THE SECOND SUPPLEMENT TO LICENSE AGREEMENTS ADOPTED BY CITY OF TUCSON, RESOLUTION NOS. 10848 and 10849 and PIMA COUNTY, RESOLUTION NO. 1979-101

THIS SECOND SUPPLEMENT is made this 18th day of December, 2007, by and between the City of Tucson, a municipal corporation, and Pima County, a political subdivision of the State of Arizona, collectively referred to as “the Parties.”

RECITALS

A. On June 26, 1979, the City of Tucson (“City”) and Pima County (“County”) entered into the 1979 Sewer Transfer Agreement (“the 1979 IGA”) and associated license agreements (“1979 Licenses”) to transfer the City’s sewerage system to the County and to grant each other licenses in the City and County rights of way for the use of public improvements.

B. The 1979 Licenses also provided terms under which the City and County would reimburse each other for the cost of relocating water and wastewater improvements located in City and County rights of way. In the 1982 First Supplement to the 1979 Licenses, the City and County established a reimbursement formula for the relocation of water lines constructed by the County in City rights of way and wastewater facilities constructed by the City in City rights of way that generally required the respective utilities to pay 50 percent of the costs of relocating facilities except when the construction activities were undertaken at the utilities’ direction or when the facilities were substantially deteriorated.

C. In the 2000 Supplemental Intergovernmental Agreement dated February 7, 2000 (“the 2000 Supplemental IGA”), the City and the County revised some of the terms of the 1979 IGA, in part to modify the disposition and use of effluent from County sewer treatment plants.

D. In Section XIII of the 2000 Supplemental IGA, the City and County agreed to provide, free of charge, reciprocal easements for water and wastewater facilities located on City and County property, in addition to the prior arrangements for reciprocal use of the City and County rights of way.

E. In this Second Supplement, both the City and County agree to pay the cost of utility relocations made by the other Party within their respective rights of way.

NOW, THEREFORE, in consideration of the mutual promises contained herein and to carry out the purposes discussed in the Recitals, City and County hereby enter into the following terms and conditions of this Second Supplement to the 1979 Licenses, to be read in conjunction with the 1982 First Supplemental Agreement and the original 1979 Licenses.

EXHIBIT A TO RESOLUTION NO. 20856
AGREEMENT

Article I: Cost Allocation for Water Utility Relocation Costs

1.1. City shall pay for all costs for the County relocation, repair, replacement, expansion or improvement of City water facilities within the City limits. Costs include the cost of project items directly related to water work, such as pipes, valves, fire hydrants, and trenching, plus 22% of such costs for all non-construction related services, including but not limited to, design, potholing, survey, and construction inspection. This provision shall modify the 1979 IGA, 1979 Licenses and the 1982 First Supplement and shall be effective upon adoption by the City of Tucson and Pima County.

1.2. County shall pay for all costs for the City relocation, repair, replacement, expansion or improvement of County sewer facilities within the unincorporated County limits. Costs include the cost of project items directly related to wastewater work, such as pipes, manholes, and trenching, plus 22% of such costs for all non-construction related services, including but not limited to, design, potholing, survey, and construction inspection. This provision shall modify the 1979 IGA, 1979 Licenses and the 1982 First Supplement and shall be effective upon adoption by the City of Tucson and Pima County.

1.3. This Second Supplement does not alter the cost share formula established in the First Supplemental Agreement for County projects in County rights of way and City projects in City rights of way.

1.4. Payment of City and County invoices is due within sixty (60) calendar days of receipt of invoices, but not preclude the parties from making mutually-approved advance payment arrangements.

1.5. County and City will provide each other with estimated utility relocation costs during the project design phase. City and County agree to provide each other with an annual updated CIP list with expected dates for issuance of the Notice to Proceed for all projects. City and County each agree to allow the City Water Department and the County Wastewater Management Department to participate in the design process for transportation improvement projects, to identify any opportunities to minimize and reduce any water or wastewater utility relocation costs.

Article II: Waiver of Claims

1 Waiver: City and County hereby release and forever discharge each other from any claim or demand for any legal or equitable theory of recovery for any water or wastewater utility relocation costs that either party could have brought for any City or County utility relocation project completed prior to December 31, 2006.
2.2 Exceptions:

2.2.1 City agrees to pay the County $1,097,944 for County projects undertaken in the City limits prior to October 1, 2007. The projects are:

12th Avenue, Ajo Way/Los Reales (Phase 1)
Country Club Road, Milber Street to 36th Street
River Road/Alvernon Way (Alvernon Segment Only)
Valencia Road, Mission Road to Interstate 19
12th Avenue, 12th to 44th Street (Phase 2)

2.2.2 City agrees to pay the County $633,840 for water line relocations on County projects undertaken in County rights of way prior to October 1, 2007. The projects are:

Thornydale Road, Ina Road to Cortaro Farms Road
River Road, First Avenue to Campbell Avenue
Sunrise Drive
Catalina Highway
Sabino Canyon Road and Kolb Road Intersection
Skyline Drive/River Road
River Road/Alvernon Way (River Road segment only)
Tanque Verde Road
Camino Ojo de Agua
River Road/Pontatoc Road
First Avenue, River Road to Orange Grove Road
Veteran's Memorial Overpass

2.2.3 County agrees to pay the City $1,284,541 for sewer relocations on City projects undertaken in City rights of way prior to October 1, 2007. The projects are:

22nd Street and Osborne Drainage Improvements (Phase 1)
29th Street, Swan Road to Craycroft Road
South 6th Avenue, Rodeo Wash to Irvington Road
Bilby Road, Del Moral Boulevard to Country Club Road
South 6th Avenue, I-10 to Ajo Way
Fort Lowell Road, Vista del Forte Drive to Swan Road
24th Street Public Paving and Sewer Improvements
12th Avenue, Valencia Road to Drexel Road
Palo Verde Avenue, Glenn Street to Grant Road
South 6th, I-10 to 19th Street
22nd Street and Osborne Drainage Improvements (Phase 2)
Golf Links Road, Pantano Road to Bonanza Avenue
Limberlost Drainage Relief
Keeling Neighborhood
Pantano Road, Golf Links Road to Escalante Road
Pima Street, Swan Road to Craycroft Road (DPI)
Meyer Court
South 6th Avenue, President Street to Rodeo Wash
Campbell Avenue, Grant Road to Elm Street
Harrison Road, Old Spanish Trail to Golf Links Road
Mountain Avenue, Grant Road to Fort Lowell Road
22nd Street and Wilmot Road Intersection
Bus Pullouts (Phase 1)
El Vado Wash Missiondale Road to South 12th Avenue
Jefferson Park Drainage
Harrison Road, Speedway Boulevard to Old Spanish Trail
Arroyo Chico Drainage Improvements

Article III: Miscellaneous Provisions

3.1. Term. This Second Supplement shall be effective upon its adoption and execution by both parties and shall remain in effect until the 1979 IGA and the related 1979 Licenses terminate.

3.2. This Second Supplement shall be applied in conjunction with the 1979 City/County Sewer Transfer Agreement, related 1979 City/County Licenses and the 1982 First Supplement and all terms and conditions contained therein.

3.3. Notice. Notice to the parties shall be delivered by certified mail, return receipt requested, or shall be delivered by personal delivery, including by facsimile with electronic receipt. Notices shall be addressed to the parties as follows:

Pima County:
Director of Public Works
130 W. Congress, 10th Floor
Tucson AZ 85701

City of Tucson:
Director, Tucson Water
310 West Alameda
Tucson, Arizona 85701
With Copies to:

County Administrator
130 West Congress, 10th Floor
Tucson AZ 85701

With Copies to:

City Manager
255 West Alameda, 10th Floor
Tucson, Arizona 85701

In Witness Whereof, County has caused this Agreement to be executed by the Chairman of its Board of Supervisors, upon resolution of the Board and attested to by the Clerk of the Board, and the City has caused this Agreement to be executed by the Mayor, upon resolution of the Mayor and Council and attested to by its Clerk.

ATTEST:

[Signature]
City Clerk
December 18, 2007

CITY OF TUCSON:

[Signature]
Robert Walkup, Mayor
December 18, 2007

PIMA COUNTY:

[Signature]
Richard Elias, Chairman
FEB 05 2008

Intergovernmental Agreement Determination

The foregoing Intergovernmental Agreement between Pima County and the City of Tucson has been reviewed pursuant to A.R.S. § 11-952 by the undersigned, who have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona to those parties to the Intergovernmental Agreement represented by the undersigned.

City of Tucson:

[Signature]
Attorney for the City
12/18/07

Pima County:

[Signature]
Deputy County Attorney
01.04.07
Certificate of Clerk

City of Tucson

State of Arizona
County of Pima

I, Kathleen S. Detrick, the duly appointed and qualified City Clerk of the City of Tucson, Arizona, do hereby certify that the foregoing is a true and correct copy of Resolution No. 20856 which was passed and adopted by the Mayor and Council of the City of Tucson, Arizona, at a meeting held on December 18, 2007 at which a quorum was present.

In Witness Whereof, I have hereunto set my hand and affixed the seal of the City of Tucson, Arizona on December 28, 2007.

Total of 2 pages
(Exhibit not included)

Kathleen S. Detrick
City Clerk
RESOLUTION NO. 20856

RELATING TO WATER AND TRANSPORTATION; AUTHORIZING AND APPROVING A SECOND SUPPLEMENT TO THE 1979 LICENSE AGREEMENTS BETWEEN THE CITY OF TUCSON AND PIMA COUNTY; AND DECLARING AN EMERGENCY

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:

SECTION 1. The Second Supplement to License Agreement adopted by City of Tucson Resolution Nos. 10848 and 10849 and Pima County Resolution No 1979-101, attached hereto as Exhibit “A”, is approved.

SECTION 2. The Mayor is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to, any and all documents necessary to effectuate the above-contemplated transactions for and on behalf of the City of Tucson.

