

**INTERGOVERNMENTAL AGREEMENT
BETWEEN LAKE HAVASU CITY, ARIZONA
AND HORIZON SIX IMPROVEMENT DISTRICT
Water Services**

This Intergovernmental Agreement (hereinafter “Agreement”) is entered into between Horizon Six Improvement District, (hereinafter “DISTRICT”), and Lake Havasu City, Arizona, (hereinafter “CITY”), acting by and through its City Council.

WHEREAS, the purpose of this Agreement is to provide for water service to the residential water system of DISTRICT; and

WHEREAS, DISTRICT is empowered to enter into this Agreement pursuant to A.R.S. § 48-901 et seq. and has, by the attached resolution, resolved to enter into this Agreement; and

WHEREAS, CITY is empowered to enter into this Agreement pursuant to A.R.S. §§ 9-276 and 11-952 and has, by the attached resolution, resolved to enter into this Agreement; and

WHEREAS, both CITY and DISTRICT have determined it is in the best interest of their respective entities to enter into this Agreement.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, it is agreed as follows:

Section 1. Water Sale, Purchase, and Delivery

- A. CITY agrees to sell and make available to the DISTRICT and DISTRICT agrees to purchase in accordance with metered DISTRICT demand and master meter quantity, water supply at the delivery point location provided herein. DISTRICT customer water meters are used to calculate water deliveries. DISTRICT reimburses City for **non-metered water**.
- B. **“Non-metered water”** is defined as water not metered through the individual residential meters, but provided to the DISTRICT’s system through the master meter. It is the total water provided to the DISTRICT, but not billed to individual property meters. Water usage from fire, losses, leaks, and theft comprise non-metered water.
- C. CITY and DISTRICT mutually recognize CITY’s November 14, 1968 Contract No. 14-06-W-203 with the United States of America permits CITY to contract to deliver to DISTRICT for domestic uses an amount of water not to exceed 170 acre-feet per calendar year of Colorado River water.
- D. **“Delivery point”** for water supply under this Agreement shall be DISTRICT’s single booster station at 3946 Chickasaw Drive, in Lake Havasu City, Mohave County,

Arizona. DISTRICT owns and operates a variable-speed packaged booster pumping system installed in 2017.

- E. Upon DISTRICT's acceptance of water at the delivery point, the DISTRICT takes sole and exclusive possession, control, and responsibility for the water, per all applicable regulations, including those of Lake Havasu Water and Wastewater Regulations, the Environmental Protection Agency ("EPA"), and Arizona Department of Environmental Quality ("ADEQ").

Section 2. Water Rate, Fees, and Billing

- A. CITY shall assess and collect DISTRICT water purchase by direct DISTRICT customer billing at prevailing Lake Havasu City water rates, as may be amended from time to time, inclusive of CITY administrative billing and reporting burden expense for water delivered to each of the DISTRICT's active, connected customer water meter as outlined in the attached **Exhibit "A."** **Exhibit "A"** will be updated as an addendum to this Agreement with changes in adopted water rates, but the affected water rates will become effective through the normal CITY processes and timeline.
- B. DISTRICT shall assume costs for the installation and replacement of a master meter, which is owned and maintained by the CITY. The master meter measures the total flow for the determination of non-metered water, including fire flow and the DISTRICT's Colorado River Water usage. The CITY will reasonably act and take corrective measures to ensure the master meter records are within the accuracy limits recognized by the American Water Works Association.
- C. CITY shall bill DISTRICT for non-metered water quantity as measured by a master meter in accordance with the utility rate schedule and administrative fee set forth in **Exhibit "A."**
- D. CITY shall bill DISTRICT actual hours worked for DISTRICT authorized and CITY accepted maintenance and repair activities in accordance with fully burdened rate recovery for activities.
- E. CITY shall collect and remit to DISTRICT in full a monthly district fee as set forth in the attached **Exhibit "A"** per each DISTRICT active, connected customer account.
- F. "**District fee**" includes DISTRICT expenses incurred in DISTRICT booster system operation and in administering future maintenance reserve account for purpose of funding DISTRICT water system maintenance, repair, and replacement expenses.
- G. DISTRICT customers shall be subject to CITY billing policies and practices and CITY administrative fees not otherwise contemplated in this Agreement.
- H. CITY shall provide DISTRICT with a quarterly summary of DISTRICT customer and DISTRICT direct billings in addition to DISTRICT customer water quantity use for

periods ending March 31, June 30, September 30, and December 31 of each calendar year for Agreement duration.

