



Governing Board Agenda Item

Meeting Date: October 15, 2026

From: Mark Goligoski, Assistant Superintendent

Subject: Water Interconnect Intergovernmental Agreement

Priority: To plan for future needs in a proactive, accountable manner

Consent ☐ Action ☒ Discussion ☐

Background:

We are requesting approval of an Intergovernmental Agreement (IGA) between the Marana Unified School District (MUSD), the Town of Marana, and the State of Arizona, acting through the Water Infrastructure Finance Authority of Arizona (WIFA). The agreement addresses the MUSD water system at our facilities along Grier Road, Lon Adams Road, and McDuff Road.

PFAS sampling conducted in 2023 and 2024 identified contaminant levels above the Environmental Protection Agency's (EPA) Maximum Contaminant Level of 4 parts per trillion. The Arizona Department of Environmental Quality (ADEQ) has determined that the water system will not meet the EPA standard when it becomes effective. The system currently serves approximately 2,000 people through nine service connections.

The IGA allows the State to use federal Emerging Contaminants Small and Disadvantaged Communities (EC-SDC) Grant Program funding to transition our water system from the District-operated water system to the Town of Marana's municipal water system. The Town is separately constructing a PFAS treatment system that will serve our school and District facilities. Following the transition, we will discontinue operation of our public water system.

Using EC-SDC grant funding, the State will:

- Construct approximately 50 feet of water line and associated infrastructure connecting the MUSD system to the Town of Marana system;
- Cap the District's two existing wells;
- Demolish the existing 200,000-gallon storage tank, booster pumps, and hydropneumatic tanks; and
- Construct chain-link fencing around the connection site.

The State will perform the work in accordance with approved plans and applicable requirements. The Town of Marana will begin providing drinking water service to MUSD facilities within 48 hours after receiving Approval of Construction.

MUSD will provide access to District property for construction, provide required notices, obtain and provide applicable regulatory approvals, and grant necessary easements to the Town of Marana. Once ADEQ determines that the MUSD system no longer qualifies as a public water system, MUSD will cease operating the system and will not use the capped wells for drinking water purposes.

Upon project completion, approximately 40 feet of new water infrastructure located on District property will become MUSD property, with the District responsible for its future operation, maintenance, repair, and replacement. The existing wells will also remain District property but may no longer be used for drinking water as provided in the agreement.

The State intends to fund the project entirely through the federal EC-SDC Grant Program. State obligations are contingent upon the continued availability of grant funding. The IGA becomes effective upon the date of the final signature and remains in effect through completion of the project and associated financial obligations unless terminated in accordance with the agreement.

Cost Estimates

- What will it cost to replace our system?
 - (2) Well brush bail cleaning and replacement of tube, line shaft, and column. (2) Well pumps, and replace 125hp and 175hp vertical turbine motors = \$500,000
 - Reservoir tank replacement, 200K gallons = \$500,000
 - (2) Booster pumps and motors, including above-ground pipework = \$100,000
 - (2) HP 5000 gallon tank = \$200,000.
 - (1) Replace Emergency Fire Motor and Pump =\$250,000
 - Design =\$150,000
- What is the cost to install our own PFAS treatment system?
 - Town of Marana capital plan budgets \$11,276,397 total for Pioneer Well PFAS treatment. Pioneer Well PFAS treatment plant is designed to treat up to 1,100 gallons per minute (gpm). \$2,276,397 in FY 2026–27 and \$9,000,000 in FY 2027–28.
- What are the ongoing expenditures to maintain a PFAS system?
 - Town of Marana currently budgets \$99,000 per year for an equivalent system size at 1,100 gpm.
 - MUSD would incur additional costs to hire qualified staff or contract with an ADEQ Certified Treatment Operator
- What will it cost to join the Marana Water System?
 - District Costs to Date: 09/24/26- \$93,994.11
 - Smyth Design PO 2506541-\$88,575.00
 - Town of Marana Plan Review ENG2605-007-\$1,765.00
 - Town of Marana Hydraulic Modeling HM2601-002-\$3,154.11