SECTION 3. The various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.
SECTION 4. WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Tucson that this resolution become immediately effective, an emergency is hereby declared to exist and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, DECEMBER 18, 2007

[Signature]
MAYOR

ATTEST:

[Signature]
CITY CLERK

APPROVED AS TO FORM:

[Signature]
CITY ATTORNEY

REVIEWED BY:

[Signature]
CITY MANAGER

CA/dc
12/5/2007 2:16 PM
EXHIBIT A

(To the Second Supplement to the 1979 IGA and License Agreements with City of Tucson)
RESOLUTION NO. 1979-101

RELATING TO SEWERS: AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF TUCSON PROVIDING FOR TRANSITIONAL MANAGEMENT OF WASTEWATER CAPITAL PROJECTS.

WHEREAS, Pima County and the City of Tucson have entered into an Intergovernmental Agreement providing for the transfer of the City of Tucson sewerage system to Pima County; and

WHEREAS, it is critical to an efficient and successful transfer that continuity of operations be maintained for both systems; and

WHEREAS, technical assistance from the City of Tucson on its operations and facilities will be necessary for the County for an interim period;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY, ARIZONA, AS FOLLOWS:

SECTION 1. That the Intergovernmental Agreement attached hereto as Exhibit 1, providing for the transitional management of wastewater capital projects be and is hereby approved and adopted.

SECTION 2. That the various County officers and employees be and are hereby authorized and directed to perform any and all acts necessary or desirable to give effect to this resolution.

PASSED, ADOPTED by the Board of Supervisors of Pima County, Arizona, August 14, 1979.

Chairman, Board of Supervisors
RELATING TO THE TRANSFER OF THE CITY OF TUCSON'S SEWERAGE SYSTEM TO PIMA COUNTY; AUTHORIZING THE EXECUTION OF FIRST SUPPLEMENT TO LICENSE AGREEMENTS BETWEEN PIMA COUNTY AND CITY OF TUCSON FOR USE OF THE PUBLIC RIGHT-OF-WAY IN PIMA COUNTY AND THE CITY OF TUCSON.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:

SECTION 1. That the attached First Supplement to License Agreements is approved.

SECTION 2. That the Mayor is authorized and directed to execute the attached First Supplement to License Agreements for and on behalf of the City of Tucson, and the City Clerk is authorized and directed to attest to the same.

SECTION 3. That the various City officers and employees are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.

SECTION 4. WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Tucson that this resolution become immediately effective, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona, \( \text{MAR 15 1982} \)

[Signature]

MAYOR

ATTEST:

[Signature]

CITY CLERK

APPROVED AS TO FORM:

[Signature]

CITY ATTORNEY

REVIEWED BY:

[Signature]

CITY MANAGER

\( \text{F2/2/23/82} \)
FIRST SUPPLEMENT TO LICENSE AGREEMENTS

Adopted by City Resolution Nos. 10848, 10849
and County Resolution No. 1979-101

WHEREAS, the City of Tucson, Arizona, hereinafter called City, and Pima County, Arizona, hereinafter called County, have entered into an agreement dated June 26, 1979, hereinafter called Transfer Agreement, whereby the City transferred to County the City sewerage system; and

WHEREAS, pursuant to and in conjunction with the Transfer Agreement each party executed a license with the intent to grant to the other the use of its public rights of way and to allocate the costs of relocation of certain improvements existing in the rights of way; and

WHEREAS, a dispute has arisen about the interpretation of paragraph 5(C) of the licenses; and

WHEREAS, both parties agree that an operating agreement is necessary between the parties in order to resolve the dispute with the least possible cost and the maximum benefit to each party and the general public.

NOW, THEREFORE, in consideration of these premises and of the mutual covenants and agreements herein, City and County agree as follows:

I

In the license for City use of County rights of way executed in conjunction with the Transfer Agreement, Paragraph 5(C) reads as follows:

County agrees to bear the cost of any relocation or adjustment of City water facilities caused by County construction projects undertaken in County right of way.

1. For purposes of interpreting the license executed in conjunction with the Transfer Agreement, the term "County construction projects" in Paragraph 5(C) means County sewer construction projects.
2. The costs of the adjustment or relocation of City water facilities caused by any County construction project in County rights of way other than sewer construction projects shall be shared by the City and the County in the following manner:

A. Where adjustment or relocation maintains the existing water capacity, the cost shall be shared equally.

B. Where adjustment or relocation increases the existing water service capacity, the cost of the adjustment or relocation shall be shared equally, except the City shall bear the cost to the extent attributed to the increased capacity.

C. Where an existing water facility is in a substantially deficient condition as determined in good faith by City, then City and County shall negotiate in good faith on a case by case basis the additional percentage of the cost to be borne by City attributed to the increase in service life of the new water facility.

3. The work required in the adjustment or relocation of the City water facilities will be performed by the County or the City at the City's option. The party performing the work shall bill the other party for its share of the costs as set forth above. Upon receiving a bill, the party will acknowledge its receipt and verify or deny its accuracy. Any objection to the amount of bill must be filed in writing with the other party within 15 days from the date of receipt or any objection shall be deemed waived. Any dispute over the amount owed in connection with project shall not affect the application or validity of this agreement as to any
other project. All bills shall become due and payable within 30 days of receipt. However, if a party does not have funds available in its current budget for the payment of a bill, the party shall provide for the payment of the bill in the subsequent year's budget and the bill shall be paid as soon as it is reasonably feasible after the adoption of the budget in the subsequent fiscal year.

4. In connection with the location of future water facilities by the City in County right-of-way, the County shall provide the City with basic engineering data, such as topographic or existing highway profile information. The County shall conceptually establish future highway grades and alignment to assist the City in locating water lines so as to minimize the need for future relocation or adjustment. It is understood by City that such conceptually established future highway grades are subject to change upon development of final highway improvement plans. The City shall bury its water lines at standard depths from the established future highway grades. The City shall have the option to bury its water lines at less than the standard depth from the conceptually established future highway grade, in which case any future cost of relocation or lowering is to be solely at the City's expense. This choice of option by City to bury at less than standard depth shall be documented by the city on a project-by-project basis.

5. County agrees to bear the cost of replacing pavement removed and valve box and vault adjustment in conjunction with the adjustment or relocation of City water facilities incidental to County projects.

6. All costs incurred in connection with projects commenced by improvement districts in the County which result from the adjustment and relocation of City water facilities
and which do not increase the capacity of the water facility shall be borne by the improvement district. Costs incurred in connection with projects commenced by improvement districts which increase the capacity, except for fire flow requirements, of the City water facilities shall be borne by the City to the extent of the cost attributed to the increased capacity of the water facility. However, if City has the water facility scheduled or programmed for replacement, the City shall bear the entire cost of replacement.

II

In the license for County use of City right of way executed in conjunction with the above-mentioned Transfer Agreement, Paragraph 5(C) reads as follows:

City agrees to bear the costs of any relocation or adjustment of County sewer facilities caused by City construction projects undertaken in City right of way.

1. For purposes of interpreting the above-mentioned license executed in conjunction with the Transfer Agreement, the term "City construction projects" in Paragraph 5(C) means City water construction projects.

2. Costs of the adjustment or relocation of County sewer facilities caused by any City construction project other than water construction projects in City rights of way shall be shared by the City and the County in the following manner:

A. Where adjustment or relocation maintains existing nominal sewer capacity, the cost shall be shared equally.

B. Where adjustment or relocation increase the existing sewer service capacity, the cost of the adjustment or relocation shall be shared equally, except the County shall bear the
cost to the extent attributed to the increased
capacity.

C. Where an existing sewer facility is in a sub-
stantially deficient condition as determined
in good faith by County, then City and County
shall negotiate in good faith on a case-by-case
basis the additional percentage of the cost
to be borne by County attributed to the increase
in service life of the new sewer facility.

3. The work required in the adjustment or relocation
of the County sewer facilities will be performed by the
County or the City at the County’s option. The party perform-
ing the work shall bill the other party for its share of
the costs as set forth above. Upon receiving a bill, the
party will acknowledge its receipt and verify or deny its
accuracy. Any objection to the amount of bill must be filed
in writing with the other party within 15 days from the
date of receipt or any objection shall be deemed waived.
Any dispute over the amount owed in connection with the
project shall not affect the application or validity of
this agreement as to any other project. All bills shall
become due and payable within 30 days of receipt. However,
if a party does not have funds available in its current
budget for the payment of a bill, the party shall provide
for the payment of the bill in the subsequent year’s budget
and the bill shall be paid as soon as it is reasonably feasible
after the adoption of the budget of the subsequent fiscal
year.

4. City agrees to bear the cost of replacing pavement
removed and of manhole and/or clean out adjustments in conjunc-
tion with the adjustment or relocation of County sewer facili-
ties incidental to City projects.

5.
5. All costs incurred in connection with projects commenced by improvement districts in the City which result from the adjustment and relocation of County sewer facilities and which do not increase the capacity of the sewer facility shall be borne by the improvement district. Costs incurred in connection with projects commenced by improvement districts which increase the capacity of the County sewer facilities shall be borne by the County to the extent of the cost attributed to the increase in capacity of the sewer facility except where the increase in capacity substantially benefits property within the improvement district.

III

For a project funded either partially or entirely by federal funds, and to the extent that the relocation or adjustment of a water or sewer facility is a project eligible cost, the portion of the cost of the relocation or adjustment to be paid from federal funds shall be the ratio of the federal funds to the total project cost times the cost of the relocation or adjustment. The remainder of the cost of the water or sewer facility relocation or adjustment shall be shared by the County and the City as set forth in this agreement for other non-federally funded projects.

PIMA COUNTY

By: [Signature]
Chairman

ATTEST:

[Signature]
Clerk of the Board

Dated:

APPROVED AS TO FORM:

[Signature]
Rose Silver, Special Counsel
to Civil Division
County Attorney

[Signature]
Pete Pearson
Deputy County Attorney
ATTEST:

Donald L. DeWalt
City Clerk

Mar 15, 1982

APPROVED AS TO FORM:

Loretta Humphrey
Assistant City Attorney
RESOLUTION NO. 1979-78

RELATING TO SEWERS; AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF TUCSON PROVIDING FOR THE TRANSFER OF THE CITY SEWERAGE SYSTEM AND FOR THE DISPOSITION OF EFFLUENT.

