



## BOARD OF SUPERVISORS AGENDA ITEM REPORT AWARDS / CONTRACTS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 02/04/2025

\* = Mandatory, information must be provided

or Procurement Director Award: ☐

**\*Contractor/Vendor Name/Grantor (DBA):**

Metropolitan Domestic Water Improvement District (Metro Water District)

**\*Project Title/Description:**

Intergovernmental Agreement

**\*Purpose:**

The purpose of this Intergovernmental Agreement (IGA) is to formalize the process for Pima County to offer excess storage capacity in the Marana High Plains Effluent Recharge Project (MHPERP) to the District in exchange for financial reimbursement based directly on a combination of set capital costs (33.22 per acre foot) and an adjustable rolling three-year average of County's cost to operate the facility. RWRD and RFCD recently completed a permit amendment to increase storage capacity at the MHPERP, and the permitted capacity exceeds the amount of effluent currently owned by Pima County.

**\*Procurement Method:**

This IGA is a non-procurement contract and not subject to Procurement rules.

**\*Program Goals/Predicted Outcomes:**

To establish a process in which Pima County can offer effluent storage capacity in Marana High Plains Effluent Recharge Project to other regional partners.

**\*Public Benefit:**

It is of benefit to the region to maximize effluent storage in the recharge facility, and will also allow some recovery of costs to operate the facility that are currently realized by Pima County.

**\*Metrics Available to Measure Performance:**

Utilization of full storage capacity by Pima County and Partners will indicate adequate performance.

**\*Retroactive:**

No

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Pgs: 8

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THE APPLICABLE SECTION(S) BELOW MUST BE COMPLETED

Click or tap the boxes to enter text. If not applicable, indicate "N/A". Make sure to complete mandatory (\*) fields

**Contract / Award Information**

Document Type: CT Department Code: RWRD Contract Number (i.e., 15-123): CT250000000  
Commencement Date: 02/04/2025 Termination Date: 02/03/2035 Prior Contract Number (Synergen/CMS): \_\_\_\_\_  
☐ Expense Amount \$ \_\_\_\_\_\* ☒ Revenue Amount: \$ 25,000

\*Funding Source(s) required: Metropolitan Domestic Water Improvement District

Funding from General Fund? ☐ Yes ☒ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_

Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No

If Yes, is the Contract to a vendor or subrecipient? \_\_\_\_\_

Were insurance or indemnity clauses modified? ☐ Yes ☒ No

If Yes, attach Risk's approval.

Vendor is using a Social Security Number? ☐ Yes ☒ No

If Yes, attach the required form per Administrative Procedure 22-10.

**Amendment / Revised Award Information**

Document Type: \_\_\_\_\_ Department Code: \_\_\_\_\_ Contract Number (i.e., 15-123): \_\_\_\_\_  
Amendment No.: \_\_\_\_\_ AMS Version No.: \_\_\_\_\_  
Commencement Date: \_\_\_\_\_ New Termination Date: \_\_\_\_\_  
Prior Contract No. (Synergen/CMS): \_\_\_\_\_

☐ Expense ☐ Revenue ☐ Increase ☐ Decrease

Amount This Amendment: \$ \_\_\_\_\_

Is there revenue included? ☐ Yes ☐ No If Yes \$ \_\_\_\_\_

\*Funding Source(s) required: \_\_\_\_\_

Funding from General Fund? ☐ Yes ☐ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_

**Grant/Amendment Information** (for grants acceptance and awards)

☐ Award ☐ Amendment

Document Type: \_\_\_\_\_ Department Code: \_\_\_\_\_ Grant Number (i.e., 15-123): \_\_\_\_\_  
Commencement Date: \_\_\_\_\_ Termination Date: \_\_\_\_\_ Amendment Number: \_\_\_\_\_  
☐ Match Amount: \$ \_\_\_\_\_ ☐ Revenue Amount: \$ \_\_\_\_\_

\*All Funding Source(s) required: \_\_\_\_\_

\*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_

\*Match funding from other sources? ☐ Yes ☐ No If Yes \$ \_\_\_\_\_ % \_\_\_\_\_

\*Funding Source: \_\_\_\_\_

\*If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?

