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-015	15	211-14-4050	7733 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-016	16	211-14-4060	7715 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-017	17	211-14-4070	7701 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-018	18	211-14-4080	7704 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-019	19	211-14-4090	7722 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-020	20	211-14-4100	7738 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-021	21	211-14-4110	7758 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-022	22	211-14-4120	7776 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-023	23	211-14-4130	7794 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-024	24	211-14-4140	7812 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-025	25	211-14-4150	7830 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-026	26	211-14-4160	7848 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-027	27	211-14-4170	7866 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-028	28	211-14-4180	7884 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-029	29	211-14-4190	4184 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-030	30	211-14-4200	4170 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-031	31	211-14-4210	4154 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-032	32	211-14-4220	4138 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-033	33	211-14-4230	4120 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-034	34	211-14-4240	4106 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-035	35	211-14-4250	4092 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-036	36	211-14-4260	4078 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-037	37	211-14-4270	4079 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-038	38	211-14-4280	4093 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-039	39	211-14-4290	4107 N HAWTHORN DR	FLORENCE	AZ	85132	\$3,500.00
032-01-040	40	211-14-4300	7843 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-041	41	211-14-4310	7823 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-042	42	211-14-4320	7805 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-043	43	211-14-4330	7787 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-044	44	211-14-4340	7771 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-045	45	211-14-4350	7737 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-046	46	211-14-4360	7717 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-047	47	211-14-4370	7703 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-048	48	211-14-4380	4127 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-049	49	211-14-4390	7716 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-050	50	211-14-4400	7732 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-051	51	211-14-4410	7744 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-052	52	211-14-4420	7760 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-053	53	211-14-4430	7774 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-054	54	211-14-4440	7790 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-055	55	211-14-4450	7806 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-056	56	211-14-4460	7822 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-057	57	211-14-4470	7838 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-058	58	211-14-4480	7854 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-059	59	211-14-4490	7868 W NOBLE PRAIRIE WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-060	60	211-14-4500	7871 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-061	61	211-14-4510	7853 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-062	62	211-14-4520	7835 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-063	63	211-14-4530	7817 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-064	64	211-14-4540	7799 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-065	65	211-14-4550	7781 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-066	66	211-14-4560	7763 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-067	67	211-14-4570	7745 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-068	68	211-14-4580	7723 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-069	69	211-14-4590	7701 W WILLOW WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-070	70	211-14-4600	4149 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-071	71	211-14-4610	4167 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-072	72	211-14-4620	4179 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-073	73	211-14-4630	4203 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-074	74	211-14-4640	4219 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-075	75	211-14-4650	4233 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-076	76	211-14-4660	4247 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-077	77	211-14-4670	4261 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-078	78	211-14-4680	4287 N BRIGADIER DR	FLORENCE	AZ	85132	\$3,500.00
032-01-079	79	211-14-4690	7692 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00
032-01-080	80	211-14-4700	7708 W STONY QUAIL WAY	FLORENCE	AZ	85132	\$3,500.00

EXHIBIT C

FORM OF NOTICE OF HEARING ON REPORT

NOTICE FOR HEARING REQUIRED BY A.R.S. § 48-715 ON REPORT OF THE FEASIBILITY AND BENEFITS OF CERTAIN PROJECTS TO BE FINANCED WITH THE PROCEEDS OF SPECIAL ASSESSMENTS LEVIED AND COLLECTED WITHIN AN AREA OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2 AND OF THE ADOPTION OF THE RESOLUTION OF INTENTION WITH RESPECT TO CERTAIN PUBLIC INFRASTRUCTURE PURPOSES DESCRIBED IN SUCH STUDY

Pursuant to Section 48-715, Arizona Revised Statutes, notice is hereby given that a public hearing on the report of the feasibility and benefits of projects to be financed with the proceeds of special assessments levied and collected within an area of Merrill Ranch Community Facilities District No. 2 shall be held by the Board of Directors on January 21, 2020, at approximately 6:00 p.m. (Arizona time), or immediately preceding the meeting of the Mayor and Common Council of the Town of Florence, Arizona, on the same date in the Council Chambers located at 775 North Main Street, Florence, Arizona. Such feasibility report and further information relating thereto are on file with the Town Clerk of the Town of Florence, Arizona/District Clerk of Merrill Ranch Community Facilities District No. 2, 775 North Main Street, Florence, Arizona 85232, telephone number: (520) 868-7552. **THE MATTERS IN THE STUDY OF FEASIBILITY AND BENEFITS RELATING TO THE “WORK” AND THE “ESTIMATE” AND THE “PLANS AND SPECIFICATIONS” RELATING THERETO ARE ALSO THE SUBJECT OF THE RESOLUTION OF INTENTION RELATING TO THE WORK TO BE ADOPTED SIMULTANEOUSLY WITH THE RESOLUTION APPROVING SUCH STUDY OF FEASIBILITY AND BENEFITS AFTER SUCH HEARING, SUCH RESOLUTION DECLARING THAT SUCH DISTRICT WILL PROVIDE THE WORK, ISSUE BONDS OR INCUR OTHER OBLIGATIONS FOR SUCH PURPOSE AND ASSESS THE COSTS AND EXPENSES THEREOF AGAINST THE AREA IN SUCH DISTRICT DESCRIBED IN SUCH STUDY OF FEASIBILITY AND BENEFITS. THERE SHALL NOT BE A SEPARATE PUBLIC HEARING WITH RESPECT TO SUCH RESOLUTION OF INTENTION. SUCH BONDS OR OTHER OBLIGATIONS SHALL BE INCURRED PURSUANT TO THE PROVISIONS OF THE DEVELOPMENT AGREEMENT, IN THE NAME OF THE DISTRICT, BUT PAYABLE ONLY OUT OF A SPECIAL FUND COLLECTED BY THE DISTRICT FROM SPECIAL ASSESSMENTS LEVIED UPON THE LOTS, TRACTS, PIECES AND PARCELS OF LAND INCLUDED WITHIN SUCH AREA, IN NOT TO EXCEED TWENTY-FIVE (25) ANNUAL INSTALLMENTS FROM THE ASSESSMENT OF TWENTY-FIVE DOLLARS (\$25.00) OR OVER REMAINING UNPAID AS OF THE DATE OF INCURRENCE THEREOF AS PROVIDED BY THE DEVELOPMENT AGREEMENT. SUCH BONDS OR OTHER OBLIGATIONS SHALL BEAR INTEREST AT RATES NOT TO EXCEED TEN PERCENT (10%) PER ANNUM FROM THEIR DATE, PAYABLE ON THE FIRST DAY OF JANUARY AND JULY OF EACH YEAR AND SHALL BE PAYABLE IN THE MANNER AND BE SUBJECT TO THE PROVISIONS AS TO COLLECTION OF ASSESSMENTS FOR THE PAYMENT THEREOF, EXCEPT AS OTHERWISE DESCRIBED IN THE DEVELOPMENT AGREEMENT AND THAT NEITHER THE DISTRICT NOR THE MUNICIPALITY IS REQUIRED TO PURCHASE DELINQUENT LAND AT SALE IF THERE IS NO OTHER PURCHASER, AS DESCRIBED IN TITLE 48, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS AMENDED, SAVE AND EXCEPT THAT THE METHOD OF COLLECTION OF SUCH ASSESSMENTS SHALL BE AS PROVIDED IN SECTIONS 48-600 TO 48-607, BOTH INCLUSIVE, ARIZONA REVISED STATUTES, AS AMENDED, AND NOT AS PROVIDED IN SECTION 48-608, ARIZONA REVISED STATUTES, AS AMENDED.**

Dated this 2nd day of January, 2020.

/s/ Brent Billingsley.....
District Manager,
Merrill Ranch Community Facilities District No. 2

MERRILL RANCH
COMMUNITY FACILITIES DISTRICT NO. 2
(Florence, Arizona)

FEASIBILITY
REPORT

Not to Exceed \$280,000
(Assessment Area Eight- Unit 32)
December 3, 2019

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SECTION ONE

**INTRODUCTION,
PURPOSE OF FEASIBILITY REPORT,
GENERAL DESCRIPTION OF DISTRICT
AND ASSESSMENT AREA**

INTRODUCTION

This Feasibility Report (this “Report”) has been prepared by engineers and other qualified persons for presentation to the District Board (the “Board”) of Merrill Ranch Community Facilities District No. 2 (the “District”) in connection with the proposed incurrence by the District of a special assessment lien installment purchase agreement which is incorporated in the herein after described Development Agreement with respect to certain public infrastructure (as defined in Section 48-701, Arizona Revised Statutes) to be financed pursuant to the Development Agreement (the “Projects”) and of the plan for financing the Projects in accordance with the provisions of Section 48-715, Arizona Revised Statutes- and is considered part of (i) the statement of the estimated costs and expenses of the amounts to be financed through the incurrence of the Development Agreement and (ii) the plans and specifications for purposes of levying the assessment from which the Development Agreement are to be repaid, in each case for all purposes of and pursuant to the Community Facilities District Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the “Act”).

PURPOSE OF FEASIBILITY REPORT

Pursuant to Section 48-715, Arizona Revised Statutes, this report includes (i) a description of the Projects which are to be acquired (Section Two); (ii) a map showing, in general, the location of the Projects (Section Three), (iii) an estimate of the cost to acquire, operate, and maintain the Projects (Section Four); (iv) an estimated schedule for completion of the Projects (Section Five); (v) a map or description of the area to be benefited by the Projects (Section Six); and (vi) a plan for financing the Projects (Section Seven).

THIS REPORT HAS ALSO BEEN PREPARED AS PART OF THE DECLARATION OF INTENT FOR PURPOSES OF SECTION 48-721(A), ARIZONA REVISED STATUTES AND THE HEREINAFTER DESCRIBED DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT, DATED AS OF NOVEMBER 1, 2005, AS AMENDED BY THE FIRST AMENDMENT AND WAIVERS (ASSESSMENT AREA ONE), DATED AS OF FEBRUARY 1, 2006, THE SECOND AMENDMENT AND WAIVERS (ASSESSMENT AREA TWO - UNIT 29), DATED AS OF APRIL 1, 2008, THE THIRD AMENDMENT AND WAIVERS (ASSESSMENT AREA THREE - UNIT 40), DATED AS OF NOVEMBER 1, 2008, THE FOURTH AMENDMENT AND WAIVERS (ASSESSMENT AREA FOUR- UNIT 20), DATED AS OF FEBRUARY 1, 2010, THE FIFTH AMENDMENT AND WAIVERS (ASSESSMENT AREA FIVE - UNIT 22A & 22B), DATED AS OF APRIL 1, 2013, THE SIXTH AMENDMENT AND WAIVERS (ASSESSMENT AREA SIX - UNIT 36) DATED AS OF NOVEMBER 1, 2015, THE SEVENTH AMENDMENT AND WAIVERS (ASSESSMENT AREA SEVEN - UNIT 38), DATED JANUARY 1, 2018 AND THE EIGHTH AMENDMENT AND WAIVERS (ASSESSMENT AREA EIGHT - UNIT 32), TO BE DATED AS OF JANUARY 1, 2020 (AS SO AMENDED, THE “DEVELOPMENT AGREEMENT”) WITH RESPECT TO THE ACQUISITION OF THE PROJECTS FOR THE BENEFIT OF THE AREAS DESCRIBED IN THIS REPORT. On the date this Report is approved, the Board will resolve, among other things, that (i) the public interest or convenience requires, and it is the intention of the Board, to order the Projects described in substantial form in this Report, (ii) the Projects shall be performed substantially in accordance with this Report and specific plans and specifications relating to the Projects, forms of which are filed with this Report for each of the types of the Projects and the contents of which are incorporated by this reference (the “Plans and Specifications”); (iii) the Estimate (as such term is defined herein) is approved and adopted by the Board; the Projects described substantially in the Plans and Specifications shall be performed as provided in the Development Agreement; (v) the Projects are of more than local or ordinary public benefit and are of special benefit to the respective lots, pieces and parcels of land within the portion of the District described in Section Six and in the Appendix hereto (the “Assessment Area”) and the costs and expenses of the Projects will be charged upon the Assessment Area which shall be benefited by the Projects and assessed to pay the costs and expenses thereof in proportion to the benefit derived therefrom; (vi) the public convenience requires that the Development Agreement shall be issued to represent the costs and expenses of the Projects, in the name of the District, but payable only out of a special fund collected by the District from installments of the assessment levied upon the lots, tracts, pieces and parcels of land included within the Assessment Area, in not to exceed twenty-five (25) annual installments from the assessment of twenty-five dollars (\$25.00) or over remaining unpaid as provided by the Development Agreement

and (vii) the Development Agreement shall bear interest at the rate of not to exceed eight percent (8%) per annum, payable on the first day of January and July of each year and shall be payable in the manner and be subject to the provisions as to collection of assessments for the payment thereof, except as otherwise described in the Development Agreement, and neither District nor the Town of Florence, Arizona (the “Town”), is required to purchase delinquent land at sale if there is no other purchaser, as described in Title 48, Chapter 4, Article 2, save and except that the method of collection of such assessments shall be as provided in Sections 48-600 through 48-607, Arizona Revised Statutes as nearly as practicable, both inclusive and not as provided in Section 48-608, Arizona Revised Statutes.

In preparing this Report, engineers, staff of the Town, legal counsel and other experts have been consulted as deemed appropriate. THIS REPORT IS NOT INTENDED TO BE A “FINANCIAL FEASIBILITY REPORT OR STUDY” AS THAT TERM IS CUSTOMARILY USED.

GENERAL DESCRIPTION OF DISTRICT AND ASSESSMENT AREAS

Formation of the District was approved on November 21, 2005 by the Town upon the request of Pulte Homes, Inc. now known as Pulte Home Company, LLC, a Michigan limited liability company (“Pulte Home Company”), as the owner of all of the land within the District upon formation. The District is located within the municipal boundaries of the Town. (See the maps in Sections Three and Six and Appendix A for a description of the boundaries of the District.)

The District was formed to finance the costs of certain public infrastructure purposes (as such term is defined in the Act), including particularly with respect to the Projects. All of the land within the boundaries of the District (approximately 1,070 acres) is being developed as part of an approximately 3,191 acre master-planned development known as Anthem at Merrill Ranch (“Anthem”). Anthem is being developed within an approximately 8,970 acre mixed use, master-planned community known as “Merrill Ranch”. Simultaneously with the formation of the District, Merrill Ranch Community Facilities District No. 1 (“District No. 1”) was formed over 7,900 acres of Merrill Ranch to finance the cost of certain infrastructure improvements within District No. 1. Within Anthem, there is both an active adult community (“Sun City”) and a family oriented community (“Parkside”). The boundaries of the District and District No. 1 do not overlap, however Anthem encompasses land within both districts. The development is the subject of the Development Agreement. (The Development Agreement is available for review at the Office of the Clerk of the Town.)

The Assessment Area contains approximately 24.25 acres and upon build out will comprise approximately 80 single-family lots. Although the number of acres devoted to each particular type of land use may ultimately vary from those presented, the build-out of Merrill Ranch and the Assessment Area is currently expected to include the following land uses:

Merrill Ranch CFD No. 2 Anticipated Land Use Plan

Type of Development	District	Unit 32	
	Approximate Acres of District Land	Estimated Lots	Estimated Acres
Residential	467	80	24.25
Commercial/Light Industrial	20	-	-
Open Space/Parks	267	-	-
Schools	13	-	-
Golf Courses	47	-	-
Worship Sites	12	-	-
Police/Fire	16	-	-
Roadways/Right of Way	188	-	-
Medical	40	-	-
Total	1,070	80	24.25

The single-family residences to be constructed by Pulte Homes within Anthem currently range in size from 1,400 to 4,100 square feet and are currently base priced from \$219,000 to \$386,000.

The following tables represents the single-family residential closings from January 1, 2006 through September 30, 2019 and then single-family homes under construction:

Calendar Year	District (a)		District No. 1 (b)		Total
	Sun City (Senior)	Parkside (Family)	Sun City (Senior)	Parkside (Family)	
2006	30	41	92	25	188
2007	43	237	91	98	469
2008	38	171	176	68	453
2009	2	98	136	34	270
2010	59	68	38	22	187
2011	68	45	2	17	132
2012	48	14	16	51	129
2013	32	13	78	60	183
2014	15	1	17	13	46
2015	65	0	37	57	159
2016	38	0	47	78	163
2017	29	0	66	90	185
2018	52	0	71	120	243
2019	26	0	69	78	173
Total	545	688	936	811	2980

(a) Within the District, the earliest close date shown is July 12, 2006 and the latest is September 30, 2019.

(b) Within District No. 1, the earliest close date shown is August 14, 2006 and the latest is September 30, 2019.

Source: Pulte

	Sun City (Senior) ^(a)	Parkside (Family) ^(a)	Total Active ^(a)
District No. 1	47	50	97
District No. 2	8	10	18
Total	55	60	115

(a) Homes under construction as of September 30, 2019.

Source: Pulte, DR Horton

SECTION TWO

DESCRIPTION OF THE PROJECTS

DESCRIPTION OF THE PROJECTS

The Projects to be acquired by the District pursuant to the Development Agreement are composed of: (1) engineering, and (2) street improvements. See the maps in Section Three for detail about location of the Projects. As described hereinabove, the Plans and Specifications are on file herewith and are incorporated herein by reference.

(1) Engineering

Plans for grading and drainage, utilities, and paving relating to storm drain and curb, gutter and sidewalk. The plans have been reviewed and approved by the Town in accordance with their guidelines and standards. The Plans and Specifications are on file with the Town and are incorporated herein by reference.

(2) Street Improvements

This Project consists of the installation of asphaltic paving and 4-inch roll and vertical curb, 6-foot valley gutter, and 5-foot wide sidewalks, sidewalk ramps, catch basins and scuppers within the public roadways of the Assessment Area. The pavement section is anticipated to be 2.5 inches of asphalt on 7 inches of aggregate base course, ("ABC"). The curb, gutter, sidewalk and sidewalk ramps will comply with the Maricopa Association of Governments, ("MAG") standard details, or approved alternate, within the public roadways of the Assessment Area.

Detail	Quantity
Paving	10,902 SY
Curb & Gutter	5,723 LF
Sidewalk	14,160 SF
Catch Basins	10 EA
Scuppers	1 EA
Sidewalk Ramps	6 EA
LF=Linear Feet / SF=Square Feet / SY=Square Yards/EA = Each	

SECTION THREE

MAP OF LOCATION OF THE PROJECTS

SEE ALSO "MAPS OF AREA TO BE BENEFITED"

SECTION FOUR

**ESTIMATED COSTS OF AND TIMETABLE FOR
COMPLETION OF THE PROJECTS**

ESTIMATED COST OF AND TIMETABLE FOR COMPLETION OF THE PROJECTS

Shown below is a summary of the total costs of the Projects (the “Estimate”). The acquisition costs to be paid as described in Section Six – “PLAN OF FINANCE” equal \$280,000 and are anticipated to be incurred prior to and after the levy of the Assessment described in such section. No further amounts are due with respect to the Projects as of the date of such levy. If applicable, amounts are the result of public bidding to be, in aggregate decreased, but not increased. The actual acquisition costs of the Projects will be determined as prescribed in the Development Agreement, but will not collectively be more than those shown below.

The Projects will be transferred to the Town. Accordingly, it is not anticipated that there will be operating or maintenance expenses in connection with the Projects. However, expenses may be paid in the future as described in the Development Agreement.

Construction contracts related to the Projects have been bid and awarded pursuant to the public bid process of Title 34, Arizona Revised Statutes and applicable Town requirements and administered in conformance to applicable law and such requirements.

Assessment Area Eight		
Unit # 32	Estimated Costs	Estimated Completion Date
Engineering & Street Improvements	<u>\$679,000.00</u>	March 1, 2020
Total	<u>\$679,000.00</u>	

SECTION FIVE

MAPS OF THE AREA TO BE BENEFITED

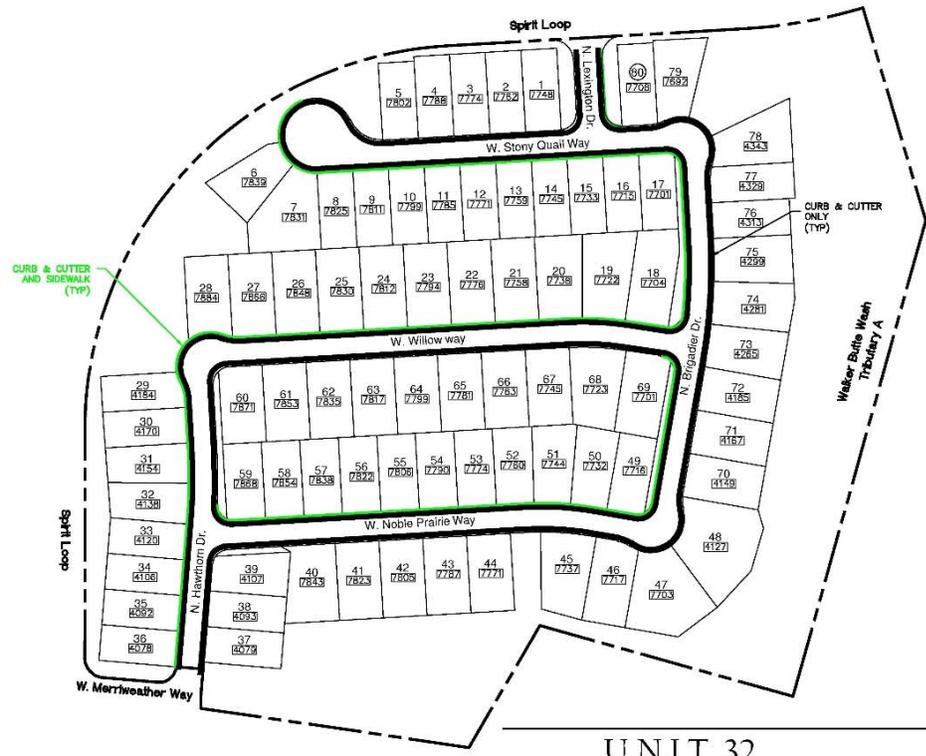
CONCRETE



anthem
BY DEL WEBB



BAXTER DESIGN GROUP
1500 N. Dobson Rd., Suite 200
Scottsdale, AZ 85259
(480) 458-6501



UNIT 32

Concrete

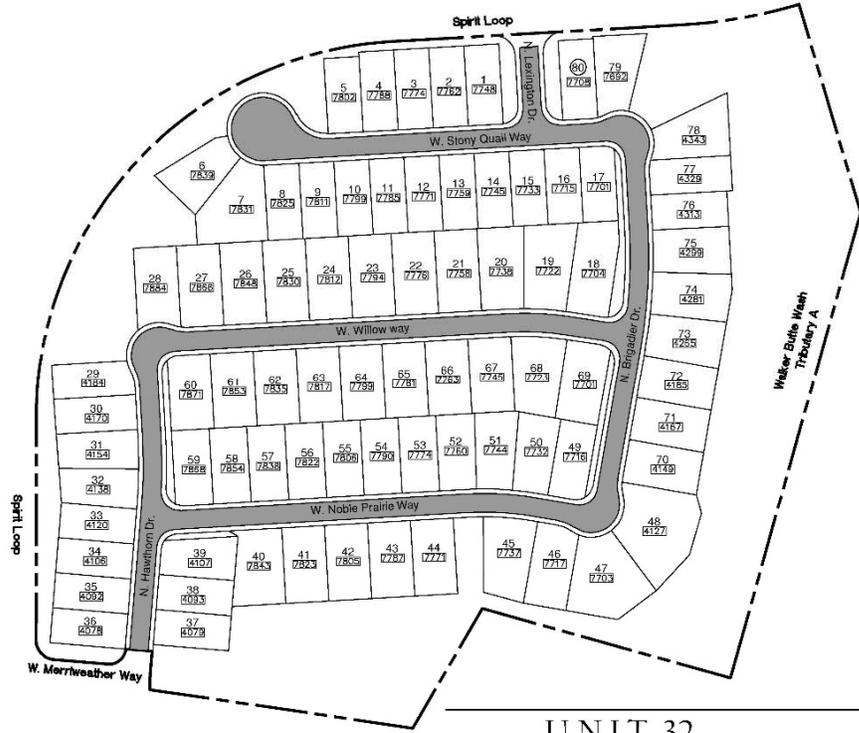
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Version I
Nov. 5, 2019

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file name: UNIT 32 CONCRETE.Fw, Crc: Srm-11181.dwg | plot date: November 05, 2019 | plotted by: jaynes

PAVING



anthem
BY DEL WEBB



UNIT 32
Paving

Scale: 1" = 120'
Version I
Nov. 5, 2019



path: P:\218-ANIMATED\UNIT-32-ANIMATED\BDS\CG\BAMES
file name: UNIT 32 CG 201905-Path_Cover-111616.dwg | plot date: November 05, 2019 | plot by: jay

SECTION SIX
PLAN OF FINANCE

- (1.) Costs of the acquisition of the Projects as described in Section Six – “ESTIMATED COSTS OF THE PROJECTS” will be provided for by the District pursuant to the Development Agreement.
- (2) Installment purchase payments due with respect to the Projects pursuant to the Development Agreement (the “Payments”) shall be payable from amounts collected by the District from the hereinafter described special assessment (the “Assessment”).

The Assessment shall be levied pursuant to the procedures prescribed by Sections 48-576 through 48-589, Arizona Revised Statutes, as amended, as nearly as practicable and except as otherwise provided in the Development Agreement, upon the Assessment Area based on the benefits to be received by and as allocated to the parcels into which the Assessment Area is or is to be divided.

The per parcel assessment amount is expected to be no more than \$3,500. Average annual payments with respect to such portion will be approximately \$281. Pulte currently expects that at the time of sale of the home to the buyer, this amount will be assumed by the homebuyer and the annual payments made over time.

- (3) The principal component is expected to have an approximately 25-year amortization with the first year being interest only and the principal then over the remaining 24 years. See the following “Estimated Payments” in this Section.
- (4) Section 32-2181, Arizona Revised Statutes et seq. requires the disclosure of all property taxes and assessments to be paid by a homeowner in the Arizona Department of Real Estate Subdivision Public Report (the “Public Report”). Each homebuyer must be supplied a Public Report and, prior to any home sale, the homebuyer must acknowledge by signature that they have read and accepted the Public Report. In addition, Pulte will require the homebuyer to sign an additional form that highlights and discloses the additional assessment payments as a result of District financing.
- (5) The District has entered into an agreement with the Pinal County Treasurer for the collection of the Assessments in a similar manner and together with the collection by the County of real property taxes.

Estimated Sources and Uses of Funds

Sources:

Assessment Proceeds	\$280,000.00
Developer Contribution	30,000.00
Total	\$310,000.00

Uses:

Project Costs	\$280,000.00
Costs of Issuance	30,000.00
Total	\$310,000.00

Estimated Debt Service Requirements

\$280,000.00			
Assessment Area Eight - Unit 32			
Date	Prinicipal	Estimated Interest ^(a)	Total Annual Debt Service
7/15/2021		\$24,546.67	\$24,546.67
7/15/2022	\$5,000.00	16,800.00	21,800.00
7/15/2023	5,000.00	16,500.00	21,500.00
7/15/2024	5,000.00	16,200.00	21,200.00
7/15/2025	5,000.00	15,900.00	20,900.00
7/15/2026	5,000.00	15,600.00	20,600.00
7/15/2027	5,000.00	15,300.00	20,300.00
7/15/2028	10,000.00	15,000.00	25,000.00
7/15/2029	10,000.00	14,400.00	24,400.00
7/15/2030	10,000.00	13,800.00	23,800.00
7/15/2031	10,000.00	13,200.00	23,200.00
7/15/2032	10,000.00	12,600.00	22,600.00
7/15/2033	10,000.00	12,000.00	22,000.00
7/15/2034	10,000.00	11,400.00	21,400.00
7/15/2035	10,000.00	10,800.00	20,800.00
7/15/2036	15,000.00	10,200.00	25,200.00
7/15/2037	15,000.00	9,300.00	24,300.00
7/15/2038	15,000.00	8,400.00	23,400.00
7/15/2039	15,000.00	7,500.00	22,500.00
7/15/2040	15,000.00	6,600.00	21,600.00
7/15/2041	15,000.00	5,700.00	20,700.00
7/15/2042	20,000.00	4,800.00	24,800.00
7/15/2043	20,000.00	3,600.00	23,600.00
7/15/2044	20,000.00	2,400.00	22,400.00
7/15/2045	20,000.00	1,200.00	21,200.00
Total	\$280,000.00	\$283,746.67	\$563,746.67

(a) Interest is estimated at 6.00%; subject to change.

APPENDIX

LEGAL DESCRIPTION OF ASSESSMENT AREA



Community Facilities District
Legal Description
Anthem at Merrill Ranch, Unit 32

A parcel of land lying within the North Half Section 24, Township 4 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

Commencing at the North Quarter Corner of said Section 24 (GLO Brass Cap "1928", found) from which the Northeast Corner of Section 24 (GLO Brass Cap, Bent North, found) bears North 87 degrees 44 minutes 54 seconds East (Basis of Bearing), a distance of 2571.82;

Thence, North 87 degrees 44 minutes 54 seconds East along the North line of the Northeast Quarter of Section 24, a distance of 819.81 feet;

Thence, South 02 degrees 15 minutes 06 seconds East, a distance of 1101.80 feet to the **POINT OF BEGINNING**.

Thence, South 03 degrees 16 minutes 51 seconds East, a distance of 147.97 feet;

Thence, South 86 degrees 43 minutes 09 seconds West, a distance of 9.00 feet;

Thence, South 03 degrees 16 minutes 51 seconds East, a distance of 149.38 feet;

Thence, South 09 degrees 53 minutes 38 seconds West, a distance of 316.50 feet;

Thence, South 16 degrees 24 minutes 00 seconds East, a distance of 28.79 feet;

Thence, South 16 degrees 31 minutes 27 seconds West, a distance of 65.55 feet;

Thence, South 42 degrees 40 minutes 22 seconds West, a distance of 73.70 feet;

Thence, South 53 degrees 05 minutes 32 seconds West, a distance of 72.52 feet;

Thence, North 80 degrees 06 minutes 22 seconds West, a distance of 144.86 feet;

Thence, North 74 degrees 44 minutes 49 seconds West, a distance of 62.40 feet;

Thence, South 87 degrees 20 minutes 10 seconds West, a distance of 39.23 feet;

Thence, South 86 degrees 43 minutes 09 seconds West, a distance of 341.24 feet;

Thence, South 04 degrees 45 minutes 32 seconds West, a distance of 67.08 feet;

Thence, North 85 degrees 14 minutes 28 seconds West, a distance of 114.00 feet;

7500 N. DOBSON RD. SUITE 200
SCOTTSDALE, AZ 85256
CITY
480-818-6001

3515 STONE WALL CIRCLE
HEBER CITY, UT 84032
435-709-8234

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Thence, South 04 degrees 45 minutes 32 seconds West, a distance of 10.31 feet;

Thence, North 85 degrees 14 minutes 28 seconds West, a distance of 156.00 feet;

Thence, North 04 degrees 45 minutes 32 seconds East, a distance of 212.00 feet;

Thence, North 04 degrees 21 minutes 29 seconds West, a distance of 156.65 feet;

Thence, North 03 degrees 16 minutes 51 seconds West, a distance of 53.00 feet;

Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 114.10 feet;

Thence, Northerly an arc distance of 51.00 feet along a non-tangent curve to the right from which the radius point bears North 80 degrees 35 minutes 58 seconds East, a distance of 50.00 feet and having a central angle of 58 degrees 26 minutes 20 seconds;

Thence, North 03 degrees 16 minutes 51 seconds West, a distance of 124.43 feet;

Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 96.67 feet;

Thence, North 03 degrees 16 minutes 51 seconds West, a distance of 45.28 feet;

Thence, North 46 degrees 25 minutes 16 seconds West, a distance of 85.62 feet;

Thence, North 58 degrees 12 minutes 35 seconds East, a distance of 108.01 feet;

Thence, North 79 degrees 11 minutes 38 seconds East, a distance of 19.00 feet;

Thence, Easterly an arc distance of 160.21 feet along a non-tangent curve to the right from which the radius point bears North 79 degrees 11 minutes 38 seconds East, a distance of 55.00 feet and having a central angle of 166 degrees 53 minutes 32 seconds;

Thence, Southeasterly and arc distance of 59.84 feet along a reverse curve from which the radius point bears North 66 degrees 05 minutes 10 seconds East, a distance of 50.00 feet and having a central angle of 68 degrees 34 minutes 16 seconds;

Thence, North 03 degrees 16 minutes 51 seconds West, a distance of 114.00 feet;

Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 53.00 feet;

Thence, North 03 degrees 16 minutes 51 seconds West, a distance of 7.00 feet;

Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 230.72 feet;

Thence, Northwesterly an arc distance of 29.05 feet along a non-tangent curve to the left from which the radius point bears South 52 degrees 12 minutes 04 seconds West, a distance of 30.00 feet and having a central angle of 55 degrees 28 minutes 55 seconds;



Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 102.00 feet;

Thence, Southwesterly an arc distance of 29.05 feet along a non-tangent curve to the left from which the radius point bears South 03 degrees 16 minutes 51 seconds East, a distance of 30.00 feet and having a central angle of 55 degrees 28 minutes 55 seconds;

Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 71.72 feet;

Thence, North 03 degrees 16 minutes 51 seconds West, a distance of 3.00 feet;

Thence, North 86 degrees 43 minutes 09 seconds East, a distance of 81.87 feet;

Thence, South 13 degrees 30 minutes 01 seconds West, a distance of 121.10 feet;

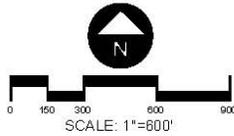
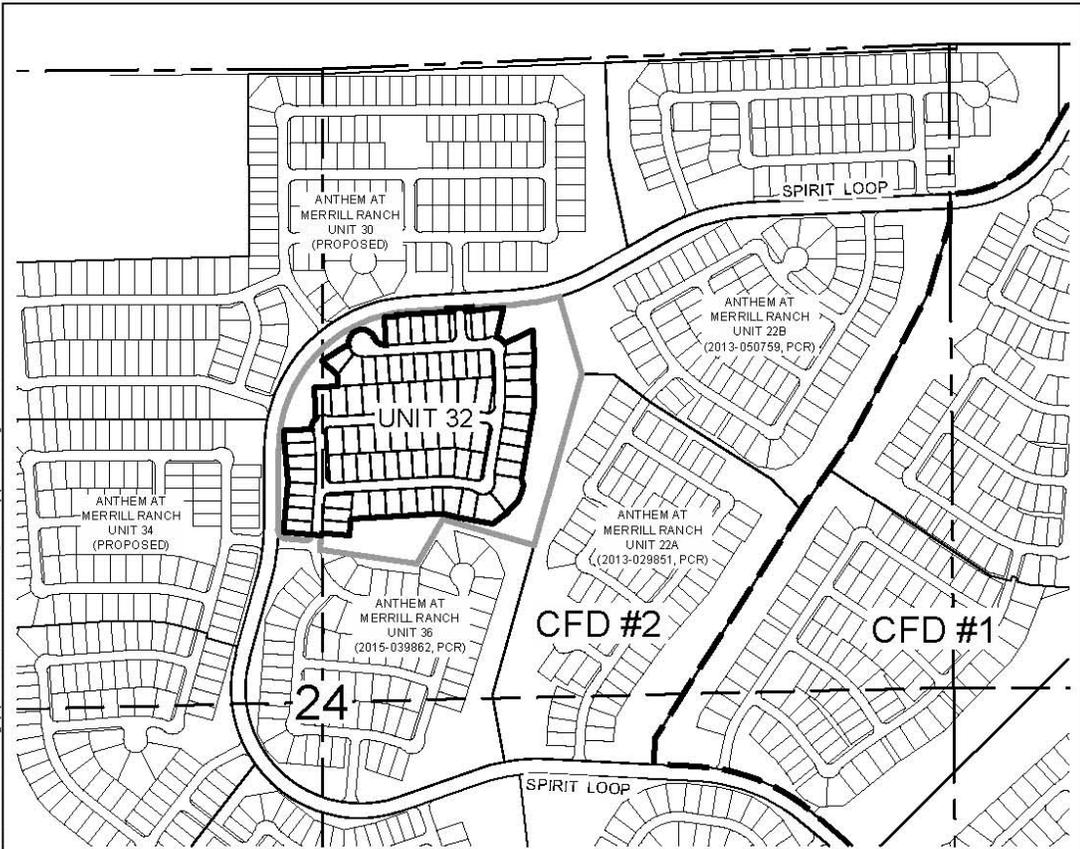
Thence, Southeasterly an arc distance of 45.46 feet along a non-tangent curve to the right from which the radius point bears South 12 degrees 44 minutes 03 seconds West, a distance of 50.00 feet and having a central angle of 52 degrees 05 minutes 52 seconds;

Thence, North 64 degrees 12 minutes 43 seconds East, a distance of 127.30 feet to the POINT OF BEGINNING.

Containing 17.0307 acres, more or less.

See Exhibit "A", attached.

path:R:\742-AMR\UNITS\UNIT-32-AMR\08-EXHIBITS\CFD Legal Exhibit\file name:UNIT_32_CFD_LEGAL_EXHIB_BNDY.dwg | plot date: November 08, 2018 | plotted by: aasanders



VICINITY MAP

LINE LEGEND	
	BOUNDARY LINE (CFD LIMITS)
	PARCEL BOUNDARY LINE
	UNIT 32 LOT LINE
	ADJACENT PARCEL LOT LINE
	MID-SECTION LINE
	SECTION LINE

ABBREVIATIONS	
CFD	COMMUNITY FACILITIES DISTRICT
BOB	BASIS OF BEARING
POB	POINT OF BEGINNING

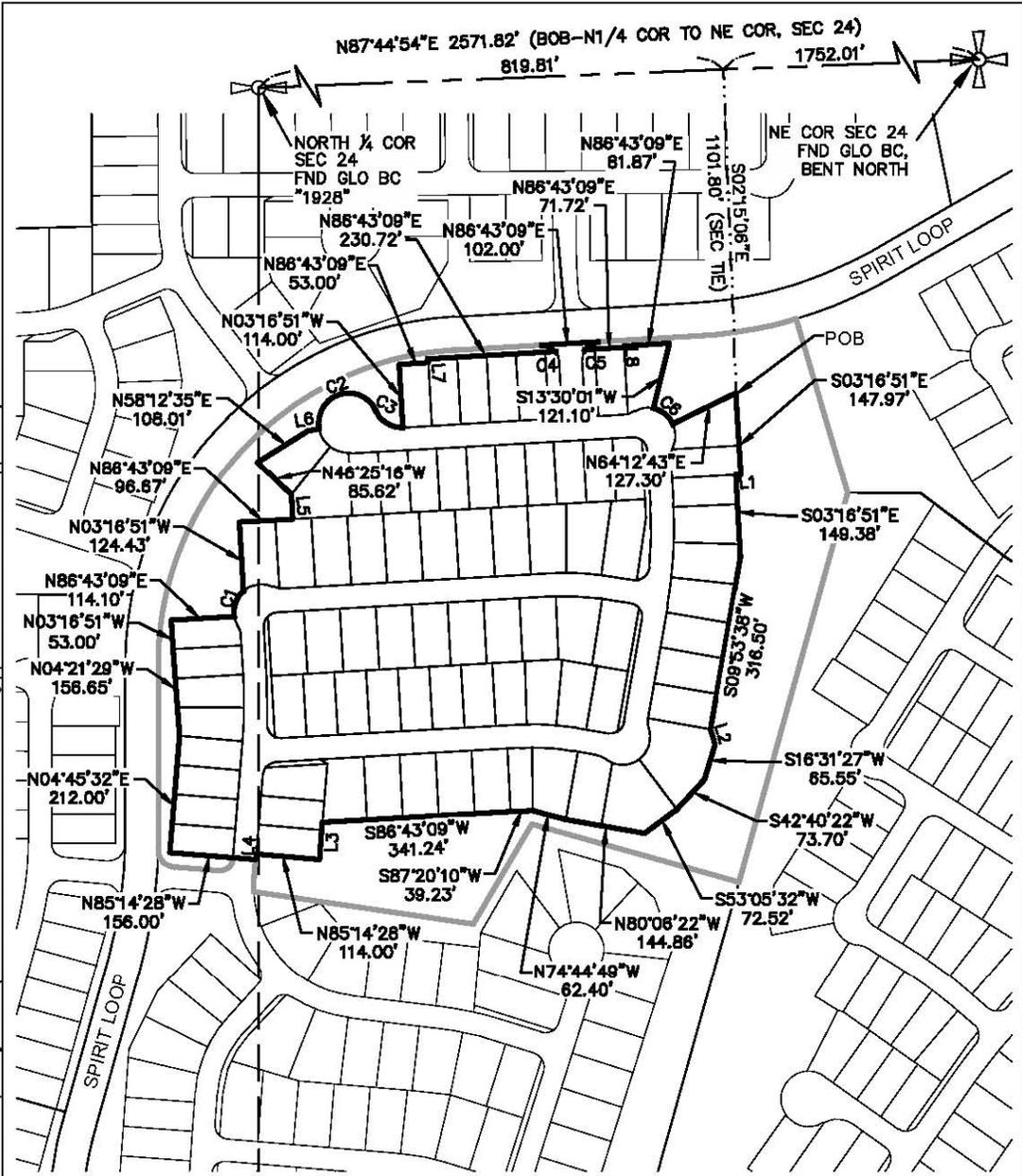
LINE TABLE		
LINE	BEARING	DISTANCE
L1	S88°43'09"W	9.00'
L2	S16°24'00"E	28.79'
L3	S04°45'32"W	67.08'
L4	S04°45'32"W	10.31'
L5	N03°16'51"W	45.28'
L6	N79°11'38"E	19.00'
L7	N03°16'51"W	7.00'
L8	N03°16'51"W	3.00'

CURVE TABLE				
CURVE	LENGTH	RADIUS	DELTA	TANGENT
C1	51.00'	50.00'	58°26'20"	27.97'
C2	160.21'	55.00'	166°53'32"	478.73'
C3	59.84'	50.00'	68°34'16"	34.09'
C4	29.05'	30.00'	55°28'55"	15.78'
C5	29.05'	30.00'	55°28'55"	15.78'
C6	45.46'	50.00'	52°05'52"	24.44'



EXHIBIT "A"
ANTHEM AT MERRILL RANCH
UNIT 32 CFD BOUNDARY
 SHEET 1 OF 3

path: R:\742-AMR\UNITS\UNIT-32-AMR\09-EXHIBITS\CFD_Legal Exhibit\CFD_LEGAL_EXHIB_BINDY.dwg | plot date: November 08, 2019 | plotted by: saunders



SCALE 1"=250'



EXHIBIT "A"
ANTHEM AT MERRILL RANCH
UNIT 32 CFD BOUNDARY
 SHEET 2 OF 3

path: R:\VCS-AM\UNIT32-32-AM\04-32\04-32\04-32-01.dwg [plot_date: November 08, 2010] plotted by: amerrera

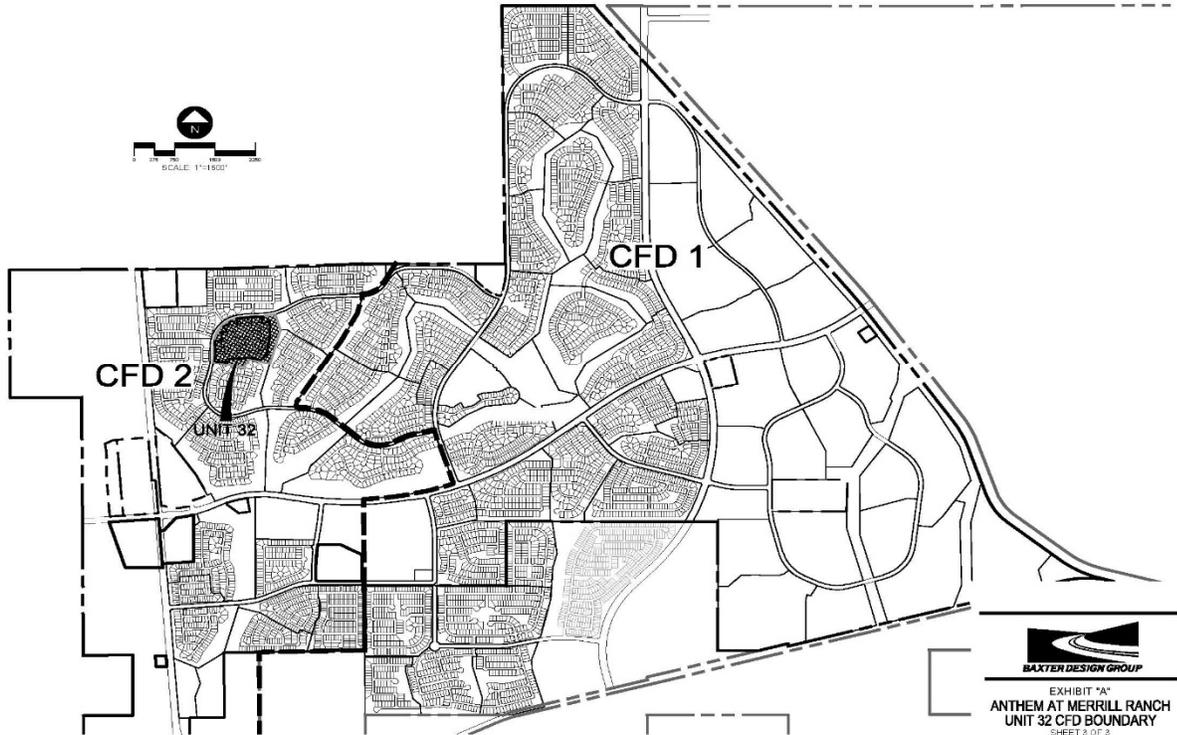
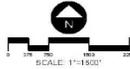


EXHIBIT "A"
ANTHEM AT MERRILL RANCH
UNIT 32 CFD BOUNDARY
SHEET 2 OF 2

When recorded, please return to:

Michael Cafiso, Esq.
Greenberg Traurig, LLP
Suite 700
2375 East Camelback Road
Phoenix, Arizona 85016

THIS EIGHTH AMENDMENT AND WAIVERS (ASSESSMENT AREA EIGHT - UNIT 32), dated as of January 1, 2020 (hereinafter referred to as this "*Amendment*"), for DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2), dated as of November 1, 2005, as amended by the First Amendment and Waivers (Assessment Area One), dated as of February 1, 2006, the Second Amendment and Waivers (Assessment Area Two*), dated as of April 1, 2008, the Third Amendment and Waivers (Assessment Area Three - Unit 40), dated as of November 1, 2009, the Fourth Amendment and Waivers (Assessment Area Four - Unit 20), dated as of February 1, 2010, the Fifth Amendment and Waivers (Assessment Area Five - Units 22A & 22B), dated as of April 1, 2013, the Sixth Amendment and Waivers (Assessment Area Six - Unit 36), dated as of November 1, 2015, and the Seventh Amendment and Waivers (Assessment Area Seven - Unit 38), dated as of January 1, 2018 (as so amended hereinafter referred to as the "*Agreement*"), by and between Merrill Ranch Community Facilities District No. 2, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"), and Pulte Home Company, LLC, a limited liability company duly organized and validly existing pursuant to the laws of the State of Michigan and having an interest in certain property within the boundaries of the District (hereinafter referred to as the "*Owner*");

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (hereinafter referred to as the "*Act*") and Section 9-500.05, Arizona Revised Statutes, the Town of Florence, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona; the District; the Owner and Pulte Development Company, a duly incorporated and validly existing pursuant to the laws of the State of Michigan, entered into the Agreement as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure and subsequent reimbursements or repayments over time; and

WHEREAS, with regard to the Property (as such term and all other undefined terms used in these Recitals are defined in the Agreement), the Municipality, the District and the Owner specified some of such matters in the Agreement, particularly matters relating to the construction or acquisition of

* Unit 29

certain public infrastructure by the District, the acceptance thereof by the Municipality and the reimbursement or repayment of the Owner with respect thereto, all pursuant to the Act, such public infrastructure being necessary for the Owner to develop the Property prior to the time at which the District can itself pay for the construction or acquisition thereof; and

WHEREAS, the Agreement provided that the Assessment Bonds shall be issued if certain conditions are met to provide moneys for certain public infrastructure purposes described in the General Plan of the District, and the use of the proceeds of the sale of the Assessment Bonds was a subject of the Agreement; and

WHEREAS, the Agreement provided that an amendment thereto would provide (1) for the designation from time to time of Assessed Property and of the portions of the Infrastructure, the acquisition of which is to be financed with the proceeds of the sale of Assessment Bonds and (2) the means by which the Owner would accept the Assessments and have the Assessments allocated and recorded against the various parcels comprising the Assessed Property; and

WHEREAS, Section 10.5 of the Agreement provides that the Agreement can be altered and otherwise amended if the amendment is solely for the purpose of designating certain parcels of "Property" and portions of "Infrastructure" (as contemplated by the definitions of "Assessed Property" and "Work" in connection with "Assessments") and accepting, allocating and recording Assessments against such parcels (as contemplated by Section 6.2(c)(2) of the Agreement) and waivers related thereto and need be signed only by (and shall be effective against only) the District and the owner of such parcels; and

WHEREAS, subsequent to the execution and delivery of the Agreement, State law was amended to provide that the District may provide that the collection of installments of the Assessments be paid to such owner for the costs of public infrastructure purposes, until the District Board of the District determined, if ever, that the Assessment Bonds for such purposes should be issued and that, until such Assessment Bonds are issued, the Assessments may bear interest at the rate specified by the District Board of the District; and

WHEREAS, this Amendment as an amendment to a "development agreement" is consistent with the "general plan" of the Municipality, as defined in Section 9-461, Arizona Revised Statutes applicable to the Property on the date this Agreement is executed; and

WHEREAS, the appropriate representatives of the Owner (i) have, independently with the assistance of legal counsel, reviewed and evaluated all of the law of the State as it relates to the subject matter of this Amendment; (ii) have a full and complete knowledge and understanding of such law; (iii) are sufficiently knowledgeable and experienced in such matters to be able to evaluate the risks and merits of matters provided by this Amendment and (iv) are voluntarily causing the Owner to enter into this Amendment knowing that the terms and provisions of this Amendment shall run with and encumber the Area Eight Assessed Property and bind the entities executing this Amendment and their successors and assigns; and

WHEREAS, such representatives of the Owner have reviewed the boundaries of the Area Eight Assessed Property as well as the Area Eight Estimate, the Area Eight Work Plans and Specifications and the Area Eight Assessment Diagram (as such terms are hereinafter defined); and

WHEREAS, the Owner is receiving fair consideration and reasonably equivalent value for its execution hereof; the Owner is not now insolvent, nor will the execution hereof, render the Owner insolvent; no obligation of the Owner has been incurred with the intent to hinder, delay or defraud present

or future creditors and the execution hereof does not involve the incurrence by the Owner of an obligation or debt which the Owner reasonably believes is or will become beyond the ability of the Owner to pay as it becomes due;

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein, the parties hereto amend the Agreement by providing for the purposes described hereinabove to provide that they agree that:

Section 1. (a) For all purposes of this Amendment, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section have the meanings assigned to them in this Section and include, as appropriate, the plural as well as the singular, and otherwise the terms used herein have the meanings assigned to them in the Agreement:

“*Area Eight Assessed Property*” means the parcels of the Property described in the Exhibit to this Amendment.

“*Area Eight Assessment Bonds*” means the bonds entitled “Special Assessment Lien Bonds (Assessment Area Eight)” of the District or such other title approved by the District Board which may be authorized to be sold and issued by the District as described in this Amendment, payable from amounts collected from, among other sources, the Area Eight Assessments, remaining after payment of the principal amounts paid pursuant to Section 2(d)(3).

“*Area Eight Assessment Diagram*” means the assessment diagram to be on file with the District Clerk, prepared by the District Engineer and the Superintendent of Streets, as amended from time to time, showing estimated maximum dollar amounts of benefits derived from the Area Eight Work for each parcel of the Area Eight Assessed Property and assessing against each such parcel the maximum proportionate share of costs and expenses of the Area Eight Work, the contents of which are hereby incorporated herein by this reference.

