

COB - BOSAIR FORM

10/16/2025 9:57 AM (MST)

Submitted by Kris.Gade@pima.gov



BOARD OF SUPERVISORS AGENDA ITEM REPORT (BOSAIR)

All fields are required. Enter N/A if not applicable. For number fields, enter 0 if not applicable.

Record Number: CT CLR CT2500000069

Award Type: Contract

Is a Board Meeting Date Requested? Yes

Requested Board Meeting Date: 11/04/2025

Signature Only:

NO

Procurement Director Award / Delegated Award: • N/A

Supplier / Customer / Grantor / Subrecipient: SunZia Transmission, LLC

Project Title / Description: SunZia Transmission Line Project Mitigation Agreement

Purpose: The SunZia Transmission project is a 550-mile interstate transmission line that crosses through Pima County on Conservation Lands leased from the Arizona State Land Department. Arizona Corporation Commission approval of the project requires that Pima County be compensated for associated impacts to its leased Conservation Lands for lost mitigation credit under the Multi-Species Conservation Plan (MSCP). The MSCP allows the County to claim 25% credit for each acre of leased lands used as mitigation, so the total mitigation acreage owed to the County is 25% of the total acreage of impacts. Under this rubric, all parties agree that SunZia owes 146 acres of mitigation to the County. SunZia has agreed to meet this obligation by donating a 139.6 acre property and paying the County \$33,600 in in-lieu fees.

Procurement Method: Misc. Contracts: This Contract is a non Procurement contract and not subject to Procurement rules.

Procurement Method Additional Info: N/A

Program Goals/Predicted Outcomes: The County will receive property and \$33,600 for impacts to leased County Conservation Lands and subsequent loss of MSCP credit caused by the SunZia Transmission Project.

Public Benefit and Impact: The County will receive property and funds to be used for the management and enhancement of MSCP credit values on Conservation Lands.

Budget Pillar • Conservation, sustainability & climate resiliency

TO: COB, 10/22/25 (1)

VERSION: 0

PAGES: 18

OCT22*25AM1029FD

Support of Prosperity Initiative: N/A

Provide information that explains how this activity supports the selected Prosperity Initiative N/A

Metrics Available to Measure Performance: Agreed on property is deeded to County and receipt of \$33,600.

Retroactive:

NO

Contract / Award Information

Record Number: CT CLR CT2500000069

Document Type: CT

Department Code: CLR

Contract Number: CT2500000069

Commencement Date: 11/04/2025

Termination Date: 11/03/2027

Total Expense Amount:

\$0.00

Total Revenue Amount:

\$33,600.00

Funding Source Name(s) Required: Revenue will go to Conservation Lands System Mitigation Special Revenue Fund - 11726CC, 20370FD

Funding from General Fund?

NO

Contract is fully or partially funded with Federal Funds?

NO

Were insurance or indemnity clauses modified?

NO

Vendor is using a Social Security Number?

NO

Department: Conservation Lands and Resources

Name: Kris Gade

Telephone: 5207246451

Add Procurement Department Signatures

No

Add GMI Department Signatures

No

Department Director Signature: Kristof Bode Date: 10/16/2025
Deputy County Administrator Signature: [Signature] Date: 10/20/2025
County Administrator Signature: [Signature] Date: 10/21/2025

MITIGATION AGREEMENT

1. **PARTIES.** This Mitigation Agreement (“Agreement”) is made and entered into among SunZia Transmission, LLC (“SunZia”) and Pima County, a body politic of the State of Arizona (“County”) (SunZia and County are collectively referred to herein as the “Parties”).
2. **BACKGROUND AND PURPOSE.** The Parties acknowledge and agree that:
 - 2.1. Pima County has a Multi-Species Conservation Plan (“MSCP”) and Incidental Take Permit (#TE84356A) under Section 10(a)(1)(B) of the Endangered Species Act. The provisions of the MSCP are incorporated by reference herein. County is required to offset impacts resulting from activities covered under that permit by protecting natural open space lands pursuant to the terms of the MSCP. County has acquired in fee or leases, and protects, manages, and monitors approximately 250,000 acres of natural open space lands for this purpose (“Mitigation Lands”). Pursuant to the MSCP, Mitigation Lands that are leased provide 25% mitigation credit per acre.
 - 2.2. SunZia is installing a 500kV electric transmission line and appurtenances known as the SunZia Transmission Project (“SunZia Line”) in the alignment described in the Certificate of Environmental Compatibility (CEC-171 A) issued by the Arizona Corporation Commission (“ACC”) in Decision No. 78769 and attached as **Exhibit A** hereto and incorporated herein, and which alignment traverses certain Mitigation Lands leased from the Arizona State Land Department (ASLD).
 - 2.3. Condition 37 of SunZia’s Certificate of Environmental Compatibility (“CEC”) requires SunZia to work with County to secure replacement lands or provide compensatory mitigation to offset losses in the event County loses the ability to claim credit under the MSCP with respect to the Mitigation Lands.
 - 2.4. The Parties have agreed that an estimated 1,232 acres of leased Mitigation Lands will be impacted by the SunZia Line and the RioSol Transmission Project, and thereby County is owed an estimated 308 acres of replacement lands or compensatory mitigation. For the purposes of this Agreement, all impacts are considered permanent impacts for which mitigation is owed.
3. **TERM.** The effective date of this Agreement is the date it is executed by the Parties (the “Effective Date”). This Agreement, excluding obligations of indemnity which will survive the termination of this Agreement, will terminate upon the payment of all compensatory mitigation and once all replacement lands have been deeded to County and the Parties have formally acknowledged to the ACC that Condition 37 has been fully complied with.
4. **MITIGATION.** SunZia and El Rio Sol Transmission, LLC (“RioSol”) have negotiated between them to split the estimated 308 acres of mitigation owed. In accordance with this Section 4, SunZia will provide an estimated 146 acres of mitigation; RioSol will provide an estimated 162 acres of mitigation. .
 - 4.1. **SunZia Line.** SunZia will compensate County for its agreed-upon share of the impacts to the Mitigation Lands by Deeding to County the ‘Bingham Property,’ the legal description and depiction of which are attached at **Exhibit B**. SunZia will additionally pay to County an in-lieu fee of \$33,600 for an estimated 6.4 acres in accordance with the agreed-upon fee

calculation in **Exhibit C**.