- Pima County ATC Permit P26PW00131-\$500.00. PO pending approval.
- Upcoming Future Costs: Adjacent Ways funds, requesting approval.
 - Town of Marana Water 8-inch fees: Water Resources Impact -\$428,584.00
 - Town of Marana Water 8-inch fees: Water Infrastructure Impact -\$268,410
 - Town of Marana Water 8-inch fees: Meter Installation fee-Pending confirmation with the Town of Marana Water Utility for 8" rates.
 - We are still waiting to hear back from the Town of Marana.
 - We estimate that the fee will be between \$10,000-\$20,000
- NOTE: Once we receive the amount, we will submit the Adjacent Ways application, pending approval.
- ADEQ Grant Funded Costs: \$368,000.00
 - Construction installation costs include: 8-inch water meter, above- and below-grade construction, piping, air reliefs, gate valves, backflow device, and all water pipe-related materials and fence enclosure. \$249,000.00
 - Demolition of MUSD existing infrastructure once interconnect is completed. Demo and haul away all steel, concrete, motors, and pipe-related materials. Isolate existing water line per Marana Water. Isolate primary electrical feed and install ground-mount pull box for future use. Grade lot and re-gravel. \$119,000.00
- What are the projected monthly water costs?
 - Town of Marana Water Utility does not currently reflect 8" water rates. For a 6" meter, last year the 21.89 million gallons per year through a 6-inch Town of Marana water meter, the estimated total is \$164,017 per year, or \$13,668 per month. Pending confirmation with the Town of Marana Water Utility for 8" rates.
- What are the increases in water costs over the last five years?
 - 4.8% per year from 2021 to 2026. That is the annualized rate of change from \$4.18 to \$5.29 per 1,000 gallons
- What are the ongoing expenses to maintain capped wells?
 - There is no requirement from ADEQ/PDEQ. However, the district would like to conduct quarterly inspections at an annual cost of \$400.
 -

Recommended Motion:

I move that the Governing Board approve the Intergovernmental Agreement between Marana Unified School District, the Town of Marana, and the State of Arizona to facilitate the transition of Marana Estes Elementary School to the Town of Marana public water system and address PFAS contamination through available federal grant funding.

Approved for transmittal to the Governing Board: 
 Dr. Daniel Streeter, Superintendent

*Questions should be directed to: Mark Goligoski, Assistant Superintendent
 Phone: (520) 682-4757*

INTERGOVERNMENTAL AGREEMENT

BETWEEN

MARANA UNIFIED SCHOOL DISTRICT

and

TOWN OF MARANA

and

**THE STATE OF ARIZONA, ACTING THROUGH THE WATER
INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA**

This Intergovernmental Agreement (“**Agreement**”) is entered into pursuant to the Arizona Revised Statutes (“**A.R.S.**”) §§ 11-951 through 11-954, as amended, between the State of Arizona, acting by and through the Water Infrastructure Finance Authority of Arizona (the “**Authority**”), Marana Unified School District No. 6, a political subdivision of the State of Arizona (“**MUSD**”) and the Town of Marana, an Arizona municipal corporation (“**Marana**”). MUSD, Marana and the State are sometimes referred to collectively as the “**Parties**” or individually as a “**Party**.”

RECITALS

1. Section 1459A of the Safe Drinking Water Act (“**SDWA**”), as amended by the 2021 Infrastructure Investment and Jobs Act, established the Emerging Contaminants – Small and Disadvantaged Communities (“**EC-SDC**”) Grant Program.
2. The Environmental Protection Agency (“**EPA**”) allocated funding to the State of Arizona, through the Authority, to assist communities through the EC-SDC Grant Program. The primary purpose of the EC-SDC Grant Program is to address challenges of emerging contaminants, such as Per- and Polyfluoroalkyl Substances (“**PFAS**”), found in a public water system or in a source. The primary objective of the EC-SDC Grant Program is to enable water systems serving small or disadvantaged communities to effectively address emerging contaminants in drinking water, and to minimize potential public health risks from emerging contaminants in the future.
3. MUSD owns the real property located at 11184 W. Barnett Road, Marana, Pima County, Arizona, designated as APN 217-29-004A, APN 217-36-005A and 217-36-003A and depicted and/or described on Exhibit A-1 attached to this Agreement and incorporated herein by this reference (the “**Marana Estes Property**”). The Marana Estes Property is located in Arizona Section 27, Township 11 South, Range 11 East.