“*Area Eight Assessments*” means, as to be originally levied and as thereafter reallocated as described herein, the proportionate share of costs and expenses of Area Eight Work levied against each parcel of the Area Eight Assessed Property pursuant to Title 48, Chapter 4, Article 2, Arizona Revised Statutes.

“*Area Eight Estimate*” means the estimate included in the Area Eight Report, such portion of the contents of which are hereby incorporated herein by this reference, being the total of amounts necessary to pay the total of all amounts due pursuant to the Agreement for the Area Eight Work not otherwise paid from cash collections of the Area Eight Assessments.

“*Area Eight Report*” means the Report applicable to the Area Eight Work on file with the District Clerk.

“*Area Eight Work*” means the portions of the Infrastructure described in the Area Eight Report, such portion of the contents of which are hereby incorporated herein by this reference, the acquisition of which is to be financed as provided herein.

“*Area Eight Work Plans and Specifications*” means the Plans and Specifications for the corresponding Acquisition Projects on file with the District Clerk, which shall compose the Area Eight Work, the contents of which are hereby incorporated herein by this reference.

“*Assessment Collection Agreement*” means the Community Facilities District Assessment Collection Agreement (Merrill Ranch Community Facilities District No. 2), dated as of September 1, 2009, by and between the Treasurer of Pinal County, Arizona, and the District.

(b) All references in this Amendment to designated “Exhibits,” “Sections” and other subdivisions are to the designated Exhibits, Sections and other subdivisions of this Amendment as originally executed unless otherwise indicated.

(c) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Amendment as a whole and not to any particular Exhibit, Section or other subdivision.

Section 2. (a) Notwithstanding any provision of the Agreement to the contrary, this Section shall apply to this Amendment and, if ever issued, the Area Eight Assessment Bonds to the exclusion of any conflicting provision therein:

(1) (A) Subject to reduction as provided in Section 2(a)(2)(E), the Area Eight Assessments shall be levied based on the Area Eight Estimate upon all of the Area Eight Assessed Property based on the benefits received by and as allocated to the parcels into which the Area Eight Assessed Property is or is to be divided in an amount of \$3,500 per typical equivalent dwelling unit lot; provided, however, that unless the Owner pays the difference to the District in cash (which the District hereby agrees to apply to the payment of the amounts due the Owner pursuant to Section 2(d)(3) and, if ever issued, after the issuance thereof, the Area Eight Assessment Bonds according to their terms) the amount allocated per lot shall never be in total less than the principal amount due to the Owner pursuant hereto or, if ever issued, after the issuance thereof, the principal amount of the Area Eight Assessment Bonds. With respect to each such allocation, the Owner shall provide to the District Manager evidence satisfactory to the District Manager of any matters the District Manager may reasonably request, including particularly with respect to the condition of title of any lot and that the value of the remaining lots after such allocation is at least equal to the remaining total of such principal amount, in each case as applicable, evidencing such values on a lot by lot basis, if necessary.

(B) The Owner accepts the Area Eight Assessments which are in an amount not more than the total amount of the Area Eight Estimate against the Area Eight Assessed Property and shall have the Area Eight Assessments allocated and recorded with the County Recorder of Pinal County, Arizona, by means of this Amendment against the various parcels comprising the Area Eight Assessed Property.

(C) The Area Eight Assessed Property receives benefits from the Area Eight Work equal to not less than the Area Eight Assessments as so allocated to the parcels into which the Area Eight Assessed Property is or is to be divided, and the Area Eight Assessments shall be final, conclusive and binding upon the Owner whether or not the Area Eight Work is completed in substantial compliance with the Area Eight Work Plans and Specifications.

(2) (A) The Owner approves the boundaries of the Area Eight Assessed Property as well as the Area Eight Estimate, the Area Eight Work Plans and Specifications and the Area Eight Assessment Diagram.

(B) This Amendment shall be construed to be an express consent by the Owner that (I) the District may, with respect to the Area Eight Assessed Property, incur costs and expenses necessary to complete the Area Eight Work and (II) the District may levy and collect the Area

Eight Assessments in amounts sufficient to pay the amounts indicated in the Area Eight Estimate, including for the Area Eight Work, but not in excess of the total amount of the Area Eight Estimate.

(C) The mailing to the governing body of the Municipality of the Area Eight Estimate and the Area Eight Work Plans and Specifications in the form of the Area Eight Report pursuant to Section 48-715, Arizona Revised Statutes, shall satisfy the filing requirements of Section 48-577, Arizona Revised Statutes and the publication of the notice of hearing on the Area Eight Report pursuant to Section 48-715, Arizona Revised Statutes shall satisfy the publication and posting requirements of Section 48-578, Arizona Revised Statutes.

(D) Installments of the Area Eight Assessments (whether paid to the Owner pursuant to Section 2(d)(3), or if issued, with respect to the Area Eight Assessment Bonds) shall be credited against such costs and expenses.

(E) Notwithstanding Section 4.2 of the Agreement but instead pursuant to Section 2(d)(3), the District shall pay the Segment Price for and acquire from the Owner, and the Owner shall accept the Segment Price for and sell to the District, each Segment which is part of the Area Eight Work after approval of the Area Eight Report and at the same time as the levy of the Area Eight Assessment by filing with the District Manager the appropriate Conveyance for such Segment, and the same shall be considered as payment for purposes of Section 7.1 of the Agreement. (For purposes hereof, the definition of "Segment Price" shall be read as follows, additions in **bold** and deletions stricken out: an amount equal to the sum of (1) the amounts **estimated to be paid** by an Owner **in the Area Eight Report** for design of the Segment (including the costs of the review of such design by the District Engineer), (2) the amounts **estimated to be paid** by an Owner **in the Area Eight Report** for construction of the Segment pursuant to the Acquisition Project Construction Contract for such Segment (such amount to be equal to the contract amount plus any increases to such contract amount approved as described in Section 3.5 less any change orders decreasing the contract amount), (3) the amounts **estimated to be paid** by an Owner **in the Area Eight Report** for inspection and supervision of performance under such Acquisition Project Construction Contract including an amount determined by the Engineers in the Certificate of Engineers for such Segment determined to be then commercially reasonable by them, ~~but in no event less than five percent (5%) or more than ten percent (10%) of the amount described in clause (2) hereof for such Segment,~~ for construction administration, (4) the fair market value of real property for rights of way, easements and any other interests in real property which are part of or related to such Segment, (5) ~~interest during the period starting after the Segment has been accepted by the Municipality for use but before the provisions of Section 7.1 hereof are effective with respect to such Segment until the Segment Price for such Segment can be paid, calculated at the rates of interest equal to the prime rate as reported in the West Coast Edition of The Wall Street Journal plus two percent (2%) from day to day on the amounts expended for purposes of clause (1), (2) and (3) hereof during such period and (65)~~ other miscellaneous costs for such Segment attributable to construction of the Segment ~~approved by the Engineers as certified in the Certificate of the Engineers for that Segment~~ **estimated in the Area Eight Report.**) If prior to the sale and conveyance by the Owner of any of the Area Eight Assessed Property to any other party the Owner has not presented to the District Manager the Certificate of the Engineers evidencing that the amounts of the Segments Prices described above were incurred by the Owner in an amount at least equal to the Area Eight Assessments, the Area Eight Assessments shall be reduced by a corresponding, proportioned amount as calculated by the District Engineer, and the Area Eight Assessments shall be modified accordingly by the District Board at such time. (The forms of the Conveyance and the Certificate of the Engineers shall be revised in a form acceptable to the District Manager to conform with their use as described above.) Other materials otherwise required to be filed pursuant to Section 4.2 of the Agreement shall also be filed prior to any sale by the Owner of any of the Area Eight Assessed Property to any other party for amounts to continue to be payable pursuant to Section 2(d)(3).

(3) Notwithstanding that Section 32-2181(I), Arizona Revised Statutes may be construed to prevent any waiver of the right to appear before the District Board on any hearing required at or prior to the confirmation of the Area Eight Assessments, the Owner instead hereby requests that the District Board hold hearings on any protests with respect to the Area Eight Work and objections to the extent of the Area Eight Assessed Property (all of which is to be assessed) pursuant to Sections 48-579 and 580, Arizona Revised Statutes any objections to award of applicable contracts with respect to the Area Eight Work pursuant to Section 48-584, Arizona Revised Statutes, and any objections with respect to the Area Eight Assessments or to any previous proceedings connected therewith or claim that the Area Eight Work has not been performed according to any applicable contract or the Area Eight Work Plans and Specifications pursuant to Section 48-590, Arizona Revised Statutes, should any protests or objections or any requests for hearings with respect thereto be made prior to the confirmation of the Area Eight Assessments. The Owner hereby waives all formal requirements of notice (whether to be mailed, posted or published) and the passage of time prior to such hearings and further consents that hearings and proceedings may be consolidated and held by the District Board on the same day or days.

(4) The Owner, with full knowledge of the provisions, and the rights thereof pursuant to such provisions, of applicable law, waives:

(I) any and all defects, irregularities, illegalities or deficiencies in the proceedings establishing the Area Eight Assessed Property;

(II) any and all notices and time periods related thereto provided by Section 48-576, et seq., Arizona Revised Statutes, including, but not limited, to mailing, posting and publication, as applicable, of any notice required in connection with the adoption of the resolution of intention with respect to the Area Eight Work, the noticing of proposed improvements with respect to the Area Eight Work, the adoption of the resolution ordering the improvements with respect to the Area Eight Work, the noticing of ordering of the improvements with respect to the Area Eight Work, the noticing of award of applicable contracts with respect to the Area Eight Work, the Area Eight Assessments and any other procedural steps and related proceedings necessary in connection with the Area Eight Work;

(III) any and all protests with respect to the Area Eight Work and objections to the extent of the Area Eight Assessed Property (all of which is to be assessed) and including any right to file a written protest or objection for such purpose and any right to any hearing on such matters;

(IV) any and all defects, irregularities, illegalities or deficiencies in, or in the adoption by the District Board of, the Area Eight Assessed Property (all of which is to be assessed), the Area Eight Work Plans and Specifications, the Area Eight Estimate and the Area Eight Assessment Diagram, all of which provide for and effectuate the completion of the Area Eight Work;

(V) any and all defects, irregularities, illegalities or deficiencies in, or in the awarding of, any contracts for or with respect to, the Area Eight Work, including, but not limited to, any right to claim that any of the acts or proceedings relating to the Area Eight Work are irregular, illegal or faulty pursuant to Section 48-584(E), Arizona Revised Statutes any right to file a notice specifying in which respect the acts and proceedings are irregular, illegal or faulty and any right to any hearing in connection therewith;

(VI) any and all actions and defenses against the Area Eight Assessments, this Amendment or any of the Area Eight Assessment Bonds, including, but not limited to, the judicial review granted by Section 48-721(A), Arizona Revised Statutes as to whether the Area Eight Property (all of which is to be assessed) is benefited by the Area Eight Work;

(VII) any right to object to the legality of any of the Area Eight Assessments or to any of the previous proceedings connected therewith or claim that the Area Eight Work has not been performed according to any applicable contract or the Area Eight Work Plans and Specifications in each case as permitted pursuant to Section 48-590(G), Arizona Revised Statutes, and including any right to file a written notice specifying the grounds of such objection and any right to any hearing in connection therewith;

(VIII) any right to demands for, or of cash payment of the Area Eight Assessments pursuant to Section 48-590, Arizona Revised Statutes, except as may otherwise be ordered by the District Board and

(IX) any and all provisions of any collateral security instruments relating to the Area Eight Assessed Property (all of which is to be assessed) which prohibit the establishment of the Area Eight Assessed Property, designation of the boundaries of the Area Eight Assessed Property (all of which is to be assessed), completion of the Area Eight Work and levying and recording of the Area Eight Assessments.

(5) The Area Eight Work is of more than local or ordinary public benefit, and the Area Eight Assessed Property receives a benefit from the Area Eight Work in an amount not less than shown in the Area Eight Assessment Diagram.

(6) Instead of the public bidding, bonding and contracting requirements set forth in Sections 48-581 and 584, Arizona Revised Statutes, the provisions therefor provided by the Agreement have been or will be complied with respect to the Area Eight Work.

(b) The Owner shall execute all documents necessary, appropriate or incidental to the purposes of this Amendment, particularly as they relate to this Section thereof, as long as such documents are consistent with this Amendment and do not create additional liability of any type to the signers by virtue of execution thereof.

(c) Notwithstanding any provision of the Agreement to the contrary, this Amendment as it relates to the Owner shall be a covenant and agreement running with the Area Eight Assessed Property and shall be recorded in the records of the County Recorder of Pinal County, Arizona, as a lien and encumbrance against the Area Eight Assessed Property. In the event of any sale, transfer or other conveyance by the Owner of the right, title or interest of the Owner in the Area Eight Assessed Property or any part thereof, the Property or such part thereof shall continue to be bound by all of the terms, conditions and provisions hereof; any purchaser, transferee or other subsequent owner shall take such property subject to all of the terms, conditions and provisions hereof and any purchaser, transferee or other subsequent owner shall take such property entitled to all of the rights, benefits and protections afforded the predecessor in interest thereof by the terms hereof. To the extent that the Area Eight Assessments after levied remain unpaid, the Area Eight Assessments shall constitute liens against the Area Eight Assessed Property in the amounts indicated in the Area Eight Assessment Diagram, as provided by, and pursuant to, this Amendment and the Act and shall be enforceable and collectable with the same force and effect originally provided to them.

(d) (1) For purposes of Section 5.2(a)(1) of the Agreement and instead thereof, the installments of the Area Eight Assessments shall be paid to the Owner as installment purchase payments for the acquisition provided by Section 2(a)(2)(E).

(2) In addition to the purposes provided in Section 6.2(c)(1) of the Agreement, the Area Eight Assessments shall also be levied for the purposes of this Amendment. The Area Eight Assessments shall be collected pursuant to the Assessment Collection Agreement.

(3) The aggregate principal amount payable pursuant to this Section is \$280,000, which shall bear interest from the date of the levy of the Area Eight Assessments at the rate of _____ percent (____%) per annum until paid. Such principal amount shall be amortized such that the payments of principal on the first day of January of each year and interest on the first day of January and July of each year with respect to the Area Eight Assessments will be substantially equal over a period ending July 1, 2045.

(4) The payments due pursuant to this Section shall be prepayable at the option of the District prior to their due date in whole or from time to time in part on any date, upon payment of the principal amount to be prepaid, plus accrued interest, if any, from the most recent payment date to the prepayment date, without premium, from, and only from, funds of the District which are prepaid with respect to the Area Eight Assessments and are deposited in the "Prepayment Account" (as such term is hereinafter defined) as described in Section 6.2(c)(1) of the Agreement.

(5) The payments due pursuant to this Section shall also be prepayable at the option of the District prior to their due date in whole on any date, upon payment of the amount available pursuant to Section 2(e)(2) even if such amount is less than the principal amount payable pursuant to Section 2(d)(3) then unpaid, plus accrued interest, if any, from the most recent payment date to the prepayment date, without a premium, from proceeds of the sale of the Area Eight Assessment Bonds.

(6) The District shall establish a special fund designated its "Special Assessment Lien (Assessment Area Eight) Fund" (herein referred to as the "*Fund*") and within the Fund (1) a special account designated the "*Principal Account*," (2) a special account designated the "*Interest Account*," (3) a special account designated the "*Prepayment Account*" and (4) a special account designated the "*Expenses Account*." The money deposited to the Principal Account, the Interest Account, the Prepayment Account and the Expenses Account, together with all investments thereof and investment income therefrom, shall be applied solely as follows:

The District shall, upon receipt, deposit to the credit of

- the Principal Account amounts collected by or remitted to the District from the collection of the principal portion of installments with respect to the Area Eight Assessments and which are allocated in the budget of the District for the applicable fiscal year for the payment of principal on the amounts due pursuant to Section 2(d)(3).

- the Interest Account amounts collected by or remitted to the District from the collection of the interest portion of installments with respect to the Area Eight Assessment and which are allocated in the budget of the District for the applicable fiscal year for payment of the interest on the amounts due pursuant to Section 2(d)(3).

- the Prepayment Account

amounts remitted to the District as prepayments of installments with respect to the Area Eight Assessments to the extent provided in Sections 2(d)(4) and not necessary to pay principal of or interest on the

Bonds (which shall be held in the Principal Account and the Interest Account, respectively) prior to the application of such amounts to prepay the amounts due pursuant to Section 2(d)(3);

amounts received by the District as proceeds from any foreclosure sale of any real property which is the subject of the Area Eight Assessments due to a failure to pay an installment which is the subject of the Area Eight Assessments and

amounts paid pursuant to Section 2(d)(5).

- the Expenses Account amounts collected by or remitted to the District from the collection of amounts to be applied for the payment of expenses and costs of the District arising from the financing of the Area Eight Work, including, particularly, but not by way of limitation, expenses and costs for agents or third parties required to administer the Area Eight Assessments and this Amendment, prepare annual audits and budgets and provide for any purposes otherwise related to such activities of the District as a portion of the interest portion of installments with respect to the Area Eight Assessments to the extent provided in Section 2(a)(1)(A) and which are allocated in the budget of the District for the applicable fiscal year for the payment of such expenses.

The amounts in the Principal Account, the Interest Account, the Prepayment Account and the Expenses Account shall be applied solely as follows:

- the amounts in the Principal Account shall be applied to pay principal due pursuant to Section 2(d)(3);
- the amounts in the Interest Account shall be applied to pay interest due pursuant to Section 2(d)(3);
- the amounts in the Prepayment Account shall be applied to prepay as described in Sections 2(d)(4) and (5) and
- the amounts in the Expenses Account shall be applied by the District for the purposes described in Section 9.1(b) of the Agreement.

(7) The amounts available because of the Area Eight Assessments (calculated after being reduced by any amounts available in the Fund not required for payment of amounts due pursuant to Section 2(d)(3) in the then-current year for, and whether in the form of, regularly payable installments with respect thereto, prepayments thereof, proceeds of the sale of land related to delinquent installments thereof or otherwise) shall be deposited in the Principal Account, the Interest Account, the Prepayment Account and the Expenses Account and applied, in each case, as described in Section 2(d)(6).

(8) Such amounts shall be kept separately from other funds of the District by depositing them in the accounts and amounts provided in Section 2(d)(6).

(9) The District has levied the Area Eight Assessments in accordance with the Act and the Resolution of Intention Documents and shall take or cause to be taken all actions required by law to collect and enforce the payment thereof.

(10) If any portion of the Area Eight Assessments shall be either in whole or in part annulled, vacated or set aside by the judgment of any court, or if the District shall be satisfied that any portion of the Area Eight Assessments is so irregular or defective that the same cannot be enforced or collected, or if the District shall have omitted to make any portion of the Area Eight Assessments when it might have done so, the District shall either (1) take all necessary steps to cause a new assessment to be made pursuant to the Act for the whole or any part of the Area Eight Work or (2), in its sole discretion, make up the amount of such portion of the Area Eight Assessments from legally available funds of the District, which funds shall be deposited into the applicable account of the Fund.

(11) The Area Eight Assessments shall be enforced pursuant to the provisions of the Act and the Resolution of Intention Documents, including but not limited to declaring the entire unpaid balance of any portion of the Area Eight Assessments to be in default and causing the lien with respect to such portion of the Area Eight Assessments on the related delinquent land to be foreclosed pursuant to the Act and the Resolution of Intention Documents. Notwithstanding the foregoing, neither the District nor the Municipality shall be required under any circumstances to purchase or make payment for the purchase of the delinquent portion of the Area Eight Assessments or the related land.

(12) The Board shall make and adopt before the date set by law for certifying the annual budget of the Municipality an annual budget for each fiscal year of the District, as required by the Act, which shall include statements and estimates of the amount to be raised to pay the amounts to be shown in such budget as described in Section 2(d)(6).

(e) (1) If issued, the Area Eight Assessment Bonds will be issued at the request and for the benefit of the Owner.

(2) Notwithstanding the first sentence of Section 5.2(c)(2) of the Agreement, the proceeds of the sale of the Area Eight Assessment Bonds shall be sold and issued for the purpose of prepaying the balance of amounts due pursuant to Section 2(d)(3) at the time of sale and issuance of the Area Eight Assessment Bonds, and the Owner shall accept such amount in satisfaction thereof. The principal amount of the Area Eight Assessment Bonds shall not exceed the principal amount remaining unpaid pursuant to Section 2(d)(3), and the Area Eight Assessment Bonds shall be amortized over a period not longer than provided in Section 2(d)(3); provided that such period may be shorter if the annual payments described in the next sentence can be maintained. If the effective interest rate at which the Area Eight Assessment Bonds are sold and issued exceeds the interest rate being paid on the Area Eight Assessments pursuant to Section 2(d)(3), the principal amount of the Area Eight Assessment Bonds shall be that amount which can be amortized at such interest rate without increasing the annual payments due with respect to each of the Area Eight Assessments, and the principal amounts of the Area Eight Assessments shall be modified by the District Board accordingly at such time. The Owner shall accept such redeemed amount as full and complete satisfaction of the amounts due pursuant to Section 2(d)(3). The amounts collected pursuant to the Assessment Collection Agreement shall be reamortized to reflect the effect and the interest payable with respect to the Area Eight Assessments of the sale of the Area Eight Assessment Bonds and, if applicable, the reduction of the principal amount described above.

(3) Notwithstanding Section 6.2(c)(6)(B) of the Agreement, an amount sufficient to fund a reserve fund, which shall be a reserve to secure payment of debt service on the Area Eight Assessment Bonds, in an amount equal to the maximum amount permitted by the Internal Revenue Code of 1986, as amended, and the Treasury Regulations applicable thereto, shall be contributed by the Owner. Payment from such reserve shall not effect a reduction in the amount of the Area Eight Assessments, and any amount collected with respect to the Area Eight Assessments thereafter shall be deposited to such reserve to the extent the Area Eight Assessments are so paid therefrom.

(4) The Area Eight Assessment Bonds may be sold as a series as part of a composite issue along with other series of the Assessment Bonds. An amount sufficient to pay costs of issuance of the Area Eight Assessment Bonds shall also be contributed by the Owner.

Section 3. In the event that the Owner fails to perform its obligations arising under or in connection herewith, including a failure to timely pay the Area Eight Assessments, the District shall have the right to enforce its legal, equitable and contractual rights hereunder and under applicable law. If a bankruptcy case that would have the effect of staying the District from enforcement of its rights and remedies hereunder or under applicable law is commenced: (1) in addition to all other rights and remedies, the District shall be entitled to immediate stay relief under 11 U.S.C. § 362 with respect to the enforcement of its rights and remedies hereunder or applicable law for cause, and (2) the Owner shall be obligated to pay, as “adequate protection” under 11 U.S.C. § 361(1), periodic payments in amounts not less than, and at times no less frequently than, the payments required by the Area Eight Assessments.

Section 4. All the provisions of this Amendment, including but not limited to all general waivers, waivers of statutory provisions, waivers of due process and other substantive rights, remedies and indemnities contained herein shall be enforceable in strict accordance with their terms.

Section 5. (a) The provisions of the Agreement not excluded by Sections 2(a), (c) and (d) hereof are, in all other respects, applicable to this Amendment, including particularly, but not by way of limitation, those provided in Section 10.9 of the Agreement, and are ratified and confirmed in all respects.

(b) With respect to the Agreement and to the extent applicable under Section 41-440, Arizona Revised Statutes, the Owner shall comply with all federal immigration laws and regulations that relate to its employees and its compliance with the “e-verify” requirements under Section 23-214(A), Arizona Revised Statutes. The breach by the Owner of the foregoing shall be deemed a material breach of the Agreement and may result in the termination of the Agreement. The District may randomly inspect the papers and records of the Owner to ensure that the Owner is complying with the above-mentioned covenant. The Owner shall keep such papers and records open for random inspection during normal business hours by the Owner. The Owner shall cooperate with the random inspections by the District including granting the District entry rights onto its property to perform such random inspections and waiving its respective rights to keep such papers and records confidential.

(c) To the extent applicable under Section 35-393 et seq., Arizona Revised Statutes, the Owner hereby certifies that it is not currently engaged in, and for the duration of the Agreement shall not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Section 35-393, Arizona Revised Statutes. If the District determines that certification of the Owner above is false or that it has breach such agreement, the District may impose remedies as provide by law.

[Signature page follows.]

IN WITNESS WHEREOF, the officers of the District have duly affixed their signatures and attestations, and the officers of the Owner their signatures, all as of the day and year first written above.

MERRILL RANCH COMMUNITY FACILITIES
DISTRICT NO. 2

By.....
Tara Walter, Chairperson, District Board

ATTEST:

.....
Lisa Garcia, District Clerk

PULTE HOME COMPANY, LLC, a Michigan
corporation

By.....
Printed Name:
Title:

STATE OF ARIZONA)
) ss.
COUNTY OF PINAL)

The foregoing instrument was acknowledged before me this day of, 20__, by Tara Walter, as Chairperson of the District Board of Merrill Ranch Community Facilities District No. 2, an Arizona community facilities district.

.....
Notary Public

My commission expires:
.....

STATE OF)
) ss.
COUNTY OF)

The foregoing instrument was acknowledged before me this of, 20__, by, Pulte Home Company, LLC, a Delaware limited liability company.

.....
Notary Public

My commission expires:
.....

ATTACHMENTS:

EXHIBIT - Legal Description Of The Area Eight Assessed Property

Notice required by A.R.S. Section 41-313: The foregoing notarial certificate(s) relate(s) to the Eighth Amendment and Waivers (Assessment Area Eight - Unit 32), dated 1, 20__, executed by the Merrill Ranch Community Facilities District No. 2, a municipal corporation, and Pulte Home Company, LLC, a Michigan Corporation, (the "Notarized Document"). The Notarized Document contains a total of pages.

EXHIBIT

LEGAL DESCRIPTION OF THE AREA EIGHT ASSESSED PROPERTY

LEGAL DESCRIPTION
ANTHEM AT MERRILL RANCH, UNIT 32

Lots 1 through 80, inclusive, of “Anthem at Merrill Ranch Unit 32” as recorded in Document 2018-010004, Records of Pinal County, Arizona.

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

MINUTES OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD SPECIAL MEETING HELD ON MONDAY, DECEMBER 16, 2019, AT 6:00 P.M., OR IMMEDIATELY FOLLOWING THE TOWN OF FLORENCE COUNCIL MEETING, IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Walter called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Michelle Cordes
Absent: Judy Hughes, Kristen Larsen

NEW BUSINESS

Discussion and possible action of accepting the Annual Financial Statement for Fiscal Year 2018-2019. (Becki Jimenez)

Ms. Becki Jimenez, Interim District Treasurer, stated that the Town's auditors are Fester & Chapman. The cost of the audit was \$8,500. The audit will provide financing entities, bond holders and the interested parties the financial status for MRCFD No. 1 and its operations. The report will also provide disclosure information for the District.

Ms. Jimenez stated that when the audit is referred to as unremarkable, it means that there were no findings. It was mainly the collection of assessment principal and interest that was due as well as General Obligation Bonds principal and interest.

Mr. Ben Hur, Fester & Chapman, PLLC, provided an overview of the audit and noted that there were no deficiencies or findings. He stated that the audit was completed in accordance with Generally Accepted Accounting Principles to ensure the statements are presented fairly. There were no reported deficiencies.

Mr. Hur stated that they also provided a report to the Board of Directors, which is a required communication for the auditors. There were no new accounting standards or adopted policies and they had a clean opinion which means that there was no difficulty encountered while performing the audit nor any disagreements with the management.

On motion of Boardmember Hawkins, seconded by Vice-Chairman Anderson, and carried (5-0) to accept the Annual Financial Statement for Fiscal Year 2018-2019.

On motion of Boardmember Hawkins, seconded by Vice-Chairman Anderson, and carried (5-0) to accept the Annual Financial Statement for Fiscal Year 2018-2019.

Discussion and possible action to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 2 engineering services, in an amount not to exceed \$100,000. (Chris Salas)

Mr. Chris Salas, District Engineer, stated that State law and the Town Code requires that the District have a separate engineering firm review all construction documents, feasibility reports and other engineering related items. A non-cost competitive bid analysis was completed and EPS Group, Inc. was chosen as the most qualified firm.

Mr. Salas stated that they spent \$33,000 combined between both CFDs. The amount requested is to allow for flexibility. Staff will start out with an \$18,000 purchase order for each CFD.

Vice-Chairman Anderson inquired why the amount being requested is \$100,00 for each CFD when they spent far less last year. He is concerned about the large increase.

Mr. Salas explained that the increase is it to allow for flexibility.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (5-0) to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 2 engineering services, in an amount not to exceed \$100,000.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 November 4, 2019 Special Meeting minutes.

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes, and carried (5-0) to approve the Merrill Ranch Community Facilities District No. 2 November 4, 2019 Special Meeting minutes.

ADJOURNMENT

On motion of Boardmember Hawkins, seconded by Boardmember Wall, and carried (5-0) to adjourn the meeting.

Tara Walter, Chairman

ATTEST:

Lisa Garcia, District Clerk

I certify that the following is a true and correct copy of the minutes of the Merrill Ranch Community Facilities District No. 2 Board Meeting held on December 16, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, District Clerk

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 14a.
MEETING DATE: January 21, 2020 DEPARTMENT: Public Works, Water & Wastewater Division STAFF PRESENTER: Christopher Salas, P.E. Public Works Director/Town Engineer SUBJECT: Florence Transportation Planning Study		<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input checked="" type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Florence Transportation Planning Study (Presentation)

BACKGROUND/DISCUSSION:

A “Planning Study” refers to a broad range of local and regional planning issues related to, roadway, transit, and non-motorized transportation modes. The geographic focus of studies can vary and include neighborhoods, incorporated communities or entire counties. Studies may also center on specific roadway corridors, transit feasibility or recreational trails systems.

Transportation Planning Studies include a variety of topics, which may include (but not limited to): Long Range Transportation Plans, Regional Transportation Plans, Transportation Master Plans, Corridor Location Studies, Corridor Master Plans, Access Management Plans, Pavement Assessment Plans, Feasibility Studies, Transit Plans, Bike and Pedestrian Plans, Trail Plans, and others.

The Town of Florence's current Transportation Plan, the 2008 Coolidge-Florence Regional Transportation Plan, is over ten years old. At that time the housing boom in Arizona was beginning to slowdown. Since the end of the Great Recession and the adoption of the Coolidge-Florence Regional Transportation Plan, development patterns and select landowners have changed. The majority of the roads assigned to short- and mid-term projects as part of the previous transportation plan are no longer fitting with current development patterns.

The Coolidge-Florence Regional Transportation Plan did not evaluate and determine the impacts that existing development agreements would have had on the Town's Capital Improvement Plan (CIP). The Town currently has over 15 existing development agreements with varying obligations required of the Town as part of the agreements. Many of the agreements also detail the ability to form Community Facility Districts (CFD) that prescribe infrastructure (roadway, water and sewer) improvements that serve incoming development.

Roadways classified as four-lane facilities in the previous transportation plan (prepared pre-recession), in some cases no longer meet the four-lane demand due to post-recession shifts in the town's development patterns and growth rates. Roadways that meet the minor arterial traffic volume demands are classified as principal arterials. There are previously planned roadway connections that will not be connected based on current land developments or platted entitlements. These changes largely necessitate a new Transportation Planning Study.

The Town's Infrastructure Improvement Plan also needs to be brought up-to-date, and this Transportation Planning Study is a key contributor to informing the Infrastructure Improvement Plan. Ultimately, this study will help the Town of Florence determine and ultimately create transportation policies and strategies including access management, especially in relation to the ongoing and changing development patterns.

A VOTE OF NO WOULD MEAN:

Not Applicable

A VOTE OF YES WOULD MEAN:

Not Applicable

FINANCIAL IMPACT:

Not Applicable

ATTACHMENTS:

A copy of the Florence Transportation Planning Study is available in the Clerk's office or on ADOT's website at:

<https://azdot.gov/planning/transportation-studies/town-florence-transportation-planning-study>

FY 2019-2020

SECOND QUARTER
RESULTS AND
FORECAST FOR
THE REMAINDER
OF THE FISCAL
YEAR

Overview

FORECAST IS BASED ON DATA AS OF DECEMBER 31, 2019

General Fund Revenue

Focused on seven revenue sources that make up 80% of the Town's revenue

- City Sales Tax
- Food Tax
- Property Taxes
- Building Permits
- State Shared Sales Tax
- State Shared Income Tax
- Auto License Tax

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
City Sales Tax	\$ 1,213,766	\$ 2,862,437	\$ 984,087	\$ 2,862,437	▼
City Food Tax	\$ 133,189	\$ 310,686	\$ 79,348	\$ 310,686	▼
Property Tax	\$ 564,505	\$ 1,166,611	\$ 541,574	\$ 1,166,611	▼
Building Permits	\$ 351,387	\$ 809,822	\$ 814,371	\$ 1,200,000	▲
State Sales Tax	\$ 1,068,609	\$ 2,721,685	\$ 1,197,701	\$ 2,721,685	▲
State Income Tax	\$ 1,578,769	\$ 3,416,358	\$ 1,708,180	\$ 3,416,358	▲
Auto License Tax	\$ 725,234	\$ 1,633,773	\$ 748,873	\$ 1,633,773	▲
Total General Fund Revenue	\$ 7,141,587	\$16,369,437	\$ 7,459,007	\$16,369,437	▲

General Fund- Revenue FY19-20

General Fund-Expense FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
General Fund	\$7,241,745	\$17,012,550	\$6,936,668	\$17,012,550	▼

Other Funds-Major Revenue FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
General Capital Fund	\$720,302	\$2,253,000	\$1,273,078	\$2,253,000	▲
HURF Fund	\$1,353,750	\$3,605,915	\$1,674,839	\$3,605,915	▲
Water Fund	\$1,373,030	\$4,326,237	\$2,194,754	\$4,326,237	▲
Sewer Fund	\$2,162,415	\$4,530,200	\$2,001,249	\$4,530,200	▼
Sanitation Fund	\$437,035	\$921,300	\$477,333	\$921,300	▲

Other Funds-Expenses FY 19-20

TITLE	2nd Quarter FY18-19	BUDGET	2nd Quarter FY19-20	FORECAST	Quarter comparison
General Capital Fund	\$160,803	\$4,314,198	\$487,017	\$4,314,198	▲
HURF Fund	\$2,170,425	\$6,893,944	\$1,812,357	\$6,893,944	▼
Water Fund	\$1,529,018	\$7,560,536	\$1,984,178	\$7,560,536	▲
Sewer Fund	\$1,745,296	\$5,472,821	\$1,348,826	\$5,472,821	▼
Sanitation Fund	\$450,322	\$1,279,252	\$505,259	\$1,279,252	▲

Cash in Bank-FY 19-20

Cash in Bank-General Checking	\$20,511,604	Interest in Sweep - .5%
Cash in Bank-Credit Cards in Transit	\$ 37,696	
LGIP	\$ 277,304	Interest Rate 1.5%
PFM Investments	\$40,485,874	Interest Rate 1.3%
Police Evidence	\$ 4,530	
Total Cash in Bank	\$61,317,008	

Finance Department Activities

1. Completed Annual Audit and Comprehensive Financial Report for the Town, Community Facilities Districts and Municipal Court
 2. October 1-Sent out first phase of Budget-Capital Projects
 3. Implemented Electronic Payroll Timekeeping Processing-Phase One-Electronic Submission-Addressing Leave-time submissions and approvals
 4. Sent out second phase of Budget-Operational Budget on December 6, working on electronic submission, on-site training scheduled for early February
 5. Departmental training with accountants and various staff members continues
 6. Sanitation Analysis completed and a report has been written
 7. Water and Wastewater rate increases proposed to council
- 



Questions?



TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 15a.

MEETING DATE: January 21, 2020

DEPARTMENT: Public Works

STAFF PRESENTER: Christopher A. Salas P.E.
Public Works Director/Town Engineer

SUBJECT: Cactus Transport, Inc., dba Cactus Asphalt contract using their Cooperative Contract ROQ-175923 with Pinal County

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

STRATEGIC PLAN REFERENCE:

- Community Vitality
- Economic Prosperity
- Leadership and Governance
- Partnership and Relationships
- Transportation and Infrastructure
- Statutory
- None

RECOMMENDED MOTION/ACTION:

Approval to enter into a contract with Cactus Transport, Inc., dba Cactus Asphalt, using the cooperative contract through Pinal County, ROQ-175923, in an amount not to exceed \$66,455.96 (Proposal for \$57,787.79, with a 15% contingency, \$8,668.17).

BACKGROUND/DISCUSSION:

The contract is to sweep, prepare and apply fog seal (CSS 1:1) to rejuvenate existing roads (CIP T-69 – Pavement Preservation). This will include chip seal markings and traffic control.

A generally agreed upon definition of a fog seal is, a light spray application of dilute asphalt emulsion used primarily to seal existing asphalt surfaces to reduce raveling and enrich dry and weathered surfaces. It can also be used as a color coating and as a paint striping surface preparation. The benefits of a fog seal are; slows oxidation. fills some minor cracks, binds rock to a degree to stop raveling.

Various roadways throughout Florence are oxidized, faded, do not contrast well with existing striping and are in need of a fog seal. The roads targeted for fog seal in the fall of 2020 are: Exhibit 1 Map (Hunt Highway – Highway 79 to 300 feet past Attaway Road.); Exhibit 2 Map (Attaway Road – Palmer Road to Hunt Highway); Exhibit 3 Map (Florence Heights Road – Highway 79 to Main Street.) The fog seal will rejuvenate the roads with oil as well as blacken them giving them a much clearer contrast with roadway striping and an overall safer driving condition.

Pinal County has an existing contract with Cactus Asphalt, the Town of Florence has the opportunity to utilize the Pinal County public bid with Cactus Asphalt. On May 22nd, 2018 Pinal County entered into a contract with Cactus Asphalt to provide pavement fog seal. This contract renewal expires June 26, 2020.

Per section 4.12 of the Town's Purchasing Policy, Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to \$24,999. Town Council approval is required on any purchases of \$25,000 or more.

A VOTE OF NO WOULD MEAN:

Fog seal would be delayed until the next fiscal year. The existing pavement would continue to deteriorate, creating more of a roadway safety issue.

A VOTE OF YES WOULD MEAN:

The fog seal application would occur rejuvenating various roads with oil and giving them a black color that has a high contrast with roadway striping making lane visibility clearer and traveling safer.

FINANCIAL IMPACT:

The cost to Contract with Cactus Asphalt in the amount of \$57,787.79, plus 15% contingency of \$8,668.17making the not to exceed \$66,455.96.

5.632 Vendor Selection

5.6321 Alternative purchase methods are identified if approved by necessity or by the Town Manager as indicated by Emergency / Sole Source Purchase, cooperative purchase, state contract or any other method authorized. The Finance Director reviews for budget availability and bidding procedures. The Town Manager reviews for need.

4.12 Purchasing Policy

Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to \$24,999. Town Council is required on any purchases of \$25,000 or more.

ATTACHMENTS:

- Pinal County contract ROQ-175923, expiring June 26, 2020
- Cactus Asphalt - Scope of Work
- Exhibit 1 – Map of Hunt Highway (Highway 79 to 300 feet west of Attaway Road)
- Exhibit 2 – Map of Attaway Road (Palmer Road to Hunt Highway)
- Exhibit 3 - Map of Florence Heights Road (Highway 79 to Main Street)
- Professional Service Contract



PINAL COUNTY
WIDE OPEN OPPORTUNITY

Purchase Order

Pinal County Finance Department
Purchasing Division
P.O. Box 1348
Florence, AZ 85132

PO Number
241831
<small>This number must appear on all documents pertaining to this order.</small>

PO Date: 9/9/2019
Page: 1 of 1

Mail Invoice to:	Ship to:	Supplier:
Pinal County Finance Department P.O. Box 1348 Florence, AZ 85132 Phone: 520-866-6223	PUBLIC WORKS 140 N. FLORENCE ST BUILDING F FLORENCE AZ 85132	CACTUS TRANSPORT INC 8211 W SHERMAN ST TOLLESON AZ 85353 Phone: 602 - 242-9983 Fax: 602 - 242-9984 (FAX)

Or email invoice to:
FinanceInvoices@pinalcountyz.gov

Confirming to:

Buyer: Lorina Gillette, CPPB	Requested Delivery Date: 6/30/2020
Phone: 520 - 8666639	Payment Terms: Net 30
Fax: 520 - 8662903	Shipping Terms: FOB Destination
Email: Lorina.Gillette@pinalcountyz.gov	

Reference: PC Contract: ROQ 175923 Exp 6/26/20

S.O.W. FY 19/20 Pavement Preservation

Department Contact: Joe Ramirez - 520-251-2301; joe.ramirez@pinalcountyz.gov OR Joe Ortiz 520.866.6413;
joe.ortiz@pinalcountyz.gov

PO emailed to: Jeff Abram jabram@cactusasphalt.com
Jeff Smith jsmith@cactusasphalt.com

Line	Quantity	UOM	Item Number	Item Description	Unit Cost	Extended Cost
1.00		LS		FY 19/20 Pavement Preservation	\$0.00	\$650,000.00

Total Order: \$650,000.00

Failure to send invoice to above address will result in delay of payment.
Direct all payment questions to Accounts Payable at 520-866-6223.
Direct all other inquiries to the Buyer specified above.

By accepting this Purchase Order the supplier agrees to the terms and conditions contained on the Purchasing website:
<http://www.pinalcountyz.gov/Finance/Documents/Downloads/Standard%20PO%20Terms.pdf>

09/10/2019
DATE

Lorina Gillette
Buyer Signature



To:	TOWN OF FLORENCE	Contact:	Dan Cisco
Address:	PO BOX 2670, 444 NORTH WARNER FLORENCE, AZ 85232	Phone:	520-868-7621
		Fax:	520-868-7637
Project Name:	FY 19/20 Spring 2020 Fog Seal	Bid Number:	
Project Location:	Hunt Hwy / Attaway Rd / Florence Heights, Florence, AZ	Bid Date:	12/3/2019

Item #	Item Description	Estimated Quantity	Unit	Unit Price	Total Price
3-2	Asphalt Emulsion Fog Seal SS 1:1 Or CSS 1:1 >50 TN	55.00	TON	\$254.50	\$13,997.50
3-13	Fog Seal Binder - Haul & Apply Services	55.00	TON	\$233.00	\$12,815.00
3-14	Traffic Control-FOG Sealing	55.00	TON	\$138.00	\$7,590.00
7-28	Chip Seal Marker, ADOT Std M-20	4,050.00	EACH	\$2.15	\$8,707.50
9-2	Message Board (Per Unit Per Day): 8 VMS Boards, 7 Days In Advance	88.00	DY	\$75.00	\$6,600.00
9-3	Uniformed Off-Duty Pinal County Sheriff Deputy & Official Vehicle	96.00	HR	\$45.00	\$4,320.00
Bid Price Subtotal:					\$54,030.00
Pinal County, State And Florence 6.96%:					\$3,757.79
Total Bid Price:					\$57,787.79

Notes:

- Standard Terms and Conditions to follow.
- All scheduling contingent upon mutual agreement of Owner and Cactus Asphalt.
- Prices above based on completing each task in one mobilization. If an additional mobilization is required, charges may apply.
- Quoted prices valid for 60 days unless otherwise noted.
- Cactus is not responsible for notification, nor removal of vehicles and property from work areas.
- Cactus will require this proposal with exclusions be included in any contractual agreement.
- In the event that quantities differ from above, billing will reflect agreed upon measured quantities.
- EXCLUSIONS (Unless Otherwise Specified): Permits, Plans, Engineering, Survey, Staking, As-Builts, Testing, Inspection, Gradework, Landscape Areas, Weed Killer, Crack Routing, Crack-Sealing, Asphalt Patching, ABC or Landscape Materials, Vegetation Replacement, Prime Coat, Concrete Structures, Irrigation or Pipe Work, Utility Removal or Relocation, Drywells, Rip/Rap, Structural Backfill, Signage, Parking Bumpers Removal or Replacement, Import, Export, Excavation, Subgrade Stabilization, Removal of Debris Generated by Other Trades, Erosion Control, Thickened Pavement Edge, Project Information Sign And Any Special Insurance Requirements.
- Pricing Based off Pinal County JOC 175923

<p>ACCEPTED:</p> <p>The above prices, specifications and conditions are satisfactory and hereby accepted.</p> <p>Buyer: _____</p> <p>Signature: _____</p> <p>Date of Acceptance: _____</p>	<p>CONFIRMED:</p> <p>Cactus Asphalt</p> <p>Authorized Signature: _____</p> <p>Estimator: Jeff Smith</p>
---	---

EXHIBIT 1 - FOG SEAL APPLICATION

HUNT HIGHWAY - HIGHWAY 79 TO 300 FEET WEST OF ATTAWAY ROAD

Legend

 Hunt Highway



EXHIBIT 2 - FOG SEAL APPLICATION

ATTAWAY ROAD - PALMER ROAD TO HUNT HIGHWAY

Legend

 Attaway Road



EXHIBIT 3 - FOG SEAL APPLICATION

FLORENCE HEIGHTS ROAD - HIGHWAY 79 TO MAIN STREET

Legend

 Florence Heights Road



**TOWN OF FLORENCE, ARIZONA
CONTRACT FOR COOPERATIVE USE OF PINAL COUNTY JOB ORDER
CONTRACT NO. 175923 FOR ASPHALT MAINTENANCE & REPAIR SERVICES**

THIS CONTRACT (the "Contract") is made and entered into effective as of the 21st day of January, 2020 ("Effective Date"), by and between the Town of Florence, Arizona (the "Town"), and Cactus Transport, Inc., dba Cactus Asphalt, (the "Contractor") and together with the Contract Documents referred to and incorporated herein, is the "resultant contract" contemplated in Pinal County RFP & Contract No. 175923, originally entered into on June 27, 2018, to provide asphalt maintenance & repair services. The term of the contract is extended through June 26, 2020. The Town and the Contractor are sometimes referred to in this Contract collectively as the "Parties" and each individually as a "Party".

1. **SCOPE OF WORK:** The Contractor shall provide the Town all necessary labor, material, transportation services and equipment to provide polymer modified asphalt paving, per contract specifications described in the attached scope of materials and services set forth in **Exhibit "A"** (the "Goods" or "Services") and the targeted locations for asphalt paving, shown in **Exhibits "1-3"** (the "Maps"). The Contractor shall provide the Goods in accordance with the schedule attached in **Exhibit "A"**, and the Contract Documents, including all exhibits to the Master Contract including but not limited to any Instructions, Standard Terms and Conditions, Special Terms and Conditions, Specifications, Scope of Work, Submittals and Attachments. Contractor agrees, at its own cost and expense, to do all the work and furnish all the equipment, personnel and materials necessary to provide in a good and substantial manner, and to the satisfaction of the Town, the Goods.
2. **PRIORITY OF DOCUMENTS.** It is further expressly agreed by and between the Parties that should there be any conflict between the terms of this Contract, the Master Contract, or the Contractor's Proposal, then this Contract and the provisions of the Contract Documents shall control and nothing herein shall be considered as an acceptance of the terms of the said Proposal conflicting herewith or with the Master Contract, unless expressly stated herein.
3. **INCORPORATION:** For and in consideration of this Contract and other good and valuable consideration, the Contractor agrees that the master cooperative solicitation/contract (Pinal County, 175923) provides asphalt maintenance and repair services. Requirements Contract and Contract Amendment dated June 26, 2020 ("Master Contract"), is in full force and effect, and all terms and conditions of the Master Contract are incorporated by reference into this Contract, creating an agreement identical in terms between the Town and Contractor. In the Master Contract, the terms: "Pinal County", "Buyer" and "City" shall be deemed to be and refer to the Town of Florence; the terms: "Deputy Finance Director" shall be deemed to be and refer to the Town of Florence Town Manager; and the terms: "Assignee", "Offeror", "Contractor", "Seller", "Supplier", and "Vendor" shall be deemed to be and refer to the Contractor under this Contract.

4. **CONTRACT DOCUMENTS:** This Contract consists of the following contract documents, which by reference are incorporated herein:
 - This signed Cooperative Contract
 - Exhibits 1-3
 - Pinal County FY19/20 Pavement Preservation and Repairs, Requisition #5
 - Pinal County Contract Renewal for FY19/20, #175923, Expires 6/27/2020
 - Pinal County JOC – Executed Contract #175923
 - Pinal County Request for Qualifications for Contracting Job Order

5. **CONTRACT PRICING:** Contract pricing shall be consistent with the Contract Documents and Contractor’s Proposal and is listed in **Exhibit “A”** (Price Sheet) and shall not exceed **\$66,455.96**.

6. **TERM OF CONTRACT:** The term of this Contract shall be from the Effective Date through satisfactory completion of the Services or delivery of Goods and acceptance of the Services and/or Goods by the Town. Time is of the essence to the terms of this Contract.

7. **COMPLIANCE WITH FEDERAL AND STATE LAWS.**
 - A. The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

 - B. Under the provisions of A. R. S. § 41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A. R. S. § 23-214 (A) (hereinafter “Contractor Immigration Warranty”).

 - C. A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

 - D. The Town retains the legal right to inspect the papers of any Contractor or Subcontractor’s employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town regarding any such inspections.

 - E. The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor’s Immigration Warranty. Contractor agrees to assist the Town regarding any random verification performed.

 - F. Neither the Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or

subcontractor establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A. R. S. § 23-214, Subsection A.

G. The provisions of this Section must be included in any contract the Contractor enters into with any and all its subcontractors who provide Services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

8. **METHOD OF PAYMENT.** Method of payment shall be set forth in **Exhibit "A"**. If payment is to be made monthly, Contractor shall prepare monthly invoices and progress reports which clearly indicate the progress to date and the amount of compensation due by virtue of that progress. All invoices shall be for Services completed or Goods accepted by the Town.
9. **TERMINATION.** Town, at any time and for any reason and without cause, may terminate, suspend or abandon any portion, or all, of this Contract at Town's convenience without penalty or recourse. Contractor shall receive payment for Services or Goods satisfactorily completed and accepted by Town, as determined by Town in its reasonable discretion, based on the Goods and/or Services requirements and schedule for payment.
10. **INDEPENDENT CONTRACTOR.** It is understood that Contractor shall be an independent contractor with respect to Services and/or Goods provided under this Contract, and shall not be deemed to be a partner, employee, joint venture, agent, or to have any other legal relationship with Town.
11. **NOTICES.** Any notice to be given under this Contract shall be in writing, shall be deemed to have been given when personally served or when mailed by certified or registered mail, addressed as follows: Town: Town of Florence, Town Clerk, 775 N. Main Street, PO Box 2670, Florence, AZ 85132; and Contractor: Cactus Asphalt, A Division of Cactus Transport, Inc, Bryan Glazer, 8211 W. Sherman Street, Tolleson, AZ 85353.
12. **INDEMNIFICATION.** To the fullest extent permitted by law, the Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless the Town of Florence, its Mayor and Council members, its agents, officers, officials, representatives and employees, from and against all demands, claims proceedings, suits, damages, losses and expenses (including but not limited to attorney's fees, court costs, and the costs of appellate proceedings), and all claim adjustment and handling expenses, relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, Goods or Services of the Contractor, its agents, employees or any tier of Contractor's subcontractors

related to the Goods or Services in the performance of this Contract. Contractor's duty to defend, hold harmless and indemnify Town of Florence, its Mayor and Council members, its agents, officers, officials, representatives and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use of resulting therefrom, caused by Contractor's acts, errors, mistakes, omissions, Goods, Services in the performance of this Contract including any employee of the Contractor, any tier of Contractor's subcontractors or any other person for whose acts, errors, mistakes, omissions, Goods, Services the Contractor may be legally liable. In consideration of the award of this Contract, the Contractor agrees to waive all rights of subrogation against the Town, its officers, officials, agents and employees for losses arising from the Goods or Services provided by the Contractor for the Town.