WHEREAS, Pima County and the City of Tucson construct and operate sewerage systems in their respective jurisdictions; and

WHEREAS, the sewerage systems of the City of Tucson and Pima County in the metropolitan area in and surrounding the City of Tucson physically constitute an integrated system with no regard to jurisdictional boundaries; and

WHEREAS, in November of 1977, in a special election held in the City of Tucson, the qualified electors of the City voted in favor of authorizing the City to transfer to the County its sewers, drains, and all other works for disposition of sewage and wastewater both within and without the city; and

WHEREAS, on December 18, 1978, the Mayor and Council, upon motion, approved the transfer of the City sewerage system to Pima County and on said day, the Board of Supervisors approved said transfer of the City sewerage system to the County by June 30, 1979, therefore, be it resolved by the Board of Supervisors of Pima County, Arizona, as follows:

SECTION 1. That the Intergovernmental Agreement attached hereto as Exhibit 1, providing for the transfer of the City sewerage system to Pima County and providing for the disposition of effluent, be and is hereby approved and adopted:

SECTION 2. That the Chairman of the Board of Supervisors is hereby authorized and directed to execute any and all instruments and to accept any and all property on behalf of Pima County and to do all things necessary to carry out the objects, purposes and intents of the Intergovernmental Agreement between the City of Tucson and Pima County.

SECTION 3. That the Chief Administrative Officer be and is hereby directed to present on or before June 30, 1979, all

* See Exhibit 1 to Resolution No. 10860 (City Contract 0005-80).
transfer documents required to implement the aforementioned Intergovernmental Agreement.

SECTION 4. That the various County Officers and employees be and are hereby authorized and directed to perform any and all acts necessary or desirable to give effect to this resolution.

PASSED, ADOPTED by the Board of Supervisors of Pima County Arizona, June 26th, 1979.

E.J. Walter
Chairman, Board of Supervisors

ATTEND:

Clerk of Board of Supervisors

APPROVED AS TO FORM:

Rose Silver
Civil Deputy County Attorney
AGREEMENT

THIS INTERGOVERNMENTAL AGREEMENT, entered into pursuant to Title II, Chapter 7, Article 3, A.R.S., by and between:

THE CITY OF TUCSON, a municipal corporation (hereinafter sometimes referred to as the "City"); and

THE COUNTY OF PIMA, a body politic and corporate, a political subdivision of the State of Arizona (hereinafter sometimes referred to as the "County").

WHEREAS, Pima County is authorized by A.R.S. §11-254 to purchase, construct or operate a sewerage system, including the collection, transportation, pumping, treatment and disposal of sewage; and

WHEREAS, the City of Tucson is authorized by Chapter IV, Section 1 (12) of its Charter to construct and maintain sewerage systems within and without its corporate limits; and

WHEREAS, the sewerage systems of the City of Tucson and Pima County in the metropolitan area in and surrounding the City of Tucson physically constitute an integrated system with no regard to jurisdictional boundaries; and

WHEREAS, Pima County and the City of Tucson have undertaken a metropolitan Tucson Regional Wastewater Facilities Plan Program; and

WHEREAS, said plan has been prepared and subjected to a public hearing; and

WHEREAS, in November of 1977, in a special election held in the City of Tucson, the qualified electors of the City voted in favor of the following proposition:

Shall the City be authorized, until June 30, 1979, to transfer to the County of Pima its sewers, drains, and all other works for disposition of sewage and wastewater both within and without the City, under such terms and conditions as shall be determined by the Mayor and Council?

WHEREAS, on December 11, 1978, the Mayor and Council adopted the Metropolitan Tucson Regional Wastewater Facility Plan, dated November, 1977, and the First Addendum Report, dated November, 1978, each prepared by Brown and Caldwell; and

WHEREAS, on December 11, 1978, the Mayor and Council adopted Intergovernmental Agreements (IGA) relating to each of the following subjects: (1) wastewater flow routing; (2) construction of Phase I of Roger Road Wastewater
Treatment Plant improvements, (3) design and construction of the Phase I elements of the Santa Cruz-Southeast Interceptor System, (4) design and construction of the Osborn Interceptor; and

WHEREAS, on December 18, 1978, the Mayor and Council approved the Coopers and Lybrand Financial Study and Phase I of the Arthur D. Little Management Study, each study being a component of the Regional Wastewater Plan; and

WHEREAS, also on December 18, 1978, a motion was made and seconded and passed by the Mayor and Council to adopt the City Manager's recommendation to transfer the City sewer system to Pima County subject to four conditions; and

WHEREAS, on December 18, 1978, the Mayor and Council adopted an intergovernmental Agreement with Pima County relating to the financing and planning of their respective sewerage systems for the fiscal year 1978-1979; and

WHEREAS, on December 11, 1978, the Board of Supervisors adopted, subject to conditions, the Metropolitan Tucson Regional Wastewater Facility Plan, dated November, 1977, and the First Addendum Report, dated November, 1978, each prepared by Brown and Caldwell; and

WHEREAS, on December 11, 1978, the Board of Supervisors adopted, subject to conditions, Intergovernmental Agreements (IGA) relating to each of the following subjects: (1) wastewater flow routing, (2) construction of Phase I of the Roger Road Wastewater Treatment Plant Improvements, (3) design and construction of the Phase I elements of the Santa Cruz-Southern Interceptor System, (4) design and construction of the Osborn Interceptor; and

WHEREAS, on December 18, 1978, the Board of Supervisors approved the Coopers and Lybrand Financial Study and Phase I of the Arthur D. Little Management Study, each study being a component of the Regional Wastewater Plan; and

WHEREAS, on February 26, 1979, the Board of Supervisors adopted the Intergovernmental Agreement relating to the financing and planning of their respective sewerage systems for the fiscal year 1978-1979; and

WHEREAS, on December 18, 1978, the Board of Supervisors upon motion unanimously approved the transfer of the City sewer system to the County by June 30, 1979, subject to the four conditions set out in the City Manager's memorandum; and

WHEREAS, on December 21, 1978, the Regional Council of the Pima Association of Governments passed and adopted a resolution in which the Council concurred with the actions taken by the City of Tucson and Pima County, in adopting the
Regional Facilities Plan prepared in accordance with the requirements of Section 208 of the Federal Water Pollution Control Act Amendments of 1972 and 1977, in agreeing to transfer the City sewerage system to Pima County subject to four stipulated City conditions no later than June 30, 1979, whereupon Pima County will be the sole management and operating agency in the PAG designated planning area, and provided for the submission to EPA of the Facilities Plan and a plan for implementation of the transfer; and

WHEREAS, the City and County, in furtherance of their actions taken on both December 11 and December 18, 1978, intend, in good faith, to proceed in the orderly transfer of the City sewerage system to Pima County and to provide that such transfer be accomplished with the minimum amount of disruption.

NOW, THEREFORE, City and County agree as follows:

ARTICLE I

PURPOSE

The purpose of this agreement is to:

A. Set forth and clarify the previous actions taken by the Mayor and Council and Board of Supervisors with respect to the City and County sewerage systems.

B. Provide guidelines for the orderly and timely transfer of the City of Tucson sewerage system located within and without the incorporated areas of the City to Pima County.

C. Provide for the identification of and procedures for resolution of matters related to and affected by the transfer of the City sewer system to Pima County.

D. Provide for the establishment of approximate time frames with which matters are to be resolved in order to effectuate an orderly and efficient transition with a minimal amount of disruption.

ARTICLE II

PREVIOUS ACTIONS CLARIFIED

A. City and County hereby confirm and by reference herein incorporate and make a part hereof their motions of December 18, 1978, whereby it was moved and carried by the City Council and subsequently moved and carried by the Board of Supervisors that the ownership of the entire City of Tucson sewerage system be transferred to Pima County, subject to the following four conditions:
1. County acceptance of the City's terms on the effluent issue.

2. County acceptance of the responsibility for existing City
   sewer debt.

3. County commitment to the Regional Facilities Plan for a period
   of three (3) years and award of a construction contract for the
   Roger Road Plant by September 30, 1979. (End of Federal fiscal
   year)

4. County commitment to not turn the sewerage system over to an
   independent agency for a period of ten (10) years.

B. The City and County hereby confirm their approval and adoption of
   Volumes I and II of the November, 1977, Metropolitan Tucson Regional Wastewater
   Management System Plan, and the November, 1978, Addendum Report (Regional Facility
   Plan), and by reference herein incorporate and make same a part of this Agreement.

C. The City and County hereby confirm their approval of and by refer-
   ence incorporate and make the following a part of this Agreement:

   1. The Wastewater Management Study entitled "Evaluation of
      Organizational Alternatives for Wastewater Management in
      the City of Tucson and Pima County," prepared by Arthur D.
      Little, Inc. and selecting the second recommendation, Pima
      County Management Agency.

   2. The Regional Financial Plan prepared by Coopers and Lybrand.

D. The City and County hereby rescind their respective actions adopt-
   ing the following Intergovernmental Agreements:

   1. Agreement between City and County related to design (Step 2)
      and construction (Step 3) of the Southeast-Santa Cruz Inter-
      ceptor Project (City Resolution No. 10687 and 10688).

   2. Agreement between City and County related to design (Step 2)
      and construction (Step 3) of the Ouirin Interceptor Project
      (City Resolution No. 10685 and 10686).

   3. Agreement between City and County related to construction (Step 3)
      of the Roger Road Treatment Plant (City Resolution No. 10684).

   4. Agreement between City and County related to division of wastewater
      flows between City and County treatment plants (City Resolution
      No. 10682).
E. The subject matter covered by the IGA rescinded by Article II, D(3), above, is now covered in Article Y of this Agreement. The matters covered by the IGAs rescinded by Article II D(1) (2) (4), above, are not covered herein for the reason that the transfer of the entire City sewerage system to the County renders such Agreements unnecessary.

