PUBLIC NOTICE
THE ELOY CITY COUNCIL
Meets
MONDAY, AUGUST 25, 2025
6:00 PM
ELOY CITY COUNCIL CHAMBERS
595 NORTH C STREET
ELOY, ARIZONA 85131
For a
REGULAR MEETING

AGENDA

I. Call to Order

II. Roll Call

III. Moment of Silence

IV. Pledge of Allegiance

V. Public Appearances

Those wishing to **ADDRESS THE CITY COUNCIL** may do so by signing in on a form provided by the City Clerk, identifying the topic(s) or agenda item(s). **ACTION** taken as a result of public comment regarding non agenda items will be limited to directing staff to study the matter or rescheduling the matter for further consideration and decision at a later date. **SPEAKERS SHALL BE LIMITED TO THREE (3) MINUTES**.

A. Scheduled

B. Unscheduled

C. Legislative Update by Representative Teresa Martinez

VI. Reports and Announcements

A. Mayor's Announcements

1. Proclamation - Jose Jimenez Day

B. Council Members' Announcements

C. City Manager's Announcements

VII. Consent Agenda

ALL ITEMS LISTED WITH AN ASTERISK(*) ARE CONSIDERED TO BE ROUTINE MATTERS AND WILL BE ENACTED BY ONE MOTION AND ONE ROLL CALL VOTE OF THE COUNCIL. THERE WILL BE NO SEPARATE DISCUSSION OF THESE ITEMS UNLESS A COUNCIL MEMBER SO REQUESTS, IN WHICH EVENT THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND CONSIDERED IN ITS NORMAL SEQUENCE ON THE AGENDA.

*A.	Approval of Minutes - August 11, 2025 Regular Meeting	Celine A. Kidwell
*B.	Authorize the Eloy Police Department to renew the Federal Equitable Sharing Agreement and Approve the Annual Certification Report for FY 2025-2026	Sergio Banales
*C.	Authorization to Purchase a New LeeBoy Paver Under the Sourcewell Cooperative Purchasing Contracts #060122-VTL from the Authorized LeeBoy Distributor Arnold Machinery Company in the Amount Not To Exceed $250,000 for the Public Works Streets Division	Matt Rencher
*D.	Consideration of Accepting a Proposal from Empire Caterpillar to Purchase a Remanufactured Engine for the Public Works Motor Grader at a Cost Not To Exceed $75,000.	Matt Rencher
*E.	Approve the Annual Development Impact Fee Report for the City of Eloy ending June 30, 2025.	Brian Wright

VIII. Business: Possible Discussion and/or Action on the Following:

A.	Discussion and Consideration of Accepting a Proposal from the Central Arizona Irrigation and Drainage District (CAIDD or the District) Under the 2007 Intergovernmental Agreement with the District to Drill a Replacement Well to Replace Well #3 at a Cost of Not to Exceed $900,000, Plus Applicable Taxes; And Authorizing the Mayor to Execute the Necessary Agreements	Matt Rencher
B.	Adoption of Resolution No. 25-1631 Supporting the Application to the Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund to Apply for Grant Funding to Reimburse a Local Match as Required for the Safe Streets 4 All (SS4A) Grant Program.	Matt Rencher
C.	Adopt Resolution No. 25-1630 to approve new wastewater rates and charges for the City of Eloy Wastewater System, using recommendations from Scenarios 2 and 3 of the Wastewater Rate Study.	Brian Wright
D.	Adopt Resolution No. 25-1629 to approve new water rates and charges for the City of Eloy Water System, using recommendations from scenario 3 of the Water Rate Study.	Brian Wright
E.	Adopt Resolution No. 25-1628 to approve new water rates and charges for the City of Eloy Water System, using recommendations from scenario 2 of the Water Rate Study.	Brian Wright

IX. Executive Session

Possible executive session for discussion/consultation for legal advice with the city attorney and/or city staff concerning any of the agenda items, pursuant to A.R.S. §38-

431.03 (A) (3) and (4).

X. Adjournment

POSTED BY BY 5:00 P.M. WEDNESDAY, AUGUST 20, 2025, AT ELOY CITY HALL, ELOY POST OFFICE, AND CITY WEBSITE: www.eloyaz.gov

THE FACILITY WILL BE OPEN TO THE PUBLIC 30 MINUTES PRIOR TO THE START OF THE MEETING AND SEATING WILL BE AVAILABLE FOR "REASONABLY ANTICIPATED ATTENDANCE."

Celine A. Kidwell

Celine A. Kidwell, CMC, FCRM
City Clerk

INDIVIDUALS WITH SPECIAL ACCESSIBILITY NEEDS MAY CONTACT MICHELLE HALL, ADA COORDINATOR FOR THE CITY OF ELOY AT 520-466-9201 OR 520-466-7455 (TDD). IF POSSIBLE, SUCH REQUESTS SHOULD BE MADE 72 HOURS IN ADVANCE. ONE OR MORE MEMBERS OF THE COUNCIL AND/OR STAFF MAY PARTICIPATE BY TELEPHONIC OR VIDEO MEANS.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.A.
Date: 8/25/2025

Date submitted: 07/01/2025 **Date requested:** 8/25/2025	**Action:** Other	**Subject: Scheduled**

TO: Mayor and City Council

FROM:

RECOMMENDATION:

DISCUSSION:

FISCAL IMPACT:

Approved as to Form:

Stephen R. Cooper, City Attorney

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.B.
Date: 8/25/2025

Date submitted: 07/01/2025 **Date requested:** 8/25/2025	**Action:** Other	**Subject: Unscheduled**

TO: Mayor and City Council

FROM:

RECOMMENDATION:

DISCUSSION:

FISCAL IMPACT:

Approved as to Form:

Stephen R. Cooper, City Attorney

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: V.C.
Date: 8/25/2025

Date submitted: 08/06/2025 **Date requested:** 8/25/2025	**Action:** Other	**Subject: Legislative Update by Representative Teresa Martinez**

TO: Mayor and City Council

FROM:

RECOMMENDATION:

DISCUSSION:

FISCAL IMPACT:

Approved as to Form:

Stephen R. Cooper

Stephen R. Cooper, City Attorney

PROCLAMATION

WHEREAS, Lance Corporal Jose Jimenez was born on March 20, 1946, in Mexico City, Mexico, and later became a proud member of the Eloy community, graduating from Santa Cruz Valley Union High School in 1968; and

WHEREAS, Jose Jimenez answered the call to service and enlisted in the United States Marine Corps, where he served honorably as a fire team leader with Company K, 3rd Battalion, 7th Marines, 1st Marine Division; and

WHEREAS, on August 28, 1969, while serving his country in Vietnam, Lance Corporal Jimenez heroically gave his life in combat south of Da Nang, Quảng Nam Province; and

WHEREAS, through the dedication of his family and community, his remains were brought home and re-interred in Arizona on January 17, 2017, so that he may rest in the land he called home; and

WHEREAS, the City of Eloy honors the courage, sacrifice, and patriotism of Lance Corporal Jose Jimenez, whose legacy will forever be a part of our community's history and pride;

NOW, THEREFORE, I, **Andrew Sutton**, Mayor of the City of Eloy, Arizona, on behalf of the Eloy City Council, do hereby proclaim **August 28, 2025**, as:

JOSE JIMENEZ DAY

in the City of Eloy, and encourage all residents to remember and reflect upon the life, service, and ultimate sacrifice of this hometown hero.

Proclaimed this 25th day of August, 2025
City of Eloy, Arizona

Andrew Sutton
Mayor of Eloy

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VII.A.
Date: 8/25/2025

Date submitted: 07/01/2025 **Date requested:** 8/25/2025	**Action:** Formal	**Subject: Approval of Minutes - August 11, 2025 Regular Meeting**

TO: Mayor and City Council

FROM:

RECOMMENDATION:

DISCUSSION:

FISCAL IMPACT:

Approved as to Form:

Stephen R. Cooper

Stephen R. Cooper, City Attorney

CITY OF ELOY
MINUTES
CITY COUNCIL REGULAR MEETING
MONDAY, AUGUST 11, 2025
CITY COUNCIL CHAMBERS
595 NORTH C STREET
ELOY, ARIZONA 85131

I. CALL TO ORDER

Mayor Andrew Sutton called the meeting to order at 6:03 p.m.

II. ROLL CALL

Present:

- Mayor Andrew Sutton
- Vice-Mayor Michelle Tarango
- Councilmember Sara Curtis
- Councilmember JoAnne Galindo
- Councilmember Jose Garcia
- Councilmember Dan Snyder
- Councilmember Michael Vodrazka

Staff Present:

- David Malewitz, City Manager
- Mackenzie Letcher, Assistant City Manager
- Stephen Cooper, City Attorney
- Celine Kidwell, City Clerk
- Dan Symer, Director of Community Development

III. MOMENT OF SILENCE

A moment of silence was observed at the request of Mayor Sutton.

IV. PLEDGE OF ALLEGIANCE

Councilmember Sara Curtis led the Pledge of Allegiance.

V. PUBLIC APPEARANCES

A. Scheduled

Beverly SeKas stated she lives in the Village of Grand Valley Ranch, near the TA and soon to be Love's Truck Stop. She expressed concerns about the Peterson Group's development plans for the old San Miguel Golf Course and wanted to be informed about the progress.

Donna Kieler has lived in the Village of Grand Valley Ranch for 20 years. Has there been any study about the increase in traffic on Toltec Road from the I-10 to Battaglia? Ms. Kieler also inquired if there were any plans to make Toltec Road a four-lane Road to Battaglia?

B. Unscheduled

There were no unscheduled public appearances.

VI. REPORTS AND ANNOUNCEMENTS

A. Mayor's Announcements:

- Three Public input sessions regarding the General Plan through Eloy Listens
- Habitat for Humanity open house in Arizona City
- San-Tan Valley voted to incorporate
- Proposed 505 freeway at Santa Cruz Valley High School

B. Council Members' Announcements:

Councilmember Galindo:

- Morris Institute at ASU Policy Summit
- Thank you to Tori and Celine for the registration

Councilmember Snyder:

- Water in AZ
- Colorado River
- Education in AZ

C. City Manager's Announcements:

- Congratulations to Kristina Wasiniak on receiving a grade III certification for the state of Arizona's wastewater treatment plant.
- General Plan meetings are online
- Police graduates and new dispatcher
- Community Services programs for Eloy youth
- Board of Appeals needs board members
- Trash service issues with recycling

1. Eloy Police Chief Council Briefing and monthly update
2. Presentation from Human Resources Director Sylvia Lopez on New Recruitment Portal NeoGov. Council member Snyder about the data the new system collects and stores

Councilmember Vodrazka asked when the system would be live.

Human Resources Director Sylvia Lopez stated it was live now.

Councilmember Garcia asked how often someone would have to submit a new application. Human Resources Director Sylvia Lopez stated the applicant can go in at any time and update their information.

VII. CONSENT AGENDA

A. **Approval of Minutes:**
- Regular Meetings of July 14, 2025, Regular Meeting

B. **Adopt Resolution No. 25-1618 approving Case No.GPA2025-002: Silverado RV Resort and adopt Ordinance No. 25-992 approving Case No.RZPAD2025-001: Silverado RV Resort, requests by the Rose Law Group, PC on behalf of MAR-RV-Silverado, LLC, for a Minor General Plan Amendment from General Industrial to High Density Residential, and a request to rezone from Multiple Family Residential (R-3) with a Manufactured Home (MH) overlay to R-3 with the Manufactured Home Park (MHP) overlay and the Planned Area Development Overlay (PAD) with modified design, development, and land use standards on approximately 27.5 acres located west of the intersection of N La Brea St and W Tonto Rd. Furthermore, adopt Resolution No. 25-1627 declaring as a public record for that certain document filed with the City Clerk and entitled "RZPAD2025-001 Silverado Resort PAD Development Plan.**

C. **Adopt Resolution No. 25-1619 approving Case No. CUP2025-001: Continental Supply of Arizona. A request for a Conditional Use Permit to allow outdoor storage on the property zoned Light Industrial (I-1) located at 1520 W Battaglia Road.**

D. **Adopt Resolution No. 25-1620 approving Case No. CUP2025-004: Flying J 609. A request for a Conditional Use Permit to allow a Truck Stop on a property zoned General Commercial (C-2) located at 1005 S. Sunshine Blvd.**

E. **Approval of a Final Plat, Case No. FP2025-003: Flying J 609. The proposed final plat is a request to combine five (5) parcels into 1 lot consisting of approximately twenty-three (23) acres located on the southeast corner of Interstate-10 (I-10) and South Sunshine Boulevard. Project.**

F. **Adopt Resolution No. 25-1621, authorizing the Mayor to execute Contract No. 2025-011-COE, a Development Agreement between City of Eloy and CCAZ Holdings, LLC regarding the types and timing of improvements to use an approximately 11- acre property located east and north of the northeast corner of S. Guano Road and W. Adams Road for a new manufacturing use.**

G. **Consideration of Declaring Three Pieces of Unused and Aged-out Equipment and Thirteen Vehicles as Surplus from the City Fleet and Authorizing the Public Works Department to Dispose of Surplus Items by Public Auction.**

Mayor Sutton requested a motion to approve the consent agenda.

Motion:
Councilmember Garcia motioned to approve the consent agenda.
Councilmember Vodrazka seconded the motion.
Vote: Motion passed unanimously (7-0) by roll call vote.

VIII. BUSINESS – POSSIBLE DISCUSSION AND/OR ACTION

A. **Conduct a Public Hearing for Water and Wastewater Systems increases.**

Mayor Sutton opened the public hearing.

Dan Jackson, Vice President of Willdan Financial Services, gave a brief presentation on the city's water and wastewater rate study. Mr. Jackson stated that he has been the city's water and wastewater consultant for over 20 years. He understands that no one wants to discuss increased services, but they must. Many cities are currently addressing a general increase across the nation. Arizona Law requires the city to hold a public hearing.

Councilmember Snyder asked how much of the rate is volume-driven if a major developer came in and built 500 homes.

Mr. Jackson stated it would significantly reduce the magnitude of the rate increase.

Councilmember Snyder stated that if you went into a higher debt, you could probably build infrastructure and attract developers that the city does not currently have.

Mayor Sutton closed the public hearing.

B. **Discussion and Possible Action on Selection of Funding Scenario for Proposed Water and Wastewater Rate Adjustments.**

Brian Wright, Director of Finance, briefly gave an update on the rate adjustments. Mr. Wright asked the Council which option they wanted city staff to move forward with.

Mayor Sutton stated that staff preferred option two and asked the council if they had any other recommendations.

Vice-Mayor Tarango asked for clarification on the rate increases from 2022, as the council approved a rate increase.

Mr. Wright stated in 2022 that the rate increase was for five years, and they are currently in year three. He also stated that after 2027, there were no more rate increases on the books. He suggested re-evaluating every two years instead of five years so the city wouldn't have to play catch-up.

Vice-Mayor Tarango had concerns about past decisions that were not made, which is driving the increases now.

Mr. Jackson stated that capital costs have increased, and the capital obligations are projected to increase significantly.

Vice-Mayor Tarango stated her biggest heartache is that an increase was approved in 2022, and now the city is asking for an additional increase to start in November of this year.

Councilmember Curtis stated that in 2022, they heard the same presentation and were warned by Mr. Jackson that this scenario would happen. Ms. Curtis said that it was no surprise for her to see the new updated numbers. This was not sprung on the council; they knew this would happen.

Councilmember Galindo shared in the heartache that the increase would impact people in the community who are struggling to pay their water bill as it is now.

Councilmember Snyder expressed his concern about the three percent inflation rate. He understood that everyone in the country was experiencing the same issues.

Councilmember Vodrazka stated that it's been three years, and the infrastructure costs have increased. He said they had to balance it and consider future expansion. If they didn't take care of the water and wastewater at this point, and there is an emergency, it would not be good either.

Mayor Sutton stated he was leaning toward scenario three. He asked for direction from the City's Attorney, Stephen Cooper.

City Attorney Stephen Cooper suggested the council decide on two options for their consideration for staff to bring forward at another meeting.
City Manager David Malewitz wanted to put things into perspective. He stated that the city has invested a lot of money to expand the sewer line from the sewer plant to the 11-mile corner to Battaglia and from Battaglia to Sunshine. The city has had several landowners interested in residential and commercial projects. Mr. Malewitz stated that the city is trying to review the rates sooner rather than later proactively.

Mayor Sutton and the council directed city staff to come before them with scenarios two and three.

C. **Authorization to award a contract to Danson Construction, LLC, Phoenix, Arizona, for improvements to the Toltec Senior Center via Job Order Contract# PW24-JOC01 and financed through FY24 CDBG Pinal County Subrecipient Agreement project No. 30122, and the Community Services FY 25/26 budget in the amount of $195,205.**

Director of Community Services Paul Anchondo requested the council's approval to contract with Danson Construction, LLC, of Phoenix, Arizona, for improvements to the Toltec Senior Center.

Councilmember Snyder asked for clarification regarding the parking lot.

Mayor Sutton requested a motion to approve the Contract between the City of Eloy Community Services Department and Danson Construction LLC.

Motion:
Councilmember Garcia motioned to approve the City of Eloy Community Services Department and Danson Construction LLC contract.
Councilmember Curtis seconded the motion.
Vote: Motion passed unanimously (7-0) by roll call vote.

D. **Discussion and Consideration of Accepting the Proposal Submitted by West Land Resources, Inc. Under a Cooperative Purchasing Agreement with the Town of Oro Valley to Provide Civil Engineering Consulting Services at an Amount Not to exceed $100,000 to assist the City of Eloy in Preparation of the Underground Storage Facility Credit Application to the Arizona Department of Water Resources.**

Director of Public Works Matt Rencher asked the Mayor and Council to consider accepting West Land Resources, Inc.'s proposal to enter a Cooperative Purchasing Agreement with the Town of Oro Valley to Provide Civil Engineering Consulting Services.

Mayor Sutton asked if the city was being penalized for the permit expiring.

Director Rencher stated no. They are not getting the credits that they were getting previously.

Vice-Mayor Tarango asked how a permit of this type was allowed to expire.
Director Rencher stated it was an oversight of previous staff. He has put procedures in place to ensure this does not happen again.

Vice-Mayor Tarango asked if this would have been caught before it expired, would the city be paying $100,000?

Director Rencher stated probably not.

Councilmember Vodrazka asked if there were city-wide measures to ensure these types of permits and contracts are on someone's radar.

Councilmember Vodrazka asked about how much the water credits are.

Director Matt Rencher was unsure of specifics.

Councilmember Vodrazka wanted to know when this scope of work would be completed.

Director Rencher stated that about 30 days if the contract were approved.

Mayor Sutton asked for a motion to approve the contract submitted by West Land Resources, Inc.

Motion:
Councilmember Vodrazka motioned to approve the contract submitted by West Land Resources, Inc.
Councilmember Garcia seconded the motion.
Vote: Motion passed unanimously (7-0) by roll call vote.

E. Conduct a public hearing and adopt Resolution No. 25-1616 approving Case No. GPA2024-002: Eloy Commons - North and adopt Ordinance No. 25-990 approving Case No RZPAD2024-003: Eloy Commons - North, requests by XCL Engineering, LLC and LBG Development, LLC, on behalf of Eloy 170, LLC, for a Minor General Plan Amendment from Community Commercial to Medium-High Density Residential and Light Industrial, and an Amendment to the Zoning Map (Rezone) from General Commercial (C-2) to Small Lot Residential (R-2) with the Planned Area Development Overlay (PAD) and Light Industrial (I-1) PAD on approximately 33.86 acres of land located approximately 1,740 feet west of the southwest corner of South Sunshine Boulevard and Interstate 10 (I-10). Furthermore, adopt Resolution No. 25-1625 declaring as a public record for that certain document filed with the City Clerk and entitled "RZPAD2024-003 Eloy Commons – North PAD Development Plan."

Mayor Sutton opened the public hearing.

Director of Community Development Daniel Symer asked if the council would hear items E and F concurrently, as they are related.

F. Conduct a public hearing and adopt Resolution No. 25-1617 approving Case No. GPA2024-004: Eloy Commons - South and adopt Ordinance No. 25-991 approving Case No RZPAD2024-005: Eloy Commons - South, requests by XCL Engineering, LLC and LBG Development, LLC, on behalf of Eloy 170, LLC, for a Minor General Plan Amendment from Light Industrial to Community Commercial and Medium-High Density Residential, and an Amendment to the Zoning Map (Rezone) from Neighborhood Commercial (C-1) to General Commercial (C-2) and Single-family Residential (R1-6) with Planned Area Development Overlay (PAD), and from C-2 and Light Industrial (I-1) to Single-family Residential (R1-6) with the PAD, on approximately 111.10 acres

of land located on the southwest corner of South Sunshine Boulevard and Interstate 10 (I-10). Furthermore, adopt Resolution No. 25-1626 declaring as a public record for that certain document filed with the City Clerk and entitled "RZPAD2024-005 Eloy Commons – South PAD Development Plan."

Director Daniel Symer gave a brief discussion on behalf of the applicants XCL Engineering, LLC, LBG Development, LLC, and Eloy-Commons North and South PADs. Director Symer recommended approval with the conditions of approval discussed in his staff report.

Mr. Lang the Planning Consultant from LGB Development thanked the council for their time. Mr. Lang gave a presentation on his plans to develop a mixed-use community to include residential and light industrial for Eloy Commons North.

Councilmember Garcia asked Mr. Lang about access to the north parcel.

Mr. Lang stated he was not sure what the access would be as they don't know what the abutting property has planned.

Councilmember Vodrazka asked Mr. Lang if one of the accesses would be off of Milligan. There will be two access.

Vice-Mayor Tarango asked Mr. Lang if he had plans to put any traffic lights were Vineyard meets Sunshine due to truck traffic.

Mr. Lang stated that their traffic study has indicated a need for a traffic signal there.

Mayor Sutton closed the public hearing for Eloy Commons North.

Mr. Lang gave a presentation on his plans to develop community commercial and medium high density of residential for Eloy Commons South. Mr. Lang stated that both projects conform to the city's use regarding the general plan.

Mayor Sutton asked Mr. Lang if he knew what the houses would look like?
Mr. Lang stated they would have to go through a design standard with the city of Eloy. He couldn't answer it at the moment; however, he did imply that they wanted to give the residents more yard space.

Councilmember Galindo asked Mr. Lang if he had any information about the light industrial they planned for the north portion?

Mr. Lang stated they had a broker working on the specific uses but typically it is warehouses.

Larry Fink stated he was the owner of the both projects and would be happy to answer any questions.

Councilmember Snyder asked about the timeframe in which they planned to begin the projects.

Mr. Fink stated they have closed with several developers and hope to start within a years' time.

Mayor Sutton closed the public hearing.

Mayor Sutton requested a motion to read by title item E.

Councilmember Curtis motioned to read by title item E.
Councilmember Vodrazka seconded the motion.

Mayor Sutton requested a motion for item E.

Motion:
Councilmember Garcia motioned to approve item E. Eloy Commons North Resolution No. 25-1616.
Vice-Mayor Tarango seconded the motion.
Vote: Motion passed unanimously (7-0) by roll call vote.

Mayor Sutton requested a motion to read by title item F.

Councilmember Vodrazka motioned to read by title item F.
Councilmember Curtis seconded the motion.

Mayor Sutton requested a motion for item F.

Motion:
Councilmember Snyder motioned to approve item F. Eloy Commons South Resolution No. 25-1617.
Councilmember Garcia seconded the motion.
Vote: Motion passed unanimously (7-0) by roll call vote.

G. Conduct a public hearing and consider the adoption of Ordinance No. 25-994 approving Case No. RZPAD2007-016.A1: Tierra Del Sol – Sawtooth East Energy Center, a proposed amendment to the Tierra Del Sol Planned Area Development to allow Solar, Utility Scale Generation, and Battery Energy Storage System facilities as a permitted land use in all underlying zoning districts of the PAD. The property is located on the southeast corner of southwest corner of W Milligan Rd, and S Tweedy Rd, and consists of approximately 320 acres; and, consider the adoption of Resolution No. 25-1624 declaring as a public record for that certain document filed with the City Clerk and entitled "RZPAD2007-016.A1 Tierra Del Sol Pad 1st Amendment-Sawtooth East Energy Center."

Mayor Sutton opened the public hearing.

Community Development Director Daniel Symer gave a brief description of the proposed Tierra Del Sol- Sawtooth East Energy Center PAD amendment. Director Symer stated that the staff was recommending approval subject to the stipulations listed in his staff report.

Court Rich with Rose Law Group addressed the council on behalf of EDF Power Solutions. Mr. Rich stated that EDF was experienced and had been in business for over 35 years. Mr. Rich gave a presentation that included employment opportunities, contracts for local companies, and local investments into the city, as well as tax revenues. Mr. Rich acknowledged letters of support from the Eloy Chamber of Commerce, McCarthy Building Co., and CAHRA, just to name a few.

Councilmember Galindo asked Mr. Rich why the plans were not submitted originally.

Mr. Rich stated that when the city initially adopted the ordinance, they needed permission to go beyond the initial 16% of land.

Mayor Sutton closed the public hearing.

Mayor Sutton requested a motion to read by title item G.

Councilmember Vodrazka motioned to read by title item G.
Councilmember Snyder seconded the motion.

Mayor Sutton requested a motion to approve item G.

Motion:
Councilmember Curtis motioned to approve item G.
Councilmember Snyder seconded the motion.
Vote: Motion passed (5-2) by roll call vote.

H. Conduct a public hearing and consider the adoption of Ordinance No. 25-993 approving Case No. RZPAD2005-062.A1: Eloy Acres – Sawtooth Central Energy Center, a proposed amendment to the Eloy Acres Planned Area Development (PAD) to allow Solar, Utility Scale Generation, and Battery Energy Storage System facilities as permitted land uses in all underlying zoning districts of the PAD on the southeast corner of W Milligan Rd and S Curry Rd, and consists of approximately 320 acres; and, consider the adoption of Resolution No. 25-1623 declaring as a public record for that certain document filed with the City Clerk and entitled "RZPAD2005-062.A1: 1st Amendment to the Eloy Acres Planned Area Development – Sawtooth Central Energy Center.

Mayor Sutton opened the public hearing.

Director Symer stated that staff was recommending approval with the stipulations noted due to it being in line with the original map that was presented to council when the application was being evaluated in the overall solar ordinance. Planning Commission also recommended approval in a 6-0 vote.

Councilmember stated in being a good steward she didn't feel comfortable going over the set limit.

Councilmember Snyder stated that originally, they had not chosen acreage they chose a percentage. He stated that maybe they should had gone back to look at it but they didn't.

Mayor Sutton closed the public hearing.

Mayor Sutton requested a motion to read by title item H.

Councilmember Snyder motioned to read by title item H.
Councilmember Vodrazka seconded the motion.

Mayor Sutton requested a motion to approve item H.

Motion:
Councilmember Vodrazka motioned to approve item H.
Councilmember Curtis seconded the motion.
Vote: Motion passed (4-3) by roll call vote.

IX. EXECUTIVE SESSION

No Executive Session was held.

X. ADJOURNMENT

Mayor Sutton adjourned the meeting at 9:08 p.m.

BY:

____
Andrew Sutton, Mayor

ATTEST:

____
Celine Kidwell, City Clerk

APPROVED AS TO FORM:

____
Stephen R. Cooper, City Attorney

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VII.B.
Date: 8/25/2025

Date submitted:	Action:	Subject:
Date submitted: 08/12/2025 **Date requested:** 8/25/2025	**Action:** Formal	**Subject: Authorize the Eloy Police Department to renew the Federal Equitable Sharing Agreement and Approve the Annual Certification Report for FY 2025-2026**

TO: Mayor and City Council

FROM: Brian Jerome, Captain

RECOMMENDATION:
Recommend Council consider and authorize the Eloy Police Department to renew the Federal Equitable Sharing Agreement, and authorize the Department to electronically sign the Equitable Sharing Agreement and Certification Form on the ESHARE portal.

DISCUSSION:
The Eloy Police Department, to remain eligible to receive federally forfeited cash, property, proceeds, and any interest from the Federal Equitable Sharing Program, is required to submit an annual Federal Equitable Sharing Agreement and Certification (ESAC) report. Agencies must submit the ESAC within two months of the end of the agency's fiscal year. Federal Equitable Sharing funds may be used to support law enforcement training, travel, communication, and other eligible law enforcement costs.

The Comprehensive Crime Control Act of 1984 authorized federal officials to implement a national asset forfeiture program to target criminals, including drug dealers, who commit crimes for financial gain. One asset forfeiture provision is the authorization to share federal forfeiture proceeds with cooperating state and local law enforcement agencies. The Department may receive proceeds based on participation in Federal Task Forces or from local investigations that develop into federal cases.

Authorizing the renewal of this agreement and approving the annual certification report for Fiscal Year 2025-2026 will allow the Department, when eligible, to receive Federal Equitable Shared funds.

FISCAL IMPACT:
There is no fiscal impact. Federal Equitable Shared funds, when received, are deposited into the Department's Racketeer Influenced and Corrupt Organizations (RICO) account, managed by the Pinal County Attorney's Office. Funds may be used to support eligible law enforcement operations and expenses of the Department.

Approved as to Form:

Stephen R. Cooper, City Attorney

OMB Number 1123-0011
Expires: May 31, 2028

Equitable Sharing Agreement and Certification

NCIC/ORI/Tracking Number: AZ0110500
Agency Name: Eloy Police Department **Type:** Police Department
Mailing Address: 630 N. Main St.
Eloy, AZ 85131

Agency Finance Contact
Name: Jerome, Brian D
Phone: 5204643458 **Email:** bjerome@eloyaz.gov

Jurisdiction Finance Contact
Name: Wright, Brian
Phone: 5204643425 **Email:** BWRIGHT@ELOYAZ.GOV

ESAC Preparer
Name: Jerome, Brian D
Phone: 5204643458 **Email:** bjerome@eloyaz.gov

FY End Date: 06/30/2025 **Agency FY 2026 Budget:** $6,210,745.00

Annual Certification Report

	Summary of Equitable Sharing Activity	Justice Funds[1]	Treasury Funds[2]
1	Beginning Equitable Sharing Fund Balance	$13,082.52	$3,187.48
2	Equitable Sharing Funds Received	$0.00	$0.00
3	Equitable Sharing Funds Received from Other Law Enforcement Agencies and Task Force	$0.00	$0.00
4	Other Income	$0.00	$0.00
5	Interest Income	$0.00	$0.00
6	Total Equitable Sharing Funds Received (total of lines 2-5)	$0.00	$0.00
7	Equitable Sharing Funds Spent (total of lines a - n)	$0.00	$0.00
8	Ending Equitable Sharing Funds Balance (difference between line 7 and the sum of lines 1 and 6)	$13,082.52	$3,187.48

[1]Department of Justice Asset Forfeiture Program Investigative Agency participants are: FBI, DEA, ATF, USPIS, USDA, DCIS, DSS, and FDA
[2]Department of the Treasury Asset Forfeiture Program participants are: IRS-CI, ICE, CBP and USSS.