13. **WARRANTY.** Contractor warrants that the Goods and Services will conform to the requirements of this Contract. Additionally, Contractor warrants that all Services will be performed in a good, workman-like and professional manner. The Town's acceptance of Goods or Services provided by Contractor shall not relieve Contractor from its obligations under this warranty. If any Goods or Services are of a substandard or unsatisfactory manner as determined by the Town, Contractor, at no additional charge to the Town, will provide Goods or redo such Services until they are in accordance with this Contract and to the Town's reasonable satisfaction. Unless otherwise agreed, Contractor, warrants that Goods will be new, unused, of most current manufacture and not discontinued, will be free of defects in materials and workmanship, will be provided in accordance with manufacturer's standard warranty for at least one (1) year, unless otherwise specified, and will perform in accordance with manufacturer's published specifications.
14. **PURCHASING POLICY.** The Town of Florence Town Code and Purchasing Policy (the "Policy") govern this procurement and are incorporated as part of this Contract by this reference. Contractor agrees and warrants that it is in compliance with the Policy, including demonstrating its lawful presence in the United States.
15. **GOVERNING LAW.** This Contract shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the laws of the State of Arizona, without reference to choice of law or conflicts of laws principles thereof. The exclusive forum selected for any proceeding or suit in law or equity arising from or incident to this Contract shall be Pinal County, Arizona.
16. **PROHIBITED BOYCOTT.** Pursuant to A.R.S. section 35-393.01, the Contractor, by execution of this Contract, certifies that it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of Israel.

IN WITNESS WHEREOF, the Parties have executed this Contract effective as of the Effective Date set forth above.

TOWN OF FLORENCE, A municipal corporation

By: _____
Tara Walter, Mayor

Date: _____

ATTEST:

Lisa Garcia, Town Clerk

Approved as to Form

Cliff Mattice, Town Attorney

CONTRACTOR

By: _____

Date: _____

Its: _____

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 15b.
MEETING DATE: January 21, 2020 DEPARTMENT: Public Works, Water & Wastewater Division STAFF PRESENTER: Christopher Salas, P.E. Public Works Director/Town Engineer SUBJECT: Professional Services Contract with Best Environmental Subsurface Sampling Technologies (BESST).		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Approval to enter into a Professional Services Contract with Best Environmental Subsurface Sampling Technologies (BESST), for zonal sampling for a Dynamic Spinner Log – USGA Tracer Flowmeter and Packer Feasibility Report, in an amount not to exceed \$75,000.

BACKGROUND/DISCUSSION:

Well #5 has had successively increased nitrate levels over the last 10 years with the culmination of a test last year reaching the Maximum Contaminant Level (MCL) of 10 mg/L or 10 ppm. At that point we have shut down the water production of Well #5. The Town needs to repair Well #5 in such a way that water production can be re-initiated without fear of nitrate violations.

The Town evaluated multiple methods to determine if there was a well modification that could be performed in lieu of water treatment. The Town decided to use USGS Dye Tracer Technology versus a Dynamic Spinner Test.

After all the planning and preparation was performed, the first step in the field was to perform the Dynamic Flow Profile. BESST uses dye tracer technology originally developed by the USGS. The technology consists of narrow tubing inserted into the well vial the annulus or access pipe and used to inject small volumes of NSF 60 approved Rhodamine Red Tracer within the well while the pump is turned on. The tracer return is read at the surface discharge using a fluorometer. A portion of the

discharge water is brought from the well head to the fluorometer using a garden hose.

BESST analyzes the return time data in order to calculate the flow rate within the well. Changes in the flow rate are used to calculate the zonal contribution of groundwater along the length of the well screen, identifying zones of high, moderate, and low production.

The final field-work of the profile is the Dynamic Chemistry Survey. Once again, narrow tubing is inserted into the well via annulus or access pipe. BESST's miniaturized groundwater sampling pump is installed on the end of the tubing, and is deployed to multiple, targeted depths within the well while the pump is operating. The HydroBooster pump is used to collect groundwater samples at these depths, using pressurized gas to lift the sample to the surface. This water is collected in sample bottles by BESST field scientists and sent to a lab by the well owner or consultant for analysis of selected constituents.

With all the preliminary work completed it is time to move to Phase 2, a Packer Feasibility Test (PFT). If the PFT is able to allocate groundwater from deeper zones where concentrations of nitrate are less than 1 mg/L, it is conceivable that the nitrate as N discharge concentration could be significantly less. In tandem with the water quality issue we are also concerned about how much make-up production can be afforded from sediments surrounding the well below 408 Feet. Below Ground Surface (BGS). The combined flow and chemistry indicate that a large percentage of production (390 GPM/ 57%) is from the upper 52 feet of well screen and that almost all of the pumping demand (636 GPM/ 94%) is satisfied within the top 90 feet of well screen. The flow distribution clearly demonstrates that little to no pumping stress is required on the deeper water bearing units below 446 feet to satisfy the current demand.

One of the key goals of the PFT is to determine how much make-up production can be obtained from the deeper sediments, primarily below 420 Ft. BGS. This is largely dependent on the transmissivity of the surrounding sedimentary deposits, but it is unclear from the 1953 driller's report as to how much of the sediment consists of coarse grained, free flowing water bearing formation and how much is comprised of low permeability silt and clay.

In order to dial-in the sedimentary layering into the well modification strategy, our first recommendation is to perform a Gamma Ray Logging profile inside of Well 5. The gamma ray log measures the total natural gamma radiation emanating from a formation. This gamma radiation originates from potassium-40 and the isotopes of the Uranium-Radium and Thorium series; which is largely derived from clay bearing units in sedimentary basins. The benefit of the gamma ray tool is that it can log the formation type in cased holes, that being gravels, sands and clays, as well as provide an indication of bed thickness.

Lastly is to install a test packer within a clay layer 408 Ft. BGS. The clay unit would ideally reside just below this interval and would be at least 10-feet thick. Placement of

the packer is key to the success of the effort and the gamma ray log will support this decision.

The primary goal off all this filed work is to develop a plan to rehabilitate Well #5 without the need to post treat the water for high Nitrates. All preliminary results are very promising, and staff is hopeful to complete the rehabilitation project by June 30th.

A VOTE OF NO WOULD MEAN:

Well #5 would have to be retrofitted with a very expensive and maintenance intensive water treatment system.

A VOTE OF YES WOULD MEAN:

The current project would continue to move forward and Well #5 would be rehabilitated as budgeted in the CIP.

FINANCIAL IMPACT:

The cost to provide services shall not exceed \$75,000.

Services will be obtained following the Town's Purchasing Policy, Section 5.63 Purchases of \$25,000 or more (specifically, 5.6321 of Vendor Selection)

5.632 Vendor Selection

5.6321 Alternative purchase methods are identified if approved by necessity or by the Town Manager as indicated by Emergency/Sole Source Purchase, cooperative purchase, state contract or any other method authorized. The Finance Director reviews for budget availability and bidding procedures. The Town Manager reviews for need.

4.12 Purchasing Policy

Department Heads must approve all purchases regardless of dollar value. This does not preclude the Department Head from obtaining the necessary approval from the Town Manager and/or Town Council, nor does this allow them to have signature authority on contracts. The Town Manager has signature authority on purchases up to \$24,999. Town Council is required on any purchases of \$25,000 or more.

ATTACHMENTS:

- Approved Sole Source Justification
- Exhibit A Scope of Work
- Town of Florence Professional Service Contract



Town of Florence Sole Source Justification

Purchases over \$5,000

Note: Exemption from competitive bidding is allowed only in the existence of an emergency or when it is clearly determined to be impractical to procure through the competitive bidding process. The department director shall submit this form to the Town Manager for approval before procuring materials or services.

Vendor Name: BEST ENVIRONMENTAL SUBSURFACE SAMPLING TECHNOLOGIES INC (BESST) Date 01/10/20

Commodity (general description) Zonal sampling Dynamic Spinner Log - USGA Tracer Flowmeter

Dollar Amount \$ 100,000.00 ~~\$ 25,000.00~~ (If over \$25,000, must go to Town Council for prior approval)

GL Account # 051-581-507 CIP WU-88 WELL #5 REHABILITATION / AC 510000009

Check all entries that apply:

- Purchase request is made to the original manufacturer or provider; There are no regional distributors. (Item * must also be checked)
- Purchase request is made to the only distributor of the original manufacturer or provider. (Item * must also be checked)
- This is the only known item that will meet the specialized needs of the department or perform the intended functions.
- Parts/equipment are not interchangeable with similar parts of another manufacturer.
- Parts/equipment are required from this vendor to provide standardization.
- The elements of time and, therefore, cost to the town override the potential cost savings realized through standard purchasing procedures.
- None of the above apply. Detailed explanation for sole source requests is contained in the attached memorandum.

Justification:

SEE ATTACHED EMAIL

Department Director Signature: [Signature] Date: 1/10/2020

Finance Director Signature: [Signature] Date: 1/10/20

Town Manager Signature: [Signature] Date: 1/10/20

Susan Jonas

From: Rey Sanchez
Sent: Thursday, September 19, 2019 8:55 AM
To: Christopher Salas
Cc: Brent Billingsley; Lisa Garcia; Clifford Mattice; Susan Jonas
Subject: RE: Sole Source Justification - USGS Tracer Flowmeter

Chris,

Based on the additional back up provided, please send me the sole source document for BESST Inc.

Thanks

Finance Director
P.O. Box 2670
Florence, AZ 85132
Rey.Sanchez@florenceaz.gov
(P) 520.868.7505
(F) 520.868.7501

From: Christopher Salas <Christopher.Salas@florenceaz.gov>
Sent: Thursday, September 19, 2019 7:32 AM
To: Rey Sanchez <Rey.Sanchez@florenceaz.gov>
Cc: Brent Billingsley <Brent.Billingsley@florenceaz.gov>; Lisa Garcia <Lisa.Garcia@florenceaz.gov>; Clifford Mattice <Clifford.Mattice@florenceaz.gov>; Susan Jonas <Susan.Jonas@florenceaz.gov>
Subject: RE: Sole Source Justification - USGS Tracer Flowmeter

Rey, attached are the two cost proposals for zonal sampling using a dynamic spinner log. The Hazen and Sawyer proposal didn't include the test pump, so based on a phone call with the PM he would need to add an additional \$25,000 to make the two proposals the same.

As I mentioned previously these proposals are not an apple to apple comparison with the USGS Tracer Flowmeter method of zonal sampling. The results are extremely similar with each method having some pros and cons depending on implementation.

Christopher A. Salas, P.E.
Public Works Director / Town Engineer
Public Works
Town of Florence
425 E. Ruggles Street
Florence, AZ 85132
Cell: 520-251-3118
Office: 520-868-7617
Email: christopher.salas@florenceaz.gov
Admin: susan.jonas@florenceaz.gov

From: Rey Sanchez <Rey.Sanchez@florenceaz.gov>
Sent: Wednesday, September 18, 2019 4:54 PM
To: Christopher Salas <Christopher.Salas@florenceaz.gov>

Cc: Brent Billingsley <Brent.Billingsley@florenciaz.gov>; Lisa Garcia <Lisa.Garcia@florenciaz.gov>; Clifford Mattice <Clifford.Mattice@florenciaz.gov>; Susan Jonas <Susan.Jonas@florenciaz.gov>
Subject: RE: Sole Source Justification - USGS Tracer Flowmeter

Yes, please provide them.
Thanks

Finance Director
P.O. Box 2670
Florence, AZ 85132
Rev.Sanchez@florenciaz.gov
(P) 520.868.7505
(F) 520.868.7501

From: Christopher Salas <Christopher.Salas@florenciaz.gov>
Sent: Wednesday, September 18, 2019 4:50 PM
To: Rey Sanchez <Rev.Sanchez@florenciaz.gov>
Cc: Brent Billingsley <Brent.Billingsley@florenciaz.gov>; Lisa Garcia <Lisa.Garcia@florenciaz.gov>; Clifford Mattice <Clifford.Mattice@florenciaz.gov>; Susan Jonas <Susan.Jonas@florenciaz.gov>
Subject: RE: Sole Source Justification - USGS Tracer Flowmeter

I do have the bids, but like I said they are technically for a different process. I can provide though if you want them

Christopher A. Salas, P.E.
Public Works Director / Town Engineer
Public Works
Town of Florence
425 E. Ruggles Street
Florence, AZ 85132
Cell: 520-251-3118
Office: 520-868-7617
Email: christopher.salas@florenciaz.gov
Admin: susan.jonas@florenciaz.gov

From: Rey Sanchez <Rev.Sanchez@florenciaz.gov>
Sent: Wednesday, September 18, 2019 4:50 PM
To: Christopher Salas <Christopher.Salas@florenciaz.gov>
Cc: Brent Billingsley <Brent.Billingsley@florenciaz.gov>; Lisa Garcia <Lisa.Garcia@florenciaz.gov>; Clifford Mattice <Clifford.Mattice@florenciaz.gov>; Susan Jonas <Susan.Jonas@florenciaz.gov>
Subject: RE: Sole Source Justification - USGS Tracer Flowmeter

Chris
Do you have copies of the price quotes that you received? You state that the quotes you received are between twice and three times more expensive.
Thanks

Finance Director
P.O. Box 2670
Florence, AZ 85132
Rev.Sanchez@florenciaz.gov
(P) 520.868.7505
(F) 520.868.7501

From: Christopher Salas <Christopher.Salas@florenceaz.gov>

Sent: Wednesday, September 18, 2019 4:15 PM

To: Rey Sanchez <Rey.Sanchez@florenceaz.gov>

Cc: Brent Billingsley <Brent.Billingsley@florenceaz.gov>; Lisa Garcia <Lisa.Garcia@florenceaz.gov>; Clifford Mattice <Clifford.Mattice@florenceaz.gov>; Susan Jonas <Susan.Jonas@florenceaz.gov>

Subject: Sole Source Justification - USGS Tracer Flowmeter

Rey, I understand the trepidation of procurement officers processing sole source requests. I have verbally spoken the Brent and Cliff and I have received no objections, but ultimately you need to agree as well. This email will be printed and attached to the sole source document that will require your and Brent's signature. The Town would like to contract with BESST Inc. to perform zonal sampling using the USGS Tracer Flowmeter methodology.

History

Well #5 has had successively increasing Nitrate levels over the last 10 years with the culmination of a test last year reaching the Maximum Contaminant Level (MCL) of 10 mg/L or 10 ppm. At that point we have shut down the water production of Well #5. The Town needs to repair Well #5 in such a way that water production can be re-initiated without the fear of nitrate violations.

Research leading to selection

The Town attended a seminar where BESST presented at. Based on all the research and priced quotes zonal sampling with USGS Tracer Flowmeter is substantially cheaper than using a dynamic spinner log. The price quotes I received are between twice and three times more expensive.

Attached is the technical sole source justification. If you have any objections please let me know. If not, we will be moving forward and send you a sole source document tomorrow. Thank you

Christopher A. Salas, P.E.

Public Works Director / Town Engineer

Public Works

Town of Florence

425 E. Ruggles Street

Florence, AZ 85132

Cell: 520-251-3118

Office: 520-868-7617

Email: christopher.salas@florenceaz.gov

Admin: susan.jonas@florenceaz.gov



June 27, 2019

Ms. Susan Jonas
Public Works Department
TOWN OF FLORENCE
425 E. Ruggles Street
Florence, Arizona 85132

Submitted via email: susan.jonas@florenceaz.gov

**Re: TOWN OF FLORENCE WELL 5 DYNAMIC SPINNER LOG AND DEPTH SPECIFIC SAMPLING
WESTLAND PROPOSAL NO. 2019P00266**

Dear Ms. Jonas:

WestLand Resources, Inc. (WestLand), is pleased to provide this proposal for professional engineering services to perform Dynamic Spinner Log Testing and Depth Specific Sampling (Project) for Well #5 (55-619534) within the Town of Florence's (Town's) southern service zone. The Well #5 site is located at the northeast corner of the intersection of Quartz Street and Adamsville Road. The Town has indicated that water quality test results over the past two years at Well #5 have shown nitrate levels are consistently over 9.8 parts per million (ppm). Recently, results are rising to 10.0 ppm, which is the maximum allowable contamination level for nitrates per Arizona Department of Environmental Quality (ADEQ) code requirements. Results of the testing that will be performed as a part of this Project will be used to provide recommendations to the Town for the available alternatives to help reduce the pumped nitrate levels in the existing Well #5 or provide other infrastructure options.

To perform the scope of work provided in the Town's Request for Proposal, WestLand will subcontract Clear Creek Associates (CCA) to perform the hydrogeological engineering. Additionally, CCA will subcontract Empire Pump Corporation to provide and install the test pump, Southwest Exploration Services, LLC to perform the well spinner log and zonal sampling, and Turner Labs to provide water quality testing.

WestLand will act as the Project Manager, which includes project communication and coordination with the Town, attending one project kickoff meeting, and attending one meeting with the Town Council to present the results of the Project. It is assumed that both meetings will be held within the Town of Florence. All other scope of work will be provided by CCA and their subcontractors. A more detailed description of their scope of work has been provided as an appendix for reference.

It is to be noted that CCA has included a 10% markup for their subs, and WestLand has included an additional 5% markup for CCA. Additionally, CCA has included a \$3,200 contingency to account for any unforeseen construction difficulties not anticipated within the original scope of work. These additional funds will be only be used after discussion and approval with the Town.

It is assumed that any ADEQ review fees for the discharge permit are not included within this scope of work. If desired by the Town, this can be included with a 5% markup.

Q:\Proposals\2019\2019P00266 Florence Well 5 Spinner Log\2019P00266 Florence Well 5 Spinner Log_062719.docx

ENGINEERING AND ENVIRONMENTAL CONSULTANTS

4001 E. Paradise Falls Drive • Tucson, Arizona 85712 • 520•206•9585

Ms. Susan Jonas
June 27, 2019
Page 2

The tasks for this project will be performed on a time-and-materials basis with a not-to-exceed budget per task. Hourly rates for WestLand are provided as an appendix for reference. A detailed fee schedule is attached, along with a Project schedule (provided by CCA).

If you have any questions, please do not hesitate to contact me.

Respectfully,
WestLand Resources, Inc.



Troy Belcher, P.E.
Project Manager/Engineer

TMB:rlw

Attachment (s): Fee Schedule
Project Schedule

Appendices: WestLand Billing Rates
Clear Creek Associates Proposal and Fees

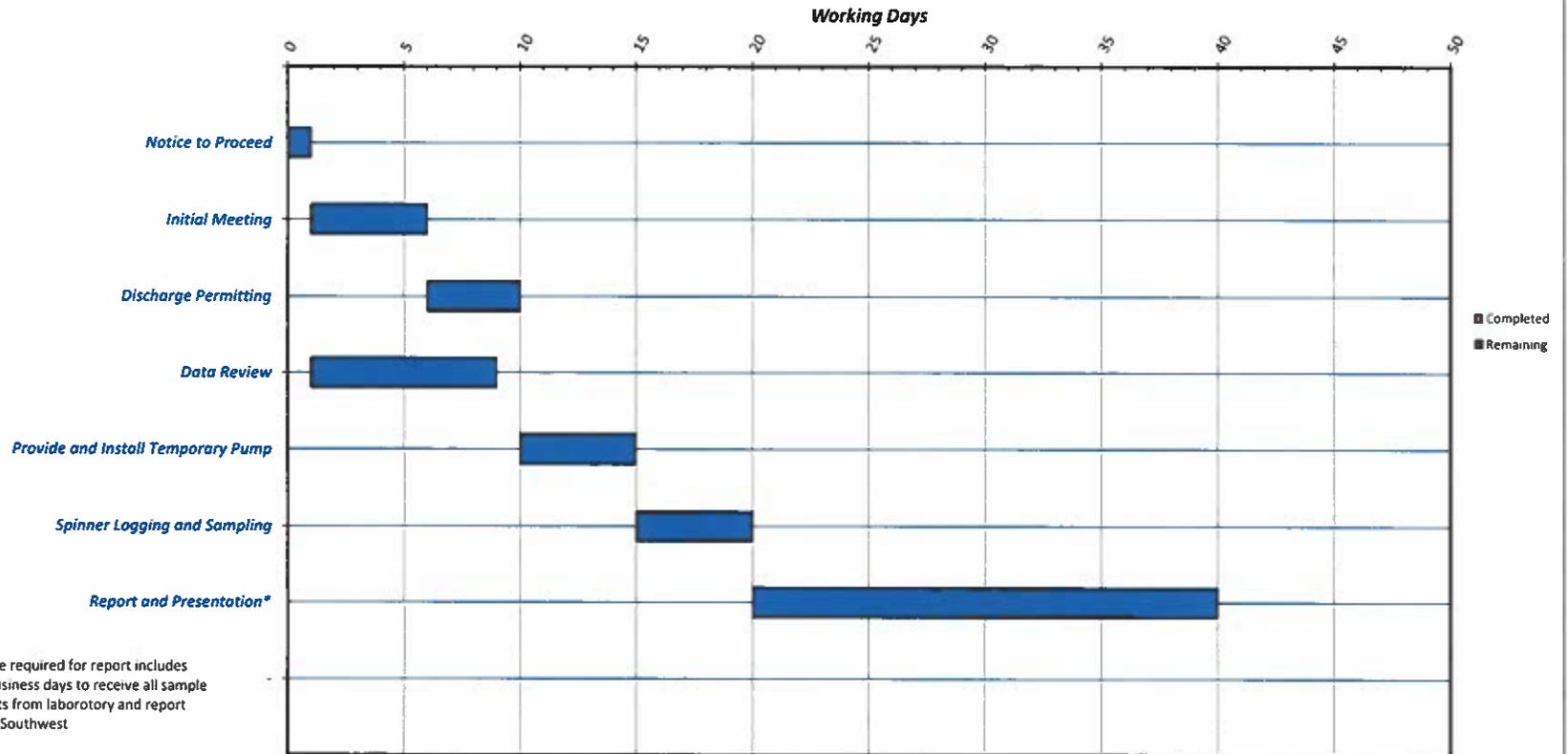
cc: Christopher Salas, P.E., christopher.salas@florenceaz.gov
Craig Cannizzaro, P.E., WestLand Resources

TOWN OF FLORENCE WELL #5 SPINNER LOG AND DEPTH SPECIFIC SAMPLING

Task	Description	Westland Fee	Subconsultant Fee
Task 1.0	Project Management/Meetings	-	-
Subtask 1.1	Project Management	\$2,200	-
Subtask 1.2	Meetings	\$3,600	-
	Subtotal Task 1.0	\$5,800	-
Task 2.0	Testing	-	-
Subtask 2.1	Hydrogeologist (Clear Creek Associates)	-	\$7,560*
Subtask 2.2	Rent and Set Pump (Empire Pump)	-	\$21,840*
Subtask 2.3	Spinner Log and Zonal Sampling (Southwest Exploration Services)	-	\$4,200*
Subtask 2.4	Water Sampling (Turner Laboratories)	-	\$1,050*
	Subtotal Task 2.0	-	\$34,650*
Task 3.0	Report	-	-
Subtask 3.1	Final Report (Clear Creek Associates)	-	\$3,990*
	Subtotal Task 3.0	-	\$3,990*
Task 4.0	Contingency	-	-
Subtask 4.1	Contingency		\$3,360*
	Subtotal Task 4.0	-	\$3,360*
	TOTAL	\$5,800	\$42,000
	PROJECT TOTAL	\$47,800	

*Includes Westland 5% markup and Clear Creek 10% Markup

PROJECT SCHEDULE



APPENDICES



Billing Rates (Effective October 2018)

Rate	Project Management/Coordination	Rate	Project Support
\$215	Senior Principal Consultant	\$175	Senior Technical Specialist
\$195	Principal Consultant	\$130	Technical Specialist II
\$175	Senior Project Manager	\$115	Technical Specialist I
\$160	Project Manager II	\$100	Senior Document Production Specialist II or Tech Editor II
\$145	Project Manager I	\$85	Senior Document Production Specialist I or Tech Editor I
\$100	Project Coordinator III or Document Controller	\$75	Document Production Specialist III or Administrative Staff III
\$85	Project Coordinator II or Vehicle/Equipment Coordinator	\$65	Document Production Specialist II or Administrative Staff II
\$75	Project Coordinator I or Project Administrator I	\$55	Document Production Specialist I or Administrative Staff I
Rate	Engineering	Rate	Landscape Architecture
\$160	Senior Engineer I	\$160	Senior Landscape Architect I
\$145	Engineer III	\$145	Landscape Architect III
\$130	Engineer II	\$130	Landscape Architect II
\$115	Engineer I or Engineer in Training III	\$115	Landscape Architect I
\$100	Engineer in Training II or Senior Engineering Technician		
\$85	Engineer in Training I or Engineering Technician		
Rate	Design/Drafting	Rate	Construction
\$160	Design Manager	\$160	Construction Department Manager
\$130	Senior Designer II or Senior Graphic Designer II	\$145	Senior Construction Inspector III
\$115	Senior Designer I or Senior Graphic Designer I	\$130	Senior Construction Inspector II
\$100	Designer III	\$115	Senior Construction Inspector I
\$85	Designer II	\$100	Construction Inspector III
\$75	Designer I	\$85	Construction Inspector II
\$65	Drafter	\$75	Construction Inspector I
Rate	Environmental Planning & Permitting	Rate	Natural Resources
\$160	Senior Environmental Consultant I	\$160	Senior Environmental Consultant I
\$145	Senior Environmental Specialist III	\$145	Senior Biologist III
\$130	Senior Environmental Specialist II	\$130	Senior Biologist II
\$115	Senior Environmental Specialist I	\$115	Senior Biologist I
\$100	Environmental Specialist III	\$100	Biologist III
\$85	Environmental Specialist II	\$85	Biologist II
\$75	Environmental Specialist I	\$75	Biologist I
Rate	Cultural Resources	Rate	Land Survey
\$145	Senior Principal Investigator II	\$145	Senior Surveyor III or Survey Manager
\$130	Senior Principal Investigator I	\$130	Senior Surveyor II
\$115	Principal Investigator II or Senior Field Director	\$115	Senior Surveyor I
\$100	Field Director III or Principal Investigator I	\$100	Surveyor III
\$85	Field Director II or Lab Director	\$85	Surveyor II
\$75	Field Director I or Crew Chief II	\$75	Surveyor I
\$65	Crew Chief I	\$65	Survey Technician II
\$55	Assistant Crew Chief	\$55	Survey Technician I
Rate	Field and Other Technicians	Rate	GIS/Cartography
\$65	Senior Field Technician II/Senior Technician II	\$145	Senior Geospatial Analyst III
\$55	Senior Field Technician I/Senior Technician I	\$130	Senior Geospatial Analyst II
\$45	Field Technician III/Technician III	\$115	Senior Geospatial Analyst I
\$40	Field Technician II/Technician II	\$100	Geospatial Analyst III
\$35	Field Technician I/Technician I	\$85	Geospatial Analyst II
		\$75	Geospatial Analyst I
		\$65	Geospatial Technician



*Practical Solutions
In Groundwater Science*

221 N. Court Ave.
Suite 101
Tucson, Arizona 85701
520-622-3222 office
520-622-4040 fax
www.clearcreekassociates.com

June 26, 2019

Troy Belcher, P.E.
Project Engineer
WestLand Resources, Inc.
4001 E Paradise Falls Drive
Tucson, AZ 85712

Re: Town of Florence Spinner Log Proposal

Dear Mr. Belcher:

Clear Creek Associates ("Clear Creek") is pleased to provide the attached scope of work, fee estimate and proposed schedule to assist WestLand Resources ("WestLand") and the Town of Florence ("Town") with coordinating a spinner log survey of the Town's Well #5 (55-619534).

Based on a recent conversation with Coolidge Engine & Pump, LLC, we understand that a downhole video survey has already been conducted and that the well has already been brushed and bailed. Please note that our proposal assumes that the well is screened from 350 feet to 547 feet and that the total depth of casing is 562 feet.

Our proposal includes Clear Creek's oversight, data interpretation, and coordination services, in addition to services provided by subcontractors. Please note that all cost estimates assume that the spinner logging can be conducted in a single day. The subcontractor estimates are also based on several assumptions. A contingency has been included to account for the possibility that unforeseen conditions will be encountered.



*Practical Solutions
In Groundwater Science*

June 26, 2019
WestLand Resources
Troy Belcher
Page 2

Thank you for the opportunity to provide this proposal. If you have any questions, please contact Greg Hess at 622-3222 or gness@clearcreekassociates.com.

Sincerely,
CLEAR CREEK ASSOCIATES, LLC.

A handwritten signature in blue ink, appearing to read "R. Bartlett", is written over a light blue horizontal line.

for

R. Douglas Bartlett, R.G.
Principal Hydrogeologist

Cc: Greg Hess
Attachments

SCOPE OF WORK

Task 1. Meetings and Project Management

Clear Creek will coordinate the work of a pump subcontractor (Empire Pump Corporation) and a geophysical logging subcontractor (Southwest Exploration Services LLC) for this project. Clear Creek will monitor the subcontractors' work to ensure that it is conducted in a manner that is consistent with the Town's specifications, as listed in the RFP. We will also coordinate the subcontractors' compliance with the submittal requirements specified in the RFP.

An initial meeting will be held with the Town of Florence to review the project scope of work and overall project goals, and to obtain any additional data about the well. The meeting will include an inspection of the wellhead to evaluate access and the condition of the well. An additional meeting will be held at the completion of the project to present the results to the Town Council. This task also includes typical project management activities such as budget and schedule tracking, invoicing, and responding to inquiries.

Task 2. Discharge Permitting

Unless the Town already has an areawide permit that includes Well #5, application for coverage under the Arizona Department of Environmental Quality's AZPDES De Minimis General Permit will be necessary to discharge water from the pumping test into a nearby wash. Assuming this is necessary, Clear Creek will assist the Town with filing a Notice of Intent for coverage. To obtain this coverage, the online "myDEQ" system must now be used. This requires the Town to have a log-in account with myDEQ and either file for the coverage itself or authorize the consultant as a submitter of permit applications on the Town's behalf. Our proposal assumes that the permit application fee will be paid directly by the Town or by WestLand.

Task 3. Data Review

Clear Creek will review available data for Well #5, including (if available) well construction records, driller's log, any recent downhole video surveys, past water quality sampling results, static and pumping water level data, and production data. Of particular importance for planning the spinner log is the screened interval(s) of the well, the static water level in the well, and the degree of water level drawdown that occurs when the well is pumped at specific rates. Data available from ADWR's "35" database indicates that the well is perforated from 350 feet to 547 feet. If possible, this information will be confirmed or corrected with any data that might be available directly from the Town.

We will also review water quality and hydrogeological data available from nearby wells and any previous site-specific or regional studies of the area. The purpose of the data review will be to gain as much understanding of the nitrate source, the depths at which nitrate is typically present, and the aquifer and well conditions as possible, so that an initial assessment of the feasibility of modifying the well can be made. The well was reportedly drilled in 1953; the cost of assessing and modifying the well could be considerable for a well that might have a limited remaining life span. The results of the data review and spinner log could be useful for designing a replacement well if the Town chooses to proceed with that option. However, depth-specific sampling in a pilot borehole for a new well would also be useful.

Task 4. Logging Oversight

Install Temporary Pump

After reviewing the available data, Clear Creek will provide a recommendation for the temporary pump setting and pumping rate. If possible, the pump will be set above the top of the screen. If this is not possible, then the pump will be set as high in the well as possible while still allowing the pump to operate at a rate sufficient to conduct the test.

Please note that, if the pump must be set relatively deep below the top of the screen, a spinner log might be of limited value. Ideally, when a spinner log is conducted the pump is set above the top of the screen so that flow through the entire screen length can be measured. If the pump is set below the top of the screen, only a single flow value and nitrate concentration can be estimated for the entire interval above the pump. Data for this interval are not measured. Instead, the contributions of flow and nitrate are calculated as the difference between the composite results and the sum of the depth-specific results obtained below the pump. A single value representing a large interval above the pump might not be sufficient for the project goals.

Our proposal assumes that the pump contractor will provide the pump and all ancillary equipment (flow meter, sounding tube, spinner log access tube, Rossum sand sampler, etc.) in accordance with the specifications identified in the Town's RFP. Based on the text at the bottom of Page 2 of the RFP, our proposal assumes that a temporary pump will need to be provided by the pump contractor.

Clear Creek will be on site initially to provide guidance to the pump contractor at the start of installation of the temporary pump and ancillary equipment. We will verify that the appropriate types and quantities of materials are on site, so that the pump, sounding tube, and access tube will be installed to the correct depths. However, we do not propose to remain on site for the duration of the equipment installation.

Static Spinner Log (optional)

This task was not identified in the RFP. However, a static spinner log provides valuable information about potential vertical flow in the well and vertical hydraulic gradients in the aquifer. In situations where elevated nitrate concentrations are present in the upper interval of the aquifer, a downward gradient can cause the nitrate to migrate to greater depths, particularly around open wells. Clear Creek will be on site for the static spinner log.

Clear Creek's proposal assumes that all spinner logging and water quality sampling will be completed within a single 10-hour day on site.

Dynamic Spinner Log

After the static spinner log is complete, the pump subcontractor will operate the temporary pump at a consistent flow rate as directed by Clear Creek. Clear Creek will monitor the instantaneous flow rate and totalizer readings, along with water levels, sand content, and field parameters (pH, temperature, conductivity).

After the flow rate and water levels have stabilized, Southwest will conduct the dynamic spinner logging at the direction and under the observation of Clear Creek. The logging will be conducted in accordance with the specifications listed in the Town's RFP.

Water Quality Sampling and Analysis

Assuming the well is perforated from 350 feet to 547 feet, and assuming the pumping water level is near or above the top of the perforations, Southwest will collect 4 water quality samples from depths identified by Clear Creek. All sampling will be conducted under the observation of Clear Creek and the Town. Clear Creek will collect a composite sample from the pump discharge. A duplicate composite sample will be collected to evaluate the validity of the laboratory analysis results, for a total of six samples. Clear Creek will deliver the samples to a certified analytical laboratory.

In addition to nitrate, samples will be analyzed for arsenic and fluoride, unless data from Well #5 and other wells in the area indicate that concentrations of these constituents are consistently low. Arsenic and fluoride concentrations in groundwater often increase with increasing depth. In some cases, sealing off an upper interval of a well to reduce nitrate concentrations will result in elevated arsenic and/or fluoride concentrations due to a higher proportion of the well's discharge originating at greater depths. Samples will also be analyzed for major cations and anions and total dissolved solids (TDS) to provide an overall assessment of water quality. The additional data will also help validate the laboratory analytical data. The complete suite of proposed analytes is:

- Calcium
- Magnesium
- Sodium
- Potassium
- Arsenic
- TDS
- Nitrate
- Alkalinity / Bicarbonate
- Sulfate
- Chloride
- Fluoride

Task 5. Analysis, Report and Recommendations

Southwest will provide a report on the results of the spinner logging. Clear Creek will include Southwest's report in a synopsis that describes the work and summarizes the key findings. Clear Creek's report will provide a recommended course of action related to either modifying the existing well or designing a replacement well. Assuming a recent downhole video of sufficient clarity is available, the report will also include an opinion regarding the condition of the well, and the advisability of conducting any further rehabilitation of the well with additional mechanical methods or with chemical treatment. As noted in Task 1, a presentation of the results will also be made to the Town Council.

Clear Creek Associates Cost Estimate					
Task	Hours	Labor (\$)	Other Direct Costs (\$)	Subcontract Costs (\$)	Total Cost (\$)
TASK 1: Meetings and Project Management	14	2,200	200	0	2,400
TASK 2: Discharge Permitting	4	700	0	0	700
TASK 3: Data Review	4	700	0	0	700
TASK 4: Logging Oversight	28	3,100	300	25,800	29,200
TASK 5: Analysis, Report and Recommendations	24	3,700	100	0	3,800
Contingency					3,200
Total	74	10,400	600	25,800	\$40,000

Other direct costs include vehicle and equipment fees, photocopying, postage, etc.

Subcontract costs (including 10% markup):

Empire Pump \$20,768

Southwest Exploration Services \$4,015

Turner Laboratories \$990

Contingency included to account for unforeseen conditions

Task Assignment Proposal – Dynamic Spinner Log and Depth-Specific Sampling**PROJECT UNDERSTANDING**

The Town of Florence's Well #5 is nearly 70 years old and showing significant deterioration. The well needs to be rehabilitated to remain in service. In addition, water produced by the well has recently exhibited significant concentrations of nitrate, approaching or equaling the maximum contaminant limit (MCL) of 10 milligrams per liter (mg/L). The Town intends to undertake a project to investigate whether the well can be rehabilitated in a fashion that will reduce the concentration of nitrates it produces by selectively blanking off zones that tend to yield water with the highest nitrate concentrations. Alternatively, the Town may choose to approach the issue by treating the water produced by the well to reduce nitrate concentrations to an acceptable level.

The purpose of this project is to work with the Town and its contractors to oversee a zonal sampling program for the well, determine the potential to produce a sufficient quantity of water from zones with acceptable nitrate concentrations, identify the needed well improvements, and evaluate alternatives for treatment of the water produced by the well to remove nitrate and reduce its concentration in the product water to a level complying with the MCL.

PROJECT TEAM

Hazen, as one of the Town's on-call engineers, will lead the consulting team. We will have significant support from Southwest Groundwater (SWG), which has considerable experience on groundwater work in Florence and the surrounding area. Our understanding is that the Town will retain Southwest Exploration Services (SES) to conduct the "spinner log" and zonal sampling, and provide its well service contractor to assist with preparations for testing the well. If this firm is unable to meet the needs of the project, Hazen and SWG have relationships with several other well service contractors that could be enlisted to assist with this work as needed. We also have assumed that the Town will arrange for the necessary laboratory analytical work through a Town-contracted lab, but if necessary, we can provide that service through our project team as well.

The Hazen team is led by Doug Kobrick, PE as Project Manager. Doug is well-known to the Town from previous on-call task assignments. Doug has 30+ years of Arizona water/wastewater engineering experience, including numerous water supply studies and well equipping projects. Hazen's Project Engineer will be Daniela Panfil, PE, who has extensive experience in a wide range of water treatment processes, and substantial experience on field investigations and sampling programs. Steve Noel, RG will lead the SWG subconsulting team. Steve is a highly-respected veteran hydrogeologist known throughout the state and has extensive experience in Florence and vicinity. He will be assisted by Jeremy Johnson, a project hydrogeologist at SWG. Steve and Jeremy have already viewed the video of existing Well 5 conditions, and they developed a large part of the proposed scope of work presented in this proposal.

PROJECT APPROACH / WORK PLAN

Hazen has developed a targeted approach based on the project goal of determining the best plan to obtain the maximum amount of good-quality water from Well 5. Our team will assist in developing the work plan for the field investigations and oversee the field work, evaluate the results of the zonal sampling program, evaluate alternative courses of action either for improved water quality from the well or for treatment of the well water to provide high-quality water for distribution to the Town's customers.

This scope of work represents Phase 1 of the project where well specific data will be collected and analyzed, and a remediation program proposed. Phase 2 will consist of putting together bid documents per the final recommendation.

As noted above, we understand that SES will conduct their work under contract to the Town. If the Town's well service contractor is unable to take on the required work in support of the project, Hazen can assist the Town in

contracting with another suitable firm such as Weber Water Resources (Weber) to install the pump and all ancillary equipment to re-develop the well and test the well.

Background

The Arizona Department of Water Resources (ADWR) reported the as-built condition of Florence Well #5 as summarized in Table 1.

<p align="center">Table 1 Florence Well #5 619534 (D(5-9)2 ADA)</p>								
Well Location	ADWR 55 No.	Year Completed	Total Depth (feet)	Casing Diameter (inches)	Perforation Interval (ft-ft)	SWL (ft)	Maximum Pumping Rate (gpm)	Aquifer Intervals** (ft-ft)
D(5-9)2 ADA	619534	9-30/1953 Cable-tool	575	20	350-547 ¼ x 1 5/8 10 cuts/5 inches	120-125	2,500 test at time of construction	0 - 287 UAU 287 – 337 MAU 337 – 547 LAU

*ADWR Report of Well Driller and Log of Well

**Based on reported total depth of well and ADWR Pinal Model aquifer unit thicknesses.

Our review of a recent well video taken prior to well casing cleaning indicates that the well casing is in poor condition, with very heavy encrustation starting around 365 feet. The camera could not pass at 378 feet possibly due to the heavy encrustation, an obstruction, or a casing collapse. The original well information (Chart 1) indicates that the well continues past the blockage and this is supported in the video by the camera lighting. Perforations from 350 feet to 377 feet could not be identified due to encrustation growth.

Hazen understands that the Town is in the process of cleaning the casing and perforations and will conduct a post cleaning video which we will be able to review.

Scope of Work

The proposed Phase I scope of work includes those tasks outlined in the Request for Proposal Task Assignment (RFPTA) which are:

- Collect and review available well information including recent well videos and cleaning.
- Oversee the conduct of the spinner log and dynamic sampling to be conducted by Southwest Exploration Services, LLC (Town contractor).
- Analyze the test data and prepare recommendation to rehabilitate the well.

Phase 1– Data collection and analysis

Task 1 – Project Management

This task includes the effort necessary to manage the project budget, schedule, subconsultants, prepare monthly progress reports, and communicate with the Town. Hazen will conduct a project kick-off meeting, prepare a list of requested data, information, files, documents, and materials and submit it to the Town at the kick-off meeting. Hazen will review pertinent information and identify data gaps that would impact the development of the project.

Task 2 – Well #5 site visit, evaluation, and coordination

Our team will review any historic well specific information, specifically historical static and pumping water levels, pumping rates, and water quality that the Town may have, and review the recently completed well cleaning and final well video.

SWG hydrogeologists together with the pump contractor, SES, and Hazen will coordinate well access, down well testing set-up, and test water discharge with Town representatives. Important considerations are equipment set-up over the well, down well access of the spinner logging tools, and where pumped test water can be discharged. Per the RFPTA, the Town of Florence will make a motor, pump, and column pipe available to conduct the testing. The Town's pump contractor will install the testing equipment work in coordination with our team. The equipment will be evaluated by our team to confirm it can meet the specifications of this RFPTA and will be able to provide access for the 3-inch diameter spinner access pipe.

Task 3 – Well #5 testing

Subtask 3.1 – Install Temporary Pumping Equipment. SWG will observe and review the work done by the Town's well service contractor to install the temporary test pumping equipment (including the pump, motor, and column pipe, re-develop the well (recommended), and test the well at a constant rate. The turbine pump will be capable of pumping up to 1,000 gallons per minute (gpm). A 3-inch diameter PVC access tube will be installed through the pump head to allow for the spinner and dynamic sampling tools to pass below the pump intake to the bottom of the well's perforated interval.

The pump contractor's staff will be expected to be on-site throughout this period to ensure that the test pumping equipment functions as required.

Sub-task 3.2 – Testing. Using the temporary test pumping equipment, 4 hours of well re-development will be conducted followed by an 8-hour constant rate pumping period to allow for water level stabilization and the collection of representative groundwater samples.

Sub-task 3.3 - Spinner Logging and Dynamic Sampling. Once the pumping water levels and field water quality parameters (pH, conductivity, and temperature) have stabilized, the spinner flow meter tool will be lowered down the 3-inch diameter access tube into the well casing below the pump at three different line speeds. Data collected will include the depth, line speed, and the impeller rotation rate of the spinner tool. With these data, the Hazen team will calculate the quantity of water entering the well casing along the well profile. This information will then be used to identify the location of the specific zonal sampling points and ultimately the quality of water entering the well at specific zones. An estimated five (5) dynamic samples and one wellhead composite sample will be collected. The sampling requirements will consist of Nitrate, Total Dissolved Solids, Fluoride, and Arsenic. Additional analytes may be sampled if required by Florence.

During constant rate pumping, the Hazen team will monitor the pumping water levels, discharge rate, pumped sand content, turbidity, aeration, and water quality parameters of pH, conductivity, and temperature over time. Data from this "mini" pumping test will be plotted to confirm that the pumping water level has stabilized and together with stabilization of the field water quality parameters representative groundwater quality sampling can be conducted.

Task 4 - Well Test Report

Our team will prepare a well report documenting the results of the conducted tasks. Of particular importance will be the pumping rate and pumped groundwater quality, including dynamic water quality results and the subsequent proportion of water entering the well at various intervals. Our team will provide recommendations as to the remedial techniques to improve the pumped nitrate water quality in the well.

Task 5 – Review Treatment Alternatives

Based on the results of wellwater sampling, Hazen will perform a screening level review of potential treatment technologies to reduce concentrations of nitrates and possibly other constituents including fluoride, arsenic, and TDS to acceptable levels and shortlist up to two alternatives. Hazen has extensive experience on groundwater treatment projects similar to this throughout Arizona and Southern California, and treatment processes to be considered include various configurations of ion exchange, biological nitrogen removal, and reverse osmosis. The shortlisted alternatives will be further evaluated considering key criteria of anticipated removal effectiveness, residuals production and disposal, capital and operating cost (planning-level costs only for now), quantity of water to be produced, and ease of operation. The potential to produce good-quality water through groundwater treatment will be compared to results anticipated to be possible through the zonal production approach. A third alternative to be considered is the potential for the Town to, at an alternate location with suitable water quality, drill a brand-new well to replace the aging Well #5. Capital and operating costs for this alternative will be developed to compare against the treatment alternatives.

Task 6 - Prepare Report

Hazen and its teammates will prepare a summary report documenting the results of the study and providing a recommendation to the Town regarding Well #5.

Task 7 - Quality Control

Quality control will be performed by Hazen staff with expertise in groundwater hydrology and well equipping.

Phase 2 – Design of the Selected Alternative

These services will be authorized and performed after Phase 1 is complete.

BUDGET AND SCHEDULE

The following pages present our proposed schedule and budget.

Thank you for your review of this proposal. We are excited about the opportunity to perform this task for the Town. It is an excellent match for Hazen's capabilities, and we look forward to working with you.



**Budget Proposal
Town of Florence
Dynamic Spinner Log and Depth-Specific Sampling
June 28, 2019**

TASK	VP / AVP	SA	SPE	E	AE	Des	Total	Fee	Southwest Groundwater	Fee
Task 1 PROJECT MANAGEMENT								\$ 3,192	\$ 500	\$ 3,692
Project Management	2	8			8		18	\$ 3,192	\$ 500	\$ 3,692
Task 2 WELL #5 SITE VISIT, EVALUATION, AND COORDINATION								\$ 880	\$ 1,350	\$ 2,230
Well #5 Site Visit, Evaluation, and Coordination		4					4	\$ 880	\$ 1,350	\$ 2,230
Task 3 WELL #5 TESTING								\$ 1,840	\$ 4,700	\$ 6,540
3.1 Install Temporary Pumping Equipment					4		4	\$ 480	\$ 1,000	\$ 1,480
3.2 Testing		4			4		8	\$ 1,360	\$ 2,400	\$ 3,760
3.3 Spinner Logging and Dynamic Sampling							0	\$ -	\$ 1,300	\$ 1,300
Task 4 WELL TEST REPORT								\$ 2,000	\$ 4,500	\$ 6,500
Well Test Report		8			2		10	\$ 2,000	\$ 4,500	\$ 6,500
Task 5 REVIEW TREATMENT ALTERNATIVES								\$ 9,608	\$ -	\$ 9,608
Review Treatment Alternatives	8	4	24		24		60	\$ 9,608	\$ -	\$ 9,608
Task 6 PREPARE REPORT								\$ 6,160	\$ -	\$ 6,160
Prepare Report		8			28	8	44	\$ 6,160	\$ -	\$ 6,160
Task 7 QUALITY CONTROL								\$ 3,176	\$ -	\$ 3,176
Quality Control	6	8					14	\$ 3,176	\$ -	\$ 3,176
TOTALS	16	44	24	0	70	8	162	\$ 26,856	\$ 11,050	\$ 37,906

Hazen and Sawyer Labor Classifications

VP / AVP - Vice President or Associate Vice President
 SA - Senior Associate
 A - Associate
 SPE - Senior Principal Engineer
 E - Engineer
 AE - Assistant Engineer
 Des - CAD/GIS Designer

Expenses	Units	Unit Cost	Total \$
Mileage	240	\$ 0.580	\$ 140
Travel	1	\$ 700.00	\$ 700
Reproduction of deliverable documents	1	\$ 300.00	\$ 300
Production 11x17 Color	100	\$ 0.80	\$ 80
Other Direct Costs Subtotal			\$ -
			\$ 1,220
Grand Total (Labor + Sub + ODCs)			\$ 39,126

**TOWN OF FLORENCE
DYNAMIC SPINNER LOG AND DEPTH-SPECIFIC SAMPLING
PROJECT SCHEDULE**

ID	Task Name	Duration	Start	Finish	July 2019		August 2019			September 2019			October 2019								
					6/23	6/30	7/7	7/14	7/21	7/28	8/4	8/11	8/18	8/25	9/1	9/8	9/15	9/22	9/29	10/6	10/13
1	DYNAMIC SPINNER LOG AND DEPTH-SPECIFIC SAMPLING		Mon 8/12/19																		
2	NTP	0 days	Mon 8/12/19	Mon 8/12/19																	
3	1. Project Management	46 days	Mon 8/12/19	Mon 10/14/19																	
4	2. Well #5 Visit, Evaluation	8 days	Wed 8/14/19	Fri 8/23/19																	
5	3. Well #5 Testing	8 days	Mon 8/19/19	Wed 8/28/19																	
6	Temporary Pumping Equipment	1 wk	Mon 8/19/19	Fri 8/23/19																	
7	Testing	1 day	Tue 8/27/19	Tue 8/27/19																	
8	Spinner Logging and Dynamic Sampling	1 day	Wed 8/28/19	Wed 8/28/19																	
9	4. Well Test Report	14 days	Wed 8/28/19	Mon 9/16/19																	
10	5. Review Treatment Alternatives	10 days?	Mon 9/16/19	Fri 9/27/19																	
11	6. Prepare Report	1 day?	Mon 10/14/19	Mon 10/14/19																	



EXHIBIT A

Date: January 7th, 2020

To: Christopher A. Salas, P.E.
Public Works Director / Town Engineer
Public Works
Town of Florence
425 E. Ruggles Street
Florence, AZ 85132
Cell: 520-251-3118
Office: 520-868-7617
Email: christopher.salas@florenceaz.gov

Subject: Proposal for Town of Florence Packer Feasibility Test Well 5

Dear Mr. Salas:

Thank you for the opportunity to provide the Town of Florence (TOF) with our proposal to oversee a packer feasibility test (PFT) for Well 5. As you know, the recent profiling effort (December 4th and 5th, 2019) yielded compelling results that favor a PFT being performed, the stated goal being to avoid nitrate treatment. The final BESST profiling report that will be submitted this week or early next week shows a favorable, asymmetrical nitrate distribution, with most of the nitrate mass (as N) occurring within the top 52 feet of the well (from 356 to 408 Ft. BGS) and a calculated, flow-weighted concentration of 12.32 mg/L (Figure 1 of this proposal). Below 408 Ft. BGS, nitrate mass drops off significantly to 4.5 to 5.0 mg/L from 408 to 430 mg/L, and even more so in deeper parts of the well, except for one interval from 446 to 457 where the calculated result is reported at 7.28 mg/L. This elevated result could reflect a mass balance error associated with the low flow yield (Singleton, 2010); and may in fact be somewhere between the 2.94 mg/L in the interval immediately above and the 1.19 mg/L interval immediately below. Even when considering this anomaly, it is clear from the data that favorable water quality conditions regarding nitrate exist below 408 Ft. BGS. By eliminating contribution from 356 to 408 Ft. BGS, the theoretical well head concentration for nitrate would be approximately 4 mg/L, arsenic at 3.3 ug/L and TDS at 837 mg/L. If the PFT is able to allocate groundwater from deeper zones where concentrations of nitrate are less than 1 mg/L, it is conceivable that the nitrate as N discharge concentration could be significantly less.

In tandem with the water quality issue we are also concerned about how much make-up production can be afforded from sediments surrounding the well below 408 Ft. BGS. The combined flow and chemistry graph shown in Figure 1 indicates that a large percentage of production (390 GPM / 57%) is from the upper 52 feet of well screen and that almost all of the pumping demand (636 GPM / 94%) is satisfied within the top 90 feet of well screen. The flow distribution clearly demonstrates that little to no pumping stress is required on the deeper water bearing units below 446 feet to satisfy the current demand. We do not believe that the absence of contribution exclusively reflects low permeability sediments, but is simply a function of production efficiencies.