Section 3. Water Quality and Compliance

- A. Water supplied by the CITY to the DISTRICT under this Agreement shall comply, at the delivery point, with governing EPA and ADEQ drinking water rules and all applicable federal, state, and local laws and regulations. After the DISTRICT takes possession of the water at the delivery point, then the DISTRICT accepts sole responsibility for water quality.
- B. The DISTRICT shall prepare and distribute the DISTRICT's consumer confidence report with information provided by the CITY.
- C. The CITY or DISTRICT will immediately notify the CITY or DISTRICT of water quality emergencies and both parties will coordinate public notice.

Section 4. Water System Operation and Maintenance

- A. The DISTRICT shall retain overall system management and operation of the DISTRICT's water system.
- B. In its mutual interest to minimize non-metered water quantity, the CITY will test, repair or replace DISTRICT customer water meters when CITY reasonably observes meter performance or age may affect meter recording within the accuracy limits recognized by the American Water Works Association.
- C. Maintenance and repair work to DISTRICT's water system shall meet applicable CITY standards and applicable Mohave County Standard Specifications and Details when work is performed by the CITY.
- D. The DISTRICT is responsible to provide adequate fire flow as reasonably capable through DISTRICT water distribution infrastructure and is responsible for any disruption of service or impact to the DISTRICT's water system as a result of use by CITY.
- E. The CITY shall notify DISTRICT within one (1) business day of any non-emergency event impacting condition or operation of DISTRICT's water system as discovered through routine CITY visual inspection or DISTRICT customer service request receipt. CITY shall notify DISTRICT as reasonably practical within two (2) hours of emergency event discovery impacting DISTRICT delivery of safe drinking water to DISTRICT customers. DISTRICT provides an emergency and non-emergency contact number and e-mail addresses for this notification. CITY fulfills this requirement by leaving a message or text and e-mail confirmation.

- F. CITY maintains sole discretion to accept DISTRICT requests to perform maintenance and repair work to mitigate non-emergency event impacts to DISTRICT's water system.
- G. CITY maintains sole discretion to perform maintenance and repair work to mitigate emergency event impacts to DISTRICT's water system. An emergency event represents any real or imminent impact on DISTRICT delivery of safe drinking water to DISTRICT customers.

Section 5. Terms and Conditions

- A. The Agreement shall be for a term of five (5) years.
- B. This Agreement may be modified or terminated upon ninety (90) days written notice from either party authorized by a majority vote of the terminating party's legislative body.
- C. In the event of termination or expiration of this Agreement, all improvements made or equipment installed to the DISTRICT water system shall remain property of the DISTRICT, unless otherwise specified in this Agreement.
- D. Notices. Notices concerning this agreement shall be sent to:

CITY:

Jess Knudson
 City Manager
 Lake Havasu City
 2330 McCulloch Blvd. N.
 Lake Havasu City, AZ 86403

DISTRICT:

Steven P. Latoski, P.E., PTOE
 Public Works Director
 Mohave County
 P.O. Box 7000
 Kingman, AZ 86402-7000

- E. This Agreement may be canceled in accordance with A.R.S. § 38-511.
- F. (1) With exception of Paragraph F (2), neither party shall incur legal liability for the action of the other under the terms and conditions of this Agreement. Each party shall be solely and entirely responsible for its acts and the acts of its employees and agents during the performance of this Agreement. The parties hereto shall be liable for damages to and/or theft of property, injuries or death to any persons, or any other loss or liability resulting from the negligence or intentional act or acts of their own employees or agents in carrying out the provisions of this Agreement.
- (2) DISTRICT shall defend CITY in any lawsuit filed challenging the validity of this Agreement by a third party.
- (3) Each party (as "Indemnitor") agrees to indemnify, defend, save, and hold harmless the other party (as "Indemnitee") from and against any and all claims, actions, liabilities, damages, costs, losses, or expenses (including but not limited to, court

costs, attorneys' fees, and costs of claim processing, investigation, and litigation) to which any Indemnitee may become subject, under any theory of liability ("Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its owners, officers, directors, officials, agents, employees, contractors, or volunteers.

- G. This Agreement constitutes the entire understanding of the parties with respect to the subject matter thereof. Any amendment or modification of this Agreement shall be made only by a written instrument executed by authorized representatives of the parties.