	Summary of Shared Funds Spent	Justice Funds	Treasury Funds
a	Law Enforcement Administrative Costs	$0.00	$0.00
b	Training and Education	$0.00	$0.00
c	Law Enforcement, Public Safety, and Detention Facilities	$0.00	$0.00
d	Law Enforcement Equipment	$0.00	$0.00
e	Joint Law Enforcement and Public Safety Operations	$0.00	$0.00
f	Contracts for Services	$0.00	$0.00
g	Law Enforcement Travel and Per Diem	$0.00	$0.00
h	Law Enforcement Awards and Memorials	$0.00	$0.00
i	Drug, Gang, and Other Prevention or Awareness Programs	$0.00	$0.00
j	Overtime	$0.00	$0.00
k	Law Enforcement Initiatives that Further Investigations	$0.00	$0.00
l	Salaries	$0.00	$0.00
m	Non-Categorized Expenditures	$0.00	$0.00
	Total	$0.00	$0.00

Equitable Sharing Funds Received From Other Agencies

Transferring Agency Name	Justice Funds	Treasury Funds

Other Income

Other Income Type	Justice Funds	Treasury Funds

Salaries

Salary Type	Justice Funds	Treasury Funds

Non-Categorized Expenditures

Description	Justice Funds	Treasury Funds

Paperwork Reduction Act Notice

Under the Paperwork Reduction Act, a person is not required to respond to a collection of information unless it displays a valid OMB control number. We try to create accurate and easily understood forms that impose the least possible burden on you to complete. The estimated average time to complete this form is 30 minutes. If you have comments regarding the accuracy of this estimate, or suggestions for making this form simpler, please write to the Money Laundering and Asset Recovery Section at 1400 New York Avenue, N.W., Washington, DC 20005.

Privacy Act Notice

The Department of Justice is collecting this information for the purpose of reviewing your equitable sharing expenditures. Providing this information is voluntary; however, the information is necessary for your agency to maintain Program compliance. Information collected is covered by Department of Justice System of Records Notice, 71 Fed. Reg. 29170 (May 19, 2006), JMD-022 Department of Justice Consolidated Asset Tracking System (CATS). This information may be disclosed to contractors when necessary to accomplish an agency function, to law enforcement when there is a violation or potential violation of law, or in accordance with other published routine uses. For a complete list of routine uses, see the System of Records Notice as amended by subsequent publications.

Single Audit Information

Independent Auditor

Name: Joshua Jumper
Company: Heinfeld, Meech & CO., P.C.
Phone: 602-277-9449 **Email:** joshua.jumper@hm.cpa

Were equitable sharing expenditures included on the Schedule of Expenditures of Federal Awards (SEFA) for the jurisdiction's Single Audit for the prior fiscal year? If the jurisdiction did not meet the threshold to have a Single Audit performed, select Threshold Not Met.

YES [X] NO [ ] THRESHOLD NOT MET [ ]

Prior Year Single Audit Number Assigned by Federal Audit Clearinghouse: 2024-06-GSAFAC-0000055092

Affidavit

Under penalty of perjury, the undersigned officials certify that they have read and understand their obligations under the *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (Guide)* and all subsequent updates, this Equitable Sharing Agreement, and the applicable sections of the Code of Federal Regulations. The undersigned officials certify that the information submitted on the Equitable Sharing Agreement and Certification form (ESAC) is an accurate accounting of funds received and spent by the Agency.

The undersigned certify that the Agency is in compliance with the applicable nondiscrimination requirements of the following laws and their Department of Justice implementing regulations: Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*), Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 *et seq.*), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and the Age Discrimination Act of 1975 (42 U.S.C. § 6101 *et seq.*), which prohibit discrimination on the basis of race, color, national origin, disability, or age in any federally assisted program or activity, or on the basis of sex in any federally assisted education program or activity. The Agency agrees that it will comply with all federal statutes and regulations permitting federal investigators access to records and any other sources of information as may be necessary to determine compliance with civil rights and other applicable statutes and regulations. Further, agencies are required to collect race and ethnicity data as required by 28 C.F.R. 42.106(b) and 31 C.F.R. 22.6(b).

Equitable Sharing Agreement

This Federal Equitable Sharing Agreement, entered into among (1) the Federal Government, (2) the Agency, and (3) the Agency's governing body, sets forth the requirements for participation in the federal Equitable Sharing Program and the restrictions upon the use of federally forfeited funds, property, and any interest earned thereon, which are equitably shared with participating law enforcement agencies. By submitting this form, the Agency agrees that it will be bound by the *Guide* and all subsequent updates, this Equitable Sharing Agreement, and the applicable sections of the Code of Federal Regulations. Submission of the ESAC is a prerequisite to receiving any funds or property through the Equitable Sharing Program.

1. Submission. The ESAC must be signed and electronically submitted within two months of the end of the Agency’s fiscal year. Electronic submission constitutes submission to the Department of Justice and the Department of the Treasury.

2. Signatories. The ESAC must be signed by the head of the Agency and the head of the governing body. Examples of Agency heads include police chief, sheriff, director, commissioner, superintendent, administrator, county attorney, district attorney, prosecuting attorney, state attorney, commonwealth attorney, and attorney general. The governing body head is the head of the agency that appropriates funding to the Agency. Examples of governing body heads include city manager, mayor, city council chairperson, county executive, county council chairperson, administrator, commissioner, and governor. The governing body head cannot be an official or employee of the Agency and must be from a separate entity.

3. Uses. Shared assets must be used for law enforcement purposes in accordance with the *Guide* and all subsequent updates, this Equitable Sharing Agreement, and the applicable sections of the Code of Federal Regulations.

4. Transfers. Before the Agency transfers funds to other state or local law enforcement agencies, it must obtain written approval from the Department of Justice or Department of the Treasury. Transfers of tangible property are not permitted. Agencies that transfer or receive equitable sharing funds must perform sub-recipient monitoring in accordance with the Code of Federal Regulations.

5. Internal Controls. The Agency agrees to account separately for federal equitable sharing funds received from the Department of Justice and the Department of the Treasury, funds from state and local forfeitures, joint law enforcement operations funds, and any other sources must not be commingled with federal equitable sharing funds.

The Agency certifies that equitable sharing funds are maintained by its jurisdiction and the funds are administrated in the same manner as the jurisdictions's appropriated or general funds. The Agency further certifies that the funds are subject to the standard accounting requirements and practices employed by the Agency's jurisdiction in accordance with the requirements set forth in the *Guide,* any subsequent updates, and the Code of Federal Regulations, including the requirement to maintain relevant documents and records for five years.

The misuse or misapplication of equitably shared funds or assets or supplantation of existing resources with shared funds or assets is prohibited. The Agency must follow its jurisdiction's procurement policies when expending equitably shared funds. Failure to comply with any provision of the *Guide*, any subsequent updates, and the Code of Federal Regulations may subject the Agency to sanctions.

6. Single Audit Report and Other Reviews. Audits shall be conducted as provided by the Single Audit Act Amendments of 1996 and OMB Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards. The

Agency must report its equitable sharing expenditures on the jurisdiction's Schedule of Expenditures of Federal Awards (SEFA) under Assistance Listing Number 16.922 for Department of Justice and 21.016 for Department of the Treasury. The Department of Justice and the Department of the Treasury reserve the right to conduct audits or reviews.

7. Freedom of Information Act (FOIA). Information provided in this Document is subject to the FOIA requirements of the Department of Justice and the Department of the Treasury. Agencies must follow local release of information policies.

8. Waste, Fraud, or Abuse. An Agency or governing body is required to immediately notify the Department of Justice's Money Laundering and Asset Recovery Section and the Department of the Treasury's Executive Office for Asset Forfeiture of any allegations or theft, fraud, waste, or abuse involving federal equitable sharing funds.

Civil Rights Cases

During the past fiscal year: (1) has any court or administrative agency issued any finding, judgment, or determination that the Agency discriminated against any person or group in violation of any of the federal civil rights statutes listed above; or (2) has the Agency entered into any settlement agreement with respect to any complaint filed with a court or administrative agency alleging that the Agency discriminated against any person or group in violation of any of the federal civil rights statutes listed above?

☐ **Yes** ☒ **No**

Agency Head

Name: BANALES, SERGIO
Title: CHIEF OF POLICE
Email: SBANALES@ELOYAZ.GOV

Signature: ______________________ Date: ______________________

To the best of my knowledge and belief, the information provided on this ESAC is true and accurate and has been reviewed and authorized by the Law Enforcement Agency Head whose name appears above. Entry of the Agency Head name above indicates his/her agreement to abide by the Guide, any subsequent updates, and the Code of Federal Regulations, including ensuring permissibility of expenditures and following all required procurement policies and procedures.

Governing Body Head

Name: Sutton, Andrew
Title: MAYOR
Email: asutton@eloyaz.gov

Signature: ______________________ Date: ______________________

To the best of my knowledge and belief, the Agency's current fiscal year budget reported on this ESAC is true and accurate and the Governing Body Head whose name appears above certifies that the agency's budget has not been supplanted as a result of receiving equitable sharing funds. Entry of the Governing Body Head name above indicates his/her agreement to abide by the policies and procedures set forth in the Guide, any subsequent updates, and the Code of Federal Regulations.

☐ I certify that I have obtained approval from and I am authorized to submit this form on behalf of the Agency Head and the Governing Body Head.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VII.C.
Date: 8/25/2025

Date submitted: 08/13/2025 **Date requested:** 8/25/2025	**Action:** Formal	**Subject: Authorization to Purchase a New LeeBoy Paver Under the Sourcewell Cooperative Purchasing Contracts #060122-VTL from the Authorized LeeBoy Distributor Arnold Machinery Company in the Amount Not To Exceed $250,000 for the Public Works Streets Division**

TO: Mayor and City Council

FROM: Matt Rencher, Public Works Director/City Engineer

RECOMMENDATION:
Staff recommends that the Council authorize the purchase of the new LeeBoy Paver for the City of Eloy Streets Division at a cost not to exceed $250,000

DISCUSSION:

The purchase of a LeeBoy Paver is essential for the City of Eloy Streets Department to improve efficiency, enhance quality, and expand the scope of work completed in-house. Currently, the City's paving equipment is outdated or inoperable, resulting in frequent breakdowns, costly repairs, and significant delays in project completion. These limitations require the City to contract out even smaller projects, increasing costs and reducing flexibility in scheduling.

The LeeBoy Paver offers modern technology, superior precision, and enhanced productivity, enabling faster, smoother, and longer-lasting asphalt applications. In addition to the equipment itself, staff will receive comprehensive training on proper operation, safety protocols, and maintenance techniques. This will ensure crews are fully equipped to operate the paver effectively and efficiently, further reducing reliance on outside contractors.

By enabling staff to complete more smaller-scale paving and maintenance projects internally, the City can avoid the expense and scheduling challenges associated with contracted services. This shift will lead to measurable cost reductions in the annual budget and will significantly increase operational responsiveness. For example, minor road repairs and resurfacing projects can be scheduled and completed quickly, minimizing disruptions to residents and businesses.

Moreover, the LeeBoy Paver will support the City's growing infrastructure needs by improving overall project efficiency. Less downtime, fewer maintenance interruptions, and the ability to respond rapidly to roadway issues will enhance service levels and community satisfaction. Over time, the investment will pay for itself through reduced contracting expenses, lower repair costs, and improved roadway longevity—ensuring safer, more reliable streets for the residents of Eloy.

FISCAL IMPACT:
Not to Exceed $250,000, plus applicable taxes, from the Streets Capital Improvement Project budget.

Approved as to Form:

Stephen R. Cooper, City Attorney

LeeBoy

Phone: 704.966.3300
Sales@LeeBoy.com

Sourcewell

Quote Form

2 YEAR PRODUCT WARRANTY

Effective: 19 December 2024

Prices in US Dollars

FOB Lincolnton, NC

5300B Paver

QUOTED FOR: City of Eloy

ACCOUNT NUMBER: #28782

Dealer: Arnold PHX AZ

DATE: 22-Jul-25

Sourcewell Contract #: 060122-VTL

MODEL	DRIVE	ENGINE	SCREED	LIST PRICE	ORDER NUMBER	CK
5300B	Poly-Pad Track	64 HP Kubota	4' to 7' Legend HD Mini Electric	$ 210,755	5300BKEL	x

STANDARD FEATURES

See LeeBoy 5300B Paver and Legend HD Mini Propane Screed Specifications at: LeeBoy.com - 5300B Paver

OPTIONS

DESCRIPTION	LIST PRICE	ORDER NUMBER	CK
9' Paving Kit (includes auger extensions, shields, and screed extensions)	$ 6,398	1013802	
Slope Meter	$ 493	1020138	x
Swivel/Pivoting Push Roller	$ 1,745	1013350	
Hydraulic Tow-points	$ 2,906	1022388	
Steering Knob Drive Controls (in lieu of joysticks)	$ 1,411	0000	
Wiring Only, Grade Controls (Topcon)	$ 1,250	1022121	
Dual Grade Control (Topcon)	$ 16,999	1022122	
Dual Grade and Slope (Topcon)	$ 20,499	1022123	
LH Auger Strike Off Plate	$ 267	1013380	
RH Auger Strike Off Plate	$ 267	1013379	
Wireless Propel Remote	$ 5,445	0000	
Trackunit with 2 Year Subscription	$ 1,420	1018653-02	
Custom Paint — *Sherwin Williams Paint Code:*	$ 5,294	0000	
Special Option(s) Quoted: — LeeBoy Quoted List Price:		0000	
Extended Warranty Program (Contact factory for specifics or go to www.leeboy.com and view extended program under the warranty tab of the dealer login home page.)			

COMMENTS: 24 Month/ Unlimited Hour Warranty

Total List Price	$ 211,248
Sourcewell Discount (10%)	$ 21,124.80
Total Sourcewell List Price	$ 190,123.20
Freight **good for 2 days from the date quoted**	$ 6,200.00
PDI	$ 1,800.00
Additional Dealer Discount 3%	$ (6,337.44)
	$ -
	$ -
Total Price Delivered to Agency	$ 191,785.76

SIGNATURE:

Sourcewell

Solicitation Number: RFP #060122

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and ST Engineering LeeBoy, Inc., 500 Lincoln County Pkwy. Ext., Lincolnton, NC 28092 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Roadway Paving Equipment from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

B. EXPIRATION DATE AND EXTENSION. This Contract expires August 1, 2026, unless it is cancelled sooner pursuant to Article 22. This Contract may be extended one additional year upon the request of Sourcewell and written agreement by Supplier.

C. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above.

Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;

- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:
    a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.
    b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.
2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers,

resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

   a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

   b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.
Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.
   Minimum Limits:
   $2,000,000

5. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.
   Minimum limits:
   $2,000,000 per occurrence
   $2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers, and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by an Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's

Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	ST Engineering LeeBoy, Inc.
By: DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	By: DocuSigned by: Jay Horn 662FBEB616DF419...
Jeremy Schwartz	Jay Horn
Title: Chief Procurement Officer	Title: CFO
Date: 7/29/2022 | 12:57 PM CDT	Date: 8/3/2022 | 4:08 PM CDT

Approved:

By: DocuSigned by: Chad Coauette 7E42B8F817A64CC...

Chad Coauette

Title: Executive Director/CEO

Date: 8/3/2022 | 8:35 PM CDT

RFP 060122 - Roadway Paving Equipment

Vendor Details

Company Name:	LeeBoy
Address:	500 lincoln county Pkwy ext lincolnton, North Carolina 28092
Contact:	Bryce Davis
Email:	davisbl@leeboy.com
Phone:	980-525-6002
HST#:	

Submission Details

Created On:	Tuesday April 19, 2022 09:07:25
Submitted On:	Friday May 27, 2022 12:55:08
Submitted By:	Bryce Davis
Email:	davisbl@leeboy.com
Transaction #:	14cecec9-2012-4daa-9fe9-326f546d0a18
Submitter's IP Address:	216.75.248.20

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	ST Engineering LeeBoy, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	None	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	LeeBoy, Rosco, LeeBoy Performance	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	LeeBoy does not need a CAGE code nor a Unique Entity Identifier. However, LeeBoy's carries a DUNS number (09-125-6297) for federal government use.	*
5	Proposer Physical Address:	500 Lincoln County Pkwy Ext, Lincolnton, NC 28092	*
6	Proposer website address (or addresses):	https://www.leeboy.com/	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Jay Horn, CFO, 500 Lincoln County Pkwy Ext., Lincolnton, NC 28092, jay.horn@leeboy.com, 704-966-3317	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Deanna Saunders, Inside Sales, 500 Lincoln County Pkwy Ext., Lincolnton, NC 28092, deanna. saunders@leeboy.com, 704-966-3371	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Lee Huss, Sales Engineer, 500 Lincoln County Pkwy Ext., Lincolnton, NC 28092, lee.huss@leeboy.com, 704-966-3329	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	B.R. Lee Industries, Inc. (LeeBoy) was founded in 1964 in Denver, North Carolina, by B.R. Lee. Over the past 58 years Leeboy has dedicated itself to have the best value available for road maintenance equipment. In 1970, LeeBoy evolved from its successful pull-type paver design to its first self-propelled tilt-hopper. B.R. Lee and his family continued the tradition of quality and innovation that the commercial paving contactors had come to count on. In the 1980's Leeboy expanded its product line to include rollers, graders, asphalt maintainers, and trailer-mounted asphalt distributors to create an all-encompassing paving product package. Then, the LeeBoy product grew with the innovation of the 8500 asphalt paver series which included the industry leading legend screed system. In 2001, Exponential growth continued with the purchase of Athey force feed loaders and the Rosco road maintenance products. Giving LeeBoy the greatest lineup of paving, grading, and road maintenance equipment in the road construction industry. LeeBoy's sales team of individuals have a collective 100 plus years of industry experience with the objective to address not only the machinery but the customers as well. With all the experience and passion given LeeBoy delivers what the customer expects. The most important goal for LeeBoy is to uphold its worldwide reputation of providing quality products to every customer at the best value available. The LeeBoy vision is fueled by listening to those who can provide the most candid feedback. LeeBoy will always provide paving contractors with simple, functional, affordable, and reliable equipment. All built with the paving professionals in mind.	*

11	What are your company's expectations in the event of an award?	In the event LeeBoy receives an awarded contract this will be our number one sales tool in driving our municipality sales in both the United States and Canada. LeeBoy will continually educate both LeeBoy's territory managers and LeeBoy's authorized dealerships. We have a national accounts manager that will make sure our product, parts, and services surpass all Sourcewells expectations.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	LeeBoy's financial report and credit references are attached. The financial report includes financial highlights, director's statements, independent auditors report, consolidated income statement, balance sheets, and statements of changes in equity.	*
13	What is your US market share for the solutions that you are proposing?	LeeBoy holds the number one commercial class asphalt paving market in the United States. LeeBoy's commercial market share has always ranged from 50% up to 70%-year end and out.	*
14	What is your Canadian market share for the solutions that you are proposing?	LeeBoy's Canadian market share for commercial class asphalt pavers has always been around 50%.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	No, LeeBoy has never petitioned for bankruptcy protection in our 58 years of being in business.	*
16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	LeeBoy is best described as manufacturer of road maintenance and paving equipment. LeeBoy offers over 30 unparalleled road maintenance paving equipment. LeeBoy's dealers are thriving self-governing businesses that are in both North America and Canada. Each dealership has a LeeBoy territory manager that keeps the dealers up with the latest products and sales tools. Our dealerships help deliver products to any contractor or municipality.	*
17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	LeeBoy is not required to hold any licenses or certifications to pursue business contemplated by the RFP. However, LeeBoy has an ISO 9001 certification that ensures our products and services exceeds the necessary standards and demonstrates continuous improvements. Also, LeeBoy holds a truck dealer license in order to sale our distributor trucks to our end users.	*
18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	There have been no "Suspension or Debarment."	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	There are too many awards to list over the past five years. Below are just a few of our awards that were awarded to LeeBoy. Contractor's choice awards by roads and bridges media. For five consecutive years we have been awarded the small asphalt paver class award along with a few other awards. • 2016 Asphalt pavers –small • 2017 Asphalt paver small • 2018 Asphalt paver small • 2019 Asphalt paver small • 2020 Asphalt paver small • Asphalt screed • Road patching • Motor grader • Concrete curb and gutter Asphalt contractor magazine has chosen the top 30 editor's choice award. Products have been tested by end users that say they cannot work without these machines. During this 5-year period we have been awarded on the pavers below. • 8530 Asphalt paver • 8515E Asphalt paver • 5300 Asphalt paver LeeBoy has several awards regarding the factory and the community. • Three consecutive years of NC Department of Safety Achievement. • American Cancer Society "Relay for Life"- top funding team. • Association of Equipment Manufacturers "I Make America"- Recognition of outstanding contribution to the people and communities of the equipment manufacturing industry. • ST Engineering "President Award"- Most outstanding financial achievement.	*
20	What percentage of your sales are to the governmental sector in the past three years	Approximately 30-35% of LeeBoy's sales are to government sectors in the past 3 years.	*
21	What percentage of your sales are to the education sector in the past three years	Approximately 2-5% of LeeBoy's sales are to educational sectors in the past 3 years.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	LeeBoy primarily uses the Sourcewell contract as our one and only way to promote municipalities. LeeBoy used the STS contract for one state until they transferred to the Sourcewell contract. Several of LeeBoy's dealers hold various contracts to help promote municipality's sales, but their primary way to acquire municipalities is through Sourcewell.	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	LeeBoy no longer holds any GSA contracts. Five years ago, the contract expired, and we made the decision to only use the Sourcewell contract.	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Los Angeles	Joe Castaletta	323-526-9204	*
Holmes County	Andy Tharpe	850-326-2423	*
DE Department of Transportation	George Unkle	302-760-2407	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Stephens County District 1	Government	Oklahoma - OK	Road Work	Two Machines	$239,938.75	*
Lea County	Government	New Mexico - NM	Road Work	Two Machines	$600,000.00	*
Gibson County	Government	Tennessee - TN	Road Work	One Machine	$235,396.00	*
El Dorado County	Government	California - CA	Road Work	One Machine	$258,524.00	*
City of Portland	Government	Oregon - OR	Road Work	One Machine	$221,582	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	LeeBoy sales force includes a combined effort of sales and field team members, inside sales team, and the marketing department. The sales and marketing team has 13 current members. Out of the 13 members LeeBoy's territory managers consist of 9 members. These nine territory managers help manage all 51 United States and Canada dealerships. Each dealership has multiple locations in the surrounding area and states. LeeBoy's territory managers are responsible for building not only dealer relationships but customer relationships as well. They will educate, advise, and support any contractor or municipality not only during the sale, but after as well.	*
27	Dealer network or other distribution methods.	LeeBoy has a prestigious dealer network that is vital to the success of our company. We currently have 55 dealers with a total sales force of 500 plus in the field promoting LeeBoy. Our authorized dealerships have a LeeBoy territory manager that assists in all contractor and municipality sales.	*
28	Service force.	LeeBoy's service team has 26 current members with a mix of inside and outside team member. These members work with our dealer network servicing and supporting all our products and customers. Our product support representatives help assist both the end users and the dealer technicians. LeeBoy's dealer network has 55 current dealers with well over 800 service members in the field supporting and providing parts. The service team preforms rebuilding existing equipment and assisting the end user to be productive and profitable. LeeBoy has a rapid response team that is available all day and night.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Whenever a contractor or municipality wants to place an order through Sourcewell. The municipality should contact their local LeeBoy dealer. The dealer will then contact LeeBoy's territory manager for a quote. Once the quote is completed by the proper inside sales representative. The quote will then be sent back to both the territory manager and the dealer. Whenever the contractor or municipality accepts this quote, it will then be sent back to LeeBoy to process the order.	*
30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	LeeBoy's dealer network should be able to respond to any need within twenty-four hours if not sooner. If a complication occurs on a machine which results in a manufacturing defect LeeBoy will cover the cost of within our two-year machine warranty. LeeBoy supports product training, troubleshooting, online diagnostics, and parts. LeeBoy assist dealer network with both the territory managers and product support representative.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	LeeBoy will provide all products and services to all 50 states in the United States.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	LeeBoy will provide all products and services to Canada.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	LeeBoy will support any geographical region in the United States and Canada. There are no limitation serving sourcewell members.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	LeeBoy is honored to serve all Sourcewell members within the United States and Canada.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are no requirements or restrictions when serving Sourcewell members in Hawaii and Alaska. LeeBoy has local dealers in both states to support both contractors and municipalities.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	LeeBoy is involved in an average of 7 national trade shows a year along with local trade shows with all Dealers totaling as many as 100 shows a year. Promotional and Marketing items used but not limited to, Equipment Brochures, Ad's, website (www.LeeBoy.com), Facebook, Twitter, Linked In, Instagram, YouTube, Webinars, signage, dealer open house events, dealer demo events, LeeBoy university training classes and sales school, and promotional sales and marketing videos. see link for Sourcewell video. https://www.youtube.com/watch?v=XBxNQ183ZKE&t=27s Please see uploaded Form "A #36 Marketing Examples" to analyze how LeeBoy promotes the Sourcewell contract.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	LeeBoy currently has 1 website, www.LeeBoy.com. We work to make improvements and updates constantly to help the customer educate themselves about the product offerings like adding resources and videos. Our websites have links to Sourcewell and tools to help educate about the benefits of this tool. Facebook will be utilized to help with the social media aspect. LeeBoy is committed to stay on top of the latest technology.	*
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	In the event of an awarded contract LeeBoy recognizes Sourcewell as a partnership rather than relying on Sourcewell to promote our products. However, LeeBoy immensely appreciates Sourcewell's marketing presence. We will continue to use Sourcewells marketing material to promote all government, educational, and not-for-profit contract along with rental contracts as well. Continually uplifting our sales force to utilize Sourcewell. We will continue to educate our sales force and how to utilize Sourcewell and the available tools. LeeBoy has been selling equipment through Sourcewell for 16 years. During this time LeeBoys territory managers and dealers have gained a substantial amount of knowledge regarding Sourcewell. One of our goals is to make it easier for the end user to do business with LeeBoy. The other goal is to continually educate the end user and the dealerships about Sourcewell through sales schools, dealer events, and customer events.	*
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	LeeBoy does not offer an e-procurement ordering process. LeeBoy's customers have different needs depending on the geographical region. This creates customization of equipment to satisfy their needs. Nevertheless, we use an e-quote for efficiency. However, LeeBoy is always looking for new ways to update our ordering and payment processes through technology.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Once a machine is purchased and the product is delivered, we offer operator training on every sale. With this training we will have either a LeeBoy territory manager or a LeeBoy rapid response personnel on the job to discuss safety and proper methods for application and operations of the machinery. During this training we will start with the overview and safety of the machine. Then the setup of the machine followed by the startup of the machine and go through the basic operations and best practices. In closing, we will discuss the proper maintenance required to maintain the equipment for the best long-term value of the equipment.	*
41	Describe any technological advances that your proposed products or services offer.	LeeBoy is a market leader in the commercial class pavers for well over 25 years. During this time, we have always been on the leading edge with innovation and technology improvements. We have reduced the amount of energy required to maintain the screeds heat through an automatic temperature-controlled device. Remote monitoring (Telemetric) is available to monitor how the machine is preforming and determines when your machine needs maintenance. We have a wireless self-loading brush for the NV55 broom. A hot oil system installed on a distributor truck that reduce the amount of time to apply bitumen and creates less wear on the pump. Centralized manifold for ease of access and maintenance, and a wireless in truck controls for ease of operation on our tack tanks.	*

42	Describe any "green" initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	At LeeBoy we are committed to creating a better world. We have taken the initiative to continually develop products with fewer emissions. Since 2013 our overall waste reduction is 65%. Below are some actions that LeeBoy took upon itself to reduce waste and emissions at the factory. • Purchased solvent recycling system for paint operations. • Purchased more efficient paint control system. • Improvements to product life cycle. • Hundreds of recycling containers throughout production and offices. • Recycled scrap metal • Recycled oil • Recycled cardboard • Recycled batteries • Recycled computers • Collection of aerosol cans for proper disposal. • Replacing all lighting will LED bulbs. • Purchased water treatment plant to clean our wastewater. ST Engineering has reduced greenhouse gasses by 71% in ten years. We are on track to reduce another 70% in the next ten years.	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	LeeBoy proudly holds an ISO 9001: 2005 - ASQ/ANSI/ISO 9001:2015 certificate. The scope of this certificate is the Design and Manufacturing of: • Construction Equipment • Maintenance Equipment • Specialty Vehicles One example for the ISO 90012015 is ISO code Number 20 / 18 / 15: Certified cleanliness of new hydraulic oil straight from the manufacturer. LeeBoy has an NEC permit for the discharge of water, and an air permit from NC Department of Environmental Quality.	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Monroe Tractor is one of our authorized dealers, which is a woman owned business. We have several small business dealers, along with several veteran owned dealers. A few of our veteran owned businesses are: • Mid-South Machinery • Nixon-Egli Equipment • ROMCO Equipment • Closner Equipment • ASCO • Founder of McLean Company • Founder of Hoffman • Founder of Richmond Machinery • Founder of Allied Machinery • Founder of PAPE Machinery At LeeBoy we have an Affirmative Action Plan. This is used to focus heavily on the recruitment of women, minorities, and veterans.	*
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	LeeBoy has many unique attributes that are not only offered with our products but our services as well. We believe in providing equipment with the best overall value available. Always leading the way with quality and innovation for over 58 years. • Having a dealer network with sales, parts, and local service support in all 50 states and in all of Canada. • We have one of the largest sales and production support team in the field of any of our competitors. • Product warranty are unlimited hours, no restrictions during the time of warranty. Our warranty is based on the initial date of service. With unprecedented industry leading two full years of warranty protection for the end user. • Our products are designed and built with the operator in mind for the ease to operate and maintain the equipment. • We offer end users product service training in the winter and spring across the country in various locations each year. This includes customer maintenance and operation training along with helpful tips and best practices. The training is an open forum base where if specific questions or concerns arise it can be addressed at this time. LeeBoy offers this training year around online. • LeeBoy has the best return on investment in the commercial class asphalt paver market. With all our other niche products LeeBoy supports the municipality customers for the life of the machine from any local dealership, and on second to none 24/7 dealer factory support.	*

Table 9A: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
46	Do your warranties cover all products, parts, and labor?	Yes. Warranty document is attached in the uploaded section.	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	No. the warranty is not restricted on hour usage. LeeBoy warrants any defect in the machine when the machine is used as properly designed. Please refer to the uploaded warranty document for more information.	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Warranty for repair on machines with less than fifty hours in service will have a factory trained service representative. The service representative will be reimbursed at a rate of $2.00/mile maximum of 100 miles and three hours maximum shop rate.	*
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	No geographical restrictions. All areas are covered by local LeeBoy authorized dealerships in the United States and Canada.	*
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	LeeBoy warrants all parts manufactured or installed by LeeBoy except for any engines, truck chassis, or tires. Which in return is covered by the engine, truck, and tire manufacturer.	*
51	What are your proposed exchange and return programs and policies?	LeeBoy has no set policy for exchange or returns. However, LeeBoy has always stood behind what we build. Our product will be free of defects. In the event they are not free of defects LeeBoy will take precise actions to mend the defect.	*
52	Describe any service contract options for the items included in your proposal.	LeeBoy offers an extended warranty program through Glynn General if requested by the customer or dealership. The extended warranty will cover another one to three years on top of LeeBoy's factory warranty.	*