One of the key goals of the PFT is to determine how much make-up production can be obtained from the deeper sediments, primarily below 420 Ft. BGS. This is largely dependent on the transmissivity of

the surrounding sedimentary deposits, but it is unclear from the 1953 driller's report as to how much of the sediment consists of coarse grained, free flowing water bearing formation and how much is comprised of low permeability silt and clay. Although the geologic log is too generalized to get a concrete sense of the bed-thickness and stratification sequence for the high perm and low perm units, it does make clear that both exist and will play a role in make-up production and the well modification strategy. For example, the listing of the clay and gravel unit from 420 to 450 Ft. BGS. is important since clay is listed *first* and by convention, likely means that it is the dominant sediment type within the 30-foot interval. It would be ideal to install a packer somewhere within this interval in order to isolate the elevated levels of nitrate contaminated groundwater occurring above the packer from the higher quality groundwater from below, and providing approximately 150 feet of sediment from below the packer from which to obtain make-up production.

In order to dial-in the sedimentary layering into the well modification strategy, our first recommendation is to perform a Gamma Ray Logging profile inside of Well 5:

Recommendation 1: Perform Gamma Ray Logging Profile Inside Well 5. The gamma ray log measures the total natural gamma radiation emanating from a formation. This gamma radiation originates from potassium-40 and the isotopes of the Uranium-Radium and Thorium series; which is largely derived from clay bearing units in sedimentary basins. The benefit of the gamma ray tool is that it can log the formation type in cased holes, that being gravels, sands and clays, as well as provide an indication of bed thickness. In order to run the gamma ray tool inside of Well 5, we recommend that it be decentralized from the central axis of the well in order to increase the depth of signal detection of gamma ray emissions from the formation materials. Based on our industry experience, the gamma ray log may cost upwards of \$2,000, including mob and demob to and from the job site.

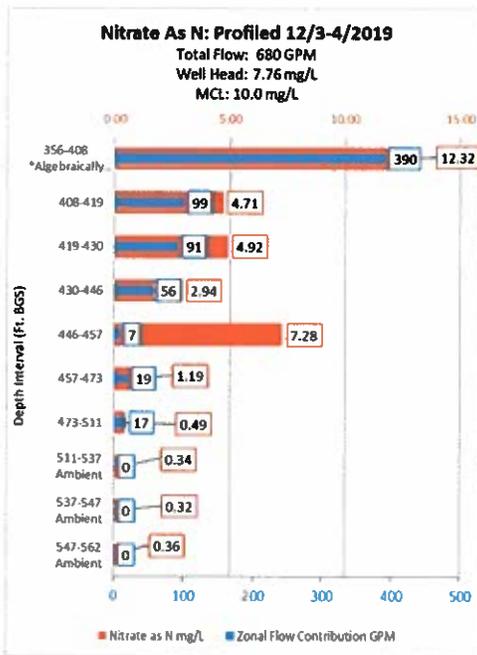


Figure 1: Nitrate as N concentration profile with associated flow contribution by interval.

whereby the “good” water is segregated from the “bad” water in order to optimize water quality and production. With that in mind, care should be taken to not place the top end of the packer too close to the bottom of the undesired zone; particularly when it comes to mobile anthropogenic compounds such as nitrate. The packer should be placed within the middle of the clay layer and the groundwater intake below the packer should be located at least 10 feet from the bottom of the packer membrane. A more sophisticated intake design would be in the form of an engineered suction made from PVC and potentially extend from the bottom of the packer to within 15 feet from the top of the sediment fill at the bottom of the well.

NOTE: Prior to the PFT we highly recommend a discussion with the City's contracted pump service company to determine if an inflatable packer can be used instead of a mechanical packer. Our concern about use of an inflatable packer stems from the poor condition of the well casing and screen as evidenced by the video log provided by the TOF. Often a well is wire brushed prior to a PFT in order to make the casing smoother to facilitate a better packer seal.

Recommendation 2: Install Test Packer Within a Clay Layer Below 408 Ft. BGS. The clay unit would ideally reside just below this interval and would be at least 10-feet thick. Placement of the packer is key to the success of the effort and the gamma ray log will support this decision. It is important to understand that the packer to be used for the PFT will likely not be the same packer used for the final well modification design since the poor condition of the well warrants installation of a stainless-steel screened liner following the PFT to extend the life of the well.

Critical cost elements to consider for the PFT are the following:

1. Rental or purchase of an Inflatable packer, preferably with an NSF 61 approved inflatable membrane. We recommend use of Lansas packers, of Lodi, CA, based on our industry experience. They provide competitive pricing and deliver a reliable product. However, the local pump service company contracted to perform the well work may have the appropriately sized and pressure rated packer to perform the test.
2. Packer inflation line and Headworks (HWs). A ¼" stainless-steel line would be used to inflate the packer. The HWs is the control system used to inflate and deflate the packer at the ground surface. The HWs typically consists of two valves and two pressure gauges as well as a compressed gas source to inflate the packer. The final assembly of the HWs to be installed following completion of the PFT is typically housed inside of a waterproof cabinet next to or near the well head.
3. Pump Bowl Modification: If the City's pump can be used for the PFT, this would be the lowest cost approach to perform the test. In this case, the lowermost bowl of the pump bowl assembly

Located at Florence, Arizona Company Designation Well No. 5
 Date Drilled December 15, 1953 Drilled by Roscoe Mize Company
 Total Drilled Depth 375 Ft., Casing 560 Ft., of 20 In., 10 Ga.
 Perforated 156 Ft. to 347 Ft., 10 holes per 5 Inches
 Max. Capacity at Time of Testing 2500 Gpm @ Rpm Ft. Drawdown
 Static Water Level at completion of test Ft.

Land Location: No. , NE ¼, Sec. 2, T. 5 S., R. 9 E.

Depth Below Ground Feet		Formation Encountered	Depth Below Ground Feet		Formation Encountered
From	To		From	To	
0'	6'	Sandy Soil	430'	450'	Clay, Gravel
6'	25'	Sand ½"	450'	460'	Sandy Clay & Gravel
25'	60'	Sand, Gravel 3"	460'	575'	Cemented Sand & Gravel
60'	75'	Caliche, Gravel			
75'	100'	Sand, Clay			
100'	185'	Sand, Gravel			
185'	210'	Boulders			
210'	225'	Caliche			
225'	250'	Sandy Clay			
250'	265'	Cemented Sand and Gravel			
265'	375'	Sand, Gravel 2"			
375'	420'	Sand, Clay, Gravel			

Figure 2: Driller's log from the 1953 Well 5 Completion Report.

is typically removed and threaded by a local machinist. The thread type and count are matched with the corresponding thread that is used to connect the packer support pipe to the bowl assembly. The purpose of fabricating the bowl threads is to connect the packer support pipe and packer to the bowl assembly. The Packer Support Harness (PSH) as described below is used to structurally secure the drop pipe and packer assembly to the pump bowls.

4. Packer support harness. Supports weight of packer, packer support column (pipe) connected to the pump bowls and the engineered suction. This item could be provided by a local pump service company. Most commonly, there is an engineered suction (ES) that extends from the bottom of the packer. A collar near the top of the ES and another collar immediately above the bowl assembly forms the top and bottom anchoring points for the support harness.
5. Engineered suction. Although the ES is typically installed following the final results of the PFT, it would be worthwhile to receive a quotation from a local pump service company to supply this item for the PFT. The ES is typically constructed of PVC and slotted along its entire length. The PVC pipe sections are offered in 10-foot lengths and is therefore, if warranted, can be empirically adjusted to various lengths based on the initial results from the PFT.
6. If necessary, well head modification to accommodate well entry access ports.

BESST services would include the following:

1. Detailed work plan.
2. Installation and testing oversight.
3. Detailed installation report.

The detailed work plan would include a description of all components required to perform the test. BESST would not provide the packer used for the test but could facilitate packer selection either through purchase from a reputable packer manufacturer or through a pump service company contracted to perform the installation. Considering that the prospects for a successful well modification are good and that there are potentially other wells that would be profiled (i.e. Well 3), it would make sense for the TOF to purchase their own inflatable packer and headworks system that can optionally be moved from one well to the next.

The work plan will describe the key components, as outlined in our proposal, in more detail. The field oversight that would be provided by BESST is very detail-oriented, with one of the most critical components of the test being the proper placement of the packer at each depth. Therefore, the accounting of each pipe length and the separation distance between each threaded connection must be precisely accounted for in order to reach the desired target depth. The installation report will serve as a legal form of documentation that accurately describes and photo documents all aspects of the PFT. Starting immediately after packer installation, while BESST staff are in the field, and during and after the completion of the Installation Report, the TOC should be following a well head sampling regimen, plotting nitrate as N concentrations over time. The Work Plan will detail its recommendation as to what this regimen should be. If desired, BESST can prepare a quarterly report of these findings, providing a description and time-series plot of wellhead concentrations and having these reports signed by a Professional Geologist. This service, which we have performed for other utilities, is not quoted in the attached document but can be upon request.

Please let me know if you have any further questions or concerns before the TOF proceeds to the next step. We are thankful for the opportunity to be of service to your organization and look forward to hopefully working with you in the future and providing the TOF with excellent service and results.

Kind regards,

Noah Heller, MS PG (CA 5792)

President, Senior Hydrogeologist

BESST, Inc.

Public-Supply Well: Town of Florence Packer Feasibility Test - Well 5

Well Owner:	City of Florence, AZ				
Well Names:	Well 5				
Quotation Date:	January 7th, 2020				
Client Info					
Name	Christopher A. Salas, P.E.				
Title	Public Works Director / Town Engineer				
Organization	Town of Florence, AZ, Public Works Dept.				
Address	425 E. Ruggles Street				
	Florence, AZ 85132				
Phone	Cell: 520-251-3118 / Office: 520.868.7617				Payment Terms: Net 30
Email	Email: christopher.salas@florenceaz.gov	Quotation good for 90 days			
	Admin: susan.jonas@florenceaz.gov	Please sign at bottom of quote to accept terms			
Packer Feasibility Test - Well 5		Quantity	Unit	Service Fee	Total
Work Plan	<i>Prepare a detailed scope of work to perform packer feasibility test for Well 5.</i>	1	ea.	\$ 4,950.00	\$ 4,950.00
Field Work	<i>Includes mobilization and oversight of packer installation, detailed documentation of all phases of field work, mobilization and demobilization to site for BESST staff.</i>	1	ea.	\$ 15,000.00	\$ 15,000.00
Installation Report	<i>Prepare a detailed report including documentation of all field work.</i>	1	ea.	\$ 5,000.00	\$ 5,000.00
Total					\$ 24,950.00

NOTE: Project cost total dependent on utilized service options.

NOTE: Estimate is subject to Notes and Conditions attached.

BESST INC • 50 Tiburon St, Bay 7 • San Rafael, CA 94901 • 415.453.2501 • nheller@besstinc.com •

Accepted By (Please Print): _____

Acceptance Signature: _____

Date: _____

PO Number: _____

Public-Supply Well: Zonal Chemistry Investigation

Well Owner:	City of Florence, AZ				
Well Names:	Well 5				
Quotation Date:	9/7/2019				
Client Info					
Name	Mr. Christopher Salas				
Title	City Engineer, PE				
Organization	City of Florence, AZ				
Address	425 E. Ruggles Street, Florence, AZ 85132				
Phone					
Email	christopher.salas@florenceaz.gov				
		Payment Terms: Net 30 Quotation good for 90 days Please sign at bottom of quote to accept terms			
Dynamic Profile		Quantity	Unit	Service Fee	Total
PLANNING AND ACCESS					
Planning	<i>Phone Calls, Data Review + Injection and Sampling Plan</i>	1	ea.	\$ 750.00	\$ 750.00
Access Survey Mobilization(s)	<i>Perform Access Survey through access pipe installed with City's pump - immediately prior to dynamic survey</i>	1	ea.	\$ 450.00	\$ 450.00
Subtotal #1					\$ 1,200.00
HYDROGEOLOGIC FIELD SERVICES					
Mob / Demob	<i>Travel associated with the equipment necessary for the Dynamic Flow and Chemistry Survey.</i>	1	ea.	\$ 3,500.00	\$ 3,500.00
Set Up Fee	<i>On-site preparation of the equipment necessary for the Dynamic Flow and Chemistry Survey.</i>	1	ea.	\$ 1,100.00	\$ 1,100.00
Dynamic Flow Profile	<i>This line item includes up to 20 tracer pulse injections per well.</i>	1	ea.	\$ 6,500.00	\$ 6,500.00
Dynamic Water Sampling Profile	<i>This line item includes the collection of up to 8 one-liter depth dependent water samples per well. Does not include analytical or laboratory costs.</i>	1	ea.	\$ 7,000.00	\$ 7,000.00
Subtotal #2					\$ 18,100.00
HYDROGEOLOGIC REPORTING / CONSULTING					
Hydrogeological Report	<i>Includes data reduction, analysis and interpretation of the profile results. Report also includes conclusions and recommendations on how to modify the well in order to improve performance or water quality at the well head.</i>	1	ea.	\$ 5,000.00	\$ 5,000.00
Subtotal #3					\$ 5,000.00
ADDITIONAL HYDROGEOLOGIC SERVICE OPTIONS					
Additional Tracer Pulse Injections above first 20			ea.	\$ 175.00	\$ -
Additional Water Samples			ea.	\$ 250.00	\$ -
Extra Sample Volume (per liter per sample depth)			liter	\$ 50.00	\$ -
Standby Rate (see notes and conditions)			hr.	\$ 250.00	\$ -
Oil Lube Fee (only applied if tubing becomes very oily and economically unfeasible to clean - includes replacement and disposal costs)			ft.	\$ 2.00	\$ -
Clamp On Flow Meter			well	\$ 1,000.00	\$ -
Generator Rental			day	\$ 100.00	\$ -
Water Level Meter Rental			well	\$ 85.00	\$ -
Complete Sample Bottle Labels	1		ea.	\$ 300.00	\$ 300.00
Complete Chain of Chain of Custody	1		ea.	\$ 150.00	\$ 150.00
Package Samples	1		ea.	\$ 150.00	\$ 150.00
Estimated Laboratory Costs (if BESST is contracting with lab)			well		\$ -
Subtotal #4					\$ 600.00

Total					\$ 24,900.00
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NOTE: Project cost total dependent on utilized service options.

NOTE: Estimate is subject to Notes and Conditions attached.

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Accepted By (Please Print):

Acceptance Signature:

Date:

PO Number:

Outline of well profiling process:

1. **Planning and Preparation:** Prior to field work, there is a planning stage wherein BESST reviews existing documentation on the wells, including well construction diagrams, lithological logs, geophysical logs and pump information. Using this information, as well as details learned from conversations with the well owner and/or engineering consultants involved on the project, BESST formulates a preliminary access plan, as well as an injection and sampling plan for each well.

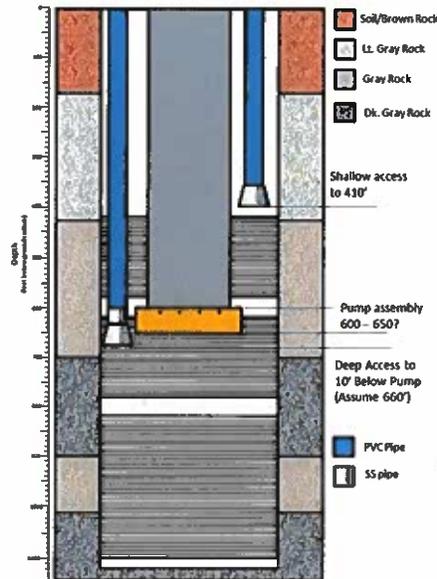


Figure 1 - Example preliminary well diagram, including access pipe options.

2. **Access:** The first survey performed in the field is an access survey to verify that BESST’s diagnostic tools can be deployed into the well to the depth levels required to perform the well profile. BESST’s tools need to be able to transit the well through the annulus between the pump

column and the well casing. The access survey consists of deploying into the well a “dummy tool” which mimics the size and shape of the miniaturized groundwater sampling pump (HydroBooster) which BESST uses to collect groundwater samples during the profile. The “dummy tool” is deployed on a stainless steel wire rope line, and is built from stainless steel, nylon and LLDPE plastic. If the “dummy tool” is successfully deployed and retrieved, we are considered to have access into the well. If the “dummy tool” becomes blocked or stuck, the depth of the obstruction will be noted and possible remedies considered.

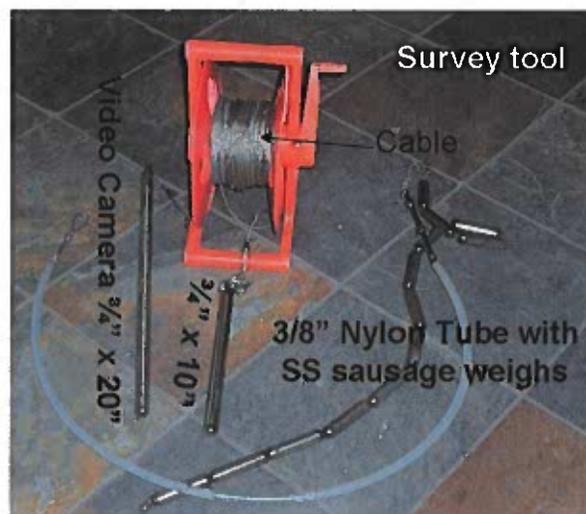


Figure 2- Example access survey tools

Also part of the access survey is a site walk to evaluate and confirm:

- i. Working flow meter attached to well discharge
- ii. 110 V AC Power available
- iii. Garden hose spigot on discharge
- iv. Other concerns that might impact the ability to profile the well.

The access survey generally requires 1-2 hours per well, but may require additional time if multiple access deployments are required. Generally, a brief access survey report is prepared summarizing the results of the survey and the access plan going forward.

2B. Video Survey: If the access survey indicates clearance for the miniaturized video camera (3/4" OD x 10" Length), BESST can perform an optional video survey immediately after completing the access survey. The miniature video camera can be used to view the inside of the well in order to verify construction details such as pump installation depth and screen interval

locations. The video survey can also serve to identify any damage to the screen or blank casing, as well as precipitation and bio-growth locations. The information gained by performing the video survey further informs the injection and sampling plan(s) developed for the profiling steps.

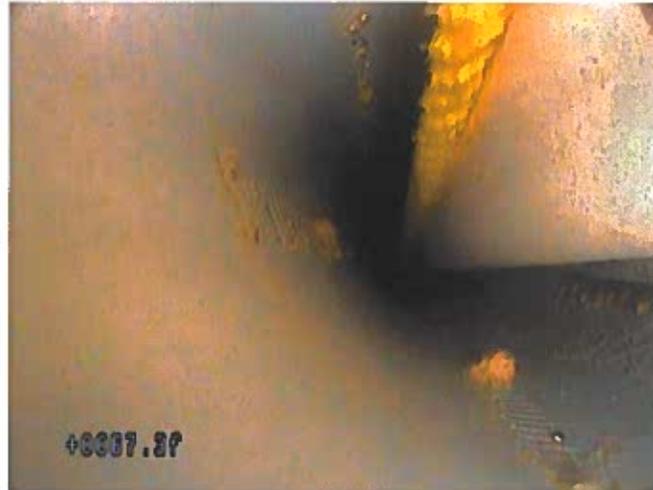


Figure 3 - Still image captured from a video survey showing well screen location in a 6" extraction well.

- 3. Flow Profile:** Once the access survey is complete, the next step in the field is to perform the Dynamic Flow Profile. BESST uses dye tracer technology originally developed by the USGS. The technology consists of narrow tubing inserted into the well vial the annulus or access pipe and used to inject small volumes of NSF 60 approved Rhodamine Red tracer within the well while the pump is turned on. The tracer return is read at the surface discharge using a fluorometer. A portion of the discharge water is brought from the well head to the fluorometer using a garden hose.

BESST analyzes the return time data in order to calculate the flow rate within the well. Changes in the flow rate are used to calculate the zonal contribution of groundwater along the length of the well screen, identifying zones of high, moderate, and low production.

The Dynamic Flow Profile typically requires one half to one full day of field work.



Figure 4 - BESST hardware set-up for a Dynamic Flow Profile. Data from the fluorometer is recorded on field laptops as well as hand written field notes.

- 4. Chemistry Profile:** The final field-work of the profile is the Dynamic Chemistry Survey. Once again, narrow tubing is inserted into the well via annulus or access pipe. BESST's miniaturized groundwater sampling pump is installed on the end of the tubing, and is deployed to multiple, targeted depths within the well while the pump is operating. The HydroBooster pump is used to collect groundwater samples at these depths, using pressurized gas to lift the sample to the surface. This water is collected in sample bottles by BESST field scientists and sent to a lab by the well owner or consultant for analysis of selected constituents.

Depending on the needs of the well owner, as well as the recommendations of the consultant managing the project, in-field water quality measurements can also be collected using a multi-parameter water quality meter.

Composite well-head samples are also collected at the discharge at the start and end of the Dynamic Chemistry Survey. The Dynamic Chemistry Survey typically requires one half to one full day of field work.



Figure 5 - Collecting groundwater samples

- 5. Data Analysis and Report:** Once the field work is completed, BESST analyzes the collected empirical data. The data from the flow profile is processed and analyzed to determine the flow contributions of each zone within the well. The data from the chemistry profile shows the water quality at selected depths. Once these two data sets are cross checked and correlated, the chemical contribution of each zone can be calculated, thus characterizing the water chemistry within the aquifer itself.

This data can be used to guide possible modifications to the well, such as installing a swedge or a packer in order to block off problem screen sections that contribute high levels of any constituent of concern. Additionally, even before any well modifications, this data can help inform the well owner about the water quality and quantity within their relevant aquifers, instructing installation of new wells in the future.

The data is presented in graphical format in a report, along with conclusions and recommendations regarding future construction.

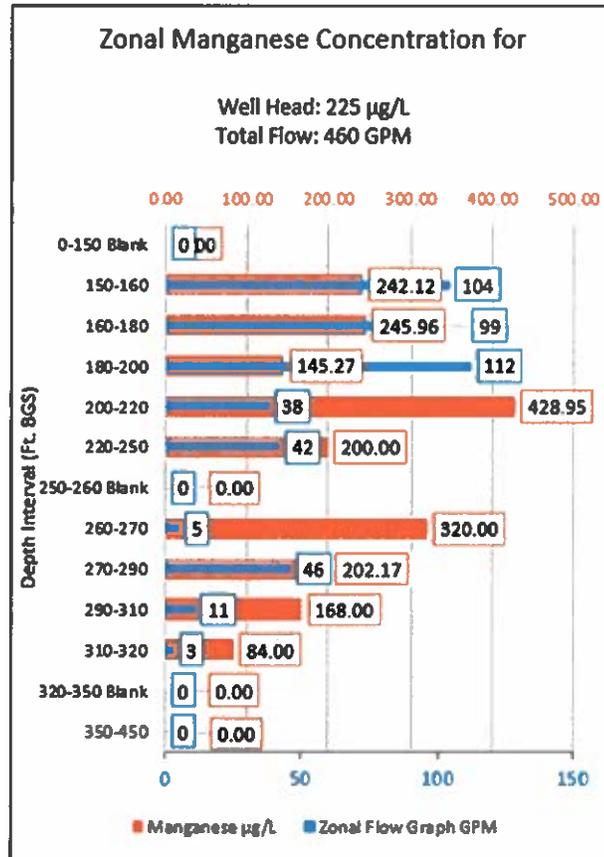


Figure 6 - Example graph from report showing zonal Mn contribution along well screen.



Date: September 7th, 2019

Prepared By: BESST, Inc.

Subject: Terms and Conditions for Access Surveys and Ambient and Dynamic Down-Hole Investigations

BESST Notes and Conditions of Service:

Section 1: Access Surveys

1. Access surveys must be performed prior to BESST scheduled profiling service - using BESST's chain survey tools as well as performed by BESST staff.
2. Client understands that the purpose of the access survey is to determine the quality of the access into and out of the well, as well as ingress and egress past the pump, for the intended purpose of not having to remove the existing pump to perform the investigation with a test pump. More specifically, BESST will evaluate points of entry through vent pipes, camera tubes, piezometer pipes, and other points including plugs and bolt holes. Client understands, that there may be sticking or blockage points and that there is some risk to BESST's access survey tooling becoming stuck. All BESST tooling is made from NSF 61 approved materials and will not harm the well in any way. All materials will be disinfected with a bleach solution prior to and at the time of entry. In the event that the tooling does become stuck, the cable supporting the tooling will be securely tied off at the well head and no harm will come to the well.
3. If the access survey is successful in reaching the targeted depth inside the well, BESST cannot 100% guarantee that its profiling equipment will not get stuck inside the well during the profiling survey due to potentially changing conditions.
4. The results of the access survey are used to provide a strong indication of access quality during the profiling field work. However, changes within a well's back pressure, hydraulic influences from other wells, vibration of the pump column for extended periods of time (as well as other factors) can change the access conditions during the profiling survey. Therefore, even if the access survey is successful, BESST cannot provide a 100% guarantee that BESST profiling tooling will not get stuck during the profiling event and assumes no liability for stuck tooling.
5. If the client decides not to perform the access survey, then BESST will not be able to reliably predict access conditions during field work and assumes no responsibility for the decision to not perform the access survey.
6. Quote assumes that access survey will take place in a single 1-2 day mobilization/demobilization "event". If the access surveys are broken up into multiple "events", then a separate mob/demob fee will be charged for each separate access survey event.
7. On the basis of the results from the access survey, BESST may recommend that well owner drill through the pump plate in locations that will not harm the discharge head. Another possible recommendation may be a lift and shift; where the discharge head is lifted and shifted to one

side to make more access. In rare cases, BESST may recommend that the primary pump and reinstall primary pump with 1" to 1.25" ID access pipe that extends 5 to 10 feet below the pump intake. The section of access pipe that transits past the pump should be made from flush threaded stainless steel of the same diameter as above. BESST can provide this pipe. The bottom of the access pipe should be outfitted with a slight conical flared pipe section provided by BESST.

Section 2: Profiling Services

1. Profiling services do not include water storage and disposal unless agreed to in writing by both BESST and client as well as written approval of associated costs.
2. Project time assumes a 10-hour work day. Any time past 10 hours will be billed at an additional rate of \$275/hour.
3. Quote includes travel expenses for BESST.
4. Customer provides reliable, fully functioning flow meter.
5. Customer to ensure presence of standard hose spigot on discharge line for dynamic survey and to provide BESST with dimensions for hook-up. A standard hose spigot is typically outfitted with a 3/4" hose bib male thread.
6. Ideally, the hose spigot should be located at least 7 to 10 pipe diameters from the discharge head in accordance with AWWA recommended standards. The reason is to ensure minimal flow turbulence to the BESST fluorometer used to measure tracer travel velocities.
7. If the hose spigot is located less than 7 to 10 pipe diameters from the discharge head, and the well owner cannot provide an alternative location that is equal to or at a greater distance from the well head, then BESST may advise the well owner to postpone the dynamic survey until an alternative spigot location can be installed that satisfies the minimal distance requirement.
8. However, BESST may advise the well owner to proceed with the profile survey if the hose spigot is located at a distance of equal to or between 5 pipe diameters from the discharge head; if the flow path between these two points is straight. If the flow path contains one or more pipe elbows, then BESST may advise the well owner to postpone the profiling until an alternative spigot (and flowmeter) location has been installed that meets the distance requirements.
9. Customer to ensure presence of a working flowmeter on discharge line for dynamic survey.
10. BESST or Customer to provide water level indicator to monitor drawdown.
11. Customer to ensure Pumping Water Level in well and pumping rate has reached steady state draw-down and pumping rate, respectively before BESST work begins (defined as < 3" of drawdown per hour and +/- 3% of established pumping rate).
12. If steady state draw-down has not been reached and BESST must wait for PWL and/or pumping rate to stabilize, then BESST will first obtain permission from customer to go on standby in order to wait for stabilization to occur. If standby is approved, then the standby rate will be applied until well has reached steady state conditions. This fee will be added to the service fee for profiling the well.
13. If there is a significant change in PWL during testing of well and BESST is required to re-profile as a result, then BESST will charge the itemized injection and sampling fee (see above) for each additionally added injection and sample depth that exceeds the originally approved BESST quotation package price.

14. BESST shall monitor the pumping flow rate, pumping water level and fluorometer flow rate every 10 to 15 minutes during the profile survey.
15. If BESST is required to perform work at night then there will be an additional night fee of \$3,500/night added to the base price.
16. Quotation good for 90 days.

Section 3: Administration

1. Unless otherwise negotiated, indicating acceptance of BESST's quotation by signing and dating the quote will also indicate agreement to BESST payment terms of Net 30.
2. If other payment terms are to be negotiated, new payment terms must be agreed to in writing by both parties, and documented by a revised and signed quote, subcontract, AND/OR purchase order.
3. If negotiated payment terms are longer than Net 45, or are "Paid when Paid" (PWP), BESST reserves the right to revise pricing to reflect additional administrative costs associated with the prolonged payment cycle.
4. If negotiated payment terms are PWP, the following info is also required:
 - a. Consultant's payment terms with the client
 - b. Consultant's billing cycle: i.e. how long between receipt of BESST invoice and submission to the client.
 - c. Estimated net payment terms from BESST's submittal of an invoice to receipt, factoring in the end client's payment cycle.
5. Delinquent payment of invoices may incur additional costs in the form of late payment penalties at a rate of 1.5% per 30 days overdue.
 6. Work will be invoiced with one invoice following completion of each field work stage, and upon completion of analytical/reporting work. Additional line items (such as consulting services, work plan formulation etc.) will be invoiced once complete on a case by case basis.

**TOWN OF FLORENCE
PROFESSIONAL SERVICES CONTRACT**

THIS PROFESSIONAL SERVICES CONTRACT (“**Contract**”), is made and entered into as of January 21, 2020 (“**Effective Date**”), and is by and between the Town of Florence, a municipal corporation of the State of Arizona (“**Town**”), and Best Environmental Subsurface Sampling Technologies, aka BESST, (“**Contractor**”). The Town and the Contractor may be referred to in the Contract collectively as the “**parties**” and each individually as a “**party**”.

RECITALS

WHEREAS, the Town desires to Contract for Public Works Management Support and Consulting Services as specified in Exhibit A (“**Scope of Work**” or “**Services**”);

WHEREAS, Contractor is duly qualified to perform the requested services;

WHEREAS, Contractor has agreed to perform the services as set forth in Exhibit A attached hereto and incorporated herein;

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

AGREEMENTS

1.0 DESCRIPTION, ACCEPTANCE, DOCUMENTATION

Contractor shall act under the authority and approval of the Contract Administrator for the Town, further named herein, to provide the professional services required by this Contract.

1.1 Service Description. The Contractor shall provide the requested services as set forth in Exhibit A and as set forth in individual Task Orders (the “**Services**”). This Contract includes this agreement, including any attachments, and any Task Orders that may be issued as agreed to by the parties to implement the services. Task Order means a specific written agreement between the Town and Contractor for work to be performed under this Contract for an individual, mutually agreed upon scope of work, schedule and price. In response to Task Orders that may be mutually agreed upon and issued periodically by Town, Contractor shall perform the Services, except as may be specified elsewhere in the Contract which will be defined and further described as to specific project requirements in each Task Order. The Services shall be performed in accordance with the requirements set forth in each Task Order.

1.2 Acceptance and Documentation.

1.2.1 Each deliverable shall be reviewed and approved by the Town Manager or his designee to determine acceptable completion.

1.2.2. The Town shall provide all necessary information to the Contractor for timely completion of the tasks specified in Item 1.1 above.

1.2.3 All documents, including but not limited to, data compilations, studies,

and/or reports, which are prepared in the performance of this Contract are to be and remain the property of the Town and are to be delivered to the Town Manager before final payment is made to the Contractor.

2.0 FEES, CATEGORIES OF SERVICE AND PAYMENTS

2.1 Fees. Contractor will be paid within 30 days of the receipt of an itemized invoice. Monthly payment may be made to Contractor on the basis of a progress report prepared and submitted by Contractor for the Services completed through the last day of the proceeding calendar month and for the production of the deliverables as spelled out in Exhibit A, and the individual Task Order approved by the Town.

2.2 Categories of Service. Services means in response to Task Orders, including Exhibit A, that may be mutually agreed upon and issued periodically by Town, Contractor shall furnish all necessary work which will be defined and further described as to specific project requirements in each Task Order.

2.3 Payment Approval. Amounts set forth in Section 1.1 and 2.2 represent the entire amounts payable under this Contract and shall be paid upon the submission of monthly invoices to and approved by the Town. All invoices are to be emailed to accountspayable@florenceaz.gov.

2.4 Business License. Contractor will purchase and maintain a business license with the Town of Florence.

3.0 SCHEDULE AND TERMINATION

3.1 Project Schedule. The Contractor shall perform the Scope of Work in accordance with the schedule attached as Exhibit A, and any Task Order.

3.2 Termination

3.2.1 Termination for Cause: Town may also terminate this Contract with seven (7) days' prior written notice for cause in the event of any default by the Contractor, or if the Contractor fails to comply with any industry standards and customary practices terms and conditions of this Contract. Unsatisfactory performance as judged by Industry standards and customary practices, and failure to provide Town, upon request, with adequate assurances of future performance shall all be causes allowing Town to terminate this Contract for cause. In the event of termination for cause, Town shall not be liable to Contractor for any amount, and Contractor shall be liable to Town for any and all damages sustained by reason of the default which gave rise to the termination.

3.2.2 Termination for Convenience. The Parties reserve the right to terminate this Contract with or without cause upon 30 days' prior written notice. In the event the Town terminates this Contract pursuant to this Section 3.2.2, then in that event the Town agrees to pay for the work performed prior to the date of termination. Town may terminate this Contract, or any part thereof for its sole convenience, at any time without penalty or recourse.

3.2.3 Termination for Violation of Law. In the event Contractor is in violation of any Federal, State, County or Town law, regulation or ordinance, the Town may terminate this Contract immediately upon giving notice to the Contractor.

3.3 Funds Appropriation. If the Town Council does not appropriate funds to continue this Contract and pay for charges hereunder, the Town may terminate this Contract at the end of the current fiscal period. The Town agrees to give written notice pursuant to Section 4.13 of termination to the Contractor at least thirty (30) days prior to the end of its current fiscal period and will pay to the Contractor all approved charges incurred through the end of such period.

3.4 Terms. The term of this Contract shall be from the Effective Date through June 30, 2020. Task Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Task Order. The contract may be renewed upon mutual agreement of the parties.

4.0 GENERAL TERMS

4.1 Entire Contract. This Contract constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Contract may not be modified or amended except by a written document, signed by authorized representatives of each party.

4.2 Arizona Law. This Contract shall be governed and interpreted according to the laws of the State of Arizona, without reference to choice of law or conflicts of laws principles thereof.

4.3 Modifications. Any amendment, modification or variation from the terms of this Contract shall be in writing and shall be effective only after approval of all parties signing the original Contract.

4.4 Assignment. Services covered by this Contract shall not be assigned or sublet in whole or in part without the prior written consent of the Finance Director and Contract Administrator. The Town acknowledges the sub-consultant(s) listed in Exhibit A and consents to the use of that sub-consultant.

4.5 Successors and Assigns. This Contract shall extend to and be binding upon Contractor, its successors and assigns, including any individual, company, partnership or other entity with or into which Contractor shall merge, consolidate or be liquidated, or any person, corporation, partnership or other entity to which Contractor shall sell its assets.

4.6 Contract Administrator. The Contract Administrator for the Town shall be the Town Manager or designee. The Contract Administrator shall oversee the execution of this Contract, assist the Contractor in accessing the organization, audit billings, and approve payments. The Contractor shall channel reports and special requests through the Contract Administrator.

4.7 Records and Audit Rights.

4.7.1 Contractor's records (hard copy, as well as computer readable data), and any other supporting evidence deemed necessary by the Town to substantiate charges and

claims related to this Contract shall be open to inspection and subject to audit and/or reproduction by Town's authorized representative to the extent necessary to adequately permit evaluation and verification of cost of the service or work, and any invoices, change orders, payments or claims submitted by the Contractor or any of his payees pursuant to the execution of the Contract. The Town's authorized representative shall be afforded access, at reasonable times and places, to all of the Contractor's records and personnel pursuant to the provisions of this section throughout the term of this Contract and for a period of three years after last or final payment.

4.7.2 Contractor shall require all subcontractors, insurance agents, and material suppliers to comply with the provisions of this section by insertion of the requirements hereof in a written Contract between Contractor and such subcontractors, insurance agents, and material suppliers.

4.7.3 If an audit in accordance with this section, discloses overcharges, of any nature, by the Contractor to the Town in excess of one percent (1%) of the monthly billings, the actual cost of the Town's audit shall be reimbursed to the Town by the Contractor. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices and/or records shall be made within a reasonable amount of time, not to exceed thirty (30) days from presentation of Town's findings to Contractor.

4.8 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

4.9 Ineligible Bidder. The preparer of specifications is not eligible to submit a bid or proposal on the solicitation for which they prepared the specification, nor is the preparer eligible to supply any product to a bidder or Contractor on the solicitation for which they prepared the specification.

4.10 Independent Contractor.

4.10.1 The Services Contractor provides under the terms of this Contract to the Town are that of an Independent Contractor, not an employee, or agent of the Town. The Town will report the value paid for these services each year to the Internal Revenue Service (I.R.S.) using Form 1099.

4.10.2 Town shall not withhold income tax as a deduction from Contractual payments. As a result of this, Contractor may be subject to I.R.S. provisions for payment of estimated income tax. Contractor is responsible for consulting the local I.R.S. office for current information on estimated tax requirements.

4.11 Conflict of Interest. The Town may cancel any Contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the Town's departments or agencies is, at any time while the Contract or any extension of the Contract is in effect, an employee of any other party

to the Contract in any capacity or a consultant to any other party to the Contract with respect to the subject matter of the Contract. The cancellation shall be effective when written notice from the Town is received by all other parties to the Contract, unless the notice specifies a later time (A.R.S. § 38-511).

4.12 Compliance with Federal and State Laws.

4.12.1 The Contractor understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989.

4.12.2 Under the provisions of A. R. S. § 41-4401, Contractor hereby warrants to the Town that the Contractor and each of its subcontractors will comply with, and are Contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A. R. S. § 23-214 (A) (hereinafter “Contractor Immigration Warranty”).

4.12.3 A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract and shall subject the Contractor to penalties up to and including termination of this Contract at the sole discretion of the Town.

4.12.4 The Town retains the legal right to inspect the papers of any Contractor or Subcontractor’s employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. Contractor agrees to assist the Town in regard to any such inspections.

4.12.5 The Town may, at its sole discretion, conduct random verification of the employment records of the Contractor and any subcontractors to ensure compliance with Contractor’s Immigration Warranty. Contractor agrees to assist the Town in regard to any random verifications performed.

4.12.6 Neither the Contractor nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if the Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by section 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A. R. S. § 23-214, Subsection A.

4.12.7 The provisions of this Section must be included in any Contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. “Services” are defined as furnishing labor, time or effort in the State of Arizona by a Contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

4.12.8 The provisions of this Section 4.12 must be included in any Contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract.

4.13 Notices. All notices or demands required to be given pursuant to the terms of this Contract shall be given to the other party in writing, delivered by hand or registered or certified

mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of Contractor: Best Environmental Subsurface Sampling Technologies
Steven Stieg
50 Tiburon Street, Suite 7
San Rafael, CA 94901
(415) 453-2501
sstieg@besst-inc.com

In the case of Town: Town of Florence
775 N, Main Street
PO Box 2670
Florence, AZ 85132
Attn: Town Manager

Notices shall be deemed received on date delivered, if delivered by hand, or on the delivery date indicated on receipt if delivered by certified or registered mail.

4.14 Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, or earthquakes.

4.15 Taxes. Contractor shall be solely responsible for any and all tax obligations which may result out of the Contractor's performance of this Contract. The Town shall have no obligation to pay any amounts for taxes, of any type, incurred by the Contractor.

4.16 Advertising. No advertising or publicity concerning the Town using the Contractor's services shall be undertaken without prior written approval of such advertising or publicity by the Town Contract Administrator. Written approval is required until such time as the project is complete or any adjudication of claims relating to the services provided herein is complete, whichever occurs later.

4.17 Counterparts. This Contract may be executed in one or more counterparts, and each originally executed duplicate counterpart of this Contract shall be deemed to possess the full force and effect of the original.

4.18 Captions. The captions used in this Contract are solely for the convenience of the parties, do not constitute a part of this Contract and are not to be used to construe or interpret this Contract.

4.19 Subcontractors. During the performance of the Contract, the Contractor may engage such additional Subcontractors as may be required for the timely completion of this Contract. The addition of any Subcontractors shall be subject to the prior approval of the Town. In the event of subcontracting, the sole responsibility for fulfillment of all terms and conditions of this Contract rests with the Contractor. The Town acknowledges the sub-consultant(s) listed in Exhibit A and consents to the use of that sub-consultant.

4.20 Indemnification.

4.20.1 To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall indemnify, defend, hold harmless Town of Florence, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to damages for personal injury or personal property damage, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work or services in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees.

To the fullest extent permitted by law, Town of Florence, its successors, assigns and guarantors, shall indemnify and hold harmless Contractor, its agents, Representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, loses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expenses, related to, arising from or out of, resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused by the Town of Florence relating to work or services in the performance of this Contract.

4.20.2 Insurance provisions set forth in this Contract are separate and independent from the indemnity provisions of this section and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this sections shall not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

4.21 Changes in the Work.

4.21.1 The Town may at any time, as the need arises, order changes within the scope of the work without invalidating the Contract. If such changes increase or decrease the amount due under the Contract documents, or in the time required for performance of the work, an equitable adjustment shall be authorized by written Change Order.

4.21.2 The Town will execute a formal Change Order based on detailed written quotations from the Contractor for work related changes and/or a time of completion variance. All Change Orders are subject to the prior written approval by the Town.

4.21.3 Contract Change Orders are subject to the Rules and Procedures within the Town's Procurement Code.

4.22 Co-op Use of Contract. RESERVED

4.23 Alternative Dispute Resolution. If a dispute arises between the parties relating to this Contract, the parties agree to use the following procedure prior to either party pursuing other available remedies:

4.23.1 A meeting shall be held promptly between the parties, attended by individuals with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute.

4.23.2 If, within 30 days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will jointly appoint a mutually acceptable neutral person not affiliated with either of the parties (the "neutral"), seeking assistance in such regard if they have been unable to agree upon such appointment within 40 days from the initial meeting. The fees of the neutral shall be shared equally by the parties.

4.23.3 In consultation with the neutral, the parties will select or devise an alternative dispute resolution procedure ("ADR") by which they will attempt to resolve the dispute, and a time and place for the ADR to be held, with the neutral making the decision as to the procedure, and/or place and time (but unless circumstances require otherwise, not later than 60 days after selection of the neutral) if the parties have been unable to agree on any of such matters within 20 days after initial consultation with the neutral.

4.23.4. The parties agree to participate in good faith in the ADR to its conclusion as designated by the neutral. If the parties are not successful in resolving the dispute through the ADR, then the parties may agree to submit the matter to binding arbitration or a private adjudicator, or either party may seek an adjudicated resolution through the appropriate court.

4.24 Town Provided Information and Services. The Town shall furnish the Contractor available studies, reports and other data pertinent to the Contractor's services; obtain or authorize the Contractor to obtain or provide additional reports and data as required; furnish to the Contractor services of others required for the performance of the Contractor's services hereunder, and the Contractor shall be entitled to use and rely upon all such information and services provided by the Town or others in performing the Contractor's Services under this Agreement.

4.25 Estimates and Projections. In providing opinions of cost, financial analyses, economic feasibility projections, and schedules for potential projects, the Contractor has no control over cost or price of labor and material; unknown or latent conditions of existing equipment or structures that may affect operation and maintenance costs; competitive bidding procedures and market conditions; time or quality of performance of third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate project cost or schedule. Therefore, the Contractor makes no warranty that the Town's actual project costs, financial aspects, economic feasibility, or schedules will not vary from the Contractor's opinions, analyses, projections, or estimates.

4.26 Access. The Town shall arrange for access to and make all provisions for the Contractor to enter upon public and private property as required for the Contractor to perform Services hereunder.

4.27 Third Parties. The services to be performed by the Contractor are intended solely for the benefit of the Town. No person or entity not a signatory to this Agreement shall be entitled to rely on the Contractor's performance of its services hereunder, and no right to assert a claim against the Contractor by assignment of indemnity rights or otherwise shall accrue to a third party as a result of this Contract or the performance of the Contractor's Services hereunder.

5.0 INSURANCE

5.1. General. Contractor agrees to comply with all Town ordinances and state and federal laws and regulations. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the State of Arizona (admitted insurer) with an AM Best, Inc. rating of B ++ 6 or above or an equivalent qualified unlicensed insurer by the State of Arizona (non-admitted insurer) with policies and forms satisfactory to Town of Florence. Failure to maintain insurance as specified may result in termination of this Contract at Town of Florence's option. The Contractor is primarily responsible for the risk management if its work under this Contract, including but not limited to obtaining and maintaining the required insurance and establishing and maintaining a reasonable risk control and safety program. Town reserves the right to amend the requirements herein at any time during the Contract. The Contractor shall require any and all subcontractors to maintain insurance as required herein naming the Town and Contractor as "Additional Insured" on all insurance policies, except Worker's Compensation, and this shall be reflected on the Certificate of Insurance. The Contractor's insurance coverage shall be primary insurance with respect to all available sources. Coverage provided by the Contractor shall not be limited to the liability assumed under the Indemnification provision of this Contract. To the extent permitted by law, Contractor waives all rights of subrogation or similar rights against Town, its representatives, agents, and employees. All insurance policies, except Workers' Compensation, required by this Contract, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of performance of this Contract, Town of Florence, its mayor and councilmembers, agents, representatives, offices, directors, officials and employees as Additional Insureds. The Town reserves the right to require complete copies of all insurance policies and endorsements required by this Contract at any time. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of Contract.

5.2 No Representation of Coverage Adequacy. By requiring insurance herein, Town of Florence does not represent that coverage and limits will be adequate to protect Contractor. Town of Florence reserves the right to review any and all of the insurance policies and/or endorsements cited in this Contract but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Contract or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Contract.

5.3 Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Contract is satisfactorily performed, completed and formally accepted by the Town of Florence, unless specified otherwise in this Contract.

5.4 Policy Deductibles and or Self Insured Retentions. The policies set forth in these requirements may provide coverage which contain deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be applicable with respect to the policy limits provided to Town of Florence. Contractor shall be solely responsible for any such deductible or self-insured retention amount. Town of Florence, at its option, may require

Contractor to secure payment of such deductible or self-insured retention by a surety bond or irrevocable and unconditional Letter of Credit.

5.5 Use of Subcontractors. If any work under this Contract is sub-contracted in any way, Contractor shall execute written agreement with Subcontractor containing the same Indemnification Clause and Insurance Requirements set forth herein protecting Town of Florence and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining Certificates of Insurance verifying the insurance requirements.

5.6 Evidence of Insurance. Prior to commencing any work or Services under this Contract, Contractor shall furnish Town of Florence with Certificate(s) of Insurance, or formal endorsements as required by this Contract, issued by Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverage's, conditions, and limits of coverage and that such coverage and provisions are in full force and effect.

5.7 Required Coverage.

5.7.1 Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent Contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as Insurance limited to, separation of insureds clause. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader to coverage scope then underlying.

5.7.2 Worker's Compensation Insurance. Contractor shall maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of work or Services under this Contract and shall also maintain Employers Liability Insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee and \$250,000 disease policy limit.

5.7.3 Commercial Auto Coverage. Auto Liability limits of not less than \$1,000,000 each accident, combined Bodily Injury and Property Damage Liability insurance. Certificate to reflect coverage for "Any Auto" or "All Owned, Scheduled, Hired and Non-Owned".

6.0 SEVERABILITY AND AUTHORITY

6.1 Severability. If any term or provision of this Contract shall be found to be illegal or unenforceable, then notwithstanding such illegality or unenforceability, this Contract shall remain in full force and effect and such term or provision shall be deemed to be deleted.

6.2 Authority. Each party hereby warrants and represents that it has full power and authority to enter into and perform this Contract, and that the person signing on behalf of each has been properly authorized and empowered to enter this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the Town of Florence by its Mayor, Tara Walter has hereunto subscribed her name this 21st day of January, 2020.

TOWN OF FLORENCE

By: _____
Tara Walter, Mayor

By: _____

Name: _____

Its: _____

ATTEST:

Lisa Garcia, Town Clerk

By: _____
Contractor

By: _____

Name: _____

Its: _____

Approved As ToForm:

Clifford L. Mattice, Florence Town Attorney

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 15c.
MEETING DATE: January 21, 2020 DEPARTMENT: Public Works, Water & Wastewater Division STAFF PRESENTER: Christopher Salas, P.E. Public Works Director/Town Engineer SUBJECT: Professional Services Agreement with Ninyo & Moore Geotechnical & Environmental Sciences Consultants for Geotechnical On-Call Engineering Services.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input checked="" type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Motion to approve the Professional Services Agreement with Ninyo & Moore Geotechnical & Environmental Sciences Consultants for Geotechnical Services, for on-call engineering services, in an amount not to exceed \$100,000.

BACKGROUND/DISCUSSION:

The purpose of the Professional Services Agreement is to provide the Town with On-Call Engineering Services. The services will be funded through the task specific budget line items under the Professional Services line item.

On-Call Engineering Contracts are vital to Public Works completing projects, as defined in the Capital Improvements Plan (CIP), or as projects are identified. Without on-call engineering contracts, staff would have to be involved in writing a project specific Request for Statement of Qualifications (RSOQ), be involved in a selection process, and eventually an award through the Council. This process multiplied by the number of capital improvement projects would require a great deal of time from staff, time which would be better used on the projects.

The Public Works Department solicited proposals from qualified consultants to provide on-call/as-needed engineering and architectural services to support the Department's Capital Improvement Program (CIP) and Maintenance Improvement Program (MIP). The SOQ result is the creation of a pool of consultant firms for the following engineering

disciplines as regulated by the Arizona Board of Professional Engineers and Land Surveyors: general civil, water & wastewater, geotechnical, land surveyor and engineering services related to community facility districts (CFD). After approval of an agreement by the Town Council, the Director will have authority to approve work on a specific project through the use of a Project Scope of Work. The Project Scope of Work will define the work, maximum cost, schedule, terms of payment, deliverables, work site, personnel or sub-consultant(s) to be utilized, and other pertinent details. Directives will be issued to selected consultants based on their expertise, availability, and cost necessary to complete the work.

A selection panel reviewed and scored the Statements of Qualifications based upon selection criteria and relative weight of the selection criteria. The panel developed a final list for each discipline.

The selection panel consisted of; Town Manager, Finance and the Public Works Director/Town Engineer.

A VOTE OF NO WOULD MEAN:

Staff would have to be involved in writing a project specific Request for Statement of Qualifications (RSOQ), be involved in a selection process, and eventually an award through the Council. This process multiplied by the number of Capital Improvement Projects would require a great deal of time from staff, time which would be better used on the projects.

A VOTE OF YES WOULD MEAN:

Staff would be able to use the on-call process to be efficient and complete more projects with fewer staff per year.

FINANCIAL IMPACT:

All costs related to the on-call engineering contracts are currently budgeted within the project's CIP budget. There is no additional budgetary impact as engineering was a planned for cost in the project scoping.

