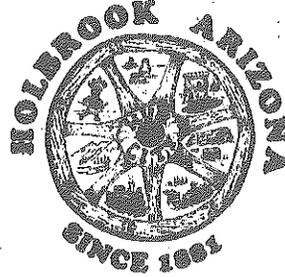


465 First Avenue
P.O. Box 970
Holbrook, AZ 86025

CITY OF HOLBROOK



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holbrookcity@ci.holbrook.az.us

CORRECTED AGENDA
SPECIAL MEETING OF THE
HOLBROOK CITY COUNCIL
NOVEMBER 15, 2016
6:00 P.M.

Pursuant to ARS 38-431.02, notice is hereby given to the Holbrook City Council, and to the general public, that a meeting, which is open to the public, will be held on above-mentioned date, in the City Council Chambers, at 465 First Avenue, Holbrook, Arizona. Some of the members of the City Council may choose to participate in this meeting telephonically. The City Council may adjourn into executive session, which will not be open to the public, to discuss certain matters in accordance with ARS 38-431.03.

The items on the following agenda are for discussion or consideration and possible action.

CONSENT AGENDA:

A. Claims/payment approval for November 3, 2016 thru November 9, 2016.

NEW BUSINESS:

- A. Discussion/possible action regarding water agreement between the City of Holbrook and Sun Valley Utilities-Council.
- B. Discussion/possible action regarding the Interim City Manager's position-Council.

EXECUTIVE SESSION:

- A. Pursuant to ARS 38-431.03(A)(3), the Council may adjourn into executive session for discussion or consultation for legal advice with the City Attorney on any item listed above or any item listed in this executive session and for legal advice regarding the Sun Valley Utilities Water Agreement.
- B. Pursuant to ARS 38-431.03 (A) (1), the Council may adjourn into executive session for discussion or consideration of Interim Manager Randall Sullivan Jr.'s employment contract.

Dated this 7th day of November 2016


Cher Reyes, CMC, CPM, City Clerk

CITY OF HOLBROOK

INVOICE APPROVAL REPORT

**BY GL NUMBER
EXCLUDING HOLBROOK TRIBUNE
AND WALT'S HARDWARE
11/03/2016 THRU 11/09/2016**

TOTAL

\$37,777.49

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date		1099	PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number	Quantity	Unit Price	Extended Price	Freight/Misc				
11/09/2016								
240 ADAMSON INDUSTRIES INC								
134295	1	Invoice		10/31/2016	1,621.65	Open Terms		.00
11/09/2016	None			11/16	003-000-4771		No	
	1.00	1,621.65	1,621.65		.00			
Total 134295:					1,621.65			
Total 240 ADAMSON INDUSTRIES INC:					1,621.65			
21240 ADVANCED INFOR SYSTEMS								
13383	1	Invoice	UTILITY BILLING	11/04/2016	247.21	Open Terms		.00
11/09/2016	None			11/16	002-090-5042		No	
	1.00	247.21	247.21		.00			
Total 13383:					247.21			
Total 21240 ADVANCED INFOR SYSTEMS:					247.21			
21240 ADVANCED INFOR SYSTEMS								
13383	2	Invoice	UTILITY BILLING	11/04/2016	247.21	Open Terms		.00
11/09/2016	None			11/16	002-092-5042		No	
	1.00	247.21	247.21		.00			
Total 13383:					247.21			
Total 21240 ADVANCED INFOR SYSTEMS:					247.21			
2497 BLUE HILLS ENVIRONMENTAL								
59642	1	Invoice	CONTRACTUAL SERVICES	09/21/2016	350.00	NET 7		.00
09/28/2016	None			11/16	002-090-5049		No	
	1.00	350.00	350.00		.00			
Total 59642:					350.00			
Total 2497 BLUE HILLS ENVIRONMENTAL:					350.00			
2497 BLUE HILLS ENVIRONMENTAL								
60273	1	Invoice	CONTRACTUAL SERVICES	09/27/2016	652.29	NET 7		.00
10/04/2016	None			11/16	002-090-5049		No	
	1.00	652.29	652.29		.00			
Total 60273:					652.29			
Total 2497 BLUE HILLS ENVIRONMENTAL:					652.29			
2497 BLUE HILLS ENVIRONMENTAL								
60301	1	Invoice	CONTRACTUAL SERVICES	09/29/2016	667.56	NET 7		.00
10/06/2016	None			11/16	002-090-5049		No	
	1.00	667.56	667.56		.00			
Total 60301:					667.56			
Total 2497 BLUE HILLS ENVIRONMENTAL:					667.56			

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date		1099	PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number			Quantity	Unit Price	Extended Price	Freight/Misc		
2497 BLUE HILLS ENVIRONMENTAL								
60372	1	Invoice	CONTRACTUAL SERVICES	10/06/2016	723.89	NET 7		.00
10/13/2016		None		11/16	002-090-5049		No	
			1.00	723.89	723.89	.00		
Total 60372:					723.89			
Total 2497 BLUE HILLS ENVIRONMENTAL:					723.89			
2497 BLUE HILLS ENVIRONMENTAL								
62429	1	Invoice	CONTRACTUAL SERVICES	10/13/2016	599.62	NET 7		.00
10/20/2016		None		11/16	002-090-5049		No	
			1.00	599.62	599.62	.00		
Total 62429:					599.62			
Total 2497 BLUE HILLS ENVIRONMENTAL:					599.62			
2497 BLUE HILLS ENVIRONMENTAL								
62476	1	Invoice	CONTRACTUAL SERVICES	10/19/2016	988.77	NET 7		.00
10/26/2016		None		11/16	002-090-5049		No	
			1.00	988.77	988.77	.00		
Total 62476:					988.77			
Total 2497 BLUE HILLS ENVIRONMENTAL:					988.77			
2497 BLUE HILLS ENVIRONMENTAL								
62486	1	Invoice	CONTRACTUAL SERVICES	10/19/2016	614.45	NET 7		.00
10/26/2016		None		11/16	002-090-5049		No	
			1.00	614.45	614.45	.00		
Total 62486:					614.45			
Total 2497 BLUE HILLS ENVIRONMENTAL:					614.45			
2497 BLUE HILLS ENVIRONMENTAL								
62529	1	Invoice	CONTRACTUAL SERVICES	10/25/2016	171.79	NET 7		.00
11/01/2016		None		11/16	002-090-5049		No	
			1.00	171.79	171.79	.00		
Total 62529:					171.79			
Total 2497 BLUE HILLS ENVIRONMENTAL:					171.79			
2497 BLUE HILLS ENVIRONMENTAL								
62534	1	Invoice	CONTRACTUAL SERVICES	10/25/2016	563.94	NET 7		.00
11/01/2016		None		11/16	002-090-5049		No	
			1.00	563.94	563.94	.00		
Total 62534:					563.94			
Total 2497 BLUE HILLS ENVIRONMENTAL:					563.94			
2497 BLUE HILLS ENVIRONMENTAL								