Table 9B: Performance Standards or Guarantees

Describe in detail your performance standards or guarantees, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your performance materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
53	Describe any performance standards or guarantees that apply to your services	If a manufacturing defect in factory supplied materials or factory workmanship is found and the authorized LeeBoy dealer ("Dealer") is notified during the warranty period, LeeBoy will be responsible for repairing or replacing any part or component of the unit or part that fails to conform to the warranty during the warranty period. See uploaded warranty document for more information. LeeBoy's dealership may have additional performance standards or guarantees that apply on top of LeeBoy's warranty.	*
54	Describe any service standards or guarantees that apply to your services (policies, metrics, KPIs, etc.)	LeeBoy affiliates directly with dealerships, which in return the dealerships deal directly with the end user. Therefore, each policy, metric, and KPI regarding service standards and guarantees will vary depending on which local LeeBoy dealership the Sourcewell member uses. LeeBoy's territory manager and rapid response team will always be there to help any end user.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
55	Describe your payment terms and accepted payment methods.	Terms of sale to our dealer network will be net 30 days. LeeBoy's dealers will normally handle the terns to the end user.	*
56	Describe any leasing or financing options available for use by educational or governmental entities.	LeeBoy uses a third-party financial organization which is proud to offer Sourcewell members financing and leasing options. Finance can be used with new, used, and rent to own equipment. In the document upload section, you will find our dealer rental program.	*
57	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	LeeBoy's standard transaction document is uploaded in the document upload section.	*
58	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Currently we do not accept the P-card.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
59	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	LeeBoy is offering a discounted price from our published prices. Refer to "2022 LeeBoy's Sales Discount" for further information.	*
60	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Sourcewell's discounted price will be 10% off LeeBoy's list price and rental equipment.	*
61	Describe any quantity or volume discounts or rebate programs that you offer.	LeeBoy' offers the best price available for individual machines. Therefore, our products are rarely bought in volume.	*
62	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Leeboy has many standard and non-standard items that are listed with the price sheet. In the event the end user wants to purchase an open market or nonstandard option that is not on the price sheet. LeeBoy will quote the option to the dealer on each request.	*
63	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	Everything is spelled out and included in our quote. Some dealers add local freight, PDI, and extra warranty. This will be included and there will be no hidden costs.	*
64	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	When LeeBoy quotes one of its products to a Sourcewell member there is a freight charge that is good for 10 days. If they do not accept the quote within the 10-day time frame LeeBoy will issue another quote with a new freight charge. Once it is at the dealership the Sourcewell member can either choose customer pick-up, or the dealer can deliver it with an additional freight charge.	*
65	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight for Hawaii, Alaska, and Canada has an additional dealer freight charge. Additional freight charges will be discussed between the dealer and the Sourcewell member.	*
66	Describe any unique distribution and/or delivery methods or options offered in your proposal.	LeeBoy's dealers have a wide range of LeeBoy products on their lot at any given time. The sourcewell member can visit their local LeeBoy dealer to examine our products. Depending on the product size and weight can affect the price on freight charges. LeeBoy dealerships have stock machines on their lot that any sourcewell member can purchase.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
67	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
68	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	LeeBoy has an internal sales self-audit annually. During this audit we will review all the Sourcewell contracts that LeeBoy has quoted. LeeBoy's second audit process is the cooperate audit. We hire a professional firm (example: PWC) to audit out documents annually.	*
69	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	One-way LeeBoy tracks its success is by creating a list for each quote daily until quotes are either accepted or closed out. This will be stored in a document and sent out quarterly and yearly. The document is examined in our bi-weekly sales meeting as well. This document not only helps us track our success but helps LeeBoy improve success with municipalities through the Sourcewell contract.	*
70	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	LeeBoy proposes an administration fee of 1% for order process of our company's equipment sold through the Sourcewell contract. This fee does not pertain to freight or pre-delivery inspections.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
71	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	LeeBoy's is offering all or our market leading product lines. This includes all LeeBoy's highway, commercial, and governmental equipment. Our products consist of 11 different Asphalt Pavers, three different Tack Tanks, three Motor Graders, five different Brooms, three different Max Distributor trucks with six different rated capacities on each Distributor truck, two different Road Wideners, one Force Feed Loader, one Patcher truck, and one Chip Spreader. For a total of 30 products with a chance of more in the future. Also, LeeBoy offers all the product support and training that is required to back all the equipment.	*
72	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Paver: • Wide Conveyor Pavers • Narrow Conveyor Pavers • Tilt Pavers Broom: • Front Mount Brush • Center Mount Brush • Three Wheel Broom Skid or trailer mounted Tack Tanks: • 150 Gallon Tank • 300 Gallon Tank • 600 Gallon Tank Distributor Truck with several different tank sizes: • Maximizer 2- 12' Spray Bar • Maximizer 3- 16' Spray Bar • Maximizer 4- 24' Spray Bar	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
73	Asphalt pavers, screeds, distributors, and loaders	◉ Yes ○ No	Our asphalt pavers, distributors, and loaders can be configured in several different ways to provide the perfect product to our end user.
74	Steel-wheeled and pneumatic tire rollers	○ Yes ◉ No	N/A
75	Wideners, tack distributors, cold planers, and compactors	◉ Yes ○ No	Except for planers and compactors. LeeBoy's Wideners and tack distributors can be configured in several different ways to provide the perfect product to our end user.
76	Concrete mixers, and gunite or shotcrete delivery equipment	○ Yes ◉ No	N/A
77	Other	◉ Yes ○ No	The additional equipment that is added to the Sourcewell contract is our Brooms, Motor Graders, Patcher Truck, and Chip Spreader. All the equipment can be configured in several different ways to provide the perfect product to our end users.

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 78. NOTICE: To identify any exception, or to request any modification, to the Sourcewell template Contract terms, conditions, or specifications, a Proposer must submit the exception or requested modification on the **Exceptions to Terms, Conditions, or Specifications Form** immediately below. The contract section, the specific text addressed by the exception or requested modification, and the proposed modification must be identified in detail. Proposer's exceptions and proposed modifications are subject to review and approval of Sourcewell and will not automatically be included in the contract.

Contract Section	Term, Condition, or Specification	Exception or Proposed Modification

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - Sourcewell 2022 Current Pricing Rev 5.24.2002.pdf - Wednesday May 25, 2022 11:11:51
- Financial Strength and Stability - ST Engineering Annual Report 2020.pdf - Wednesday May 18, 2022 14:15:14
- Marketing Plan/Samples - Form A #36 Marketing Examples_Final 5.2022.pdf - Wednesday May 18, 2022 14:21:45
- WMBE/MBE/SBE or Related Certificates - New York State WBE Certificate for Monroe Tractor Implement Co. Inc_.pdf - Wednesday May 18, 2022 14:21:56
- Warranty Information - Two_Year_Warranty_Statement_for_Customers (1).pdf - Wednesday May 18, 2022 14:22:06
- Standard Transaction Document Samples - Standard Transaction Document.pdf - Wednesday May 18, 2022 14:22:30
- Upload Additional Document - Sourcewell Additional Documents.pdf - Wednesday May 18, 2022 14:28:13

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor’s objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the “Specially Designated Nationals and Blocked Persons” list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jay Horn, Chief Financial Officer, ST Engineering LeeBoy, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column **"I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	**I have reviewed the below addendum and attachments (if applicable)**	**Pages**
Addendum_4_Roadway_Paving_Eqpt_RFP_060122 Tue May 24 2022 04:31 PM	☑	1
Addendum_3_Roadway_Paving_Eqpt_RFP_060122 Thu May 19 2022 09:01 AM	☑	1
Addendum_2_Roadway_Paving_Eqpt_RFP_060122 Fri April 29 2022 04:09 PM	☑	1
Addendum_1_Roadway_Paving_Eqpt_RFP_060122 Fri April 15 2022 03:54 PM	☑	1

AMENDMENT #1
TO
CONTRACT # 060122-VTL

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **ST Engineering LeeBoy, Inc.** (Supplier).

Sourcewell awarded a contract to Supplier to provide Roadway Paving Equipment to Sourcewell and its Participating Entities, effective August 3, 2022, through August 1, 2026 (Contract).

NOW, THEREFORE, the parties wish to amend the Contract as follows:

> Section 18. Insurance–Subsection A. Requirements– Item 5. Network Security and Privacy Liability Insurance of the Contract is deleted in its entirety.

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...
Jeremy Schwartz, Director of Operations/CPO

Date: 10/2/2023 | 9:37 AM CDT

Approved:

DocuSigned by:
By: Chad Coauette
48BAF71B0894454...
Chad Coauette, Executive Director/CEO

Date: 10/2/2023 | 9:40 AM CDT

ST Engineering LeeBoy, Inc.

DocuSigned by:
By: Jay Horn
662FBEB616DF419...
Jay Horn

Title: CFO

Date: 10/2/2023 | 8:54 AM CDT

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VII.D.
Date: 8/25/2025

Date submitted: 08/14/2025 **Date requested:** 8/25/2025	**Action:** Formal	**Subject: Consideration of Accepting a Proposal from Empire Caterpillar to Purchase a Remanufactured Engine for the Public Works Motor Grader at a Cost Not To Exceed $75,000.**

TO: Mayor and City Council

FROM: Matt Rencher, Public Works Director/City Engineer

RECOMMENDATION:
Staff recommends that Council accept the proposal provided by Empire Caterpillar to replace the inoperable engine with a remanufactured engine for a cost not to exceed $75,000.

DISCUSSION:

The Streets Department currently operates two motor graders, placed into service in 1999 and 2013, that are used daily to maintain the dirt roads within the City of Eloy. The Public Works Vehicle Maintenance Division does not have the specialized equipment necessary to complete repairs on these graders. Empire-Caterpillar, which is on a State Contract with the Arizona Department of Transportation for heavy equipment and machinery repair, is the authorized service provider for this type of work.

The engine on the 2013 motor grader has failed and must either be repaired or replaced. Until the engine is addressed, the grader is out of service and unavailable for daily operations. Staff obtained estimates from Empire-Caterpillar indicating that repairing the existing engine would cost over $90,000, while replacing it with a newer remanufactured engine would cost just under $75,000.

Staff believes it is in the best interest of the City to proceed with the purchase and installation of the remanufactured engine. The remanufactured engine includes a certified warranty, providing both reliability and cost savings over repairing the existing unit. In addition, staff recommends including a contingency buffer to cover any unforeseen repairs that may arise during the disassembly and installation process.

FISCAL IMPACT:
Not to Exceed $75,000 to be paid from the Public Works Streets Equipment Repair fund

Approved as to Form:

Stephen R. Cooper

Stephen R. Cooper, City Attorney

SAFETY • RESPECT • INTEGRITY • TEAMWORK
EXCELLENCE • STEWARDSHIP • ASTONISHMENT

ESTIMATE NUMBER	105767 A4
CLIENT ORDER	75316
CLIENT NUMBER	0454206
DATE	08/07/2025
AGMT/PSO/WO #	4038079
EXPIRATION DATE	12/31/2025
REVISION TITLE	Reman Engine

SOLD TO
CITY OF ELOY PUBLIC WORKS
1137 W HOUSER
ELOY AZ 85131

SHIP TO
1137 WEST HOUSER RD , ELOY AZ 85131

MAKE	MODEL	SERIAL #	EQUIP #	METER READING	ID NUMBER
CATERPILLAR	140M2	0M9D01445	365	15769.0	E118413

QUANTITY	ITEM	DESCRIPTION	UNIT PRICE	EXTENSION

EMPIRE THANKS YOU FOR THE OPPORTUNITY TO ESTIMATE THIS REPAIR. THIS IS ONLY AN ESTIMATE, A FIRM QUOTE WILL BE GIVEN AFTER DISASSEMBLY AND INSPECTION OF PARTS AND REUSE GUIDELINES APPLIED.

ANY QUESTIONS OR CONCERNS PLEASE CONTACT YOUR PRODUCT SUPPORT REPRESENTATIVE.
****

00 TRAVEL TO FROM JOB SITE

LOCATION: 1137 WEST HOUSER RD, ELOY AZ 85131

MISC. CHARGES REFLECT FUEL SURCHARGE.

TOTAL PARTS	0.00
TOTAL LABOR	563.75
TOTAL MISC	201.00
SEGMENT 00 TOTAL	764.75

09 REMV RECONDITION & INSTL RADIATOR

REMOVE AND INSTALL COOLING PACKAGE FOR RECONDITION.

PARTS INCLUDE: REPLACEMENT OF RADIATOR CAP, HOSES, HOSE CLAMPS & SEALS ASSOCIATED WITH THE RADIATOR.

*RADIATOR CORES AND AFTERCOOLER ASSEMBLY MUST BE CLEANED TO MEET EXTENDED ENGINE WARRANTY COVERAGE GUIDELINES.

MISC. CHARGES INCLUDE VENDOR CLEANING AND TESTING THE RADIATOR AND AFTERCOOLER.

TOTAL PARTS	1240.39
TOTAL LABOR	3280.00
TOTAL MISC	2981.00
SEGMENT 09 TOTAL	7501.39

14 REPLACE WITH CAT REMAN ENGINE

INSTALL OR TRANSFER ALL ACCESSORY COMPONENTS TO REMAN ENGINE TO MAKE ENGINE DROP IN READY.

EMPIRE CAT

SAFETY • RESPECT • INTEGRITY • TEAMWORK
EXCELLENCE • STEWARDSHIP • ASTONISHMENT

ESTIMATE NUMBER	105767 A4
CLIENT ORDER	75316
CLIENT NUMBER	0454206
DATE	08/07/2025
AGMT/PSO/WO #	4038079
EXPIRATION DATE	12/31/2025
REVISION TITLE	Reman Engine

MAKE	MODEL	SERIAL #	EQUIP #	METER READING	ID NUMBER
CATERPILLAR	140M2	0M9D01445	365	15769.0	E118413

QUANTITY	ITEM	DESCRIPTION	UNIT PRICE	EXTENSION

PARTS INCLUDE: REMAN ENGINE AR, COMPRESSOR GP-REFRIGERANT, REMAN MOTOR GP-ELEC, REMAN ALTERNATOR GP, TENSIONER-BE, PULLEY-ALTERNATOR.

MISC. CHARGES REFLECT FREIGHT.

TOTAL PARTS	43770.53
TOTAL LABOR	2050.00
TOTAL MISC	1123.00
SEGMENT 14 TOTAL	46943.53

15 CLEAN DIESEL PARTICULATE FILTER

REMOVE AND INSTALL DPF FILTER ASSEMBLY.
SEND DPF FOR VENDOR CLEANING.

*DPF ASSEMBLY MUST BE CLEANED TO MEET EXTENDED ENGINE WARRANTY COVERAGE GUIDELINES.

MISC. REFLECTS VENDOR CLEANING FEES.

TOTAL PARTS	0.00
TOTAL LABOR	1230.00
TOTAL MISC	689.26
SEGMENT 15 TOTAL	1919.26

16 REMOVE & INSTALL ENGINE

PARTS INCLUDE: INTAKE AIR HOSES AND CLAMPS, AFTERCOOLER AIR HOSES AND CLAMPS, AIR FILTERS, EXHAUST PIPE TO TURBO CLAMP, ENGINE MOUNTS AND CHASSIS FUEL LINES.

TOTAL PARTS	1892.73
TOTAL LABOR	9840.00
TOTAL MISC	0.00
SEGMENT 16 TOTAL	11732.73

90 PERFORM MAINTENANCE ON MACHINE

07/29/2025
REPLACE DPF FILTER.

EMPIRE CAT

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ESTIMATE NUMBER	105767 A4
CLIENT ORDER	75316
CLIENT NUMBER	0454206
DATE	08/07/2025
AGMT/PSO/WO #	4038079
EXPIRATION DATE	12/31/2025
REVISION TITLE	Reman Engine

MAKE	MODEL	SERIAL #	EQUIP #	METER READING	ID NUMBER
CATERPILLAR	140M2	0M9D01445	365	15769.0	E118413

QUANTITY	ITEM	DESCRIPTION	UNIT PRICE	EXTENSION
		PARTS INCLUDE: KIT FILTER, CLAMPS.		
			TOTAL PARTS	5735.68
			TOTAL LABOR	0.00
			TOTAL MISC	0.00
			SEGMENT 90 TOTAL	5735.68
LU REFILL MACHINE				
		PARTS INCLUDE: 10WT HYDRO, 15W-40, CAT ELC.		
			TOTAL PARTS	596.64
			TOTAL LABOR	410.00
			TOTAL MISC	0.00
			SEGMENT LU TOTAL	1006.64
PC CREDIT TO/FOR PARTS				
		15% PARTS DISCOUNT COVERED BY MAJOR COMPONENT REBUILD INCENTIVE PROGRAM.		
-1	CMK	MARKETING PROG	7,895.89	-7,895.89
			TOTAL PARTS	0.00
			TOTAL LABOR	0.00
			TOTAL MISC	-7895.89
			SEGMENT PC TOTAL	-7895.89
TA TEST/CHECK & ADJUST MACHINE				
		TEST MACHINE AFTER REPAIRS ARE COMPLETE.		
			TOTAL PARTS	0.00
			TOTAL LABOR	820.00
			TOTAL MISC	0.00
			SEGMENT TA TOTAL	820.00

WA SERVICE EXTENDED WARRANTY .

CATERPILLAR 36MO/5000HR EXTENDED ENGINE WARRANTY.

$1290.00 OF EXTENDED WARRANTY COVERED BY MAJOR COMPONENT REBUILD INCENTIVE PROGRAM.

EMPIRE CAT

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ESTIMATE NUMBER	105767 A4
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DATE	08/07/2025
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EXPIRATION DATE	12/31/2025
REVISION TITLE	Reman Engine

MAKE	MODEL	SERIAL #	EQUIP #	METER READING	ID NUMBER
CATERPILLAR	140M2	0M9D01445	365	15769.0	E118413

QUANTITY	ITEM	DESCRIPTION	UNIT PRICE	EXTENSION
		WARRANTY COVERED BY CATERPILLAR CORPORATE ACCOUNT.		
-1	CMK	MARKETING PROG	1,290.00	-1,290.00
1	CWC	CAT CERT WARRANT	1,290.00	1,290.00

TOTAL PARTS	0.00
TOTAL LABOR	0.00
TOTAL MISC	0.00
SEGMENT WA TOTAL	0.00

ENVIRON. FEE	0.00
STATE/COUNTY TAX	3,642.05
CITY/OTHER TAX	1,630.77
TOTAL ESTIMATE	73,800.91
EXPIRATION DATE	12/31/2025

Client Approval: ______________________________ ____________________

Signature Date

TERMS:
CLIENT ACKNOWLEDGES THAT THIS QUOTATION IS SUBJECT TO PRICE CHANGES AND AVAILABILITY OF GOODS. MACHINE SALES PAYMENTS ARE DUE NET 10; ALL OTHERS NET 30. UNLESS OTHERWISE AGREED IN WRITING BY A VICE PRESIDENT OF EMPIRE SOUTHWEST, LLC ("EMPIRE"), THE PURCHASE OF GOODS (INCLUDING, BUT NOT LIMITED TO, NEW AND USED EQUIPMENT, ATTACHMENTS, PARTS AND TECHNOLOGY) OR SERVICES FROM EMPIRE WILL BE GOVERNED SOLELY BY EMPIRE'S TERMS AND CONDITIONS OF SALES AND SERVICE (THE "SALES AND SERVICE TERMS"), WHICH ARE AVAILABLE AT WWW.EMPIRE-CAT.COM/SALESSERVICETERMS, AND THE RENTAL OF EQUIPMENT FROM EMPIRE WILL BE GOVERNED SOLELY BY EMPIRE'S RENTAL TERMS AND CONDITIONS (THE "RENTAL TERMS"), WHICH ARE AVAILABLE AT WWW.EMPIRE-CAT.COM/RENTALTERMS, OR SUCH OTHER SUCCESSOR WEBSITES AT WHICH EMPIRE POSTS ITS SALES AND SERVICE TERMS AND ITS RENTAL TERMS (COLLECTIVELY, THE "TERMS") FROM TIME TO TIME. A HARD COPY OF THE TERMS IS AVAILABLE UPON WRITTEN REQUEST TO TERMS.CONDITIONS@EMPIRE-CAT.COM. EMPIRE'S TERMS ARE HEREBY INCORPORATED BY REFERENCE INTO THIS DOCUMENT AND ALL OTHER DOCUMENTS RELATED TO YOUR PURCHASE OF GOODS OR SERVICES FROM EMPIRE OR THE RENTAL OF EQUIPMENT FROM EMPIRE. BY PURCHASING GOODS OR SERVICES FROM EMPIRE, DELIVERING EQUIPMENT TO EMPIRE FOR SERVICE, OR RENTING EQUIPMENT FROM EMPIRE, YOU AGREE TO BE BOUND BY EMPIRE'S TERMS EXACTLY AS WRITTEN. UNLESS OTHERWISE AGREED IN WRITING BY A VICE PRESIDENT OF EMPIRE, CLIENT IS RESPONSIBLE FOR ALL DISASSEMBLY AND REASSEMBLY CHARGES. BECAUSE IT IS IMPOSSIBLE TO DETERMINE THE EXTENT OF WEAR ON INTERNAL COMPONENTS, ADDITIONAL LABOR AND PARTS MAY BE REQUIRED FOLLOWING DISASSEMBLY.

ADOT Procurement

OFFER AND ACCEPTANCE

OFFER

TO THE STATE OF ARIZONA:

The undersigned hereby offers and agrees to perform in compliance with all terms, conditions, specifications and amendments of this solicitation and any written exceptions in the offer. Signature also acknowledges receipt of all pages indicated in the Table of Contents.

Empire Southwest, LLC	DocuSigned by: John Helms AD2427FE9FD344B...
Offeror (Company) Name	Signature of Person Authorized to Sign Offer
1725 S. Country Club Dr.	John Helms 4/29/2020
Address	Printed Name Date
Mesa AZ 85210	Vice President/CFO
City State Zip	Title
mark.vandergiessen@empire-cat.com	480-633-4000
Email Address	Phone Number
	480-633-4626 Attn: Mark Vander Giessen
Company Email Address	Fax Number

By signature in the Offer section above, the Offeror certifies that the submission of the Offer did not involve collusion or other anticompetitive practices.

ACCEPTANCE OF OFFER (FOR DEPARTMENT USE ONLY)

The Contractor is now bound to perform based upon Contract Number CTR050429 including all terms, conditions, specifications, amendments, etc., and the Contractor's offer as accepted by the state.

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until contractor receives a purchase order document.

State of Arizona

Effective this 1st day of July 20 20

DocuSigned by: Jennifer Hefley 6FF8114AC1954B9... 6/22/2020

Procurement Officer Awarded Date

Procurement

MEMORANDUM

TO: Awarded Contractors of Parts and Repair for Off-Road Heavy Duty Equipment

FROM: Pamela Veal

DATE: July 16, 2020

RE: Contracts for Parts and Repair for Off-Road Heavy Duty Equipment

---

Welcome!

Communication is the key to all good relationships. So, it is important for The State of Arizona to communicate some things you will need to know as we move forward in our contractual relationship under the Parts and Repair for Off-Road Heavy Duty Equipment contract.

Service
The State of Arizona would like to say welcome and we looking forward to the partnership of our statewide contract of Parts and Repair for Off-Road Heavy Duty Equipment.

We look forward to working with you! If you have any questions, please contact me, and I will be happy to help you.

Pamela Veal CPSM
Senior Procurement Officer
1739 W. Jackson St.
MD 100P
Phoenix, AZ 85007
602.712.7564
azdot.gov

Procurement

CONTACTS

R Darren Fischer
Statewide Parts Manager
MD 071R
2225 S 22nd Ave
Phoenix, Arizona 85009
Office 602.712.4770
Cell 480.261.6121
azdot.gov
RFischer@azdot.gov
azdot.gov
Equipment Services

Darren Fischer is the Statewide Parts Manager and he will be responsible for managing the overall functions of the contract.

Other State agencies

.

There are Seven (7) state agencies that do not fall under the ADOT umbrella. These State agencies can utilize the contracts as needed. Additional agencies that do not fall under the state umbrella may utilize these contracts if they have a cooperative purchasing agreement with the state. You may find the list and additional information here: https://spo.az.gov/procurement-services/cooperative-procurement

Pamela Veal
Senior Procurement Officer
1739 W. Jackson St.
MD 100P
Phoenix, AZ 85007
602.712.7564
PVeal@azdot.gov
azdot.gov

Procurement

Pamela Veal will be your contact for any questions related to the contract scope and terms, any issues you may have, comments and any changes to the contract (subcontractors, signature authority, extensions, etc.)

Reminders

Contract Status

This contract was effective as of July 1, 2020. If your insurance certificate was approved by Risk Management, you are free to start work at any time as needed.

Quarterly Usage Reports

Quarterly Usage Reports- Please refer to paragraph 22 of the Special Terms and Conditions of the contract. Usage reports are required to be submitted quarterly. There is a link in that same section with instructions on how to submit. There is a sample of one on the last page of the contract. If there has been no usage, please still submit with no usage for that reporting period.

Extensions

Please make sure your APP profile is always kept up-to-date and accurate. Future amendments for extensions will be completed using APP instead of utilizing paper amendments. The request for concurrence of the extension will be e-mailed to the APP contact in your profile.

Insurance

Once your insurance documents are approved it will be uploaded to your contract in APP.

Outreach to agencies

A list of ADOT Equipment Services shops as well as DPS and Department of corrections is provided below. This will allow you to do outreach as you see fit.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VII.E.
Date: 8/25/2025

Date submitted: 08/14/2025 **Date requested:** 8/25/2025	**Action:** Formal	**Subject: Approve the Annual Development Impact Fee Report for the City of Eloy ending June 30, 2025.**

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:
Staff recommends approving the Annual Development Impact Fee Report for the City of Eloy ending June 30, 2025.

DISCUSSION:
As required by ARS 9-463.05, the City Manager or designee shall submit the Development Impact Fee Annual Report to the Mayor and Council within 90 days of the end of the fiscal year.

During the fiscal year 2024-2025, the City collected 108 impact fees for Parks and Recreation, 171 for Police, and 109 for Streets, for a total collection of Development Impact Fees of $472,101 while collecting interest revenue of $115,754.63. The City of Eloy used $0.00 for related expenses during this same period.

Finally, no development impact fee revenues were used to repay a bond issued by the City, pay for the cost of a capital improvement project subject to a development impact fee assessment, or advance monies by the city from funds other than the funds established for development impact fees to pay the cost of a capital improvement project subject to a development impact fee assessment.

FISCAL IMPACT:
No fiscal impact.

Approved as to Form:

Stephen R. Cooper, City Attorney

City of Eloy, Arizona

Annual Report of Development Impact Fees

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENT

INTRODUCTION

This report is designed to fulfill the requirements of the Arizona Revised Statutes (ARS). Section 9-463.05 (N). It contains information concerning the City of Eloy's collection and use of development fees. The information contained in this report is based on the City's fund financial statements, but it is unaudited data.

The annual report must be submitted to the City Clerk and posted on the City's Web site within 90 days following the end of the fiscal year. If the report is not submitted and posted within 90 days, the City cannot collect development impact fees until the report is submitted and posted. ARS refers to the fees as "development fees"; the City refers to them as "development fees."

TischlerBise performed an updated Land Use Assumptions, Infrastructure Improvements Plan, and Development Fee Report in January 2020. The Eloy City Council adopted the updated development fees on April 27, 2020, with new fees implemented on July 13, 2020. During the 2020 updated Development Fee Report, Water and Wastewater Impact Fees were eliminated. The City moved to collect Capacity Fees instead of Development Impact Fees for Water and Wastewater. Although no longer charged, these categories have remaining balances that continue to be tracked separately and utilized for their legally intended purposes.

Development fees are one-time payments used to construct system improvements needed to accommodate new development. The fee represents future development's proportionate share of infrastructure costs. Development fees are charged per dwelling unit for all residential construction. Commercial projects are charged based upon their impact on each service provided and are generally charged on a per-square-foot basis.

This report includes an unaudited schedule of sources and uses for each type of development fee assessed by the City of Eloy, along with beginning and ending fund balances, interest earnings in each fund for the fiscal year, and the amount of development fee monies spent on each capital improvement project and for each purpose other than a capital improvement project.

Pursuant to ARS, the annual report must contain the following information.

1. The amount assessed by the City for each type of development fee.

2. The balance of each fund maintained for each type of development fee as of the beginning and end of the fiscal year.

3. The amount of interest or other earnings on the monies in each fund as of the end of the fiscal year.

4. The amount of development fees used to repay:
    a. Bonds issued by the City to pay the cost of a capital improvement project that is subject to a development fee assessment, including the amount needed to repay the debt service obligations on each facility for which development fees have been identified as the source of funding and the time frames in which the debt service will be repaid.

    b. Monies advanced by the City from funds other than the funds established for development fees in order to pay the cost of a capital improvement project that is the subject of a development fee assessment, the total amount advanced by the City for each facility, the source of the monies advanced and the terms under which the monies will be repaid to the City.

5. The amount of development fee monies spent on each capital improvement project is the subject of a development fee assessment and the physical location of each capital improvement project.

6. The amount of development fee monies spent for each purpose other than a capital improvement project is subject to a development fee assessment.

ARS states that a municipality may assess development fees to offset costs to the municipality associated with providing necessary public services to a development. As of and during the fiscal year ending June 30, 2025, the City of Eloy has assessed and collected development impact fees for the following public services.

- Parks and Recreational Facilities
- Police Facilities
- Streets Facilities

This report is hereby submitted to the City Clerk and is in compliance with ARS Section 9-463.05.

Brian Wright, Finance Director

IMPACT FEE SCHEDULES

July 1, 2024, through June 30, 2025

Parks and Recreation Facilities Development Fees

Residential Development Fees per Housing Unit

Development Type	Impact Fee
Single Unit	$ 1,852.00
2+ Units	$ 1,444.00

Nonresidential Development Fees per 1,000 Sq. Ft of Floor Area

Development Type	Impact Fee
Commercial	$ 481.00
Office/Institutional	$ 611.00
Industrial/Flex	$ 327.00

Police Facilities Development Fees

Residential Development Fees per Housing Unit

Development Type	Impact Fee
Single Unit	$ 526.00
2+ Units	$ 410.00

Nonresidential Development Fees per 1,000 Sq. Ft of Floor Area

Development Type	Impact Fee
Commercial	$ 1,325.00
Office/Institutional	$ 518.00
Industrial/Flex	$ 209.00

Note: Per the 2006 Development Agreement with Robson Ranch the impact fee will be $359.00 per residential unit.