ATTACHMENTS:

- Ninyo & Moore Solicitation Response (on file at the Clerk's Office)
- Town of Florence Professional Service Contract

TOWN OF FLORENCE
On-Call Engineering Services Agreement

THIS AGREEMENT (“Agreement”) is made and entered into by and between the TOWN OF FLORENCE, an Arizona municipal corporation (“Town”) acting by and through its Town Council, and on the 4th day of November, 2019, by and between the “Town” and the “Consultant” designated below:

TOWN: Town of Florence, Arizona
Telephone: (520) 868-7500

CONSULTANT: Ninyo & Moore,
hereinafter referred to as **ENGINEER**
3202 E Harbour Drive, Phoenix, AZ 85034
Representative: Steven Nowaczyk
Telephone: 602-243-1600
E-mail: SNowaczyk@ninyoandmoore.com

ENGINEER/DESIGNER: Town of Florence,
hereinafter referred to as **TOWN**
444 N. Warner Street
Florence, AZ 85132
Representative: Christopher A. Salas, P.E.
Telephone: (520) 251-3118
E-mail: christopher.salas@florenceaz.gov

**ADMINISTRATIVE ASSISTANT
PUBLIC WORKS:** Town of Florence
Susan Jonas
444 N. Warner Street
P.O. Box 2670
Florence, AZ 85132
Telephone: (520) 868-7614
E-mail: susan.jonas@florenceaz.gov

FINANCE DEPARTMENT: ACCOUNTS PAYABLE
accounts.payable@florenceaz.gov

WHEREAS, the TOWN desires to contract for On-Call Engineering Services as specified in Exhibit “A”, and individual Task Orders issued by the Town (“Scope of Work” or “Services”);

WHEREAS, the ENGINEER has the expertise and qualifications required to perform the needed professional engineering services, as described herein; and

WHEREAS, ENGINEER has agreed to perform the Services as set forth in Exhibit “A” and as set forth in individual Task Orders issued by the TOWN attached hereto and incorporated herein;

WHEREAS, ENGINEER agrees that this Contract is entered into by the parties pursuant to the Town’s issuance of a requests for Statement of Qualifications (SOQ-11042019-1): On Call Engineering Services

WHEREAS, the ENGINEER and TOWN wish to enter into an agreement, hereinafter referred to as the AGREEMENT, for the furnishing of professional engineering services as described herein.

THEREFORE, in consideration of the mutual promises, covenants, terms and conditions of the parties hereto, it is agreed as follows:

SECTION 1 - OBLIGATIONS OF THE ENGINEER

- 1.1 **Authorization to Perform Work:** Specific work to be performed by the ENGINEER shall be defined and authorized in writing by both the ENGINEER and the TOWN prior to commencing work. Any form of Authorization, be it by Task Order, email approval, etc. shall become a supplement to and part of this AGREEMENT. Each Authorization will define services to be performed, schedule for performance of those services and compensation for performance of those services.
- 1.2 **Point of Contact:** ENGINEER shall designate, in writing, a Project Manager who will act as primary point of contact and ENGINEER’s representative with respect to the services rendered under this AGREEMENT.
- 1.3 **Standard of Care:** All services performed by ENGINEER, or under its direction, shall be rendered in accordance with the prevailing standard of skill and care of the engineering profession at the time and in the area where the services are to be performed.
- 1.4 **Opinions of Cost:** In providing opinions of cost, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate cost or schedule of the facility being analyzed. Therefore, the ENGINEER makes no warranty that actual costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER’s opinions, analyses, projections, or estimates.

1.5 Personnel on Site:

- 1.5.1 The presence or duties of the ENGINEER's personnel on site, whether as onsite representative or otherwise, does not make the ENGINEER or its personnel in any way responsible for those duties that belong to TOWN and/or any construction contractors or other entities, and does not relieve any construction contractor or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with any agreements between the TOWN and such construction contractors, and any health or safety precautions required in the performance of such construction work.
- 1.5.2 The ENGINEER and its personnel have no authority to exercise any control over any construction contractors or other entities or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractors or other entities or any other persons at the site except ENGINEER's own personnel.
- 1.5.3 The presence of ENGINEER's personnel on site is for the purpose of providing the TOWN a greater degree of confidence that the completed work will conform generally to any AGREEMENT between the TOWN and any construction contractor and that the integrity of the design concept has been implemented and preserved by such contractor. Therefore, ENGINEER agrees that it will timely inform TOWN if ENGINEER observes work being performed in a manner which does not conform to the specifications and requirements of ENGINEER. ENGINEER neither guarantees the performance of any contractors nor assumes responsibility for such contractors' failure to perform their work. Construction sites include places of manufacture for materials incorporated into the construction work, and construction contractors include manufacturers of materials incorporated into the construction work.
- 1.6 **Deliverables:** ENGINEER's deliverables, including record drawings, are limited to the sealed and signed hard copies. Computer-generated drawing files furnished by ENGINEER are for TOWN or others' convenience. Any conclusions or information derived or obtained from these files will be at user's sole risk.
- 1.7 **Insurance:** ENGINEER agrees to provide the following insurance coverage, at ENGINEER's own expense for the entire duration of any project and for two (2) years thereafter:

- 1.7.1 Compensation Insurance. ENGINEER shall procure and maintain Workers Compensation Insurance and Employer's Liability Insurance as required by the State of Arizona, for all employees engaged in any work performed for TOWN. Employer's Liability Insurance shall be in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.
- 1.7.2 Commercial General Liability. ENGINEER shall procure and maintain Commercial General Liability Insurance for bodily injury, personal injury, and broad form property damage, in an amount of not less than One Million Dollars (\$2,000,000) combined single limit and aggregate coverage per occurrence, including but not limited to endorsements for the following coverage's: Personal and advertising injury, Premises-operations, Products and completed operations, Blanket contractual, and Independent contractor's liability.
- 1.7.3 Automobile Liability Insurance. ENGINEER shall procure and maintain Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased and non-owned vehicles used in connection with ENGINEER's business in an amount of not less than One Million Dollars (\$1,000,000) combined single limit coverage per occurrence.
- 1.7.4 Professional Liability Insurance. ENGINEER shall procure and maintain Professional Liability Insurance for protection against claims arising out of the performance of services under this AGREEMENT caused by negligent errors, omissions, or other acts for which ENGINEER, its employees, Subcontractors, and agents, are liable. Said insurance shall be written with limits of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate. If said insurance is written on a "claims made" form, insurance shall be maintained and evidence of insurance must be provided for at least one (1) year after completion of the work under this AGREEMENT.
- 1.7.5 Subcontractors. ENGINEER shall require each Subcontractor to procure and maintain, during the life of its subcontract, similar insurance as stated herein. All insurance coverage for Subcontractors shall be subject to each of the requirements herein and contain the additional insured endorsement required of ENGINEER described with particularity herein.
- 1.7.6 Additional Insured Endorsement. The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:
- a) The TOWN, its officers, officials, agents, and volunteers are to be covered as additional insured's as respects ENGINEER's work under this AGREEMENT and shall be added in the form of an endorsement

to ENGINEER's insurance on Form CG 20 10 or blanket endorsement equivalent.

- b) All policies or certificates shall be endorsed to provide Thirty (30) days advance written notice of cancellation, non-renewal or reduction in coverage, mailed to the TOWN.

ENGINEER shall not commence work under this AGREEMENT until he has delivered to TOWN the Additional Insured Endorsements required herein.

1.8 Non-Discrimination in Employment: In the performance of work authorized under this AGREEMENT, ENGINEER shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age. ENGINEER shall, in all solicitations or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age.

1.9 Adherence to Applicable Disability Law: ENGINEER shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.), California Government Code Sections 12920 et seq., and all related state and local laws.

1.10 HIPAA Compliance: ENGINEER shall adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and shall make his best efforts to preserve data integrity and the confidentiality of protected health information.

1.11 Safety Responsibilities: ENGINEER shall adhere to all applicable requirements in performing work pursuant to this AGREEMENT. ENGINEER agrees that in the performance of work under this AGREEMENT, ENGINEER shall provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

1.12 Compliance With Federal and State Laws

- a) The ENGINEER understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 (the "Acts"), and hereby

agrees to comply with all applicable provisions of the Acts in the performance of this Agreement.

- b) If this Agreement pertains to a contract for construction, the ENGINEER agrees to comply with the provisions of Arizona Revised Statutes (“A.R.S.”) 34-301 “Employment of Aliens on Public Works Prohibited” and A.R.S. 34-302 “Residence Requirements for Employees”.
- c) Under the provisions of A.R.S. 41-4401, the ENGINEER hereby warrants to the Town that the ENGINEER and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and with A.R.S. 23-214(A) “Verification of Employment Eligibility” (hereafter referred to as “ENGINEER Immigration Warranty”).
- d) A breach of the ENGINEER Immigration Warranty shall constitute a material breach of this Agreement and shall subject the ENGINEER to penalties including termination of the Agreement at the sole discretion of the Town.
- e) Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the ENGINEER’s or Subcontractors’ employees who perform work under this Agreement, to ensure that the ENGINEER and Subcontractors are complying with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town in regard to any such inspections.
- f) The Town may, in its sole discretion, conduct random verification of the employment records of the ENGINEER and any Subcontractors to ensure compliance with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town, upon request, with regard to any random verification performed by the Town.
- g) Neither the ENGINEER nor any Subcontractor shall be deemed to have materially breached the ENGINEER Immigration Warranty if the ENGINEER or Subcontractor establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. 1324(a) and 8 U.S.C.A. 1324 (b)(1)(A), et seq., and the E-Verify requirements of A.R.S. 23-214(A).
- h) ENGINEER agrees to include the provisions of this section in any contract the ENGINEER enters into with any and all of its Subcontractors who provide services under this Contract or any subcontract. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by the ENGINEER or Subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

- 1.13 **Conflict of Interest:** ENGINEER hereby covenants that it has, at the time of the execution of this AGREEMENT, no interest, direct or indirect, and that it shall not acquire any interest in the future, direct, or indirect, which would conflict in any manner or degree or performance of services required to be performed under this AGREEMENT. ENGINEER further covenants that in the performance of this work, no person having such interest shall be employed.

SECTION 2 - OBLIGATIONS OF THE TOWN

- 2.1 **Information:** TOWN shall provide criteria and full information concerning TOWN's requirements for the work to be performed by the ENGINEER, including objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and budgetary limitations. Provide to ENGINEER information pertinent to the work to be performed by the ENGINEER including previous reports and any other existing data relative to the work to be performed by the ENGINEER. Give prompt written notice to ENGINEER whenever TOWN observes or otherwise becomes aware of any defect in the work of contractors.
- 2.2 **Timely Review:** Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER, and render decisions pertaining thereto within a reasonable time, not to exceed thirty (30) days without mutual consent, so as not to delay the performance of services by ENGINEER.
- 2.3 **Point of Contact:** Designate, in writing, a person to act as TOWN's representative and primary point of contact with respect to the services rendered under this AGREEMENT.
- 2.4 **Access:** Make its facilities accessible to ENGINEER as required for ENGINEER's performance of its services and will provide labor and safety equipment consistent with TOWN's standard practices as required by ENGINEER for such access. TOWN will be responsible for all acts of TOWN's personnel or those operating under contract with the TOWN.
- 2.5 **Asbestos:** If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation. If asbestos is suspected, the ENGINEER will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated. If hazardous substances other than asbestos are suspected, the ENGINEER, if requested, will conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated. To the maximum extent permitted by law, TOWN will indemnify ENGINEER and its

officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation expenses arising out of or relating to the presence, discharge, release, or escape of hazardous substances, contaminants, or asbestos on or from the PROJECT.

Consultant Contract Terms: TOWN agrees to include the provisions of Paragraph 1.5, ENGINEER's Personnel on Site, and provisions providing consultant indemnification of TOWN and ENGINEER for consultants' negligence.

2.6 **Insurance:** TOWN agrees to provide the following insurance coverage for the entire duration of the project:

2.6.1 Property insurance on all pre-existing physical facilities associated with the work to be performed by the ENGINEER.

2.6.2 A waiver of subrogation as to all TOWN-carried property damage insurance, during construction and thereafter, in favor of ENGINEER, its officers, employees, affiliates, and subcontractors.

2.6.3 A Builders Risk All Risk insurance policy for the full replacement value of all work including the value of all onsite TOWN-furnished equipment and/or materials associated with the ENGINEER's services. Such policy will include coverage for loss due to defects in materials and workmanship and errors in design, and will provide a waiver of subrogation as to the ENGINEER and the construction contractors (or TOWN), and their respective officers, employees, agents, affiliates and subcontractors.

SECTION 3 – CONTRACT PRICE

3.1 Contact Price.

3.1.1 In exchange for ENGINEER's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, TOWN will pay ENGINEER the "Contract Price", which is not to exceed **\$ 100,000.00.**

3.1.2 The Contract Price is all inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes of any type necessary to fully, properly and timely perform the services.

3.1.3 The term of the on-call list shall be for an initial three (3) year period with the possibility of two (2) one-year extensions, for a possible total of five (5) years.

SECTION 4 – PAYMENT

- 4.1 **Payment Terms:** Payment terms shall be agreed to, in writing, between TOWN and ENGINEER for each Authorization to perform work. Payment terms for a series of Authorizations may be entered into if so desired by both parties.
- 4.2 **Invoicing:** ENGINEER will, as appropriate, submit invoices to TOWN once per month, on or prior to the 10 day of that month. All invoices are to be emailed to accounts.payable@florenceaz.gov with a copy to susan.jonas@florenceaz.gov.
- 4.3 **Payment of Invoices:** Following receipt of invoice from the ENGINEER, payment will be made by the TOWN to the ENGINEER within 30 days for the amount requested in the invoice, as approved by the TOWN.

SECTION 5 - TIME OF PERFORMANCE

- 5.1 **Time:** Time of Performance for services under this AGREEMENT shall be defined in each Authorization.
- 5.2 **Progress Reporting:** ENGINEER shall report its progress under this AGREEMENT upon request by TOWN. ENGINEER shall plan its performance of services to accomplish timely completion, and shall promptly notify TOWN of any anticipated delay that may affect ENGINEER's time of performance.

SECTION 6 - PERIOD OF SERVICE

- 6.1 **Term:** This AGREEMENT shall remain in effect until such time as TOWN no longer has need of ENGINEER's services, unless terminated earlier in accordance with Section 5.2.
- 6.2 **Termination:** This AGREEMENT may be terminated as follows:
- 6.2.1 By mutual consent of the parties; or
 - 6.2.2 By TOWN upon 30 days written notice thereof to ENGINEER for any reason or for no reason at all; or
 - 6.2.3 By ENGINEER upon 30 days written notice thereof to TOWN in the event that TOWN fails to perform its obligations under this AGREEMENT.
 - 6.2.4 Should TOWN terminate this AGREEMENT for their convenience, TOWN shall pay ENGINEER for the services provided by the ENGINEER, as authorized by the TOWN up to the point of contract termination - as reasonable termination costs.

6.3 If the project is suspended by TOWN for more than 90 consecutive days, ENGINEER shall be compensated for services performed and accepted prior to notice of suspension. When the project is resumed, TOWN agrees to provide an equitable adjustment for ENGINEER's delay expenses and wage and salary increases caused by suspension.

SECTION 7 - LEGAL RELATIONSHIP

7.1 **Authorization to Proceed:** Execution of this AGREEMENT by TOWN will be authorization for ENGINEER to proceed with any requested work.

7.2 **Independent Contractor:** ENGINEER is for all purposes an independent contractor. In no event shall ENGINEER or any personnel retained by ENGINEER be deemed an agent or employee of TOWN or engaged by the TOWN for the account of or on behalf of TOWN ENGINEER shall maintain full control and responsibility of the means and methods of ENGINEER's services.

7.3 **Assignment of Work:** This is a bilateral personal Services AGREEMENT. Neither party shall assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

7.4 **Reuse of PROJECT Documents:** All reports, drawings, specifications, documents, and other deliverables of ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. TOWN agrees to indemnify ENGINEER and ENGINEER's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these PROJECT documents.

7.5 **Indemnification:** ENGINEER agrees to indemnify, and hold harmless TOWN from any claims, damages, losses, and costs, including but not limited to, attorney's fees and litigation costs, arising out of claims to the extent caused in whole or in part by the negligent or intentional act, error or omission of ENGINEER, ENGINEER's employees, affiliated corporations, officers, and subcontractors. TOWN agrees to indemnify ENGINEER from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of TOWN, or its employees or contractors in connection with the PROJECT.

7.6 **Consequential Damages:** To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors shall not be liable for TOWN's special, indirect, or consequential damages,

whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, TOWN will indemnify ENGINEER for any such damages.

7.7 Force Majeure: ENGINEER shall not be responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond its control.

7.8 Third Party Beneficiaries: This AGREEMENT gives no rights or benefits to anyone other than TOWN and ENGINEER and has no third-party beneficiaries.

7.9 Dispute Resolution: The TOWN and ENGINEER will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

7.10 Severability and Survival:

6.10.1 If any of the Provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.10.2 Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

7.11 Intellectual Property: All of the work product of the ENGINEER in executing this PROJECT shall remain the property of ENGINEER. TOWN shall receive a perpetual, royalty-free, non-transferable, non-exclusive license to use the deliverables for the purpose for which they were intended. Any inventions, patents, copyrights, computer software, or other intellectual property developed during the course of, or as a result of, the PROJECT shall remain the property of the ENGINEER.

7.12 Entire Agreement: This AGREEMENT, including attachments incorporated herein by reference, represents the entire AGREEMENT and understanding between the parties and any negotiations, proposals or oral AGREEMENTS are integrated herein and are superseded by this written AGREEMENT. Any supplement or amendment to this AGREEMENT shall be in writing and signed by the parties.

SECTION 8 – GOVERNING LAW

8.1 This AGREEMENT is to be governed and construed in accordance with the laws of the State of Arizona. The venue of any legal dispute relating to this AGREEMENT or the services provided hereunder shall be Pinal County, Arizona.

IN WITNESS WHEREOF duly authorized representatives of the parties have signed this AGREEMENT with the effective date, the year and day first written above.

TOWN OF FLORENCE:

By: _____
TARA WALTER, MAYOR

ENGINEER:

By: _____
, PRINCIPAL

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford I. Mattice, Town Attorney

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 15d.
MEETING DATE: January 21, 2020 DEPARTMENT: Information Technology STAFF PRESENTER: Trenton Shaffer, IT Manager SUBJECT: Microsoft Office 365 E3 Government Plan (Annual Renewal)		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input checked="" type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Council approve the annual software renewal for the Microsoft Office 365 E3 Government in an amount not to exceed \$26,595.25.

BACKGROUND/DISCUSSION:

The Town utilizes Microsoft Office 365 E3 Town-wide for employee email, email archiving for records retention, email litigation holds, the Office Software Suite (Outlook, Word, Excel, PowerPoint, Publisher, Access, OneDrive, Skype for Business), Anti-Spam, and Anti-Phishing. The IT Department budgets for this annual renewal cost during the budget process as pricing fluctuates annually.

A VOTE OF NO WOULD MEAN:

The Town would not be licensed for Microsoft Office product suites, employee email, email archiving, and advanced threat detection/prevention provided through this software agreement. The Town would need to purchase individual licenses to continue to utilize the software or find an alternative software to meet the needs of the Town.

A VOTE OF YES WOULD MEAN:

The Town will continue to use Microsoft Office 365 E3 Government software suite as the Town's office and email software.

FINANCIAL IMPACT:

The IT Department has budgeted for the Microsoft Office 365 E3 Government Suite annual cost within the IT Department software budget #010-519-323 for Fiscal Year 2019/2020.

ATTACHMENTS:

SHI Invoice
Office 365 E3 Enterprise Enrollment Agreement
Sole Source Justification

Enterprise Enrollment

State and Local

Enterprise Enrollment number <i>(Microsoft to complete)</i>	49816463	Framework ID <i>(if applicable)</i>	
Previous Enrollment number <i>(Reseller to complete)</i>	68744789		

This Enrollment must be attached to a signature form to be valid.

This Microsoft Enterprise Enrollment is entered into between the entities as identified in the signature form as of the effective date. Enrolled Affiliate represents and warrants it is the same Customer, or an Affiliate of the Customer, that entered into the Enterprise Agreement identified on the program signature form.

This Enrollment consists of: (1) these terms and conditions, (2) the terms of the Enterprise Agreement identified on the signature form, (3) the Product Selection Form, (4) the Product Terms, (5) the Online Services Terms, (6) any Supplemental Contact Information Form, Previous Agreement/Enrollment form, and other forms that may be required, and (7) any order submitted under this Enrollment. This Enrollment may only be entered into under a 2011 or later Enterprise Agreement. By entering into this Enrollment, Enrolled Affiliate agrees to be bound by the terms and conditions of the Enterprise Agreement.

All terms used but not defined are located at <http://www.microsoft.com/licensing/contracts>. In the event of any conflict the terms of this Agreement control.

Effective date. If Enrolled Affiliate is renewing Software Assurance or Subscription Licenses from one or more previous Enrollments or agreements, then the effective date will be the day after the first prior Enrollment or agreement expires or terminates. If this Enrollment is renewed, the effective date of the renewal term will be the day after the Expiration Date of the initial term. Otherwise, the effective date will be the date this Enrollment is accepted by Microsoft. Any reference to “anniversary date” refers to the anniversary of the effective date of the applicable initial or renewal term for each year this Enrollment is in effect.

Term. The initial term of this Enrollment will expire on the last day of the month, 36 full calendar months from the effective date of the initial term. The renewal term will expire 36 full calendar months after the effective date of the renewal term.

Terms and Conditions

1. Definitions.

Terms used but not defined in this Enrollment will have the definition in the Enterprise Agreement. The following definitions are used in this Enrollment:

“Additional Product” means any Product identified as such in the Product Terms and chosen by Enrolled Affiliate under this Enrollment.

“Community” means the community consisting of one or more of the following: (1) a Government, (2) an Enrolled Affiliate using eligible Government Community Cloud Services to provide solutions to a Government or a qualified member of the Community, or (3) a Customer with Customer Data that is subject to Government regulations for which Customer determines and Microsoft agrees that the use of Government Community Cloud Services is appropriate to meet Customer’s regulatory requirements.

Membership in the Community is ultimately at Microsoft's discretion, which may vary by Government Community Cloud Service.

"Enterprise Online Service" means any Online Service designated as an Enterprise Online Service in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Online Services are treated as Online Services, except as noted.

"Enterprise Product" means any Desktop Platform Product that Microsoft designates as an Enterprise Product in the Product Terms and chosen by Enrolled Affiliate under this Enrollment. Enterprise Products must be licensed for all Qualified Devices and Qualified Users on an Enterprise-wide basis under this program.

"Expiration Date" means the date upon which the Enrollment expires.

"Federal Agency" means a bureau, office, agency, department or other entity of the United States Government.

"Government" means a Federal Agency, State/Local Entity, or Tribal Entity acting in its governmental capacity.

"Government Community Cloud Services" means Microsoft Online Services that are provisioned in Microsoft's multi-tenant data centers for exclusive use by or for the Community and offered in accordance with the National Institute of Standards and Technology (NIST) Special Publication 800-145. Microsoft Online Services that are Government Community Cloud Services are designated as such in the Use Rights and Product Terms.

"Industry Device" (also known as line of business device) means any device that: (1) is not useable in its deployed configuration as a general purpose personal computing device (such as a personal computer), a multi-function server, or a commercially viable substitute for one of these systems; and (2) only employs an industry or task-specific software program (e.g. a computer-aided design program used by an architect or a point of sale program) ("Industry Program"). The device may include features and functions derived from Microsoft software or third-party software. If the device performs desktop functions (such as email, word processing, spreadsheets, database, network or Internet browsing, or scheduling, or personal finance), then the desktop functions: (1) may only be used for the purpose of supporting the Industry Program functionality; and (2) must be technically integrated with the Industry Program or employ technically enforced policies or architecture to operate only when used with the Industry Program functionality.

"Managed Device" means any device on which any Affiliate in the Enterprise directly or indirectly controls one or more operating system environments. Examples of Managed Devices can be found in the Product Terms.

"Qualified Device" means any device that is used by or for the benefit of Enrolled Affiliate's Enterprise and is: (1) a personal desktop computer, portable computer, workstation, or similar device capable of running Windows Pro locally (in a physical or virtual operating system environment), or (2) a device used to access a virtual desktop infrastructure ("VDI"). Qualified Devices do not include any device that is: (1) designated as a server and not used as a personal computer, (2) an Industry Device, or (3) not a Managed Device. At its option, the Enrolled Affiliate may designate any device excluded above (e.g., Industry Device) that is used by or for the benefit of the Enrolled Affiliate's Enterprise as a Qualified Device for all or a subset of Enterprise Products or Online Services the Enrolled Affiliate has selected.

"Qualified User" means a person (e.g., employee, consultant, contingent staff) who: (1) is a user of a Qualified Device, or (2) accesses any server software requiring an Enterprise Product Client Access License or any Enterprise Online Service. It does not include a person who accesses server software or an Online Service solely under a License identified in the Qualified User exemptions in the Product Terms.

"Reseller" means an entity authorized by Microsoft to resell Licenses under this program and engaged by an Enrolled Affiliate to provide pre- and post-transaction assistance related to this agreement;

"Reserved License" means for an Online Service identified as eligible for true-ups in the Product Terms, the License reserved by Enrolled Affiliate prior to use and for which Microsoft will make the Online Service available for activation.

"State/Local Entity" means (1) any agency of a state or local government in the United States, or (2) any United States county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality established by the laws of Customer's state and located within Customer's state's jurisdiction and geographic boundaries.

"Tribal Entity" means a federally-recognized tribal entity performing tribal governmental functions and eligible for funding and services from the U.S. Department of Interior by virtue of its status as an Indian tribe.

"Use Rights" means, with respect to any licensing program, the use rights or terms of service for each Product and version published for that licensing program at the Volume Licensing Site and updated from time to time. The Use Rights include the Product-Specific License Terms, the License Model terms, the Universal License Terms, the Data Protection Terms, and the Other Legal Terms. The Use Rights supersede the terms of any end user license agreement (on-screen or otherwise) that accompanies a Product.

"Volume Licensing Site" means <http://www.microsoft.com/licensing/contracts> or a successor site.

2. Order requirements.

- a. Minimum order requirements.** Enrolled Affiliate's Enterprise must have a minimum of 250 Qualified Users or Qualified Devices. The initial order must include at least 250 Licenses for Enterprise Products or Enterprise Online Services.
 - (i) Enterprise commitment.** Enrolled Affiliate must order enough Licenses to cover all Qualified Users or Qualified Devices, depending on the License Type, with one or more Enterprise Products or a mix of Enterprise Products and the corresponding Enterprise Online Services (as long as all Qualified Devices not covered by a License are only used by users covered with a user License).
 - (ii) Enterprise Online Services only.** If no Enterprise Product is ordered, then Enrolled Affiliate need only maintain at least 250 Subscription Licenses for Enterprise Online Services.
- b. Additional Products.** Upon satisfying the minimum order requirements above, Enrolled Affiliate may order Additional Products.
- c. Use Rights for Enterprise Products.** For Enterprise Products, if a new Product version has more restrictive use rights than the version that is current at the start of the applicable initial or renewal term of the Enrollment, those more restrictive use rights will not apply to Enrolled Affiliate's use of that Product during that term.
- d. Country of usage.** Enrolled Affiliate must specify the countries where Licenses will be used on its initial order and on any additional orders.
- e. Resellers.** Enrolled Affiliate must choose and maintain a Reseller authorized in the United States. Enrolled Affiliate will acquire its Licenses through its chosen Reseller. Orders must be submitted to the Reseller who will transmit the order to Microsoft. The Reseller and Enrolled Affiliate determine pricing and payment terms as between them, and Microsoft will invoice the Reseller based on those terms. Throughout this Agreement the term "price" refers to reference price. Resellers and other third parties do not have authority to bind or impose any obligation or liability on Microsoft.
- f. Adding Products.**
 - (i) Adding new Products not previously ordered.** New Enterprise Products or Enterprise Online Services may be added at any time by contacting a Microsoft Account Manager or Reseller. New Additional Products, other than Online Services, may be used if an order is placed in the month the Product is first used. For Additional Products that are Online Services, an initial order for the Online Service is required prior to use.

- (ii) **Adding Licenses for previously ordered Products.** Additional Licenses for previously ordered Products other than Online Services may be added at any time but must be included in the next true-up order. Additional Licenses for Online Services must be ordered prior to use, unless the Online Services are (1) identified as eligible for true-up in the Product Terms or (2) included as part of other Licenses.
- g. True-up requirements.** Enrolled Affiliate must submit an annual true-up order that accounts for any changes since the initial order or last order. If there are no changes, then an update statement must be submitted instead of a true-up order.
- (i) **Enterprise Products.** For Enterprise Products, Enrolled Affiliate must determine the number of Qualified Devices and Qualified Users (if ordering user-based Licenses) at the time the true-up order is placed and must order additional Licenses for all Qualified Devices and Qualified Users that are not already covered by existing Licenses, including any Enterprise Online Services.
- (ii) **Additional Products.** For Additional Products that have been previously ordered under this Enrollment, Enrolled Affiliate must determine the maximum number of Additional Products used since the latter of the initial order, the last true-up order, or the prior anniversary date and submit a true-up order that accounts for any increase.
- (iii) **Online Services.** For Online Services identified as eligible for true-up in the Product Terms, Enrolled Affiliate may place a reservation order for the additional Licenses prior to use and payment may be deferred until the next true-up order. Microsoft will provide a report of Reserved Licenses ordered but not yet invoiced to Enrolled Affiliate and its Reseller. Reserved Licenses will be invoiced retrospectively to the month in which they were ordered.
- (iv) **Subscription License reductions.** Enrolled Affiliate may reduce the quantity of Subscription Licenses at the Enrollment anniversary date on a prospective basis if permitted in the Product Terms, as follows:
- 1) For Subscription Licenses that are part of an Enterprise-wide purchase, Licenses may be reduced if the total quantity of Licenses and Software Assurance for an applicable group meets or exceeds the quantity of Qualified Devices and Qualified Users (if ordering user-based Licenses) identified on the Product Selection Form, and includes any additional Qualified Devices and Qualified Users added in any prior true-up orders. Step-up Licenses do not count towards this total count.
 - 2) For Enterprise Online Services that are not a part of an Enterprise-wide purchase, Licenses can be reduced as long as the initial order minimum requirements are maintained.
 - 3) For Additional Products available as Subscription Licenses, Enrolled Affiliate may reduce the Licenses. If the License count is reduced to zero, then Enrolled Affiliate's use of the applicable Subscription License will be cancelled.
- Invoices will be adjusted to reflect any reductions in Subscription Licenses at the true-up order Enrollment anniversary date and effective as of such date.
- (v) **Update statement.** An update statement must be submitted instead of a true-up order if, since the initial order or last true-up order, Enrolled Affiliate's Enterprise: (1) has not changed the number of Qualified Devices and Qualified Users licensed with Enterprise Products or Enterprise Online Services; and (2) has not increased its usage of Additional Products. This update statement must be signed by Enrolled Affiliate's authorized representative.
- (vi) **True-up order period.** The true-up order or update statement must be received by Microsoft between 60 and 30 days prior to each Enrollment anniversary date. The third-year true-up order or update statement is due within 30 days prior to the Expiration Date, and any license reservations within this 30 day period will not be accepted. Enrolled Affiliate

may submit true-up orders more often to account for increases in Product usage, but an annual true-up order or update statement must still be submitted during the annual order period.

- (vii) **Late true-up order.** If the true-up order or update statement is not received when due, Microsoft will invoice Reseller for all Reserved Licenses not previously invoiced and Subscription License reductions cannot be reported until the following Enrollment anniversary date (or at Enrollment renewal, as applicable).
- h. **Step-up Licenses.** For Licenses eligible for a step-up under this Enrollment, Enrolled Affiliate may step-up to a higher edition or suite as follows:
 - (i) For step-up Licenses included on an initial order, Enrolled Affiliate may order according to the true-up process.
 - (ii) If step-up Licenses are not included on an initial order, Enrolled Affiliate may step-up initially by following the process described in the Section titled "Adding new Products not previously ordered," then for additional step-up Licenses, by following the true-up order process.
- i. **Clerical errors.** Microsoft may correct clerical errors in this Enrollment, and any documents submitted with or under this Enrollment, by providing notice by email and a reasonable opportunity for Enrolled Affiliate to object to the correction. Clerical errors include minor mistakes, unintentional additions and omissions. This provision does not apply to material terms, such as the identity, quantity or price of a Product ordered.
- j. **Verifying compliance.** Microsoft may, in its discretion and at its expense, verify compliance with this Enrollment as set forth in the Enterprise Agreement.

3. Pricing.

- a. **Price Levels.** For both the initial and any renewal term Enrolled Affiliate's Price Level for all Products ordered under this Enrollment will be Level "D" throughout the term of the Enrollment.
- b. **Setting Prices.** Enrolled Affiliate's prices for each Product or Service will be established by its Reseller. Except for Online Services designated in the Product Terms as being exempt from fixed pricing, As long as Enrolled Affiliate continues to qualify for the same price level, Microsoft's prices for Resellers for each Product or Service ordered will be fixed throughout the applicable initial or renewal Enrollment term. Microsoft's prices to Resellers are reestablished at the beginning of the renewal term.

4. Payment terms.

For the initial or renewal order, Microsoft will invoice Enrolled Affiliate's Reseller in three equal annual installments. . The first installment will be invoiced upon Microsoft's acceptance of this Enrollment and remaining installments will be invoiced on each subsequent Enrollment anniversary date. Subsequent orders are invoiced upon acceptance of the order and Enrolled Affiliate may elect to pay annually or upfront for Online Services and upfront for all other Licenses.

5. End of Enrollment term and termination.

- a. **General.** At the Expiration Date, Enrolled Affiliate must immediately order and pay for Licenses for Products it has used but has not previously submitted an order, except as otherwise provided in this Enrollment.
- b. **Renewal option.** At the Expiration Date of the initial term, Enrolled Affiliate can renew Products by renewing this Enrollment for one additional 36-month term or by signing a new Enrollment. Microsoft must receive a Renewal Form, Product Selection Form, and renewal order prior to or at the Expiration Date. Microsoft will not unreasonably reject any renewal.

Microsoft may make changes to this program that will make it necessary for Customer and its Enrolled Affiliates to enter into new agreements and Enrollments at renewal.

c. If Enrolled Affiliate elects not to renew.

(i) **Software Assurance.** If Enrolled Affiliate elects not to renew Software Assurance for any Product under its Enrollment, then Enrolled Affiliate will not be permitted to order Software Assurance later without first acquiring a new License with Software Assurance.

(ii) **Online Services eligible for an Extended Term.** For Online Services identified as eligible for an Extended Term in the Product Terms, the following options are available at the end of the Enrollment initial or renewal term.

1) **Extended Term.** Licenses for Online Services will automatically expire in accordance with the terms of the Enrollment. An extended term feature that allows Online Services to continue month-to-month (“Extended Term”) is available. During the Extended Term, Online Services will be invoiced monthly at the then-current published price as of the Expiration Date plus a 3% administrative fee for up to one year. If Enrolled Affiliate wants an Extended Term, Enrolled Affiliate must submit a request to Microsoft at least 30 days prior to the Expiration Date.

2) **Cancellation during Extended Term.** At any time during the first year of the Extended Term, Enrolled Affiliate may terminate the Extended Term by submitting a notice of cancellation to Microsoft for each Online Service. Thereafter, either party may terminate the Extended Term by providing the other with a notice of cancellation for each Online Service. Cancellation will be effective at the end of the month following 30 days after Microsoft has received or issued the notice.

(iii) **Subscription Licenses and Online Services not eligible for an Extended Term.** If Enrolled Affiliate elects not to renew, the Licenses will be cancelled and will terminate as of the Expiration Date. Any associated media must be uninstalled and destroyed and Enrolled Affiliate’s Enterprise must discontinue use. Microsoft may request written certification to verify compliance.

d. Termination for cause. Any termination for cause of this Enrollment will be subject to the “Termination for cause” section of the Agreement. In addition, it shall be a breach of this Enrollment if Enrolled Affiliate or any Affiliate in the Enterprise that uses Government Community Cloud Services fails to meet and maintain the conditions of membership in the definition of Community.

e. Early termination. Any early termination of this Enrollment will be subject to the “Early Termination” Section of the Enterprise Agreement.

For Subscription Licenses, in the event of a breach by Microsoft, or if Microsoft terminates an Online Service for regulatory reasons, Microsoft will issue Reseller a credit for any amount paid in advance for the period after termination.

6. Government Community Cloud.

a. Community requirements. If Enrolled Affiliate purchases Government Community Cloud Services, Enrolled Affiliate certifies that it is a member of the Community and agrees to use Government Community Cloud Services solely in its capacity as a member of the Community and, for eligible Government Community Cloud Services, for the benefit of end users that are members of the Community. Use of Government Community Cloud Services by an entity that is not a member of the Community or to provide services to non-Community members is strictly prohibited and could result in termination of Enrolled Affiliate’s license(s) for Government Community Cloud Services without notice. Enrolled Affiliate acknowledges that only Community members may use Government Community Cloud Services.

b. All terms and conditions applicable to non-Government Community Cloud Services also apply

to their corresponding Government Community Cloud Services, except as otherwise noted in the Use Rights, Product Terms, and this Enrollment.

- c. Enrolled Affiliate may not deploy or use Government Community Cloud Services and corresponding non-Government Community Cloud Services in the same domain.
- d. **Use Rights for Government Community Cloud Services.** For Government Community Cloud Services, notwithstanding anything to the contrary in the Use Rights:
 - (i) Government Community Cloud Services will be offered only within the United States.
 - (ii) Additional European Terms, as set forth in the Use Rights, will not apply.
 - (iii) References to geographic areas in the Use Rights with respect to the location of Customer Data at rest, as set forth in the Use Rights, refer only to the United States.

DISCLAIMER

Enrollment Details

1. Enrolled Affiliate's Enterprise.

- a. Identify which Agency Affiliates are included in the Enterprise. (Required) Enrolled Affiliate's Enterprise must consist of entire offices, bureaus, agencies, departments or other entities of Enrolled Affiliate, not partial offices, bureaus, agencies, or departments, or other partial entities. Check only one box in this section. If no boxes are checked, Microsoft will deem the Enterprise to include the Enrolled Affiliate only. If more than one box is checked, Microsoft will deem the Enterprise to include the largest number of Affiliates:

Enrolled Affiliate only

Enrolled Affiliate and all Affiliates

Enrolled Affiliate and the following Affiliate(s) (Only identify specific affiliates to be included if fewer than all Affiliates are to be included in the Enterprise):

Enrolled Affiliate and all Affiliates, with following Affiliate(s) excluded:

- b. Please indicate whether the Enrolled Affiliate's Enterprise will include all new Affiliates acquired after the start of this Enrollment: Exclude future Affiliates

2. Contact information.

Each party will notify the other in writing if any of the information in the following contact information page(s) changes. The asterisks (*) indicate required fields. By providing contact information, Enrolled Affiliate consents to its use for purposes of administering this Enrollment by Microsoft, its Affiliates, and other parties that help administer this Enrollment. The personal information provided in connection with this Enrollment will be used and protected in accordance with the privacy statement available at <https://www.microsoft.com/licensing/servicecenter>.

- a. **Primary contact.** This contact is the primary contact for the Enrollment from within Enrolled Affiliate's Enterprise. This contact is also an Online Administrator for the Volume Licensing Service Center and may grant online access to others. The primary contact will be the default contact for all purposes unless separate contacts are identified for specific purposes

Name of entity (must be legal entity name)* TOWN OF FLORENCE

Contact name* First Trenton **Last** Shaffer

Contact email address* trenton.shaffer@florenceaz.gov

Street address* 775 N MAIN ST

City* FLORENCE

State* AZ

Postal code* 85132-8132-

(Please provide the zip + 4, e.g. xxxxx-xxxx)

Country* United States

Phone* 520-868-7516

Tax ID

** indicates required fields*

- b. **Notices contact and Online Administrator.** This contact (1) receives the contractual notices, (2) is the Online Administrator for the Volume Licensing Service Center and may grant online access to others, and (3) is authorized to order Reserved Licenses for eligible Online Services, including adding or reassigning Licenses and stepping-up prior to a true-up order.

Same as primary contact (default if no information is provided below, even if the box is not checked).

Contact name* First Trenton Last Shaffer
Contact email address* trenton.shaffer@florenceaz.gov
Street address* 775 N MAIN ST
City* FLORENCE
State* AZ
Postal code* 85132-8132-
(Please provide the zip + 4, e.g. xxxxx-xxxx)
Country* United States
Phone* 520-868-7516

Language preference. Choose the language for notices. English

This contact is a third party (not the Enrolled Affiliate). Warning: This contact receives personally identifiable information of the Customer and its Affiliates.

** indicates required fields*

- c. **Online Services Manager.** This contact is authorized to manage the Online Services ordered under the Enrollment and (for applicable Online Services) to add or reassign Licenses and step-up prior to a true-up order.

Same as notices contact and Online Administrator (default if no information is provided below, even if box is not checked)

Contact name*: First Trenton Last Shaffer
Contact email address* trenton.shaffer@florenceaz.gov
Phone* 520-868-7516

This contact is from a third party organization (not the entity). Warning: This contact receives personally identifiable information of the entity.

** indicates required fields*

- d. **Reseller information.** Reseller contact for this Enrollment is:

Reseller company name* SHI International Corp.
Street address (PO boxes will not be accepted)* 290 Davidson Ave
City* Somerset
State* NJ
Postal code* 08873
Country* United States
Contact name* Jodyann Watson
Phone* 888-764-8888
Contact email address* msteam@shi.com

** indicates required fields*

By signing below, the Reseller identified above confirms that all information provided in this Enrollment is correct.

Signature* _____

Printed name*

Printed title*

Date*

** indicates required fields*

Changing a Reseller. If Microsoft or the Reseller chooses to discontinue doing business with each other, Enrolled Affiliate must choose a replacement Reseller. If Enrolled Affiliate or the Reseller intends to terminate their relationship, the initiating party must notify Microsoft and the

other party using a form provided by Microsoft at least 90 days prior to the date on which the change is to take effect.

- e. If Enrolled Affiliate requires a separate contact for any of the following, attach the Supplemental Contact Information form. *Otherwise, the notices contact and Online Administrator remains the default.*
 - (i) Additional notices contact
 - (ii) Software Assurance manager
 - (iii) Subscriptions manager
 - (iv) Customer Support Manager (CSM) contact

3. *Financing elections.*

Is a purchase under this Enrollment being financed through MS Financing? Yes, No.

If a purchase under this Enrollment is financed through MS Financing, and Enrolled Affiliate chooses not to finance any associated taxes, it must pay these taxes directly to Microsoft.

Town of Florence
Sole Source/Emergency Purchase Justification

Note: Exemption from competitive bidding is allowed only in the existence of an emergency or when it is clearly determined to be impractical to procure through the competitive bidding process. The department director shall submit this form for approval before procuring materials or services. In cases of emergency, post submittal is required.

Vendor Name: SHI International Date 13-Jan-20

Commodity (general description) Office 365 E3 Government Plan

Dollar Amount \$26,595.25 (If over \$25,000, must go to Town Council for approval)

Account Number 010-519-323

Sole Source

Check all entries that apply:

- Purchase Request is made to the original manufacturer or provider; There are no regional distributors. (Item * must also be checked.)
- Purchase Request is made to the only area distributor of the original manufacturer or provider. (Item * must also be checked.)
- * This is the only known item that will meet the specialized needs of the department or perform the intended functions.
- Parts/equipment are not interchangeable with similar parts of another manufacturer.
- Parts/equipment are required from this vendor to provide standardization.
- The elements of time and, therefore, cost to the town override the potential cost savings realized through standard purchasing procedures.
- None of the above apply. Detailed explanation for sole source request is contained in the attached memorandum.

Emergency

Check all entries that apply. At least two of the following conditions must be met:

- Human life is in danger
- A natural disaster or act of God requires immediate action.
- An unanticipated circumstance poses a threat to city property.
- A situation exists where work on a specific project will stop or be adversely affected unless immediate action is taken.

Justification: SHI International is our Partner of Record for Microsoft. Microsoft government pricing structure.

On the basis of the foregoing, I recommend competitive procedures be waived and the material or service be procured as a sole source or emergency purchase as indicated above.

Signature of Department Director _____ Date _____

Review by Finance Director _____ Date _____

Approved by Town Manager _____ Date _____

Exhibit E

MINUTES OF THE TOWN OF FLORENCE SPECIAL MEETING OF THE FLORENCE TOWN COUNCIL HELD ON MONDAY, DECEMBER 16, 2019, AT 6:00 P.M., IN THE FLORENCE TOWN COUNCIL CHAMBERS, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Walter called the meeting to order at 6:00 p.m.

ROLL CALL:

Present: Tara Walter, John Anderson, Bill Hawkins, Karen Wall, Michelle Cordes

Absent: Judy Hughes, Kristen Larsen

MOMENT OF SILENCE

Mayor Walter called for a moment of silence.

PLEDGE OF ALLEGIANCE

Mayor Walter led the Pledge of Allegiance.

CALL TO THE PUBLIC Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

There were no public comments.

ADJOURNMENT TO MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 1.

On motion of Councilmember Wall, seconded by Councilmember Hawkins, and carried (5-0) to adjourn to Merrill Ranch Community Facilities District No. 1.

Discussion and possible action accepting the Annual Financial Statement for Fiscal Year 2018-2019.

Ms. Becki Jimenez, Interim District Treasurer, stated that the Town's auditors are Fester & Chapman. The cost of the audit was \$8,500. The audit will provide financing entities, bond holders and the interested parties the financial status for MRCFD No. 1 and its operations. The report will also provide disclosure information for the District. She stated that there were no findings.

Mr. Ben Hur, Fester & Chapman, PLLC, provided an overview of the audit and noted that there were no deficiencies or findings. He stated that the audit was completed in accordance with

Generally Accepted Accounting Principles to ensure the statements are presented fairly. There were no reported deficiencies.

Mr. Hur stated that they also provided a report to the Board of Directors, which is a required communication for the auditors. There were no new accounting standards or adopted policies and they had a clean opinion which means that there was no difficulty encountered while performing the audit nor any disagreements with the management.

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes, and carried (5-0) to accept the Annual Financial Statement for Fiscal Year 2018-2019.

Discussion and possible action to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 1 engineering services, in an amount not to exceed \$100,000.

Mr. Chris Salas, District Engineer, stated that State law and the Town Code require that the District have a separate engineering firm review all of the construction documents, feasibility reports and other engineering related items. A non-cost competitive bid analysis was completed and EPS Group, Inc. was chosen as the most qualified firm.

Mr. Salas stated that they spent \$33,000 combined between both CFDs. The amount requested is to allow for flexibility. Staff will start out with an \$18,000 purchase order for each CFD.

Vice-Chairman Anderson inquired why the amount being requested is \$100,00 for each CFD when they spent far less last year. He is concerned about the large increase.

Mr. Salas explained that the increase is it to allow for flexibility.

On motion of Boardmember Wall, seconded by Boardmember Hawkins, and carried (5-0) to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 1 engineering services, in an amount not to exceed \$100,000.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 1 September 16 and October 7, 2019 Special Meeting minutes.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (5-0) to approve the Merrill Ranch Community Facilities District No. 1 September 16 and October 7, 2019 Special Meeting minutes.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 1.

On motion of Boardmember Hawkins, seconded by Boardmember Wall, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 1.

ADJOURNMENT TO MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

On motion of Councilmember Wall, seconded by Councilmember Hawkins, and carried (5-0) to adjourn to Merrill Ranch Community Facilities District No. 2.

Discussion and possible action of accepting the Annual Financial Statement for Fiscal Year 2018-2019.

Ms. Becki Jimenez, Interim District Treasurer, stated that the Town's auditors are Fester & Chapman. The cost of the audit was \$8,500. The audit will provide financing entities, bond holders and the interested parties the financial status for MRCFD No. 1 and its operations. The report will also provide disclosure information for the District.

Ms. Jimenez stated that when the audit is referred to as unremarkable, it means that there were no findings. It was mainly the collection of assessment principal and interest that was due as well as General Obligation Bonds principal and interest.

Mr. Ben Hur, Fester & Chapman, PLLC, provided an overview of the audit and noted that there were no deficiencies or findings. He stated that the audit was completed in accordance with Generally Accepted Accounting Principles to ensure the statements are presented fairly. There were no reported deficiencies.

Mr. Hur stated that they also provided a report to the Board of Directors, which is a required communication for the auditors. There were no new accounting standards or adopted policies and they had a clean opinion which means that there was no difficulty encountered while performing the audit nor any disagreements with the management.

On motion of Boardmember Hawkins, seconded by Vice-Chairman Anderson, and carried (5-0) to accept the Annual Financial Statement for Fiscal Year 2018-2019.

Discussion and possible action to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 2 engineering services, in an amount not to exceed \$100,000.

Mr. Chris Salas, District Engineer, stated that State law and the Town Code requires that the District have a separate engineering firm review all construction documents, feasibility reports and other engineering related items. A non-cost competitive bid analysis was completed and EPS Group, Inc. was chosen as the most qualified firm.

Mr. Salas stated that they spent \$33,000 combined between both CFDs. The amount requested is to allow for flexibility. Staff will start out with an \$18,000 purchase order for each CFD.

Vice-Chairman Anderson inquired why the amount being requested is \$100,00 for each CFD when they spent far less last year. He is concerned about the large increase.

Mr. Salas explained that the increase is it to allow for flexibility.

On motion of Boardmember Wall, seconded by Boardmember Cordes, and carried (5-0) to approve the Professional Services Agreement with EPS Group, Inc., for Merrill Ranch Community Facilities District No. 2 engineering services, in an amount not to exceed \$100,000.

Discussion and possible action to approve Merrill Ranch Community Facilities District No. 2 November 4, 2019 Special Meeting minutes.

On motion of Vice-Chairman Anderson, seconded by Boardmember Cordes, and carried (5-0) to approve the Merrill Ranch Community Facilities District No. 2 November 4, 2019 Special Meeting minutes.

ADJOURNMENT FROM MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO 2.

On motion of Boardmember Hawkins, seconded by Boardmember Wall, and carried (5-0) to adjourn from Merrill Ranch Community Facilities District No. 2.

PRESENTATIONS

Presentation of Years of Service Award to Lisa Garcia, Deputy Town Manager/Town Clerk, for 25 years of service.

Mr. Brent Billingsley, Town Manager, stated that Ms. Garcia is a prominent member in the community as well as a leader for the Town. He provided an overview of her tenure and accomplishments with the Town. He explained how vital the Municipal Clerk's position is to the Town and the functions that they perform.

Mr. Billingsley stated that Ms. Garcia is one of the best clerks in the State of Arizona and is recognized as the Region 8 Leader for the International Municipal Clerks Association. He stated that she is a wonderful teammate, keeps the team inline and ensures that the correct things are done.

Mr. Billingsley stated that Ms. Garcia serves dual roles for the Town as Town Clerk and Deputy Town Manager. He is proud to recognize her for all that she does for the Town and to have her family present to honor her.

Mayor Walter stated that she has known Ms. Garcia for approximately ten years, and she has taught her about municipal government and leadership. She thanked Ms. Garcia for her personal and professional growth.

Ms. Garcia thanked the current Council as well as the previous Councils who have allowed her to service the community. She began her employment with the Town on December 5, 1994 and fell in love with the community. She has raised her family in Florence and has moved her father and aunt to Florence as well. She stated that it is wonderful to live and work in Florence as well as serve Florence. She is very proud of everyone in the audience who has come out to support her.

Presentation and Discussion/Approval/Disapproval of accepting the Comprehensive Annual Financial Statement and Expenditure Limitation Report. (Rebecca Jimenez)

Ms. Becki Jimenez, Finance Director, stated that audited financial statements along with the Comprehensive Annual Financial Statement requires extensive work and is comprehensive. These documents are used by outside entities as a way to see how the Town functions and its financial stability. They are also used when the Town is requesting a loan or for bonding.

Ms. Jimenez stated that there was one finding that Mr. Hur will report on; however, she assured the Council that the issue has been resolved. Triple checks and balances have been added to ensure that there are no further occurrences.

Ms. Jimenez stated that the Town had findings last year; however, each of the findings have been addressed.

Mr. Ben Hur, Fester & Chapman, PLLC, explained what an audit entails and the financial thresholds for having to do a single audit. The audit was performed in accordance with Generally Accepted Auditing Standards and the Government Auditing Standards. They completed the audit of the financial statements and issued a modified opinion which means that the financial statements are (inaudible) in all aspects in accordance with Generally Accepted Accounting Principles.