Section 6. Signatures

Signatures represent agreement and acceptance of terms as included herein:

Lake Havasu City:

Horizon Six Improvement District:

Cal Sheehy, Mayor

Hildy Angius, Chairman
Mohave County Board of Supervisors,
Acting as Board of Directors of District

Dated: _____

Dated: _____

Attest:

Ginny Anderson
Clerk of the Board

Approved as to Form:

Approved as to Form:

Kelly Garry, City Attorney

Ryan Esplin, Deputy County Attorney

EXHIBIT A

**LAKE HAVASU CITY
FEE SCHEDULE**

Service	Fee	Frequency
Monthly Base Charges	See Exhibit A-1	Monthly
Administrative Fee	13%	Monthly
Water Usage Fees	See Exhibit A-1	Monthly
Non-Metered Water Fee	\$1.78 per ccf	Monthly

**HORIZON
FEE SCHEDULE
“District Fee”
(Forwarded to Horizon quarterly)**

Service	Fee	Frequency
Electricity/Maintenance Pneumatic System	\$2.17 per ccf for all users	Monthly
Future Maintenance Reserves	\$5.75 per account	Monthly

EXHIBIT A-1

Effective November 1, 2023		
Property Type	Usage (Cubic Feet)	Rate per 100 Cubic Feet
Residential <i>Includes Irrigation</i>	0 - 300 cf	\$ -
	301 - 1,500 cf	\$ 1.95
	1,501 - 5,000 cf	\$ 2.44
	Over 5,000 cf	\$ 3.29

Monthly Base Charges	
Water Meter Size	Amount
3/4"	\$ 9.02
1"	\$ 15.06
1 1/2"	\$ 30.03
2"	\$ 48.07
3"	\$ 96.14
4"	\$ 150.32
6"	\$ 300.61
8"	\$ 480.99

Effective September 1, 2024		
Property Type	Usage (Cubic Feet)	Rate per 100 Cubic Feet
Residential <i>Includes Irrigation</i>	0 - 300 cf	\$ -
	301 - 1,500 cf	\$ 2.00
	1,501 - 5,000 cf	\$ 2.50
	Over 5,000 cf	\$ 3.38

Monthly Base Charges	
Water Meter Size	Amount
3/4"	\$ 10.10
1"	\$ 16.87
1 1/2"	\$ 33.64
2"	\$ 53.85
3"	\$ 107.69
4"	\$ 168.37
6"	\$ 336.72
8"	\$ 538.76

Effective September 1, 2025		
Property Type	Usage (Cubic Feet)	Rate per 100 Cubic Feet
Residential <i>Includes Irrigation</i>	0 - 300 cf	\$ -
	301 - 1,500 cf	\$ 2.22
	1,501 - 5,000 cf	\$ 2.78
	Over 5,000 cf	\$ 3.75

Monthly Base Charges		
Water Meter Size	Amount	
3/4"	\$	11.21
1"	\$	18.72
1 1/2"	\$	37.35
2"	\$	59.77
3"	\$	119.53
4"	\$	186.89
6"	\$	373.76
8"	\$	598.03

Effective September 1, 2026		
Property Type	Usage (Cubic Feet)	Rate per 100 Cubic Feet
Residential <i>Includes Irrigation</i>	0 - 300 cf	\$ -
	301 - 1,500 cf	\$ 2.49
	1,501 - 5,000 cf	\$ 3.11
	Over 5,000 cf	\$ 4.20

Monthly Base Charges		
Water Meter Size	Amount	
3/4"	\$	12.45
1"	\$	20.78
1 1/2"	\$	41.45
2"	\$	66.35
3"	\$	132.68
4"	\$	207.45
6"	\$	414.87
8"	\$	663.81

Effective September 1, 2027		
Property Type	Usage (Cubic Feet)	Rate per 100 Cubic Feet
Residential <i>Includes Irrigation</i>	0 - 300 cf	\$ -
	301 - 1,500 cf	\$ 2.90
	1,501 - 5,000 cf	\$ 3.63
	Over 5,000 cf	\$ 4.89

Monthly Base Charges		
Water Meter Size	Amount	
3/4"	\$	13.82
1"	\$	23.07
1 1/2"	\$	46.01
2"	\$	73.65
3"	\$	147.28
4"	\$	230.27
6"	\$	460.50
8"	\$	736.83