Invoice Payment Due Date	Seq Part Number	Type	Description 1099 PO Number Quantity	GL Posting Period Unit Price	Invoice Date Extended Price	Total Cost GL Account Number Freight/Misc	Terms	Discount Date Recurring Payment	Discount Amount
62535 11/01/2016	1 None	Invoice	CONTRACTUAL SERVICES		10/25/2016 11/16	331.74 002-090-5049 331.74 .00	NET 7	No	.00
Total 62535:						331.74			
Total 2497 BLUE HILLS ENVIRONMENTAL:						331.74			
3140 CASELLE INC									
76464 11/01/2016	1 None	Invoice			11/01/2016 11/16	1,468.00 001-004-5047 1,468.00 .00	Open Terms	No	.00
Total 76464:						1,468.00			
Total 3140 CASELLE INC:						1,468.00			
20832 CMS, INC.									
20091656 11/09/2016	1 None	Invoice	SOFTWARE		10/24/2016 11/16	3,336.00 001-020-5049 3,336.00 .00	Open Terms	No	.00
Total 20091656:						3,336.00			
Total 20832 CMS, INC.:						3,336.00			
3750 COPPERSTATE BOLT & NUT									
I01802937 11/09/2016	1 None	Invoice			10/28/2016 11/16	326.84 001-085-5022 326.84 .00	Open Terms	No	.00
Total I01802937:						326.84			
Total 3750 COPPERSTATE BOLT & NUT:						326.84			
3350 FRONTIER COMM TELE									
110116 11/09/2016	1 None	Invoice			11/01/2016 11/16	139.96 001-060-5048 139.96 .00	Open Terms	No	.00
Total 110116:						139.96			
Total 3350 FRONTIER COMM TELE:						139.96			
3350 FRONTIER COMM TELE									
110116 11/09/2016	2 None	Invoice			11/01/2016 11/16	1,259.85 001-050-5048 1,259.85 .00	Open Terms	No	.00
Total 110116:						1,259.85			
Total 3350 FRONTIER COMM TELE:						1,259.85			
3350 FRONTIER COMM TELE									

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date			PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number	1099		Quantity	Unit Price	Extended Price	Freight/Misc		
110116	3	Invoice		11/01/2016	157.23	Open Terms		.00
11/09/2016		None		11/16	001-085-5048		No	
			1.00	157.23	157.23	.00		
Total 110116:					157.23			
Total 3350 FRONTIER COMM TELE:					157.23			
3350 FRONTIER COMM TELE								
110116	4	Invoice		11/01/2016	207.67	Open Terms		.00
11/09/2016		None		11/16	001-093-5048		No	
			1.00	207.67	207.67	.00		
Total 110116:					207.67			
Total 3350 FRONTIER COMM TELE:					207.67			
3350 FRONTIER COMM TELE								
110116	5	Invoice		11/01/2016	320.11	Open Terms		.00
11/09/2016		None		11/16	002-092-5048		No	
			1.00	320.11	320.11	.00		
Total 110116:					320.11			
Total 3350 FRONTIER COMM TELE:					320.11			
3350 FRONTIER COMM TELE								
110116	6	Invoice		11/01/2016	135.81	Open Terms		.00
11/09/2016		None		11/16	001-040-5048		No	
			1.00	135.81	135.81	.00		
Total 110116:					135.81			
Total 3350 FRONTIER COMM TELE:					135.81			
5241 FUTURE TIRE, INC.								
42159	1	Invoice		10/18/2016	89.24	NET 7		.00
10/25/2016		None		11/16	001-050-5024		No	
			1.00	89.24	89.24	.00		
Total 42159:					89.24			
Total 5241 FUTURE TIRE, INC.:					89.24			
21380 HOLBROOK FIRST STEP								
110116	1	Invoice	PROFESSIONAL SERVICES	11/01/2016	67.50	Open Terms		.00
11/09/2016		None		11/16	006-014-5049		No	
			1.00	67.50	67.50	.00		
Total 110116:					67.50			
Total 21380 HOLBROOK FIRST STEP:					67.50			
22591 Hughes Supply								

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date		1099	PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number			Quantity	Unit Price	Extended Price	Freight/Misc		
S148745642.	1	Invoice		10/24/2016	90.96	Open Terms		.00
11/09/2016		None		11/16	002-092-5026		No	
			1.00	90.96	90.96	.00		
Total S148745642.001:					90.96			
Total 22591 Hughes Supply:					90.96			
6760 IRS								
0433762244	1	Invoice		11/02/2016	2,302.40	Open Terms		.00
11/09/2016		None		11/16	001-004-5054		No	
			1.00	2,302.40	2,302.40	.00		
Total 0433762244:					2,302.40			
Total 6760 IRS:					2,302.40			
8270 MOHAVE ENVIRONMENTAL LAB								
78205	1	Invoice		11/03/2016	120.00	Open Terms		.00
11/09/2016		None		11/16	002-092-5041		No	
			1.00	120.00	120.00	.00		
Total 78205:					120.00			
Total 8270 MOHAVE ENVIRONMENTAL LAB:					120.00			
8270 MOHAVE ENVIRONMENTAL LAB								
78201	1	Invoice		11/03/2016	175.00	Open Terms		.00
11/09/2016		None		11/16	002-092-5041		No	
			1.00	175.00	175.00	.00		
Total 78201:					175.00			
Total 8270 MOHAVE ENVIRONMENTAL LAB:					175.00			
8422 NACOG ASSESSMENT								
2016-01	1	Invoice		05/09/2016	500.00	NET 7		.00
05/16/2016		None		11/16	001-004-5043		No	
			1.00	500.00	500.00	.00		
Total 2016-01:					500.00			
Total 8422 NACOG ASSESSMENT:					500.00			
8422 NACOG ASSESSMENT								
2016-01	2	Invoice		05/09/2016	414.00	NET 7		.00
05/16/2016		None		11/16	007-087-5043		No	
			1.00	414.00	414.00	.00		
Total 2016-01:					414.00			
Total 8422 NACOG ASSESSMENT:					414.00			

