ARIZONA DEPARTMENT OF TRANSPORTATION

HIGHWAY DIVISION

AGRICULTURAL DRAINAGE WATER

RECOVERY AGREEMENT

SR 360 - SUPERSTITION FREEWAY

AGREEMENT NO. 1073-83

THIS AGREEMENT, made this 5th day of October 1983, by and between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION, first party, hereinafter called "STATE", and the SALT RIVER PROJECT, AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, a political subdivision of the STATE called the "DISTRICT".

RECITALS:

1. Prior to construction of the Superstition Freeway (SR 360), the DISTRICT had irrigation delivery ditches on land acquired by the STATE as right of way for the Freeway.

2. Since the STATE desired to construct the Freeway in this area below the grade of existing delivery ditches, the DISTRICT and STATE agreed that siphons would be necessary to continue water delivery to lands south of SR 360. The cost of construction and maintaining above SR 360 would be excessive.

3. The cost of maintaining siphons is greater than maintaining open delivery ditches, therefore, the STATE is agreeing by this document to pay for the maintenance of these siphons as a part of the cost of relocation.

4. It is impossible to determine the exact future maintenance costs of the siphons for the reason that the life of the freeway and siphons is approximately 50 years, but as soon as the agricultural land served by the siphons become urbanized, the water delivery may no longer be necessary and the siphon could become inactive requiring no further maintenance.

5. Upon completion of the Superstition Freeway to the Eastern Canal crossing,the DISTRICT will have eight (8) irrigation pipeline siphons undercrossing the Freeway at the following locations: Extension Road, Arizona Avenue, Mesa Drive, Horne Street, the east and west side of Stapley Drive, 32nd Street and Val Vista Drive.

AGREEMENT:

As there is the desire of both parties to formalize their agreement and understanding on maintenance of siphons, it is agreed that:

A. The STATE will make payment to the DISTRICT in the amount of $123,531.46 upon signing of this agreement.

B. The payment in Paragraph A is agreed to be a reasonable accurate estimate of the amount required for additional maintenance of the eight (8) siphons undercrossing SR 360 at Extension Road, Arizona Avenue, Mesa Drive, Horne Street, the east and west side of Stapley Drive, 32nd Street and Val Vista Drive for the 10 year period covered by this Agreement.

C. Exhibit "A" fully explains the method of determining the amount as set forth in Paragraph A.

D. This Agreement shall be effective commencing January 1, 1983, and shall remain in effect for ten (10) years. Thereafter, said agreement, unless modified as set forth hereunder, shall be renewable for (4) subsequent ten-year periods for a total of fifty (50) years. At the end of each ten-year period, the STATE and DISTRICT will review the cost of maintenance for each siphon crossing for such period. These costs will be compared with the cost of maintenance, during the same period, for the two non-siphon freeway crossings located at Center Street and the west side of the Eastern Canal. If the per foot cost of maintenance for any one of the eight siphons does not exceed the average per foot cost of maintenance for the non-siphon crossings, that siphon will be excluded from the Agreement, at that time, and this agreement will be negotiated for the remaining years of the agreement time. This review

procedure shall continue until all eight siphons have been excluded from the Agreement, or until the end of the last period, which ever occurs first. In the event all eight siphons are excluded prior to the end of the last ten year period, this Agreement shall be terminated and all obligations hereunder shall cease. If the cost review at the end of the last ten-year period indicates there will be siphons requiring continued maintenance in excess of the average per foot cost for non-siphons, this Agreement will be renewed for a period of time mutually agreed to by the STATE and DISTRICT.

E. If during any ten-year period covered by the agreement or subsequent agreements a siphon is no longer needed for water delivery, the DISTRICT will notify STATE and return to the STATE any monies advanced for its maintenance not used for such purposes in accordance with the formula shown in Exhibit "A".

F. Each renewable period shall be based on the then current actual maintenance costs. In order to assist the STATE in its budget process, during the eighth year of each contract period, the DISTRICT will furnish STATE its estimate of maintenance costs for the next ten-year contract period and during the ninth and tenth years update that information.