- 4.2. **Determination of Final Impacts.** SunZia will provide County an "as-built" of the impacts no later than 90 days, or as soon as reasonably practicable, after the completion of the SunZia Line within Pima County. The as-built will be in the form of electronic files sufficient for County to enter into its GIS system.
- 4.3. **Payment.** SunZia agrees to submit payment for the in-lieu fees within 90 days of receiving an invoice. Should Pattern fail to make payment of such invoice within 90 days after its receipt of the Final Accounting, County will be entitled to collect the amount of said invoice together with interest at a rate equal to the then-applicable Federal Regulatory Commission ("FERC") refund interest rate as specified in Section 154.501(d) of FERC regulations. Such interest shall accrue on unpaid amounts, including on unpaid interest, compounded monthly, beginning on the payment due date of County's invoice and termination when such invoice is paid. Pattern will have the right to audit County's accounting for the compensatory mitigation calculation for a period of one year following the receipt of the invoice for same.
5. **FORCE MAJEURE.** No Party shall be liable to the other Parties for damages or delays in performance of this Agreement during any period in which such performance is delayed by acts of God, acts and/or omissions of federal, state and local governmental authorities and regulatory agencies or other events that are beyond the reasonable control of the Party claiming force majeure that could not have been reasonably foreseen or prevented. The delayed Party's time for performance shall be suspended by the occurrence of such unforeseen event for the duration of the event. When such event of Force Majeure exists, the affected Party shall proceed with reasonable diligence to remedy the conditions causing same and proceed with the performance of its obligations under this Agreement at the earliest practicable date.
6. **INDEMNIFICATION.** To the fullest extent permitted by law, SunZia will defend, indemnify, and hold harmless Pima County and any related taxing district, and the officials and employees of each of them (collectively, "Indemnitee") from and against any and all claims, actions, liabilities, losses, and expenses (including reasonable attorney fees) (collectively, "Claims") arising out of actual or alleged injury of any person (including death) or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by any act or omission of SunZia or any of their respective directors, officers, agents, employees, volunteers, or subcontractors. This indemnity includes any claim or amount arising or recovered under the Workers' Compensation Law or arising out of the failure of subrecipient to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Indemnitee will, in all instances, except for Claims arising solely from the acts or omissions of the Indemnitee, be indemnified by SunZia from and against any and all Claims. SunZia is responsible for primary loss investigation, defense, and judgment costs for any Claim to which this indemnity applies. This indemnity will survive the expiration or termination of this Agreement.
7. **TERMINATION.** This Agreement shall continue in full force and effect except that the Parties may terminate this Agreement as to their obligations hereunder only by any of the following methods:

 - 7.1. If the other Party materially defaults in its performance under this Agreement and such default continues for a period of 30 days after receipt by the defaulting Party of written notice thereof from the non-defaulting Party. However, if the nature of the default is such that more than 30

days are reasonably required for its cure, then the defaulting Party shall not be deemed in default if said Party commences such cure within the 30-day cure period and thereafter diligently pursues such cure to completion, provided that in no event shall such cure period extend more than 120 days after receipt by the defaulting Party of written notice thereof from the non- defaulting Party.

7.2. By mutual written agreement of the Parties.

7.3. **Cancellation For Conflict Of Interest.** This Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Agreement by reference.

8. **MEDIATION.** In the event there is a dispute hereunder that the Parties cannot resolve between themselves, the Parties agree there will be a 45-day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The matter in dispute will be submitted to a mediator mutually selected by the disputing Party or Parties and Pima County. In the event that the Parties cannot agree upon the selection of a mediator within seven days, then within 3 days thereafter, Pima County and the disputing Party or Parties will request the presiding judge of the Superior Court in and for the County of Pima, State of Arizona, to appoint an independent mediator. The cost of any such mediation shall be divided equally between County and the disputing Party or Parties. The results of the mediation shall be nonbinding on the parties, and any party shall be free to initiate litigation subsequent to the moratorium.
9. **REMEDIES.** In the event of a default hereunder by any Party which is not resolved by mediation pursuant to Section 8 of this Agreement, the non-defaulting Party will be entitled to all remedies at both law and in equity, including, without limitation, specific performance.
10. **LAW.** The laws of the state of Arizona will govern the interpretation and enforcement of this Agreement. The Parties agree that venue for any action commenced in connection with this Agreement will be proper only in a court of competent jurisdiction located in Pima County, Arizona, and the parties hereby waive any right to object to such venue.
11. **AMENDMENT.** This Agreement may be amended, in whole or in part, only with the mutual written consent of all the parties to this Agreement or by their successors in interest or assigns.
12. **SEVERABILITY.** If any provision(s) of this Agreement is declared void or unenforceable, such provision(s) shall be severed from this Agreement, and the remaining provisions shall otherwise continue in full force and effect.
13. **NO THIRD-PARTY BENEFICIARIES.** There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.
14. **MISCELLANEOUS PROVISIONS.**
 - 14.1. **Notices.** All notices and communications provided for herein, or given in connection herewith, must be made in writing and delivered personally or sent by registered or certified United States Postal Service mail, return receipt requested, postage prepaid

to:

Pima County: Jenny Neeley, Program Manager
Pima County Conservation Lands & Resources
201 N. Stone Ave. 6th Fl., Tucson AZ 85701

SunZia: General Counsel
SunZia Transmission, LLC
1088 Sansome St., San Francisco CA 94111

CC: Real Estate Legal Dept.
SunZia Transmission, LLC
888 Westheimer Rd. Ste. 350, Houston TX 77006

or to such other addresses as either party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten days before the date on which the change is to become effective. Notices given by mail shall be deemed the date on which the change is to become effective. Notices given by mail shall be deemed delivered seventy-two hours following deposit in the United States Postal Service in the manner set forth above.