Contact: Angela Valenzuela/Max DiSante

Department: RWRD

Telephone: 520-724-6200

Department Director Signature: \_\_\_\_\_

Date: 1/14/25

Deputy County Administrator Signature: \_\_\_\_\_

Date: 1/14/2025

County Administrator Signature: \_\_\_\_\_

Date: 1/15/2025

**Intergovernmental Agreement  
between  
Pima County and Metropolitan Domestic Water Improvement District  
for  
Usage of extra storage capacity at Marana High Plains Effluent Recharge Project**

This Intergovernmental Agreement ("IGA") is entered into by and between Pima County, a body politic and corporate of the State of Arizona ("**County**") and the Metropolitan Domestic Water Improvement District ("**District**") pursuant to A.R.S. § 11-952.

**1. Background.**

- 1.1. County and District may contract for services and enter into agreements with one another for joint or cooperative action pursuant to A.R.S. § 11-951, et seq.
- 1.2. County is authorized by A.R.S. § 11-264 to operate a sewage system.
- 1.3. District is authorized by A.R.S. § 48-901, et seq. to make decisions related to its wastewater operations.
- 1.4. County has owned and operated a constructed recharge project known as Marana High Plains Effluent Recharge Project ("MHPERP") since 2000 (USF Permit #71-563876.0005).
- 1.5. MHPERP was developed to investigate the feasibility of recharging treated effluent that has been discharged 12 miles upstream as surface water back into the local groundwater aquifer, while simultaneously investigating wildlife habitat opportunities associated with recharge facilities.
- 1.6. County has applied for a permit amendment with the Arizona Department of Water Resources to increase storage capacity at MHPERP to 1200 acre-feet per year ("AF/yr"). This will allow for additional off-channel recharge, and result in less flow leaving the Lower Santa Cruz Managed Recharge Project at Trico Road.
- 1.7. In a typical year, County does not have enough effluent allocation in the Santa Cruz River to store the full 1200 AF/yr capacity of the newly permitted facility, but enough effluent exists in the River allocated to other partners. District wishes to use the remaining capacity at MHPERP to store a portion of their effluent allocation.
- 1.8. County has first priority at storing water in MHPERP, and in any given year may utilize anywhere from 0 to 1200 AF/yr of space for their own needs. The space that County chooses not to utilize or leftover from the total 1200 AF/yr will be the Remaining Capacity.
- 1.9. County and District want to allow District to use the entire Remaining Capacity or a portion of the Remaining Capacity at MHPERP to store District's effluent. The amount of Remaining Capacity will vary depending on the amount of water treated and discharged by County and County's priority on how much County water will be stored.
  - 1.9.1. County does not guarantee that it will be able to recharge 1200 AF each year, and it does not guarantee any minimum amount of extra capacity will be

available for use by District each year. Exact allocations of water are unknown until the calendar year has ended, at which point appropriate credit accounting can be done.

- 1.9.2. District will have the right of first refusal to request and use the Remaining Capacity. If District chooses to use less than the amount of the Remaining Capacity available, then County may allot the amount of Remaining Capacity to other jurisdictions.

2. **Purpose.** County and District wish to enter into the IGA for District to store an amount of water at MHPERP that will vary from year to year, as described in the Background.

- 2.1. **District Responsibilities.** District will:

- 2.1.1. May utilize the entire Remaining Capacity at MHPERP or a portion of the Remaining Capacity to store water an amount not to exceed 1200 AF/yr, and the amount of available AF/yr may fluctuate.
- 2.1.2. Agree to compensate County an amount determined by the volume of stored water as set forth in the payment provisions of this IGA based on the Remaining Capacity.
- 2.1.3. Agree that the Remaining Capacity may fluctuate year by year depending on how much capacity is available after County's priority in storage, how much water is treated and discharged by County per year, and whether any other jurisdictions will be allotted a portion of the Remaining Capacity.
- 2.1.4. Provide notice by no later than July 1<sup>st</sup> of each year of the volume that District wishes to store in MHPERP for that year. Notice is also required by this date if District does not intend to store any water in MHPERP for that given calendar year.
- 2.1.5. Acquire and maintain a Water Storage Permit from Arizona Department of Water Resources for the legal right to store water at MHPERP and provide a copy of the permit to County's Regional Wastewater Reclamation Department.