ARTICLE III
TREATED AND RECLAIMED WATER
(EFFLUENT)

As part of the consideration of the City's agreement to transfer its sewer system to Pima County, County agrees with City as follows with regard to effluent (treated and reclaimed water):

A. As a basis for agreements on effluent, the City and County agree that effluent is a major water resource that must be controlled by the City of Tucson in order to maintain management of total water resources of the Santa Cruz and adjacent water basins. It is further agreed that the City will endeavor to use effluent in such a manner as to preserve the underground water supply and to minimize costs to water rate payers in the City and County.

B. Notwithstanding other sections of Article III, County agrees that all effluent from all County sewer treatment plants may be used by the City to settle or satisfy litigation relative to water rights pending with the City at the time of closing. In the event all the effluent is not required to settle or satisfy litigation, City and County agree that the effluent that is required for settlement will be provided by the City and County on a pro-rata basis with each providing an equal proportion from the total effluent controlled by each.

C. Insofar as there is no conflict with this agreement, the County agrees that as successor to Sanitary District One, it has agreed to be and is bound by each and every obligation of the District. The matter set out in this paragraph (Article III, Paragraph C) shall not be deemed an admission against interest on the part of the County. The foregoing, however, shall not prevent the City from offering the above judgment in any litigation between the parties.

D. County agrees to relinquish, quitclaim, and transfer to the City, all of County's interest, estate, right, title, claim or lien in effluent which is discharged from metropolitan treatment facilities. The term "metropolitan" means the area which is or may be served by the Roger Road,
Ina Road or Randolph Park Treatment Plants, or by any additional collection and treatment facilities hereafter constructed which are physically integrated into the existing metropolitan sewerage system. The City shall have unilateral control, without limitation, over the use and disposition of all such effluent discharged from any and all treatment facilities so located. City shall take delivery of its effluent at any or all of the said treatment facilities at no cost to County.

E. County agrees to continue to operate the Randolph Park Wastewater Treatment Plant unless otherwise mutually agreed to by the City and County in writing or unless the County provides, at no cost to the City, a comparable quantity and quality of effluent at Randolph Park from another source.

F. Notwithstanding Article III D, County shall be entitled to take up to ten (10) percent of the effluent discharged from metropolitan treatment facilities, which City owns or controls, for use only on County parks, golf courses, and recreational facilities, except as provided in Article III H below.

1. County may take its total daily effluent entitlement at the Ina Road Plant. County may, at its option, take from other treatment plants at their discharge points such portions of its entitlement not to exceed ten (10) percent of the flow at any such plant, provided however that taking from the Randolph Park Treatment plant shall be excess to the needs of the City. City agrees to grant, at no charge to County, easements, rights-of-way, and access to facilitate County use of its effluent, and City shall bear no costs associated therewith.

2. The County entitlement shall be daily and non-cumulative.

3. The total daily effluent entitlement of County shall be determined on the basis of a measurement method to be agreed upon between City and County staffs. As may be required, County agrees to construct measuring devices and City agrees to read and maintain such devices.

G. City and County agree that there will be no charge to the County for the effluent taken by the County pursuant to Article III F(1) above.

H. City agrees that any portions of County's ten percent (10%) entitlement may be used by the County as a basis for a contract with the Cortaro-Marana Irrigation District.
1. City and County agree that the City shall have unilateral control, without limitation, over the use and disposition of all effluent discharged from County treatment plants located outside of the Metropolitan Area. City shall take delivery of such effluent at any or all of said treatment facilities at no cost to County.

1. In the event that disposition by the City of effluent to which it is entitled within the non-metropolitan area results in a net profit, the net profit shall be divided as follows:

   50% of the net profit will be treated as water revenues and deposited to the same accounts and funds as receipts from City water sales;

   50% of the net profit will be treated as sewer user fee revenues and deposited to the same accounts and funds as sewer user fee revenues.

   a. Net profit shall be determined by the City and the County in accordance with generally accepted accounting methods. Net profit will include the cash revenue remaining after costs for capital, operation and maintenance, including indirect and administrative expenses, and the cost for additional treatment, if any, have been met.

   b. Use of effluent to settle water related claims against the City or County, exchange for groundwater pumping rights, Central Arizona Project, or in any other manner to protect, benefit or enhance the water supply of the City where there is no cash revenue shall not be valued in any way for purposes of determining net profit.

2. Notwithstanding Article III 1 (1)(a)(b), City agrees that County may take effluent from County treatment facilities located outside the metropolitan area commensurate with their needs for irrigation of parks, golf courses, and recreational facilities located outside the metropolitan area.

3. County agrees not to provide or divert wastewater from any portion of its collection and treatment systems to any person or other entity without the prior written consent of the City.

4. In order to assure that the full potential quantity and quality of City effluent is not reduced, the County agrees to the following:

   -7-
1. Maintain effluent quality at the Ina Road, Roger Road, Randolph Park Treatment Plants and other treatment plants within the metropolitan area, regardless of whether or not there is a discharge into the waters of the United States, in accordance with Federal and/or State standards for discharge into the waters of the United States within the State. The disposal of treated wastewater from a treatment plant shall not constitute a part of the treatment process.

2. At other treatment facilities outside the metropolitan area, the treatment processes will be maintained in accordance with EPA and State requirements.

3. Except as may be required in Article III H, City agrees County shall not be required by City to exceed NPDES Permit Standards. City further agrees that County shall not be responsible for any additional treatment costs required by City to meet its reuse plans which is in excess of NPDES Standards.

4. City agrees that specific effluent allocations made to County shall not be subsequently denied in whole or in part unless approved by City and County.

5. County agrees to make untreated wastewater available to the City for treatment and use on other recreational facilities in the City, all at no cost to the County. County further agrees to treat wastewater in accordance with Arizona Department of Health Services standards where such effluent will be used to irrigate the Randolph, Silverbell and Arthur Pack Golf Courses, or future similar facilities.

6. County agrees to grant, at no charge to City, easements, rights-of-way and access to treatment facilities to facilitate City use and disposition of its effluent, and County shall bear no costs associated therewith.

7. County agrees that at closing it will withdraw its Application for Permit to Appropriate Water, No. 33-47023, and thereafter it will not refile such Application(s). Further, County agrees to withdraw its opposition to City's Application for Permit No. 33-42494.

8. City and County agree to settle Cause No. 170727, City of Tucson, a municipal corporation v. Pima County, a body politic, et al., presently pending in the Superior Court of the State of Arizona in and for the County of Pima by a stipulation for dismissal without prejudice.
A. County agrees that it shall assume the responsibility of paying
the existing City sewer bond debt pursuant to the Schedule attached hereto and
made a part hereof (Exhibit A). Existing sewer debt shall mean all debt of
the City as of June 30, 1979 incurred from the expenditure of sewer bond funds
for the construction, design or planning of any component of the City's sewer
system and all other debt of the City incurred as a result of sewer bond sales,
the proceeds of which have not been used for construction, design or planning
and which shall be used on or after June 30, 1979 for City debt service payments
or payments pursuant to IV D (1)-(c); (b).**

County's obligation herein is subject to annual appropriation.
Revenues used for this purpose shall be expended in accordance with State law.

B. Unexpended City Sewer Bond proceeds existing at time of closing
will be used to reduce the existing City Sewer debt or as provided in IV D (1)
**(b). These proceeds and interest earnings shall be applied in accordance with
the existing debt service schedule of the City shown in Exhibit A herein.

C. City and County agree that after closing the County shall be solely
responsible for all financing for capital and operation and maintenance costs of
the combined sewer system incurred after June 30, 1979. Any costs incurred in
the City system prior to June 30, 1979 will be the responsibility of the City.

(1) Consistent with the foregoing, the following existing
City contracts shall be assigned to the County effective June 30, 1979.

<table>
<thead>
<tr>
<th>Contract No.</th>
<th>Project</th>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>0182-79</td>
<td>Main Avenue Trunk Sewer</td>
<td>J.S. Anderson Construction Company</td>
</tr>
<tr>
<td>0296-79</td>
<td>I-19 Trunk Sewer</td>
<td>Gus's Trenching &amp; Pipeline Co., Inc.</td>
</tr>
<tr>
<td>033-79</td>
<td>I-19 Trunk Sewer/Pile Driving</td>
<td>Gus's Trenching &amp; Pipeline Co., Inc.</td>
</tr>
<tr>
<td>0312-79</td>
<td>YMCA Relief Sewer</td>
<td>R.E. Miller Paving &amp; Construction, Inc.</td>
</tr>
<tr>
<td>0365-79</td>
<td>Craycroft Trunk Sewer</td>
<td>R.E. Miller Paving &amp; Construction, Inc.</td>
</tr>
</tbody>
</table>

(2) Notwithstanding other sections of Article IV, the City
shall be financially liable for tort claims and court judgments
arising from City's negligent actions in connection with the City's

**CITY CLERK'S NOTE
The intergovernmental agreement between the City of Tucson and Pima County
dated June 30, 1979, relating to the transfer of the City sewer system to
Pima County, contained a typographical error on page 9: Article IV, Sec. 4.
Refer to Art. IV (1)(b). There is no paragraph (e). The references should
be paragraph (b). The complete reference should read IV D (1)(b).
operation of the City sewer system whether the injury occurred before or after June 30, 1979. A contingent liability fund shall be established by the City from 1978-79 sewer user revenues in the amount of One Hundred Thousand Dollars ($100,000) for payment of such tort claims, court judgments (excluding the Dow Chemical Judgment) and other liabilities pursuant to IV E. The fund shall be closed at the end of two years and any balance therein shall be disbursed to the County.

(3) The County shall be financially liable for tort claims and court judgments arising from County’s negligent actions in connection with the County’s operation of the combined sewer systems when the injury occurs after June 30, 1979.

D. (1) City and County agree to the disposition of existing City grants in the following manner, subject to EPA approval:

(a) The following grants will be transferred to the County effective June 30, 1979.