- 14.2. **Waiver.** No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement.
- 14.3. **Headings.** The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of the Agreement.
- 14.4. **Severability.** Each provision of this Agreement stands alone, and any provision of this Agreement found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Agreement.
- 14.5. **Authority.** The undersigned represent to each other that they have full power and authority to enter into this Agreement, and that all necessary actions have been taken to give full force and effect to this Agreement. SunZia represents and warrants that it is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. SunZia and County warrant to each other that the individuals

executing this Agreement on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each individual is signing.

14.6. **Entire Agreement.** This Agreement, including the following exhibits, constitutes the entire agreement between the parties:

14.6.1. Exhibit A: Depiction of SunZia line Alignment

14.6.2. Exhibit B: Depiction of Mitigation Lands

14.6.3. Exhibit C: In-Lieu Fee Calculation

15. **COUNTERPARTS.** This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original but all of which, taken together, constitute one and the same agreement.

[REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

Chair, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

APPROVED AS TO FORM

Kyle Johnson
Deputy County Attorney

Kyle Johnson

Print DCA Name

2/21/2025

Date

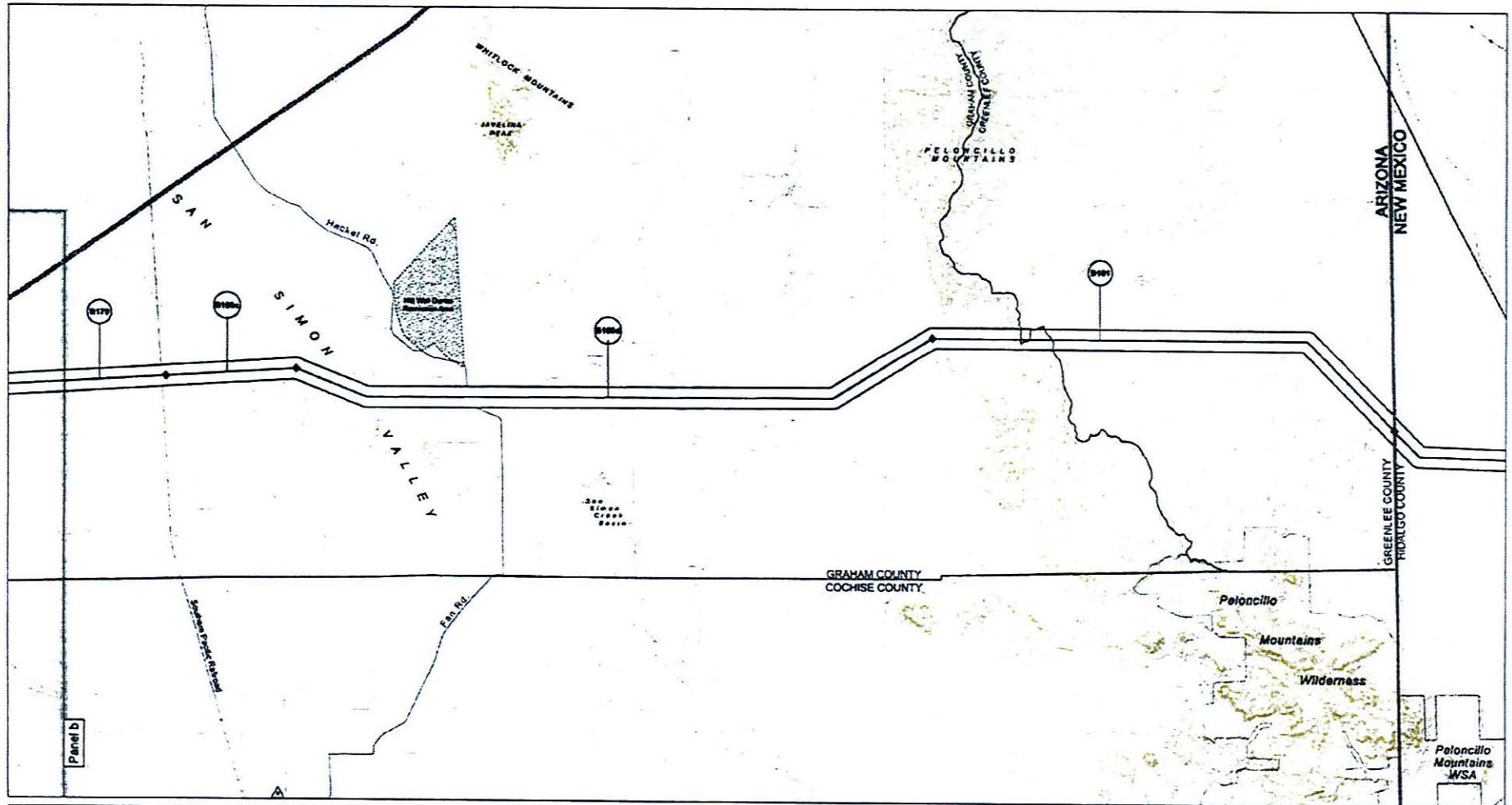
Signed by:
Lauren Haller
C3DD8814383A4DB...

Authorized Officer Signature
Lauren Haller, Authorized Signatory

Printed Name and Title
9/19/2025

Date

EXHIBIT A



CEC Corridor Map

SUNZIA SOUTHWEST
TRANSMISSION PROJECT

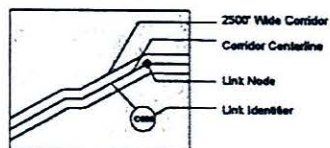


Panel a

Case No. 171

Attachment A

Project Features

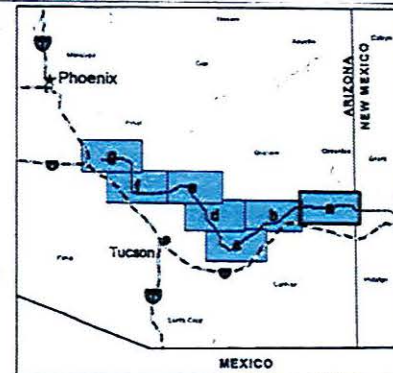


Utilities

- Existing Substation
- Proposed Willow
- 500 kV Substation
- Proposed 500 kV DC Converter Station (option)
- Existing Transmission Lines
- Pipeline
- Canal