Mr. Hur stated that they noted a finding which will be characterized as a deficiency. The single audit was new this year as the Town was not required to do a single audit last year. He stated that they issued an unmodified opinion on compliance for the major programs they tested. The major programs were tested as a single audit. They tested the Community Development Block Grants (CDBG) and Highway Planning and Construction Grants, which were subject to the single audit and were tested for non-compliance. There were no deficiencies or findings.

Mr. Hur stated that a summary was reported to the Mayor and Council and the following topics are discussed:

- Significant Audit Findings
 - Qualitative Aspects of Accounting Practices
 - The disclosures in the financial statements are neutral, consistent, and clear.
- Difficulty Encountered in Performing the Audit
 - There were no significant difficulties in dealing with management in performing and completing the audit.
- Corrected and Uncorrected Misstatements
 - Two adjusting journal entries detected as a result of audit procedures and corrected by management.
 - Management also posted 15 post-closing journal entries after commencement of field work.
- Disagreements with Management
 - There were no such disagreements that arose during the course of the audit.
- Management Representation
 - They requested certain representations from management that are included in the management representation letter dated November 26, 2019.
- Management Consultations with Other Independent Accountants
 - There were no such consultations with other accountants.
- Other Audit Findings or Issues
 - They issued a Single Audit Reporting Package, dated November 26, 2019, noting a significant deficiency.
- Other matters
 - They did not audit the Management's Discussion and Analysis, the Budgetary Comparison Schedules and the Pension Plan Schedules (required supplemental information (RSI)), nor did they express an opinion or provide any assurance on the RSI.

Mr. Hur explained the outlined financial totals within the financial statements.

Vice-Mayor Anderson inquired how the value of assets are assessed and if they depreciate.

Mr. Hur explained that value is based on when the asset was acquired, and dependent on the type of asset, management will determine the appropriate useful life for the asset and will depreciate over the useful life.

Mayor Walter appreciated the fact that during the audit, it was determined that the Town made an overpayment to a vendor for a construction project. This overpayment was refunded to the Town. She appreciates that they worked with staff to evaluate what occurred and created a process in which long term projects will not be overpaid.

Mr. Hur stated that the work could not be completed without management and staff assistance.

Councilmember Wall asked that a copy of the presentation be prepared to Council.

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (5-0) to accept the Comprehensive Annual Financial Statement and Expenditure Limitation Report.

CONSENT: All items on the consent agenda will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. **Adoption of the Parks and Recreation Comprehensive Plan. (Bryan Hughes)**
- b. **Approval of expenditures over \$24,999, and authorization for future expenditure not to exceed \$75,000, with Brown Associates, to provide building safety services that include, but not limited to, inspections, plan review and Code interpretations. (Larry Harmer)**
- c. **Approval of Final Plat for DR Horton, Anthem at Merrill Ranch Unit 33. (Larry Harmer)**
 1. **Resolution No. 1723-19:**

Mayor Walter read Resolution No. 1723-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 33; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

- d. **Approval of the Final Plats for Franklin, Anthem at Merrill Ranch Units 47, 49 and 51. (Larry Harmer)**
 1. **Resolution No. 1724-19:**

Mayor Walter read Resolution No. 1724-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 47; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

2. Resolution No. 1725-19:

Mayor Walter read Resolution No. 1725-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 49; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

3. Resolution No. 1726-19:

Mayor Walter read Resolution No. 1726-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 51; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

e. Approval of Final Plats for Pulte, Anthem at Merrill Ranch Units 57 and 66. (Larry Harmer)

1. Resolution No. 1727-19:

Mayor Walter read Resolution No. 1727-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 57; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

2. Resolution No. 1728-19:

Mayor Walter read Resolution No. 1728-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE FINAL PLAT FOR ANTHEM AT MERRILL RANCH UNIT 66; AND AUTHORIZING EXECUTION BY THE TOWN MANAGER OF SUPPORTING DOCUMENTS.

f. Resolution No. 1729 -19:

Mayor Walter read Resolution No. 1729-19 by title only.

Adoption of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, DESIGNATING REBECCA JIMENEZ, INTERIM FINANCE DIRECTOR OF THE TOWN OF FLORENCE, ARIZONA, AS INTERIM CHIEF FINANCIAL OFFICER, DESIGNATED TO OFFICIALLY SUBMIT THE EXPENDITURE LIMITATION REPORT FOR THE TOWN OF FLORENCE, ARIZONA. (Rebecca Jimenez)

- g. Discussion on the Notice of Task Order/Change Order issued for On-Call Engineering pursuant to Council approved contract for WestLand Resources. (Bryan Hughes)**
- h. Approval of the October 28, November 4, November 18 and December 3, 2019 Town Council Meeting minutes.**
- i. Receive and file the following board and commission minutes:**
 - 1. October 10, 2019 Arts and Culture Commission Meeting minutes**
 - 2. September 5 and September 16, 2019 Parks and Recreation Advisory Board Meeting minutes**
 - 3. November 7, 2019 Planning and Zoning Commission Meeting minutes**
- j. Approval of accepting the register of demands ending October 31, 2019, in the amount of \$2,420,356.30. (Becki Jimenez)**

On motion of Councilmember Cordes, seconded by Councilmember Wall, and carried (5-0) to approve the Consent Agenda, as written, with the exception of Items a and b.

- b. Approval of expenditures over \$24,999, and authorization for future expenditure not to exceed \$75,000, with Brown Associates, to provide building safety services that include, but not limited to, inspections, plan review and Code interpretations.**

Councilmember Cordes asked that Brown Associates attend a future Council meeting to discuss their opinion on the buildings, the Town' processes and how the Town interprets the Code. She would like to see all future consultants attend a Council meeting as well.

Mr. Larry Harmer, Community Development Director, stated that staff has had conversations with Brown Associates and has spoken with the Building Inspector in length prior to the Building Inspector's leave. The Town is in alignment and there have been no discrepancies. They also pointed out a few things that the inspector was missing, which was no issue with the contractors.

Councilmember Cordes stated that she appreciates staff having the conversations with them and sharing the discussions with the Council.

Mr. Harmer stated that he has used Brown Associates for approximately 15 years while working in other communities. He stated that Brown Associates is in agreement with how the Town is interpreting the Code and how it is operating.

On motion of Councilmember Cordes, seconded by Councilmember Hawkins, and carried (5-0) to approve the expenditures over \$24,999, and authorization for future expenditure not to exceed \$75,000, with Brown Associates, to provide building safety services that include, but not limited to, inspections, plan review and Code interpretations.

a. Adoption of the Parks and Recreation Comprehensive Plan.

Vice-Mayor Anderson stated that the Comprehensive Plan will cost approximately \$29,000,000 to execute and felt that it should be discussed under new business and not placed on the consent agenda. He would like a work session to discuss the Plan in detail. He would like to see a funding program that contains more detail before it is included in the General Plan.

Mr. Bryan Hughes, Community Services Director, stated that he presented the Comprehensive Plan during a work session at the November 4, 2019 Council meeting, where the Plan was discussed in length. Action Plans were presented within the Comprehensive Plan. There are potential substantial financial outlays which will be looked at independently at the beginning of each fiscal budget year as part of the CIP. He stated that the community was receptive to bonding, which may be a financial option. He stated that there are various funding options throughout the Plan.

Mr. Hughes stated that the item was placed on the Consent Agenda because it was staff's understanding that the questions had been answered at the work session.

Vice-Mayor Anderson inquired if the prices changed from what was presented to Council at the work session versus what is included on the consent agenda.

Mr. Hughes stated that the prices are consistent; however, the costs are estimates only and are on the higher end. The prices may be lower once they engineer the project.

Vice-Mayor Anderson is concerned about the \$23,000,000 estimated cost for Heritage Park.

Mr. Hughes stated that he does not foresee the Town spending \$23,000,000 for Heritage Park; however, the Town would still need to go out for bonding on this project.

Councilmember Hughes clarified that the Council is not being asked to approve the project but rather the plan so it can be included within the General Plan. He stated that the plan is a conceptual design and changes can be made. It is a compilation of what the public would like to see.

Mr. Brent Billingsley, Town Manager, stated that the Parks and Recreation Comprehensive Plan will become part of the General Plan, but it is not specific to any methodology nor committing Town funds. Under the Town's Expenditure Limitation, the Town does not have the ability to fund a lot of improvements that are included within the Plan until the Town goes back to the voters to get more capacity.

Councilmember Anderson stated that he would like to see a realistic plan and does not feel that the Town can execute this plan in the next ten years at a cost of \$29,000,000. He would like to

see a more realistic approach. He stated that there is nothing planned for north of the Gila Rivera and questions why the Town is moving forward because the Plan is not comprehensive.

Mr. Anderson stated that 40% of the residents are millennials and live in the Anthem area and nothing is being done for them. They will not be using the amenities in the downtown area. He stated that Councilmember Larsen inquired about a skate park and it is not included.

Councilmember Cordes stated that she understands Vice-Mayor Anderson's concerns about the plan benefitting the downtown area and not the north side; however, the downtown area needs a lot of improvements if they want to see Florence grow and be a destination town. Florence is lacking things that people want to come to such as restaurants and bars. She thinks that this is a great plan. She appreciates the hard work and that there is a vision.

Mayor Walter stated that everyone is part of Florence and each section of Town has something to offer. She understands the importance of having amenities for the residents and for others to use. It is important to have a vision for the Town. This is the next phase of making the vision becoming a reality.

Vice-Mayor Anderson appreciates all of the work that went into the Comprehensive Plan.

On motion of Councilmember Hawkins, seconded by Councilmember Wall, and carried (Yes: 4: Cordes, Hawkins, Wall, Walter; No: 1: Anderson) to adopt the Parks and Recreation Comprehensive Plan.

NEW BUSINESS

Discussion/Approval/Disapproval of the Florence Downtown Redevelopment Area Improvement Program. (Jennifer Evans)

Ms. Jennifer Evans, Management Analyst, stated that Florence Downtown Redevelopment Area Improvement Program is an extension of the existing Façade Program. The Council allocated \$20,000 for the Façade Program. This fiscal year, Council allocated \$50,000 for a fire sprinkler suppression system grant program for commercial properties that are owned or leased by commercial tenants in the redevelopment area.

Ms. Evans stated that the grant awards for the façade program is \$5,000 per project. The grant award for the fire suppression installation project is maximum \$10,000 per project. The goal is to help the downtown business buildings up to Code and to freshen the facades of the building.

Ms. Evans stated that staff is requesting that Council consider entering into a contract with the Florence Industrial Development Authority to manage the program for the Town. The IDA will be paid \$3,500 to run the program. They will collect and review the applications as well as manage the award process.

Vice-Mayor Anderson stated that the Town has this grant available, yet no one is applying for it.

Ms. Evans stated that staff has given out numerous applications over the last two years. Staff will double their efforts. She noted that staff made personal contact with each business and property owner and will do again.

Vice-Mayor Anderson asked that the Town involve the Chamber of Commerce.

Discussion occurred on various ways to spread the word to the public including reaching out the realtors and advising them of the program.

Councilmember Cordes stated that she has spoken to business owners and many were not aware of the available funding for the fire suppression program. She stated that \$10,000 maximum award may not be enough as the system is very expensive to install. Many of the business owners feel that the Town will only allow this particular system and she does not agree with limiting the business owners to a specific system.

Councilmember Cordes inquired how many businesses have utilized the façade grant in the last five years. She inquired if anyone has applied for the fire suppression grant.

Ms. Evans stated that façade grant has been established for two years and they have received one application. The fire suppression program has not opened up yet as staff is waiting for Council approval before staff announces the program and solicits applications.

Councilmember Cordes inquired why the Town is paying the IDA to administer the program instead of staff administering it themselves.

Ms. Lisa Garcia, Deputy Town Manager/Town Clerk, stated that staff creates policies and programs for Council approved items. Staff has not advertised as of yet, pending approval from the Council. The Town has chosen the IDA to administer the program to ensure that there is someone in between to administer the grant and to prevent the Town from violating the processes in the gift clause. It also provides for transparency to ensure that there is no impression that the Town is independently choosing businesses.

Ms. Garcia explained the process of how the grant is applied for, awarded and funded. She stated that with regards to the fire system, the business owners can choose which system they will use however, the system does need to go through the Fire Department. The funding is done through a reimbursement.

Vice-Mayor Anderson inquired what the cost is for installing a fire suppression system.

Ms. Evans stated that the grant is a 50/50 matching grant with a \$10,000 maximum allowable reimbursement. The understanding is that the system will cost \$20,000 plus. It is her understanding that the cost will be dependent on square footage. She stated on average, the buildings in the downtown area are between 1,500 to 2,000 square feet.

Mayor Walter stated that the property owner does not need to pay back, it will increase their property value, and increase the safety of the downtown community. She stated that this is an investment in the downtown community.

Mr. Brent Billingsley, Town Manager, stated that the Town needs to go through an independent third party as part of a grant program because the Arizona State Constitution does not allow a governmental entity to provide mend material or money that can increase the value of property. The Town is not in the business of increasing value. The Town is trying to save buildings and assist individuals to come into compliance as well as save the historic infrastructure in the downtown area. The Town would provide the funds to the IDA and the IDA will be the one to administer it; not the Town.

Mayor Walter inquired if there are other communities that utilize these types of programs.

Mr. Billingsley stated that multiple communities in Arizona have partnerships with respect to façade programs. Florence will be the first community to offer a grant program for fire sprinkler systems.

Councilmember Hawkins stated that the program is a great program and a way to save the downtown. The IDA can also assist with other types of funding with low interest rates. The fire suppression system will also help with their insurance rates.

Councilmember Wall stated that they can prorate the IDAs fee based on the number of applications it receives.

Councilmember Cordes stated that it is staff's responsibility to advertise to the businesses of the available programs. She does not believe that Council needs to provide direction on how to advertise or promote the programs. Staff needs to work harder to entice the programs. She does not believe \$10,000 is enough money for the fire suppression grant nor is the \$5,000 enough for the Façade Program.

Ms. Garcia stated that staff has brought these items to Council for direction. Council has the authority to amend the program and change the policy as it sees fit. She explained that Council can amend the program and policy on the floor tonight or can ask staff to amend them and bring them back to Council for consideration at a future meeting. There is \$50,000 in this year's fiscal budget and the Town is 50% through the fiscal year.

Mayor Walter is concerned about doing repairs and the property values being increasing and then the property owner sells the property and it still remains vacant. She asked if they could add criteria such as a viable business needs to be in the building or time limits that the funding needs to be paid back within a certain time frame if something viable is not done with the building.

Ms. Garcia explained that businesses are hesitant to apply for funding when a lien is placed on their property.

Discussion occurred on better advertisement of the programs and availability of funding.

Vice-Mayor Anderson stated that the IDA sent out letters to each individual business owner. He agrees that the limit can be increased but there still needs to be a cap on the total amount. The IDA is a non-profit and all monies paid to the IDA by the Town eventually come back to the Town.

Mayor Walter asked the local newspaper to advertise the programs in the local newspaper.

Councilmember Wall asked that Council place a cap on the amount of funding each person could apply for. She suggested that it be a 50/50 match with a cap of \$15,000 for the fire suppression system.

Councilmember Cordes agreed with Councilmember Wall and asked that they raise the limit to \$7,000 for the façade program with a 50/50 match as well.

Mr. Brent Billingsley, Town Manager, stated that if Council approves this item, the Façade Program changes, and it joins the two.

Mayor Walter inquired of Fire Chief David Strayer if \$30,000 is sufficient for a fire suppression system.

Mr. David Strayer, Fire Chief, stated that it is difficult to determine a sufficient cost because there are several variables. He stated that a third of the cost is the underground. If the Town could assist with that, it would lessen the cost to the business owner.

Councilmember Hawkins stated that caution must be utilized when increasing the cost as it will be difficult to decrease it at a later date. He stated that he thinks it is a little much for the Town to pay for 50% of the cost.

Chief Strayer stated that \$30,000 for a sprinkler system is not an unrealistic price for a small building.

On motion of Councilmember Wall, seconded by Councilmember Cordes, and carried (5-0) to approve the Florence Downtown Redevelopment Area Improvement Program with the amendment of the façade grant program in an amount not to exceed \$7,000 per grant and the fire suppression grant in an amount not to exceed \$15,000, both of which would be the maximum and require no more than 50% of the funds expended.

Discussion/Approval/Disapproval of the Administrative Services Contract with the Florence Industrial Development Authority (IDA) for Management of the Florence Downtown Redevelopment Area Improvement Program. (Jennifer Evans)

On motion of Vice-Mayor Anderson, seconded by Councilmember Wall, and carried (5-0) to approve the Administrative Services Contract with the Florence Industrial Development Authority (IDA) for Management of the Florence Downtown Redevelopment Area Improvement Program with the amendment for \$7,000 per building for the façade grant and \$15,000 for the fire suppression grant.

Discussion/Approval/Disapproval to authorize the Town of Florence to purchase 4,960 extinguishment credits from Greenstone Water Credits, LLC, for Pinal Active, in an amount not to exceed \$434,135.25. (Brent Billingsley)

Mr. Billingsley stated that the purchase of the water credits is for the Town's sustainability program. Two years ago, the Town entered into two agreements, one with the Tonopah Irrigation and Drainage District and one with Central Arizona Groundwater Replenishment District with

respect to the recharge and marketing of long term storage credits from the Town's CAP allotment, which is annualized at 2,048 square feet.

Mr. Billingsley stated that in 2018, the Town entered into a five-year contract in which the Town utilizes the funds received through the CAGRDR sale to purchase underground credits through agritirement at a significantly reduced cost than the cost of water. The Town is able to purchase twice as many credits that it would have received through a similar recharge agreement. This year's cost is \$87.52 per credit. This enhances the Town's water portfolio as well as being able to provide our own 100-year supply instead of relying on the Town's yearly membership with CAGRDR.

Vice-Mayor Anderson inquired how much longer before the Town reaches its CAGRDR goal, where the Town will no longer need to pay them the fee.

Mr. Billingsley stated that the Town pays approximately \$250,000 annually to belong to CAGRDR. Although the Town does not utilize it because the Town is not over pumping its supply or designation, we remain members to belong to the insurance policy for the 100-year water supply. He stated that the Town has approximately 21 years of water supply, and if the trends remain the same, they should have the 100-year water supply in 10 to 20 years.

Mr. Billingsley stated that the Town will not be able to recharge its treated effluent therefore, cutting that time in half.

On motion of Councilmember Hawkins, seconded by Councilmember Wall, and carried (5-0) to authorize the Town of Florence to purchase 4,960 extinguishment credits from Greenstone Water Credits, LLC, for Pinal Active, in an amount not to exceed \$434,135.25.

Discussion/Approval/Disapproval of a Design Services Agreement with J2 Engineering, and Environmental Design, LLC, for Poston Butte Preserve Project, in an amount not to exceed \$153,335.

Mr. Bryan Hughes, Community Services Director, stated that the request is to allow the Town to continue to work with J2 Engineering and Environmental Design, LLC on the 60% design documents for the Poston Butte Project. They are complete with the 30% design documents that were submitted to BLM. This will help get the project ready to apply for grants.

Councilmember Wall inquired if this document is required by BLM or will the lease continue if the document is not completed. She inquired if J2 will begin work before the leases are obtained.

Mr. Hughes stated that the lease will still be issued without the document. The lease should be issued in the next few weeks. They have agreed with the 30% design documents. They have assisted with some of the environmental and cultural items.

Mr. Hughes stated that the time is such that staff wanted to obtain approval on the 60% design documents so they can keep the process moving.

Vice-Mayor Anderson inquired if these will be the final drawings.

Mr. Hughes stated No. They will eventually have 100% complete plans and they should be completed within 1-1/2 years.

On motion of Councilmember Wall, seconded by Councilmember Cordes, and carried (5-0) to approve a Design Services Agreement with J2 Engineering, and Environmental Design, LLC, for Poston Butte Preserve Project, in an amount not to exceed \$153,335.

MANAGER'S REPORT

Mr. Billingsley stated that the Police Department is implementing the traffic and criminal software called AZTraCS (Arizona Traffic and Criminal Software), which is paperless ticketing. The Police Chief will provide a presentation to Council at a future meeting.

Mr. Billingsley stated that San Carlos Irrigation and Drainage District notified the Town that it will replace an existing structure on Butte Avenue as part of its canal lining project. They expect the Town to participate in the project, at a cost of approximately \$800,000, to build a bridge at this location. This will include a three-barrel box culvert. This is not a planned expense by the Town or have included in the budget or CIPs.

Mr. Billingsley stated that the Town has a news release that will be provided to the local newspaper with regards to the Town's audit. The Town of Florence has been awarded the Certificate of Achievement for Excellence in Financial Reporting. He congratulated the Finance staff for their hard work.

Mr. Billingsley congratulated Ms. Jennifer Evans, Management Analyst, whom just graduated and received her Arizona Economic Development Pro Certification.

Mr. Billingsley read a note into the record, which stated:

"This note is to express our appreciation for the wonderful programs available to us through the Florence Community Services Department. My husband is in a wheelchair and is unable to stand or walk following two major spine surgeries. We needed to borrow a wheelchair (inaudible) another piece of equipment at the fitness center. They were great help. Because we have an SUV, we needed wheelchair transportation to doctors' appointments. Carolyn, who is the manager, was wonderful and so are the volunteer drivers. Thank you so much for this service. We had no other way to get him to the doctor. We may live in a small Town but the services available to us help us to get through this difficult time, and they are huge. Thank you so very much. Mere words cannot express how much this means to us."

Mr. Billingsley stated that through the 5310 grant, the Town has been able to implement senior transportation and services. The program is doing a great job for the community.

DEPARTMENT REPORTS

Community Services
Community Development
Courts
Finance

**Fire
Police
Public Works**

Councilmember Cordes inquired about the 10 false alarm malfunctions that were reported on the Fire Department Report. She inquired whose system is malfunctioning and is there a fee for dispatching. She inquired if the systems are in the downtown area.

Chief Strayer stated that it is their system and it is not in the downtown area. There is no fee to respond.

The Department Reports were received and filed.

CALL TO THE PUBLIC

Mr. Roger Biede, Executive Director, Greater Florence Chamber of Commerce, stated that he has been in Florence for six weeks and wanted to recognize Lisa Garcia for her support with the Chamber.

Mr. Biede stated that he is looking forward to working with Ms. Evans on the Façade Program and the Fire Suppression System Program. He stated that they tried to utilize the Façade Program for the building that he is in; however, the funding wouldn't allow for them to do the repairs needed. He stated that small businesses find it difficult to come up with the match money.

Mr. Biede thanked everyone for thinking about the future of the downtown area.

CALL TO THE COUNCIL – CURRENT EVENTS ONLY

Councilmember Hawkins stated that the Florence Reminder ran the offer to settle with Florence Copper. Mr. Bill Tanner made reference to the Town's Council wasting money to fight the mine and it was hubris of the Council to continue in that direction. The settlement was better than what the Courts offered. He stated that the Town has a few appeals and one is the EPA because the Town is trying to protect its environment. He explained the permit that was issued and the possibility of polluting the aquifer. This would affect all of the Town's western development. The aquifer also goes towards San Tan Valley and Queen Creek. Others should be concerned. He asked that people know the facts. The Council is trying to protect the future and its growth. The Town is working on its own water supply.

Councilmember Hawkins wished everyone a great Christmas.

Councilmember Wall stated that there have been several events this season, with one of the biggest being the farewell for Police Chief Dan Hughes. The Pinal County Historical Society had their Christmas party, which was well attended. They are a great asset to the community. She invited everyone to join their membership. She wished everyone happy holidays.

Councilmember Cordes stated that she attended the Electric Light Parade which was a great event. She also attended Superior's parade and it was a great parade as well. She welcomed incoming Police Chief Bruce Walls and wished Police Chief Dan Hughes well on his retirement.

She invited everyone to the 3rd Friday event and invited everyone to attend. The Greater Florence Chamber of Commerce is assisting in promoting the 3rd Friday events. The Chamber also has their welcome back winter visitor event. She hopes this continues to grow into an annual event.

Vice-Mayor Anderson stated that he attended the guitar concert at the Suter House, and they will have more programs in March. He attended the farewell reception for Chief Hughes. They are many things that can be done to help the less privileged and programs such as the Adopt a Grandparent Program.

Mayor Walter stated that there are many ways a person can help out. Please reach out to Council or staff if you have an idea that you think may help the community. She stated that there were inaccurate facts regarding Florence Copper that a resident submitted to the Florence Reminder.

Mayor Walter stated that with regards to the aquifer, there is only one and the water flows north. Before Anthem, Magic Ranch and the communities south of Sant Tan Valley existed, the land was considered desert wasteland. If you were to google aquifer exemptions in the state of Arizona on the EPA website, you will find that there are only 3 aquifer exemptions. The one in Florence is a Class 3 and it gives them full authority to pollute. A pilot program was done in the early 1990s and they could not maintain hydraulic control and the project went no further. Then all of the homes came, and the land just sat and the property was rezoned. We are now where we are.

Mayor Walter stated that the Council has made the process safer, but not ideal.

Mayor Walter stated that recently a lantern festival was held outside of Florence and she was excited because it would bring tourism to Florence. She heard the concerns of people regarding cattle and possibility of a fire. Pinal County issued the permit and the cattle were affected as well as a fire started.

Mayor Walter stated that it is important to advocate for our community and our residents.

Mayor Walter stated that no one has stood up for Florence, so Florence has to find a way to work with Florence Copper.

Mayor Walter stated that there have been several events in the community. She attended the Jingle Bell Jog and they had contests in which they gave out great prizes.

ADJOURNMENT TO EXECUTIVE SESSION

For the purposes of discussions or consultations with designated representatives of the public body and/or legal counsel pursuant to A.R.S. Sections 38-431.03 (A)(1) to conduct evaluations of the following positions:

**Town Clerk
Town Attorney
Town Manager**

On motion of Vice-Mayor Anderson, seconded by Councilmember Cordes, and carried (5-0) to adjourn to Executive Session.

ADJOURNMENT FROM EXECUTIVE SESSION

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson, and carried (5-0) to adjourn from Executive Session.

ADJOURNMENT

On motion of Councilmember Wall, seconded by Vice-Mayor Anderson, and carried (5-0) to adjourn the meeting at 10:05 p.m.

Tara Walter, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on December 16, 2019, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

**MINUTES OF THE TOWN OF FLORENCE ARTS AND CULTURE COMMISSION
REGULAR MEETING HELD ON THURSDAY, NOVEMBER 14, 2019 AT 2:30 P.M. IN
RUGGLES ROOM 1, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Chair Ann Rankin called the meeting to order at 2:32 p.m.

2. ROLL CALL:

Present: Neola Bye-Beza, Ed Curran, Doris Hagemann, Ann Rankin

Absent:

3. PLEDGE OF ALLEGIANCE

4. DISCUSSION/APPROVAL/DISAPPROVAL of Minutes from the October 10, 2019 Regular Meeting.

On motion by Commissioner Ed Curran, seconded by Commissioner Neola Bye-Beza, and carried (4-0) to approve the Minutes from the October 10, 2019 Regular Meeting.

5. NEW BUSINESS

a. Update on 2019-2020 Arts and Culture Programming.

Chair Ann Rankin had no updates.

Commissioner Doris Hagemann mentioned that she hasn't seen any Drum Circle flyers displayed.

Chair Rankin asked to have ¼ size flyers done.

Recreation Coordinator, Megan Cetta, informed the Commission to let her know when one of them will be by the office and she will have the flyers ready for them.

Chair Rankin asked who to go to about advertising?

Community Service Director, Bryan Hughes, stated that the Commissioners should be contacting Megan Cetta for all advertising.

Chair Rankin pointed out that the recent press release about the "Pimp my Pony" craft it stated that the Commissioners will be helping participants create the box pony. Chair Rankin stated that she remembers from prior discussions that the Commission was only going to participate in the parade.

Director Hughes stated that he believes Recreation Supervisor, John Nixon, recycled an old press release and that's why it was included, but that it will be updated for future postings.

Director Hughes mentioned that no one showed up to create the box ponies.

b. Discussion of possible mural projects in Florence.

Director Hughes informed the Commission that Recreation Supervisor, John Nixon, attended a meeting in Superior with Isaac Caruso, the muralist that reached out about possibly doing a mural in Florence.

Recreation Supervisor Nixon stated he attended the Superior meeting on Friday, November 1, 2019. Murals will be featured in a children's book titled *Sam and Sarah*. Recreation Supervisor Nixon stated that there will not be any costs to the Town and the only thing the Town will need to provide is a building to feature the mural.

Commissioner Curran suggested the carriage building at Padilla Park as it is a focal point as visitors drive down from the north end of Main Street.

Director Hughes stated that Mr. Caruso will be in Town at the Historical Museum on Thursday, November 21 at 10 am if the Commissioners would like to attend.

c. Discussion of possible inmate art partnership.

Director Hughes updated the Commission on the possible inmate art partnership.

Director Hughes and Recreation Coordinator, Alison Feliz, met with representatives from the State Prison – Eyman Complex in hopes of partnering with them to do a mud run. Director Hughes stated that at that meeting, Eyman Representatives mentioned about possibly displaying inmate art throughout the Town. Recently, Eyman Inmates had their art displayed at an Arizona State University event, where proceeds of their artwork were donated to charity.

Director Hughes mentioned that there is an Intergovernmental Agreement (IGA) being reviewed to display Inmate Art at the Suter House, Community Center or sculptures throughout Town.

d. Discussion of future art festival and music festival.

Director Hughes informed the Commission that due to feedback from the recent Parks and Recreation Comprehensive Plan Community survey, Special Events rated extremely high in importance and/or meets the needs of the Community. Last Spring the Town Council indicated that they wanted the Community Services Department to expand their Special Events.

Director Hughes stated that Request for Proposals (RFP) were published and received two responses. The Town will be working with Keith Rea for a music festival and Roger Biede for the art festival.

Director Hughes stated that the music festival will be a two-day event on March 14 and 15, 2020, with dry camping on the soccer fields. The Art festival is still being planned and there is no official date for it.

6. CALL TO THE PUBLIC/BOARD RESPONSE

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Arts and Culture Commission. Individual commission members may respond to criticism made by those commenting, may ask the staff liaison to review a matter raised, or may ask that a matter be placed on future agenda.

Ms. Ruth Harrison spoke about the inmate art partnership that was discussed earlier in the meeting and Ms. Harrison expressed that she would like the Town to focus on local artist as they are not promoted enough. Ms. Harrison conveyed that she doesn't believe drawing attention to inmates and the Prisons is a great idea. The attention should be on those who are living here and contributing to the Town.

Commissioner Bye-Beza commented that for a two-day art show, you will need at a minimum of 500 people a day if you have 30 vendors if you stick to art. Commissioner Bye-Beza stated that Sherri, from the Chamber will be using ZAPP to organize the art festival. Commissioner Bye-Beza expressed that for a lot of the local Artist that are not on social media or have email so ZAPP is very difficult to use, you have to understand pixels and how to change pictures, also, if you don't get juried into Zapp's cycle, they keep part of the money you paid to host an event.

7. CALL TO THE COMMISSION- CURRENT EVENTS ONLY

Commissioner Bye-Beza Casa Grande Art Association have a little art museum where they set up tables every weekend in December for local Artist to come and sell their Christmas Boutique stuff. Also, Desert Rose in Eloy is putting Art classes going on now. Hopefully one day we will have a Florence Arts Association.

Director Hughes thanked all the Commissioners that attended the Veterans Memorial Dedication and for the collaboration on choosing of the eagle statue that is on display.

8. ADJOURNMENT

On motion by Commissioner Ed Curran, seconded by Commissioner Doris Hagemann, and carried (4-0) to adjourn the meeting at 2:58 P.M.

Approved:



Ann Rankin, Chair

**MINUTES OF THE TOWN OF FLORENCE ARTS AND CULTURE COMMISSION
REGULAR MEETING HELD ON THURSDAY, DECEMBER 12, 2019 AT 2:30 P.M. IN
RUGGLES ROOM 1, LOCATED AT 778 N. MAIN STREET, FLORENCE, AZ.**

1. CALL TO ORDER

Chair Ann Rankin called the meeting to order at 2:30 p.m.

2. ROLL CALL:

Present: Neola Bye-Beza, Ed Curran, Doris Hagemann, Ann Rankin

Absent:

3. PLEDGE OF ALLEGIANCE

4. DISCUSSION/APPROVAL/DISAPPROVAL of minutes from the November 14, 2019 Regular Meeting.

On motion by Commissioner Neola Bye-Beza, seconded by Commissioner Doris Hagemann and carried (4-0) to approve the minutes from the November 14, 2019 Regular Meeting with two corrections.

5. NEW BUSINESS

a. Update on 2019-2020 Arts and Culture Programming.

Commissioner Ed Curran stated that the Strings of the Sonoran Concert had about 30 attendees.

Vice-Chair Doris Hagemann mentioned there still isn't flyers for Drum Circle out in the Community Center Lobby.

Chair Ann Rankin mentioned she forgot to add the Florence Music Festival to the 2019-2020 Arts and Culture Programming event calendar. Chair Rankin asked where the Florence Music Festival will be held at? Community Services Director, Bryan Hughes stated that the Music Festival will be held at the soccer fields by the Aquatic Center.

Vice-Chair Hagemann asked if the Arts and Culture Commission will be trying to host the Kite Festival again this year?

Chair Rankin stated that yes, they will be hosting another Kite Festival this year but if the attendance continues to be low, the Commission will possibly stop hosting the event for a while.

b. Discussion of FY21 Arts and Culture priorities.

Director Hughes informed the Commission that he is preparing budgets for the new Fiscal Year. Director Hughes mentioned that the Commission normally gets a specific lump sum for programming expenses. Director Hughes asked the Commission if they had any specific priorities they wanted to include outside of the regular programming.

Director Hughes asked the Commission to start thinking about a sculpture or another mural project that way he put together a tentative budget.

Chair Rankin asked for canvases to be replenished for the Quick Draw event.

Vice-Chair Hagemann asked Chair Rankin if the Commission is going to pursue doing a Main St. beautification project?

Chair Rankin suggested adding a rock painting project along with the Chalk Walk program. Chair Rankin stated they can use the leftover paint from the Main Street Mural Project.

Commissioner Curran mentioned there is a tile missing from the mural.

Chair Rankin mentioned to Director Hughes that she is hoping to get back on working to get the 1% tax for Art from the Commercial Builders, not sure if that is a budget item.

Commissioner Bye-Beza asked the Commission if there is a project planning meeting or do projects just evolve out of our meetings?

Director Hughes stated that projects are planned at Commission meetings.

Commissioner Curran mentioned possibly having signs made and put out at the Suter House because he has had many people not know where the Suter House is located.

6. CALL TO THE PUBLIC/BOARD RESPONSE

Call to the Public for Comment is limited to issues within the jurisdiction of the Town of Florence Arts and Culture Commission. Individual commission members may respond to criticism made by those commenting, may ask the staff liaison to review a matter raised, or may ask that a matter be placed on future agenda.

Sherri from the Greater Florence Chamber of Commerce mentioned they are working on an Inmate Art show which is planned to run from March 20th – April 3rd and a Main Street Art Show which will be on April 4th and 5th. Working with local businesses and the Community Center. Inmate art will be for sale.

7. CALL TO THE COMMISSION- CURRENT EVENTS ONLY

Commissioner Bye-Beza suggested to Sherri to reach out to the Art Alliance out of Scottsdale, as they may help funding the Inmate Art.

Chair Rankin shared that she enjoyed the Strings of the Sonoran concert and was impressed with their professionalism if you hear a wrong note they just kept playing.

8. ADJOURNMENT

On motion by Commissioner Ed Curran, seconded by Vice-Chair Doris Hagemann, and carried (4-0) to adjourn the meeting at 2:59 P.M.

Approved:



Ann Rankin, Chair

REGULAR MEETING OF THE HISTORIC DISTRICT ADVISORY COMMISSION OF THE TOWN OF FLORENCE HELD WEDNESDAY, OCTOBER 30, 2019, AT 6:00 PM, AT THE FLORENCE TOWN COUNCIL CHAMBERS, 775 N. MAIN STREET, FLORENCE, ARIZONA

CALL TO ORDER

Chairman Wheeler called the meeting to order at 6:00 pm

ROLL CALL

Present: Wheeler, Adam, Smith, Reid, Novotny, Knight, and Michael.

PLEDGE OF ALLEGIANCE

DISCUSSION/APPROVAL/DISAPPROVAL of the meeting minutes for the regular meeting conducted on September 25, 2019.

On motion by Commissioner Smith, seconded by Commissioner Reid, and carried 7-0, to approve, with changes, the regular meeting minutes of September 25, 2019.

OLD BUSINESS

A. PRESENTATION/APPROVAL/DISAPPROVAL of a list of possible uses and activities in the Downtown area.

Community Development Director Larry Harmer stated the final preparations for the joint meeting between the Historic District Advisory Commission and the Town Council. The suggested changes for Kimber Lanning's proposal have been relayed. Mr. Harmer went through the list of possible uses and activities thought of by Staff and residents of the Town. The uses and activities are meant to stabilize and encourage growth in the Downtown. The list of possible uses including a park on Main street, way-finding signs, ice cream shops, microbreweries, coffee shops, murals, McFarland State Park evening lectures and activities, food truck nights, horse carriage rides, historic home markers and other ideas.

Staff is looking to use the Capital Improvement Budget to help pay for some of these ideas. Vice-Chair Adam asked if these ideas go to the Council Meeting. Mr. Harmer said this list will be part of the work session. Vice-Chair Adam liked the ideas but thought Council members should have background on which ideas worked. Chairman Wheeler said the list had great ideas, but the Council would want to know how to fund these programs. She suggested that Staff include a way to show how to pay for some of these projects.

Vice-Chair Adam described an idea from the Town of Clifton. They took pictures of what old buildings looked like and blew them up to store front size and had a walking museum. Commissioner Reid said the Home Tour once helped pay for the historic home plaques

and suggested the current Home Tour earnings be used towards buying plaques again. Vice-Chair Adam said there are several programs that could go in the future brochure for realtors and new historic property owners. She also heard that Travis and the brown fields program helped sponsor an abatement program. Mr. Harmer said Staff met with Travis and discussed a partnership or a coalition with Casa Grande or Coolidge. Commissioner Reid suggested talking about a walking river tour and partnering with the Casa Grande Ruins. Staff asked for any other ideas to be emailed.

B. CLG Grant Update: Discussion regarding potential consultants for the preparation on new inventory documents.

Mr. Harmer said Staff received the grant and has written a Request for Proposal (RFP) and is being looked over by SHPO. He asked about possible consultants on the list that Commissioners would recommend or suggest Staff send this RFP. The Commissioners gave their suggestions on who they recommend from the list.

NEW BUSINESS

A. PRESENTATION/DISCUSSION: Community Survey

The Town sent out a survey to residents in the five parks area, Anthem, and Old Town. After receiving the surveys, Town Staff distributed the results. Staff has nothing to give the Commissioners, but Staff will email to survey by the end of the week. Some questions were directly related to downtown revitalization, and the general response from residents was support. Vice-Chair Adam asked if this will be released to the Commission. Mr. Harmer said the survey went public after Monday's Council Meeting. Vice-Chair Adam said she was concerned about the survey but was glad it was supported. Council Liaison Cordes discussed the algorithm for the survey and the weight given to survey responses based on certain demographics. She suggested everyone read it to gain a better perspective on residential priorities. The survey points out that residents highly support the Downtown as a high priority for development.

COMMUNITY DEVELOPMENT REPORT

A. Code Compliance Update

Mr. Harmer said the Arizona League of Cities is initiating draft legislation on a vacant and abandoned building registry program and that he has been asked to serve on the initial stakeholder's review group. Mr. Harmer said the program is in a strong first stage. He also stated more local property owners are coming in to clean up their properties. Staff was pleased with the progress. Vice-Chair Adam said this legislation is looking to get a broad spectrum of support and Mr. Harmer said there is also will be a lot of promotion coming from the League of Cities.

B. Redevelopment Plan Update

Mr. Harmer stated there was good discussion at the Redevelopment Open House. Commissioner Reid asked if there was any youth representation. A younger couple attended but there was no high school or college age residents. Vice-Chair Adam agreed that there was good discussion at the open house and asked about the recommendation

for the museum to move to different location. Commissioner Smith noted the Town did not want the museum involved twenty years ago, but the perspective is now different.

Commissioner Reid asked about opportunity zones. Mr. Harmer said Staff is still learning about opportunity zones. Vice-Chair asked if Ben Bitters could do a presentation about opportunity zones and how this could impact the downtown. Council Liaison Cordes stated that opportunity zones were a confusing topic, but they are for more large-scale projects. Florence has capitalized on getting an opportunity zone but have not really looked into developing it. Commissioner Reid asked about an opportunity for a large grocery store and she talked about possible growth on South Main Street. Vice-Chair Adam said the opportunity zone goes to Butte and out toward the Windmill. There was discussion on why certain large projects might not happen due to Florence's population.

C. Future Agendas

Next Thursday, a week from tomorrow, there will be a citizen review meeting at 5 PM in the Council Chambers for the updates on the Development Code. This includes changes to the historic district section. Currently, there are no future action items.

CALL TO THE PUBLIC/COMMISSION RESPONSE

Ruth Harrison, Florence, AZ, discussed the Redevelopment Plan Open House and the two opportunity zones in Florence. She stated Mesa was developing cottage courts in their downtown. She explained cottage courts or patio homes could be potential housing for the Town. She discussed the number and of surveys sent out and received. She asked for online advertisement for Town buildings. She asked if Town Staff could paint worn out curbs and parking space lines, and power wash the sidewalks.

CALL TO THE COMMISSION-CURRENT EVENTS ONLY

Commissioner Reid discussed realtors calling to buy her house and asked what this may indicate. Council Liaison Cordes stated that realtors usually make these calls when there is major development foreseen in a certain area.

ADJOURNMENT

On motion by Chairman Wheeler, seconded by Commissioner Michael, and carried 7-0, to adjourn the regular meeting at 7:20 PM.



Betty Wheeler



Date



TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 16a.

MEETING DATE: January 21, 2020

DEPARTMENT: Administration

STAFF PRESENTER: Lisa Garcia
Deputy Town Manager/Town Clerk

SUBJECT: Ordinance No. 687-20: Ordinance

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

STRATEGIC PLAN REFERENCE:

- Community Vitality
- Economic Prosperity
- Leadership and Governance
- Partnership and Relationships
- Transportation and Infrastructure
- Statutory
- None

RECOMMENDED MOTION/ACTION:

First reading of Ordinance No. 687-20: AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING 30.45 ENTITLED ACTION TAKEN BY ORDINANCE.

BACKGROUND/DISCUSSION:

DEFINITION AND USE OF ORDINANCES

An ordinance is a local law of a city or town. It is formally defined as a local law of a municipal corporation, duly enacted by the proper authorities, prescribing general, uniform and permanent rules of conduct relating to the corporate affairs of the municipality.

Ordinances are general or special depending upon their subject matter. General ordinances impose certain restrictions upon the community and upon the administration of the municipal government. General ordinances amend, repeal or add to the city/town code. An example of a general ordinance is a dog leash law. This general ordinance would affect everyone in the community.

Special ordinances are specific to a property, person or corporation and are not usually placed in the Town Code. An example of a special ordinance is the annexation or rezoning of a particular piece of property. In this case, the ordinance affects only the specific piece of property, not the entire community.

Ordinances may be legislative or administrative although the difference between the two may be difficult to discern in some cases. Administrative ordinances are exempt from

some of the requirements usually applied to ordinances such as the 30-day delay in the effective date and being subject to a referendum. Administrative ordinances may carry out previously adopted legislative policy or may be one-time events rather than permanent enactments. An example of an administrative ordinance is an ordinance issuing previously approved bonds.

Ordinances are required in the following examples:

- Any regulation involving persons or property which imposes a penalty, fine, forfeiture or other punishment for its violation.
- Any action of the city or town council when the charter or state law expressly requires an ordinance.
- Any action of the city or town council when amending, repealing or adding to another ordinance.

Ordinances adopted are published for two consecutive weeks in a local newspaper.

The following modifies the process of adopting ordinances and resolutions for the Town of Florence. The new procedure is statutorily correct. This is a housekeeping item.

Action Taken by Ordinance

The ordinance sets standards for when an ordinance is required. It specifies that ordinances will be required under the following conditions:

1. Adopting or amending Town Code
2. Establishing, altering, or abolishing a Town department or office
3. Establishes fines, penalties for not complying with rules or regulations
4. Levying any tax or assessment
5. Selling ~~or leasing~~ Town real property

A VOTE OF NO WOULD MEAN:

Each time the Town leased its real property an ordinance would be published in the local paper for two consecutive weeks.

A VOTE OF YES WOULD MEAN:

Property leases would not require an ordinance.

FINANCIAL IMPACT:

The cost of publishing ordinances and codifying the Code is directly tied to the number of ordinances adopted each year that require publishing, codification or recording. It is suggested that ordinances be adopted with Exhibits, that will be advertised on file with the Town Clerk.

ATTACHMENTS:

Ordinance No. 687-20

ORDINANCE NO. 687-20

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING 30.45 ENTITLED ACTION TAKEN BY ORDINANCE.

WHEREAS, it has been brought to the attention of the Council of the Town of Florence, Arizona, that the current method of handling ordinances requires modification and clarification.

NOW, THEREFORE, BE IT ORDAINED that Sections 30.45 of the Code of the Town of Florence shall read as follows:

§ 30.45 ACTION TAKEN BY ORDINANCE.

In addition to other acts required by law or by specific provision in the Code of Ordinances of the Town of Florence, those acts of the Town shall be by ordinance which:

- a. Adopt, amend, or repeal another ordinance or Town Code or establish, alter or abolish any Town department, office or agency.
- b. Provide for a fine or penalty or establish rules or regulations for violation of which a fine or other penalty is imposed.
- c. Levy any tax or assessment.
- d. Sell ~~or lease~~ real public property.

NOW, THEREFORE BE IT FURTHER ORDAINED by the Mayor and Council of the Town of Florence, Arizona, that Section 30.45 of the Town Code as set forth herein shall continue in full force and effect until further action of the Council.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 3rd day of February 2020.

Tara Walter, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

Clifford L. Mattice, Town Attorney

Publication of notices and ordinances

A. Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any city or town, shall be published as provided by section 39-204.

B. In cases of laws or ordinances enacted on behalf of a private person, he shall pay the expense of publication, and may designate the newspaper.

39-204. Publication of notice; time; place

A. When publication of a notice in a newspaper is directed or authorized by law, it shall be in a newspaper of general circulation printed in English.

B. If the number of times the notice is to be published is not specified, publication shall be:

1. If in a weekly newspaper, once each week for two consecutive weeks.
2. If in a daily newspaper, four consecutive times.

C. If the place of publication of the notice is not specified, publication shall be:

1. If by a state officer, board, or commission, in a newspaper printed and published within the county where the state capital is located.
2. If by a county officer, board, or commission, or by any person in a county, in a newspaper printed and published within such county. If no such newspaper is printed and published within the county, publication may be made in a newspaper of general circulation in the county which is printed in an adjoining county.
3. If by a district, city or town officer, board, or commission, or by any person in a district, city or town, in a newspaper printed and published within the territorial limits thereof. If no such newspaper is printed and published within the limits thereof, publication may be made in a newspaper printed and published in the county in which the district, city or town is located.

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 16b.
MEETING DATE: January 21, 2020 DEPARTMENT: Finance STAFF PRESENTER: Rebecca Jimenez, Interim Finance Director SUBJECT: Notice of Intention to Increase Water and Wastewater Rates and Fees		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input checked="" type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Adopt by motion, a notice of intention to increase water and wastewater rates and fees as adopted by Town Council and set a Public Hearing for February 21, 2020.

BACKGROUND/DISCUSSION:

Willdan and Economists.com conducted a Utility Rate Study in 2018 which was adopted by the Town Council. It set forth rate assumptions for the next 10 years. The first rates were implemented in April 2019 and the next increase in rates is due for April 2020.

There are three components to rate studies: Operational expenses, Capital Outlay and Debt Service. All three of these components were identified and included in the rate study. Historically, rate studies have been done every three to five years. Changes in operations, capital and economics drive the need to look at rates and their ability to support the individual funds.

Enterprise funds are considered business funds and are treated as such in the financial records of the town. They have their own cash, assets and liabilities, their own fund balance and must be self-sustaining. The rates are based upon budgets and capital plans that extend several years. This will be the second year of the rate increases.

Arizona Revised Statute § 9-511-01 requires that the study be prepared and posted supporting the increased rate or rate component, fee or service charge. The Town's

Rates Study is posted, and remains posted, under the *Town of Florence website, Departments, Finance, Reports, Studies and Documents, Rate Studies*. The document contains the Willdan/Economists.com Rate Study for 2018 with all supporting documents and full details of the study. The study is also filed in the office of the Town Clerk.

If the notice of intention is approved, a public hearing must be held to receive citizen comments, which is tentatively scheduled for February 17, 2020. Staff will advertise on the Town's website as well as in the Florence Reminder Blade Tribune. A copy of the notice of intention showing the date, time and place of the hearing shall be published one time in a newspaper of general circulation within the boundaries of the municipality not less than twenty days before the public hearing date.

The public hearing must be held within sixty days of the adoption of the notice of intention.

After holding the public hearing, the Council may adopt, by ordinance or resolution, the proposed rate or rate component, fee or service charge increase or any lesser increase.

The increased rate or rate component, fee or service charge shall become effective 30 days after adoption of the ordinance or resolution. The rates shall become effective April 1, 2020 as per the schedule.

The attached schedule of the next four years rates and fees are presented for your review and a sample of rate increase to usage.

A VOTE OF NO WOULD MEAN:

Rates and fees would not be increased. This may prohibit capital projects to go forward in the water and wastewater funds and may provide less revenue to pay for scheduled debt service payments in the wastewater fund. Operational costs may need to be decreased to compensate for loss revenue.

A VOTE OF YES WOULD MEAN:

Continued progression in both water and wastewater funds with capital projects as scheduled. Operations and debt service would be fully funded.

FINANCIAL IMPACT:

Water rates are being increased 6% and meter fees 8% inside the municipality and 8% outside of the municipality. Wastewater rates are being increased 3% and base fee 3% inside and outside of the municipality.

Additional Revenue to Water Fund is estimated at \$217,900
Additional Revenue to Wastewater Fund is estimated at \$270,300
Additional Revenue to Securing Future Water is estimated at \$3,350

ATTACHMENTS:

Water and Wastewater Incremental Increase schedule, Sample Rate Increase, Public Notice

**Resolution No. 1664-18
Scenario 3**

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, AMENDING THE FEE SCHEDULE OF TERMS, RATES, FEES AND CHARGES FOR TOWN-OWNED WATER AND WASTEWATER UTILITIES AND CONTRACTED SANITATION SERVICES, EFFECTIVE JULY 1, 2018

BE IT RESOLVED, by the Mayor and Town Council of the Town of Florence, Arizona, as follows:

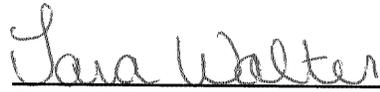
Section 1: That the Fee Schedule of Terms, Rates, Fees and Charges for Town-Owned water and wastewater utilities and contracted sanitation services are hereby amended per Scenario 3 (included below) and adopted to be applicable for the billing of utilities as of July 1, 2018.

Section 2: All fees for Town-Owned water and wastewater utilities and contracted sanitation services previously approved and adopted and not amended or increased by this Resolution remain in effect.

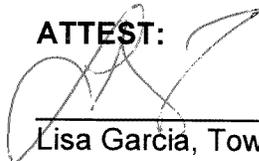
Section 3: All Resolutions or parts of Resolutions in conflict herewith with respect to Scenario 3 are hereby repealed to the extent of such conflict.

Section 4: The various Town officers and employees are hereby authorized and directed to perform all acts necessary to give effect to this Resolution.