<table>
<thead>
<tr>
<th>EPA Grant No.</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. C-04-0160-01</td>
<td>Santa Cruz Interceptor System Phase I Steps 2 &amp; 3</td>
</tr>
<tr>
<td>11. C-04-0134-01</td>
<td>Randolph Park Wastewater Reclamation Plant Step 3</td>
</tr>
<tr>
<td>111. C-04-0147-01</td>
<td>South Rillito Interceptor System Phase I Steps 2 &amp; 3</td>
</tr>
<tr>
<td>1v. C-04-0147-03-1</td>
<td>South Rillito Interceptor Sewer Phase II Step 1</td>
</tr>
<tr>
<td>v. C-04-0147-03-2</td>
<td>South Rillito Interceptor Sewer Phase II Step 2</td>
</tr>
<tr>
<td>vi. C-04-0147-03-3</td>
<td>South Rillito Interceptor Sewer Phase II Step 3</td>
</tr>
<tr>
<td>vii. C-04-0178-01-1</td>
<td>Metropolitan Tucson Regional Wastewater Management System (Facility Plan) Step 1</td>
</tr>
<tr>
<td>viii. C-04-0178-01-2</td>
<td>Design of Modification to Roger Road Wastewater Treatment Plant Step 2</td>
</tr>
<tr>
<td>ix. C-04-0178-03</td>
<td>Modifications to Roger Road Wastewater Treatment Plant Phase I Step 3</td>
</tr>
</tbody>
</table>

(b) All City shares of local costs in connection with EPA grants discussed in IV D (1) (a) shall be the responsibility of the City when incurred prior to June 30, 1979 and shall be the responsibility of the County when incurred after June 30, 1979.
i. The County shall meet this obligation from County sewer bonds and sewer connection fees.

ii. The City shall meet their obligation from a Five Hundred Thousand Dollar ($500,000) fund which shall be established prior to June 30, 1979 comprised of City sewer bond funds. This fund shall be closed after final EPA audit approval has been received on all EPA grants listed in IV D (1)(a), any balance therein shall be used to reduce the existing City sewer debt.

iii. In the event that EPA grant reimbursements are received by the City after July 1, 1979, these payments shall be distributed to either the fund identified in IV D (1)(b)(16) or the County if so provided for in existing IGA's.

(2) Consistent with the disposition of grants in IV D (1), the following existing City contracts shall be assigned to the County effective June 30, 1979.

**City Contract No.**

<table>
<thead>
<tr>
<th>Contractor</th>
</tr>
</thead>
<tbody>
<tr>
<td>0037-79</td>
</tr>
<tr>
<td>4551-77</td>
</tr>
<tr>
<td>4596-78</td>
</tr>
<tr>
<td>P.O. 51659</td>
</tr>
</tbody>
</table>

E. City and County agree that any other City sewer system cost not specifically covered elsewhere in this Agreement shall be the responsibility of the County if incurred after June 30, 1979 and shall be the responsibility of the City if incurred prior to June 30, 1979.

**ARTICLE V**

**REGIONAL FACILITY PLAN**

County agrees not to change the adopted Regional Facility Plan for three (3) years from the date of this Agreement. County agrees to implement the recommended first phase of construction in the Facility Plan as follows:

**A. All City and County approved facility plan modifications to Roger Road Wastewater Treatment Plant, County agrees:**

1. The City, as sole Applicant, shall forthwith apply for an EPA Step 3 Construction Grant, including plantwide treatment modifications (including digester modifications).
2. In order to insure EPA funding in the 1978-79 Federal fiscal year and in order to clarify the third condition of transfer as set out in Article II A(3) of this Agreement, the County shall award a construction contract for 30 MGD plantwide modifications, including digester modifications as approved by the joint City-County Technical Advisory Committee, prior to September 30, 1979, or in compliance with the grant conditions of EPA grant number C-04-0178-03.

3. The City and County agree that early completion of the solids storage and disposal facilities at Roger Road is necessary. County therefore agrees that it shall complete the design and construction of such facilities at the earliest possible date by endeavoring to comply with the following guidelines. City and County further agree that the County's obligations under this subsection are subject to EPA approval.

   a. Complete design of Roger Road plant solids storage and disposal facilities prior to June 30, 1980.

   b. Apply for EPA Step 3 Construction Grant for solids storage and disposal by June 30, 1980, and accept grant offer within ten days of receipt thereof.

   c. Award construction contract for solids storage and disposal by September 30, 1980.

4. The City will, from time to time, request information regarding progress of the project. The County will furnish the requested information in a timely professional manner. The City will be advised of progress meetings between County and contractor or the EPA and, at its option, may attend same. The City will pay for the costs associated with providing City requested information. The County shall advise the City prior to initiating any substantial changes to the Roger Road Project.

B. County agrees to implement the remainder of the facility plan and to follow to the extent possible the following priority and schedule used as a guideline, subject to EPA approval and availability of funding.

1. Pantano Interceptor - Speedway to 29th Street, and Tanque Verde Interceptor - Tucson Country Club to Camino Seco.
2. Santa Cruz/Southeast Interceptor: Award construction contracts by August 31, 1980.

County agrees that in the event the Phase I Santa Cruz/Southeast Interceptor does not have sufficient priority on the Arizona Construction Grants Priority List to receive EPA Step 3 Construction Grants, and there are insufficient County funds for 100% local funding of this Project, the Project may be implemented as part of phased overall prioritized County capital program as follows:

1. Santa Cruz/Southeast Interceptor Phase I.
2. Canada del Oro Interceptor to the Highlands.
3. Other interceptors and trunks.

C. Regardless of Article V, B priorities, County agrees that the local share of the Roger Road Plant 30 MGD modifications, including digester modifications, sludge storage and disposal, as well as the Pantano and Tanque Verde Interceptors, will be funded in total prior to initiation of phased overall prioritized County Capital Program.

Nothing in this Article V shall be construed to relieve the County from implementation of any other portion of the adopted Facilities Plan.

**ARTICLE VI**

**PIMA COUNTY: SINGLE MANAGEMENT ENTITY**

Pima County, as the single management entity, is committed to the concept of equal service for all users of the metropolitan system without regard to jurisdictional location. Therefore, the County agrees:

A. To accept the adopted Mayor and Council current policy with regard to allocation of sewer capacity and to utilize the current methodology employed by the City in computing sewer capacity. The current City policy and methodology, attached hereto as Exhibit B, shall be continued within the City by the City and County until surcharged conditions are relieved by implementation of the approved facility plan and related capital projects. The exact terms and conditions regarding the allocation of sewer capacity as agreed to herein shall be a part of the final agreements between the parties at closing.

B. Prior to adoption the County shall submit its proposed annual sewer capital budget to City for review and shall consult with City in planning and prioritizing all sewer capital improvements in the metropolitan area and shall coordinate such planning with City water planning. Such coordination may be accomplished through any means acceptable to the City and County.
ARTICLE VII

INDEPENDENT AGENCY

County agrees not to turn its sewer system over to an independent agency for a period of ten (10) years, said period to begin running upon the effective date of this Agreement.

ARTICLE VIII

TRANSFER OF CITY SEWERAGE SYSTEM - CLOSING

A. City and County agree that the legal transfer of the City sewerage system shall be accomplished on or before June 30, 1979.

B. City and County further agree that they shall cooperate so that all documents related to said transfer shall be executed not later than June 30, 1979.

C. The executed documents to be delivered on or before closing shall include, but are not limited to, the following:

1. Appropriate documents conveying to the County title to real property or easements or licenses necessary to carry out the intent of this Agreement. Bills of Sale transferring to County all specialized equipment, vehicles, supplies and other personal property necessary to operate the City's sewerage system. Said deeds and other applicable documents shall contain the power of termination as set forth in Exhibit C attached hereto and by this reference incorporated herein.

2. Documents by which the County relinquishes, quitclaims, and transfers to the City, all of the County's interest, estate, right, title, claim or lien in effluent in accordance with Article III;

3. Documents whereby the County grants to the City permission to use the public right-of-way in Pima County for the purpose of installing, extending, enlarging, or maintaining the water system owned by the City of Tucson.

4. Documents whereby the City grants to County permission to use the public right-of-way within and without the City for the purpose of installing, extending, enlarging, or maintaining the sewerage system owned by the County.

5. Such other documents as are necessary to implement Article III with regard to Application No. 33-47023 and Article III with regard to Case No. 17027.
6. Such other documents of any type whatever as are necessary or advisable to implement this Agreement.

D. After the closing the County will be solely responsible for the operation and maintenance of all portions of the sewerage system, within and without the territorial limits of the City.

E. At the closing, the City shall transfer to the County all permits to discharge into the waters of the United States issued by the EPA to the City pursuant to Section 402 of the Clean Water Act. Thereafter, the County will be and remain responsible for any and all conditions of the permit and shall be solely liable for the consequences of failure to meet NPDES permit standards.

F. The City agrees that after the closing and as long as this Agreement is in full force and effect, the City shall no longer provide City sewer services. However, the foregoing shall not preclude the City from constructing sewer facilities under the provisions of Paragraph III H; or from constructing sewer improvements in Improvement Districts formed pursuant to statute; or from constructing on or off-site sewer improvements for the benefit of City owned property or from constructing sewer improvements that may be required in connection with City projects, i.e., industrial development projects, inner city revitalization projects. The plans and specifications for the construction of any sewer improvements permitted under this paragraph are subject to the review and approval of the Pima County Wastewater Management Department.

G. After the closing, County shall assume all responsibility for inspection of main line sewer lines lying within the incorporated areas of the City of Tucson.

The City shall continue to be responsible for inspection of HCS connections and private sewerage systems. However, in the event an HCS connection or private sewerage system is to be connected to a manhole, County shall be responsible for the inspection of such connection.

H. After the closing, County shall be solely responsible for the establishment, collection, processing, and disposition of all sewer connection fees arising out of the connection of any property, real or personal, to any public sewer within the incorporated areas of the City of Tucson.