Reference Features

- City/Town
- Interstate
- Highway
- Local Road
- Railroad
- River/Stream
- State Boundary
- County Boundary
- City/Town Boundary
- Jurisdictional Boundary
- Lake/Reservoir

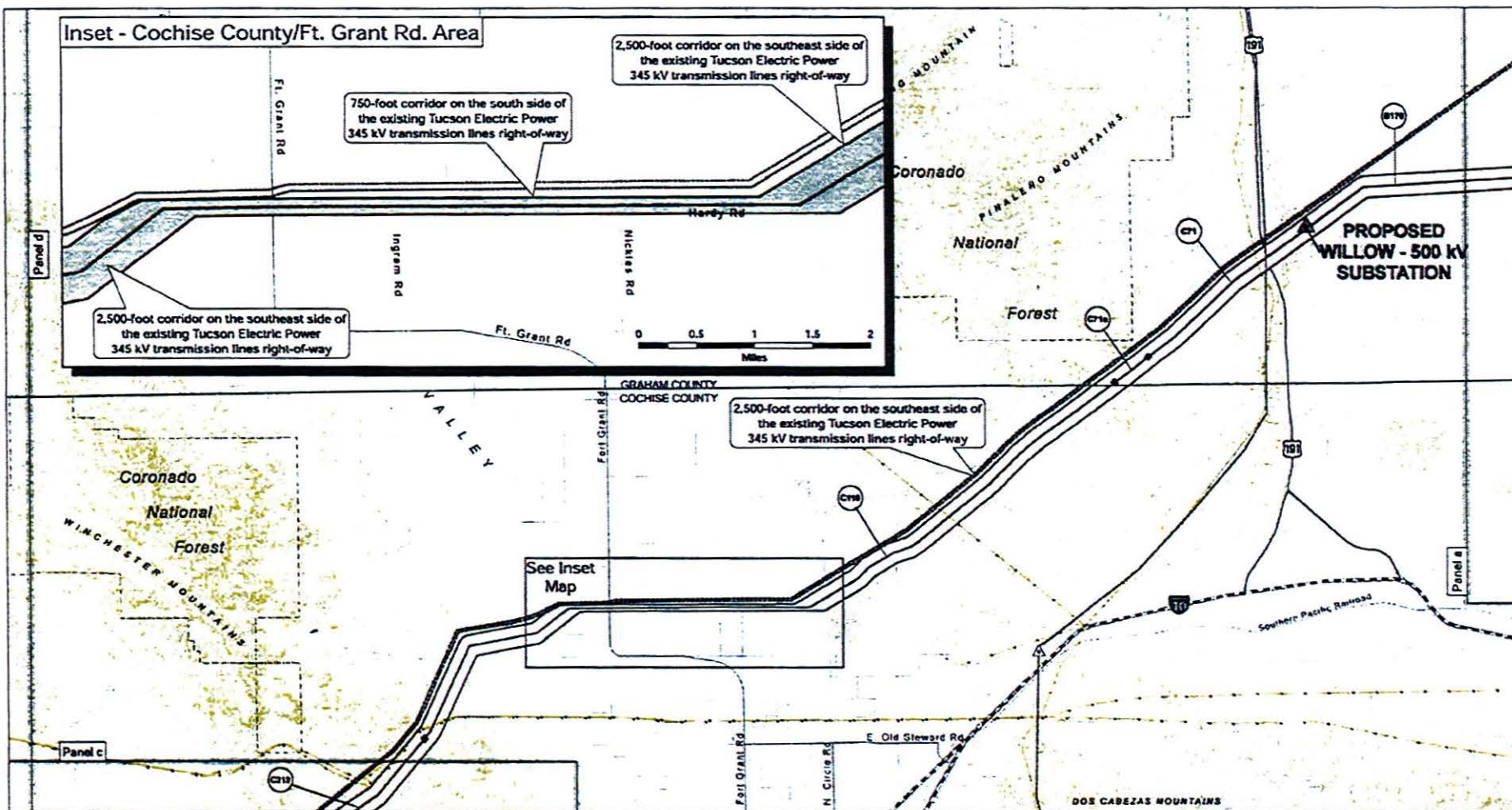


Sources

Bureau of Land Management, Arizona State Office, 2010
Arizona State Land Department and ALRIS, 2010
Pima County, 2015
ESRI StreetMap, 2013
USGS, 2015



Contour Interval = 100 Feet
0 1 2 3 4 5
Miles
Copyright 2015 by the Arizona Department of Transportation, Phoenix, Arizona



CEC Corridor Map

SUNZIA SOUTHWEST TRANSMISSION PROJECT

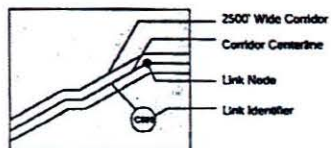


Panel b

Case No. 171

Attachment A

Project Features

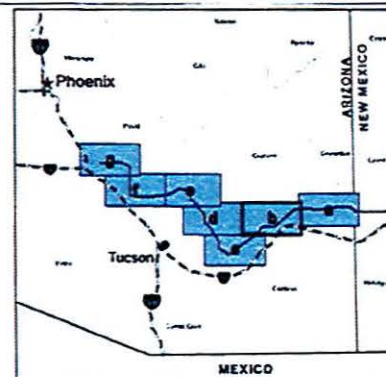


Utilities

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- Railroad
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- County Boundary
- City/Town Boundary
- Jurisdictional Boundary
- Lake/Reservoir