22598 Nu Yoga

Invoice Payment Due Date	Seq Part Number	Type	Description PO Number Quantity	1099	GL Posting Period Unit Price	Invoice Date Extended Price	Total Cost GL Account Number Freight/Misc	Terms	Discount Date Recurring Payment	Discount Amount
110316 11/09/2016	1	Invoice Nonemployee				11/03/2016 11/16	240.00 001-031-5571 .00	Open Terms	No	.00
Total 110316:							240.00			
Total 22598 Nu Yoga:							240.00			
22097 PERFECT PRINTZ										
21114 11/09/2016	1	Invoice None	PRINTING			11/03/2016 11/16	123.23 001-050-5046 .00	Open Terms	No	.00
Total 21114:							123.23			
Total 22097 PERFECT PRINTZ:							123.23			
21028 PRO FORCE										
291411 11/09/2016	1	Invoice None	AMMUNITION			11/02/2016 11/16	418.53 001-050-5022 .00	Open Terms	No	.00
Total 291411:							418.53			
Total 21028 PRO FORCE:							418.53			
9955 QUALITY READY MIX-CEMEX										
9434414903 12/02/2016	1	Invoice None				11/02/2016 11/16	1,697.21 007-087-5026 .00	1% 15TH, NET 30T	11/17/2016 No	16.00
Total 9434414903:							1,697.21			
Total 9955 QUALITY READY MIX-CEMEX:							1,697.21			
20444 REIDHEAD CUSTOM FARMING, INC.										
1749 11/09/2016	1	Invoice None				11/08/2016 11/16	7,740.00 002-092-5049 .00	Open Terms	No	.00
Total 1749:							7,740.00			
Total 20444 REIDHEAD CUSTOM FARMING, INC.:							7,740.00			
650 ROUTE 66 LUMBER & HARDWARE										
37110 11/09/2016	1	Invoice None				10/12/2016 11/16	5.92 001-031-5026 .00	Open Terms	No	.00
Total 37110:							5.92			
Total 650 ROUTE 66 LUMBER & HARDWARE:							5.92			
650 ROUTE 66 LUMBER & HARDWARE										

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date		1099	PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number			Quantity	Unit Price	Extended Price	Freight/Misc		
37205	1	Invoice		10/20/2016	15.98	Open Terms		.00
11/09/2016		None		11/16	006-014-5026		No	
			1.00	15.98	15.98	.00		
Total 37205:					15.98			
Total 650 ROUTE 66 LUMBER & HARDWARE:					15.98			
10530 SAM'S CLUB 6604								
110116	1	Invoice		11/01/2016	217.85	Open Terms		.00
11/09/2016		None		11/16	001-004-5026		No	
			1.00	217.85	217.85	.00		
Total 110116:					217.85			
Total 10530 SAM'S CLUB 6604:					217.85			
21532 SMARTWORKSPLUS, INC.								
110116	1	Invoice	CONTRACT SERVICES	11/01/2016	2,717.05	Open Terms		.00
11/09/2016		None		11/16	001-040-5049		No	
			1.00	2,717.05	2,717.05	.00		
Total 110116:					2,717.05			
Total 21532 SMARTWORKSPLUS, INC.:					2,717.05			
21532 SMARTWORKSPLUS, INC.								
110116	2	Invoice	CONTRACT SERVICES	11/01/2016	4,862.13	Open Terms		.00
11/09/2016		None		11/16	002-092-5049		No	
			1.00	4,862.13	4,862.13	.00		
Total 110116:					4,862.13			
Total 21532 SMARTWORKSPLUS, INC.:					4,862.13			
22039 SMITH, KATHLEEN								
110716	1	Invoice	REIMBURSEMENT	11/07/2016	98.12	Open Terms		.00
11/09/2016		None		11/16	006-014-6004		No	
			1.00	98.12	98.12	.00		
Total 110716:					98.12			
Total 22039 SMITH, KATHLEEN:					98.12			
11200 SPRINKLER WORLD								
S3574877	1	Invoice		06/30/2016	13.98	Open Terms		.00
11/09/2016		None		11/16	001-031-5026		No	
			1.00	13.98	13.98	.00		
Total S3574877:					13.98			
Total 11200 SPRINKLER WORLD:					13.98			
3380 UNISOURCE ENERGY SERVICES								