I. After the closing, City agrees that County, as the single management and operating agency for the Regional Sewerage System, shall be the sole authority responsible for the establishment and setting of sewer user fees and rates within and without the incorporated areas of the City of Tucson.
J. After the closing, the County shall be solely responsible for the collection, processing and disposition of sewer pipeline extension rebate sums pursuant to agreements previously entered into by the City. The City shall provide County with copies of all such agreements.

K. After the closing and until July 1, 1980, the City agrees to bill and collect sewer user fees authorized by the sewer user fee ordinance adopted by the County. As part of the billing and collection system for the water utility, it is understood that the City will be billing and collecting the following types of accounts:

**Water Only Accounts** - customer has provided information to show that the wastewater at the water billing address is not being discharged to the County sewer system.

**Water and Sewer Accounts** - customer is receiving water from the City water utility and discharging wastewater to the County sewer system.

**Sewer Only Account** - customer is discharging wastewater to the County sewer system but is not being supplied water from the City water utility.

l. The City shall provide the following sewer billing and collection services for the County:
   a. Provide water consumption data for each water and sewer account and provide billings and collection of these accounts monthly;
   b. Provide monthly billings and collection for sewer only accounts from data on water consumption provided by the County;
   c. Update all water and sewer accounts (turn-on and turn-off) to maintain an accurate active customer file;
   d. Update sewer only and private well accounts upon receipt of necessary information from Pima County;
   e. Bill delinquent sewer accounts in conjunction with the water billing system and transmit to Pima County for collection those delinquent sewer accounts that cannot be collected through the water billing system;
   f. Process sewer user fee adjustments transmitted by Pima County and adjust sewer user fees in accordance with adjustment policies authorized by Pima County;
g. Provide County with read-only access to computerized customer account records;

h. Provide County with all necessary forms required in maintaining an accurate sewer billing system;

i. Provide County with winter water use data for those sewer users on the City water system;

j. Provide County with all necessary and agreed upon computer-oriented reports required to effectively manage the revenues and customer accounts of the sewer utility;

k. Maintain an accurate, error-free, computerized sewer billing and collection system;

l. Provide County access to the monthly billing system for the purpose of inserting sewer utility-related information with the exception that where such inserts are in conflict with a scheduled water bill insert by the City and in such cases the City insert shall take precedent;

m. Upon receipt of sewer user fee payments, the City shall credit a refundable deposit account to account for the receipt of money and deposit all receipts in the City’s deposit clearing account. On a weekly basis, the City will make a disbursement of all sewer user fee collections to the County less the weekly portion of the monthly administrative and billing fee mutually agreed upon in paragraph o below. The City and County shall cooperate in effecting procedures necessary, on a day-to-day basis, to provide for the billing, collection, data processing, and other daily operational aspects of administering County sewer user fees;

n. At the County option, the City will provide a register showing active account status of each account on a monthly basis and will provide a final delinquent account register of all accounts considered as the inactive final billing register;

o. For the above service, the County agrees to pay and the City agrees to offset against amounts owed the County, a monthly administrative and billing fee of $50,000. Such fee will reimburse the City for the direct and indirect cost of billing and collection service as detailed on the attached Exhibit D.

p. On July 1, 1980, at the request of the County, City shall provide
to County all data except water usage data, related to the billing and collection of sewer user fees within the City, all at no cost to the City.

2. The County agrees to provide the following:
   a. Establish all new sewer user accounts served by City water, private water companies and by private wells;
   b. Adjust all sewer user account fees as required;
   c. Answer all sewer user complaints;
   d. Process all turn-on and turn-off of sewer only accounts;
   e. Accept responsibility to collect all delinquent sewer accounts served by City water after they have become 90 days old;
   f. Provide necessary data for the billing of sewer only accounts;
   g. County will inspect any computer errors and notify City Data Processing of necessary change.

ARTICLE IX
IMPLEMENTATION

A. PERSONNEL - TRANSFER OF CITY EMPLOYEES

Upon execution and the effecting of the Agreement herein, County shall accept for employment any and all City Water and Sewer Department employees choosing to transfer to the County Wastewater Management Department under the following conditions:

1. Said employees accepting employment with the County Wastewater Management Department shall not be subjected to nor shall such employee experience any period of layoff from the time such employee leaves City employment to the time in which said employee begins employment with the County.

2. Said employee shall receive a starting salary equal to the total of what his/her salary and longevity pay would have been with the City of Tucson as of July 1, 1979. In the event that amount is below the minimum of the established salary range, the employee will be hired at the minimum step of that range.

3. Said employee shall be accepted and placed into a classification comparable to what the employee enjoyed as a City employee, as determined by the Personnel Director of Pima County, said acceptance and placement to be effective 0001 A.M. on Sunday, July 1, 1979.
In the event the employee's salary and longevity compensation is in excess of the maximum for the comparable classification, the employee's qualifications will be given consideration in making the determination of an appropriate classification for employment.

4. Said employee shall be accepted for employment by the County in an equivalent status to his/her City position (for example, a probationary City employee would be transferred as a probationary County employee and a permanent City employee would be transferred as a permanent County employee). Time served as a probationary City employee will count as an equivalent period toward completion of the County's probationary period.

5. Any employee transferring into a classification requiring registration or certification is encouraged to acquire such registration or certification within a one-year period from the date of transfer. During that one-year time period, those duties which require registration or certification may be withheld from the position. If such registration or certification is not obtained with the one-year time period, the employee shall be placed into a classification appropriate to his or her duties devoid of those responsibilities requiring the registration or certification, but retaining the same salary range.

6. Employees transferring into a classification requiring an appropriate type of Arizona State driver's license will be required to show proof of such license prior to assuming the duties of the position at Pima County. If the employee does not possess the license, he or she will be reassigned to a position in the same or like classification series where such a license is not required.

7. Said employee shall be given credit for the period of time worked with the City as if the equivalent period of time had been worked with the County.

8. Said employee shall be entitled to and County agrees to accept vacation, sick leave and compensatory time accumulation that said employee may have as of June 30, 1979, subject, however, to a County accrual limitation of 240 days for sick leave, that being the maximum that can be carried.
9. Said employee shall be permitted to enroll in the life, health and dental insurance plans available to County employees without regard to pre-existing conditions and without any waiting period. This provision shall also apply to any eligible dependents of the employee. Consistent with recently enacted State legislation, the County shall pay 75% of the cost of dependent insurance coverage.

10. Consistent with recently enacted State legislation, said employee shall be afforded the opportunity to transfer City retirement credits to the State Retirement System.

11. Any employee choosing to accept employment with the County shall submit completed Pima County Application for Employment, and resume, when requested, delineating education, experience and training. The application shall include copies of all necessary registration, certification or license required for employment in the classification.

12. Said employee shall be afforded all benefits and rights provided other County employees in the terms and conditions of employment, including, but not limited to opportunity for promotion, merit increases and layoffs.

B. County may, by separate agreement, contract with City for the supervision of any contracts transferred to the County pursuant to the provisions of Article IV (C) (1) and IV (D) (2).

C. City and County, in order to effectuate the orderly and efficient transfer of the City sewerage system to the County with a minimal amount of disruption to daily operations, do hereby agree to the extent possible that the City shall provide the County with the following:

1. City inventory of all buildings, treatment plants, sewer lines, and all specialized equipment, vehicles, office furnish, and other personal property necessary to the management and operation of the City of Tucson sewerage system;

2. Financial statement with full disclosure of:
   (a) total assets
       (i) revenue
   (b) liabilities
       (i) contingent
       (ii) accrued
   (c) short and long-term indebtedness
       (i) bonded indebtedness
3. Statements of pending claims or litigation or any other adverse events materially adversely affecting operations or the financial condition of the City of Tucson sewerage system;

4. Personnel
   (a) organizational chart disclosing
       (i) titles
       (ii) job classification and duties
       (iii) other pertinent information
   (b) wages
       (i) pay rates
       (ii) wage progressions
       (iii) job evaluation, classification and reclassifications
   (c) hours of work
   (d) vacations, sick leave
   (e) promotions
   (f) discharge and other discipline, grievance procedure
   (g) employee benefit plans

5. Capital Improvement Program
   (a) financial program
   (b) contractual obligations

D. The City Manager and the County Chief Administrative Officer shall be responsible for implementing the provisions of this Agreement and specific requirements associated with the transfer of the City Sewerage System to the County, such responsibility to include but not be limited to the following areas:

1. Billing/collections
2. Rate setting
3. Grants program
4. Zoning/new development process
5. Land/building acquisition
6. Planning-current, advanced, regional
7. Legal
8. Personnel matters
9. Transfer of real and personal property
10. Bonds, debts and funding

E. City and County will provide each other with all necessary information required for the purpose of this Agreement.
ARTICLE X

A. City agrees to reserve sixty-eight (68) acres of City-owned land in proximity to the Roger Road Wastewater Treatment Plant for purposes of County sludge disposal activities. Such land is to remain the property of the City and is subject to the rights of the City to use or dispose of the land at such time as the land is not required by the County for sludge disposal activities as may be determined by the EPA approved facility plan for sludge disposal activities to be adopted in accordance with Article V of this agreement.

B. The County agrees to reserve twenty (20) acres of County-owned land in proximity to the Ina Road Wastewater Treatment Plant for purposes of effluent reuse activities. Such land is to remain the property of the County and is subject to the rights of the County to use or dispose of the land at such time as the land is not required by the City for effluent reuse activities. City rights under this section must be exercised within a period of ten (10) years.

ARTICLE IX

MISCELLANEOUS

A. Effective Date of Agreement

This Agreement shall be effective upon filing the original executed Agreement with the Office of the Pima County Recorder.

B. Duration

The Agreement shall terminate on June 30, 1979, at midnight, if the provisions of Article VIII of this Agreement have not been fully executed. If the provisions of Article VIII of this Agreement have been fully executed by midnight on June 30, 1979, then this Agreement shall continue indefinitely and shall be subject to termination by any of the parties or their successors or assigns hereto upon ninety (90) days prior written notice and based only upon the material breach of the provisions of this Agreement.

C. Prior to, or at the time of closing, additional agreements may be required to be executed to carry out this Agreement.
D. **Legal Jurisdiction**

Nothing in this Agreement shall be construed as either limiting or extending the legal jurisdiction of either the City or the County.