Streets Facilities Development Fees

Residential Development Fees per Housing Unit

Development Type	Impact Fee
Single Unit	$ 1,671.00
2+ Units	$ 816.00

Nonresidential Development Fees per 1,000 Sq. Ft of Floor Area

Development Type	Impact Fee
Commercial	$ 2,425.00
Office/Institutional	$ 924.00
Industrial/Flex	$ 373.00

DEVELOPMENT IMPACT FEES

Summary of Collection and Use of Development Impact Fees

	Parks and Recreational	Police	Water	Wastewater	Streets
Sources					
Development Fees Collected	$200,016.00	$ 89,946.00	$ -	$ -	$ 182,139.00
Interest Earnings	$ 27,773.77	$ 29,326.98	$ 15,181.20	$15,181.20	$ 28,291.48
Total Sources	$227,789.77	$ 119,272.98	$ 15,181.20	$ 15,181.20	$ 210,430.48
Uses					
Capital Improvement Projects	$ -	$ -	$ -	$ -	$ -
Total Uses	$ -	$ -	$ -	$ -	$ -
Net Position Increase (Decrease)	$227,789.77	$ 119,272.98	$ 15,181.20	$ 15,181.20	$ 210,430.48
Beginning Net Position as of 7/1/2023	$766,853.87	$ 877,961.29	$347,250.51	$415,909.97	$ 791,946.46
Ending Net Position as of 6/30/2024	$994,643.64	$ 997,234.27	$362,431.71	$431,091.17	$1,002,376.94

Fiscal Year 2024-2025 Capital Improvement Projects Uses

Parks and Recreation:
- No expenses occurred during the fiscal year

Police:
- No expenses occurred during the fiscal year

Water:
- No expenses occurred during the fiscal year

Wastewater:
- No expenses occurred during the fiscal year

Streets:
- No expenses occurred during the fiscal year

PARKS AND RECREATIONAL FACILITIES

Parks and Recreational Facilities comprises of " *"Neighborhood parks and recreational facilities on real property up to thirty acres in area, or parks and recreational facilities larger than thirty acres if the facilities provide a direct benefit to the development. Park and recreational facilities do not include vehicles, equipment or that portion of any facility that is used for amusement parks, aquariums, aquatic centers, auditoriums, arenas, arts and cultural facilities, bandstand and orchestra facilities, bathhouses, boathouses, clubhouses, community centers greater than three thousand square feet in floor area, environmental education centers, equestrian facilities, golf course facilities, greenhouses, lakes, museums, theme parks, water reclamation or riparian areas, wetlands, zoo facilities or similar recreational facilities, but may include swimming pools."*

CITY OF ELOY
PARKS AND RECREATIONAL DEVELOPMENT FEE FUND
FINANCIAL ANALYSIS ENDING JUNE 30, 2025
(Unaudited Financial Statements)

SOURCES:			
DEVELOPMENT FEE-PARKS & RECREATIONAL	$200,016.00		
INTEREST EARNINGS	$27,773.77		
TOTALSOURCES		**$227,789.77**	
USES:			
PARKS & RECREATIONAL EXPENDITURES	$0.00		
TOTAL USES		**$0.00**	
EXCESS (DEFICIENCY)		**$227,789.77**	
NET POSITION AS OF JULY 1, 2024			**$766,853.87**
CHANGE IN NET POSITION			***$227,789.77***
NET POSITION AS OF JUNE 30, 2025			**$994,643.64**

EXPLANATION OF EXPENSES:

No expenses occurred during the fiscal year.

POLICE FACILITIES

Public Safety is defined as *“Fire and police facilities, including all appurtenances, equipment, and vehicles. Fire and police facilities do not include a facility or portion of a facility that is used to replace services that were once provided elsewhere in the municipality, vehicles and equipment used to provide administrative services, helicopters or airplanes, or a facility that is used for training police and firefighters from more than one station or substation.”*

CITY OF ELOY
POLICE FACILITIES DEVELOPMENT FEE FUND
FINANCIAL ANALYSIS ENDING JUNE 30, 2025
(Unaudited Financial Statements)

SOURCES:			
DEVELOPMENT FEE-POLICE FACILITIES	$89,946.00		
INTEREST EARNINGS	$29,326.98		
TOTAL SOURCES		**$119,272.98**	
USES:			
POLICE FACILITIES EXPENDITURES	$0.00		
TOTAL USES		**$0.00**	
EXCESS (DEFICIENCY)		**$119,272.98**	
NET POSITION AS OF JULY 1, 2024			**$877,961.29**
ACCOUNTS PAYABLE, LIABILITY			**$526.00**
CHANGE IN NET POSITION			***$119,272.98***
NET POSITION AS OF JUNE 30, 2025			**$997,760.27**

EXPLANATION OF EXPENSES:

No expenses occurred during the fiscal year.

WATER FACILITIES

Water facilities comprises of “Water facilities, including the supply, transportation, treatment, purification, and distribution of water, and any appurtenances for those facilities.”

CITY OF ELOY
WATER FACILITIES DEVELOPMENT FEE FUND
FINANCIAL ANALYSIS ENDING JUNE 30, 2025
(Unaudited Financial Statements)

SOURCES:			
DEVELOPMENT FEE-WATER FACILITIES	$0.00		
INTEREST EARNINGS	$15,181.20		
TOTALSOURCES		**$15,181.20**	
USES:			
WATER FACILITIES EXPENDITURES	$0.00		
TOTAL USES		**$0.00**	
EXCESS (DEFICIENCY)		**$15,181.20**	
NET POSITION AS OF JULY 1, 2024			**$347,250.51**
CHANGE IN NET POSITION			***$15,181.20***
NET POSITION AS OF JUNE 30, 2025			**$362,431.71**

EXPLANATION OF EXPENSES:

No expenses occurred during the fiscal year.

WASTEWATER FACILITIES

Wastewater Facilities comprises of “Wastewater facilities, including collection, interception, transportation, treatment and disposal of wastewater, and any appurtenances for those facilities.”

CITY OF ELOY
WASTEWATER CAPACITY DEVELOPMENT FEE FUND
FINANCIAL ANALYSIS ENDING JUNE 30, 2025
(Unaudited Financial Statements)

SOURCES:			
DEVELOPMENT FEE-WASTEWATER FACILITIES	$0.00		
INTEREST EARNINGS	$15,181.20		
TOTALSOURCES		**$15,181.20**	
USES:			
WASTEWATER FACILITIES EXPENDITURES	$0.00		
TOTAL USES		**$0.00**	
EXCESS (DEFICIENCY)		**$15,181.20**	
NET POSITION AS OF JULY 1, 2024			**$415,909.97**
CHANGE IN NET POSITION			***$15,181.20***
NET POSITION AS OF JUNE 30, 2025			**$431,091.17**

EXPLANATION OF EXPENSES:

No expenses occurred during the fiscal year.

STREETS FACILITIES

Streets Facilities is comprised of *"Street facilities located in the service area, including arterial or collector streets or roads that have been designated on an officially adopted plan of the municipality, traffic signals and rights-of-way and improvements thereon."*

CITY OF ELOY
STREETS FACILITIES DEVELOPMENT FEE FUND
FINANCIAL ANALYSIS ENDING JUNE 30, 2025
(Unaudited Financial Statements)

SOURCES:			
DEVELOPMENT FEE-STREETS	$182,139.00		
INTEREST EARNINGS	$28,291.48		
TOTALSOURCES		**$210,430.48**	
USES:			
STREET FACILITIES EXPENDITURES	$0.00		
TOTAL USES		**$0.00**	
EXCESS (DEFICIENCY)		**$210,430.48**	
NET POSITION AS OF JULY 1, 2024			**$791,946.46**
CHANGE IN NET POSITION			***$210,430.48***
NET POSITION AS OF JUNE 30, 2025			**$1,002,376.94**

EXPLANATION OF EXPENSES:

No expenses occurred during the fiscal year.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VIII.A.
Date: 8/25/2025

Date submitted: 08/04/2025

Date requested: 8/25/2025

Action: Formal

Subject: Discussion and Consideration of Accepting a Proposal from the Central Arizona Irrigation and Drainage District (CAIDD or the District) Under the 2007 Intergovernmental Agreement with the District to Drill a Replacement Well to Replace Well #3 at a Cost of Not to Exceed $900,000, Plus Applicable Taxes; And Authorizing the Mayor to Execute the Necessary Agreements

TO: Mayor and City Council

FROM: Matt Rencher, Public Works Director/City Engineer

RECOMMENDATION:
Staff Recommends that Council accept the Proposal submitted by the Central Arizona Irrigation and Drainage District, and authorize an Agreement with the Central Arizona Irrigation and Drainage District in the amount not to exceed $900,000, plus applicable taxes to complete the necessary tasks to replace water Well #3

DISCUSSION:

The City of Eloy operates four wells that provide water to the community. Currently, Well #3 is offline due to significant sand and sediment infiltration that occurs when the well pump is in operation. Well #3 is a critical component of the City's water system for two primary reasons:

- Water Quality: The water produced from Well #3 is of higher quality than that of the other wells currently in service. Its lower nitrate levels are blended with water from the remaining wells to ensure the City's water supply remains in compliance with state and federal regulatory standards.

- Production Capacity: Well #3 is one of the highest-producing wells in the system, with a pumping capacity of 850 gallons per minute (GPM). This production level is essential to meeting the community's growing water demand.

Because of its importance in both water quality and production, Well #3 is considered the City's primary water well and is vital to maintaining compliance with Arizona Department of Environmental Quality (ADEQ) requirements.

In 2007, the City of Eloy entered into an Intergovernmental Agreement (IGA) with the Central Arizona Irrigation and Drainage District (CAIDD). This agreement allows the City to leverage the District's experience, equipment, and manpower for timely maintenance and repairs of City facilities. The IGA automatically renews every five years and has proven to be highly beneficial, providing manpower, equipment, and consultation services as needed. Over the years, the City has established a strong working relationship with CAIDD. The City Attorney has reviewed the agreement and determined that a separate Professional Services Agreement is not required, and the Finance Director has confirmed that the procurement process to utilize District resources complies with applicable requirements.

In January, the City approved an agreement with CAIDD to investigate the cause of sand infiltration in Well #3. Following an evaluation conducted with their consultants, CAIDD determined that the existing well cannot be repaired to resolve the issue and that a new well must be drilled. City staff met with CAIDD to review potential locations for the replacement well. It was determined that the new well should be constructed in the same general location as the current Well #3, situated in the southwest corner of Trekell Park. Public Works staff also collaborated with the Community Services Department to ensure that the project minimizes impacts to existing recreational facilities.

This project was originally identified in the current fiscal year's Capital Improvement Program (CIP) for the replacement of the Well #3 casing. However, following the evaluation conducted by CAIDD and their consultants, it was determined that the existing well casing could not be repaired and that a full replacement well must be drilled. The project scope has therefore been revised to cover the complete replacement of Well #3. Importantly, this work will be completed at the originally budgeted cost not to exceed $900,000, as approved in the fiscal year CIP.

CAIDD has secured subcontractor quotes for the drilling of the replacement well. Staff will continue to work with CAIDD to move the project forward in a timely manner to restore the City's critical water production capacity and ensure regulatory compliance.

FISCAL IMPACT:

Not to exceed $900,000 with allocated funds available within the Well Casing Well #3 account line item in the Water Fund.

Approved as to Form:

Stephen R. Cooper, City Attorney

CENTRAL ARIZONA
IRRIGATION AND DRAINAGE DISTRICT
231 SOUTH SUNSHINE BLVD.
ELOY, ARIZONA 85131
(520) 466-7336 or (602) 258-3756

Estimate

August 11, 2025

City of Eloy
595 N C. Street
Eloy, AZ 85131

Re: Construction of New Well

1.	Drilling Costs (Layne)	$559,612.00
2.	1,120' – Steel Casing with a mixture of blank and perforated	$98,000.00
3.	30 – 10" x 20' Tapered Column Pipe at $765.00 each	$22,950.00
4.	30 – 3" x 1 15/16" x 20' Peerless Tubing and Shaft at $990.00 each	$29,700.00
5.	1 – 10" Discharge Head	$9,750.00
6.	1 – 300 HP US Motor	$27,500.00
7.	Installation of Pump and Bowls	$38,000.00
8.	Contingency	$65,000.00
	Total:	**$850,512.00**

SUMMARY OF CONTRACTOR PRICING - CITY OF ELOY WELL

AUGUST 4, 2025

Description of Pricing Item		LAYNE PRICING Unit Pricing	LAYNE PRICING Totals	WEBER PRICING Unit Pricing	WEBER PRICING Totals
Mob & Demob to Area	*(Lump Sum)*	89,520	89,520	75,000	75,000
Furnish & Install Surface Casing	*(lump sum)*	29,567	29,567	28,000	28,000
Drill 17.5 inch Pilot Hole *(40 - 1,140 ft / total 1,100 ft)*	*(per ft)*	92	101,200	98	107,800
Drill 28 in. Borehole *(40 to 775 ft - total 735 ft)*	*(per ft)*	125	91,875	98	72,030
Drill 24 in. Borehole *(775 - 1,135 ft) - total 360 ft*	*(per ft)*	155	55,800	95	34,200
Load / Transport Install Casing *(Purchased by CAIDD)* *(Total 1,120 ft)*	*(per ft)*	17	19,040	17	19,040
Tacna Gravel Pack *(4 x 12 mix)* *(purchased & installed)* *(56 bags)*	*(per bag)*	745	41,720	428	23,968
Pea Gravel *(purchased & installed)* *(30 yards)*	*(per yard)*	272	8,160	140	4,200
Annular Seal (60 ft bentonite)	*(Lump sum)*	3,590	3,590	8,500	8,500
Airlift Development *(assume 110 hrs)*	*(Hourly)*	550	60,500	505	55,550
Stand-by Time *(8 hrs - est.)*	*(Hourly)*	550	4,400	410	3,280
Cut off casing, weld on cap, Clean up site.	*(Lump sum)*	4,590	4,590	3,500	3,500
Hard Rock Clause *(less than 5 ft / hr*	*(hourly)*	550	Unknown	410	Unknown
Loss Circulation Plan	*(Hourly)*	550	Unknown	410	Unknown
Sound Barriers *(Provided, installed, removed)*	*(Lump Sum)*	49,650	49,650	92,000	92,000
		TOTALS	**559,612** (Layne)		**527,068** (Weber)

Note: Costs listed above do not include casing.
Quantities listed above are only estimates.

OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

When Recorded Return To:
CAIDD
P. O. Box 605
Eloy, AZ 85231

DATE/TIME: 05/10/07 1056
FEE: $12.00
PAGES: 7
FEE NUMBER: 2007-056001

(7)

INTERGOVERNMENTAL AGREEMENT FOR WELL REHABILITATION AND REPAIR AND USE OF RIGHTS-OF-WAY BETWEEN CENTRAL ARIZONA IRRIGATION AND DRAINAGE DISTRICT ELECTRICAL DISTRICT NO. 4 OF PINAL COUNTY AND THE CITY OF ELOY

This AGREEMENT is entered into March 26, 2007 pursuant to Arizona Revised Statutes Sections 11-951 through 11-954, as amended, between the Central Arizona Irrigation and Drainage District, an irrigation district and political subdivision of the State of Arizona, acting by and through its Board of Directors ("CAIDD"), Electrical District No. 4 of Pinal County, Arizona an electrical district and political subdivision of the State of Arizona, acting by and through its Board of Directors ("ED4") together the "Districts", and the City of Eloy, acting by and through its Mayor and City Council (the "City").

I. RECITALS

1. Districts are empowered by Arizona Revised Statutes Sections 48-1701, 2977 and 48-2978 to enter into this agreement and have resolved to enter into this agreement and have delegated to the undersigned the authority to execute this agreement on behalf of CAIDD and ED4.

2. The City is empowered by Arizona Revised Statutes Sections 9-240 and 9-276 to enter into this agreement and has resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the City.

3. The City owns certain water service wells which are from time to time in need of rehabilitation and repair ("Well Work"). The Districts are capable of

having such Well Work performed on a timely basis. Such Well Work may include, but is not limited to cleaning, patching, and the purchasing and installation of pumping and electrical equipment.

4. The City owns certain rights of way and easements which ED4 may desire to utilize for **12kV** electrical transmission and or distribution facilities pursuant to A.R.S. Section 48-1749 and this agreement is meant to satisfy all "reasonable restrictions" for use of such rights of way and easements pursuant to A.R.S. Section 48-1749.A.

II. SCOPE OF WORK

1. At the request of the City, the Districts will prepare cost estimates of the Well Work desired by the City.

2. The parties acknowledge and agree that City shall not be obligated to have the Well Work performed by Districts if City determines in its sole discretion that it does not have sufficient funds to pay Districts' estimated cost of the Well Work. In such event, City shall be entitled to contract with a third party for the Well Work at a lower cost.

3. The City shall obtain any necessary permits which may be required for such Well Work all at City expense.

4. After the Well Work is completed, Districts will provide City an exact accounting of all costs, including labor and materials, expended by Districts in completion of the Well Work.

III. ADDITIONAL COMPENSATION

1. As additional compensation for the Districts work hereunder, the City agrees to allow use of its rights of way and easements by ED4 for no additional fees or

permit charges pursuant to A.R.S. Section 48-1749.A, and this agreements shall fully satisfy all "reasonable restricts" under said statute.

IV. MISCELLANEOUS PROVISIONS

1. This agreement shall become effective upon its recording in the records of Pinal County, Arizona.

2. The terms, conditions and provisions of this agreement shall remain in full force and effect for a period of five (5) years from the effective date, unless this Agreement violates any Arizona law, rule or regulation, either now enacted or which may be enacted in the future and shall be automatically renewed for successive five year terms unless a party terminates hereunder. Further, this agreement may be terminated by the parties at any time upon ninety (90) days written notice. It is understood and agreed that, in the event this agreement is terminated by the City, Districts shall be compensated for all Well Work performed to the date of termination.

3. Once the Well Work is completed, the City shall be responsible for the continued operation and maintenance of the wells and CAIDD shall have no continuing obligations with respect to such well(s).

4. The City agrees to indemnify, defend and hold the Districts harmless from any liability, loss, claim, damage cost or expense arising in favor of any third party on account of the Well Work performed by Districts, to the extent such injury, loss or damage is not caused by Districts (or Districts' agents, employees' or representatives.) gross negligence or willful misconduct.

5. Districts do not warrant the quality of any water from the City owned wells on which Well Work has been performed by Districts and shall have no liability to the City for such water quality.

6. If a party hereto institutes legal proceedings to enforce any provision of this agreement, the prevailing party shall be entitled to collect its litigation expenses, costs and reasonable attorney's fees from the non-prevailing party.

7. This agreement shall be construed in accordance with the laws of the State of Arizona.

8. This Agreement is subject to the cancellation provisions for conflicts of interest pursuant to the provisions of A.R.S. Section 38-511.

9. Attached hereto is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF ELOY	CAIDD
By ____________ Mayor	By ____________ Its President
ATTEST	ATTEST
By Mary Bidgell City Clerk	By ____________ Secretary

ED4

By *Mark Hamilton*
Its Chairman

ATTEST

By *William Warren*
Secretary

APPROVAL OF THE ELOY CITY ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the CAIDD and the City of Eloy and declare this agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

DATED this 26th day of March, 2007.

Stephen R. Cooper

City Attorney

APPROVAL OF THE DISTRICTS ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the Districts and the City of Eloy and declare this agreement to be in proper form and within the powers and authority granted to the Districts under the laws of the State of Arizona.

DATED this 8th day of May, 2007.

Paul R Orme

Districts Attorney


W 3rd Pl
W 3rd Pl
W 3rd Pl
W 3rd Pl
W 3rd Pl
W 3rd Pl
Madison Ave
Madison Ave
501
501
Location of Existing Well #3
Approximate Location of New (Replacement) Well
W 2nd Pl
W 2nd Pl
W 2nd Pl
W 2nd Pl
W 2nd Pl
W 2nd Pl
3D

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VIII.B.
Date: 8/25/2025

Date submitted: 08/13/2025 **Date requested:** 8/25/2025	**Action:** Formal	**Subject: Adoption of Resolution No. 25-1631 Supporting the Application to the Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund to Apply for Grant Funding to Reimburse a Local Match as Required for the Safe Streets 4 All (SS4A) Grant Program.**

TO: Mayor and City Council

FROM: Matt Rencher, Public Works Director/City Engineer

RECOMMENDATION:
Council adopt Resolution No. 25-1631 in Support of the application to the Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund to Apply for Grant Funding to Reimburse a Local Match as Required for the Safe Streets 4 All (SS4A) Grant Program.

DISCUSSION:
The Arizona State Match Advantage for Rural Transportation (AZ SMART) Fund was established by the Arizona Legislature in 2022 to assist eligible cities, towns, counties and the Arizona Department of Transportation (ADOT) in competing for federal discretionary surface transportation grants. Only those applicants pursuing a federal discretionary grant may apply for AZ SMART funding.

The Fund is administered by ADOT, and all awards must be approved by the State Transportation Board (STB). The AZ SMART monies are allocated to certain Funding Categories as shown in the AZ SMART Program dashboard. The dashboard includes all applicants, projects and awards to date, and the data can be sorted, filtered or downloaded. This information is updated after each STB meeting. Projects eligible for AZ SMART are surface transportation projects including road, bridge, transit, rail, and related facilities such as bicycle and pedestrian paths, trails, etc., which are eligible for the federal grant identified by the applicant in its AZ SMART application. Eligible Applicants for the AZ SMART Program are those entities eligible to receive, and are pursuing, a federal discretionary grant for surface transportation purposes. Applicants must be identified in federal statute or a current NOFO or NOFA for the specific grant as an Eligible Applicant. Applicants may request AZ SMART Funds for any of the following eligible uses associated with developing a project for, applying for, or providing a local, non-federal match on a federal grant.

The City of Eloy has applied for a Safe Streets For All (SS4A) Grant to provide safety improvements on Battaglia Road and Frontier Street and on Battaglia Road and State Route 87, in partnership with the Arizona Department of Transportation. The project application improvements include flashing LED Stop Signs at the intersection of Battaglia Road and Frontier Street, dual stop signs, and dynamic speed feedback signs on Frontier Street, and intersection lighting and dedicated deceleration/turn lanes on SR-87 at Battaglia Road. If awarded funding through the SS4A program, a local match would be required of $899,200. This local match can be reimbursed though the AZ SMART program. If awarded funding City Staff will be committing and setting aside funds for the grant as part of the grant process. However, in order to be eligible for the AZ SMART Funding, a Resolution of Support is required from the governing body.

FISCAL IMPACT:

If the Safe Streets for All (SS4A) Grant application is approved, a local match of $899,920 will be required. This amount may be eligible for reimbursement through the Arizona State Match Advantage for Rural Transportation (AZ SMART) Grant program. Should the grant be awarded, the City's local match will be funded through either the Highway User Revenue Fund (HURF) or the one-time construction sales tax budget, both of which have sufficient funding to cover the required match.

Approved as to Form:

Stephen R. Cooper

Stephen R. Cooper, City Attorney

RESOLUTION NO. 25-1631_________

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF ELOY, PINAL COUNTY, ARIZONA, AUTHORIZING AN APPLICATION TO THE ARIZONA SMART FUND FOR A GRANT FOR DESIGN AND OTHER ENGINEERING SERVICES/MATCH/GRANT DEVELOPMENT AND SUBMISSION SUBMISSION PURSUANT TO TITLE 28, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES AND DECLARING AN EMERGENCY.

WHEREAS, in Chapter 322 of the Laws of 2022 ("the Act"), the Arizona Legislature established the AZ SMART Fund and program, and authorized the State Transportation Board, among other things, to award grants to Eligible Applicants for design and other engineering services ("DOES"), grant development and submission ("GDS"), and Match for a surface transportation project for which the Applicant will submit a Federal Grant application;

WHEREAS, A.R.S. §28-399.Q.1 as amended in Chapter 120 of the Laws of 2024 defines "Federal Grant" to mean a federal discretionary grant program administered by any federal agency for surface transporation purposes;

WHEREAS, the AZ SMART Fund Request for Grant Applications and Agreement ("RFGAA") defines "surface transportation purposes to mean a road, bridge, transit or rail infrastructure project, study or plan document that is eligible for a Federal Grant;

WHEREAS, Applicants for AZ SMART Fund must apply in accordance with the requirements of the Act and the RFGAA;

WHEREAS, the City of Eloy has determined that it will apply to AZ SMART for DOES, GDS and/or match for flashing LED Stop Signs at the intersection of Battaglia Road and Frontier Street, dual stop signs, and dynamic speed feedback signs on Frontier Street, and intersection lighting and dedicated deceleration/turn lanes on SR-87 at Battaglia Road ("Project");

WHEREAS, the City of Eloy desires to submit the Project for the federal discretionary grant;

WHEREAS, the RFGAA requires that applications include a resolution from the governing body of the Applicant stating the Project is in the best interests of the residents of the municipality or county in which the Project is or will be located and requires the resolution to state the commitment of Applicant funds, if applicable;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF ELOY, ARIZONA, AS FOLLOWS:

SECTION 1. That the City of Eloy Project described above is in the best interest of the residents of the City of Eloy.

SECTION 2. That the City of Eloy requests $900,000 for DOES/GDS/ Match from the AZ SMART Fund.

SECTION 3. That $889,200 of cash monies of the City of Eloy are committed to the Project.

SECTION 4. That City of Eloy will apply for the Federal Grant identified in the RFGAA within two years of the date an award is approved by the Board.

SECTION 5. That the Mayor of the City of Eloy is authorized to submit and sign the RFGAA.

SECTION 6. **WHEREAS,** the immediate operation of the provisison of this Resolution is necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, and this Resolution shall be in ful force and effect from and after its passage by the Eloy City Council.

PASSED AND ADOPTED by the City Council of the City of Eloy, Pinal County, Arizona, this _____ day of August 2025.

APPROVED:

____

Andrew Sutton, Mayor

ATTEST:

____

Celine Kidwell, City Clerk

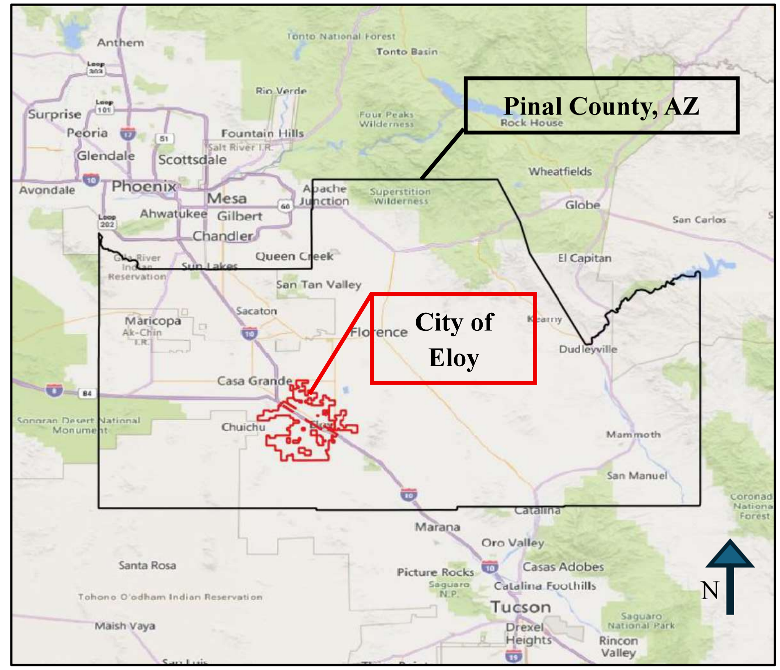
APPROVED AS TO FORM:

____

Stephen Cooper, City Attorney

Overview

The City of Eloy (City), located in south-central Arizona, is a small but strategically situated community within Pinal County, intersected by critical regional corridors such as State Route 84 and State Route 87. With a population of just 15,635, Eloy has experienced a disproportionately high rate of severe roadway crashes. Between 2018 and 2022, the City reported 22 fatalities, resulting in an average annual fatality rate of 28.14 per 100,000 population, nearly double the Arizona state average and among the highest in the state.



City of Eloy Systemic Intersection Safety Enhancements Project (Project) includes two locations and associated activities as outlined below.

1. Frontier Street (SR 84) & Battaglia Road: Install flashing LED stop signs, dual stop signs, and speed feedback signs on SR 84
2. SR 87 & Battaglia Road: Install intersection lighting and turn lanes on SR 87

These project sites have been identified in the Pinal County Strategic Transportation Safety Plan (STSP) as part of the High Injury Network (HIN) and public agency comments, reflecting critical systemic safety issues such as inadequate traffic control, poor nighttime visibility, and lack of dedicated turn lanes, affecting both motorists and non-motorized users. The project includes installing flashing LED stop signs, speed feedback signage, enhanced intersection lighting, and new turn lanes, to reduce all types of intersection crashes, including angle and turning-movement crashes.

Equity is at the heart of this effort. The project locations are in underserved communities that face persistent disparities in safety, infrastructure quality, and access to transportation options. By aligning this initiative, the City ensures investments are data-informed, evidence-based, and structured to deliver measurable, equitable safety outcomes.

By implementing these improvements, in partnership with the Arizona Department of Transportation (ADOT) and Pinal County, the City aims to significantly reduce safety risk at two high-priority locations across Eloy's roadway network.

Location

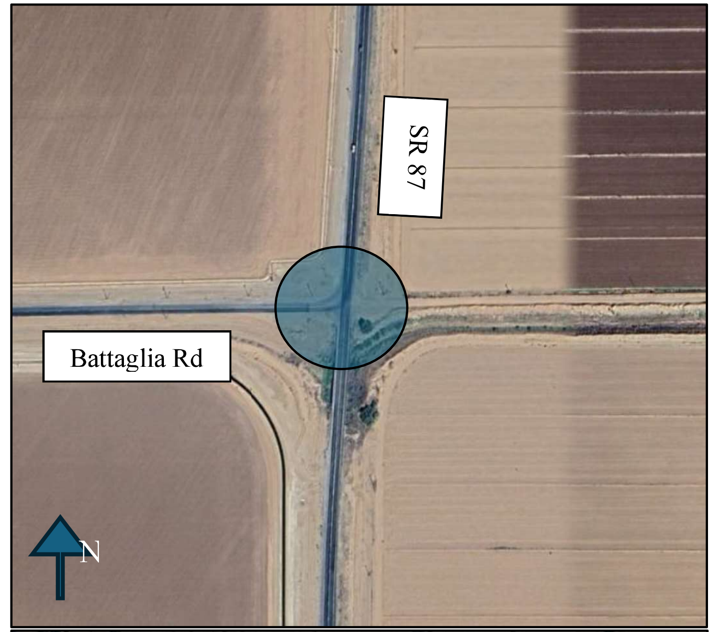
The City of Eloy is located in Pinal County, Arizona, approximately midway between Phoenix and Tucson. As a rural community of just over 15,000 residents, Eloy is intersected by several key state highways and arterial roadways, including State Route 84 (W Frontier Street) and State Route 87, which serve as important local and regional connectors.