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date			PO Number	GL Posting Period	GL Account Number		Recurring Payment	
	Part Number	1099	Quantity	Unit Price	Extended Price	Freight/Misc		
110116	2	Invoice		01/01/2016	21.55	Open Terms		.00
11/09/2016	None			11/16	001-004-5048		No	
			1.00	21.55	21.55	.00		
Total 110116:					21.55			
Total 3380 UNISOURCE ENERGY SERVICES:					21.55			
3380 UNISOURCE ENERGY SERVICES								
110116	3	Invoice		01/01/2016	15.98	Open Terms		.00
11/09/2016	None			11/16	002-090-5048		No	
			1.00	15.98	15.98	.00		
Total 110116:					15.98			
Total 3380 UNISOURCE ENERGY SERVICES:					15.98			
3380 UNISOURCE ENERGY SERVICES								
110116	4	Invoice		01/01/2016	97.32	Open Terms		.00
11/09/2016	None			11/16	001-099-5048		No	
			1.00	97.32	97.32	.00		
Total 110116:					97.32			
Total 3380 UNISOURCE ENERGY SERVICES:					97.32			
3380 UNISOURCE ENERGY SERVICES								
110116	5	Invoice		01/01/2016	19.55	Open Terms		.00
11/09/2016	None			11/16	001-031-5048		No	
			1.00	19.55	19.55	.00		
Total 110116:					19.55			
Total 3380 UNISOURCE ENERGY SERVICES:					19.55			
3380 UNISOURCE ENERGY SERVICES								
110116	6	Invoice		01/01/2016	29.32	Open Terms		.00
11/09/2016	None			11/16	002-090-5048		No	
			1.00	29.32	29.32	.00		
Total 110116:					29.32			
Total 3380 UNISOURCE ENERGY SERVICES:					29.32			
3380 UNISOURCE ENERGY SERVICES								
110116	7	Invoice		01/01/2016	21.85	Open Terms		.00
11/09/2016	None			11/16	007-087-5048		No	
			1.00	21.85	21.85	.00		
Total 110116:					21.85			
Total 3380 UNISOURCE ENERGY SERVICES:					21.85			
3380 UNISOURCE ENERGY SERVICES								

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date		1099	PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number			Quantity	Unit Price	Extended Price	Freight/Misc		
110116	8	Invoice		01/01/2016	24.93	Open Terms		.00
11/09/2016	None			11/16	001-085-5048		No	
			1.00	24.93	24.93	.00		
Total 110116:					24.93			
Total 3380 UNISOURCE ENERGY SERVICES:					24.93			
3380 UNISOURCE ENERGY SERVICES								
110116	9	Invoice		01/01/2016	19.55	Open Terms		.00
11/09/2016	None			11/16	001-093-5048		No	
			1.00	19.55	19.55	.00		
Total 110116:					19.55			
Total 3380 UNISOURCE ENERGY SERVICES:					19.55			
3380 UNISOURCE ENERGY SERVICES								
110116	10	Invoice		01/01/2016	27.22	Open Terms		.00
11/09/2016	None			11/16	001-093-5048		No	
			1.00	27.22	27.22	.00		
Total 110116:					27.22			
Total 3380 UNISOURCE ENERGY SERVICES:					27.22			
3380 UNISOURCE ENERGY SERVICES								
110116	11	Invoice		01/01/2016	35.65	Open Terms		.00
11/09/2016	None			11/16	001-060-5048		No	
			1.00	35.65	35.65	.00		
Total 110116:					35.65			
Total 3380 UNISOURCE ENERGY SERVICES:					35.65			
3380 UNISOURCE ENERGY SERVICES								
110116	12	Invoice		01/01/2016	32.59	Open Terms		.00
11/09/2016	None			11/16	001-048-5048		No	
			1.00	32.59	32.59	.00		
Total 110116:					32.59			
Total 3380 UNISOURCE ENERGY SERVICES:					32.59			
21262 PRECISION ELECTRIC								
1-076211A	1	Invoice	PARTS	08/30/2016	120.00	Open Terms		.00
11/09/2016	None			11/16	002-092-5026		No	
			1.00	120.00	120.00	.00		
Total 1-076211A:					120.00			
Total 21262 PRECISION ELECTRIC:					120.00			
12370 UNITED FIRE EQUIPMENT								

Invoice	Seq	Type	Description	Invoice Date	Total Cost	Terms	Discount Date	Discount Amount
Payment Due Date		1099	PO Number	GL Posting Period	GL Account Number		Recurring Payment	
Part Number			Quantity	Unit Price	Extended Price	Freight/Misc		
650243	1	Invoice		10/21/2016	215.39	Open Terms		.00
11/09/2016		None		11/16	001-060-5026		No	
			1.00	215.39	215.39	.00		
Total 650243:					215.39			
Total 12370 UNITED FIRE EQUIPMENT:					215.39			
9050 WELLS FARGO BANK								
110116	1	Invoice		11/01/2016	55.90	Open Terms		.00
11/09/2016		None		11/16	001-020-5026		No	
			1.00	55.90	55.90	.00		
Total 110116:					55.90			
Total 9050 WELLS FARGO BANK :					55.90			
Total 11/09/2016:					37,777.49			

11/9/2016 GL Period Summary

GL Period	Amount
11/16	37,777.49
Grand Totals:	37,777.49

Grand Totals: 37,777.49

Report GL Period Summary

GL Period	Amount
11/16	37,777.49
Grand Totals:	37,777.49

Vendor number hash: 367241
 Vendor number hash - split: 468985
 Total number of invoices: 38
 Total number of transactions: 56

Terms Description	Invoice Amount	Discount Amount	Net Invoice Amount
NET 7	6,667.29	.00	6,667.29
1% 15TH, NET 30TH	1,697.21	18.00	1,681.21
Open Terms	29,412.99	.00	29,412.99

AGREEMENT FOR SALE

THIS AGREEMENT is entered into as of the 16th day of March 2003 by the Sun Valley Utilities, Inc. ("Seller") and the City of Holbrook, an Arizona Municipal Corporation ("Buyer").

1. Recitals.

- 1.1 Seller owns and operates Sun Valley Utilities, Inc. ("Hereinafter known as the water system"). Seller provides water utility service to approximately 80 customers in the area of Sun Valley, Navajo County, Arizona, under a Certificate of Convenience and Necessity ("CC&N") issued by the Arizona Corporation Commission ("ACC") on _____ (Decision No. _____).
- 1.2 Buyer is an Arizona Municipal Corporation authorized to provide water service pursuant to A.R.S. § 9-511.

2. Consideration.

- 2.1 For consideration of the purchase of the water district, Buyer agrees to bring water from the City of Holbrook to the Sun Valley area within 5 years from the date of this agreement. Seller agrees after purchase by the Buyer to pay the prevailing rate for residential customers in the City of Holbrook. Seller agrees that Buyer can change the commercial rates at Buyer's discretion.
- 2.2 Buyer agrees, as soon as possible, to drill a new well at the cost of Buyer and to provide engineering, site surveys and ADEQ permits at Buyers cost.
- 2.3 Seller agrees to turn over all records relating to the water system to Buyer, including all billing software.
- 2.4 Seller agrees that it has disclosed all conditions relating to the system to Buyer. Seller agrees that after the closing date herein, Buyer is entitled to all revenue from the operation of the water system.