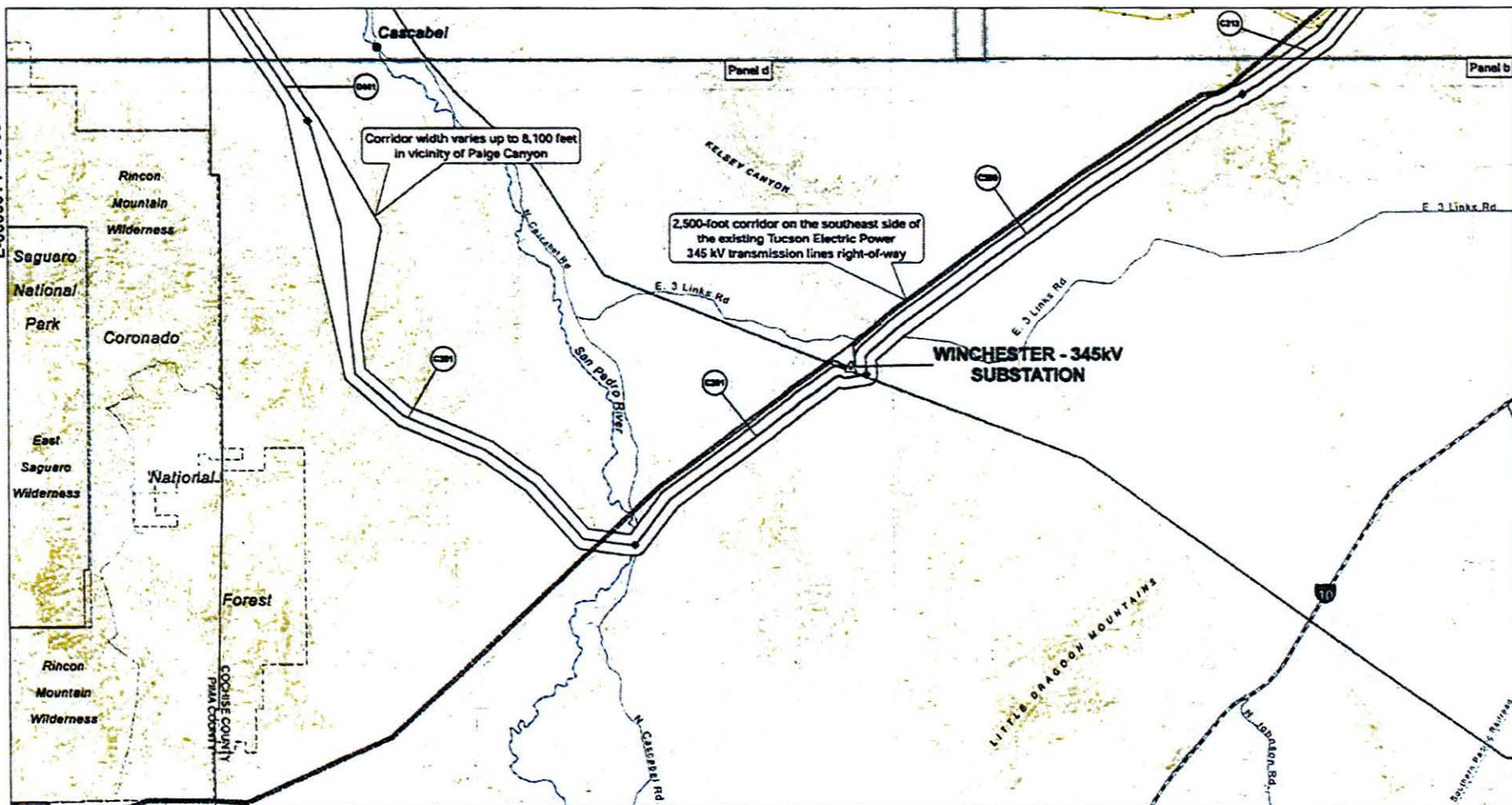
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 Arizona State Land Department and ALNIS, 2010
 Pima County, 2011
 ESRI StreetMap, 2013
 USGS, 2015