- 2.2. **County Responsibilities.** County's responsibilities are set forth below:

- 2.2.1. County will attempt to divert 1200 AF/yr from the Santa Cruz River at MHPERP for recharge. However, actual recharged volume is dependent on factors, including but not limited to facility operations and weather.
- 2.2.2. Following each calendar year that District utilized MHPERP capacity to store water, County will notify District of the amount in AF that they can account for as effluent stored in this project. This notification will be provided to the individual listed under Section 16, no later than March 15 of the year immediately following the year in which water storage took place.

3. **Compensation and Payment.**

- 3.1. In consideration for the services specified in this IGA, District agrees to pay and County agrees to offset against amounts owed by County to District, at a rate based directly on a combination of capital costs and a rolling three-year average of County's cost to operate the facility. The capital component was determined to be \$33.22 per AF. This value is not expected to be recalculated each year without exceptional reason to do so. The rolling three-year average will be determined by dividing the cost to operate the facility in the preceding fiscal year (calculated July to June) by the volume of water recharged in the given recharge year (calculated January to December). For example, the total cost to operate the facility for the July 01, 2023 to June 30, 2024 fiscal year will be divided by the volume recharged in between January 01, 2024 and December 31, 2024. A multi-year, color coordinated example calculation is presented in Appendix A. This will give the cost for a single given recharge year in units of dollars per acre-foot (\$/AF). In order to generate a robust cost that incorporates year to year variance, the single year costs per acre-foot of the previous three recharge years will be averaged to determine the rolling three-year average. This average will be multiplied by the number of acre-feet of stored water that is credited to District in order to generate the overall O&M cost to District for that recharge year. The capital cost is added the rolling 3-year O&M average to determine the final cost per AF of recharge for that year.
- 3.2. Invoicing will take place on an annual basis, and at the same time as the notification in Subsection 2.2.2 of this agreement. County uses standard Net 30 payment terms.
- 3.3. It is the intention of both parties that this pricing structure shall remain in place during the term of the IGA. Changes to the pricing calculation may be considered in conjunction with a renewal of the IGA.
4. **Term and Extension/Renewal/Changes.**
  - 4.1. This IGA will be effective on the date it is fully executed by both parties and will continue for a period of 10 years unless it is, prior to the expiration of such period, extended or terminated by agreement of the parties.
  - 4.2. Any modification or extension of the IGA shall be via formal written amendment executed by the parties hereto.
  - 4.3. Amendments to the IGA must be approved by the Board of Supervisors.
  - 4.4. Either party may terminate this agreement with 60 days formal written notice to the other party.
5. **Disposal of Property.** Upon the termination of this IGA, all property involved will revert back to the owner. Termination will not relieve any party from liabilities or costs already incurred under this IGA, nor affect any ownership of property pursuant to this IGA.
6. **Indemnification.** Each party (as Indemnitor) agrees to indemnify, defend and hold harmless the other party (as Indemnitee) from and against any and all claims, losses, liability, costs or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "claims") for bodily injury of any person (including death) or property damage, but only to the extent that such injury or damage is caused or alleged to be caused by a negligent or intentionally wrongful act or omission of the Indemnitor, or of any of its officers, officials, agents, employees, or volunteers.