E. **Assignment**

The terms of this Agreement shall be binding on the successors and assigns of the parties hereto.

F. **Remedies**

Any party to this Agreement may seek specific performance hereof, or any other judicial relief in the event of breach of this Agreement. The election of a remedy shall not be deemed a waiver of any other remedy.

G. **Modification**

City and County recognize that from time to time modification of this Agreement may be necessary in order to meet the needs and requirements of the community in future years. Therefore, City and County agree that, from time to time, either party to this Agreement may, upon thirty (30) days prior notice to the other, request a joint meeting of City and County officials to discuss proposed changes to this Agreement.

H. **Non-Severability**

If any portion of this Agreement is finally adjudicated invalid, the entire Agreement shall be null and void. The provisions of this Agreement are intended to be non-severable.

SIGNED AND ATTESTED this 26th day of June, 1979.

CITY OF TUCSON, a municipal corporation

by [Signature]

MAYOR

ATTEST AND COUNTERSIGNED:

[Signature]

CIT. CLERK

APPROVED PURSUANT TO A.R.S. §11-952(d) AS AMENDED

[Signature]

CITY ATTORNEY
PIMA COUNTY, a political subdivision of the State of Arizona,

By [Signature]
Chairman, Board of Supervisors

ATTEST:

[Signature]
Clerk of the Board

APPROVED PURSUANT TO A.R.S.
§11-952(d) AS AMENDED:

[Signature]
Special Counsel to the Civil Division of
Pima County Attorney's Office.
CITY SEWER UTILITY DEBT SERVICE
FOR BONDS OUTSTANDING AT JUNE 30, 1979

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EXHIBIT A TO EX 13 RES. 10868
Purpose

The purpose of this interim policy is to provide guidance to City and County officials in the review of development applications until such time as a more comprehensive policy and means for the allocation of sewer capacity can be prepared by staff, reviewed by interested citizens and presented to the Mayor and Council. The interim policy is intended to provide review criteria that are equitable, legally defensible and consistent with public health and safety.

Definitions

(1) "Surcharge" means a sewer pipe flow condition in which the actual, not theoretical, peak dry weather flow equals or exceeds 100 percent of the sewer pipe capacity.

(2) "Surcharge condition planned for early relief" means a surcharge condition, the sewer improvements for the relief of which have been budgeted by the County in the current fiscal year, and are planned for completion by the following fiscal year.

(3) "Critical area" means a geographic area within the City Limits which is tributary to a reach of sewer pipe that is being operated in a surcharged condition as defined in (1) above.

I. Zoning and Subdivision Plat Review

A. Scope. These guidelines shall apply to:

1. Any rezoning application in which an ordinance has not been adopted by the Mayor and Council prior to the effective date; or
2. Any subdivision application in which a final plat has not been approved for recording by the Mayor and Council prior to the effective date; and
3. Such applications involve proposed development which would require a sewer connection in a critical area.
II. Guidelines.

1. Following the effective date, the Zoning Administrator shall provide all applicants for rezoning and subdivision plat review with written notice that a surcharge condition affecting the proposed development may be grounds for denial of the rezoning, plat or building permits.

2. Rezoning and subdivision plat applications within the scope of this policy will be approved, provided:
   a) such applications satisfy all non-sewer-related criteria and conditions; and
   b) the surcharge condition affecting the proposed development is planned for early relief; or
   c) the applicant has in good faith relied on prior City representations of adequate sewer capacity and denial would result in substantial financial damage to the applicant.

3. In the event that an application for rezoning or subdivision plat review is denied solely on the basis of this policy, reapplication shall be without prejudice or duplicative fees.

4. In the event that an application for rezoning or subdivision plat review is approved pursuant to this policy, the Mayor and Council may condition such approval with the provision that no building permits or sewer permits will be issued for the proposed development until such time as the surcharge condition has been relieved.

C. County shall review proposed City rezoning and subdivision plats. County shall advise the City in writing within five (5) working days:

1. whether the proposed rezoning or plat would require a sewer connection in a "critical area" or "non critical area."

2. if in a "critical area," whether the surcharge condition affecting the proposed development is scheduled for early relief, and the estimated date of completion.
II. Building Permits

A. Scope. These guidelines shall apply to any application for a building permit:

1. Which is received by Building Inspections following the effective date; and

2. Which involves proposed development requiring a sewer connection in a critical area.

B. Guidelines:

1. Following the effective date, the Chief Building Inspector shall provide all applicants for building permits with written notice that a surcharge condition affecting the proposed development may be grounds for denial of the building or occupancy permits.

2. The County shall review City building permit applications. County shall advise City within five (5) working days:
   a) whether the building permit application would require a sewer connection in a "critical area" or "non-critical area;"
   b) if in a "critical area" the County will recommend the building permit be approved, provided that immediate connection of the proposed development to the surcharged sewer will not create an unreasonable risk to public health and safety.

3. Building permit applications within the scope of this policy will be approved, provided that immediate connection of the proposed development to the surcharged sewer will not create an unreasonable risk to public health and safety. In making this determination, the City Manager will consider the following factors to be provided by the County:
   a) Severity of the existing surcharge condition downstream from the proposed connection, as indicated by:
(i) degree and duration of existing surcharge condition;
(ii) length of the downstream surcharged segments; and
(iii) known localized sewer system deficiencies, including manhole depths, local topographic conditions, maintenance history, physical condition of sewer, number of existing service connections, wet weather infiltration problems, and existing hydrogen sulfide generation problems.

b) Estimated impact of the proposed connection on the existing surcharge condition, as indicated by:
(i) wastewater discharge and peaking characteristics of the proposed connection;
(ii) the incremental increase to the existing surcharge condition relative to the sewer diameter at the point of surcharge; and
(iii) the incremental increase to the existing surcharge condition relative to known downstream system deficiencies, as described in (a)(iii) above.

c) The timing of sewer improvements intended to relieve the surcharge condition (the longer the duration of the surcharge condition, the greater the likelihood of system damage).

d) The possibility that the immediate effect of the proposed connection on the existing surcharge condition can be mitigated, either:
   (i) by staging of development in conjunction with planned sewer improvements, or
   (ii) by developer-financed off-site improvements.

3. In the event that a building permit application is denied solely on the basis of this policy, reappliation shall be without prejudice or duplicative fees.

4. In the event that building permits are approved pursuant to this policy the City Manager may condition such approval with the provision that
no occupancy or sewer permits will be issued for the proposed development until such time as the surcharge condition is relieved, either by the staging of development in conjunction with planned sewer improvements or by developer-financed off-site improvements.
QUITCLAIM DEED

FOR AND IN CONSIDERATION of the sum of ONE ($1.00) DOLLAR, and other valuable considerations, the undersigned, CITY OF TUCSON, a municipal corporation, does hereby release, assign, and quitclaim unto PIMA COUNTY, a political subdivision of the State of Arizona, all right, title, interest, claim and demand in the property situated in Pima County and described in Exhibit "A" attached hereto and incorporated as if fully set forth herein subject to the following four conditions:

1. County acceptance of and compliance with the effluent terms agreed to in Article III of the Intergovernmental Agreement (IGA) of the City and County, dated ____________.

2. County acceptance of responsibility for the existing City sewer debt, pursuant to Article IV of the Intergovernmental Agreement (IGA) of the City and County, dated ____________.

3. County commitment to the Regional Facilities Plan for a period of three (3) years from the date hereof and award of a construction contract for the Roger Road Plant, all as set forth in Article V of the Intergovernmental Agreement (IGA) of the City and County, dated ____________.

4. County commitment not to turn the sewer system over to an independent agency for a period of ten (10) years as set forth in Article VI of the Intergovernmental Agreement (IGA) of the City and County, dated ____________.

Articles III, IV, V and VI of said Intergovernmental Agreement (IGA) of the City and County, dated ____________, are attached hereto as Exhibit "B" and are incorporated as though fully set forth herein.

The foregoing four conditions are express conditions subsequent upon which this conveyance is made. If the County, its successors and assigns, shall fail to perform or comply strictly with any of the four conditions, then the City, its successors and assigns, may at anytime thereafter serve on the County a notice in writing specifying the particular or particulars in which default or a breach thereof has been made and directing the County to remedy such default.
or breach. Should the County fail fully and entirely to remedy such breach within ninety days of such notice, the City may notify the County in writing that the City elects that the title to the whole of the conveyed system or any part thereof shall revert to the City, and thereupon the title to the whole or designated part of the conveyed system shall immediately and without necessity of any further action on the part of the City revert to and vest in the City and the County shall lose all of its right, title and interest in and to the conveyed system or designated portions thereof, and the grantor shall have the right of re-entry to the conveyed system. Such reversion is subject to then existing encumbrances provided that those encumbrances represent funds actually spent to improve the sewerage system conveyed herein. The City shall assume obligation for payment of such encumbrances. This obligation is subject to annual appropriation and is payable solely from sewer revenues. Sewer revenues shall be expended in accordance with the provisions of A.R.S. § 9-530.

In the event the power of termination set forth herein is successfully invoked by the City, any and all provisions related to effluent and in particular the provisions of Article III contained within that certain Intergovernmental Agreement (ICA) between the City of Tucson and County of Pima dated ______________, 1979, shall become null and void and of no further cause and effect. Further, all documents executed by County in order to carry out the provisions of Article III and in particular Article III (c) shall become automatically void and of no effect or validity as if said documents had never been executed by the County.

Each and all of the conditions and agreements contained herein shall be deemed and construed to be continuing, according to their terms, and the fulfillment of any condition(s) shall not impair or affect any of the remaining conditions or agreements, so far as any future or other breach is concerned. It is understood and agreed by and between the parties hereto that no waiver of a breach of any of the conditions and agreements herein contained shall be construed to be a waiver of any other breach of the same or other conditions and agreements, nor shall failure to enforce any of such conditions, either by re-entry or otherwise, be construed as a waiver of the same.