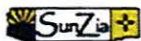


Corridor Interval = 100 Feet

0 1 2 3 4 Miles



CEC Corridor Map

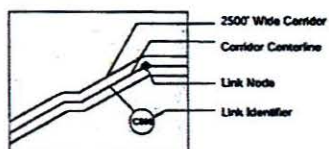
SUNZIA SOUTHWEST
TRANSMISSION PROJECT

Panel c

Case No. 171

Attachment A

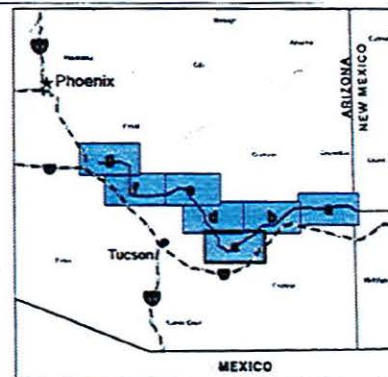
Project Features



Utilities



Reference Features



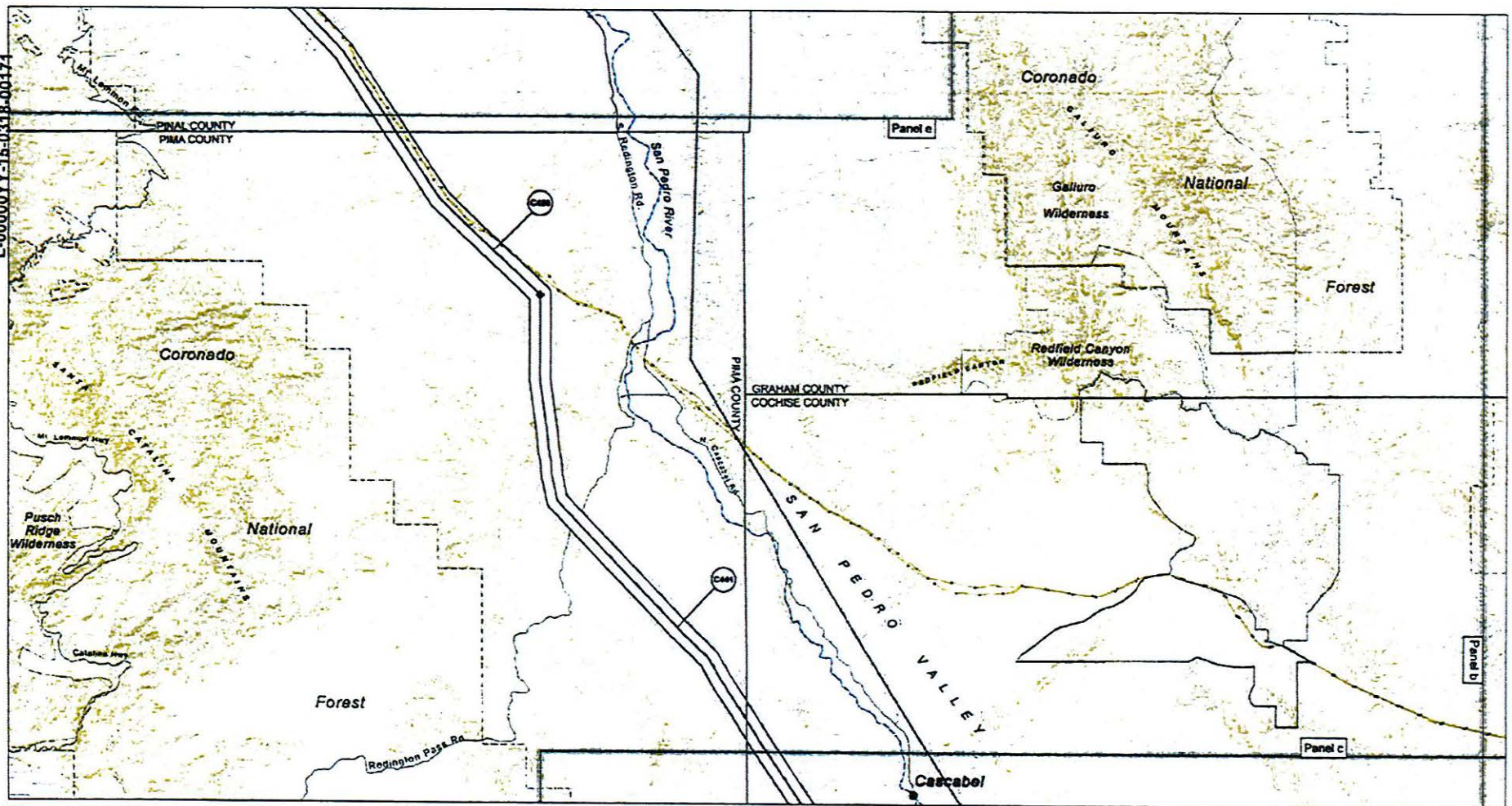
Sources

Bureau of Land Management, Arizona State Office, 2010
 Arizona State Land Department and ARLIS, 2010
 FIRM County, 2013
 USGS StreamMap, 2013
 USGS, 2015