7. **Insurance.** Each party will obtain and maintain at its own expense, during the entire term of this IGA the following type(s) and amounts of insurance:
  - 7.1. Commercial General Liability in the amount of \$2,000,000.00 combined single limit Bodily Injury and Property Damage.
  - 7.2. Commercial or Business automobile liability coverage for owned, non-owned and hired vehicles used in the performance of this IGA with limits in the amount of \$2,000,000.00 combined single limit or \$1,000,000.00 Bodily Injury, \$1,000,000.00 Property Damage.
  - 7.3. If required by law, workers' compensation coverage including employees' liability coverage.
  - 7.4. Each party will provide thirty (30) days written notice to the other party of cancellation, non-renewal or material change of coverage.
  - 7.5. The above requirement may be alternatively met through a self-insurance program under to A.R.S. §§ 11-261 and 11-981 (or if a school district, § 15-382) or participation in an insurance risk pool under A.R.S. § 11.952.01 (if a school district, § 15-382), at no less than the minimum coverage levels set forth in this Section.
8. **Compliance with Laws.** The parties will comply with all federal, state and local laws, rules, regulations, standards and Executive Orders. The laws and regulations of the State of Arizona will govern the rights of the parties, the performance of this IGA and any disputes. Any action relating to this IGA will be brought in a court in Pima County.
9. **Non-Discrimination.** The parties will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this IGA, including flow-down of all provisions and requirements to any subcontractors. During the term of this IGA, the parties will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.
10. **ADA.** The parties will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36.
11. **Conflict of Interest.** This IGA is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.
12. **Non-Appropriation.** Notwithstanding any other provision in this IGA, this IGA may be terminated if for any reason the Pima County Board of Supervisors or the District Board of Directors does not appropriate sufficient monies for the purpose of maintaining this IGA. In the event of such cancellation, the parties will have no further obligations under this IGA other than for payment for services rendered prior to cancellation.
13. **Worker's Compensation.** Each party will comply with the notice of A.R.S. § 23-1022 (E). For purposes of A.R.S. § 23-1022, irrespective of the operations protocol in place, each party is solely responsible for the payment of Worker's Compensation benefits for its employees.
14. **No Joint Venture.** It is not intended by this IGA to, and nothing contained in this IGA will be construed to, create any partnership, joint venture or employment relationship between the

parties or create any employer-employee relationship between a party and the employees of the other party. Neither party will be liable for any debts, accounts, obligations or other liabilities whatsoever of the other, including (without limitation) the other party's obligation to withhold Social Security and income taxes for itself or any of its employees.

15. **No Third-Party Beneficiaries.** Nothing in this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or affect the legal liability of either party to the IGA by imposing any standard of care with respect to the maintenance of public facilities different from the standard of care imposed by law.
16. **Notice.** Any notice required or permitted to be given under this IGA must be in writing and served by delivery or by certified mail upon the other party as follows (or at such other address as may be identified by a party in writing to the other party):

**County:**

Jackson Jenkins, Director  
Pima County Regional Wastewater  
Reclamation Department  
201 N. Stone, 8<sup>th</sup> Floor  
Tucson AZ 85701

**District:**

Joseph Olsen, General Manager  
Metropolitan Domestic Water  
Improvement District  
P.O. Box 36870  
Tucson AZ 85740

With copies to:  
County Administrator  
Pima County  
130 W. Congress Street, 10<sup>th</sup> Floor  
Tucson, Arizona 85701  
and

Clerk of the Board  
Pima County  
130 W. Congress, 5<sup>th</sup> Floor  
Tucson, Arizona 85701

17. **Amendment.** This IGA may only be modified, amended, altered or changed by written agreement signed by the parties.
18. **Severability.** If any provision of this IGA, or any application of a provision to the parties or any person or circumstance, is found by a court to be invalid, that invalidity will not affect other provisions or applications of this IGA that can be given effect without the invalid provision or application.
19. **Legal Authority.** Neither party warrants to the other its legal authority to enter into this IGA. If a court, at the request of a third person, should declare that either party lacks authority to enter into this IGA, or any part of it, then the IGA, or parts of it affected by such order, will be null and void, and no recovery may be had by either party against the other for lack of performance or otherwise.
20. **Entire Agreement.** This document, and any exhibits attached to it, constitutes the entire

agreement between the parties pertaining to the subject matter addressed, and all prior or contemporaneous agreements and understandings, oral or written, are superseded and merged into this IGA. This IGA may not be modified, amended, altered or extended except through a written amendment signed by the parties.

21. **Effective Date.** This IGA will become effective when all parties have signed it. The effective date of the IGA will be the date this IGA is signed by the last party (as indicated by the date associated with that party's signature).