3. Assets Purchased.

- 3.1 It is the intent of the parties that Buyer is purchasing substantially all assets of the Seller, real and personal, tangible and intangible, as of the Closing Date. This is to include all water lines, easements wells, future well sites, storage tanks, valves,

pumps and related devices, buildings and improvements, other equipment, certain listed parts and supplies, waterworks software, water in place or storage, well registration, customer deposits, company name and goodwill, and customer lists.

- 3.2 Seller shall execute, on or before the Closing Date, in a form satisfactory to Buyer's counsel, all such warranty deeds, assignments, bills of sale, transfer of easements and all other instruments as may be required to convey to Buyer, free and clear of any liens or encumbrances except those of the Seller as described herein (or as may be approved in writing by Buyer), the assets of Seller being purchased as of the Closing Date.
 - 3.3 Concerning water usage by Seller's customers prior to the Closing Date, Seller shall be entitled to payments for usage by (1) current accounts and (2) delinquent accounts. Such accounts shall be fixed on the Seller's books as of the closing date. Buyer is entitled to all payments after the date of closing except on delinquent accounts. Buyer will remit to seller any payments received on any delinquent accounts after the date of closing.
 - 3.4 Seller shall be responsible for paying all utility bills (electricity, etc.) of Seller for usage through the Closing Date. Buyer will be responsible for all utility usage after the closing date.
 - 3.5 Except as expressly set forth in this agreement, Seller makes no warranty or representation, express or implied, as to the water system, its assets, its viability or its profitability. Buyer has made such inspections and investigations and obtained such independent advice as Buyer has deemed necessary and appropriate for purposes of making an informed decision to purchase the water system. Buyer is purchasing the water system "as is" and shall have no claim against Seller for any defect in the water system or any other matter with the exception of a breach of Seller's representations as set forth in section 5.
4. **Liabilities of Seller.** Buyer shall assume all contractual obligations and other liabilities of Seller that have been disclosed to Buyer as of the Closing Date. Seller shall document to Buyer's satisfaction such contractual obligations and other liabilities, if any, on or before the Closing Date.
 5. **Seller's Representations.** Seller represents and warrants to Buyer as follows:
 - 5.1 Seller is the sole owner of the water system. No other person or legal entity has any ownership interest in the water system.
 - 5.2 To the best of Seller's knowledge, Seller is in good standing with the ACC and has filed all reports and other filings required by state statutes or ACC regulations.

Seller has not been notified by the ACC of any pending or contemplated investigation or other administrative action against or concerning the water system.

- 5.3 To the best of Seller's knowledge, Sun Valley is in good standing with the Arizona Department of Environmental Quality ("ADEQ") and has filed all reports, water samples and other filings required by state or ADEQ regulations. Seller has not been notified by ADEQ of any pending or other administrative action against or concerning the water system.
- 5.4 To the best of Seller's knowledge, all income tax, property tax and other tax obligations of Seller (to the extent they may affect the water system) are current. The Seller has not been notified by any taxing authority of any pending or contemplated investigations or other administrative action against or concerning the water system.
- 5.5 To the Best of Seller's knowledge, there are no pending or threatened lawsuits, claims, administrative proceedings or other actions against Seller. There are no liens, encumbrances, judgments or other matters affecting Seller or its operations that have not been disclosed to Buyer.
- 5.6 Except for the matters set forth in Section 4, there are no contractual obligations or other liabilities of Seller.
- 5.7 Seller has not dumped, buried, released or otherwise disposed of any hazardous materials or other environmental pollutants on any real property being acquired by Buyer. Seller knows of no dumping, burial, release or other disposal of hazardous materials or other environmental pollutants on any real property being acquired by Buyer. Seller is not aware of any environmental problems that may affect the well sites, quality of water or service or delivering to the customers.
- 5.8 Seller has obtained all such independent legal, accounting and other advice as Seller has deemed necessary and appropriate in connection with this transaction. Seller understands that Buyer has no obligation and shall have no liability to Seller for any legal, tax or other consequences to Seller arising out of this transaction.
6. **Buyer's Representations.** Buyer represents and warrants to Seller that Buyer is a Municipal Corporation under Arizona law and is authorized to enter into this transaction and operate the water system. All actions required by law for this Agreement to be a valid and binding obligation of Buyer have been taken or will have been taken as of the Closing Date.
7. **Conditions to Closing.** The closing of this transaction shall occur on or before March

31, 2003. If this transaction does not close on or before this date, Seller and Buyer agree to mutually extend the closing date. The actual date of closing shall be the Closing Date. The following conditions must be fulfilled before this transaction shall close (unless the party for whose benefit a condition exists shall have waived the condition or extended the time for fulfillment in writing):

- 7.1 Seller's Board of Directors shall have (1) adopted and mailed a Resolution of Intention in accordance with A.R.S. §§ 48-919 and 48-916; (2) heard any protests in accordance with A.R.S. § 48-919; and (3) adopted a Resolution Ordering Improvement authorizing this transaction in accordance with A.R.S. § 48-909.
- 7.2 Seller shall have provided Buyer, at Buyer's expense, a commitment for title insurance issued by Transnation Title Company, showing that Seller has good and marketable title to the real property assets of Sun Valley being acquired by Buyer and that these assets are free and clear of any liens or encumbrances. Any others may be approved in writing by Buyer. Buyer shall be responsible for paying the premium on such policy. Buyer shall not object to reservations or exceptions for property taxes and other assessments constituting liens but which are not yet due or delinquent, to easements for utilities, rights-of-way or drainage, or to covenants, conditions and restriction, except to the extent that any of the foregoing would unreasonably affect the operation of the water system.
- 7.3 Seller shall have executed and delivered to Escrow Agent, in recordable form satisfactory to Buyer's counsel, a warranty deed, naming Buyer as grantee, to the Well Sites described in Section 7.5, and any other interests in real property owned by Seller. Seller agrees to assign all easements relating to the water system to the Buyer.
- 7.4 Seller shall have identified, with reasonable accuracy, the location of all water lines that are part of the water system. For any and all water lines across or under real property not owned or controlled by Seller as to which Seller has obtained written easements as of the Closing Date, Seller shall have executed and delivered to Escrow Agent, in recordable form satisfactory to Buyer's counsel, assignments thereof naming Buyer as grantee (together with the easement itself, if it has not previously been recorded). If it becomes necessary after the Closing Date for Buyer to establish prescriptive rights in any water lines as to which Seller has not obtained written easement, Seller shall cooperate with Buyer in establishing such prescriptive rights and/or obtaining the necessary easements.
- 7.5 Seller shall have executed and delivered to Escrow Agent a bill of sale in favor of Buyer, in a form satisfactory to Buyer's counsel, for all personal property assets of Seller being acquired by Buyer.