Contour Interval = 100 Feet





CEC Corridor Map

SUNZIA SOUTHWEST TRANSMISSION PROJECT

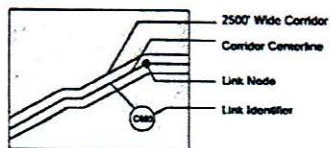


Panel d

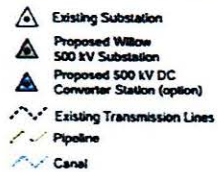
Case No. 171

Attachment A

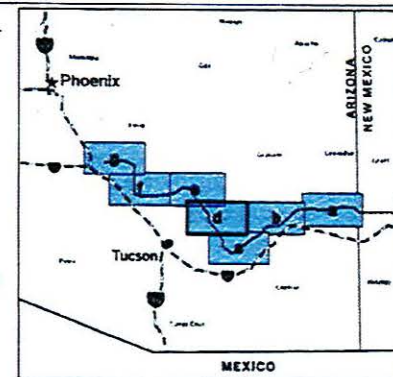
Project Features



Utilities

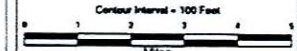


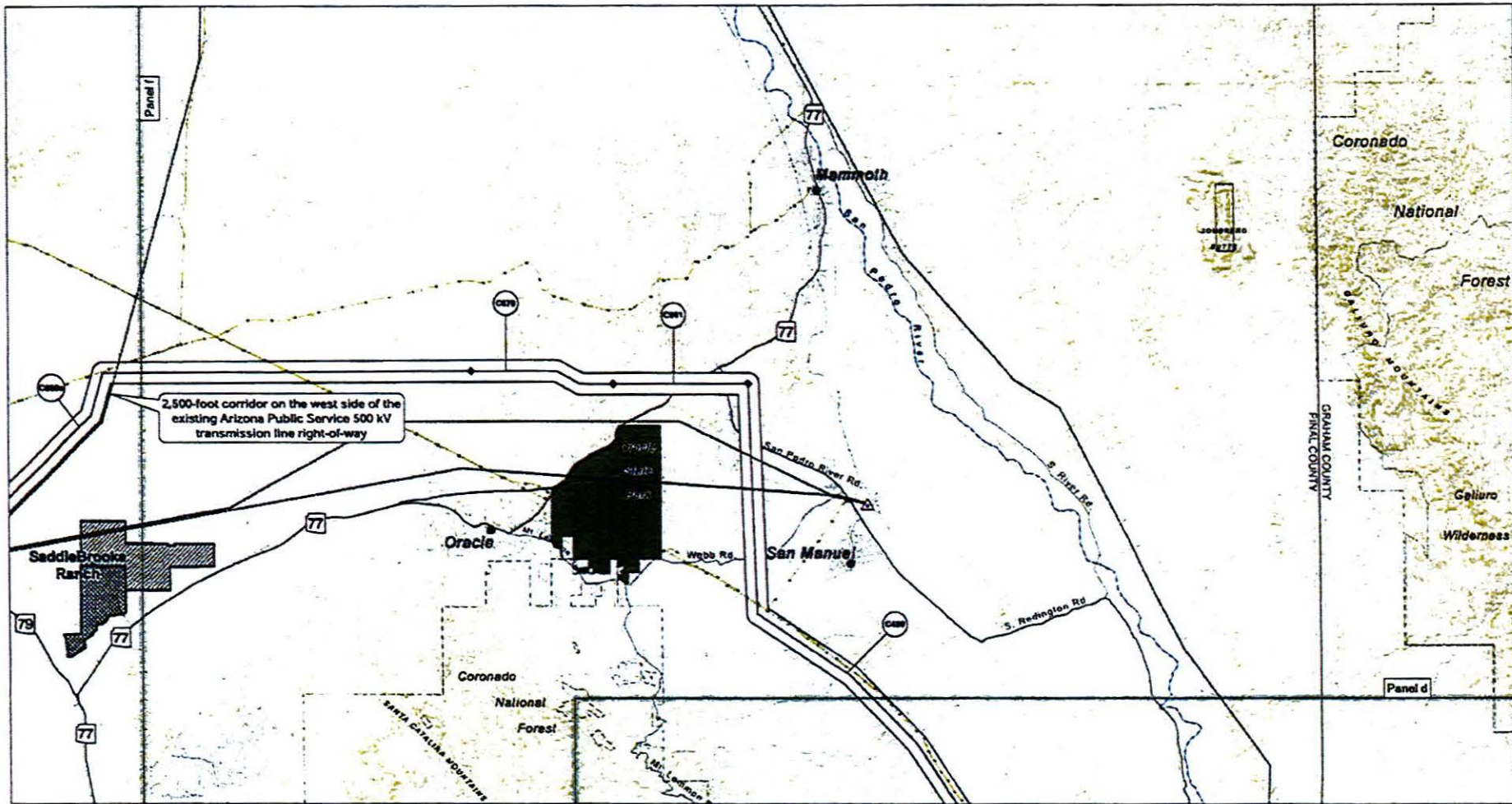
Reference Features



Sources

Bureau of Land Management, Arizona State Office, 2010
Arizona State Land Department and ALRS, 2010
Pima County, 2011
ESRI, StreetMap, 2012
USGS, 2011





CEC Corridor Map
SUNZIA SOUTHWEST TRANSMISSION PROJECT

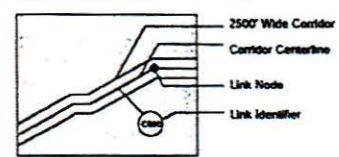


Panel e

Case No. 171

Attachment A

Project Features



Utilities

- Existing Substation
- Proposed Willow 500 kV Substation
- Proposed 500 kV DC Converter Station (option)
- Existing Transmission Lines
- Pipeline
- Canal

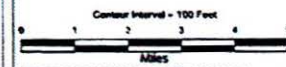
Reference Features

- City/Town
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- Highway
- Local Road
- Railroad
- River/Stream
- State Boundary
- County Boundary
- City/Town Boundary
- Jurisdictional Boundary
- Lake/Reservoir

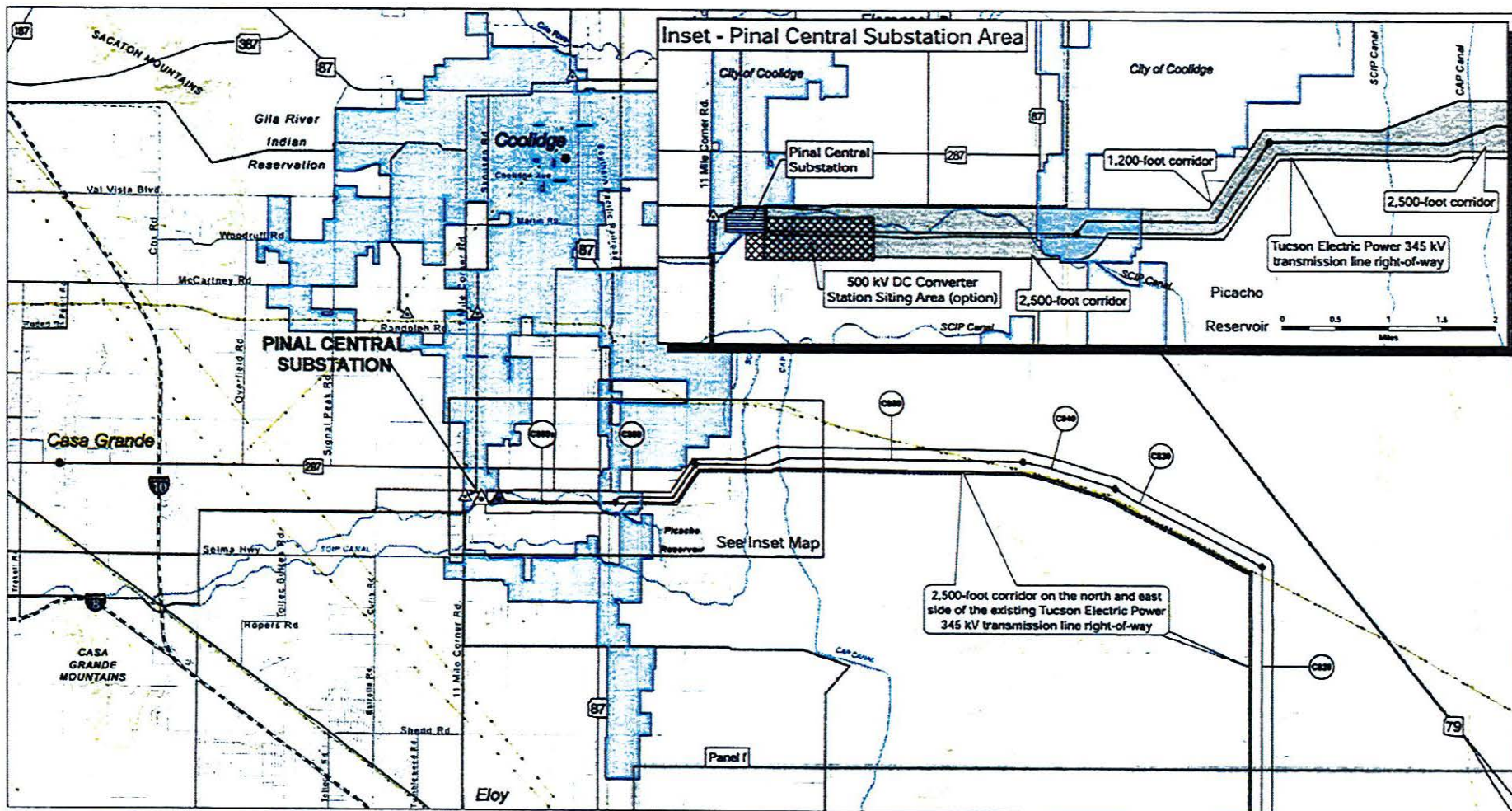


Sources

Bureau of Land Management, Arizona State Office, 2010
Arizona State Land Department and ALRS, 2010
Pima County, 2015
ESRI StreetMap, 2013
USGS, 2015







