

**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 pursuant to Arizona Revised Statutes (A.R.S.) § 9-101.02 as trustee of the Lake Havasu Irrigation and Drainage District (hereinafter “IDD”).

**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. It is made up of water from fire use, lost water from leaks, or water theft.
- 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 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 the IDD, 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 IDD Out-of-District 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 all costs for the installation of a master meter, which is owned and maintained by the CITY. The master meter measures total flow for determination of **non-metered water**, including fire flow and the DISTRICT’s Colorado River Water usage. The CITY will reasonably act and take corrective measure 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 master meter in accordance with the Out of District 0-1,300 cubic feet rate 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 and water quality testing activities in accordance with its procedures for fully burdened rate recovery and administrative fee set forth in **Exhibit “A”** for all activities. The 10% surcharge identified in Exhibit “A” will be applied to labor for repair and maintenance activities only.
- 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 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 CITY shall perform water quality testing for the DISTRICT and report that information to the DISTRICT in a timely manner.
- C. The DISTRICT shall prepare and distribute the DISTRICT's consumer confidence report with information provided by the CITY.
- D. 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 shall ensure adequate fire flow as reasonably capable through DISTRICT water distribution infrastructure and be 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 "Indemnatee") 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 Indemnatee 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 Indemnatee 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.

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**Section 6. Signatures**

Signatures represent agreement and acceptance of terms as included herein:

Lake Havasu City:

Horizon Six Improvement District:

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Jess Knudson, City Manager

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

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Attest:

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Ginny Anderson  
Clerk of the Board

Approved as to Form:

Approved as to Form:

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Kelly Garry, City Attorney

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Ryan Esplin, Deputy County Attorney

## EXHIBIT A

### LAKE HAVASU CITY FEE SCHEDULE

<b>Service</b>	<b>Fee</b>	<b>Frequency</b>
Meter Read and Maintenance	\$6.45 per meter	Monthly
Booster Pump System	\$1.80 per account	Monthly
Administrative Fee	10.6%	Monthly
Surcharge	10%	Monthly
<b>Water Usage Fees – Out of District</b>		
0-1,300 cubic feet	\$1.69 per ccf	Monthly
1,301-2,500	\$2.20 per ccf	Monthly
2,501 – 5,000	\$2.70 per ccf	Monthly
Over 5,000	\$3.38 per ccf	Monthly
<b>Non-Metered Water Charge to District</b>	\$1.69 per ccf	Monthly

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

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