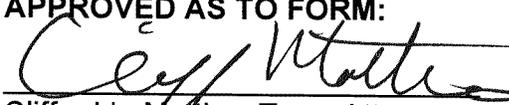
PASSED AND ADOPTED by the Mayor and Town Council of the Town of Florence, Arizona, this 21st day of May 2018.



Tara Walter, Mayor

ATTEST:


Lisa Garcia, Town Clerk

APPROVED AS TO FORM:


Clifford L. Matice, Town Attorney

Scenario 3 WATER RATES AND FEES

Securing Water Future Charge -- Per Month

Customer Category	Effective Date					Units
	5/1/2018	4/1/2019	4/1/2020	4/1/2021	4/1/2022	
Inside City	\$ 1.50	\$ 1.62	\$ 1.72	\$ 1.80	\$ 1.89	Single Charge
Outside City	\$ 1.95	\$ 2.11	\$ 2.23	\$ 2.34	\$ 2.46	Single Charge

Monthly Volume Charge -- Inside Municipality

Customer Category	Effective Date					Units
	5/1/2018	4/1/2019	4/1/2020	4/1/2021	4/1/2022	
Under 5,000 gallons	\$ 1.46	\$ 1.57	\$ 1.67	\$ 1.75	\$ 1.84	1,000 Gallons
5,001 to 10,000 gallons	\$ 2.19	\$ 2.37	\$ 2.51	\$ 2.64	\$ 2.77	1,000 Gallons
10,001 to 20,000 gallons	\$ 3.28	\$ 3.55	\$ 3.76	\$ 3.95	\$ 4.14	1,000 Gallons
Over 20,001 gallons	\$ 4.92	\$ 5.32	\$ 5.64	\$ 5.92	\$ 6.22	1,000 Gallons
Under 668 cubic feet	\$ 1.09	\$ 1.18	\$ 1.25	\$ 1.31	\$ 1.38	Cubic Feet
668 to 1,337 cubic feet	\$ 1.64	\$ 1.77	\$ 1.88	\$ 1.97	\$ 2.07	Cubic Feet
1,337 to 2,673 cubic feet	\$ 2.46	\$ 2.65	\$ 2.81	\$ 2.95	\$ 3.10	Cubic Feet
Over 2,673 cubic feet	\$ 3.68	\$ 3.98	\$ 4.22	\$ 4.43	\$ 4.65	Cubic Feet

Monthly Volume Charge -- Outside Municipality

Customer Category	Effective Date					Units
	5/1/2018	4/1/2019	4/1/2020	4/1/2021	4/1/2022	
Under 5,000 gallons	\$ 1.90	\$ 2.05	\$ 2.17	\$ 2.28	\$ 2.39	1,000 Gallons
5,001 to 10,000 gallons	\$ 2.85	\$ 3.08	\$ 3.26	\$ 3.43	\$ 3.60	1,000 Gallons
10,001 to 20,000 gallons	\$ 4.27	\$ 4.61	\$ 4.89	\$ 5.13	\$ 5.39	1,000 Gallons
Over 20,001 gallons	\$ 6.40	\$ 6.91	\$ 7.33	\$ 7.70	\$ 8.08	1,000 Gallons
Under 668 cubic feet	\$ 1.42	\$ 1.53	\$ 1.62	\$ 1.70	\$ 1.79	Cubic Feet
668 to 1,337 cubic feet	\$ 2.13	\$ 2.30	\$ 2.44	\$ 2.56	\$ 2.69	Cubic Feet
1,337 to 2,673 cubic feet	\$ 3.19	\$ 3.45	\$ 3.65	\$ 3.84	\$ 4.03	Cubic Feet
Over 2,673 cubic feet	\$ 4.79	\$ 5.17	\$ 5.48	\$ 5.76	\$ 6.04	Cubic Feet

Monthly Base Charges -- Inside Municipality

Meter Sizes	Effective Date					
	Current	5/1/2018	4/1/2019	4/1/2020	4/1/2021	4/1/2022
5/8" -- 3/4"	\$ 22.34	\$ 24.13	\$ 26.06	\$ 27.62	\$ 29.00	\$ 30.45
1"	\$ 37.24	\$ 40.22	\$ 43.44	\$ 46.04	\$ 48.35	\$ 50.76
1 1/2"	\$ 93.10	\$ 120.64	\$ 130.29	\$ 138.10	\$ 145.01	\$ 152.26
2"	\$ 148.95	\$ 160.87	\$ 173.74	\$ 184.16	\$ 193.37	\$ 203.04
3" Compound	\$ 238.34	\$ 257.41	\$ 278.00	\$ 294.68	\$ 309.41	\$ 324.88
3" Turbine	\$ 260.68	\$ 281.53	\$ 304.06	\$ 322.30	\$ 338.42	\$ 355.34
4" Compound	\$ 372.39	\$ 402.18	\$ 434.36	\$ 460.42	\$ 483.44	\$ 507.61
4" Turbine	\$ 469.21	\$ 506.75	\$ 547.29	\$ 580.12	\$ 609.13	\$ 639.59
6" Compound	\$ 744.78	\$ 804.36	\$ 868.71	\$ 920.83	\$ 966.88	\$ 1,015.22
6" Turbine	\$ 1,042.69	\$ 1,126.11	\$ 1,216.19	\$ 1,289.17	\$ 1,353.62	\$ 1,421.30
8" Turbine	\$ 1,787.47	\$ 1,930.47	\$ 2,084.91	\$ 2,210.00	\$ 2,320.50	\$ 2,436.52
10" Turbine	\$ 2,830.17	\$ 3,056.58	\$ 3,301.11	\$ 3,499.18	\$ 3,674.14	\$ 3,857.84
12" Turbine	\$ 3,723.91	\$ 4,021.82	\$ 4,343.57	\$ 4,604.18	\$ 4,834.39	\$ 5,076.11

Monthly Base Charges -- Outside Municipality

Meter Sizes	Effective Date					
	Current	5/1/2018	4/1/2019	4/1/2020	4/1/2021	4/1/2022
5/8" -- 3/4"	\$ 29.04	\$ 31.36	\$ 33.87	\$ 35.90	\$ 37.70	\$ 39.58
1"	\$ 48.40	\$ 52.27	\$ 56.45	\$ 59.84	\$ 62.83	\$ 65.97
1 1/2"	\$ 121.02	\$ 156.82	\$ 169.36	\$ 179.52	\$ 188.50	\$ 197.92
2"	\$ 193.64	\$ 209.13	\$ 225.86	\$ 239.41	\$ 251.38	\$ 263.95
3" Compound	\$ 309.83	\$ 334.62	\$ 361.39	\$ 383.07	\$ 402.22	\$ 422.33
3" Turbine	\$ 332.17	\$ 358.74	\$ 387.44	\$ 410.69	\$ 431.22	\$ 452.79
4" Compound	\$ 484.11	\$ 522.84	\$ 564.67	\$ 598.55	\$ 628.47	\$ 659.90
4" Turbine	\$ 580.93	\$ 627.40	\$ 677.60	\$ 718.25	\$ 754.17	\$ 791.87
6" Compound	\$ 968.22	\$ 1,045.68	\$ 1,129.33	\$ 1,197.09	\$ 1,256.95	\$ 1,319.79
6" Turbine	\$ 1,266.12	\$ 1,367.41	\$ 1,476.80	\$ 1,565.41	\$ 1,643.68	\$ 1,725.87
8" Turbine	\$ 2,323.71	\$ 2,509.61	\$ 2,710.38	\$ 2,873.00	\$ 3,016.65	\$ 3,167.48
10" Turbine	\$ 3,679.22	\$ 3,973.56	\$ 4,291.44	\$ 4,548.93	\$ 4,776.38	\$ 5,015.19
12" Turbine	\$ 4,572.60	\$ 4,938.41	\$ 5,333.48	\$ 5,653.49	\$ 5,936.16	\$ 6,232.97

Ordinance No. 453-07, Ordinance No. 510-09, Ordinance No. 559-11

**Rate Increase Impact
2020**

5/8" or 3/4" Residential Service

	Old Rate	New Rate	Increase
Water			
Water Base Fee	\$26.06	\$27.62	\$1.56
Rate			
Under 5,000 gallons	\$1.57	\$1.67	\$0.10
5,0001 to 10,000 gallons	\$2.37	\$2.51	\$0.14
10,000 to 20,000 gallons	\$3.55	\$3.76	\$0.21
Over 20,0001 gallons	\$5.32	\$5.64	\$0.32
Sewer			
Sewer Base Fee	\$19.68	\$20.66	\$0.98
Rate per 1,000 gallons	\$4.61	\$4.85	\$0.24
Residential Sewer Charge based on 75% of water usage			
Commerical/Institutional based on 100% of water usage			

Residential Impact

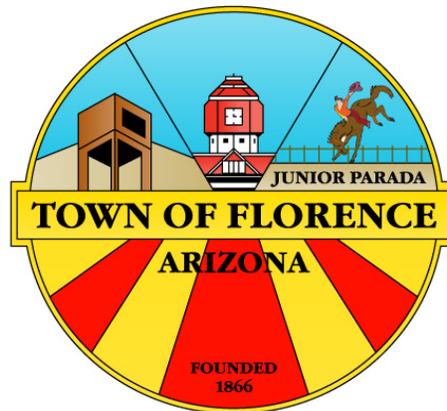
Usage-5,000 gallons	Old Rate	New Rate	Increase
Water			
Base	\$26.06	\$27.62	\$1.56
Usage-5,000 gallons	\$7.85	\$8.35	\$0.50
Sales Tax @.092%	\$3.12	\$3.31	\$0.19
Sewer			
Base	\$19.68	\$20.66	\$0.98
Usage-3,750 gallons	\$17.29	\$18.19	\$0.90
Total Bill	74.00	78.13	\$4.13
			5.58%

Residential Impact

Usage-15,000 gallons	Old Rate	New Rate	Increase
Water			
Base	\$26.06	\$27.62	\$1.56
Usage-5000 gallons	\$7.85	\$8.35	\$0.50
Usage - 5000	\$11.85	\$12.55	\$0.70
Usage-10000	\$35.50	\$37.60	\$2.10
Sales Tax .092%	\$7.48	\$7.92	\$0.45
Sewer			
Base	\$19.68	\$20.66	\$0.98
Usage-11,250 gallons	\$51.86	\$54.56	\$2.70
Total Bill	160.28	169.27	\$8.99
			5.61%

Residential Impact			
Usage-22,000 gallons	Old Rate	New Rate	Increase
Water			
Base	\$26.06	\$27.62	\$1.56
Usage-5000 gallons	\$7.85	\$8.35	\$0.50
Usage - 5000	\$11.85	\$12.55	\$0.70
Usage-10000	\$35.50	\$37.60	\$2.10
Usage -20000-9999999	\$10.64	\$11.28	\$0.64
Sales Tax .092%	\$8.45	\$8.96	\$0.51
Sewer			
Base	\$19.68	\$20.66	\$0.98
Usage-16,500 gallons	\$76.07	\$80.03	\$3.96
Total Bill	196.10	207.05	\$10.95
			5.58%

Notice of Intention to Increase Water and Wastewater Rates and Fees



The Town of Florence is notifying citizens of its intention to Increase Water and Wastewater Rates and Fees. A Public Hearing will be held to receive citizens comments on February 17, 2020, at 775 N. Main Street, Florence, AZ 85132, in the Town Council Chambers at 6:00 P.M.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.**

	TOWN OF FLORENCE COUNCIL ACTION FORM	<u>AGENDA ITEM</u> 16c.
MEETING DATE: January 21, 2020 DEPARTMENT: Public Works, Water & Wastewater Division STAFF PRESENTER: Christopher Salas, P.E. Public Works Director/Town Engineer SUBJECT: Professional Services Agreement with Westland Resources, Sunrise Engineering and Hazen and Sawyer for utility on-call engineering services.		<input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other
STRATEGIC PLAN REFERENCE: <input type="checkbox"/> Community Vitality <input type="checkbox"/> Economic Prosperity <input type="checkbox"/> Leadership and Governance <input type="checkbox"/> Partnership and Relationships <input type="checkbox"/> Transportation and Infrastructure <input type="checkbox"/> Statutory <input type="checkbox"/> None		

RECOMMENDED MOTION/ACTION:

Motion to approve the Professional Services Agreement with Westland Resources, Sunrise Engineering and Hazen and Sawyer for On-Call Utility Services, each, in an amount not to exceed \$350,000.

BACKGROUND/DISCUSSION:

The purpose of the Professional Services Agreement is to provide the Town with On-Call Engineering Services. The services will be funded through the task specific budget line items under the Professional Services line item.

On-Call Engineering Contracts are vital to Public Works completing projects, as defined in the Capital Improvements Plan (CIP), or as projects are identified. Without On-Call Engineering contracts, staff would have to be involved in writing a project specific Request for Statement of Qualifications (RSOQ), be involved in a selection process, and eventually an award through the Council. This process multiplied by the number of Capital Improvement Projects would require a great deal of time from staff, time which would be better used on the projects.

The Public Works Department solicited proposals from qualified consultants to provide on-call/as-needed engineering and architectural services to support the Department's Capital Improvement Program (CIP) and Maintenance Improvement Program (MIP). The SOQ result is the creation of a pool of consultant firms for the following engineering

disciplines as regulated by the Arizona Board of Professional Engineers and Land Surveyors: general civil, water & wastewater, geotechnical, land surveyor and engineering services related to community facility districts (CFD). After approval of an agreement by the Town Council, the Director will have authority to approve work on a specific project through the use of a Project Scope of Work. The Project Scope of Work will define the work, maximum cost, schedule, terms of payment, deliverables, work site, personnel or sub-consultant(s) to be utilized, and other pertinent details. Directives will be issued to selected consultants based on their expertise, availability, and cost necessary to complete the work.

A selection panel reviewed and scored the Statements of Qualifications based upon selection criteria and relative weight of the selection criteria. The panel developed a final list for each discipline.

The selection panel consisted of; Town Manager, Finance and the Public Works Director/Town Engineer.

A VOTE OF NO WOULD MEAN:

Staff would have to be involved in writing a project specific Request for Statement of Qualifications (RSOQ), be involved in a selection process, and eventually an award through the Council. This process multiplied by the number of Capital Improvement Projects would require a great deal of time from staff, time which would be better used on the projects.

A VOTE OF YES WOULD MEAN:

Staff would be able to use the on-call process to be efficient and complete more projects with fewer staff per year.

FINANCIAL IMPACT:

All costs related to the on-call engineering contracts are currently budgeted within the project's CIP budget. There is no additional budgetary impact as engineering was a planned for cost in the project scoping.

ATTACHMENTS:

- Westland Resources Solicitation Response (on file at the Clerk's Office)
- Westland Resources - Town of Florence Professional Service Contract
- Sunrise Engineering Solicitation Response (on file at the Clerk's Office)
- Sunrise Engineering - Town of Florence Professional Service Contract
- Hazen and Sawyer Solicitation Response (on file at the Clerk's Office)
- Hazen and Sawyer - Town of Florence Professional Service Contract

TOWN OF FLORENCE
On-Call Engineering Services Agreement

THIS AGREEMENT (“Agreement”) is made and entered into by and between the TOWN OF FLORENCE, an Arizona municipal corporation (“Town”) acting by and through its Town Council, and on the 21th day of January, 2020, by and between the “Town” and the “Consultant” designated below:

TOWN: Town of Florence, Arizona
Telephone: (520) 868-7500

CONSULTANT: **Westland Resources,**
hereinafter referred to as **ENGINEER**
4001 E. Paradise Falls Drive,
Tucson AZ 85712
Representative: Craig Cannizzaro
Telephone: 520-206-9585
E-mail: CCannizzaro@westlandresources.com

ENGINEER/DESIGNER: Town of Florence,
hereinafter referred to as **TOWN**
444 N. Warner Street
Florence, AZ 85132
Representative: Christopher A. Salas, P.E.
Telephone: (520) 251-3118
E-mail: christopher.salas@florenceaz.gov

**ADMINISTRATIVE ASSISTANT
PUBLIC WORKS:** Town of Florence
Susan Jonas
444 N. Warner Street
P.O. Box 2670
Florence, AZ 85132
Telephone: (520) 868-7614
E-mail: susan.jonas@florenceaz.gov

FINANCE DEPARTMENT: ACCOUNTS PAYABLE
accounts.payable@florenceaz.gov

WHEREAS, the TOWN desires to contract for On-Call Engineering Services as specified in Exhibit “A”, and individual Task Orders issued by the Town (“Scope of Work” or “Services”);

WHEREAS, the ENGINEER has the expertise and qualifications required to perform the needed professional engineering services, as described herein; and

WHEREAS, ENGINEER has agreed to perform the Services as set forth in Exhibit “A” and as set forth in individual Task Orders issued by the TOWN attached hereto and incorporated herein;

WHEREAS, ENGINEER agrees that this Contract is entered into by the parties pursuant to the Town’s issuance of a requests for Statement of Qualifications (SOQ-11042019-1): On Call Engineering Services

WHEREAS, the ENGINEER and TOWN wish to enter into an agreement, hereinafter referred to as the AGREEMENT, for the furnishing of professional engineering services as described herein.

THEREFORE, in consideration of the mutual promises, covenants, terms and conditions of the parties hereto, it is agreed as follows:

SECTION 1 - OBLIGATIONS OF THE ENGINEER

- 1.1 **Authorization to Perform Work:** Specific work to be performed by the ENGINEER shall be defined and authorized in writing by both the ENGINEER and the TOWN prior to commencing work. Any form of Authorization, be it by Task Order, email approval, etc. shall become a supplement to and part of this AGREEMENT. Each Authorization will define services to be performed, schedule for performance of those services and compensation for performance of those services.
- 1.2 **Point of Contact:** ENGINEER shall designate, in writing, a Project Manager who will act as primary point of contact and ENGINEER’s representative with respect to the services rendered under this AGREEMENT.
- 1.3 **Standard of Care:** All services performed by ENGINEER, or under its direction, shall be rendered in accordance with the prevailing standard of skill and care of the engineering profession at the time and in the area where the services are to be performed.
- 1.4 **Opinions of Cost:** In providing opinions of cost, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate cost or schedule of the facility being analyzed. Therefore, the ENGINEER makes no warranty that actual costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER’s opinions, analyses, projections, or estimates.

1.5 Personnel on Site:

- 1.5.1 The presence or duties of the ENGINEER's personnel on site, whether as onsite representative or otherwise, does not make the ENGINEER or its personnel in any way responsible for those duties that belong to TOWN and/or any construction contractors or other entities, and does not relieve any construction contractor or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with any agreements between the TOWN and such construction contractors, and any health or safety precautions required in the performance of such construction work.
- 1.5.2 The ENGINEER and its personnel have no authority to exercise any control over any construction contractors or other entities or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractors or other entities or any other persons at the site except ENGINEER's own personnel.
- 1.5.3 The presence of ENGINEER's personnel on site is for the purpose of providing the TOWN a greater degree of confidence that the completed work will conform generally to any AGREEMENT between the TOWN and any construction contractor and that the integrity of the design concept has been implemented and preserved by such contractor. Therefore, ENGINEER agrees that it will timely inform TOWN if ENGINEER observes work being performed in a manner which does not conform to the specifications and requirements of ENGINEER. ENGINEER neither guarantees the performance of any contractors nor assumes responsibility for such contractors' failure to perform their work. Construction sites include places of manufacture for materials incorporated into the construction work, and construction contractors include manufacturers of materials incorporated into the construction work.
- 1.6 **Deliverables:** ENGINEER's deliverables, including record drawings, are limited to the sealed and signed hard copies. Computer-generated drawing files furnished by ENGINEER are for TOWN or others' convenience. Any conclusions or information derived or obtained from these files will be at user's sole risk.
- 1.7 **Insurance:** ENGINEER agrees to provide the following insurance coverage, at ENGINEER's own expense for the entire duration of any project and for two (2) years thereafter:

- 1.7.1 Compensation Insurance. ENGINEER shall procure and maintain Workers Compensation Insurance and Employer's Liability Insurance as required by the State of Arizona, for all employees engaged in any work performed for TOWN. Employer's Liability Insurance shall be in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.
- 1.7.2 Commercial General Liability. ENGINEER shall procure and maintain Commercial General Liability Insurance for bodily injury, personal injury, and broad form property damage, in an amount of not less than One Million Dollars (\$2,000,000) combined single limit and aggregate coverage per occurrence, including but not limited to endorsements for the following coverage's: Personal and advertising injury, Premises-operations, Products and completed operations, Blanket contractual, and Independent contractor's liability.
- 1.7.3 Automobile Liability Insurance. ENGINEER shall procure and maintain Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased and non-owned vehicles used in connection with ENGINEER's business in an amount of not less than One Million Dollars (\$1,000,000) combined single limit coverage per occurrence.
- 1.7.4 Professional Liability Insurance. ENGINEER shall procure and maintain Professional Liability Insurance for protection against claims arising out of the performance of services under this AGREEMENT caused by negligent errors, omissions, or other acts for which ENGINEER, its employees, Subcontractors, and agents, are liable. Said insurance shall be written with limits of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate. If said insurance is written on a "claims made" form, insurance shall be maintained and evidence of insurance must be provided for at least one (1) year after completion of the work under this AGREEMENT.
- 1.7.5 Subcontractors. ENGINEER shall require each Subcontractor to procure and maintain, during the life of its subcontract, similar insurance as stated herein. All insurance coverage for Subcontractors shall be subject to each of the requirements herein and contain the additional insured endorsement required of ENGINEER described with particularity herein.
- 1.7.6 Additional Insured Endorsement. The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:
- a) The TOWN, its officers, officials, agents, and volunteers are to be covered as additional insured's as respects ENGINEER's work under this AGREEMENT and shall be added in the form of an endorsement

to ENGINEER's insurance on Form CG 20 10 or blanket endorsement equivalent.

- b) All policies or certificates shall be endorsed to provide Thirty (30) days advance written notice of cancellation, non-renewal or reduction in coverage, mailed to the TOWN.

ENGINEER shall not commence work under this AGREEMENT until he has delivered to TOWN the Additional Insured Endorsements required herein.

1.8 Non-Discrimination in Employment: In the performance of work authorized under this AGREEMENT, ENGINEER shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age. ENGINEER shall, in all solicitations or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age.

1.9 Adherence to Applicable Disability Law: ENGINEER shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.), California Government Code Sections 12920 et seq., and all related state and local laws.

1.10 HIPAA Compliance: ENGINEER shall adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and shall make his best efforts to preserve data integrity and the confidentiality of protected health information.

1.11 Safety Responsibilities: ENGINEER shall adhere to all applicable requirements in performing work pursuant to this AGREEMENT. ENGINEER agrees that in the performance of work under this AGREEMENT, ENGINEER shall provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

1.12 Compliance With Federal and State Laws

- a) The ENGINEER understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 (the "Acts"), and hereby

agrees to comply with all applicable provisions of the Acts in the performance of this Agreement.

- b) If this Agreement pertains to a contract for construction, the ENGINEER agrees to comply with the provisions of Arizona Revised Statutes (“A.R.S.”) 34-301 “Employment of Aliens on Public Works Prohibited” and A.R.S. 34-302 “Residence Requirements for Employees”.
- c) Under the provisions of A.R.S. 41-4401, the ENGINEER hereby warrants to the Town that the ENGINEER and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and with A.R.S. 23-214(A) “Verification of Employment Eligibility” (hereafter referred to as “ENGINEER Immigration Warranty”).
- d) A breach of the ENGINEER Immigration Warranty shall constitute a material breach of this Agreement and shall subject the ENGINEER to penalties including termination of the Agreement at the sole discretion of the Town.
- e) Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the ENGINEER’s or Subcontractors’ employees who perform work under this Agreement, to ensure that the ENGINEER and Subcontractors are complying with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town in regard to any such inspections.
- f) The Town may, in its sole discretion, conduct random verification of the employment records of the ENGINEER and any Subcontractors to ensure compliance with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town, upon request, with regard to any random verification performed by the Town.
- g) Neither the ENGINEER nor any Subcontractor shall be deemed to have materially breached the ENGINEER Immigration Warranty if the ENGINEER or Subcontractor establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. 1324(a) and 8 U.S.C.A. 1324 (b)(1)(A), et seq., and the E-Verify requirements of A.R.S. 23-214(A).
- h) ENGINEER agrees to include the provisions of this section in any contract the ENGINEER enters into with any and all of its Subcontractors who provide services under this Contract or any subcontract. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by the ENGINEER or Subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

1.13 **Conflict of Interest:** ENGINEER hereby covenants that it has, at the time of the execution of this AGREEMENT, no interest, direct or indirect, and that it shall not acquire any interest in the future, direct, or indirect, which would conflict in any manner or degree or performance of services required to be performed under this AGREEMENT. ENGINEER further covenants that in the performance of this work, no person having such interest shall be employed.

SECTION 2 - OBLIGATIONS OF THE TOWN

- 2.1 **Information:** TOWN shall provide criteria and full information concerning TOWN's requirements for the work to be performed by the ENGINEER, including objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and budgetary limitations. Provide to ENGINEER information pertinent to the work to be performed by the ENGINEER including previous reports and any other existing data relative to the work to be performed by the ENGINEER. Give prompt written notice to ENGINEER whenever TOWN observes or otherwise becomes aware of any defect in the work of contractors.
- 2.2 **Timely Review:** Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER, and render decisions pertaining thereto within a reasonable time, not to exceed thirty (30) days without mutual consent, so as not to delay the performance of services by ENGINEER.
- 2.3 **Point of Contact:** Designate, in writing, a person to act as TOWN's representative and primary point of contact with respect to the services rendered under this AGREEMENT.
- 2.4 **Access:** Make its facilities accessible to ENGINEER as required for ENGINEER's performance of its services and will provide labor and safety equipment consistent with TOWN's standard practices as required by ENGINEER for such access. TOWN will be responsible for all acts of TOWN's personnel or those operating under contract with the TOWN.
- 2.5 **Asbestos:** If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation. If asbestos is suspected, the ENGINEER will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated. If hazardous substances other than asbestos are suspected, the ENGINEER, if requested, will conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated. To the

maximum extent permitted by law, TOWN will indemnify ENGINEER and its officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation expenses arising out of or relating to the presence, discharge, release, or escape of hazardous substances, contaminants, or asbestos on or from the PROJECT.

Consultant Contract Terms: TOWN agrees to include the provisions of Paragraph 1.5, ENGINEER's Personnel on Site, and provisions providing consultant indemnification of TOWN and ENGINEER for consultants' negligence.

2.6 **Insurance:** TOWN agrees to provide the following insurance coverage for the entire duration of the project:

2.6.1 Property insurance on all pre-existing physical facilities associated with the work to be performed by the ENGINEER.

2.6.2 A waiver of subrogation as to all TOWN-carried property damage insurance, during construction and thereafter, in favor of ENGINEER, its officers, employees, affiliates, and subcontractors.

2.6.3 A Builders Risk All Risk insurance policy for the full replacement value of all work including the value of all onsite TOWN-furnished equipment and/or materials associated with the ENGINEER's services. Such policy will include coverage for loss due to defects in materials and workmanship and errors in design, and will provide a waiver of subrogation as to the ENGINEER and the construction contractors (or TOWN), and their respective officers, employees, agents, affiliates and subcontractors.

SECTION 3 – CONTRACT PRICE

3.1 Contact Price.

3.1.1 In exchange for ENGINEER's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, TOWN will pay ENGINEER the "Contract Price", which is not to exceed **\$ 350,000.00.**

3.1.2 The Contract Price is all inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes of any type necessary to fully, properly and timely perform the services.

3.1.3 The term of the on-call list shall be for an initial three (3) year period with the possibility of two (2) one year extensions, for a possible total of five (5) years.

SECTION 4 – PAYMENT

- 4.1 **Payment Terms:** Payment terms shall be agreed to, in writing, between TOWN and ENGINEER for each Authorization to perform work. Payment terms for a series of Authorizations may be entered into if so desired by both parties.
- 4.2 **Invoicing:** ENGINEER will, as appropriate, submit invoices to TOWN once per month, on or prior to the 10 day of that month. All invoices are to be emailed to accounts.payable@florenceaz.gov with a copy to susan.jonas@florenceaz.gov.
- 4.3 **Payment of Invoices:** Following receipt of invoice from the ENGINEER, payment will be made by the TOWN to the ENGINEER within 30 days for the amount requested in the invoice, as approved by the TOWN.

SECTION 5 - TIME OF PERFORMANCE

- 5.1 **Time:** Time of Performance for services under this AGREEMENT shall be defined in each Authorization.
- 5.2 **Progress Reporting:** ENGINEER shall report its progress under this AGREEMENT upon request by TOWN. ENGINEER shall plan its performance of services to accomplish timely completion, and shall promptly notify TOWN of any anticipated delay that may affect ENGINEER's time of performance.

SECTION 6 - PERIOD OF SERVICE

- 6.1 **Term:** This AGREEMENT shall remain in effect until such time as TOWN no longer has need of ENGINEER's services, unless terminated earlier in accordance with Section 5.2.
- 6.2 **Termination:** This AGREEMENT may be terminated as follows:
- 6.2.1 By mutual consent of the parties; or
 - 6.2.2 By TOWN upon 30 days written notice thereof to ENGINEER for any reason or for no reason at all; or
 - 6.2.3 By ENGINEER upon 30 days written notice thereof to TOWN in the event that TOWN fails to perform its obligations under this AGREEMENT.
 - 6.2.4 Should TOWN terminate this AGREEMENT for their convenience, TOWN shall pay ENGINEER for the services provided by the ENGINEER, as authorized by the TOWN up to the point of contract termination - as reasonable termination costs.

6.3 If the project is suspended by TOWN for more than 90 consecutive days, ENGINEER shall be compensated for services performed and accepted prior to notice of suspension. When the project is resumed, TOWN agrees to provide an equitable adjustment for ENGINEER's delay expenses and wage and salary increases caused by suspension.

SECTION 7 - LEGAL RELATIONSHIP

7.1 **Authorization to Proceed:** Execution of this AGREEMENT by TOWN will be authorization for ENGINEER to proceed with any requested work.

7.2 **Independent Contractor:** ENGINEER is for all purposes an independent contractor. In no event shall ENGINEER or any personnel retained by ENGINEER be deemed an agent or employee of TOWN or engaged by the TOWN for the account of or on behalf of TOWN ENGINEER shall maintain full control and responsibility of the means and methods of ENGINEER's services.

7.3 **Assignment of Work:** This is a bilateral personal Services AGREEMENT. Neither party shall assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

7.4 **Reuse of PROJECT Documents:** All reports, drawings, specifications, documents, and other deliverables of ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. TOWN agrees to indemnify ENGINEER and ENGINEER's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these PROJECT documents.

7.5 **Indemnification:** ENGINEER agrees to indemnify, and hold harmless TOWN from any claims, damages, losses, and costs, including but not limited to, attorney's fees and litigation costs, arising out of claims to the extent caused in whole or in part by the negligent or intentional act, error or omission of ENGINEER, ENGINEER's employees, affiliated corporations, officers, and subcontractors. TOWN agrees to indemnify ENGINEER from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of TOWN, or its employees or contractors in connection with the PROJECT.

7.6 **Consequential Damages:** To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors

shall not be liable for TOWN's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, TOWN will indemnify ENGINEER for any such damages.

7.7 Force Majeure: ENGINEER shall not be responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond its control.

7.8 Third Party Beneficiaries: This AGREEMENT gives no rights or benefits to anyone other than TOWN and ENGINEER and has no third-party beneficiaries.

7.9 Dispute Resolution: The TOWN and ENGINEER will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

7.10 Severability and Survival:

6.10.1 If any of the Provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.10.2 Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

7.11 Intellectual Property: All of the work product of the ENGINEER in executing this PROJECT shall remain the property of ENGINEER. TOWN shall receive a perpetual, royalty-free, non-transferable, non-exclusive license to use the deliverables for the purpose for which they were intended. Any inventions, patents, copyrights, computer software, or other intellectual property developed during the course of, or as a result of, the PROJECT shall remain the property of the ENGINEER.

7.12 Entire Agreement: This AGREEMENT, including attachments incorporated herein by reference, represents the entire AGREEMENT and understanding between the parties and any negotiations, proposals or oral AGREEMENTS are integrated herein and are superseded by this written AGREEMENT. Any supplement or amendment to this AGREEMENT shall be in writing and signed by the parties.

SECTION 8 – GOVERNING LAW

8.1 This AGREEMENT is to be governed and construed in accordance with the laws of the State of Arizona. The venue of any legal dispute relating to this AGREEMENT or the services provided hereunder shall be Pinal County, Arizona.

IN WITNESS WHEREOF duly authorized representatives of the parties have signed this AGREEMENT with the effective date, the year and day first written above.

TOWN OF FLORENCE:

By: _____
TARA WALTER, MAYOR

ENGINEER:

By: _____
, PRINCIPAL

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney

TOWN OF FLORENCE
On-Call Engineering Services Agreement

THIS AGREEMENT (“Agreement”) is made and entered into by and between the TOWN OF FLORENCE, an Arizona municipal corporation (“Town”) acting by and through its Town Council, and on the 21th day of January, 2020, by and between the “Town” and the “Consultant” designated below:

TOWN: Town of Florence, Arizona
Telephone: (520) 868-7500

CONSULTANT: Sunrise Engineering,
hereinafter referred to as **ENGINEER**
2045 South Vineyard, Suite 101,
Mesa AZ 85210
Representative: Tony Elley
Telephone: 480-768-8600
E-mail: telley@sunrise-eng.com

ENGINEER/DESIGNER: Town of Florence,
hereinafter referred to as **TOWN**
444 N. Warner Street
Florence, AZ 85132
Representative: Christopher A. Salas, P.E.
Telephone: (520) 251-3118
E-mail: christopher.salas@florenceaz.gov

**ADMINISTRATIVE ASSISTANT
PUBLIC WORKS:** Town of Florence
Susan Jonas
444 N. Warner Street
P.O. Box 2670
Florence, AZ 85132
Telephone: (520) 868-7614
E-mail: susan.jonas@florenceaz.gov

FINANCE DEPARTMENT: ACCOUNTS PAYABLE
accounts.payable@florenceaz.gov

WHEREAS, the TOWN desires to contract for On-Call Engineering Services as specified in Exhibit “A”, and individual Task Orders issued by the Town (“Scope of Work” or “Services”);

WHEREAS, the ENGINEER has the expertise and qualifications required to perform the needed professional engineering services, as described herein; and

WHEREAS, ENGINEER has agreed to perform the Services as set forth in Exhibit “A” and as set forth in individual Task Orders issued by the TOWN attached hereto and incorporated herein;

WHEREAS, ENGINEER agrees that this Contract is entered into by the parties pursuant to the Town’s issuance of a requests for Statement of Qualifications (SOQ-11042019-1): On Call Engineering Services

WHEREAS, the ENGINEER and TOWN wish to enter into an agreement, hereinafter referred to as the AGREEMENT, for the furnishing of professional engineering services as described herein.

THEREFORE, in consideration of the mutual promises, covenants, terms and conditions of the parties hereto, it is agreed as follows:

SECTION 1 - OBLIGATIONS OF THE ENGINEER

- 1.1 **Authorization to Perform Work:** Specific work to be performed by the ENGINEER shall be defined and authorized in writing by both the ENGINEER and the TOWN prior to commencing work. Any form of Authorization, be it by Task Order, email approval, etc. shall become a supplement to and part of this AGREEMENT. Each Authorization will define services to be performed, schedule for performance of those services and compensation for performance of those services.
- 1.2 **Point of Contact:** ENGINEER shall designate, in writing, a Project Manager who will act as primary point of contact and ENGINEER’s representative with respect to the services rendered under this AGREEMENT.
- 1.3 **Standard of Care:** All services performed by ENGINEER, or under its direction, shall be rendered in accordance with the prevailing standard of skill and care of the engineering profession at the time and in the area where the services are to be performed.
- 1.4 **Opinions of Cost:** In providing opinions of cost, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate cost or schedule of the facility being analyzed. Therefore, the ENGINEER makes no warranty that actual costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER’s opinions, analyses, projections, or estimates.

1.5 Personnel on Site:

- 1.5.1 The presence or duties of the ENGINEER's personnel on site, whether as onsite representative or otherwise, does not make the ENGINEER or its personnel in any way responsible for those duties that belong to TOWN and/or any construction contractors or other entities, and does not relieve any construction contractor or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with any agreements between the TOWN and such construction contractors, and any health or safety precautions required in the performance of such construction work.
- 1.5.2 The ENGINEER and its personnel have no authority to exercise any control over any construction contractors or other entities or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractors or other entities or any other persons at the site except ENGINEER's own personnel.
- 1.5.3 The presence of ENGINEER's personnel on site is for the purpose of providing the TOWN a greater degree of confidence that the completed work will conform generally to any AGREEMENT between the TOWN and any construction contractor and that the integrity of the design concept has been implemented and preserved by such contractor. Therefore, ENGINEER agrees that it will timely inform TOWN if ENGINEER observes work being performed in a manner which does not conform to the specifications and requirements of ENGINEER. ENGINEER neither guarantees the performance of any contractors nor assumes responsibility for such contractors' failure to perform their work. Construction sites include places of manufacture for materials incorporated into the construction work, and construction contractors include manufacturers of materials incorporated into the construction work.
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- 1.7 **Insurance:** ENGINEER agrees to provide the following insurance coverage, at ENGINEER's own expense for the entire duration of any project and for two (2) years thereafter:

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- 1.7.3 Automobile Liability Insurance. ENGINEER shall procure and maintain Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased and non-owned vehicles used in connection with ENGINEER's business in an amount of not less than One Million Dollars (\$1,000,000) combined single limit coverage per occurrence.
- 1.7.4 Professional Liability Insurance. ENGINEER shall procure and maintain Professional Liability Insurance for protection against claims arising out of the performance of services under this AGREEMENT caused by negligent errors, omissions, or other acts for which ENGINEER, its employees, Subcontractors, and agents, are liable. Said insurance shall be written with limits of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate. If said insurance is written on a "claims made" form, insurance shall be maintained and evidence of insurance must be provided for at least one (1) year after completion of the work under this AGREEMENT.
- 1.7.5 Subcontractors. ENGINEER shall require each Subcontractor to procure and maintain, during the life of its subcontract, similar insurance as stated herein. All insurance coverage for Subcontractors shall be subject to each of the requirements herein and contain the additional insured endorsement required of ENGINEER described with particularity herein.
- 1.7.6 Additional Insured Endorsement. The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:
- a) The TOWN, its officers, officials, agents, and volunteers are to be covered as additional insured's as respects ENGINEER's work under this AGREEMENT and shall be added in the form of an endorsement

to ENGINEER's insurance on Form CG 20 10 or blanket endorsement equivalent.

- b) All policies or certificates shall be endorsed to provide Thirty (30) days advance written notice of cancellation, non-renewal or reduction in coverage, mailed to the TOWN.

ENGINEER shall not commence work under this AGREEMENT until he has delivered to TOWN the Additional Insured Endorsements required herein.

1.8 Non-Discrimination in Employment: In the performance of work authorized under this AGREEMENT, ENGINEER shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age. ENGINEER shall, in all solicitations or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age.

1.9 Adherence to Applicable Disability Law: ENGINEER shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.), California Government Code Sections 12920 et seq., and all related state and local laws.

1.10 HIPAA Compliance: ENGINEER shall adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and shall make his best efforts to preserve data integrity and the confidentiality of protected health information.

1.11 Safety Responsibilities: ENGINEER shall adhere to all applicable requirements in performing work pursuant to this AGREEMENT. ENGINEER agrees that in the performance of work under this AGREEMENT, ENGINEER shall provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

1.12 Compliance With Federal and State Laws

- a) The ENGINEER understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 (the "Acts"), and hereby

- agrees to comply with all applicable provisions of the Acts in the performance of this Agreement.
- b) If this Agreement pertains to a contract for construction, the ENGINEER agrees to comply with the provisions of Arizona Revised Statutes (“A.R.S.”) 34-301 “Employment of Aliens on Public Works Prohibited” and A.R.S. 34-302 “Residence Requirements for Employees”.
 - c) Under the provisions of A.R.S. 41-4401, the ENGINEER hereby warrants to the Town that the ENGINEER and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and with A.R.S. 23-214(A) “Verification of Employment Eligibility” (hereafter referred to as “ENGINEER Immigration Warranty”).
 - d) A breach of the ENGINEER Immigration Warranty shall constitute a material breach of this Agreement and shall subject the ENGINEER to penalties including termination of the Agreement at the sole discretion of the Town.
 - e) Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the ENGINEER’s or Subcontractors’ employees who perform work under this Agreement, to ensure that the ENGINEER and Subcontractors are complying with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town in regard to any such inspections.
 - f) The Town may, in its sole discretion, conduct random verification of the employment records of the ENGINEER and any Subcontractors to ensure compliance with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town, upon request, with regard to any random verification performed by the Town.
 - g) Neither the ENGINEER nor any Subcontractor shall be deemed to have materially breached the ENGINEER Immigration Warranty if the ENGINEER or Subcontractor establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. 1324(a) and 8 U.S.C.A. 1324 (b)(1)(A), et seq., and the E-Verify requirements of A.R.S. 23-214(A).
 - h) ENGINEER agrees to include the provisions of this section in any contract the ENGINEER enters into with any and all of its Subcontractors who provide services under this Contract or any subcontract. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by the ENGINEER or Subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

1.13 **Conflict of Interest:** ENGINEER hereby covenants that it has, at the time of the execution of this AGREEMENT, no interest, direct or indirect, and that it shall not acquire any interest in the future, direct, or indirect, which would conflict in any manner or degree or performance of services required to be performed under this AGREEMENT. ENGINEER further covenants that in the performance of this work, no person having such interest shall be employed.

SECTION 2 - OBLIGATIONS OF THE TOWN

- 2.1 **Information:** TOWN shall provide criteria and full information concerning TOWN's requirements for the work to be performed by the ENGINEER, including objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and budgetary limitations. Provide to ENGINEER information pertinent to the work to be performed by the ENGINEER including previous reports and any other existing data relative to the work to be performed by the ENGINEER. Give prompt written notice to ENGINEER whenever TOWN observes or otherwise becomes aware of any defect in the work of contractors.
- 2.2 **Timely Review:** Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER, and render decisions pertaining thereto within a reasonable time, not to exceed thirty (30) days without mutual consent, so as not to delay the performance of services by ENGINEER.
- 2.3 **Point of Contact:** Designate, in writing, a person to act as TOWN's representative and primary point of contact with respect to the services rendered under this AGREEMENT.
- 2.4 **Access:** Make its facilities accessible to ENGINEER as required for ENGINEER's performance of its services and will provide labor and safety equipment consistent with TOWN's standard practices as required by ENGINEER for such access. TOWN will be responsible for all acts of TOWN's personnel or those operating under contract with the TOWN.
- 2.5 **Asbestos:** If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation. If asbestos is suspected, the ENGINEER will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated. If hazardous substances other than asbestos are suspected, the ENGINEER, if requested, will conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated. To the maximum extent permitted by law, TOWN will indemnify ENGINEER and its

officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation expenses arising out of or relating to the presence, discharge, release, or escape of hazardous substances, contaminants, or asbestos on or from the PROJECT.

Consultant Contract Terms: TOWN agrees to include the provisions of Paragraph 1.5, ENGINEER's Personnel on Site, and provisions providing consultant indemnification of TOWN and ENGINEER for consultants' negligence.

2.6 **Insurance:** TOWN agrees to provide the following insurance coverage for the entire duration of the project:

2.6.1 Property insurance on all pre-existing physical facilities associated with the work to be performed by the ENGINEER.

2.6.2 A waiver of subrogation as to all TOWN-carried property damage insurance, during construction and thereafter, in favor of ENGINEER, its officers, employees, affiliates, and subcontractors.

2.6.3 A Builders Risk All Risk insurance policy for the full replacement value of all work including the value of all onsite TOWN-furnished equipment and/or materials associated with the ENGINEER's services. Such policy will include coverage for loss due to defects in materials and workmanship and errors in design, and will provide a waiver of subrogation as to the ENGINEER and the construction contractors (or TOWN), and their respective officers, employees, agents, affiliates and subcontractors.

SECTION 3 – CONTRACT PRICE

3.1 Contact Price.

3.1.1 In exchange for ENGINEER's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, TOWN will pay ENGINEER the "Contract Price", which is not to exceed **\$ 350,000.00.**

3.1.2 The Contract Price is all inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes of any type necessary to fully, properly and timely perform the services.

3.1.3 The term of the on-call list shall be for an initial three (3) year period with the possibility of two (2) one year extensions, for a possible total of five (5) years.

SECTION 4 – PAYMENT

- 4.1 **Payment Terms:** Payment terms shall be agreed to, in writing, between TOWN and ENGINEER for each Authorization to perform work. Payment terms for a series of Authorizations may be entered into if so desired by both parties.
- 4.2 **Invoicing:** ENGINEER will, as appropriate, submit invoices to TOWN once per month, on or prior to the 10 day of that month. All invoices are to be emailed to accounts.payable@florenceaz.gov with a copy to susan.jonas@florenceaz.gov.
- 4.3 **Payment of Invoices:** Following receipt of invoice from the ENGINEER, payment will be made by the TOWN to the ENGINEER within 30 days for the amount requested in the invoice, as approved by the TOWN.

SECTION 5 - TIME OF PERFORMANCE

- 5.1 **Time:** Time of Performance for services under this AGREEMENT shall be defined in each Authorization.
- 5.2 **Progress Reporting:** ENGINEER shall report its progress under this AGREEMENT upon request by TOWN. ENGINEER shall plan its performance of services to accomplish timely completion, and shall promptly notify TOWN of any anticipated delay that may affect ENGINEER's time of performance.

SECTION 6 - PERIOD OF SERVICE

- 6.1 **Term:** This AGREEMENT shall remain in effect until such time as TOWN no longer has need of ENGINEER's services, unless terminated earlier in accordance with Section 5.2.
- 6.2 **Termination:** This AGREEMENT may be terminated as follows:
- 6.2.1 By mutual consent of the parties; or
 - 6.2.2 By TOWN upon 30 days written notice thereof to ENGINEER for any reason or for no reason at all; or
 - 6.2.3 By ENGINEER upon 30 days written notice thereof to TOWN in the event that TOWN fails to perform its obligations under this AGREEMENT.
 - 6.2.4 Should TOWN terminate this AGREEMENT for their convenience, TOWN shall pay ENGINEER for the services provided by the ENGINEER, as authorized by the TOWN up to the point of contract termination - as reasonable termination costs.

6.3 If the project is suspended by TOWN for more than 90 consecutive days, ENGINEER shall be compensated for services performed and accepted prior to notice of suspension. When the project is resumed, TOWN agrees to provide an equitable adjustment for ENGINEER's delay expenses and wage and salary increases caused by suspension.

SECTION 7 - LEGAL RELATIONSHIP

7.1 **Authorization to Proceed:** Execution of this AGREEMENT by TOWN will be authorization for ENGINEER to proceed with any requested work.

7.2 **Independent Contractor:** ENGINEER is for all purposes an independent contractor. In no event shall ENGINEER or any personnel retained by ENGINEER be deemed an agent or employee of TOWN or engaged by the TOWN for the account of or on behalf of TOWN ENGINEER shall maintain full control and responsibility of the means and methods of ENGINEER's services.

7.3 **Assignment of Work:** This is a bilateral personal Services AGREEMENT. Neither party shall assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

7.4 **Reuse of PROJECT Documents:** All reports, drawings, specifications, documents, and other deliverables of ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. TOWN agrees to indemnify ENGINEER and ENGINEER's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these PROJECT documents.

7.5 **Indemnification:** ENGINEER agrees to indemnify, and hold harmless TOWN from any claims, damages, losses, and costs, including but not limited to, attorney's fees and litigation costs, arising out of claims to the extent caused in whole or in part by the negligent or intentional act, error or omission of ENGINEER, ENGINEER's employees, affiliated corporations, officers, and subcontractors. TOWN agrees to indemnify ENGINEER from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of TOWN, or its employees or contractors in connection with the PROJECT.

7.6 **Consequential Damages:** To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors

shall not be liable for TOWN's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, TOWN will indemnify ENGINEER for any such damages.

7.7 Force Majeure: ENGINEER shall not be responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond its control.

7.8 Third Party Beneficiaries: This AGREEMENT gives no rights or benefits to anyone other than TOWN and ENGINEER and has no third-party beneficiaries.

7.9 Dispute Resolution: The TOWN and ENGINEER will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

7.10 Severability and Survival:

6.10.1 If any of the Provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.10.2 Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

7.11 Intellectual Property: All of the work product of the ENGINEER in executing this PROJECT shall remain the property of ENGINEER. TOWN shall receive a perpetual, royalty-free, non-transferable, non-exclusive license to use the deliverables for the purpose for which they were intended. Any inventions, patents, copyrights, computer software, or other intellectual property developed during the course of, or as a result of, the PROJECT shall remain the property of the ENGINEER.

7.12 Entire Agreement: This AGREEMENT, including attachments incorporated herein by reference, represents the entire AGREEMENT and understanding between the parties and any negotiations, proposals or oral AGREEMENTS are integrated herein and are superseded by this written AGREEMENT. Any supplement or amendment to this AGREEMENT shall be in writing and signed by the parties.

SECTION 8 – GOVERNING LAW

8.1 This AGREEMENT is to be governed and construed in accordance with the laws of the State of Arizona. The venue of any legal dispute relating to this AGREEMENT or the services provided hereunder shall be Pinal County, Arizona.

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By: _____
TARA WALTER, MAYOR

ENGINEER:

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, PRINCIPAL

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney

TOWN OF FLORENCE
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- TOWN:** Town of Florence, Arizona
Telephone: (520) 868-7500
- CONSULTANT:** **Hazen and Sawyer,**
hereinafter referred to as **ENGINEER**
1400 E Southern Avenue, Ste 340,
Tempe, AZ 85282
Representative: Doug Kobrick
Telephone: 480-465-4506
E-mail: DKobrick@hazenandsawyer.com
- ENGINEER/DESIGNER:** Town of Florence,
hereinafter referred to as **TOWN**
444 N. Warner Street
Florence, AZ 85132
Representative: Christopher A. Salas, P.E.
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- 1.7.4 Professional Liability Insurance. ENGINEER shall procure and maintain Professional Liability Insurance for protection against claims arising out of the performance of services under this AGREEMENT caused by negligent errors, omissions, or other acts for which ENGINEER, its employees, Subcontractors, and agents, are liable. Said insurance shall be written with limits of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate. If said insurance is written on a "claims made" form, insurance shall be maintained and evidence of insurance must be provided for at least one (1) year after completion of the work under this AGREEMENT.
- 1.7.5 Subcontractors. ENGINEER shall require each Subcontractor to procure and maintain, during the life of its subcontract, similar insurance as stated herein. All insurance coverage for Subcontractors shall be subject to each of the requirements herein and contain the additional insured endorsement required of ENGINEER described with particularity herein.
- 1.7.6 Additional Insured Endorsement. The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:
- a) The TOWN, its officers, officials, agents, and volunteers are to be covered as additional insured's as respects ENGINEER's work under this AGREEMENT and shall be added in the form of an endorsement

to ENGINEER's insurance on Form CG 20 10 or blanket endorsement equivalent.

- b) All policies or certificates shall be endorsed to provide Thirty (30) days advance written notice of cancellation, non-renewal or reduction in coverage, mailed to the TOWN.

ENGINEER shall not commence work under this AGREEMENT until he has delivered to TOWN the Additional Insured Endorsements required herein.

1.8 Non-Discrimination in Employment: In the performance of work authorized under this AGREEMENT, ENGINEER shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age. ENGINEER shall, in all solicitations or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age.

1.9 Adherence to Applicable Disability Law: ENGINEER shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.), California Government Code Sections 12920 et seq., and all related state and local laws.

1.10 HIPAA Compliance: ENGINEER shall adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and shall make his best efforts to preserve data integrity and the confidentiality of protected health information.