[Signature Page to Follow]

**FOR PIMA COUNTY:**

\_\_\_\_\_  
Rex Scott, Chair Board  
of Supervisors

\_\_\_\_\_  
Date

ATTEST

\_\_\_\_\_  
Melissa Manriquez, Clerk of the Board

**FOR METROPOLITAN DOMESTIC WATER  
IMPROVEMENT DISTRICT:**

\_\_\_\_\_  
Chair  
Board of Directors

\_\_\_\_\_  
Date

ATTEST

\_\_\_\_\_  
Clerk of the Board

**Approval as to Content**

The foregoing Intergovernmental Agreement between Pima County and Metropolitan Domestic Water Improvement District has been reviewed by the undersigned and is hereby approved as to content.

**FOR PIMA COUNTY:**

\_\_\_\_\_  
Jackson Jenkins, Regional Wastewater  
Reclamation Director


**FOR METROPOLITAN DOMESTIC WATER  
IMPROVEMENT DISTRICT:**

\_\_\_\_\_  
Joseph Olsen, General Manager


### Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the Metropolitan Domestic Water Improvement District has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, each of whom has determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to the party he or she represents.

**PIMA COUNTY:**

  
\_\_\_\_\_  
Deputy County Attorney  
Printed Name: Bobby Yu

**METROPOLITAN DOMESTIC WATER  
IMPROVEMENT DISTRICT:**

  
\_\_\_\_\_  
Lewis, Roca, Rothgerber, Christie LLP  
Printed Name: Mark Patton

**Appendix A - O&M Calculation EXAMPLE**

<b>2019</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cost	\$ 4,000	\$ 3,000	\$ 5,000	\$ 3,000	\$ 5,000	\$ 5,500	\$ 6,000	\$ 1,000	\$ 2,000	\$ 2,500	\$ 7,000	\$ 6,500
AF Recharged	150	200	150	200	175	100	125	50	50	0	0	0

<b>2020</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cost	\$ 4,000	\$ 3,000	\$ 5,000	\$ 3,000	\$ 5,000	\$ 5,500	\$ 6,000	\$ 1,000	\$ 2,000	\$ 2,500	\$ 7,000	\$ 6,500
AF Recharged	150	200	150	200	175	100	125	50	50	0	0	0

<b>2021</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cost	\$ 6,000	\$ 3,000	\$ 2,000	\$ 1,000	\$ 7,000	\$ 7,000	\$ 4,000	\$ 3,000	\$ 1,500	\$ 3,000	\$ 5,000	\$ 6,000
AF Recharged	100	50	100	200	100	150	150	100	0	0	125	125

<b>2022</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cost	\$ 4,000	\$ 3,000	\$ 4,000	\$ 3,000	\$ 5,000	\$ 6,000	\$ 6,000	\$ 1,000	\$ 2,000	\$ 1,000	\$ 8,000	\$ 7,000
AF Recharged	0	0	125	125	125	125	100	100	200	200	50	50

<b>2023</b>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cost	\$ 6,000	\$ 3,000	\$ 2,000	\$ 3,000	\$ 6,000	\$ 7,000	\$ 4,000	\$ 3,000	\$ 3,500	\$ 3,000	\$ 5,000	\$ 6,000
AF Recharged	50	100	200	100	0	0	0	0	100	100	150	100

			Yearly	Average
	Jul 2019 to Jun 2020	Jan 2020 to Dec 2020	\$ / AF	\$ / AF
Recharge Year 2020	\$ 50,500	1200 AF	\$ 42.08	
	Jul 2020 to Jun 2021	Jan 2021 to Dec 2021		
Recharge Year 2021	\$ 51,000	1200 AF	\$ 42.50	
	Jul 2021 to Jun 2022	Jan 2022 to Dec 2022		
Recharge Year 2022	\$ 47,500	1200 AF	\$ 39.58	\$ 41.39
	Jul 2022 to Jun 2023	Jan 2023 to Dec 2023		
Recharge Year 2023	\$ 52,000	900 AF	\$ 57.78	\$ 46.62