G. The STATE shall prepare a budget which includes this agreement as a budget item but if no money is appropriated by the Legislature or the amount sought is reduced by the Legislative process, the obligations of the STATE for which funds were sought shall be null and void to the extent the funds were not appropriated. In the event the Legislature does not appropriate adequate funds or reduces the amount of money sought for a particular budget proposal affecting this Agreement, the STATE will pursue with diligence full funding in all future budget proposals including compensating funds for any previous periods where funds were not provided in full or otherwise reduced from amount required under this Agreement.

ARIZONA DEPARTMENT OF TRANSPORTATION
HIGHWAYS DIVISION

THOMAS R. LAMMERS
Assistant Director
and State Engineer

WALTER O. FORD
Chief Deputy State Engineer

Recommended by:

GARY L. BOURNE, P.E., Manager
Utility and Railroad
Engineering Services

SALT RIVER PROJECT, AGRICULTURAL
IMPROVEMENT AND POWER DISTRICT

President

Attest:

Secretary

GLB:rh

Revised 7/21/83

METHOD FOR DETERMINING MAINTENANCE AGREEMENT COSTS

Estimated Annual Inflation Rate	=	6%
Annual Interest Rate	=	9.25%

$$I_{ADJ} = \frac{I-R}{1+R}$$

$I = \frac{0.0925-0.06}{1+0.06}$	=	0.03066
Therefore use 3%		
Ten Year Present Worth Factor	=	8.53

Use:

Yearly Inspection Per Siphon	=	$603
Cleaning Charge Per Siphon	=	$4,829

Then:

To Inspect 8 Siphons Per Year

$603 (8) (8.53)	=	$41,148.72

To Clean 2 Siphons Per Year

$4829 (2) (8.53)	=	$82,382.74
Therefore Total Advance Payment	=	$123,531.46

$$I_{ADJ} = \frac{I-R}{1+R}$$

I_{ADJ} = Adjusted Interest

I = Annual Interest

R = Annual Inflation Rate

EXHIBIT A

SALT RIVER PROJECT
P.O. BOX 1980
PHOENIX, ARIZONA 85001

VICTOR I. CORBELL, PRESIDENT
FLOYD N. SMITH, VICE-PRESIDENT
R. J. McMULLIN, GENERAL MANAGER

December 1, 1966

Arizona Highway Department
206 S. 17th Avenue
Phoenix, Arizona 85007

RECEIVED
DEC 2 1966
UTILITY RELOCATION

Attn: Ed Brown, Utility Engineering Supervisor

Subject: Prior rights of way for Salt River Project irrigation facilities.

Gentlemen:

The Salt River Valley Water Users' Association operates the irrigation system of the Salt River Project under contract with the United States of America. The irrigation facilities and appurtenant rights of way are owned by the United States of America. Rights of way for these facilities were reserved in the patents to the underlying property pursuant to the Act of August 30, 1890, wherein rights of way were reserved for ditches and canals constructed by authority of the United States.

We trust that this right of way reservation will be sufficient to prove prior right of way for reimbursement of costs necessary to relocate our irrigation facilities for highway improvement purposes.

Sincerely,

Ted Walker

Ted Walker, Supervisor,
Right of Way Division

TW:1

ACKNOWLEDGMENT BY COMPANY OR CORPORATION

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the 21ST day of SEPTEMBER, 1983, before me DON E. SMITH, the undersigned officer, personally appeared JOHN R. LASSEN and PAUL D. RICE who acknowledged themselves to be the _____ President and _____ Secretary, respectively, of SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, a corporation, and that they, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires May 3, 1987

Don E. Smith
Notary Public

DON E. SMITH NOTARY PUBLIC MARICOPA COUNTY, ARIZ.

ACKNOWLEDGEMENT BY STATE

STATE OF ARIZONA

COUNTY OF MARICOPA

On this the 3rd day of October, 1983, before me, the undersigned Notary Public, personally appeared W. O. Ford, Chief Deputy State Engineer, Arizona Department of Transportation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposed therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

Jeanette Sutter
NOTARY PUBLIC

My Commission expires:

My Commission Expires Nov. 19, 1984