1.11 Safety Responsibilities: ENGINEER shall adhere to all applicable requirements in performing work pursuant to this AGREEMENT. ENGINEER agrees that in the performance of work under this AGREEMENT, ENGINEER shall provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

1.12 Compliance With Federal and State Laws

- a) The ENGINEER understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 (the "Acts"), and hereby

- agrees to comply with all applicable provisions of the Acts in the performance of this Agreement.
- b) If this Agreement pertains to a contract for construction, the ENGINEER agrees to comply with the provisions of Arizona Revised Statutes (“A.R.S.”) 34-301 “Employment of Aliens on Public Works Prohibited” and A.R.S. 34-302 “Residence Requirements for Employees”.
 - c) Under the provisions of A.R.S. 41-4401, the ENGINEER hereby warrants to the Town that the ENGINEER and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and with A.R.S. 23-214(A) “Verification of Employment Eligibility” (hereafter referred to as “ENGINEER Immigration Warranty”).
 - d) A breach of the ENGINEER Immigration Warranty shall constitute a material breach of this Agreement and shall subject the ENGINEER to penalties including termination of the Agreement at the sole discretion of the Town.
 - e) Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the ENGINEER’s or Subcontractors’ employees who perform work under this Agreement, to ensure that the ENGINEER and Subcontractors are complying with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town in regard to any such inspections.
 - f) The Town may, in its sole discretion, conduct random verification of the employment records of the ENGINEER and any Subcontractors to ensure compliance with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town, upon request, with regard to any random verification performed by the Town.
 - g) Neither the ENGINEER nor any Subcontractor shall be deemed to have materially breached the ENGINEER Immigration Warranty if the ENGINEER or Subcontractor establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. 1324(a) and 8 U.S.C.A. 1324 (b)(1)(A), et seq., and the E-Verify requirements of A.R.S. 23-214(A).
 - h) ENGINEER agrees to include the provisions of this section in any contract the ENGINEER enters into with any and all of its Subcontractors who provide services under this Contract or any subcontract. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by the ENGINEER or Subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

1.13 **Conflict of Interest:** ENGINEER hereby covenants that it has, at the time of the execution of this AGREEMENT, no interest, direct or indirect, and that it shall not acquire any interest in the future, direct, or indirect, which would conflict in any manner or degree or performance of services required to be performed under this AGREEMENT. ENGINEER further covenants that in the performance of this work, no person having such interest shall be employed.

SECTION 2 - OBLIGATIONS OF THE TOWN

- 2.1 **Information:** TOWN shall provide criteria and full information concerning TOWN's requirements for the work to be performed by the ENGINEER, including objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and budgetary limitations. Provide to ENGINEER information pertinent to the work to be performed by the ENGINEER including previous reports and any other existing data relative to the work to be performed by the ENGINEER. Give prompt written notice to ENGINEER whenever TOWN observes or otherwise becomes aware of any defect in the work of contractors.
- 2.2 **Timely Review:** Examine all studies, reports, sketches, drawings, specifications, proposals and other documents presented by ENGINEER, and render decisions pertaining thereto within a reasonable time, not to exceed thirty (30) days without mutual consent, so as not to delay the performance of services by ENGINEER.
- 2.3 **Point of Contact:** Designate, in writing, a person to act as TOWN's representative and primary point of contact with respect to the services rendered under this AGREEMENT.
- 2.4 **Access:** Make its facilities accessible to ENGINEER as required for ENGINEER's performance of its services and will provide labor and safety equipment consistent with TOWN's standard practices as required by ENGINEER for such access. TOWN will be responsible for all acts of TOWN's personnel or those operating under contract with the TOWN.
- 2.5 **Asbestos:** If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation. If asbestos is suspected, the ENGINEER will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated. If hazardous substances other than asbestos are suspected, the ENGINEER, if requested, will conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated. To the maximum extent permitted by law, TOWN will indemnify ENGINEER and its

officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation expenses arising out of or relating to the presence, discharge, release, or escape of hazardous substances, contaminants, or asbestos on or from the PROJECT.

Consultant Contract Terms: TOWN agrees to include the provisions of Paragraph 1.5, ENGINEER's Personnel on Site, and provisions providing consultant indemnification of TOWN and ENGINEER for consultants' negligence.

2.6 **Insurance:** TOWN agrees to provide the following insurance coverage for the entire duration of the project:

2.6.1 Property insurance on all pre-existing physical facilities associated with the work to be performed by the ENGINEER.

2.6.2 A waiver of subrogation as to all TOWN-carried property damage insurance, during construction and thereafter, in favor of ENGINEER, its officers, employees, affiliates, and subcontractors.

2.6.3 A Builders Risk All Risk insurance policy for the full replacement value of all work including the value of all onsite TOWN-furnished equipment and/or materials associated with the ENGINEER's services. Such policy will include coverage for loss due to defects in materials and workmanship and errors in design, and will provide a waiver of subrogation as to the ENGINEER and the construction contractors (or TOWN), and their respective officers, employees, agents, affiliates and subcontractors.

SECTION 3 – CONTRACT PRICE

3.1 Contact Price.

3.1.1 In exchange for ENGINEER's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, TOWN will pay ENGINEER the "Contract Price", which is not to exceed **\$ 350,000.00.**

3.1.2 The Contract Price is all inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes of any type necessary to fully, properly and timely perform the services.

3.1.3 The term of the on-call list shall be for an initial three (3) year period with the possibility of two (2) one-year extensions, for a possible total of five (5) years.

SECTION 4 – PAYMENT

- 4.1 **Payment Terms:** Payment terms shall be agreed to, in writing, between TOWN and ENGINEER for each Authorization to perform work. Payment terms for a series of Authorizations may be entered into if so desired by both parties.
- 4.2 **Invoicing:** ENGINEER will, as appropriate, submit invoices to TOWN once per month, on or prior to the 10 day of that month. All invoices are to be emailed to accounts.payable@florenceaz.gov with a copy to susan.jonas@florenceaz.gov.
- 4.3 **Payment of Invoices:** Following receipt of invoice from the ENGINEER, payment will be made by the TOWN to the ENGINEER within 30 days for the amount requested in the invoice, as approved by the TOWN.

SECTION 5 - TIME OF PERFORMANCE

- 5.1 **Time:** Time of Performance for services under this AGREEMENT shall be defined in each Authorization.
- 5.2 **Progress Reporting:** ENGINEER shall report its progress under this AGREEMENT upon request by TOWN. ENGINEER shall plan its performance of services to accomplish timely completion, and shall promptly notify TOWN of any anticipated delay that may affect ENGINEER's time of performance.

SECTION 6 - PERIOD OF SERVICE

- 6.1 **Term:** This AGREEMENT shall remain in effect until such time as TOWN no longer has need of ENGINEER's services, unless terminated earlier in accordance with Section 5.2.
- 6.2 **Termination:** This AGREEMENT may be terminated as follows:
- 6.2.1 By mutual consent of the parties; or
 - 6.2.2 By TOWN upon 30 days written notice thereof to ENGINEER for any reason or for no reason at all; or
 - 6.2.3 By ENGINEER upon 30 days written notice thereof to TOWN in the event that TOWN fails to perform its obligations under this AGREEMENT.
 - 6.2.4 Should TOWN terminate this AGREEMENT for their convenience, TOWN shall pay ENGINEER for the services provided by the ENGINEER, as authorized by the TOWN up to the point of contract termination - as reasonable termination costs.

6.3 If the project is suspended by TOWN for more than 90 consecutive days, ENGINEER shall be compensated for services performed and accepted prior to notice of suspension. When the project is resumed, TOWN agrees to provide an equitable adjustment for ENGINEER's delay expenses and wage and salary increases caused by suspension.

SECTION 7 - LEGAL RELATIONSHIP

7.1 **Authorization to Proceed:** Execution of this AGREEMENT by TOWN will be authorization for ENGINEER to proceed with any requested work.

7.2 **Independent Contractor:** ENGINEER is for all purposes an independent contractor. In no event shall ENGINEER or any personnel retained by ENGINEER be deemed an agent or employee of TOWN or engaged by the TOWN for the account of or on behalf of TOWN ENGINEER shall maintain full control and responsibility of the means and methods of ENGINEER's services.

7.3 **Assignment of Work:** This is a bilateral personal Services AGREEMENT. Neither party shall assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

7.4 **Reuse of PROJECT Documents:** All reports, drawings, specifications, documents, and other deliverables of ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. TOWN agrees to indemnify ENGINEER and ENGINEER's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these PROJECT documents.

7.5 **Indemnification:** ENGINEER agrees to indemnify, and hold harmless TOWN from any claims, damages, losses, and costs, including but not limited to, attorney's fees and litigation costs, arising out of claims to the extent caused in whole or in part by the negligent or intentional act, error or omission of ENGINEER, ENGINEER's employees, affiliated corporations, officers, and subcontractors. TOWN agrees to indemnify ENGINEER from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of TOWN, or its employees or contractors in connection with the PROJECT.

7.6 **Consequential Damages:** To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors

shall not be liable for TOWN's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, TOWN will indemnify ENGINEER for any such damages.

7.7 Force Majeure: ENGINEER shall not be responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond its control.

7.8 Third Party Beneficiaries: This AGREEMENT gives no rights or benefits to anyone other than TOWN and ENGINEER and has no third-party beneficiaries.

7.9 Dispute Resolution: The TOWN and ENGINEER will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

7.10 Severability and Survival:

6.10.1 If any of the Provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.10.2 Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

7.11 Intellectual Property: All of the work product of the ENGINEER in executing this PROJECT shall remain the property of ENGINEER. TOWN shall receive a perpetual, royalty-free, non-transferable, non-exclusive license to use the deliverables for the purpose for which they were intended. Any inventions, patents, copyrights, computer software, or other intellectual property developed during the course of, or as a result of, the PROJECT shall remain the property of the ENGINEER.

7.12 Entire Agreement: This AGREEMENT, including attachments incorporated herein by reference, represents the entire AGREEMENT and understanding between the parties and any negotiations, proposals or oral AGREEMENTS are integrated herein and are superseded by this written AGREEMENT. Any supplement or amendment to this AGREEMENT shall be in writing and signed by the parties.

SECTION 8 – GOVERNING LAW

8.1 This AGREEMENT is to be governed and construed in accordance with the laws of the State of Arizona. The venue of any legal dispute relating to this AGREEMENT or the services provided hereunder shall be Pinal County, Arizona.

IN WITNESS WHEREOF duly authorized representatives of the parties have signed this AGREEMENT with the effective date, the year and day first written above.

TOWN OF FLORENCE:

By: _____
TARA WALTER, MAYOR

ENGINEER:

By: _____
, PRINCIPAL

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney



TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 16d.

MEETING DATE: January 21, 2020

DEPARTMENT: Public Works, Water & Wastewater Division

STAFF PRESENTER: Christopher Salas
Public Works Director
Town Engineer

SUBJECT: Professional Services Agreement with Sunrise Engineering, and EPS Group, for Land Surveying On-Call Engineering Services.

- Action**
- Information Only**
- Public Hearing**
- Resolution**
- Ordinance**
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other**

STRATEGIC PLAN REFERENCE:

- Community Vitality
- Economic Prosperity
- Leadership and Governance
- Partnership and Relationships
- Transportation and Infrastructure
- Statutory
- None

RECOMMENDED MOTION/ACTION:

Motion to approval the Professional Services Agreement with Sunrise Engineering, and EPS Group, for Land Surveying, each, in an amount not to exceed \$75,000.

BACKGROUND/DISCUSSION:

The purpose of the Professional Services Agreement is to provide the Town with On-Call Engineering Services. The services will be funded through the task specific budget line items under the Professional Services line item.

On-Call Engineering Contracts are vital to Public Works completing projects, as defined in the Capital Improvements Plan (CIP), or as projects are identified. Without On-Call Engineering contracts, staff would have to be involved in writing a project specific Request for Statement of Qualifications (RSOQ), be involved in a selection process, and eventually an award through the Council. This process multiplied by the number of Capital Improvement Projects would require a great deal of time from staff, time which would be better used on the projects.

The Public Works Department solicited proposals from qualified consultants to provide on-call/as-needed engineering and architectural services to support the Department's

Capital Improvement Program (CIP) and Maintenance Improvement Program (MIP). The SOQ result is the creation of a pool of consultant firms for the following engineering disciplines as regulated by the Arizona Board of Professional Engineers and Land Surveyors: general civil, water & wastewater, geotechnical, land surveyor and engineering services related to community facility districts (CFD). After approval of an agreement by the Town Council, the Director will have authority to approve work on a specific project through the use of a Project Scope of Work. The Project Scope of Work will define the work, maximum cost, schedule, terms of payment, deliverables, work site, personnel or sub-consultant(s) to be utilized, and other pertinent details. Directives will be issued to selected consultants based on their expertise, availability, and cost necessary to complete the work.

A selection panel reviewed and scored the Statements of Qualifications based upon selection criteria and relative weight of the selection criteria. The panel developed a final list for each discipline.

The selection panel consisted of; Town Manager, Finance and the Public Works Director / Town Engineer.

A VOTE OF NO WOULD MEAN:

Staff would have to be involved in writing a project specific Request for Statement of Qualifications (RSOQ), be involved in a selection process, and eventually an award through the Council. This process multiplied by the number of Capital Improvement Projects would require a great deal of time from staff, time which would be better used on the projects.

A VOTE OF YES WOULD MEAN:

Staff would be able to use the On-Call process to be efficient and complete more projects with fewer staff per year.

FINANCIAL IMPACT:

All costs related to the On-Call Engineering contracts are currently budgeted within the project's CIP budget. There is no additional budgetary impact as engineering was a planned for cost in the project scoping.

ATTACHMENTS:

- Sunrise Engineering Solicitation Response (on file at the Clerk's Office)
- Sunrise Engineering - Town of Florence Professional Service Contract Sunrise
- EPS Group Solicitation Response (on file at the Clerk's Office)
- EPS Group - Town of Florence Professional Service Contract

TOWN OF FLORENCE
On-Call Engineering Services Agreement

THIS AGREEMENT (“Agreement”) is made and entered into by and between the TOWN OF FLORENCE, an Arizona municipal corporation (“Town”) acting by and through its Town Council, and on the 21th day of January, 2020, by and between the “Town” and the “Consultant” designated below:

TOWN: Town of Florence, Arizona
Telephone: (520) 868-7500

CONSULTANT: Sunrise Engineering,
hereinafter referred to as **ENGINEER**
2045 South Vineyard, Suite 101,
Mesa AZ 85210
Representative: Tony Elley
Telephone: 480-768-8600
E-mail: telley@sunrise-eng.com

ENGINEER/DESIGNER: Town of Florence,
hereinafter referred to as **TOWN**
444 N. Warner Street
Florence, AZ 85132
Representative: Christopher A. Salas, P.E.
Telephone: (520) 251-3118
E-mail: christopher.salas@florenceaz.gov

**ADMINISTRATIVE ASSISTANT
PUBLIC WORKS:** Town of Florence
Susan Jonas
444 N. Warner Street
P.O. Box 2670
Florence, AZ 85132
Telephone: (520) 868-7614
E-mail: susan.jonas@florenceaz.gov

FINANCE DEPARTMENT: ACCOUNTS PAYABLE
accounts.payable@florenceaz.gov

WHEREAS, the TOWN desires to contract for On-Call Engineering Services as specified in Exhibit “A”, and individual Task Orders issued by the Town (“Scope of Work” or “Services”);

WHEREAS, the ENGINEER has the expertise and qualifications required to perform the needed professional engineering services, as described herein; and

WHEREAS, ENGINEER has agreed to perform the Services as set forth in Exhibit “A” and as set forth in individual Task Orders issued by the TOWN attached hereto and incorporated herein;

WHEREAS, ENGINEER agrees that this Contract is entered into by the parties pursuant to the Town’s issuance of a requests for Statement of Qualifications (SOQ-11042019-1): On Call Engineering Services

WHEREAS, the ENGINEER and TOWN wish to enter into an agreement, hereinafter referred to as the AGREEMENT, for the furnishing of professional engineering services as described herein.

THEREFORE, in consideration of the mutual promises, covenants, terms and conditions of the parties hereto, it is agreed as follows:

SECTION 1 - OBLIGATIONS OF THE ENGINEER

- 1.1 **Authorization to Perform Work:** Specific work to be performed by the ENGINEER shall be defined and authorized in writing by both the ENGINEER and the TOWN prior to commencing work. Any form of Authorization, be it by Task Order, email approval, etc. shall become a supplement to and part of this AGREEMENT. Each Authorization will define services to be performed, schedule for performance of those services and compensation for performance of those services.
- 1.2 **Point of Contact:** ENGINEER shall designate, in writing, a Project Manager who will act as primary point of contact and ENGINEER’s representative with respect to the services rendered under this AGREEMENT.
- 1.3 **Standard of Care:** All services performed by ENGINEER, or under its direction, shall be rendered in accordance with the prevailing standard of skill and care of the engineering profession at the time and in the area where the services are to be performed.
- 1.4 **Opinions of Cost:** In providing opinions of cost, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate cost or schedule of the facility being analyzed. Therefore, the ENGINEER makes no warranty that actual costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER’s opinions, analyses, projections, or estimates.

1.5 Personnel on Site:

- 1.5.1 The presence or duties of the ENGINEER's personnel on site, whether as onsite representative or otherwise, does not make the ENGINEER or its personnel in any way responsible for those duties that belong to TOWN and/or any construction contractors or other entities, and does not relieve any construction contractor or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with any agreements between the TOWN and such construction contractors, and any health or safety precautions required in the performance of such construction work.
- 1.5.2 The ENGINEER and its personnel have no authority to exercise any control over any construction contractors or other entities or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractors or other entities or any other persons at the site except ENGINEER's own personnel.
- 1.5.3 The presence of ENGINEER's personnel on site is for the purpose of providing the TOWN a greater degree of confidence that the completed work will conform generally to any AGREEMENT between the TOWN and any construction contractor and that the integrity of the design concept has been implemented and preserved by such contractor. Therefore, ENGINEER agrees that it will timely inform TOWN if ENGINEER observes work being performed in a manner which does not conform to the specifications and requirements of ENGINEER. ENGINEER neither guarantees the performance of any contractors nor assumes responsibility for such contractors' failure to perform their work. Construction sites include places of manufacture for materials incorporated into the construction work, and construction contractors include manufacturers of materials incorporated into the construction work.
- 1.6 **Deliverables:** ENGINEER's deliverables, including record drawings, are limited to the sealed and signed hard copies. Computer-generated drawing files furnished by ENGINEER are for TOWN or others' convenience. Any conclusions or information derived or obtained from these files will be at user's sole risk.
- 1.7 **Insurance:** ENGINEER agrees to provide the following insurance coverage, at ENGINEER's own expense for the entire duration of any project and for two (2) years thereafter:

- 1.7.1 Compensation Insurance. ENGINEER shall procure and maintain Workers Compensation Insurance and Employer's Liability Insurance as required by the State of Arizona, for all employees engaged in any work performed for TOWN. Employer's Liability Insurance shall be in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.
- 1.7.2 Commercial General Liability. ENGINEER shall procure and maintain Commercial General Liability Insurance for bodily injury, personal injury, and broad form property damage, in an amount of not less than One Million Dollars (\$2,000,000) combined single limit and aggregate coverage per occurrence, including but not limited to endorsements for the following coverage's: Personal and advertising injury, Premises-operations, Products and completed operations, Blanket contractual, and Independent contractor's liability.
- 1.7.3 Automobile Liability Insurance. ENGINEER shall procure and maintain Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased and non-owned vehicles used in connection with ENGINEER's business in an amount of not less than One Million Dollars (\$1,000,000) combined single limit coverage per occurrence.
- 1.7.4 Professional Liability Insurance. ENGINEER shall procure and maintain Professional Liability Insurance for protection against claims arising out of the performance of services under this AGREEMENT caused by negligent errors, omissions, or other acts for which ENGINEER, its employees, Subcontractors, and agents, are liable. Said insurance shall be written with limits of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate. If said insurance is written on a "claims made" form, insurance shall be maintained and evidence of insurance must be provided for at least one (1) year after completion of the work under this AGREEMENT.
- 1.7.5 Subcontractors. ENGINEER shall require each Subcontractor to procure and maintain, during the life of its subcontract, similar insurance as stated herein. All insurance coverage for Subcontractors shall be subject to each of the requirements herein and contain the additional insured endorsement required of ENGINEER described with particularity herein.
- 1.7.6 Additional Insured Endorsement. The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:
- a) The TOWN, its officers, officials, agents, and volunteers are to be covered as additional insured's as respects ENGINEER's work under this AGREEMENT and shall be added in the form of an endorsement

to ENGINEER's insurance on Form CG 20 10 or blanket endorsement equivalent.

- b) All policies or certificates shall be endorsed to provide Thirty (30) days advance written notice of cancellation, non-renewal or reduction in coverage, mailed to the TOWN.

ENGINEER shall not commence work under this AGREEMENT until he has delivered to TOWN the Additional Insured Endorsements required herein.

1.8 Non-Discrimination in Employment: In the performance of work authorized under this AGREEMENT, ENGINEER shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age. ENGINEER shall, in all solicitations or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age.

1.9 Adherence to Applicable Disability Law: ENGINEER shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.), California Government Code Sections 12920 et seq., and all related state and local laws.

1.10 HIPAA Compliance: ENGINEER shall adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and shall make his best efforts to preserve data integrity and the confidentiality of protected health information.

1.11 Safety Responsibilities: ENGINEER shall adhere to all applicable requirements in performing work pursuant to this AGREEMENT. ENGINEER agrees that in the performance of work under this AGREEMENT, ENGINEER shall provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

1.12 Compliance With Federal and State Laws

- a) The ENGINEER understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 (the "Acts"), and hereby

agrees to comply with all applicable provisions of the Acts in the performance of this Agreement.

- b) If this Agreement pertains to a contract for construction, the ENGINEER agrees to comply with the provisions of Arizona Revised Statutes (“A.R.S.”) 34-301 “Employment of Aliens on Public Works Prohibited” and A.R.S. 34-302 “Residence Requirements for Employees”.
- c) Under the provisions of A.R.S. 41-4401, the ENGINEER hereby warrants to the Town that the ENGINEER and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and with A.R.S. 23-214(A) “Verification of Employment Eligibility” (hereafter referred to as “ENGINEER Immigration Warranty”).
- d) A breach of the ENGINEER Immigration Warranty shall constitute a material breach of this Agreement and shall subject the ENGINEER to penalties including termination of the Agreement at the sole discretion of the Town.
- e) Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the ENGINEER’s or Subcontractors’ employees who perform work under this Agreement, to ensure that the ENGINEER and Subcontractors are complying with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town in regard to any such inspections.
- f) The Town may, in its sole discretion, conduct random verification of the employment records of the ENGINEER and any Subcontractors to ensure compliance with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town, upon request, with regard to any random verification performed by the Town.
- g) Neither the ENGINEER nor any Subcontractor shall be deemed to have materially breached the ENGINEER Immigration Warranty if the ENGINEER or Subcontractor establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. 1324(a) and 8 U.S.C.A. 1324 (b)(1)(A), et seq., and the E-Verify requirements of A.R.S. 23-214(A).
- h) ENGINEER agrees to include the provisions of this section in any contract the ENGINEER enters into with any and all of its Subcontractors who provide services under this Contract or any subcontract. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by the ENGINEER or Subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

- 1.13 **Conflict of Interest:** ENGINEER hereby covenants that it has, at the time of the execution of this AGREEMENT, no interest, direct or indirect, and that it shall not acquire any interest in the future, direct, or indirect, which would conflict in any manner or degree or performance of services required to be performed under this AGREEMENT. ENGINEER further covenants that in the performance of this work, no person having such interest shall be employed.

SECTION 2 - OBLIGATIONS OF THE TOWN

- 2.1 **Information:** TOWN shall provide criteria and full information concerning TOWN's requirements for the work to be performed by the ENGINEER, including objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and budgetary limitations. Provide to ENGINEER information pertinent to the work to be performed by the ENGINEER including previous reports and any other existing data relative to the work to be performed by the ENGINEER. Give prompt written notice to ENGINEER whenever TOWN observes or otherwise becomes aware of any defect in the work of contractors.
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- 2.5 **Asbestos:** If asbestos or hazardous substances in any form are encountered or suspected, the ENGINEER will stop its own work in the affected portions of the PROJECT to permit testing and evaluation. If asbestos is suspected, the ENGINEER will, if requested, manage the asbestos remediation activities using a qualified subcontractor at an additional fee and contract terms to be negotiated. If hazardous substances other than asbestos are suspected, the ENGINEER, if requested, will conduct tests to determine the extent of the problem and will perform the necessary studies and recommend the necessary remedial measures at an additional fee and contract terms to be negotiated. To the maximum extent permitted by law, TOWN will indemnify ENGINEER and its

officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation expenses arising out of or relating to the presence, discharge, release, or escape of hazardous substances, contaminants, or asbestos on or from the PROJECT.

Consultant Contract Terms: TOWN agrees to include the provisions of Paragraph 1.5, ENGINEER's Personnel on Site, and provisions providing consultant indemnification of TOWN and ENGINEER for consultants' negligence.

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2.6.2 A waiver of subrogation as to all TOWN-carried property damage insurance, during construction and thereafter, in favor of ENGINEER, its officers, employees, affiliates, and subcontractors.

2.6.3 A Builders Risk All Risk insurance policy for the full replacement value of all work including the value of all onsite TOWN-furnished equipment and/or materials associated with the ENGINEER's services. Such policy will include coverage for loss due to defects in materials and workmanship and errors in design, and will provide a waiver of subrogation as to the ENGINEER and the construction contractors (or TOWN), and their respective officers, employees, agents, affiliates and subcontractors.

SECTION 3 – CONTRACT PRICE

3.1 Contact Price.

3.1.1 In exchange for ENGINEER's full, timely, and acceptable performance and construction of the Work under this Contract, and subject to all of the terms of this Contract, TOWN will pay ENGINEER the "Contract Price", which is not to exceed **\$ 75,000.00.**

3.1.2 The Contract Price is all inclusive and specifically includes all fees, costs, insurance and bond premiums, and taxes of any type necessary to fully, properly and timely perform the services.

3.1.3 The term of the on-call list shall be for an initial three (3) year period with the possibility of two (2) one-year extensions, for a possible total of five (5) years.

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- 4.1 **Payment Terms:** Payment terms shall be agreed to, in writing, between TOWN and ENGINEER for each Authorization to perform work. Payment terms for a series of Authorizations may be entered into if so desired by both parties.
- 4.2 **Invoicing:** ENGINEER will, as appropriate, submit invoices to TOWN once per month, on or prior to the 10 day of that month. All invoices are to be emailed to accounts.payable@florenceaz.gov with a copy to susan.jonas@florenceaz.gov.
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- 5.1 **Time:** Time of Performance for services under this AGREEMENT shall be defined in each Authorization.
- 5.2 **Progress Reporting:** ENGINEER shall report its progress under this AGREEMENT upon request by TOWN. ENGINEER shall plan its performance of services to accomplish timely completion, and shall promptly notify TOWN of any anticipated delay that may affect ENGINEER's time of performance.

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- 6.2 **Termination:** This AGREEMENT may be terminated as follows:
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 - 6.2.2 By TOWN upon 30 days written notice thereof to ENGINEER for any reason or for no reason at all; or
 - 6.2.3 By ENGINEER upon 30 days written notice thereof to TOWN in the event that TOWN fails to perform its obligations under this AGREEMENT.
 - 6.2.4 Should TOWN terminate this AGREEMENT for their convenience, TOWN shall pay ENGINEER for the services provided by the ENGINEER, as authorized by the TOWN up to the point of contract termination - as reasonable termination costs.

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7.1 **Authorization to Proceed:** Execution of this AGREEMENT by TOWN will be authorization for ENGINEER to proceed with any requested work.

7.2 **Independent Contractor:** ENGINEER is for all purposes an independent contractor. In no event shall ENGINEER or any personnel retained by ENGINEER be deemed an agent or employee of TOWN or engaged by the TOWN for the account of or on behalf of TOWN ENGINEER shall maintain full control and responsibility of the means and methods of ENGINEER's services.

7.3 **Assignment of Work:** This is a bilateral personal Services AGREEMENT. Neither party shall assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

7.4 **Reuse of PROJECT Documents:** All reports, drawings, specifications, documents, and other deliverables of ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. TOWN agrees to indemnify ENGINEER and ENGINEER's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these PROJECT documents.

7.5 **Indemnification:** ENGINEER agrees to indemnify, and hold harmless TOWN from any claims, damages, losses, and costs, including but not limited to, attorney's fees and litigation costs, arising out of claims to the extent caused in whole or in part by the negligent or intentional act, error or omission of ENGINEER, ENGINEER's employees, affiliated corporations, officers, and subcontractors. TOWN agrees to indemnify ENGINEER from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of TOWN, or its employees or contractors in connection with the PROJECT.

7.6 **Consequential Damages:** To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors

shall not be liable for TOWN's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, TOWN will indemnify ENGINEER for any such damages.

7.7 Force Majeure: ENGINEER shall not be responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond its control.

7.8 Third Party Beneficiaries: This AGREEMENT gives no rights or benefits to anyone other than TOWN and ENGINEER and has no third-party beneficiaries.

7.9 Dispute Resolution: The TOWN and ENGINEER will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

7.10 Severability and Survival:

6.10.1 If any of the Provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.10.2 Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

7.11 Intellectual Property: All of the work product of the ENGINEER in executing this PROJECT shall remain the property of ENGINEER. TOWN shall receive a perpetual, royalty-free, non-transferable, non-exclusive license to use the deliverables for the purpose for which they were intended. Any inventions, patents, copyrights, computer software, or other intellectual property developed during the course of, or as a result of, the PROJECT shall remain the property of the ENGINEER.

7.12 Entire Agreement: This AGREEMENT, including attachments incorporated herein by reference, represents the entire AGREEMENT and understanding between the parties and any negotiations, proposals or oral AGREEMENTS are integrated herein and are superseded by this written AGREEMENT. Any supplement or amendment to this AGREEMENT shall be in writing and signed by the parties.

SECTION 8 – GOVERNING LAW

8.1 This AGREEMENT is to be governed and construed in accordance with the laws of the State of Arizona. The venue of any legal dispute relating to this AGREEMENT or the services provided hereunder shall be Pinal County, Arizona.

IN WITNESS WHEREOF duly authorized representatives of the parties have signed this AGREEMENT with the effective date, the year and day first written above.

TOWN OF FLORENCE:

By: _____
TARA WALTER, MAYOR

ENGINEER:

By: _____
, PRINCIPAL

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney

TOWN OF FLORENCE
On-Call Engineering Services Agreement

THIS AGREEMENT (“Agreement”) is made and entered into by and between the TOWN OF FLORENCE, an Arizona municipal corporation (“Town”) acting by and through its Town Council, and on the 21th day of January, 2020, by and between the “Town” and the “Consultant” designated below:

TOWN: Town of Florence, Arizona
Telephone: (520) 868-7500

CONSULTANT: EPS Group,
hereinafter referred to as **ENGINEER**
1130 N. Alma School Road, Ste 120,
Mesa, AZ 85201
Representative: Elijah Williams
Telephone: 480-252-7633
E-mail: Elijah.williams@epsgroupinc.com

ENGINEER/DESIGNER: Town of Florence,
hereinafter referred to as **TOWN**
444 N. Warner Street
Florence, AZ 85132
Representative: Christopher A. Salas, P.E.
Telephone: (520) 251-3118
E-mail: christopher.salas@florenceaz.gov

**ADMINISTRATIVE ASSISTANT
PUBLIC WORKS:** Town of Florence
Susan Jonas
444 N. Warner Street
P.O. Box 2670
Florence, AZ 85132
Telephone: (520) 868-7614
E-mail: susan.jonas@florenceaz.gov

FINANCE DEPARTMENT: ACCOUNTS PAYABLE
accounts.payable@florenceaz.gov

WHEREAS, the TOWN desires to contract for On-Call Engineering Services as specified in Exhibit “A”, and individual Task Orders issued by the Town (“Scope of Work” or “Services”);

WHEREAS, the ENGINEER has the expertise and qualifications required to perform the needed professional engineering services, as described herein; and

WHEREAS, ENGINEER has agreed to perform the Services as set forth in Exhibit “A” and as set forth in individual Task Orders issued by the TOWN attached hereto and incorporated herein;

WHEREAS, ENGINEER agrees that this Contract is entered into by the parties pursuant to the Town’s issuance of a requests for Statement of Qualifications (SOQ-11042019-1): On Call Engineering Services

WHEREAS, the ENGINEER and TOWN wish to enter into an agreement, hereinafter referred to as the AGREEMENT, for the furnishing of professional engineering services as described herein.

THEREFORE, in consideration of the mutual promises, covenants, terms and conditions of the parties hereto, it is agreed as follows:

SECTION 1 - OBLIGATIONS OF THE ENGINEER

- 1.1 **Authorization to Perform Work:** Specific work to be performed by the ENGINEER shall be defined and authorized in writing by both the ENGINEER and the TOWN prior to commencing work. Any form of Authorization, be it by Task Order, email approval, etc. shall become a supplement to and part of this AGREEMENT. Each Authorization will define services to be performed, schedule for performance of those services and compensation for performance of those services.
- 1.2 **Point of Contact:** ENGINEER shall designate, in writing, a Project Manager who will act as primary point of contact and ENGINEER’s representative with respect to the services rendered under this AGREEMENT.
- 1.3 **Standard of Care:** All services performed by ENGINEER, or under its direction, shall be rendered in accordance with the prevailing standard of skill and care of the engineering profession at the time and in the area where the services are to be performed.
- 1.4 **Opinions of Cost:** In providing opinions of cost, the ENGINEER has no control over cost or price of labor and materials; unknown or latent conditions of existing equipment or structures that may affect operation or maintenance costs; competitive bidding procedures and market conditions; time or quality of performance by third parties; quality, type, management, or direction of operating personnel; and other economic and operational factors that may materially affect the ultimate cost or schedule of the facility being analyzed. Therefore, the ENGINEER makes no warranty that actual costs, financial aspects, economic feasibility, or schedules will not vary from the ENGINEER’s opinions, analyses, projections, or estimates.

1.5 Personnel on Site:

- 1.5.1 The presence or duties of the ENGINEER's personnel on site, whether as onsite representative or otherwise, does not make the ENGINEER or its personnel in any way responsible for those duties that belong to TOWN and/or any construction contractors or other entities, and does not relieve any construction contractor or any other entity of their obligations, duties, and responsibilities, including, but not limited to, all construction methods, means, techniques, sequences, and procedures necessary for coordinating and completing all portions of the construction work in accordance with any agreements between the TOWN and such construction contractors, and any health or safety precautions required in the performance of such construction work.
- 1.5.2 The ENGINEER and its personnel have no authority to exercise any control over any construction contractors or other entities or their employees in connection with their work or any health or safety precautions and have no duty for inspecting, noting, observing, correcting, or reporting on health or safety deficiencies of the construction contractors or other entities or any other persons at the site except ENGINEER's own personnel.
- 1.5.3 The presence of ENGINEER's personnel on site is for the purpose of providing the TOWN a greater degree of confidence that the completed work will conform generally to any AGREEMENT between the TOWN and any construction contractor and that the integrity of the design concept has been implemented and preserved by such contractor. Therefore, ENGINEER agrees that it will timely inform TOWN if ENGINEER observes work being performed in a manner which does not conform to the specifications and requirements of ENGINEER. ENGINEER neither guarantees the performance of any contractors nor assumes responsibility for such contractors' failure to perform their work. Construction sites include places of manufacture for materials incorporated into the construction work, and construction contractors include manufacturers of materials incorporated into the construction work.
- 1.6 **Deliverables:** ENGINEER's deliverables, including record drawings, are limited to the sealed and signed hard copies. Computer-generated drawing files furnished by ENGINEER are for TOWN or others' convenience. Any conclusions or information derived or obtained from these files will be at user's sole risk.
- 1.7 **Insurance:** ENGINEER agrees to provide the following insurance coverage, at ENGINEER's own expense for the entire duration of any project and for two (2) years thereafter:

- 1.7.1 Compensation Insurance. ENGINEER shall procure and maintain Workers Compensation Insurance and Employer's Liability Insurance as required by the State of Arizona, for all employees engaged in any work performed for TOWN. Employer's Liability Insurance shall be in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.
- 1.7.2 Commercial General Liability. ENGINEER shall procure and maintain Commercial General Liability Insurance for bodily injury, personal injury, and broad form property damage, in an amount of not less than One Million Dollars (\$2,000,000) combined single limit and aggregate coverage per occurrence, including but not limited to endorsements for the following coverage's: Personal and advertising injury, Premises-operations, Products and completed operations, Blanket contractual, and Independent contractor's liability.
- 1.7.3 Automobile Liability Insurance. ENGINEER shall procure and maintain Comprehensive Automobile Liability Insurance, both bodily injury and property damage, on owned, hired, leased and non-owned vehicles used in connection with ENGINEER's business in an amount of not less than One Million Dollars (\$1,000,000) combined single limit coverage per occurrence.
- 1.7.4 Professional Liability Insurance. ENGINEER shall procure and maintain Professional Liability Insurance for protection against claims arising out of the performance of services under this AGREEMENT caused by negligent errors, omissions, or other acts for which ENGINEER, its employees, Subcontractors, and agents, are liable. Said insurance shall be written with limits of not less than One Million Dollars (\$1,000,000) per claim and in the aggregate. If said insurance is written on a "claims made" form, insurance shall be maintained and evidence of insurance must be provided for at least one (1) year after completion of the work under this AGREEMENT.
- 1.7.5 Subcontractors. ENGINEER shall require each Subcontractor to procure and maintain, during the life of its subcontract, similar insurance as stated herein. All insurance coverage for Subcontractors shall be subject to each of the requirements herein and contain the additional insured endorsement required of ENGINEER described with particularity herein.
- 1.7.6 Additional Insured Endorsement. The Commercial General Liability and Automobile Liability Insurance must each contain, or be endorsed to contain, the following provisions:
- a) The TOWN, its officers, officials, agents, and volunteers are to be covered as additional insured's as respects ENGINEER's work under

this AGREEMENT and shall be added in the form of an endorsement to ENGINEER's insurance on Form CG 20 10 or blanket endorsement equivalent.

- b) All policies or certificates shall be endorsed to provide Thirty (30) days advance written notice of cancellation, non-renewal or reduction in coverage, mailed to the TOWN.

ENGINEER shall not commence work under this AGREEMENT until he has delivered to TOWN the Additional Insured Endorsements required herein.

1.8 Non-Discrimination in Employment: In the performance of work authorized under this AGREEMENT, ENGINEER shall not unlawfully discriminate against any qualified worker because of race, religious creed, color, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age. ENGINEER shall, in all solicitations or advertisements for employees placed by or on behalf of the ENGINEER, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, sexual orientation, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or age.

1.9 Adherence to Applicable Disability Law: ENGINEER shall be responsible for knowing and adhering to the requirements of Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act, (42 U.S.C. Sections 12101, et seq.), California Government Code Sections 12920 et seq., and all related state and local laws.

1.10 HIPAA Compliance: ENGINEER shall adhere to Titles 9 and 22 and all other applicable Federal and State statutes and regulations, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and shall make his best efforts to preserve data integrity and the confidentiality of protected health information.

1.11 Safety Responsibilities: ENGINEER shall adhere to all applicable requirements in performing work pursuant to this AGREEMENT. ENGINEER agrees that in the performance of work under this AGREEMENT, ENGINEER shall provide for the safety needs of its employees and will be responsible for maintaining the standards necessary to minimize health and safety hazards.

1.12 Compliance With Federal and State Laws

- a) The ENGINEER understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989 (the "Acts"), and hereby

agrees to comply with all applicable provisions of the Acts in the performance of this Agreement.

- b) If this Agreement pertains to a contract for construction, the ENGINEER agrees to comply with the provisions of Arizona Revised Statutes (“A.R.S.”) 34-301 “Employment of Aliens on Public Works Prohibited” and A.R.S. 34-302 “Residence Requirements for Employees”.
- c) Under the provisions of A.R.S. 41-4401, the ENGINEER hereby warrants to the Town that the ENGINEER and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and with A.R.S. 23-214(A) “Verification of Employment Eligibility” (hereafter referred to as “ENGINEER Immigration Warranty”).
- d) A breach of the ENGINEER Immigration Warranty shall constitute a material breach of this Agreement and shall subject the ENGINEER to penalties including termination of the Agreement at the sole discretion of the Town.
- e) Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the ENGINEER’s or Subcontractors’ employees who perform work under this Agreement, to ensure that the ENGINEER and Subcontractors are complying with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town in regard to any such inspections.
- f) The Town may, in its sole discretion, conduct random verification of the employment records of the ENGINEER and any Subcontractors to ensure compliance with the ENGINEER Immigration Warranty. ENGINEER agrees to assist the Town, upon request, with regard to any random verification performed by the Town.
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7.1 **Authorization to Proceed:** Execution of this AGREEMENT by TOWN will be authorization for ENGINEER to proceed with any requested work.

7.2 **Independent Contractor:** ENGINEER is for all purposes an independent contractor. In no event shall ENGINEER or any personnel retained by ENGINEER be deemed an agent or employee of TOWN or engaged by the TOWN for the account of or on behalf of TOWN ENGINEER shall maintain full control and responsibility of the means and methods of ENGINEER's services.

7.3 **Assignment of Work:** This is a bilateral personal Services AGREEMENT. Neither party shall assign any of the duties or rights or any claim arising out of or related to this AGREEMENT, whether arising in tort, contract or otherwise, without the written consent of the other party. Any unauthorized assignment is void and unenforceable. These conditions and the entire AGREEMENT are binding on the heirs, successors, and assigns of the parties hereto.

7.4 **Reuse of PROJECT Documents:** All reports, drawings, specifications, documents, and other deliverables of ENGINEER, whether in hard copy or in electronic form, are instruments of service for this PROJECT, whether the PROJECT is completed or not. TOWN agrees to indemnify ENGINEER and ENGINEER's officers, employees, subcontractors, and affiliated corporations from all claims, damages, losses, and costs, including, but not limited to, litigation expenses and attorney's fees arising out of or related to the unauthorized reuse, change or alteration of these PROJECT documents.

7.5 **Indemnification:** ENGINEER agrees to indemnify, and hold harmless TOWN from any claims, damages, losses, and costs, including but not limited to, attorney's fees and litigation costs, arising out of claims to the extent caused in whole or in part by the negligent or intentional act, error or omission of ENGINEER, ENGINEER's employees, affiliated corporations, officers, and subcontractors. TOWN agrees to indemnify ENGINEER from any claims, damages, losses, and costs, including, but not limited to, attorney's fees and litigation costs, arising out of claims by third parties for property damage or bodily injury, including death, to the proportionate extent caused by the negligence or willful misconduct of TOWN, or its employees or contractors in connection with the PROJECT.

7.6 **Consequential Damages:** To the maximum extent permitted by law, ENGINEER and ENGINEER's affiliated corporations, officers, employees, and subcontractors

shall not be liable for TOWN's special, indirect, or consequential damages, whether such damages arise out of breach of contract or warranty, tort including negligence, strict or statutory liability, or any other cause of action. In order to protect ENGINEER against indirect liability or third-party proceedings, TOWN will indemnify ENGINEER for any such damages.

7.7 Force Majeure: ENGINEER shall not be responsible for damages or delays in performance caused by force majeure, acts of God, or other events beyond its control.

7.8 Third Party Beneficiaries: This AGREEMENT gives no rights or benefits to anyone other than TOWN and ENGINEER and has no third-party beneficiaries.

7.9 Dispute Resolution: The TOWN and ENGINEER will use their best efforts to resolve amicably any dispute, including use of alternative dispute resolution options.

7.10 Severability and Survival:

6.10.1 If any of the Provisions contained in this AGREEMENT are held for any reason to be invalid, illegal, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby.

6.10.2 Limitations of liability, indemnities, and other express representations shall survive termination of this AGREEMENT for any cause.

7.11 Intellectual Property: All of the work product of the ENGINEER in executing this PROJECT shall remain the property of ENGINEER. TOWN shall receive a perpetual, royalty-free, non-transferable, non-exclusive license to use the deliverables for the purpose for which they were intended. Any inventions, patents, copyrights, computer software, or other intellectual property developed during the course of, or as a result of, the PROJECT shall remain the property of the ENGINEER.

7.12 Entire Agreement: This AGREEMENT, including attachments incorporated herein by reference, represents the entire AGREEMENT and understanding between the parties and any negotiations, proposals or oral AGREEMENTS are integrated herein and are superseded by this written AGREEMENT. Any supplement or amendment to this AGREEMENT shall be in writing and signed by the parties.

SECTION 8 – GOVERNING LAW

8.1 This AGREEMENT is to be governed and construed in accordance with the laws of the State of Arizona. The venue of any legal dispute relating to this AGREEMENT or the services provided hereunder shall be Pinal County, Arizona.

IN WITNESS WHEREOF duly authorized representatives of the parties have signed this AGREEMENT with the effective date, the year and day first written above.

TOWN OF FLORENCE:

By: _____
TARA WALTER, MAYOR

ENGINEER:

By: _____
, PRINCIPAL

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM:

Clifford L. Mattice, Town Attorney

MEMORANDUM

To: Mayor and Town Council
From: Brent Billingsley, Town Manager
Copy: Department Heads
Date: January 21, 2020
Re: Town Manager's Report



I thought that it would be important to make the connection between the Council Strategic Plan and current Town priorities, therefore this memo provides select updates by Strategic Plan Area. It is not intended to be exhaustive list, just an update on one project per area. I do not want to supplant or duplicate the individual department reports that Council receives on a monthly basis.

Community Vitality: The winter activity season is upon us and it has started with a bang. The community calendar is full and even more exciting for staff and the community is the recent Council approval of an Arts Festival and Music Festival in the spring.

Recent event update:

- **Hangin' After School Program – Friday, December 13th**
The Hanging After School recreation program concluded for the semester, two weeks ago. The program, which runs Monday through Friday from 3:30 p.m. to 5:30 p.m., is designed for children in kindergarten through the sixth grade. We had 110 kids registered from its beginning in July through December, with an average daily attendance of 25 to 30 children. The program continues on Monday, January 6th when school resumes.
- **Jr NBA Youth Basketball Season – Tuesday, December 17th**
The Junior NBA Youth and Teen Basketball League was held from late October through Tuesday, December 17th. Eighty-five boys and girls, ages 5 to 13 participated in the league held at Florence K-8 and Florence High School.
- **4th Annual Holiday Hoedown – Thursday, December 19th**
The Florence Teen Council (FTC) partnered with staff from the Dorothy Nolan Senior to present the fourth annual Holiday Hoedown on Thursday, December 19th. Dinner was prepared by Kiss the Chef catering and served by 16 members of Teen Council. The evening also included dessert, a DJ and music for the 38 seniors who attended.
- **P.O.W.W.O.W. (Produce on Wheels Without Waste) – Saturday, December 21st**
Community Service Department's second P.O.W.W.O.W. was held Saturday December 19th in the Library and Community Center parking lot. Thanks to a partnership with Borderlands Produce Rescue, Saturday's event was the second in a series of seven monthly farmers markets offered to our community. Full-time

staff, part-time employees and over 40 volunteers, coordinated the purchase and selection of produce for 125 people. The produce available included watermelons, cucumbers, Italian, Gray and Yellow Squash, bell peppers and grapefruit. Once again, the constant presence of Florence Police Officers was appreciated, especially since all transactions were cash only. Future POWWOWs are the fourth Saturday of the month through May. The next POWWOW is Saturday, January 25th.

Economic Prosperity: As you are aware, the Town Council recently approved the Florence Downtown Redevelopment Area Improvement Program. Following the meeting, the newspaper published an article to make the public aware of the new program. I was also interviewed for a series of year-end articles, in which I mentioned the program again. Furthermore, the Chamber of Commerce has also highlighted the new Program within their newsletter to members and local businesses. Staff has developed a brochure and will begin distributing these to downtown businesses. Discussions have also occurred with members of the IDA, to make them aware of the new terms of the Program. Updated forms and policies are available at Town Hall for interested parties.

Leadership and Governance: It was requested that this report provide a look forward to future Town Council agenda items. The following is a list of future items for potential Town Council action. This list is not intended to be comprehensive but represents important forthcoming items:

- Regional Transportation Plan Update
- Spirit Loop Ach Culvert 4.1 acceptance
- Redevelopment Plan Update
- Vacant Building Program
- CFD #2 Special Assessment Bond Offering (Unit 32)
- Town Fee Schedule Update
- Assignment of SOCs (Florence Gardens)

Partnerships and Relationships: As part of the “Smart Metering Project” the Town recently contracted with WaterSmart Software to enhance the customer experience. Water Smart’s advanced technology solutions will allow Florence to better communicate with our consumers about the value of water, how their water use compares to others, and how they can save money. The engagement and analytics tools allow customers to help themselves by accessing detailed information to answer questions and solve common problems. These capabilities will translate into cost savings, help protect revenue, and create improvements in customer satisfaction levels.

Customer expectations have rapidly changed. 77% of Americans now own a smartphone and 86% are active on social media. People receive 121 emails a day on average and spend 11 hours a day on their media gadgets. People have also become accustomed to receiving timely and targeted communications from their service providers: credit card companies, energy utilities, cell phone providers, internet service providers, and many more.

Shifting to a proactive engagement strategy helps utilities as they face critical infrastructure investments which often require publicly approved rate increases. This

means offering digital solutions that puts information at the fingertips of customers is becoming non-negotiable. If a utility doesn't adapt to these changing demands, their customer service ratings will be adversely impacted.

Transportation and Infrastructure: The Public Works Department has several projects ongoing but three are of particular interest.

- **Well #5 Rebuild**
The USGS Tracer method testing has been completed. Lab work has been completed and sent to the consultant. Draft report should be submitted to Town staff in January.
- **T65 & T72 Hunt Highway north of Franklin Road to Town limits**
Scope of work sent to geotechnical consultant to obtain a cost proposal. Geotechnical work should begin in late January or early February.
- **Silver King Hotel**
Architect has completed initial renderings. Renderings being submitted to SHPO in December. Goal is to submit to HDAC for their review in January.

Upcoming Events/Meetings/Forums:

Date	Time	Event	Host	Venue
January 17th	5:00 p.m.	Florence 3rd Fridays	Main Street Businesses	Historic Downtown Florence
January 25th	8:00 a.m.	Make A Difference Day	Parks & Recreation	Library & Community Center
January 25th	9:00 a.m.	POWWOW	Parks & Recreation	Aquatic Center/Library & Community Center - Parking Lot
January 31st	7:00 a.m.	Annual Yard Sale	Senior Center	Dorothy Nolan Senior Center
February 8th	10:00 a.m.	Historic Home Tour	Parks & Recreation	Historic Downtown Florence

Success Stories:

Statewide:

- Sales Tax collections grew by 9.5% in November. Retail grew by 8.8%, and Restaurant by 6.4%. Contracting continues to see dramatic increases, as it was 19.3% over last year (and is up 17.3% year-to-date).
- Individual Income Tax collections increased by 13.8%, which would mean a larger portion of state shared revenues, if the trend continues throughout the fiscal year. Through the first five months of 2019-2020, the State is up 11.5% in income tax collections (and \$129.3 million above the forecasted total).

- HURF collections were up this month. Collections were up 5.4% compared to November of last year, and now total just (\$0.2) million below the forecast. This accounts for only a 1.1% gain over last year. HURF is one of the few categories where the numbers are not meeting the forecasted growth.
- In October, Arizona's 12-month total of single-family building permits was 32,619, or 6.5% more than a year ago. For Florence, the 12-month period ending on November 30th saw an increase of 58.1% over the same period last year. Florence's single-family permits in November were the third highest this year, following two of the highest months on record. Florence has already far exceeded the number of Single-family permits issued last year and will likely end up with about 365 permits by the end of the year -- the first time that would happen since 2008. Florence is issuing more permits than Casa Grande and Coolidge combined over the past few months.

Current Advertisements:

The following Requests for Proposals/Qualification are currently Open:

1. Electrical Services: Water and Wastewater

The following Requests for Proposals/Qualifications are Under Review:

1. On-call engineering services for Public Works. The solicitation seeks to contract for general civil, water, wastewater, geo technical and surveying services.