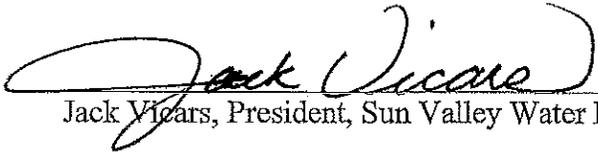
- 7.6 Seller will provide to Buyer a full and complete statement and accounting of Seller's finances, customers and operations as of the Closing Date.
- 7.7 This transaction shall have been approved in writing by the ACC pursuant to A.R.S. § 40-285. This approval, in the form of the ACC's order in Decision No. _____, entered on _____ day of 2003, is attached as Exhibit 2.
- 7.8 All necessary approvals of ADEQ shall have been obtained. At a minimum, Seller shall have provided to Buyer all test results submitted to ADEQ.
- 7.9 Seller and Buyer shall each have delivered to Escrow Agent a written notice that all Conditions to Closing as set forth herein have been fulfilled or waived and that this transaction may close.
8. **Escrow Agent.** Seller and Buyer shall appoint Transnation Title Company as Escrow Agent for this transaction. Seller and Buyer shall execute all such documents as may reasonably be required by Transnation Title Company for the company to act as Escrow Agent. Buyer will pay all closing costs.
9. **Indemnification.**
- 9.1 Seller shall indemnify and defend Buyer and its officials, employees, agents and insurers from and against any and all claims, actions, judgments, liabilities, losses or expenses, of every nature and kind, that they (or any of them) may suffer or incur as a result of any material misrepresentation (whether innocent, negligent or intentional) or omission in connection with Seller's representation as set forth in Section 5. Seller's indemnity hereunder shall extend to the members of the Holbrook City Council.
- 9.2 Buyer shall indemnify and defend Seller from and against any and all claims, actions, judgments, liabilities, losses or expenses, of every nature and kind, that it may suffer or incur as a result of any material misrepresentation (whether innocent, negligent or intentional) or omission in connection with Buyer's representations as set forth in Section 6. Buyer shall also indemnify and defend Seller from and against any and all claims, actions, judgments, liabilities, losses or expenses, of every nature and kind, concerning or arising out of the operation of the water system after the Closing Date, with the exception of matters within the scope of Seller's indemnity under Section 9.1.
- 9.3 The parties' respective obligations under Sections 9.1 and 9.2 shall survive the closing of this transaction.

10. General.

- 10.1 The rights, privileges and obligations of the parties under this Agreement shall be binding upon and inure to the benefit of their respective successors, personal representatives, heirs and assigns.
- 10.2 Jurisdiction and venue of any action concerning or arising out of this Agreement shall be in the Superior Court of Navajo County.
- 10.3 The prevailing party in any dispute concerning or arising out of this Agreement shall be entitled to an award of its reasonable attorney fees and other expenses.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Seller:



Jack Vickers, President, Sun Valley Water District, "Seller"

Buyer:



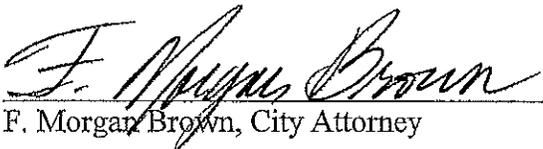
Bryan Smithson, Mayor, City of Holbrook, "Buyer"

Attest:



Cher Millage, CMC, City Clerk

Approved as to form:



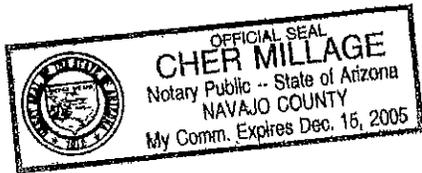
F. Morgan Brown, City Attorney

STATE OF ARIZONA)
) ss
COUNTY OF Navajo)

Subscribed and sworn to before me this 6th day of March, 2003, by
JACK VICARS, President, Sun Valley Water District.