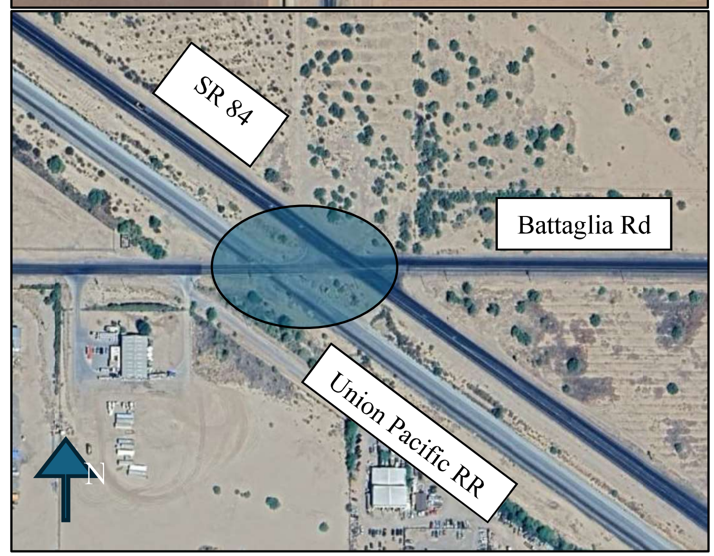
The two project sites identified in this SS4A Implementation Grant application are:

- W Frontier Street (SR 84) & Battaglia Road
- SR 87 & Battaglia Road

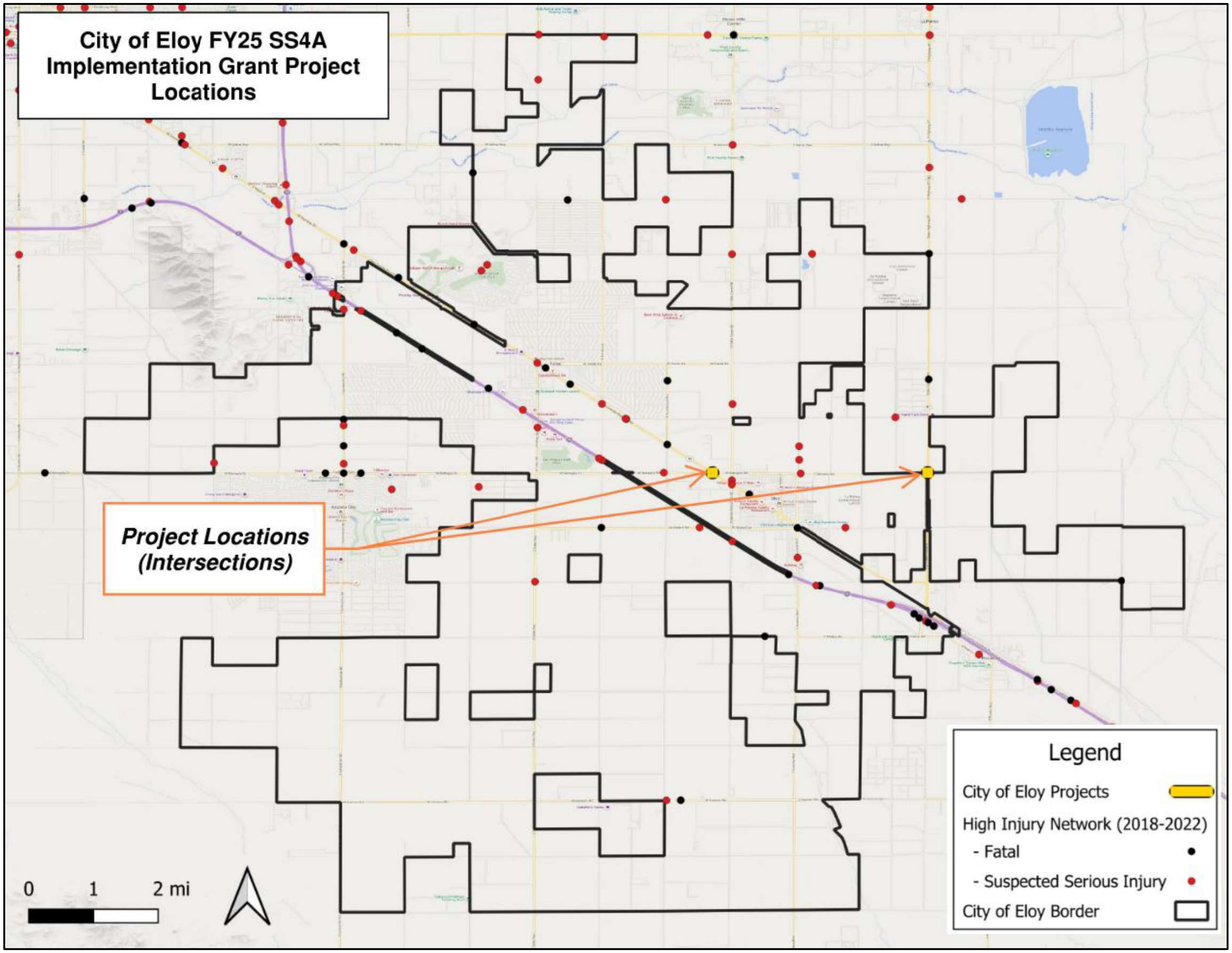
Both intersections are located on the Pinal County 2025 STSP and were selected based on multiple factors, including a geospatial analysis of fatal and suspected serious injury crashes, public and stakeholder inputs, and local agency collaboration. Additionally, both intersections lie within or directly serve underserved communities, as defined by USDOT's Justice40 criteria.

These intersections lack features such as intersection lighting, dedicated turn lanes, and modern warning signage, vital for reducing high-risk conflicts at intersection crashes. In particular, the SR 87 & Battaglia intersection is characterized by poor nighttime visibility, while the SR 84 & Battaglia intersection has experienced multiple crashes due to drivers running stop signs, pointing to the need for higher visibility and active warning systems.





Google Aerial of the Project Locations



Project Location Map

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VIII.C.
Date: 8/25/2025

Date submitted:	Action: Resolution	Subject:
08/14/2025 **Date requested:** 8/25/2025		**Adopt Resolution No. 25-1630 to approve new wastewater rates and charges for the City of Eloy Wastewater System, using recommendations from Scenarios 2 and 3 of the Wastewater Rate Study.**

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:
Staff recommends that the City Council adopt Resolution No. 25-1630 to approve new wastewater rates and charges for the City of Eloy Wastewater System, using recommendations from Scenarios 2 and 3 of the Wastewater Rate Study.

DISCUSSION:

Utility Rate Study Overview

The City of Eloy began its Water and Wastewater Rate Study on September 23, 2024, when the City Council approved a contract with Willdan Financial Services to conduct a comprehensive utility rate analysis.

On April 28, 2025, consultant Dan Jackson, of Willdan, presented four rate structure scenarios to the City Council. These scenarios were developed using factors such as:

- 3% annual increase in operating expenses
- Growth in salaries and benefits
- Additional staffing for both utilities
- Reduced electricity costs from new solar panels

Rate Structure Scenarios
Scenario 1 – No New Debt

- Total debt: $13 million
  - Water: $7.5 million
  - Wastewater: $5.5 million

Scenario 2 – Add $10 Million in New Debt

- Total debt: $23 million
    - Water: $13.3 million
    - Wastewater: $9.7 million

Scenario 3 – Add $20 Million in New Debt

- Total debt: $33 million
    - Water: $19.1 million
    - Wastewater: $13.9 million

Scenario 4 – Add $50 Million in New Debt

- Total debt: $63 million
    - Water: $36.5 million
    - Wastewater: $26.5 million

Public Notification and Hearing

On May 27, 2025, the City Council adopted **Resolutions No. 25-1616 and 25-1617**, approving the Notice of Intent to increase Water and Wastewater rates and charges.

The notice of intent was published in *The Dispatch* on **July 10** and **July 24**, and posted on the City's website to meet statutory requirements. This started the required 60-day notice period before the public hearing.

The public hearing took place on **August 11, 2025**, at 6:00 PM. Dan Jackson reviewed the rate study and scenarios. No public comments were received. After the public hearing, the City Council discussed the scenarios and directed staff to prepare resolutions for **Scenarios 2 and 3** for consideration at the next regular meeting.

Next Steps

After the August 11 meeting, City staff prepared **Resolution No. 25-1630** to set new wastewater service rates for Eloy residents. The rates are based on the City's recent Wastewater Rate Study.

The study reviewed several options and found that Scenarios 2 and 3 both result in the same rate structure. This is because the modest revenue increase in Scenario 2 is enough to cover the additional $3 million in wastewater debt included in Scenario 3. As a result, both scenarios lead to identical rates and charges for customers.

Key points about the new rates:

- This resolution will replace all previous wastewater rates.
- The new rates will begin **November 1, 2025**, with gradual increases scheduled through **November 1, 2029**.

City staff will notify customers about these changes through mail inserts, social media, and other outreach efforts in the coming months.

FISCAL IMPACT:
The fiscal impact will occur over the next five years as follows:

- 11% increases to rates and charges starting on November 1, 2025
- 11% increases to rates and charges starting on November 1, 2026
- 11% increases to rates and charges starting on November 1, 2027
- 3% increases to rates and charges starting on November 1, 2028
- 3% increases to rates and charges starting on November 1, 2029

Approved as to Form:

Stephen R. Cooper

Stephen R. Cooper, City Attorney

RESOLUTION NO. 25-1630

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELOY, ARIZONA INCREASING RATES AND CHARGES FOR THE CITY OF ELOY WASTEWATER SYSTEM.

WHEREAS, pursuant to Arizona Revised Statute § 9-511.01, the City Council of the City of Eloy, Arizona on May 27, 2025 adopted a Notice of Intention for the City of Eloy wastewater system rate increase; and

WHEREAS, the City Council of the City of Eloy, Arizona conducted a public hearing on August 11, 2025 on the proposed increases for rates and charges for the City of Eloy wastewater system, after publication of notice thereof as required under Arizona law.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Eloy, Arizona as follows:

Section 1. Findings.

(a) The City of Eloy, Arizona (the "City") has the requisite statutory authority to acquire, own and maintain a wastewater utility system (the "Wastewater System") for the benefit of the property and users within and without the City's corporate boundaries pursuant to the provision of Arizona Revised Statutes 9-511 et. seq.

(b) A written report prepared by Willdan (the "2025 Water and Wastewater Rate Study"), which report concludes that certain increases in rates and charges for use of the Wastewater System are necessary to support the maintenance and development of the Wastewater System.

Section 2. Establishment of Increased Rates and Charges.

The rates and charges described in the attached Exhibit A are hereby adopted and established as the rates and charges for the Wastewater System, effective as of November 1, 2025, November 1, 2026, November 1, 2027, November 1, 2028 and November 1, 2029 as shown on the attached Exhibit A, and until subsequently changed by this Mayor and Council. Such increased rates and charges, when effective, will supersede previous rates and charges for the Wastewater System pertaining to the specific rates and charges listed on attached Exhibit A.

Section 3. Adjustment to rates and charges.

(a) At the discretion of the City Council annual adjustments to Wastewater rates and charges shall be made by utilizing the consumer price index utilizing the Western Urban index for all urban consumers.

(b) Any annual adjustment to Wastewater rates and charges shall take effect after the last schedule rate and charges increase which is November 1, 2029.

PASSED, ADOPTED AND APPROVED, by the Mayor and Council of the City on August 25, 2025.

CITY OF ELOY, ARIZONA

____
Andrew Sutton, Mayor

ATTEST:	APPROVED AS TO FORM:
______________________________	______________________________
Celine Kidwell, City Clerk	Stephen Cooper, City Attorney

EXHIBIT A

CITY OF ELOY, ARIZONA
WASTEWATER SYSTEM
RATES AND CHARGES

Section 1. Availability charges based on the size of the water service:

	Current	Effective 11/01/25	Effective 11/01/26	Effective 11/01/27	Effective 11/01/28	Effective 11/01/29
Monthly Service Charges (base rate)						
Single Residential Dwelling Unit:						
¾” residential	$ 40.23	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Multiple Dwelling or Commercial Use:						
¾” meter	$ 40.23	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
1” meter	$ 69.12	$ 76.72	$ 85.16	$ 94.53	$ 97.36	$ 100.29
1 ½” meter	$ 139.67	$ 155.04	$ 172.09	$ 191.02	$ 196.75	$ 202.65
2” meter	$ 223.57	$ 248.16	$ 275.46	$ 305.76	$ 314.93	$ 324.38
3” meter	$ 419.47	$ 465.62	$ 516.83	$ 573.69	$ 590.90	$ 608.62
4” meter	$ 838.93	$ 931.21	$1,033.64	$1,147.34	$1,181.76	$1,217.21
6” meter	$1,677.86	$1,862.43	$2,067.30	$2,294.70	$2,363.54	$2,434.44
8” meter	$3,355.73	$3,724.86	$4,134.59	$4,589.40	$4,727.08	$4,868.89

Section 2. City Usage charge:

All Commercial customers:						
Per thousand gallons, 0,000-10,000 gallons	$4.18	$4.64	$5.15	$5.72	$5.89	$6.07
Per thousand gallons, 10,001-20.000 gallons	$5.24	$5.82	$6.46	$7.17	$7.38	$7.61
Per thousand gallons, 20,001 gallons and over	$6.55	$7.27	$8.07	$8.95	$9.22	$9.50

CONTINUED - CITY OF ELOY, ARIZONA
WASTEWATER SYSTEM
RATES AND CHARGES

Section 3. Effective dates:
The effective dates of rates and fees shall be as specified above and shall supersede any rates and fees established by previous council resolutions pertaining to the specific rates and fees listed herein.

CITY OF ELOY, ARIZONA

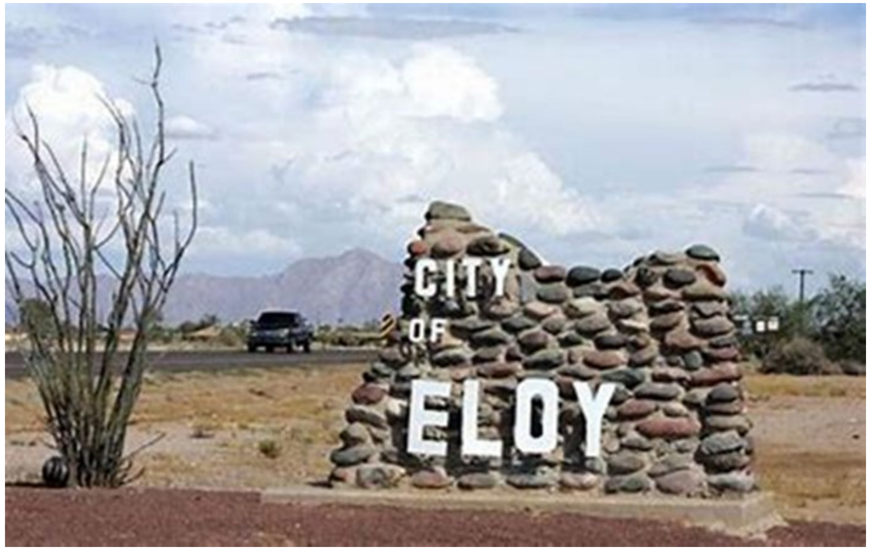
Water and Wastewater Rate Study
Public Hearing

August 2025

WILLDAN

21ST CENTURY WATER & WASTEWATER RATE FACTS

- American Water Works Association (AWWA) forecasts that water and wastewater rates across the U.S. will **triple** over the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, necessary Capital Improvement Plans, wholesale costs, and other indirect expenses
- Average utility has been increasing rates 5-6% per year, a trend that is expected to continue and may accelerate
- Notably, 30-40% of utilities charge rates that **do not cover their costs**



CITY OF ELOY -- WATER AND WASTEWATER RATE BACKGROUND

- In 2022, the City adopted a multi-year rate plan; set to expire in FY 2027
- Operating costs expected to increase 3-5% per year; some costs will increase even faster
- City's engineers forecast the need to invest up to **$95.6 million** in water and wastewater capital improvement projects over the next 5 years
- Central Arizona Project (CAP) costs expected to increase
- Combination of above factors results in need to implement a new long-term rate plan

**Photo courtesy of visitarizona.com website*

CURRENT WATER AND WASTEWATER RATE STRUCTURE

WATER RATE STRUCTURE	
Base Charge by Meter Size	**RES and Non-RES**
3/4”	$21.52
1”	32.28
1 1/2”	64.54
2”	107.58
3”	215.19
4”	430.38
6”	901.74
8” (new)**	1803.48

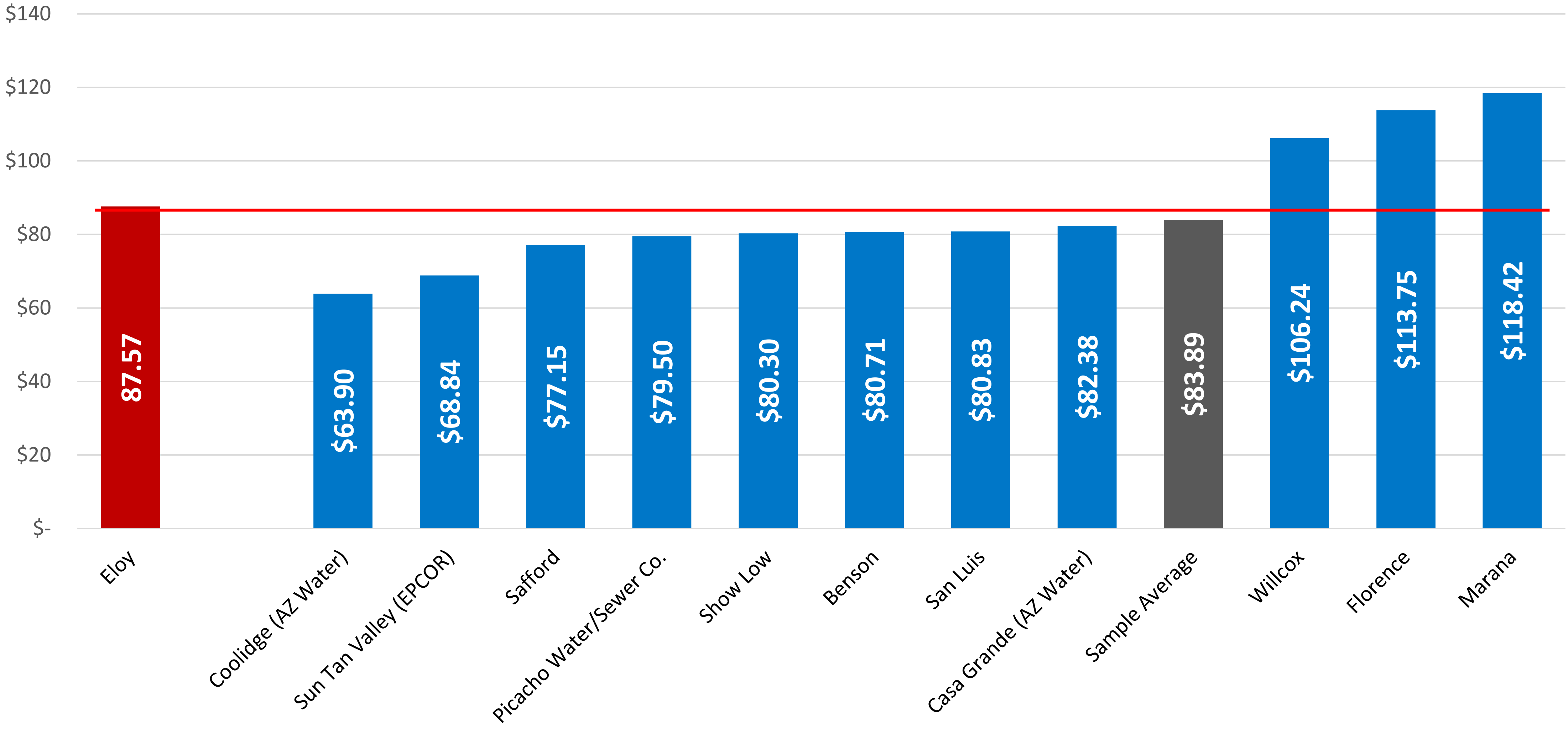
Volume Rate per 1,000 Gal	RES and Non-RES
0 – 10,000	3.44
10,001 – 20,000	4.31
20,001 – Above	5.38

WW RATE STRUCTURE		
Base Charge by Meter Size	**RES***	**Non-RES**
3/4”	$40.23	$40.23
1”		69.12
1 1/2”		139.67
2”		223.57
3”		419.47
4”		838.92
6”		1677.86
8” (new)**		3355.73

Volume Rate per 1,000 Gal	Non-Residential
0 – 10,000	4.18
10,001 – 20,000	5.24
20,001 – Above	6.55

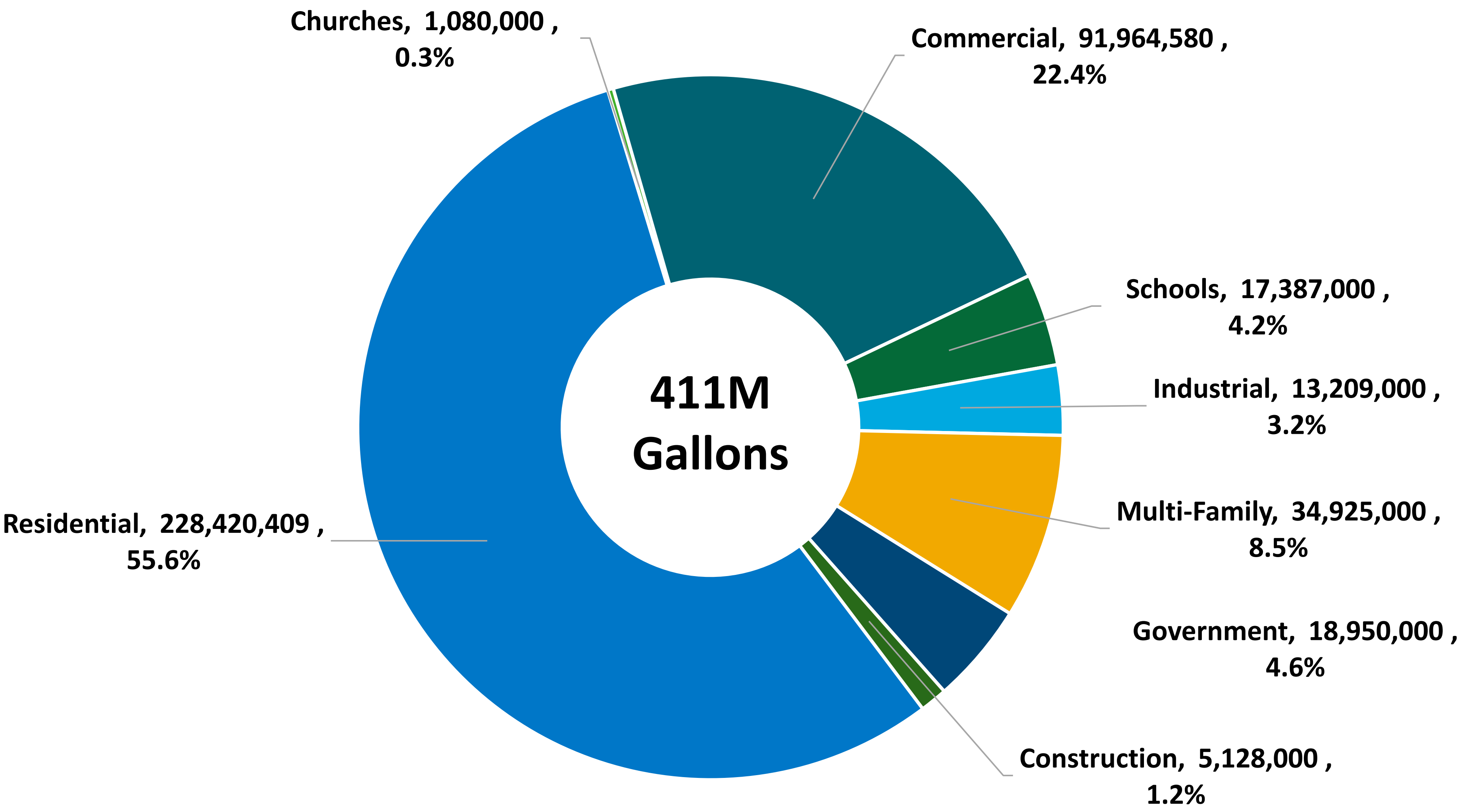
*Residential customers pay a flat monthly charge for wastewater service
** Charge for 8” meter is established in FY24-25 Master Fee Schedule

MONTHLY RESIDENTIAL CHARGES | 7,500 GAL WATER AND WASTEWATER

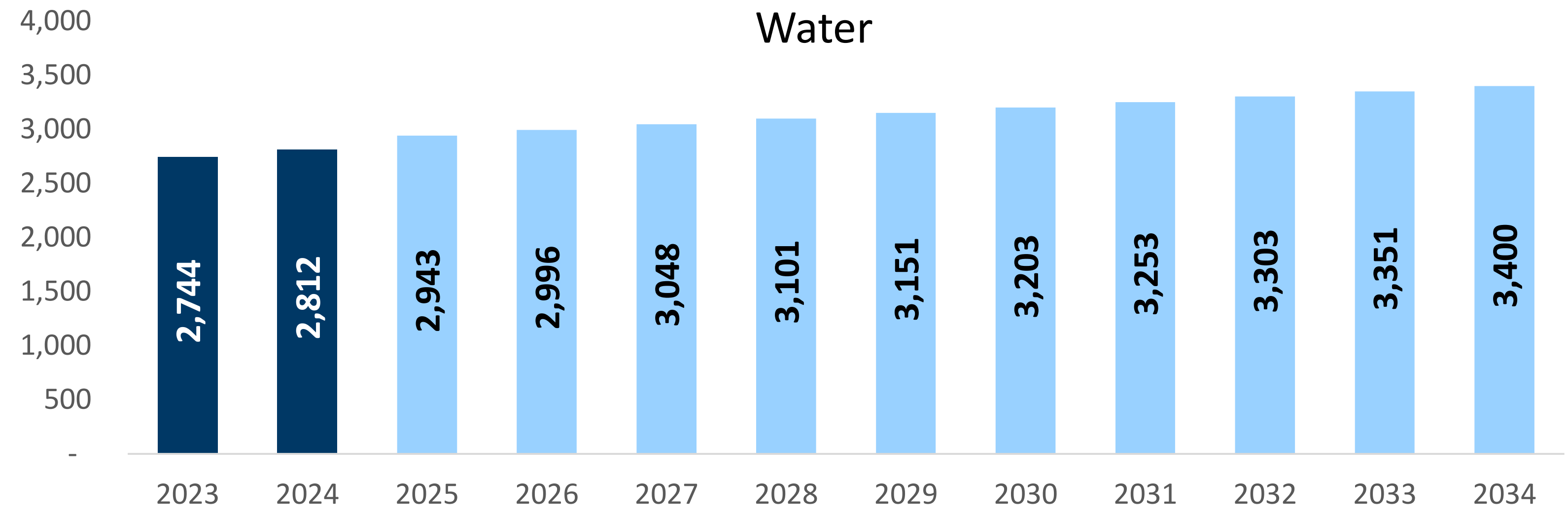


Eloy's average residential use: 7,369 gal. of water/mo. | *Rates as of November 2024

WATER CONSUMPTION BY CUSTOMER CLASS| TEST YEAR 2025



WATER AND WASTEWATER ACCOUNTS FORECAST



Project team estimates that approximately 50 new water and 20 new wastewater accounts will be added each year to the system over the next decade.

Average annual Water account growth: 1.6%

Average annual WW account growth: 1.0%

The model is based on the overall trend.