4. MUSD owns and operates Marana Estes Elementary School Public Water System (“**Marana Estes PWS**”), a public water system (PWS No. AZ04-20325) regulated by Pima County Department of Environmental Quality (“**PDEQ**”), as Arizona Department of Environmental Quality’s (“**ADEQ**”) formally delegated agent. Marana Estes PWS is located upon and serves the Marana Estes Property. The Marana Estes PWS serves a population of approximately 2,000 persons through 9 service connections. Marana Estes PWS is obligated to comply with all applicable federal, state and local laws, rules, and regulations in connection with the construction, installation, use, operation, maintenance, repairs and replacements at Marana Estes PWS.
5. Perfluoroalkyl and polyfluoroalkyl substance (“**PFAS**”) sampling at Marana Estes PWS in 2023 and 2024 showed perfluorooctanesulfonic acid (“**PFOS**”) above the EPA Maximum Contaminant Level (“**MCL**”) of 4 parts per trillion (“**ppt**”). As a result of such sampling, ADEQ has determined that Marana Estes PWS will not be in compliance with the EPA MCL when it becomes effective.
6. The State (defined below) may utilize funds from the EC-SDC Grant Program to make necessary improvements to assist small public water systems and disadvantaged communities. Marana Estes PWS is a small public water system for the purposes of the EC-SDC Grant. The primary purpose of eligible projects or activities must be to address emerging contaminants including PFAS.
7. Marana owns and operates Marana Municipal - Marana Public Water System (PWS No. AZ04-10150) (“**Marana PWS**”).
8. Marana owns the real property located at 13250 N. Lon Adams Road, Marana, Pima County, Arizona designated as APN 217-36-004D and depicted and/or described on Exhibit A-2 attached to this Agreement and incorporated herein by this reference (the “**Marana Property**”). The Marana Property is located in Arizona Section 27, Township 11 South, Range 11 East. The Marana Water Marana Park Water Plant exists on the Marana Property.
9. Under its own separate project, Marana is constructing a PFAS treatment on the Marana Property that will serve the customers of Marana Estes PWS. The waterline contemplated as part of the Project Activities (defined below) will connect the customers within the Marana Estes PWS service area to the Marana PWS.
10. Each of MUSD and Marana desires to have Marana PWS supply drinking water to the customers within the Marana Estes PWS service area, and following such transition, MUSD desires to cease operations of Marana Estes PWS and terminate its PWS status in accordance with applicable laws, rules and regulations.
11. In connection with the State’s ability to utilize EC-SDC funds for the purposes stated above, the State’s authority cited above, and pursuant to applicable laws, the Parties desire to set forth the terms upon which the State of Arizona will agree to utilize EC-SDC funding for the Project Activities (defined below).

TERMS AND CONDITIONS

In consideration of the mutual promises and covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Definitions. The following definitions apply to this Agreement:

“**Agreement**” is defined above.

“**Approval to Construct**” or “**ATC**” means the Approval to Construct required to be issued by PDEQ prior to beginning construction and prior to extending or altering a public water system. *See* A.A.C. R18-5-505.

“**Approval of Construction**” or “**AOC**” means the Approval of Construction required to be issued by PDEQ following completion of construction. *See* A.A.C. R18-5-507.

“**Plans**” means the design plans to be submitted with the Approval to Construct and approved by PDEQ.

“**Project Activities**” means actions to be taken by the State to utilize EC-SDC funding to:

- (a) construct approximately 50 linear feet of water line and associated appurtenances to connect Marana Estes PWS customers to Marana PWS in accordance with the Plans;
- (b) cap the existing Marana Estes PWS wells (55-633836 and 55-633837) and demolish Marana Estes PWS’s existing 200,000 gallon storage tank, booster pumps and hydropneumatic tanks; and
- (c) construct a chain link fence around the connection site.