Cher Millage
Notary Public

My Commission Expires: 15 Dec 2005

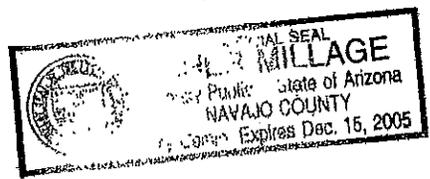


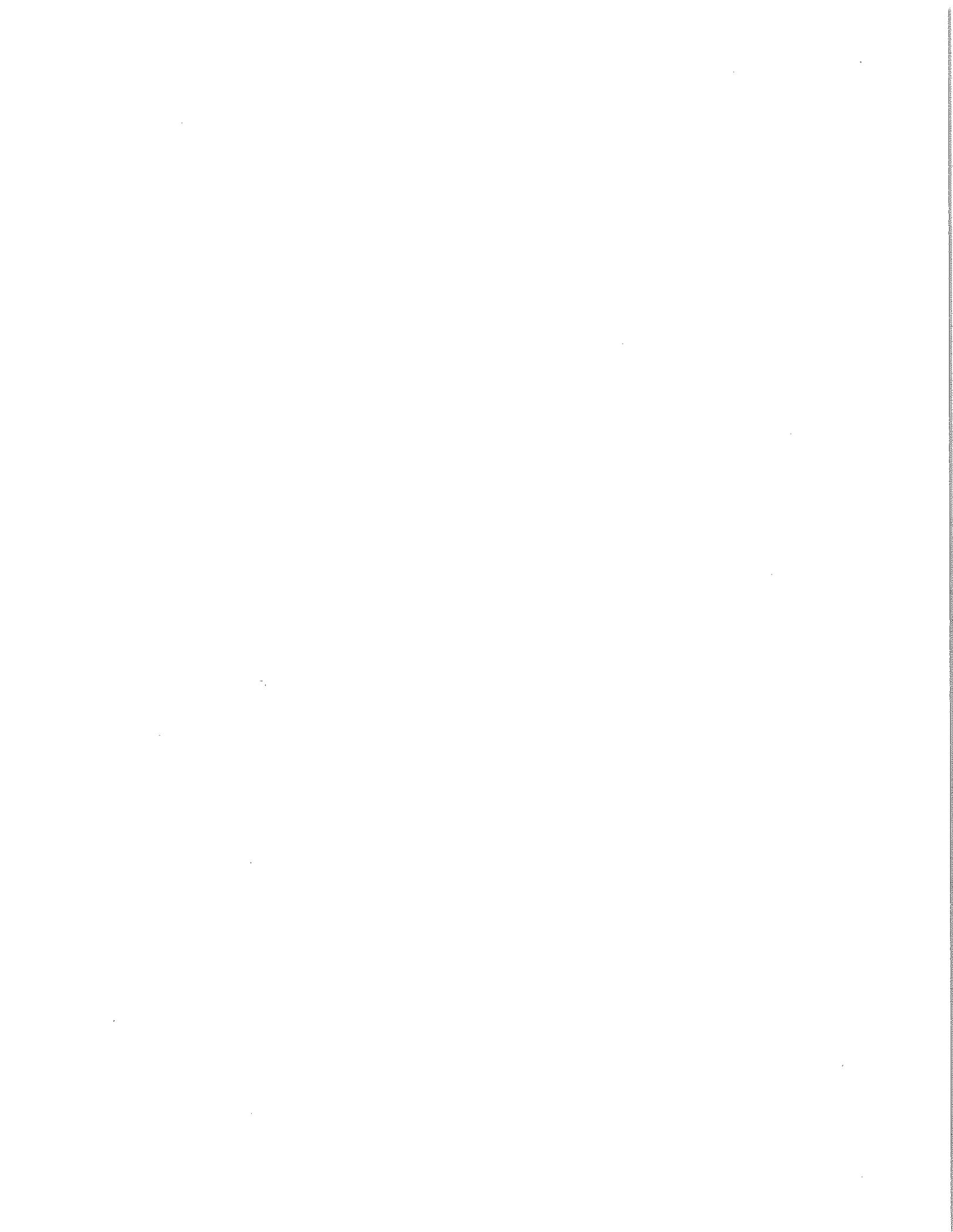
STATE OF ARIZONA)
) ss
COUNTY OF Navajo)

Subscribed and sworn to before me this 7th day of March, 2003,
by BRYAN SMITHSON, Mayor, CITY OF HOLBROOK.

Cher Millage
Notary Public

My Commission Expires: 15 Dec 2005





INTERIM CITY MANAGER EMPLOYMENT AGREEMENT

This Interim City Manager Employment Agreement ("Agreement") is an interim agreement made and entered into this 21st day of September 2016, by and between the Mayor and City Council of Holbrook, and Arizona Municipal Corporation, hereafter referred to as "City" Randall L. Sullivan, Jr., hereafter referred to as "Interim City Manager."

NOW THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, City and Interim City Manager (Collectively, the "Parties", each a "Party") agree as follows:

1. Employment. Interim City Manager is currently the Finance Director/Assistant City Interim City Manager for the City. The City desires to employ Interim City Manager in the full-time capacity as interim City Interim City Manager, and City hereby employs Interim City Manager as the interim City Interim City Manager and Interim City Manager hereby accepts such employment from City upon the terms and conditions set forth herein.

2. Services and Duties. Interim City Manager's duties as interim City Interim City Manager shall consist of those duties and obligations imposed upon the City Interim City Manager by the City of Holbrook Charter, City Code, ordinances and regulations of the City and those other duties and responsibilities delegated or assigned by the City Council, from time to time, to Interim City Manager. This shall include the role of Finance Director which duties Interim City Manager shall continue to perform. Interim City Manager shall faithfully, completely and accurately carry out and perform his duties in accordance with the highest professional and ethical standards of his profession and shall comply with all ordinances, rules, policies and regulations established or adopted by the City from time to time.

3. Term. The City does hereby agree to employ the Assistant City Manager/Finance Director as its Interim City Manager through May, 2017, and on a month to month basis thereafter. However, in the event a new City Manager is appointed by the City, then there will be a ninety (90) day phase in period where the Interim City Manager will gradually transition back to his previous position of Finance Director/Assistant City Manager.

4. Base Compensation. The base compensation shall be equal to the amount of \$113,282.00 per year, paid until the end of the month in which the Interim City Manager resigns, or at the end of the ninety (90) day transition period after the dismissal of the Interim City Manager and appointment by the Council of any replacement City Manager. In the event of a resignation or replacement of the Interim City Manager, then

Interim City Manager shall resume his previous position of Finance Director/Assistant City Manager at the same rate of pay and benefits that he had prior to this Agreement.

5. Benefits. The base compensation above shall also include all benefits received by all full-time City personnel including, but not limited to, health, life, dental and vision insurance, sick leave and holiday benefits as set forth in the City's personnel rules. The Interim City Manager shall accrue vacation time in the amount equaling 6 weeks per year. This amount of vacation time is in addition to the vacation time that the Interim City Manager already has accrued. The Interim City Manager shall accrue sick leave in the same manner and at the same rate as other administrative employees of the City. Interim City Manager is entitled to use the City's plan for cell phone equipment and usage.