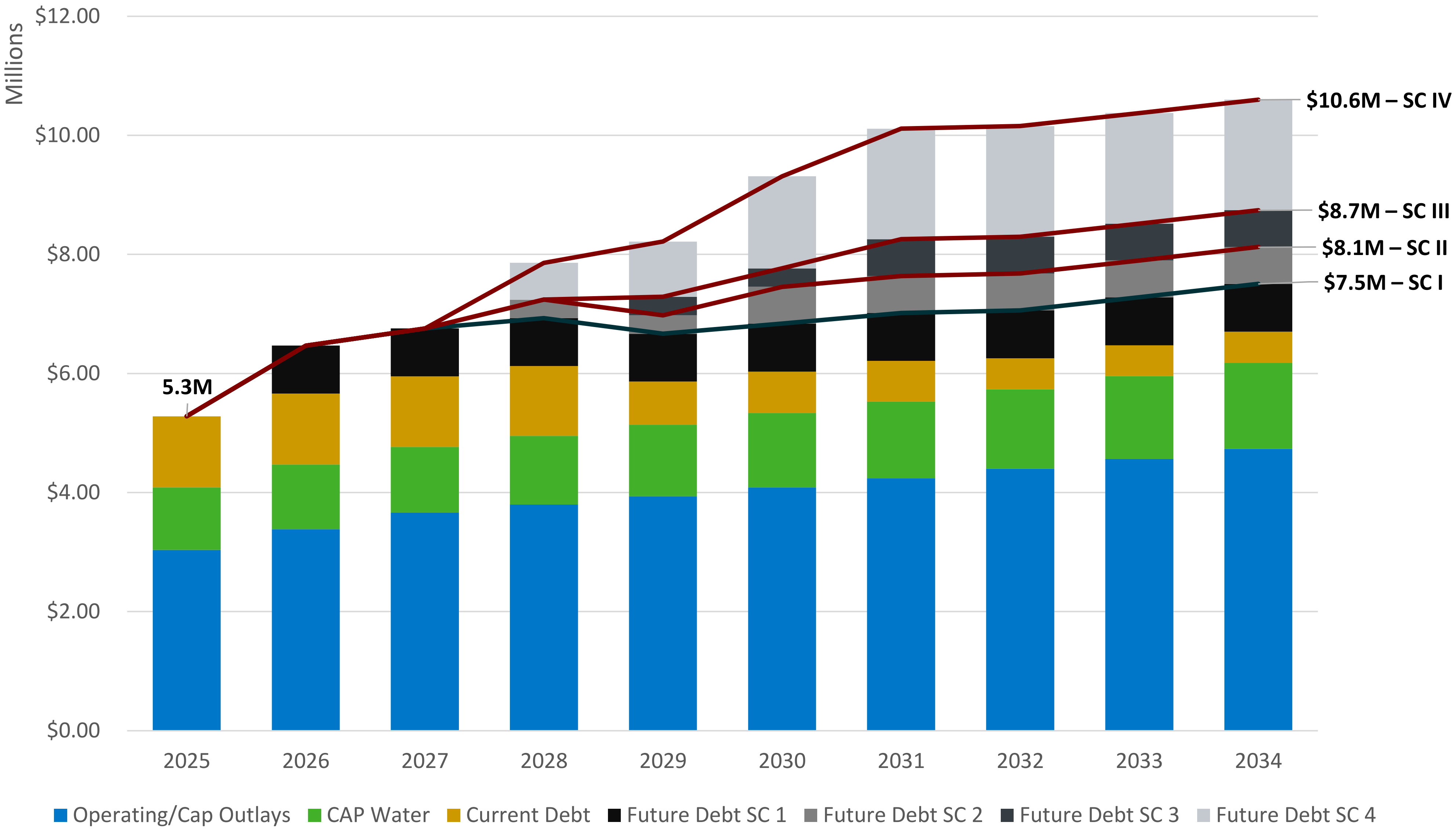
RATE STUDY KEY ASSUMPTIONS

- Most operating expenses increase at 3% per year
- Certain expenses increase at rates higher than inflation (chemicals, utilities, gas & oil, etc.)
- Electricity costs are decreasing due to installation of solar panels
- Additional personnel expense of $200k/year for Water utility and $100k/year for Wastewater utility; $75k/year for line and meter replacement
- CAP ("Central Arizona Project") and CAGRD ("Central Arizona Groundwater Replenishment District") costs will increase significantly
- Most significant factor: **amount of debt City issues to fund capital improvements**

RATE PLAN SCENARIOS

- Four scenarios based on amount of debt to be issued in 2025–2030 to fund CIP
  - Scenario I – Total CIP Debt **$13M** (BASE SCN)
  - Scenario II – Total CIP Debt **$23M**
  - Scenario III – Total CIP Debt **$33M**
  - Scenario IV – Total CIP Debt **$63M**

FORECAST COST OF SERVICE



SCENARIO 1 | 13M DEBT| RATE PLAN

		Current			Effective		
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge			adopted	adopted			
3/4"		**$ 21.52**	$ 23.88	$ 26.51	$ 28.90	$ 29.76	$ 30.66
1"		**32.28**	35.83	39.77	43.35	44.65	45.99
1 1/2"		**64.54**	71.64	79.52	86.68	89.28	91.96
2"		**107.58**	119.41	132.55	144.48	148.81	153.27
3"		**215.19**	238.86	265.13	288.99	297.66	306.59
4"		**430.38**	477.73	530.28	578.00	595.34	613.20
6"		**901.74**	1,000.93	1,111.04	1,211.03	1,247.36	1,284.78
8"		**1,803.48**	2,001.87	2,222.07	2,422.06	2,494.72	2,569.56
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	3.82	4.24	4.62	4.76	4.90
10,001	20,000	**4.31**	4.78	5.30	5.78	5.96	6.13
20,001	Above	**5.38**	5.97	6.62	7.22	7.44	7.66
Rate Adjustment (%)			**11.0%**	**11.0%**	**9.0%**	**3.0%**	**3.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 52.05	$ 53.61	$ 55.22
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	52.05	53.61	55.22
1"		**69.12**	76.72	85.16	89.42	92.10	94.86
1 1/2"		**139.67**	155.04	172.09	180.69	186.12	191.70
2"		**223.57**	248.16	275.46	289.23	297.91	306.85
3"		**419.47**	465.62	516.83	542.68	558.96	575.72
4"		**838.93**	931.21	1,033.64	1,085.32	1,117.88	1,151.42
6"		**1,677.86**	1,862.43	2,067.30	2,170.66	2,235.78	2,302.85
8"		**3,355.73**	3,724.86	4,134.59	4,341.32	4,471.56	4,605.71
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.41	5.57	5.74
10,001	20,000	**5.24**	5.82	6.46	6.78	6.98	7.19
20,001	Above	**6.55**	7.27	8.07	8.47	8.72	8.99
Rate Adjustment (%)			**11.0%**	**11.0%**	**5.0%**	**3.0%**	**3.0%**

SCENARIO 2 | 23M DEBT| RATE PLAN

		Current	Effective				
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge							
3/4"		**$ 21.52**	$ 24.31	$ 27.48	$ 31.05	$ 32.29	$ 33.58
1"		**32.28**	36.48	41.22	46.58	48.44	50.38
1 1/2"		**64.54**	72.93	82.41	93.13	96.85	100.73
2"		**107.58**	121.56	137.37	155.22	161.43	167.89
3"		**215.19**	243.16	274.77	310.49	322.91	335.83
4"		**430.38**	486.33	549.56	621.00	645.84	671.67
6"		**901.74**	1,018.97	1,151.43	1,301.12	1,353.17	1,407.29
8"		**1,803.48**	2,037.94	2,302.87	2,602.24	2,706.33	2,814.59
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	3.89	4.40	4.97	5.17	5.37
10,001	20,000	**4.31**	4.87	5.50	6.21	6.46	6.72
20,001	Above	**5.38**	6.08	6.87	7.76	8.07	8.39
Rate Adjustment (%)			**13.0%**	**13.0%**	**13.0%**	**4.0%**	**4.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	55.02	56.67	58.37
1"		**69.12**	76.72	85.16	94.53	97.36	100.29
1 1/2"		**139.67**	155.04	172.09	191.02	196.75	202.65
2"		**223.57**	248.16	275.46	305.76	314.93	324.38
3"		**419.47**	465.62	516.83	573.69	590.90	608.62
4"		**838.93**	931.21	1,033.64	1,147.34	1,181.76	1,217.21
6"		**1,677.86**	1,862.43	2,067.30	2,294.70	2,363.54	2,434.44
8"		**3,355.73**	3,724.86	4,134.59	4,589.40	4,727.08	4,868.89
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.72	5.89	6.07
10,001	20,000	**5.24**	5.82	6.46	7.17	7.38	7.61
20,001	Above	**6.55**	7.27	8.07	8.95	9.22	9.50
Rate Adjustment (%)			**11.0%**	**11.0%**	**11.0%**	**3.0%**	**3.0%**

SCENARIO 3 | 33M DEBT| RATE PLAN

		Current	Effective				
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge							
3/4"		**$ 21.52**	$ 24.53	$ 27.96	$ 31.32	$ 34.45	$ 36.52
1"		**32.28**	36.80	41.95	46.99	51.69	54.79
1 1/2"		**64.54**	73.58	83.88	93.94	103.34	109.54
2"		**107.58**	122.64	139.81	156.58	172.24	182.58
3"		**215.19**	245.31	279.66	313.21	344.54	365.21
4"		**430.38**	490.64	559.33	626.45	689.09	730.44
6"		**901.74**	1,027.99	1,171.90	1,312.53	1,443.79	1,530.41
8"		**1,803.48**	2,055.97	2,343.81	2,625.07	2,887.57	3,060.83
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	3.92	4.47	5.01	5.51	5.84
10,001	20,000	**4.31**	4.91	5.60	6.27	6.89	7.31
20,001	Above	**5.38**	6.13	6.99	7.83	8.61	9.13
Rate Adjustment (%)			**14.0%**	**14.0%**	**12.0%**	**10.0%**	**6.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	55.02	56.67	58.37
1"		**69.12**	76.72	85.16	94.53	97.36	100.29
1 1/2"		**139.67**	155.04	172.09	191.02	196.75	202.65
2"		**223.57**	248.16	275.46	305.76	314.93	324.38
3"		**419.47**	465.62	516.83	573.69	590.90	608.62
4"		**838.93**	931.21	1,033.64	1,147.34	1,181.76	1,217.21
6"		**1,677.86**	1,862.43	2,067.30	2,294.70	2,363.54	2,434.44
8"		**3,355.73**	3,724.86	4,134.59	4,589.40	4,727.08	4,868.89
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.72	5.89	6.07
10,001	20,000	**5.24**	5.82	6.46	7.17	7.38	7.61
20,001	Above	**6.55**	7.27	8.07	8.95	9.22	9.50
Rate Adjustment (%)			**11.0%**	**11.0%**	**11.0%**	**3.0%**	**3.0%**

SCENARIO 4 | 63M DEBT| RATE PLAN

	Current	Effective				
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER						
Monthly Minimum Charge						
3/4"	**$ 21.52**	$ 25.39	$ 29.96	$ 35.35	$ 41.01	$ 46.75
1"	**32.28**	38.09	44.95	53.04	61.53	70.14
1 1/2"	**64.54**	76.16	89.87	106.05	123.01	140.23
2"	**107.58**	126.94	149.79	176.75	205.03	233.74
3"	**215.19**	253.92	299.63	353.56	410.13	467.55
4"	**430.38**	507.85	599.27	707.13	820.27	935.11
6"	**901.74**	1,064.06	1,255.59	1,481.59	1,718.65	1,959.26
8"	**1,803.48**	2,128.11	2,511.17	2,963.18	3,437.29	3,918.51
Volume Rate Per 1,000 Gal						
- 10,000	**3.44**	4.06	4.79	5.66	6.56	7.48
10,001 20,000	**4.31**	5.08	6.00	7.07	8.21	9.35
20,001 Above	**5.38**	6.34	7.49	8.83	10.25	11.68
Rate Adjustment (%)		**18.0%**	**18.0%**	**18.0%**	**16.0%**	**14.0%**
WASTEWATER						
Residential						
Monthly Flat Charge		adopted	adopted			
All Accounts	**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 61.07	$ 67.79
Commercial						
Monthly Minimum Charge						
3/4"	**40.23**	44.66	49.57	55.02	61.07	67.79
1"	**69.12**	76.72	85.16	94.53	104.93	116.47
1 1/2"	**139.67**	155.04	172.09	191.02	212.03	235.36
2"	**223.57**	248.16	275.46	305.76	339.39	376.73
3"	**419.47**	465.62	516.83	573.69	636.79	706.84
4"	**838.93**	931.21	1,033.64	1,147.34	1,273.55	1,413.64
6"	**1,677.86**	1,862.43	2,067.30	2,294.70	2,547.11	2,827.30
8"	**3,355.73**	3,724.86	4,134.59	4,589.40	5,094.23	5,654.59
Volume Rate Per 1,000 Gal						
- 10,000	**4.18**	4.64	5.15	5.72	6.35	7.04
10,001 20,000	**5.24**	5.82	6.46	7.17	7.96	8.83
20,001 Above	**6.55**	7.27	8.07	8.95	9.94	11.03
Rate Adjustment (%)		**11.0%**	**11.0%**	**11.0%**	**11.0%**	**11.0%**

SCENARIO COMPARISON | IMPACT ON MONTHLY CHARGES

Water and Wastewater Utility	Effective					
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
5,000 Gal W, 5,000 WW						
SCN I -- $13M Debt	**$ 78.96**	$ 87.65	$ 97.29	$ 104.06	$ 107.18	$ 110.40
Increase -- %		11.0%	11.0%	7.0%	3.0%	3.0%
SCN II - $23M Debt	**78.96**	88.42	99.02	110.90	114.79	118.81
Increase -- %		12.0%	12.0%	12.0%	3.5%	3.5%
SCN III - $33M Debt	**78.96**	88.81	99.90	111.39	118.68	124.10
Increase -- %		12.5%	12.5%	11.5%	6.5%	4.6%
SCN IV - $63M Debt	**78.96**	90.36	103.50	118.65	134.89	151.94
Increase -- %		14.4%	14.5%	14.6%	13.7%	12.6%

SCENARIO COMPARISON | IMPACT ON MONTHLY CHARGES

Water and Wastewater Utility	Effective					
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
10,000 Gal W, 10,000 WW						
SCN I -- $13M Debt	**$ 96.17**	$ 106.76	$ 118.50	$ 127.18	$ 130.99	$ 134.92
Increase -- %		11.0%	11.0%	7.3%	3.0%	3.0%
SCN II - $23M Debt	**96.17**	107.87	121.00	135.74	140.62	145.67
Increase -- %		12.2%	12.2%	12.2%	3.6%	3.6%
SCN III - $33M Debt	**96.17**	108.43	122.27	136.45	146.24	153.31
Increase -- %		12.7%	12.8%	11.6%	7.2%	4.8%
SCN IV - $63M Debt	**96.17**	110.67	127.46	146.93	167.69	189.34
Increase -- %		15.1%	15.2%	15.3%	14.1%	12.9%

QUESTIONS & DISCUSSION

Disclosure

Willdan Financial Services ("Willdan") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Client's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at: https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either Willdan Financial Services or for our CIK number which is 0001782739.

For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the municipality with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the municipality, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the municipality, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, unless formally engaged to provide such information.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VIII.D.
Date: 8/25/2025

Date submitted: 08/14/2025

Date requested: 8/25/2025

Action: Resolution

Subject:
Adopt Resolution No. 25-1629 to approve new water rates and charges for the City of Eloy Water System, using recommendations from scenario 3 of the Water Rate Study.

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:
Staff recommends that the City Council adopt Resolution No. 25-1629 approving new water rates and charges for the City of Eloy Water System, using recommendations from scenario 3 of the Water Rate Study.

DISCUSSION:

Utility Rate Study Overview

The City of Eloy began its Water and Wastewater Rate Study on September 23, 2024, when the City Council approved a contract with Willdan Financial Services to conduct a comprehensive utility rate analysis.

On April 28, 2025, consultant Dan Jackson, of Willdan, presented four rate structure scenarios to the City Council. These scenarios were developed using factors such as:

- 3% annual increase in operating expenses
- Growth in salaries and benefits
- Additional staffing for both utilities
- Reduced electricity costs from new solar panels

Rate Structure Scenarios

Scenario 1 – No New Debt

- Total debt: $13 million
  - Water: $7.5 million
  - Wastewater: $5.5 million

Scenario 2 – Add $10 Million in New Debt

- Total debt: $23 million
  - Water: $13.3 million
  - Wastewater: $9.7 million

Scenario 3 – Add $20 Million in New Debt

- Total debt: $33 million
  - Water: $19.1 million
  - Wastewater: $13.9 million

Scenario 4 – Add $50 Million in New Debt

- Total debt: $63 million
  - Water: $36.5 million
  - Wastewater: $26.5 million

Public Notification and Hearing

On May 27, 2025, the City Council adopted **Resolutions No. 25-1616 and 25-1617**, approving the Notice of Intent to increase Water and Wastewater rates and charges.

The notice of intent was published in *The Dispatch* on **July 10** and **July 24**, and posted on the City's website to meet statutory requirements. This started the required 60-day notice period before the public hearing.

The public hearing took place on **August 11, 2025**, at 6:00 PM. Dan Jackson reviewed the rate study and scenarios. No public comments were received. After the public hearing, the City Council discussed the scenarios and directed staff to prepare resolutions for **Scenarios 2 and 3** for consideration at the next regular meeting.

Next Steps

After the August 11 meeting, City staff prepared **Resolution No. 25-1629** to adopt Scenario 3 of the Water Rate Study, setting new water service rates and charges. Scenario 3 provides funding to maintain the City's water system, cover future improvements, and ensure reliable service for all customers.

- This resolution will replace all previous Water rates.
- The new rates will take effect **November 1, 2025**, with the final scheduled increase on **November 1, 2029**.

City staff will inform customers of these changes through outreach materials, social media, and billing inserts over the next few months.

FISCAL IMPACT:

The fiscal impact of Scenario 3 for Water rates and charges that will occur over the next five years is as follows:

- 14% increase in rates and charges starting on November 1, 2025

- 14% increase in rates and charges starting on November 1, 2026
- 12% increase in rates and charges starting on November 1, 2027
- 10% increase in rates and charges starting on November 1, 2028
- 6% increase in rates and charges starting on November 1, 2029

Approved as to Form:

Stephen R. Cooper, City Attorney

RESOLUTION NO. <u>25-1629</u>

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELOY, ARIZONA INCREASING RATES AND CHARGES FOR THE CITY OF ELOY WATER SYSTEM.

WHEREAS, pursuant to Arizona Revised Statute § 9-511.01, the City Council of the City of Eloy, Arizona on May 27, 205 adopted a Notice of Intention for the City of Eloy water system rate increase; and

WHEREAS, the City Council of the City of Eloy, Arizona conducted a public hearing on August 11, 2025 on the proposed increases for rates and charges for the City of Eloy water system, after publication of notice thereof as required under Arizona law.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Eloy, Arizona as follows:

<u>Section 1.</u> <u>Findings</u>.

(a) The City of Eloy, Arizona (the "City") has the requisite statutory authority to acquire, own and maintain a water utility system (the "Water System") for the benefit of the property and users within and without the City's corporate boundaries pursuant to the provision of Arizona Revised Statutes 9-511 et. seq.

(b) A written report prepared by Willdan (the "2025 Water and Wastewater Rate Study"), which report concludes that certain increases in rates and charges for use of the Water System are necessary to support the maintenance and development of the Water System.

<u>Section 2.</u> <u>Establishment of Increased Rates and Charges</u>.

The rates and charges described in the attached <u>Exhibit A</u> are hereby adopted and established as the rates and charges for the Water System, effective as of November 1, 2025, November 1, 2026, November 1, 2027, November 1, 2028 and November 1, 2029 as shown on the attached <u>Exhibit A</u>, and until subsequently changed by this Mayor and Council. Such increased rates and charges, when effective, will supersede previous rates and charges for the Water System pertaining to the specific rates and charges listed on attached <u>Exhibit A</u>.

<u>Section 3.</u> Adjustment to rates and charges.

(a) At the discretion of the City Council annual adjustments to Water rates and charges shall be made by utilizing the consumer price index utilizing the Western Urban index for all urban consumers.

(b) Any annual adjustment to Water rates and charges shall take effect after the last schedule rate and charges increase which is November 1, 2029.

PASSED, ADOPTED AND APPROVED, by the Mayor and Council of the City on August 25,2025.

CITY OF ELOY, ARIZONA

____
Andrew Sutton, Mayor

ATTEST:

____
Celine Kidwell, City Clerk

APPROVED AS TO FORM:

____
Stephen Cooper, City Attorney

EXHIBIT A

CITY OF ELOY, ARIZONA
POTABLE WATER SYSTEM
RATES AND CHARGES

Section 1. Availability charges based on the size of the water service:

	Current	Effective 11/01/25	Effective 11/01/26	Effective 11/01/27	Effective 11/01/28	Effective 11/01/29
Monthly Service Charges (base rate)						
Single Residential Dwelling Unit:						
¾” meter	$ 21.52	$ 24.53	$ 27.96	$ 31.32	$ 34.45	$ 36.52
1” meter	$ 32.28	$ 36.80	$ 41.95	$ 46.99	$ 51.69	$ 54.79
1 ½” meter	$ 64.54	$ 73.58	$ 83.88	$ 93.94	$103.34	$109.54
2” meter	$107.58	$122.64	$139.81	$156.58	$172.24	$182.58
Multiple Dwelling or Commercial Use:						
¾” meter	$ 21.52	$ 24.53	$ 27.96	$ 31.32	$ 34.45	$ 36.52
1” meter	$ 32.28	$ 36.80	$ 41.95	$ 46.99	$ 51.69	$ 54.79
1 ½” meter	$ 64.54	$ 73.58	$ 83.88	$ 93.94	$ 103.34	$ 109.54
2” meter	$ 107.58	$ 122.64	$ 139.81	$ 156.58	$ 172.24	$ 182.58
3” meter	$ 215.19	$ 245.31	$ 279.66	$ 313.21	$ 344.54	$ 365.21
4” meter	$ 430.38	$ 490.64	$ 559.33	$ 626.45	$ 689.09	$ 730.44
6” meter	$ 901.74	$1,027.99	$1,171.90	$1,312.53	$1,443.79	$1,530.41
8” meter	$1,803.48	$2,055.97	$2,343.81	$2,625.07	$2,887.57	$3,060.83

CONTINUED - CITY OF ELOY, ARIZONA
POTABLE WATER SYSTEM
RATES AND CHARGES

Section 2. <u>Usage charges, Water:</u>

	Current	Effective 11/01/25	Effective 11/01/26	Effective 11/01/27	Effective 11/01/28	Effective 11/01/29
Residential:						
All customers per thousand gallons:						
0,000-10,000 gallons	$3.44	$3.92	$4.47	$5.01	$5.51	$5.84
10,001-20.000 gallons	$4.31	$4.91	$5.60	$6.27	$6.89	$7.31
20,001 gallons and over	$5.38	$6.13	$6.99	$7.83	$8.61	$9.13
Multiple Dwelling or Commercial Use:						
All customers per thousand gallons:						
0,000-10,000 gallons	$3.44	$3.92	$4.47	$5.01	$5.51	$5.84
10,001-20.000 gallons	$4.31	$4.91	$5.60	$6.27	$6.89	$7.31
20,001 gallons and over	$5.38	$6.13	$6.99	$7.83	$8.61	$9.13

Section 3. <u>Effective dates:</u>
The effective dates of rates and fees shall be as specified above, and shall supersede any rates and fees established by previous council resolutions pertaining to the specific rates and fees listed herein.

Section 4. <u>Out of Town Water Usage:</u>
The City provides water service to several customers outside the City limits but within our water planning area. Those customers that receive City water services outside the City limits will be charged double the amount of the base charge and water rate.

CITY OF ELOY, ARIZONA

Water and Wastewater Rate Study
Public Hearing

August 2025

WILLDAN

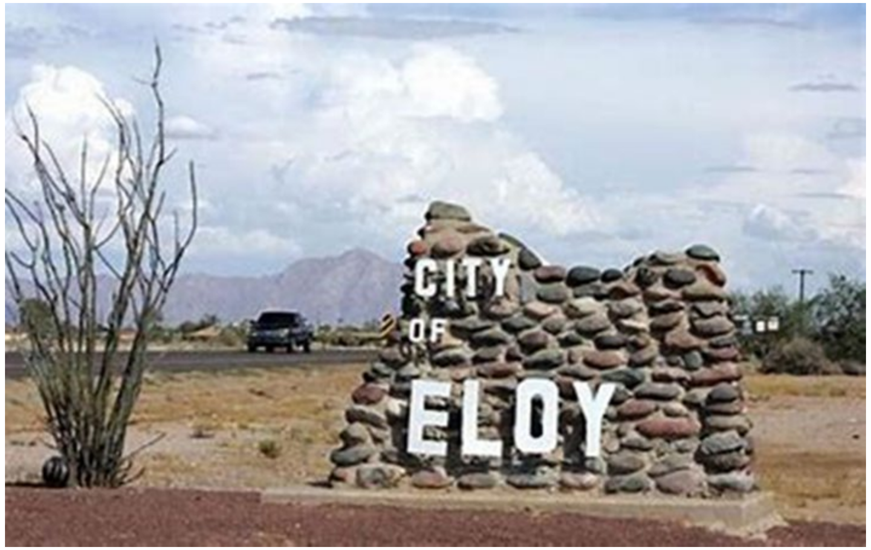
21ST CENTURY WATER & WASTEWATER RATE FACTS

- American Water Works Association (AWWA) forecasts that water and wastewater rates across the U.S. will **triple** over the next 15 years

- Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, necessary Capital Improvement Plans, wholesale costs, and other indirect expenses

- Average utility has been increasing rates 5-6% per year, a trend that is expected to continue and may accelerate

- Notably, 30-40% of utilities charge rates that **do not cover their costs**



CITY OF ELOY -- WATER AND WASTEWATER RATE BACKGROUND

- In 2022, the City adopted a multi-year rate plan; set to expire in FY 2027

- Operating costs expected to increase 3-5% per year; some costs will increase even faster

- City's engineers forecast the need to invest up to **$95.6 million** in water and wastewater capital improvement projects over the next 5 years

- Central Arizona Project (CAP) costs expected to increase

- Combination of above factors results in need to implement a new long-term rate plan

**Photo courtesy of visitarizona.com website*

CURRENT WATER AND WASTEWATER RATE STRUCTURE

WATER RATE STRUCTURE	
Base Charge by Meter Size	**RES and Non-RES**
3/4”	$21.52
1”	32.28
1 1/2”	64.54
2”	107.58
3”	215.19
4”	430.38
6”	901.74
8” (new)**	1803.48

Volume Rate per 1,000 Gal	RES and Non-RES
0 – 10,000	3.44
10,001 – 20,000	4.31
20,001 – Above	5.38

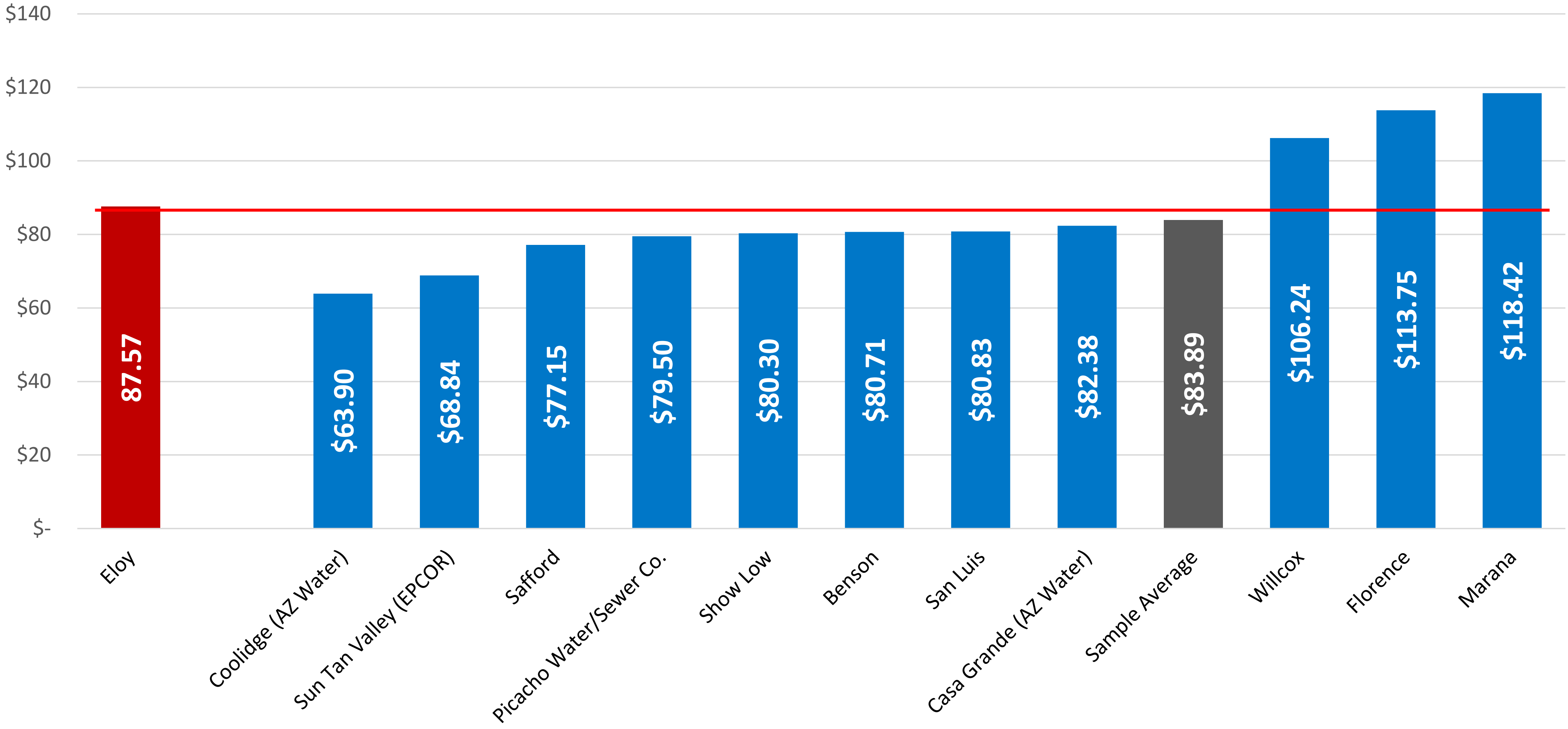
WW RATE STRUCTURE		
Base Charge by Meter Size	**RES***	**Non-RES**
3/4”	$40.23	$40.23
1”		69.12
1 1/2”		139.67
2”		223.57
3”		419.47
4”		838.92
6”		1677.86
8” (new)**		3355.73

Volume Rate per 1,000 Gal	Non-Residential
0 – 10,000	4.18
10,001 – 20,000	5.24
20,001 – Above	6.55

*Residential customers pay a flat monthly charge for wastewater service

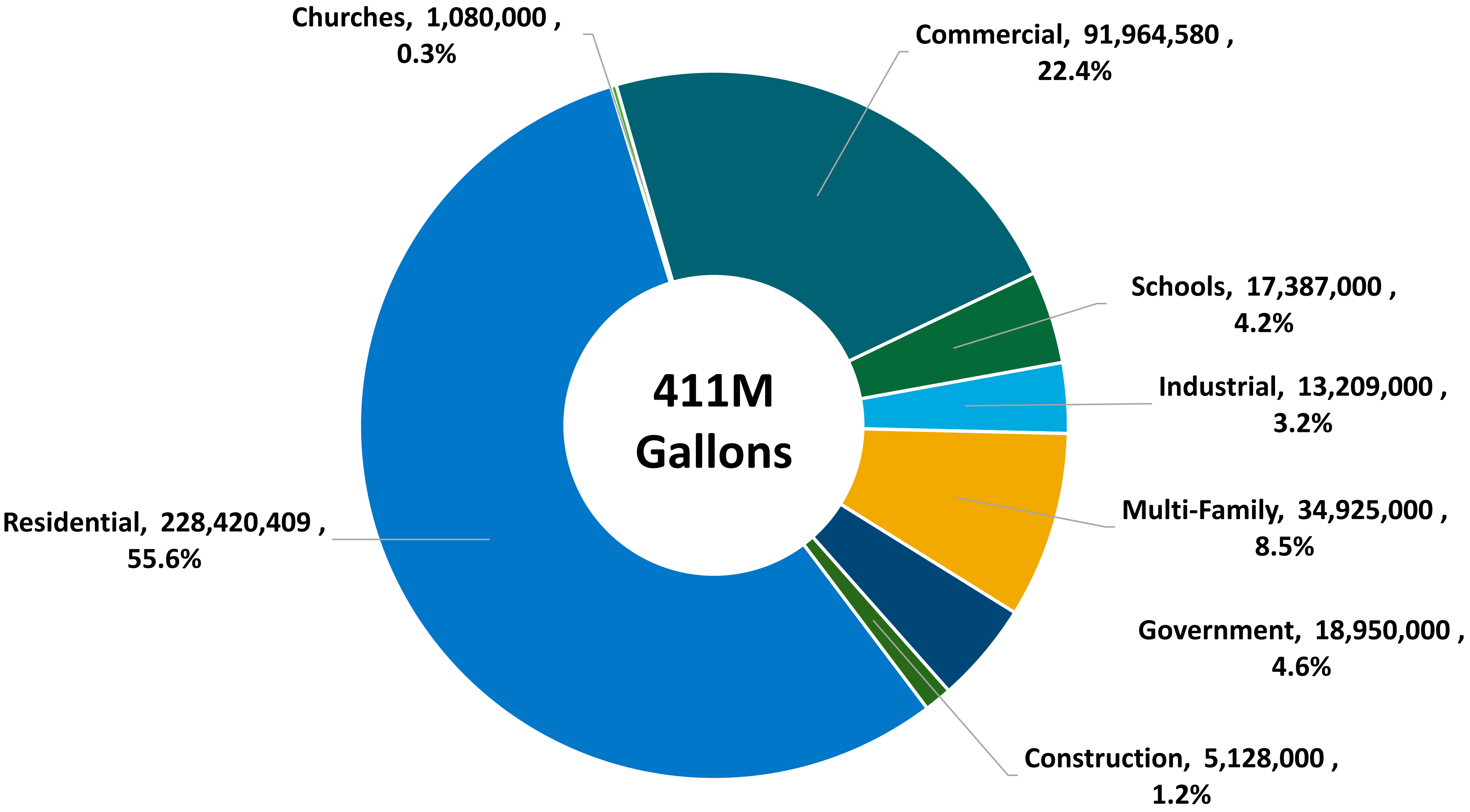
** Charge for 8” meter is established in FY24-25 Master Fee Schedule