Project Activities (as defined herein) may include but are not limited to surveys, excavation, construction, laying pipe, installing water meters, and any other actions the State deems necessary or prudent to perform the work described in (a), (b) and (c) above.

“**Public water system**” is defined in A.R.S. § 49-352(B).

“**State**” means the State acting through the Authority as the funds administrator and as party to this Agreement, ADEQ as funds project manager, and the Arizona Department of Administration (“**ADOA**”) as the Authority’s construction project manager, and their respective officers, officials, agents, and employees.

Certain other terms are defined where used.

2. Recitals. The Recitals are a material part of this Agreement and are incorporated into this Agreement by this reference.

3. Exhibits. The following exhibits are attached to this Agreement and are incorporated into this Agreement by this reference.
 - a. Exhibit A-1 – Description and/or Depiction of the Marana Estes Property.
 - b. Exhibit A-2 – Description and/or Depiction of the Marana Property.
 - c. Exhibit B – The Plans [The Parties agree that the Plans will be attached to this Agreement following the approval of the Approval to Construct.]
 - d. Exhibit C – The Approval to Construct [The Parties agree that the Approval to Construct will be attached to this Agreement following the approval of the Approval to Construct.]
 - e. Exhibit D – Marana Town Council Resolution
 - f. Exhibit E – MUSD Board of Directors Resolution
4. Authority.
 - a. The Authority is authorized by A.R.S. § 49-1203 to contract and incur obligations reasonably necessary or desirable within the general scope of departmental activities and operations to enable the Authority to adequately perform its duties.
 - b. Marana is empowered by A.R.S. § 11-952 to enter into this Agreement and has by resolution, a copy of which is attached as Exhibit D and made a part of, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of the Town.
 - c. MUSD is empowered by A.R.S. § 11-952 and A.R.S. § 15-342 to enter into this Agreement and has by resolution, a copy of which is attached as Exhibit E and made a part of, resolved to enter into this Agreement and has authorized the undersigned to execute this Agreement on behalf of MUSD.
 - d. The Parties are authorized to enter into this Agreement pursuant to A.R.S. § 11-952(A).
 - e. In accordance with A.R.S. § 11-952(D), each Party's legal counsel has determined that this Agreement is in proper form and the Parties are authorized under the laws of this State to enter into this Agreement.
5. Obligations of the Parties.
 - a. Subject to the terms of this Agreement, the State shall:
 - i. Utilize EC-SDC funding to perform Project Activities pursuant to and in accordance with the Plans as approved by the Approval to Construct.
 - ii. Give MUSD at least three (3) calendar days' notice (which may be by letter, telephone or email) prior to initial entry onto the Marana Estes Property by the State. Reasonable notice will be provided for ongoing entry. Notice will be provided using the notice information in Paragraph 17 below.
 - iii. Give Marana at least three (3) calendar days' notice (which may be by letter, telephone or email) prior to initial entry onto the Marana Property by the State. Reasonable notice will be provided for ongoing entry. Notice will be provided using the notice information in Paragraph 17 below.

- iv. Perform the Project Activities in a safe and workmanlike manner, and in compliance with applicable laws.
- v. If PDEQ cannot issue an AOC because of deficiencies, the State shall use reasonable efforts to cause its contractors and subcontractors to make such corrections to the Project Activities as are necessary to achieve compliance with the Plans as approved by the Approval to Construct, subject to consent by the State and grant funding availability.

b. MUSD shall:

- i. Authorize and grant permission, and hereby does authorize and grant permission, to the State to perform the Project Activities at the Marana Estes Property, and to enter and re-enter and have access to the Marana Estes Property to conduct the other activities as necessary or prudent to complete the Project Activities.
- ii. Provide such notice to the customers of Marana Estes PWS as may be required by applicable laws, rules, and regulations or as may be requested by the State.
- iii. Provide a copy of the ATC and approved Plans to the State promptly following receipt.
- iv. Provide a copy of the AOC to the State promptly following receipt.
- v. Grant all easements to Marana or Marana PWS, without assistance from or any other action on the part of the State, as may be necessary or prudent to permit the installation, operation, maintenance, repair and replacement of the water line and appurtenances located on the Marana Estes Property. All such easements shall be granted and delivered in recordable form prior to the submission of the AOC.
- vi. Upon receiving notification from ADEQ that Marana Estes PWS no longer qualifies as a public water system, immediately cease operation of Marana Estes PWS as a public water system and not use the capped wells (55-633836 and 55-633837) for drinking water purposes, and within seven (7) calendar days after receiving such notification record such notification in the Office of the Pima County Recorder or as otherwise directed by PDEQ or ADEQ. The obligations under this subsection shall survive the expiration of this Agreement and shall run with the Marana Estes Property, and MUSD shall execute, acknowledge and record such instruments as PDEQ or ADEQ may require in connection with these obligations.
- vii. Take such further actions and execute such further documents as may reasonably be requested by the State in connection with this Agreement.

c. Marana shall:

- i. Authorize and grant permission, and hereby does authorize and grant permission, to the State to perform the Project Activities on the Marana Property, and to enter and re-enter and have access to its property to conduct the other activities as necessary or prudent to complete the Project Activities.

- ii. Provide such notice to the customers of Marana PWS or the Marana Estes PWS as may be required by applicable laws, rules, and regulations or as may be requested by the State.
- iii. Obtain from MUSD or any other person, without assistance from or any other action on the part of the State, all easements as may be necessary or prudent to permit the installation, operation, maintenance, repair and replacement of the water line and appurtenances located on the Marana Estes Property or any other property. All such easements shall be in recordable form and shall be obtained prior to the submission of the AOC. Marana, and not the State, shall have the obligation to record any such easements.
- iv. Provide drinking water service from the Marana PWS to Marana Estes PWS customers within 48 hours of receipt of the AOC.
- v. Provide notice to the State within seven (7) calendar days after initiating drinking water service to Marana Estes PWS customers.
- vi. Take such further actions and execute such further documents as may reasonably be requested by the State in connection with this Agreement.

6. Representations, Warranties and Covenants of MUSD.

- a. MUSD is a unified school district existing pursuant to A.R.S. § 15-448 and a political subdivision of the State of Arizona. This Agreement has been duly authorized by all requisite action or other required action on the part of MUSD and is the valid and legally binding obligation of MUSD, enforceable in accordance with its terms.
- b. Neither the execution and delivery of this Agreement nor the performance of the obligations of MUSD under this Agreement will (i) result in the violation of any law applicable to MUSD, (ii) conflict with any contract or agreement or any order or decree of any court or governmental instrumentality or any agreement of any kind or nature by which MUSD, Marana Estes PWS, or the Marana Estes Property is bound, or (iii) require the consent or approval of any lender or any other person.
- c. MUSD is the record owner of the Marana Estes Property and owns fee simple absolute title to the Marana Estes Property. MUSD is the sole owner of Marana Estes PWS.
- d. The Project Activities located on the Marana Estes Property contemplated by this Agreement will not violate any easement or other agreement or instrument recorded against or otherwise affecting the Marana Estes Property.
- e. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under any Federal or State bankruptcy or similar law is pending against, threatened against, or contemplated by MUSD. No other court proceedings relevant to the subject of this Agreement are pending or threatened against MUSD, Marana Estes PWS, or the Marana Estes Property.