6. Automobile Allowance. Interim City Manager may use a City vehicle, if available, for City-related activities.

7. Termination of Agreement. Either party may terminate this Agreement pursuant to the following terms:

- a. Should the Interim City Manager desire to terminate this Agreement, Interim City Manager shall provide written notice of intent to terminate at least thirty (30) days prior to the actual date of termination. Council may, by the affirmative vote of four members of the Council, at a regular or special Council meeting, agree to allow the Interim City Manager to terminate the agreement on less than thirty (30) days written notice or to relieve the Interim City Manager of further duties at any time during the thirty (30) day period provided, however, that full compensation pro-rated on a month to month basis be paid to the Interim City Manager up to and including the Date of the Termination. Upon termination of this Agreement, the Interim City Manager shall be entitled to return to his previous position of Finance Director/Assistant City Interim City Manager as set forth herein.
- b. Interim City Manager is employed at the will of City and nothing in this Agreement shall prevent, limit or otherwise interfere with the right of City to terminate Interim City Manager and this Agreement at any time, without cause, by delivery of written notice of such termination to Interim City Manager not less than thirty (30) days in advance of the Termination Date set forth in the notice, unless the Parties otherwise agree at any regular or special meeting. However, in the event of such termination, the ninety (90) day transition period and compensation provided for herein shall apply, and the Interim City Manager shall be entitled to return to his previous position of Finance Director/Assistant City Interim City Manager.

8. Amendment. Nothing herein shall prohibit the parties from amending the terms and conditions this Agreement as long as the amendment is made in writing and is executed by both the City and Interim City Manager.

9. Outside Activities. Interim City Manager shall not engage in any non-City connected business activity during the normal business hours of the City, except while on vacation, without the prior written approval of the City's Mayor or direction of the City Council. City agrees that occasional teaching, writing, or consulting work may be performed by Interim City Manager on Interim City Manager's time off, provided that such non-City connected activities do not interfere with Interim City Manager's ability to faithfully, promptly and to the best of Interim City Manager's ability, experience and talent, perform all of his obligations under this Agreement, express or implied, to the satisfaction of City, in its reasonable discretion.

10. Tax Withholding. All amounts of Base Compensation and other compensation, any, payable to Interim City Manager under this Agreement shall be reduced by any amounts that City is required to withhold with respect to such payments under the then applicable provision of any state, federal or local income or other tax laws, the so-called "FICA" laws, regulations or statutes of a like nature or any and all other state, federal or local laws of any kind or nature.

11. Residency Requirement. During this Agreement, residency requirements shall be applied to and satisfied by Interim City Manager pursuant to the conditions stated in the City of Holbrook Charter, § 3.02.

12. Bonding. City shall bear the full cost of any fidelity or other bonds required of Interim City Manager under any law, ordinance or City Charter requirement. Interim City Manager shall complete all necessary applications and otherwise cooperate with City in applying for and obtaining such bond.

13. Return of Property. On the Termination Date, regardless of how or why this Agreement is terminated, or whenever otherwise reasonably requested by City, Interim City Manager shall immediately return to City any or all of City's property, tangible or intangible, real, personal or mixed, including, but not limited to, any such property that is in Interim City Manager's possession or under his control or which is used, produced or created by Interim City Manager in rendering services under this Agreement or otherwise, all of which Interim City Manager hereby acknowledges and agrees is and shall be the property of City.

14. Remedies. Except as expressly provided herein, the event of a breach of this Agreement by either party, the non-breaching party shall have all rights and remedies available at law, in equity or under the terms of this Agreement; provided, however, that in no event shall Interim City Manager have any right to punitive, exemplary consequential or multiple damages against City, except for treble damages which may be

available to Interim City Manager under ARS § 23-355 relating to the failure to pay wages when due.

15. Employer Policies. To the extent not inconsistent with the Agreement, Interim City Manager acknowledges and agrees that he is bound by all of the City's employment policies applying generally to employees, as they may be adopted and/or modified by City from time to time in its sole discretion. In the event of an inconsistency between the City's employment policies applying generally to employees, and any provision of this Agreement, the terms of this Agreement shall control.

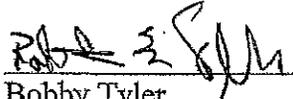
16. Governing Law; Choice of Forum. This Agreement is executed, delivered and will be performed in the State of Arizona and the substantive laws of the State of Arizona (without reference to choice of law principles) shall govern its interpretation and enforcement. Any action brought to interpret or enforce any provisions of this Agreement, or otherwise relating to or arising from this Agreement, shall be commenced and maintained in the Superior Court of the State Arizona in and for the County of Navajo and each of the Parties irrevocably consents to jurisdiction and venue in such Court for such purposes.

17. Construction. This Agreement is intended to express the intent of both Parties, and irrespective of the identity of the Party or counsel who prepared this Agreement or any draft of this Agreement, no rule of strict construction shall be applied against any Party. All words used in this Agreement shall refer to the appropriate number or gender, regardless of the number or gender stated.

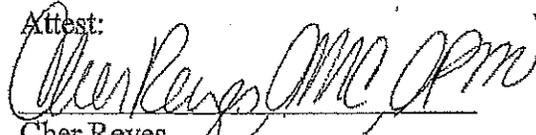
18. Conflict of Interest. This Agreement is subject to, and may be terminated by City in accordance with, the provisions of A.R.S. § 38-511.

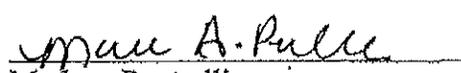
19. Prohibition of Doing Business with Sudan and Iran. Pursuant to A.R.S. §§ 35-391.06 and 35-393.06, each Party certifies that it does not have a scrutinized business operation, as defined in A.R.S. §§ 35-391 and 35-393, in either Sudan or Iran.

EXECUTED this 11th day of October 2016.


Bobby Tyler
Mayor


Randall L. Sullivan Jr.
Interim City Manager

Attest:

Cher Reyes
City Clerk

Approved as to Form:

Marlene Pontrelli,
Dickinson Wright, PLLC
City Attorney