MONTHLY RESIDENTIAL CHARGES | 7,500 GAL WATER AND WASTEWATER

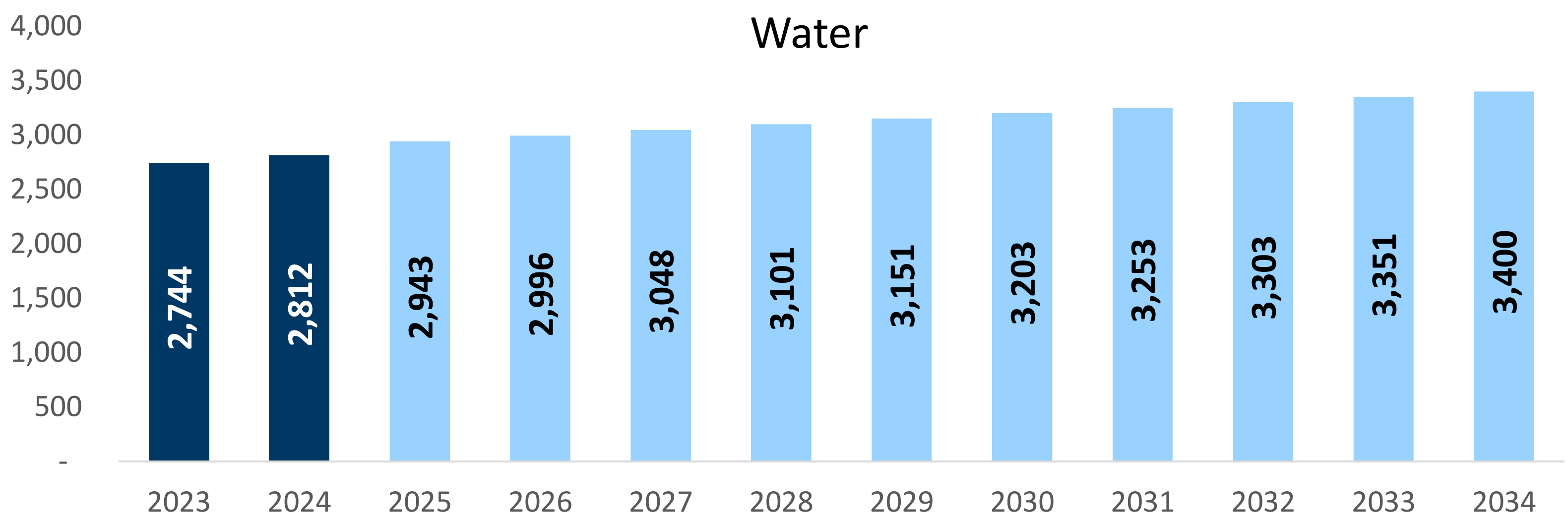


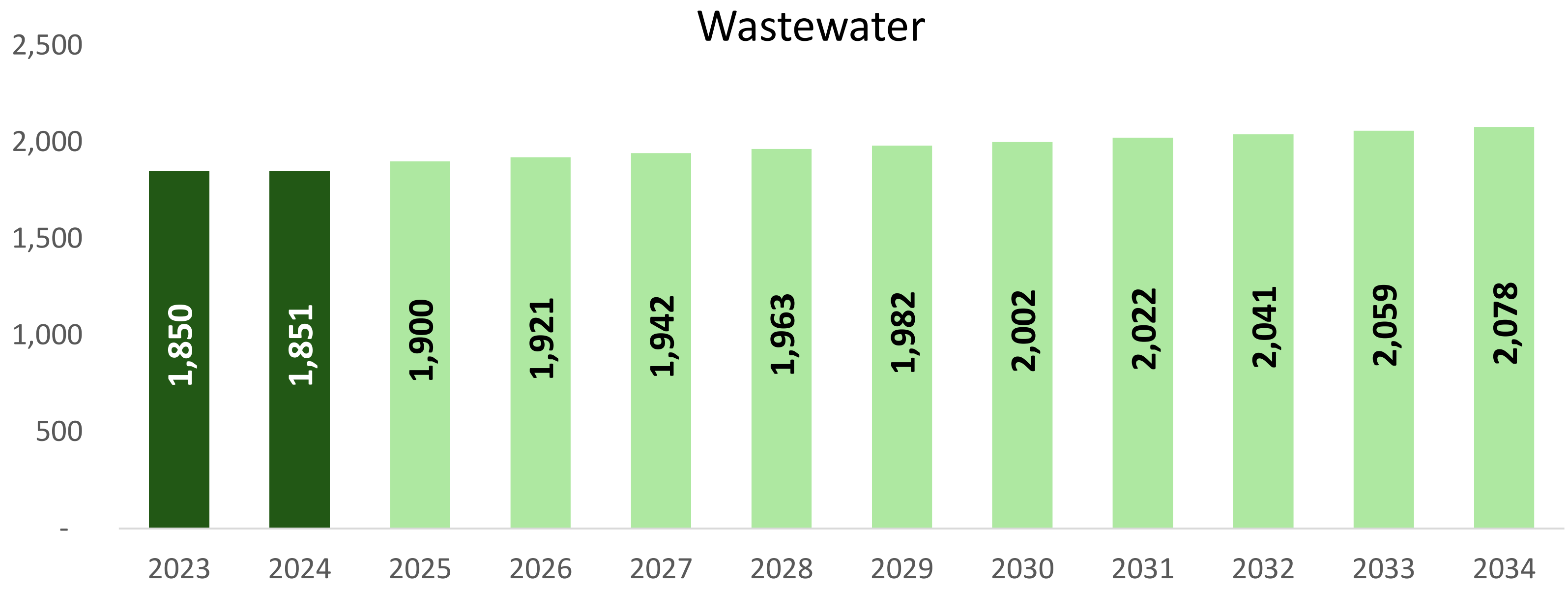
Eloy’s average residential use: 7,369 gal. of water/mo. | *Rates as of November 2024

WATER CONSUMPTION BY CUSTOMER CLASS| TEST YEAR 2025



WATER AND WASTEWATER ACCOUNTS FORECAST





Project team estimates that approximately 50 new water and 20 new wastewater accounts will be added each year to the system over the next decade.

Average annual Water account growth: 1.6%

Average annual WW account growth: 1.0%

The model is based on the overall trend.

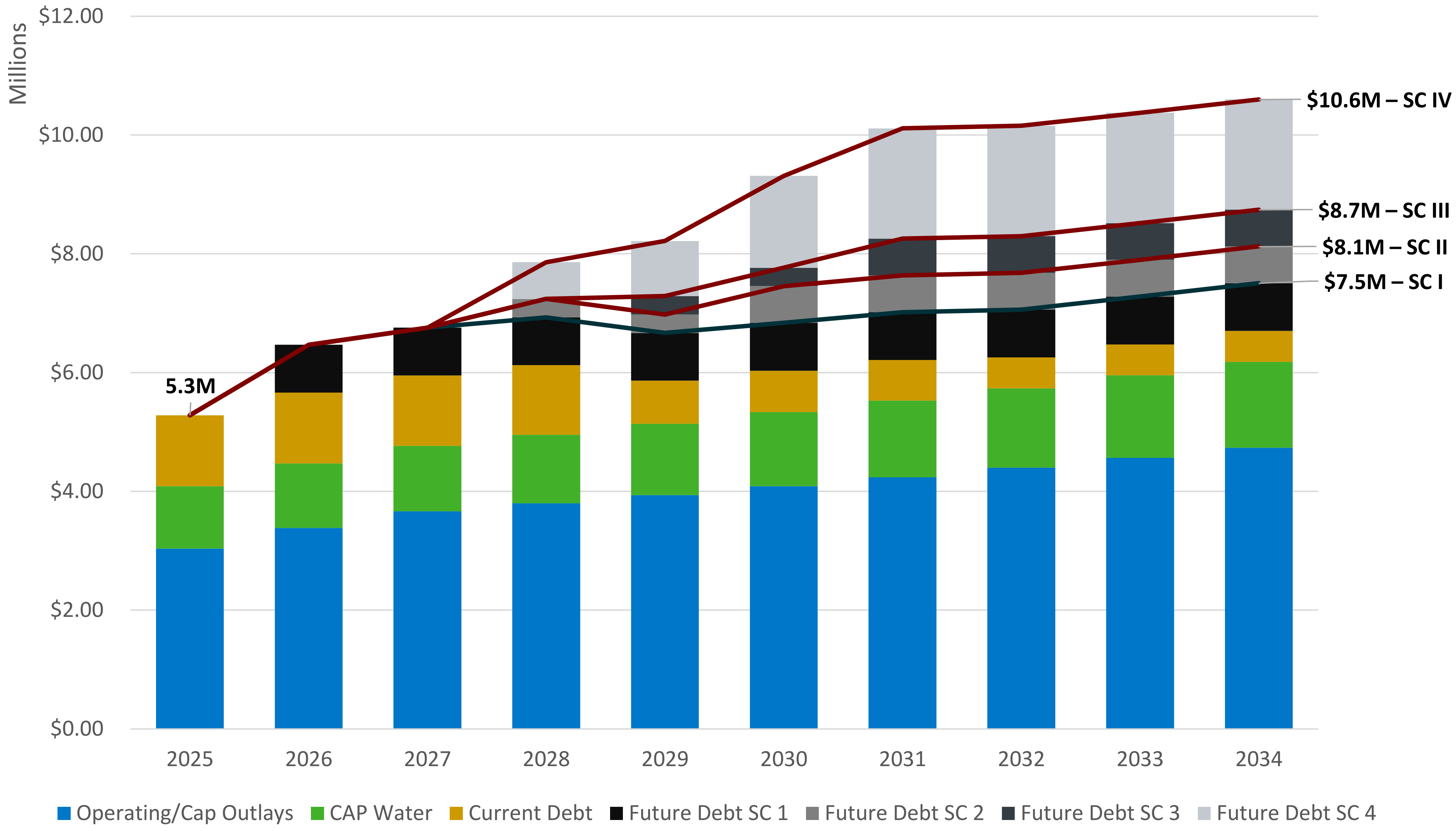
RATE STUDY KEY ASSUMPTIONS

- Most operating expenses increase at 3% per year
- Certain expenses increase at rates higher than inflation (chemicals, utilities, gas & oil, etc.)
- Electricity costs are decreasing due to installation of solar panels
- Additional personnel expense of $200k/year for Water utility and $100k/year for Wastewater utility; $75k/year for line and meter replacement
- CAP ("Central Arizona Project") and CAGRD ("Central Arizona Groundwater Replenishment District") costs will increase significantly
- Most significant factor: **amount of debt City issues to fund capital improvements**

RATE PLAN SCENARIOS

- Four scenarios based on amount of debt to be issued in 2025–2030 to fund CIP
    - Scenario I – Total CIP Debt **$13M** (BASE SCN)
    - Scenario II – Total CIP Debt **$23M**
    - Scenario III – Total CIP Debt **$33M**
    - Scenario IV – Total CIP Debt **$63M**

FORECAST COST OF SERVICE



SCENARIO 1 | 13M DEBT| RATE PLAN

		Current			Effective		
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge			adopted	adopted			
3/4"		**$ 21.52**	$ 23.88	$ 26.51	$ 28.90	$ 29.76	$ 30.66
1"		**32.28**	35.83	39.77	43.35	44.65	45.99
1 1/2"		**64.54**	71.64	79.52	86.68	89.28	91.96
2"		**107.58**	119.41	132.55	144.48	148.81	153.27
3"		**215.19**	238.86	265.13	288.99	297.66	306.59
4"		**430.38**	477.73	530.28	578.00	595.34	613.20
6"		**901.74**	1,000.93	1,111.04	1,211.03	1,247.36	1,284.78
8"		**1,803.48**	2,001.87	2,222.07	2,422.06	2,494.72	2,569.56
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	3.82	4.24	4.62	4.76	4.90
10,001	20,000	**4.31**	4.78	5.30	5.78	5.96	6.13
20,001	Above	**5.38**	5.97	6.62	7.22	7.44	7.66
Rate Adjustment (%)			**11.0%**	**11.0%**	**9.0%**	**3.0%**	**3.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 52.05	$ 53.61	$ 55.22
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	52.05	53.61	55.22
1"		**69.12**	76.72	85.16	89.42	92.10	94.86
1 1/2"		**139.67**	155.04	172.09	180.69	186.12	191.70
2"		**223.57**	248.16	275.46	289.23	297.91	306.85
3"		**419.47**	465.62	516.83	542.68	558.96	575.72
4"		**838.93**	931.21	1,033.64	1,085.32	1,117.88	1,151.42
6"		**1,677.86**	1,862.43	2,067.30	2,170.66	2,235.78	2,302.85
8"		**3,355.73**	3,724.86	4,134.59	4,341.32	4,471.56	4,605.71
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.41	5.57	5.74
10,001	20,000	**5.24**	5.82	6.46	6.78	6.98	7.19
20,001	Above	**6.55**	7.27	8.07	8.47	8.72	8.99
Rate Adjustment (%)			**11.0%**	**11.0%**	**5.0%**	**3.0%**	**3.0%**

SCENARIO 2 | 23M DEBT| RATE PLAN

		Current	Effective				
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge							
3/4"		**$ 21.52**	$ 24.31	$ 27.48	$ 31.05	$ 32.29	$ 33.58
1"		**32.28**	36.48	41.22	46.58	48.44	50.38
1 1/2"		**64.54**	72.93	82.41	93.13	96.85	100.73
2"		**107.58**	121.56	137.37	155.22	161.43	167.89
3"		**215.19**	243.16	274.77	310.49	322.91	335.83
4"		**430.38**	486.33	549.56	621.00	645.84	671.67
6"		**901.74**	1,018.97	1,151.43	1,301.12	1,353.17	1,407.29
8"		**1,803.48**	2,037.94	2,302.87	2,602.24	2,706.33	2,814.59
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	3.89	4.40	4.97	5.17	5.37
10,001	20,000	**4.31**	4.87	5.50	6.21	6.46	6.72
20,001	Above	**5.38**	6.08	6.87	7.76	8.07	8.39
Rate Adjustment (%)			**13.0%**	**13.0%**	**13.0%**	**4.0%**	**4.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	55.02	56.67	58.37
1"		**69.12**	76.72	85.16	94.53	97.36	100.29
1 1/2"		**139.67**	155.04	172.09	191.02	196.75	202.65
2"		**223.57**	248.16	275.46	305.76	314.93	324.38
3"		**419.47**	465.62	516.83	573.69	590.90	608.62
4"		**838.93**	931.21	1,033.64	1,147.34	1,181.76	1,217.21
6"		**1,677.86**	1,862.43	2,067.30	2,294.70	2,363.54	2,434.44
8"		**3,355.73**	3,724.86	4,134.59	4,589.40	4,727.08	4,868.89
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.72	5.89	6.07
10,001	20,000	**5.24**	5.82	6.46	7.17	7.38	7.61
20,001	Above	**6.55**	7.27	8.07	8.95	9.22	9.50
Rate Adjustment (%)			**11.0%**	**11.0%**	**11.0%**	**3.0%**	**3.0%**

SCENARIO 3 | 33M DEBT| RATE PLAN

	Current	Effective				
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER						
Monthly Minimum Charge						
3/4"	**$ 21.52**	$ 24.53	$ 27.96	$ 31.32	$ 34.45	$ 36.52
1"	**32.28**	36.80	41.95	46.99	51.69	54.79
1 1/2"	**64.54**	73.58	83.88	93.94	103.34	109.54
2"	**107.58**	122.64	139.81	156.58	172.24	182.58
3"	**215.19**	245.31	279.66	313.21	344.54	365.21
4"	**430.38**	490.64	559.33	626.45	689.09	730.44
6"	**901.74**	1,027.99	1,171.90	1,312.53	1,443.79	1,530.41
8"	**1,803.48**	2,055.97	2,343.81	2,625.07	2,887.57	3,060.83
Volume Rate Per 1,000 Gal						
- 10,000	**3.44**	3.92	4.47	5.01	5.51	5.84
10,001 20,000	**4.31**	4.91	5.60	6.27	6.89	7.31
20,001 Above	**5.38**	6.13	6.99	7.83	8.61	9.13
Rate Adjustment (%)		**14.0%**	**14.0%**	**12.0%**	**10.0%**	**6.0%**
WASTEWATER						
Residential						
Monthly Flat Charge		adopted	adopted			
All Accounts	**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Commercial						
Monthly Minimum Charge						
3/4"	**40.23**	44.66	49.57	55.02	56.67	58.37
1"	**69.12**	76.72	85.16	94.53	97.36	100.29
1 1/2"	**139.67**	155.04	172.09	191.02	196.75	202.65
2"	**223.57**	248.16	275.46	305.76	314.93	324.38
3"	**419.47**	465.62	516.83	573.69	590.90	608.62
4"	**838.93**	931.21	1,033.64	1,147.34	1,181.76	1,217.21
6"	**1,677.86**	1,862.43	2,067.30	2,294.70	2,363.54	2,434.44
8"	**3,355.73**	3,724.86	4,134.59	4,589.40	4,727.08	4,868.89
Volume Rate Per 1,000 Gal						
- 10,000	**4.18**	4.64	5.15	5.72	5.89	6.07
10,001 20,000	**5.24**	5.82	6.46	7.17	7.38	7.61
20,001 Above	**6.55**	7.27	8.07	8.95	9.22	9.50
Rate Adjustment (%)		**11.0%**	**11.0%**	**11.0%**	**3.0%**	**3.0%**

SCENARIO 4 | 63M DEBT| RATE PLAN

	Current	Effective				
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER						
Monthly Minimum Charge						
3/4"	**$ 21.52**	$ 25.39	$ 29.96	$ 35.35	$ 41.01	$ 46.75
1"	**32.28**	38.09	44.95	53.04	61.53	70.14
1 1/2"	**64.54**	76.16	89.87	106.05	123.01	140.23
2"	**107.58**	126.94	149.79	176.75	205.03	233.74
3"	**215.19**	253.92	299.63	353.56	410.13	467.55
4"	**430.38**	507.85	599.27	707.13	820.27	935.11
6"	**901.74**	1,064.06	1,255.59	1,481.59	1,718.65	1,959.26
8"	**1,803.48**	2,128.11	2,511.17	2,963.18	3,437.29	3,918.51
Volume Rate Per 1,000 Gal						
- 10,000	**3.44**	4.06	4.79	5.66	6.56	7.48
10,001 20,000	**4.31**	5.08	6.00	7.07	8.21	9.35
20,001 Above	**5.38**	6.34	7.49	8.83	10.25	11.68
Rate Adjustment (%)		**18.0%**	**18.0%**	**18.0%**	**16.0%**	**14.0%**
WASTEWATER						
Residential						
Monthly Flat Charge		adopted	adopted			
All Accounts	**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 61.07	$ 67.79
Commercial						
Monthly Minimum Charge						
3/4"	**40.23**	44.66	49.57	55.02	61.07	67.79
1"	**69.12**	76.72	85.16	94.53	104.93	116.47
1 1/2"	**139.67**	155.04	172.09	191.02	212.03	235.36
2"	**223.57**	248.16	275.46	305.76	339.39	376.73
3"	**419.47**	465.62	516.83	573.69	636.79	706.84
4"	**838.93**	931.21	1,033.64	1,147.34	1,273.55	1,413.64
6"	**1,677.86**	1,862.43	2,067.30	2,294.70	2,547.11	2,827.30
8"	**3,355.73**	3,724.86	4,134.59	4,589.40	5,094.23	5,654.59
Volume Rate Per 1,000 Gal						
- 10,000	**4.18**	4.64	5.15	5.72	6.35	7.04
10,001 20,000	**5.24**	5.82	6.46	7.17	7.96	8.83
20,001 Above	**6.55**	7.27	8.07	8.95	9.94	11.03
Rate Adjustment (%)		**11.0%**	**11.0%**	**11.0%**	**11.0%**	**11.0%**

SCENARIO COMPARISON | IMPACT ON MONTHLY CHARGES

Water and Wastewater Utility	Effective					
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
5,000 Gal W, 5,000 WW						
SCN I -- $13M Debt	**$ 78.96**	$ 87.65	$ 97.29	$ 104.06	$ 107.18	$ 110.40
Increase -- %		11.0%	11.0%	7.0%	3.0%	3.0%
SCN II - $23M Debt	**78.96**	88.42	99.02	110.90	114.79	118.81
Increase -- %		12.0%	12.0%	12.0%	3.5%	3.5%
SCN III - $33M Debt	**78.96**	88.81	99.90	111.39	118.68	124.10
Increase -- %		12.5%	12.5%	11.5%	6.5%	4.6%
SCN IV - $63M Debt	**78.96**	90.36	103.50	118.65	134.89	151.94
Increase -- %		14.4%	14.5%	14.6%	13.7%	12.6%

SCENARIO COMPARISON | IMPACT ON MONTHLY CHARGES

Water and Wastewater Utility	Effective					
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
10,000 Gal W, 10,000 WW						
SCN I -- $13M Debt	**$ 96.17**	$ 106.76	$ 118.50	$ 127.18	$ 130.99	$ 134.92
Increase -- %		11.0%	11.0%	7.3%	3.0%	3.0%
SCN II - $23M Debt	**96.17**	107.87	121.00	135.74	140.62	145.67
Increase -- %		12.2%	12.2%	12.2%	3.6%	3.6%
SCN III - $33M Debt	**96.17**	108.43	122.27	136.45	146.24	153.31
Increase -- %		12.7%	12.8%	11.6%	7.2%	4.8%
SCN IV - $63M Debt	**96.17**	110.67	127.46	146.93	167.69	189.34
Increase -- %		15.1%	15.2%	15.3%	14.1%	12.9%

WILLDAN

QUESTIONS & DISCUSSION

Disclosure

Willdan Financial Services ("Willdan") is registered as a "municipal advisor" pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority. As part of its SEC registration Willdan is required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Willdan. Pursuant to MSRB Rule G-42, Willdan is required to disclose any legal or disciplinary event that is material to Client's evaluation of Willdan or the integrity of its management or advisory personnel. Willdan has determined that no such event exists. Copies of Willdan's filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC's EDGAR system Company Search Page which is currently available at: https://www.sec.gov/edgar/searchedgar/companysearch.html and searching for either Willdan Financial Services or for our CIK number which is 0001782739.

For the avoidance of doubt and without limiting the foregoing, in connection with any revenue projections, cash-flow analyses, feasibility studies and/or other analyses Willdan may provide the municipality with respect to financial, economic or other matters relating to a prospective, new or existing issuance of municipal securities of the municipality, (A) any such projections, studies and analyses shall be based upon assumptions, opinions or views (including, without limitation, any assumptions related to revenue growth) established by the municipality, in conjunction with such of its municipal, financial, legal and other advisers as it deems appropriate; and (B) under no circumstances shall Willdan be asked to provide, nor shall it provide, any advice or recommendations or subjective assumptions, opinions or views with respect to the actual or proposed structure, terms, timing, pricing or other similar matters with respect to any municipal financial products or municipal securities issuances, unless formally engaged to provide such information.

CITY OF ELOY
REQUEST FOR COUNCIL ACTION

Agenda Item: VIII.E.
Date: 8/25/2025

Date submitted: 08/14/2025 **Date requested:** 8/25/2025	**Action:** Resolution	**Subject: Adopt Resolution No. 25-1628 to approve new water rates and charges for the City of Eloy Water System, using recommendations from scenario 2 of the Water Rate Study.**

TO: Mayor and City Council

FROM: Brian Wright, Finance Director

RECOMMENDATION:
Staff recommends that the City Council adopt Resolution No. 25-1628 approving new water rates and charges for the City of Eloy Water System, using recommendations from scenario 2 of the Water Rate Study.

DISCUSSION:

Utility Rate Study Overview

The City of Eloy began its Water and Wastewater Rate Study on September 23, 2024, when the City Council approved a contract with Willdan Financial Services to conduct a comprehensive utility rate analysis.

On April 28, 2025, consultant Dan Jackson, of Willdan, presented four rate structure scenarios to the City Council. These scenarios were developed using factors such as:

- 3% annual increase in operating expenses
- Growth in salaries and benefits
- Additional staffing for both utilities
- Reduced electricity costs from new solar panels

Rate Structure Scenarios
Scenario 1 – No New Debt

- Total debt: $13 million
  - Water: $7.5 million
  - Wastewater: $5.5 million

Scenario 2 – Add $10 Million in New Debt

- Total debt: $23 million
  - Water: $13.3 million
  - Wastewater: $9.7 million

Scenario 3 – Add $20 Million in New Debt

- Total debt: $33 million
  - Water: $19.1 million
  - Wastewater: $13.9 million

Scenario 4 – Add $50 Million in New Debt

- Total debt: $63 million
  - Water: $36.5 million
  - Wastewater: $26.5 million

Public Notification and Hearing

On May 27, 2025, the City Council adopted **Resolutions No. 25-1616 and 25-1617**, approving the Notice of Intent to increase Water and Wastewater rates and charges.

The notice of intent was published in *The Dispatch* on **July 10** and **July 24**, and posted on the City's website to meet statutory requirements. This started the required 60-day notice period before the public hearing.

The public hearing took place on **August 11, 2025**, at 6:00 PM. Dan Jackson reviewed the rate study and scenarios. No public comments were received. After the public hearing, the City Council discussed the scenarios and directed staff to prepare resolutions for **Scenarios 2 and 3** for consideration at the next regular meeting.

Next Steps

After the August 11 meeting, City staff prepared **Resolution No. 25-1628** to adopt Scenario 2 of the Water Rate Study, setting new water service rates and charges. Scenario 2 provides funding to maintain the City's water system, cover future improvements, and ensure reliable service for all customers.

- This resolution will replace all previous Water rates.
- The new rates will take effect **November 1, 2025**, with the final scheduled increase on **November 1, 2029**.

City staff will inform customers of these changes through outreach materials, social media, and billing inserts over the next few months.

FISCAL IMPACT:

The fiscal impact of Scenario 2 for Water rates and charges that will occur over the next five years is as follows:

- 13% increase in rates and charges starting on November 1, 2025
- 13% increase in rates and charges starting on November 1, 2026
- 13% increase in rates and charges starting on November 1, 2027
- 4% increase in rates and charges starting on November 1, 2028
- 4% increase in rates and charges starting on November 1, 2029

Approved as to Form:

Stephen R. Cooper, City Attorney

RESOLUTION NO. 25-1628

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELOY, ARIZONA INCREASING RATES AND CHARGES FOR THE CITY OF ELOY WATER SYSTEM.

WHEREAS, pursuant to Arizona Revised Statute § 9-511.01, the City Council of the City of Eloy, Arizona on May 27, 2025 adopted a Notice of Intention for the City of Eloy water system rate increase; and

WHEREAS, the City Council of the City of Eloy, Arizona conducted a public hearing on August 11, 2025 on the proposed increases for rates and charges for the City of Eloy water system, after publication of notice thereof as required under Arizona law.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Eloy, Arizona as follows:

Section 1. Findings.

(a) The City of Eloy, Arizona (the "City") has the requisite statutory authority to acquire, own and maintain a water utility system (the "Water System") for the benefit of the property and users within and without the City's corporate boundaries pursuant to the provision of Arizona Revised Statutes 9-511 et. seq.

(b) A written report prepared by Willdan (the "2025 Water and Wastewater Rate Study"), which report concludes that certain increases in rates and charges for use of the Water System are necessary to support the maintenance and development of the Water System.

Section 2. Establishment of Increased Rates and Charges.

The rates and charges described in the attached Exhibit A are hereby adopted and established as the rates and charges for the Water System, effective as of November 1, 2025, November 1, 2026, November 1, 2027, November 1, 2028 and November 1, 2029 as shown on the attached Exhibit A, and until subsequently changed by this Mayor and Council. Such increased rates and charges, when effective, will supersede previous rates and charges for the Water System pertaining to the specific rates and charges listed on attached Exhibit A.

Section 3. Adjustment to rates and charges.

(a) At the discretion of the City Council annual adjustments to Water rates and charges shall be made by utilizing the consumer price index utilizing the Western Urban index for all urban consumers.

(b) Any annual adjustment to Water rates and charges shall take effect after the last schedule rate and charges increase which is November 1, 2029.

PASSED, ADOPTED AND APPROVED, by the Mayor and Council of the City on August 25, 2025.

CITY OF ELOY, ARIZONA

____
Andrew Sutton, Mayor

ATTEST:	APPROVED AS TO FORM:
______________________________	____________________________________
Celine Kidwell, City Clerk	Stephen Cooper, City Attorney

EXHIBIT A

CITY OF ELOY, ARIZONA
POTABLE WATER SYSTEM
RATES AND CHARGES

Section 1. <u>Availability charges based on the size of the water service:</u>

	Current	Effective 11/01/25	Effective 11/01/26	Effective 11/01/27	Effective 11/01/28	Effective 11/01/29
Monthly Service Charges (base rate)						
Single Residential Dwelling Unit:						
¾" meter	$ 21.52	$ 24.31	$ 27.48	$ 31.05	$ 32.29	$ 33.58
1" meter	$ 32.28	$ 36.48	$ 41.22	$ 46.58	$ 48.44	$ 50.38
1 ½" meter	$ 64.54	$ 72.93	$ 82.41	$ 93.13	$ 96.85	$100.73
2" meter	$107.58	$121.56	$137.37	$155.22	$161.43	$167.89
Multiple Dwelling or Commercial Use:						
¾" meter	$ 21.52	$ 24.31	$ 27.48	$ 31.05	$ 32.29	$ 33.58
1" meter	$ 32.28	$ 36.48	$ 41.22	$ 46.58	$ 48.44	$ 50.38
1 ½" meter	$ 64.54	$ 72.93	$ 82.41	$ 93.13	$ 96.85	$ 100.73
2" meter	$ 107.58	$ 121.56	$ 137.37	$ 155.22	$ 161.43	$ 167.89
3" meter	$ 215.19	$ 243.16	$ 274.77	$ 310.49	$ 322.91	$ 335.83
4" meter	$ 430.38	$ 486.33	$ 549.56	$ 621.00	$ 645.84	$ 671.67
6" meter	$ 901.74	$1,018.97	$1,151.43	$1,301.12	$1,353.17	$1,407.29
8" meter	$1,803.48	$2,037.94	$2,302.87	$2,602.24	$2,706.33	$2,814.59

CONTINUED - CITY OF ELOY, ARIZONA
POTABLE WATER SYSTEM
RATES AND CHARGES

Section 2. Usage charges, Water:

	Current	Effective 11/01/25	Effective 11/01/26	Effective 11/01/27	Effective 11/01/28	Effective 11/01/29
Residential:						
All customers per thousand gallons:						
0,000-10,000 gallons	$3.44	$3.89	$4.40	$4.97	$5.17	$5.37
10,001-20.000 gallons	$4.31	$4.87	$5.50	$6.21	$6.46	$6.72
20,001 gallons and over	$5.38	$6.08	$6.87	$7.76	$8.07	$8.39
Multiple Dwelling or Commercial Use:						
All customers per thousand gallons:						
0,000-10,000 gallons	$3.44	$3.89	$4.40	$4.97	$5.17	$5.37
10,001-20.000 gallons	$4.31	$4.87	$5.50	$6.21	$6.46	$6.72
20,001 gallons and over	$5.38	$6.08	$6.87	$7.76	$8.07	$8.39

Section 3. Effective dates:
Effective dates of rates and fees shall be as specified above, and shall supersede any rates and fees established by previous council resolutions pertaining to the specific rates and fees listed herein.