CEC Corridor Map
**SUNZIA SOUTHWEST
 TRANSMISSION PROJECT**

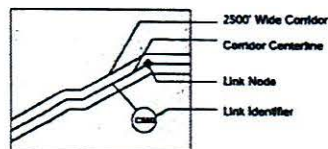


Panel g

Case No. 171

Attachment A

Project Features

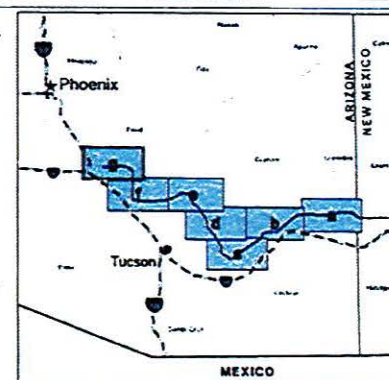


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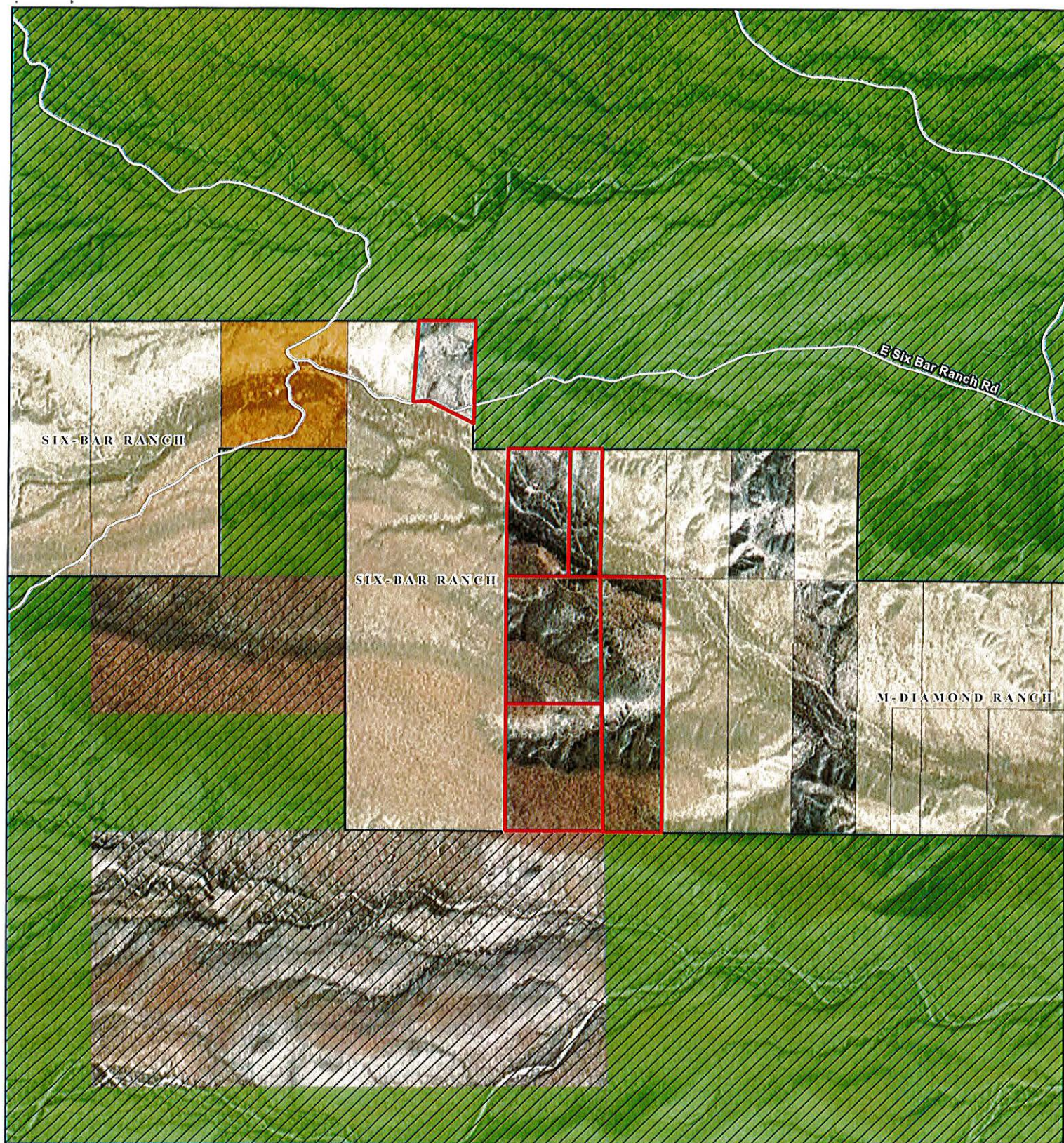
Sources

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 Arizona State Land Department and ALRS, 2010
 Pima County, 2015
 ESRI StreetMap, 2013
 USGS, 2015



Contour Interval = 100 Feet
 0 1 2 3 4 5 Miles

EXHIBIT B



Project Features

 Bingham Property

Jurisdictional Boundaries

 State Trust

 Private

Pima County Preserves

 Conservation Easement

 County-Owned

 Grazing Lease

Transportation Features

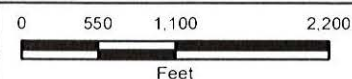
 Local Road



SUNZIA SOUTHWEST TRANSMISSION PROJECT

FIGURE 1 STUDY AREA

Pima County, AZ



 SunZia

Date: 1/4/2022

EXHIBIT C

AGREED-UPON IN-LIEU FEE CALCULATION

All parties have agreed to use the following formula to calculate in-lieu fees owed, per the terms of Condition No. 37 of the project's Certificate of Environmental Compatibility issued by the Arizona Corporation Commission (CEC171-A; Decision No. 78769):

$$(\$5,000 \text{ PER ACRE}) + 5\% = \text{IN-LIEU FEE}$$