If any portion of the Intergovernmental Agreement (ICA) of City and County, dated ______________, is finally adjudicated invalid, this Deed shall be null and void.
DETERIOR SERVICES

For processing of sewer user fee bills, monitoring of revenue collections, processing applications for new services, and maintaining sewer customer files.

Based on 25% of Customer Services Budget, except for postage costs, which are allocated on the basis of the number of water and sewer accounts.

METEERING SERVICES

For water use data on City of Tucson Water Utility customers and file maintenance of up-to-date records of customers by address and account number.

Based on 25% of Metering Services Budget.

COLLECTION SERVICES

For sewer user fee revenue collection services provided by the City Finance Department's Revenue Division.

Based on the ratio of sewer user fee revenue to the total revenue collections of the Revenue Division.

DEVELOPMENT AND LIAISON SERVICES

For the development and implementation costs of the redesigned water and sewer bill, assistance with rate setting and formulation, and other liaison requirements regarding sewer user billing and collecting.

TOTAL AMOUNT PER MONTH $600,000

50,000
THIS LICENSE, made this 26th day of January, 1979, by and between the City of Tucson, a municipal corporation, hereinafter sometimes referred to as City, and Pima County, a political subdivision of the State of Arizona, hereinafter sometimes referred to as County.

WHEREAS, on the 26th day of January, 1979, the City and County entered into an intergovernmental agreement (IGA) for the transfer of the City sewer system to Pima County; and

WHEREAS, that as part of the consideration for the above-mentioned intergovernmental agreement Pima County agrees to grant to the City of Tucson a license to use the public right-of-way within Pima County for the purpose of installing, extending, enlarging or maintaining the public water system owned, operated and maintained by the City.

NOW, THEREFORE, the City and County agree:

Sec. 1. A license is hereby granted by County to the City of Tucson to use the public right-of-way throughout Pima County for the purpose of providing water services to the inhabitants of Pima County.

Sec. 2.1. City of Tucson, for the duration of this license and for the purposes hereinabove expressed, shall have the right:

a. To construct and maintain and otherwise make changes in a water transmission and distribution system in or within public right-of-way in Pima County; and

b. To construct underground water lines and other appurtenances for the transmission, service and distribution of water throughout Pima County; to maintain this transmission, service and distribution system and any extension thereof; and to make any and all necessary excavations therefor, in, over, under and across all or any of the streets, alleys, avenues and public grounds of Pima County, to be exercised in such manner only, however, as to offer the least interference with the public use of said streets, alleys, avenues and public grounds, and all...
subject to the valid applicable ordinances, rules and regulations of Pima County, all valid applicable State statutes, laws, and Constitutional provisions.

In undertaking any construction, maintenance, reconstruction or excavation work, upon any facilities located in, over, under or across said streets, alleys, avenues and public grounds, City or Tucson shall apply for and obtain an excavation and backfill permit, or require any contractor doing the work to apply for and obtain a permit, from the County and shall comply with the valid ordinances, rules and regulations of the County. No permit shall be denied in any instance where the City complies with the valid requirements therefor. In order to promote and protect continuing reliable water service, the City may undertake such emergency measures as it deems necessary when circumstances warrant, notwithstanding any other provisions hereof.

Sec. 2.2. Utility Planning and Coordination Committee

a. City agrees to include Pima County on the Utility Planning and Coordination Committee which has been established by City Ordinance No. 4465, adopted April 12, 1976. County agrees to be a member of this committee.

b. The purpose of the Utility Planning and Coordination Committee shall be as follows with respect to the City and County:

(1) To provide coordination between the County and the City in the expansion of the County sewer and the City water utilities, respectively.

(2) To insure that long-range planning of the County and the City on the extension of utility services maximizes the efficient and orderly expansion of the utility systems.

(3) To insure that the County and the City utility systems are expanded and modified in the public interest, avoiding undue cost burdens upon customers and taxpayers, that such expansions and modifications are coordinated in a manner to avoid arbitrary or reasonably avoidable interference with utility facilities of others.

2.
(4) To minimize costs associated with growth or changes to the County and the City utility systems occasioned by changes, relocations or other modifications in those systems which affect presently existing facilities of the County and the City.

c. The Committee shall meet and review annually the proposed capital improvement programs of the City and the County for the succeeding fiscal year in accordance with the designated purposes of the Committee as set forth in Section 2.2(b) hereof and, should appropriate governmental action be deemed advisable, submit a recommendation of such action to the Mayor and Council or Board of Supervisors.

All proposed changes of the nature hereinafter set forth in the County sewer system or the City water system within Pima County shall be submitted to the Utility Planning and Coordination Committee sixty (60) days prior to the County or City commencing construction on any such project. Changes which shall be submitted to the Committee hereunder shall be, on the County's part, any extension, replacement or construction of new County sewer lines or other County facilities which would cause relocation of City facilities; on the City's part, any extensions, replacement or construction of new City water lines or other municipal facilities which would cause relocation of County facilities.

Sec. 3. The right, privilege and license hereby granted shall extend to and include all those streets, alleys, avenues and other public grounds as the same are now designated, or may be designated in the future within Pima County and any part thereof, or as now located or as they may be hereafter altered or extended within the present or any future limits of said Pima County.

Sec. 4. The City hereby agrees to indemnify and hold harmless the County, its officers, boards, commissions, employees, and agents against and from any and all claims, demands, causes
of action, suits, proceedings, regardless of the merits of the same, damages, including damages to County property, liability, costs or expenses of every type, all or any part thereof which arises by reason of any injury to any person or persons, including death, or property damage, resulting from the negligence of the City, its officers, agents, employees and servants while exercising any of the rights, privileges and powers granted herein, except where the County's negligence has in some manner contributed.

Sec. 5a. The City of Tucson may pay for the cost of all repairs to County improvements made necessary by any of the operations of the City under the license granted hereby, or the City may make repairs to streets, sidewalks, curbs and gutters itself at its own cost in accordance with County specifications.

Sec. 5b. The County agrees to bear the cost of any relocation or adjustment of County sewer facilities caused by City construction projects undertaken in County right-of-way. The foregoing provisions shall not be applicable where State or Federal funds are provided for payment of utility relocation costs. The County will accomplish such relocation in a timely fashion so as to not unduly delay the County project.

Sec. 5c. County agrees to bear the cost of any relocation or adjustment of City water facilities caused by County construction projects undertaken in County right-of-way.

Sec. 6. Effective Date of License. This license shall be effective upon filing the original executed license with the office of the Pima County Recorder.

Sec. 7. Duration. This license shall terminate on June 30, 1979, at midnight, if the provisions of Article VIII of the intergovernmental agreement have not been fully executed. If the provisions of Article VII of that agreement have been fully executed by midnight on June 30, 1979, then this license shall continue indefinitely and shall be subject to termination.
by any of the parties or their successors or assigns hereto upon ninety (90) days prior written notice and based only upon the material breach of the provisions of the intergovernmental agreement.

Sec. 8. In the event that this license is terminated, all facilities installed may remain in place and the City shall have the same right to maintain those facilities as if this license were still in effect.

Sec. 9. Legal Jurisdiction. Nothing in this license shall be construed as either limiting or extending the legal jurisdiction of either the City or the County.

Sec. 10. Assignment. Subject to the provisions of Article VII of the intergovernmental agreement, the terms of this license shall be binding on the successors and assigns of the parties hereto.

C.S. Walker
Chairman, Pima County Board of Supervisors

ATTEST:

[Signature]
Clerk, Board of Supervisors

APPROVED AS TO FORM:

[Signature]
Rose Silver, Special Counsel to the Civil Division of the Pima County Attorney's Office

[Signature]
Mayor, City of Tucson

ATTEST:

[Signature]
City Clerk

APPROVED AS TO FORM:

[Signature]
City Attorney
RESOLUTION NO. 10848

RELATING TO THE TRANSFER OF THE CITY OF TUCSON'S SEWERAGE SYSTEM TO PIMA COUNTY, AUTHORIZING THE EXECUTION OF A LICENSE AGREEMENT FROM THE CITY OF TUCSON TO PIMA COUNTY FOR USE OF THE PUBLIC RIGHT-OF-WAY IN THE CITY OF TUCSON.

BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF TUCSON, ARIZONA, AS FOLLOWS:

SECTION 1. That the provisions of this resolution are conditional and are of no force and effect until the City of Tucson and Pima County have adopted an intergovernmental agreement providing for the transfer of the City's sewerage system and further providing for the disposition of treated and reclaimed water.

SECTION 2. That subject to the provisions of Section 1, the City grant a license to Pima County for the use of the public right-of-way within the City of Tucson for the purpose of installing, extending, enlarging, or maintaining the public sewer system owned by Pima County.

SECTION 3. That subject to the provisions of Section 1, the Mayor be authorized and directed to execute said license agreement marked Exhibit 1, for and on behalf of the City of Tucson, and that the City Clerk be, and he hereby is, authorized and directed to attest to the same.

SECTION 4. That the City Clerk is authorized and directed to hold the said license agreement until he is notified by the City Manager that certain terms of the executed Intergovernmental Agreement with Pima County have been fulfilled, whereupon he shall deliver it to the County. The executed document shall be effective only upon delivery to and acceptance by the County.

SECTION 5. That the various city officers and employees be and they hereby are authorized and directed to perform all acts necessary or desirable to give effect to this resolution.
SECTION 6. WHEREAS, it is necessary for the preservation of the peace, health and safety of the City of Tucson that this resolution become immediately effective, an emergency is hereby declared to exist, and this resolution shall be effective immediately upon its passage and adoption. This resolution shall expire June 30, 1979. Any document that may be executed hereunder that is not delivered to the County on or before June 30, 1979, shall be null and void.

PASSED, ADOPTED AND APPROVED by the Mayor and Council of the City of Tucson, Arizona. 

JUN 26 1979

[Signature]
MAYOR

ATTEST:

[Signature]
CITY CLERK

APPROVED AS TO FORM: REVIEWED BY:

[Signature]
CITY ATTORNEY

[Signature]
CITY MANAGER