Section 4. Out of Town Water Usage:
The City provides water service to several customers outside the City limits but within our water planning area. Those customers that receive City water services outside the City limits will be charged double the amount of the base charge and water rate.

CITY OF ELOY, ARIZONA

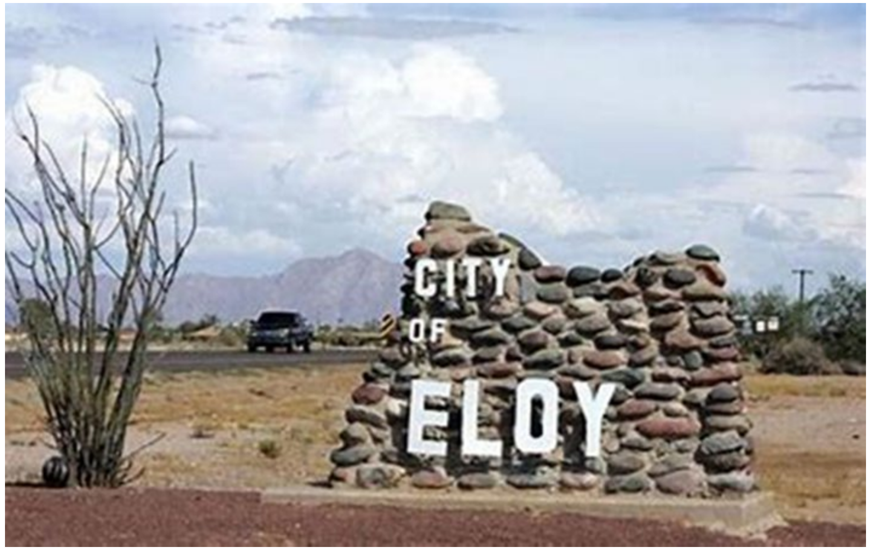
Water and Wastewater Rate Study
Public Hearing

August 2025

WILLDAN

21ST CENTURY WATER & WASTEWATER RATE FACTS

- American Water Works Association (AWWA) forecasts that water and wastewater rates across the U.S. will **triple** over the next 15 years
- Rate adjustments are primarily due to reasons beyond a utility's direct control – inflation, necessary Capital Improvement Plans, wholesale costs, and other indirect expenses
- Average utility has been increasing rates 5-6% per year, a trend that is expected to continue and may accelerate
- Notably, 30-40% of utilities charge rates that **do not cover their costs**



CITY OF ELOY -- WATER AND WASTEWATER RATE BACKGROUND

- In 2022, the City adopted a multi-year rate plan; set to expire in FY 2027
- Operating costs expected to increase 3-5% per year; some costs will increase even faster
- City's engineers forecast the need to invest up to **$95.6 million** in water and wastewater capital improvement projects over the next 5 years
- Central Arizona Project (CAP) costs expected to increase
- Combination of above factors results in need to implement a new long-term rate plan

**Photo courtesy of visitarizona.com website*

CURRENT WATER AND WASTEWATER RATE STRUCTURE

WATER RATE STRUCTURE	
Base Charge by Meter Size	**RES and Non-RES**
3/4”	$21.52
1”	32.28
1 1/2”	64.54
2”	107.58
3”	215.19
4”	430.38
6”	901.74
8” (new)**	1803.48

Volume Rate per 1,000 Gal	RES and Non-RES
0 – 10,000	3.44
10,001 – 20,000	4.31
20,001 – Above	5.38

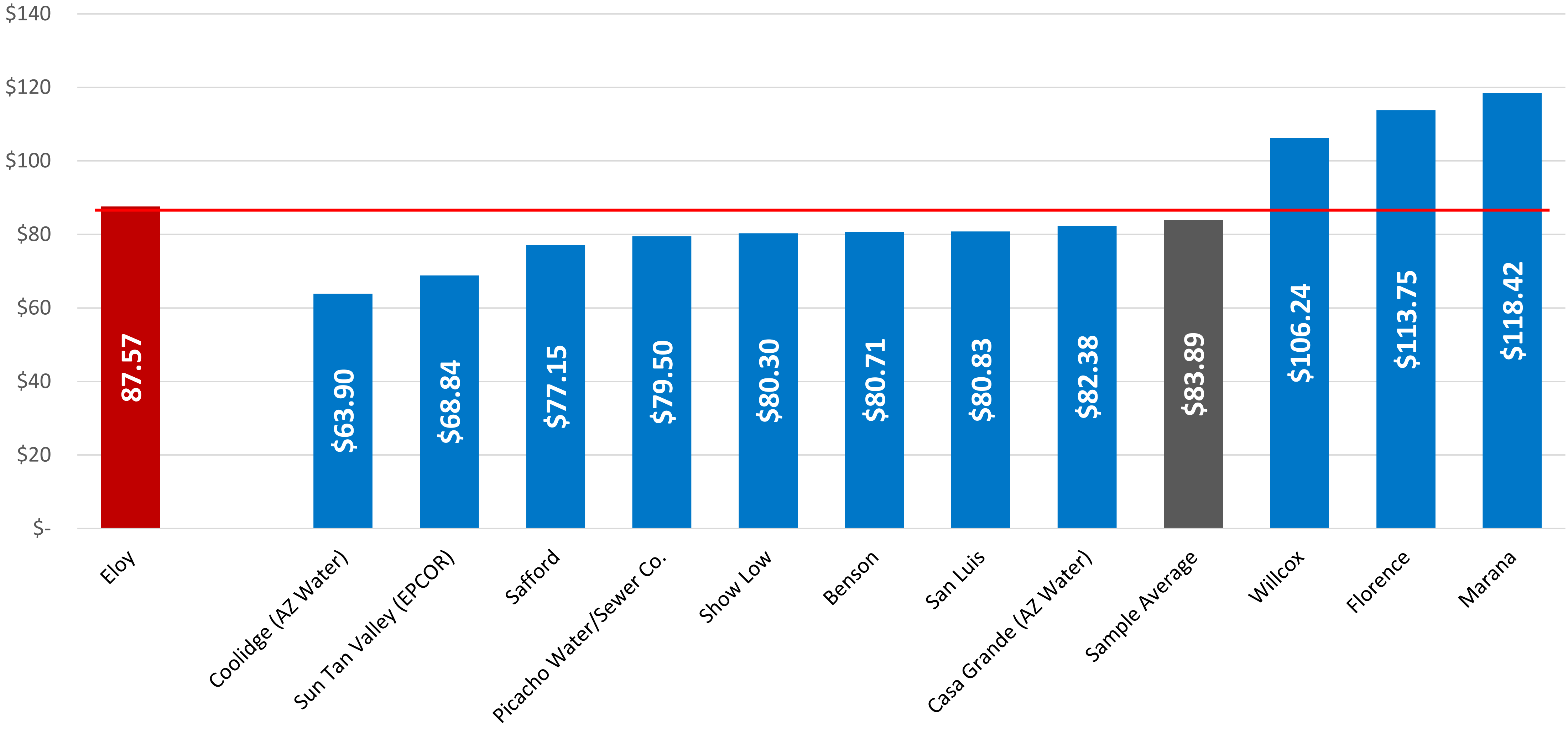
WW RATE STRUCTURE		
Base Charge by Meter Size	**RES***	**Non-RES**
3/4”	$40.23	$40.23
1”		69.12
1 1/2”		139.67
2”		223.57
3”		419.47
4”		838.92
6”		1677.86
8” (new)**		3355.73

Volume Rate per 1,000 Gal	Non-Residential
0 – 10,000	4.18
10,001 – 20,000	5.24
20,001 – Above	6.55

*Residential customers pay a flat monthly charge for wastewater service

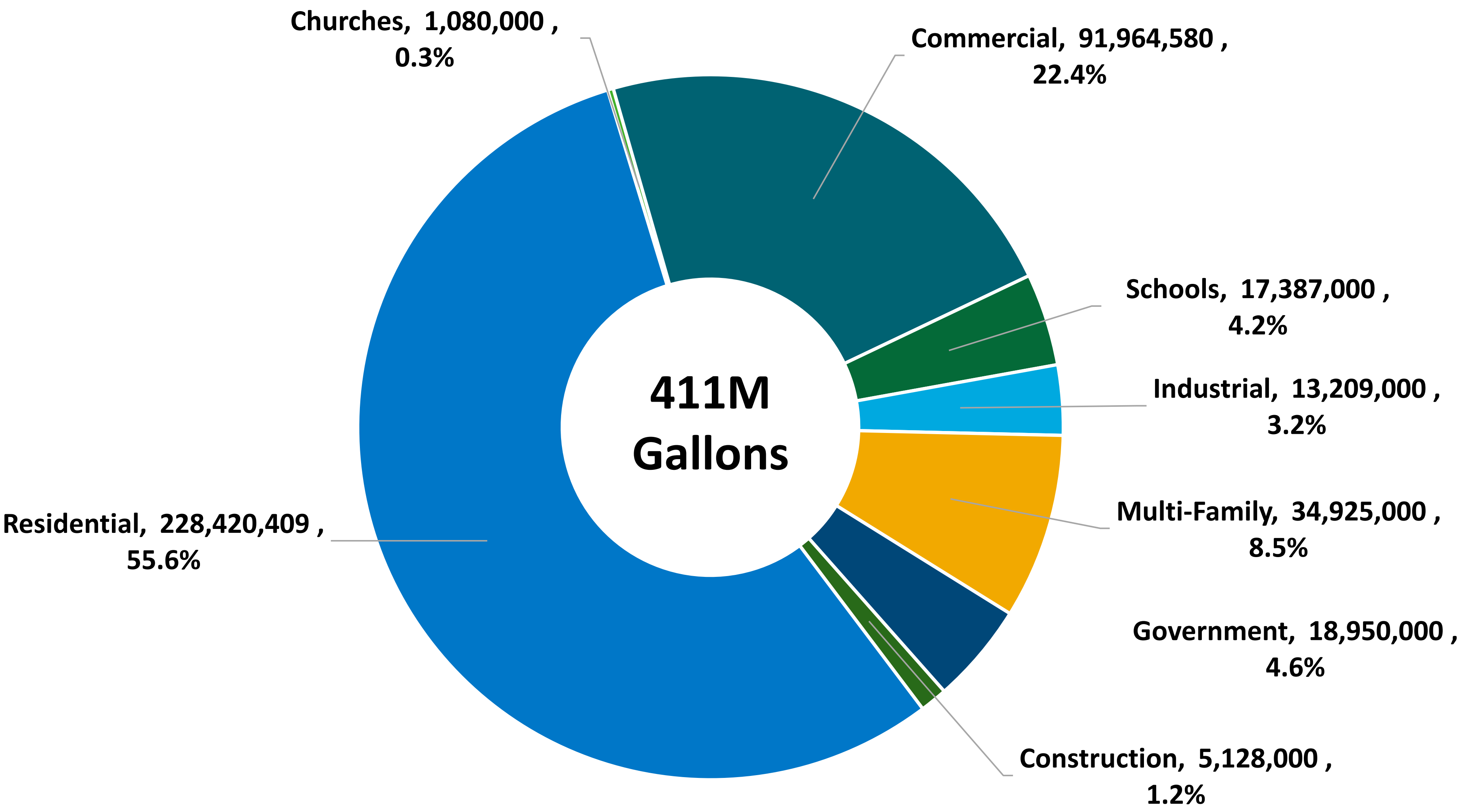
** Charge for 8” meter is established in FY24-25 Master Fee Schedule

MONTHLY RESIDENTIAL CHARGES | 7,500 GAL WATER AND WASTEWATER

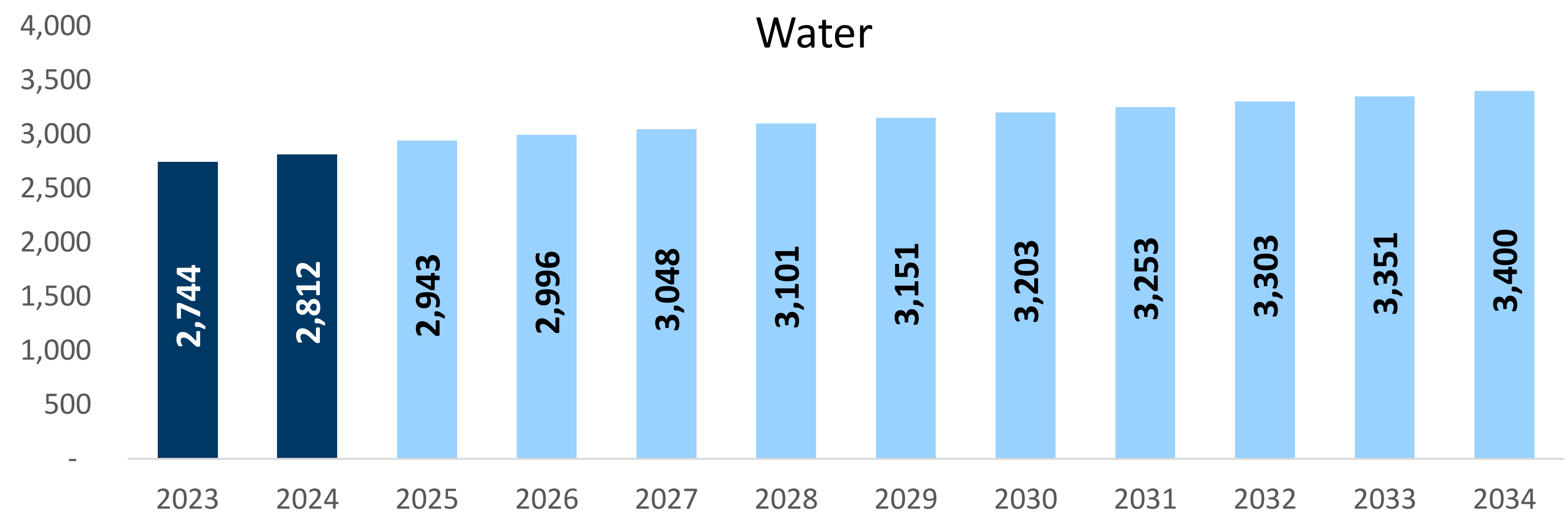


Eloy’s average residential use: 7,369 gal. of water/mo. | *Rates as of November 2024

WATER CONSUMPTION BY CUSTOMER CLASS | TEST YEAR 2025



WATER AND WASTEWATER ACCOUNTS FORECAST



Project team estimates that approximately 50 new water and 20 new wastewater accounts will be added each year to the system over the next decade.

Average annual Water account growth: 1.6%

Average annual WW account growth: 1.0%

The model is based on the overall trend.

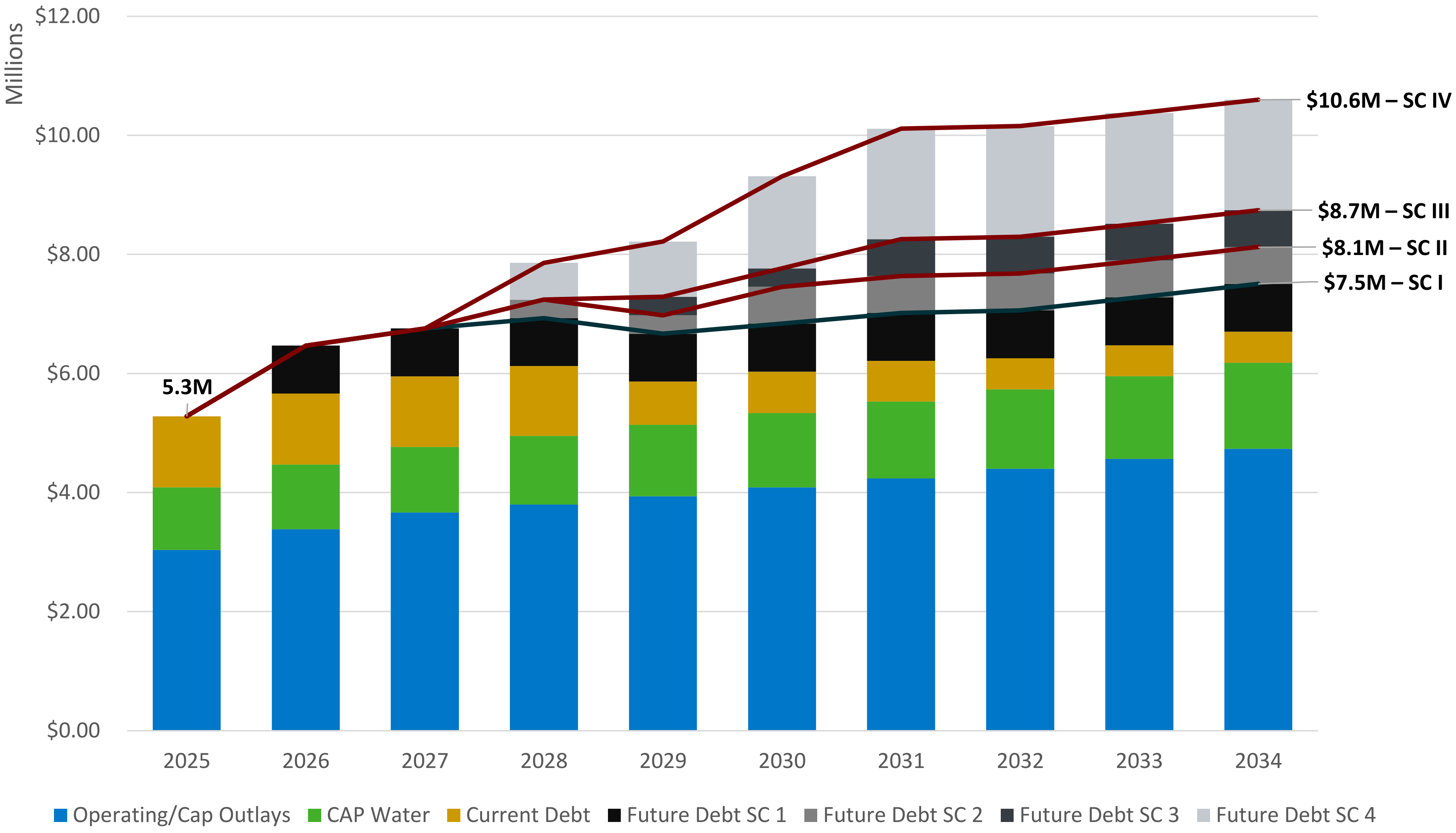
RATE STUDY KEY ASSUMPTIONS

- Most operating expenses increase at 3% per year
- Certain expenses increase at rates higher than inflation (chemicals, utilities, gas & oil, etc.)
- Electricity costs are decreasing due to installation of solar panels
- Additional personnel expense of $200k/year for Water utility and $100k/year for Wastewater utility; $75k/year for line and meter replacement
- CAP (“Central Arizona Project”) and CAGRD (“Central Arizona Groundwater Replenishment District”) costs will increase significantly
- Most significant factor: **amount of debt City issues to fund capital improvements**

RATE PLAN SCENARIOS

- Four scenarios based on amount of debt to be issued in 2025–2030 to fund CIP
  - Scenario I – Total CIP Debt **$13M** (BASE SCN)
  - Scenario II – Total CIP Debt **$23M**
  - Scenario III – Total CIP Debt **$33M**
  - Scenario IV – Total CIP Debt **$63M**

FORECAST COST OF SERVICE



SCENARIO 1 | 13M DEBT| RATE PLAN

	Current	Effective				
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER						
Monthly Minimum Charge		adopted	adopted			
3/4"	**$ 21.52**	$ 23.88	$ 26.51	$ 28.90	$ 29.76	$ 30.66
1"	**32.28**	35.83	39.77	43.35	44.65	45.99
1 1/2"	**64.54**	71.64	79.52	86.68	89.28	91.96
2"	**107.58**	119.41	132.55	144.48	148.81	153.27
3"	**215.19**	238.86	265.13	288.99	297.66	306.59
4"	**430.38**	477.73	530.28	578.00	595.34	613.20
6"	**901.74**	1,000.93	1,111.04	1,211.03	1,247.36	1,284.78
8"	**1,803.48**	2,001.87	2,222.07	2,422.06	2,494.72	2,569.56
Volume Rate Per 1,000 Gal						
- 10,000	**3.44**	3.82	4.24	4.62	4.76	4.90
10,001 20,000	**4.31**	4.78	5.30	5.78	5.96	6.13
20,001 Above	**5.38**	5.97	6.62	7.22	7.44	7.66
Rate Adjustment (%)		**11.0%**	**11.0%**	**9.0%**	**3.0%**	**3.0%**
WASTEWATER						
Residential						
Monthly Flat Charge		adopted	adopted			
All Accounts	**$ 40.23**	$ 44.66	$ 49.57	$ 52.05	$ 53.61	$ 55.22
Commercial						
Monthly Minimum Charge						
3/4"	**40.23**	44.66	49.57	52.05	53.61	55.22
1"	**69.12**	76.72	85.16	89.42	92.10	94.86
1 1/2"	**139.67**	155.04	172.09	180.69	186.12	191.70
2"	**223.57**	248.16	275.46	289.23	297.91	306.85
3"	**419.47**	465.62	516.83	542.68	558.96	575.72
4"	**838.93**	931.21	1,033.64	1,085.32	1,117.88	1,151.42
6"	**1,677.86**	1,862.43	2,067.30	2,170.66	2,235.78	2,302.85
8"	**3,355.73**	3,724.86	4,134.59	4,341.32	4,471.56	4,605.71
Volume Rate Per 1,000 Gal						
- 10,000	**4.18**	4.64	5.15	5.41	5.57	5.74
10,001 20,000	**5.24**	5.82	6.46	6.78	6.98	7.19
20,001 Above	**6.55**	7.27	8.07	8.47	8.72	8.99
Rate Adjustment (%)		**11.0%**	**11.0%**	**5.0%**	**3.0%**	**3.0%**

ELOY, ARIZONA

SCENARIO 2 | 23M DEBT| RATE PLAN

	Current			Effective		
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER						
Monthly Minimum Charge						
3/4"	**$ 21.52**	$ 24.31	$ 27.48	$ 31.05	$ 32.29	$ 33.58
1"	**32.28**	36.48	41.22	46.58	48.44	50.38
1 1/2"	**64.54**	72.93	82.41	93.13	96.85	100.73
2"	**107.58**	121.56	137.37	155.22	161.43	167.89
3"	**215.19**	243.16	274.77	310.49	322.91	335.83
4"	**430.38**	486.33	549.56	621.00	645.84	671.67
6"	**901.74**	1,018.97	1,151.43	1,301.12	1,353.17	1,407.29
8"	**1,803.48**	2,037.94	2,302.87	2,602.24	2,706.33	2,814.59
Volume Rate Per 1,000 Gal						
- 10,000	**3.44**	3.89	4.40	4.97	5.17	5.37
10,001 20,000	**4.31**	4.87	5.50	6.21	6.46	6.72
20,001 Above	**5.38**	6.08	6.87	7.76	8.07	8.39
Rate Adjustment (%)		**13.0%**	**13.0%**	**13.0%**	**4.0%**	**4.0%**
WASTEWATER						
Residential						
Monthly Flat Charge		adopted	adopted			
All Accounts	**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Commercial						
Monthly Minimum Charge						
3/4"	**40.23**	44.66	49.57	55.02	56.67	58.37
1"	**69.12**	76.72	85.16	94.53	97.36	100.29
1 1/2"	**139.67**	155.04	172.09	191.02	196.75	202.65
2"	**223.57**	248.16	275.46	305.76	314.93	324.38
3"	**419.47**	465.62	516.83	573.69	590.90	608.62
4"	**838.93**	931.21	1,033.64	1,147.34	1,181.76	1,217.21
6"	**1,677.86**	1,862.43	2,067.30	2,294.70	2,363.54	2,434.44
8"	**3,355.73**	3,724.86	4,134.59	4,589.40	4,727.08	4,868.89
Volume Rate Per 1,000 Gal						
- 10,000	**4.18**	4.64	5.15	5.72	5.89	6.07
10,001 20,000	**5.24**	5.82	6.46	7.17	7.38	7.61
20,001 Above	**6.55**	7.27	8.07	8.95	9.22	9.50
Rate Adjustment (%)		**11.0%**	**11.0%**	**11.0%**	**3.0%**	**3.0%**

SCENARIO 3 | 33M DEBT| RATE PLAN

		Current	Effective				
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge							
3/4"		**$ 21.52**	$ 24.53	$ 27.96	$ 31.32	$ 34.45	$ 36.52
1"		**32.28**	36.80	41.95	46.99	51.69	54.79
1 1/2"		**64.54**	73.58	83.88	93.94	103.34	109.54
2"		**107.58**	122.64	139.81	156.58	172.24	182.58
3"		**215.19**	245.31	279.66	313.21	344.54	365.21
4"		**430.38**	490.64	559.33	626.45	689.09	730.44
6"		**901.74**	1,027.99	1,171.90	1,312.53	1,443.79	1,530.41
8"		**1,803.48**	2,055.97	2,343.81	2,625.07	2,887.57	3,060.83
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	3.92	4.47	5.01	5.51	5.84
10,001	20,000	**4.31**	4.91	5.60	6.27	6.89	7.31
20,001	Above	**5.38**	6.13	6.99	7.83	8.61	9.13
Rate Adjustment (%)			**14.0%**	**14.0%**	**12.0%**	**10.0%**	**6.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 56.67	$ 58.37
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	55.02	56.67	58.37
1"		**69.12**	76.72	85.16	94.53	97.36	100.29
1 1/2"		**139.67**	155.04	172.09	191.02	196.75	202.65
2"		**223.57**	248.16	275.46	305.76	314.93	324.38
3"		**419.47**	465.62	516.83	573.69	590.90	608.62
4"		**838.93**	931.21	1,033.64	1,147.34	1,181.76	1,217.21
6"		**1,677.86**	1,862.43	2,067.30	2,294.70	2,363.54	2,434.44
8"		**3,355.73**	3,724.86	4,134.59	4,589.40	4,727.08	4,868.89
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.72	5.89	6.07
10,001	20,000	**5.24**	5.82	6.46	7.17	7.38	7.61
20,001	Above	**6.55**	7.27	8.07	8.95	9.22	9.50
Rate Adjustment (%)			**11.0%**	**11.0%**	**11.0%**	**3.0%**	**3.0%**

SCENARIO 4 | 63M DEBT| RATE PLAN

		Current	Effective				
		Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
WATER							
Monthly Minimum Charge							
3/4"		**$ 21.52**	$ 25.39	$ 29.96	$ 35.35	$ 41.01	$ 46.75
1"		**32.28**	38.09	44.95	53.04	61.53	70.14
1 1/2"		**64.54**	76.16	89.87	106.05	123.01	140.23
2"		**107.58**	126.94	149.79	176.75	205.03	233.74
3"		**215.19**	253.92	299.63	353.56	410.13	467.55
4"		**430.38**	507.85	599.27	707.13	820.27	935.11
6"		**901.74**	1,064.06	1,255.59	1,481.59	1,718.65	1,959.26
8"		**1,803.48**	2,128.11	2,511.17	2,963.18	3,437.29	3,918.51
Volume Rate Per 1,000 Gal							
-	10,000	**3.44**	4.06	4.79	5.66	6.56	7.48
10,001	20,000	**4.31**	5.08	6.00	7.07	8.21	9.35
20,001	Above	**5.38**	6.34	7.49	8.83	10.25	11.68
Rate Adjustment (%)			**18.0%**	**18.0%**	**18.0%**	**16.0%**	**14.0%**
WASTEWATER							
Residential							
Monthly Flat Charge			adopted	adopted			
All Accounts		**$ 40.23**	$ 44.66	$ 49.57	$ 55.02	$ 61.07	$ 67.79
Commercial							
Monthly Minimum Charge							
3/4"		**40.23**	44.66	49.57	55.02	61.07	67.79
1"		**69.12**	76.72	85.16	94.53	104.93	116.47
1 1/2"		**139.67**	155.04	172.09	191.02	212.03	235.36
2"		**223.57**	248.16	275.46	305.76	339.39	376.73
3"		**419.47**	465.62	516.83	573.69	636.79	706.84
4"		**838.93**	931.21	1,033.64	1,147.34	1,273.55	1,413.64
6"		**1,677.86**	1,862.43	2,067.30	2,294.70	2,547.11	2,827.30
8"		**3,355.73**	3,724.86	4,134.59	4,589.40	5,094.23	5,654.59
Volume Rate Per 1,000 Gal							
-	10,000	**4.18**	4.64	5.15	5.72	6.35	7.04
10,001	20,000	**5.24**	5.82	6.46	7.17	7.96	8.83
20,001	Above	**6.55**	7.27	8.07	8.95	9.94	11.03
Rate Adjustment (%)			**11.0%**	**11.0%**	**11.0%**	**11.0%**	**11.0%**

SCENARIO COMPARISON | IMPACT ON MONTHLY CHARGES

Water and Wastewater Utility	Effective											
	Nov-24		Nov-25		Nov-26		Nov-27		Nov-28		Nov-29	
5,000 Gal W, 5,000 WW												
SCN I -- $13M Debt	**$**	**78.96**	$	87.65	$	97.29	$	104.06	$	107.18	$	110.40
Increase -- %				11.0%		11.0%		7.0%		3.0%		3.0%
SCN II - $23M Debt		**78.96**		88.42		99.02		110.90		114.79		118.81
Increase -- %				12.0%		12.0%		12.0%		3.5%		3.5%
SCN III - $33M Debt		**78.96**		88.81		99.90		111.39		118.68		124.10
Increase -- %				12.5%		12.5%		11.5%		6.5%		4.6%
SCN IV - $63M Debt		**78.96**		90.36		103.50		118.65		134.89		151.94
Increase -- %				14.4%		14.5%		14.6%		13.7%		12.6%

SCENARIO COMPARISON | IMPACT ON MONTHLY CHARGES

Water and Wastewater Utility	Effective					
	Nov-24	Nov-25	Nov-26	Nov-27	Nov-28	Nov-29
10,000 Gal W, 10,000 WW						
SCN I -- $13M Debt	**$ 96.17**	$ 106.76	$ 118.50	$ 127.18	$ 130.99	$ 134.92
Increase -- %		11.0%	11.0%	7.3%	3.0%	3.0%
SCN II - $23M Debt	**96.17**	107.87	121.00	135.74	140.62	145.67
Increase -- %		12.2%	12.2%	12.2%	3.6%	3.6%
SCN III - $33M Debt	**96.17**	108.43	122.27	136.45	146.24	153.31
Increase -- %		12.7%	12.8%	11.6%	7.2%	4.8%
SCN IV - $63M Debt	**96.17**	110.67	127.46	146.93	167.69	189.34
Increase -- %		15.1%	15.2%	15.3%	14.1%	12.9%

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QUESTIONS & DISCUSSION

Disclosure

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