7. Representations, Warranties and Covenants of Marana.
- a. Marana is an incorporated town existing pursuant to A.R.S. § 9-101 and a political subdivision of the State of Arizona. This Agreement has been duly authorized by all requisite corporate action or other required action on the part of Marana and is the valid and legally binding obligation of Marana, enforceable in accordance with its terms.
 - b. Neither the execution and delivery of this Agreement nor the performance of the obligations of Marana under this Agreement will (i) result in the violation of any law applicable to Marana, (ii) conflict with any contract or agreement or any order or decree of any court or governmental instrumentality or any agreement of any kind or nature by which Marana or Marana PWS is bound, or (iii) require the consent or approval of any lender or any other person.
 - c. Marana PWS will have full legal authority to serve drinking water to the current customers of Marana Estes PWS when required to do so pursuant to this Agreement.
 - d. Marana PWS is in material compliance with all applicable federal, state and local laws, rules, regulations, policies and guidelines in connection with the construction, installation, use, operation, maintenance, repairs and replacements of Marana PWS.
 - e. No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under any Federal or State bankruptcy or similar law is pending against, threatened against, or contemplated by Marana. No other court proceedings relevant to the subject of this Agreement are pending or threatened against Marana or Marana PWS.
 - f. Marana will construct the planned PFAS treatment system at the Marana Property to treat the Marana PWS drinking water that will serve the current customers of Marana Estes PWS.
8. Consultation. Each of MUSD and Marana have had an opportunity to consult with such engineers, advisors, other consultants and legal counsel as each of MUSD and Marana deemed necessary or prudent. MUSD caused the Plans to be developed and submitted with the application for the Approval to Construct. MUSD and Marana have each had an opportunity to review the Plans to be approved by the Approval to Construct, the Project Activities, and the location of the Project Activities at or about their respective properties. Each of MUSD and Marana hereby approve of and consent to the Plans, the Project Activities, and the location of the Project Activities at or about their respective properties.
9. Term of Agreement, Modification, and Termination.
- a. This Agreement is effective on the date of the last signatory (“**Effective Date**”) and shall remain in full force and effect until completion of the Project, and all related deposits and/or reimbursements are made, unless terminated as provided in this Agreement.

- b. Either party may terminate this Agreement immediately if the other party materially breaches it. The Authority may terminate this Agreement as stated in Section 18 of this Agreement.
 - c. Upon termination, all property used in performance of this Agreement shall be returned to the Party owning the property or entitled to possession.
- 10. Condition of Properties Following Activities. Except for alterations to the Marana Estes Property or the Marana Property caused by MUSD, Marana, acts of nature, and acts or omissions of persons other than the State, upon completion or discontinuation of the Project Activities, to the extent reasonably practicable, the State will restore the Marana Estes Property and the Marana Property to substantially similar condition as existed prior to the commencement of the Project Activities.
- 11. State Contractors and subcontractors; Insurance. In connection with this Agreement, the State shall have the right to utilize such contractors and subcontractors as it may deem necessary or prudent and as it may from time to time select. During the period of the State's Project Activities, the State will require all contractors and subcontractors performing the Project Activities to maintain insurance in compliance with applicable ADOA Risk Management guidelines.
- 12. Limitation of Liability. The State is responsible for only its own negligence in connection with the Project Activities conducted on the Marana Estes Property and the Marana Property. The State's liability for any damage to property or injuries to persons which result from or are caused by the Project Activities shall be limited as stated in the prior sentence and limited to the fullest extent permitted by law. The State is not responsible for the performance of any system, equipment, infrastructure or other item to be constructed, installed or altered as part of the Project Activities, nor the performance of any previously existing system, equipment, infrastructure or other item upon completion of construction of the Project Activities at the Marana Estes Property and the Marana Property. The State makes no representation, warranty or guarantee of any kind or nature with respect to any such system, equipment, infrastructure or other item, including, without limitation, as to its ability to cause Marana PWS to be in compliance with or to meet any state or federal environmental standard.
- 13. Indemnification. To the fullest extent permitted by law, each of MUSD and Marana (each and "**Indemnitor**") shall defend, indemnify, and hold harmless the State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees (hereinafter referred to as "**Indemnitee**") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "**Claims**") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of such Indemnitor or any of such Indemnitor's owners, officers,

directors, agents, employees, contractors or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such Indemnitor to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. It is the specific intention of the Parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by the applicable Indemnitor, from and against any and all claims. It is agreed that the applicable Indemnitor will be responsible for primary loss investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this contract, each of MUSD and Marana agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents, and employees for losses arising from or in connection with this Agreement.

14. Noninterference. MUSD, Marana, and their respective employees, agents, tenants, contractors, subcontractors, invitees, students, occupants and guests shall not hinder or interfere with the Project Activities and shall not damage or tamper with any equipment or other property used in connection with the Project Activities.
15. Notice of Dangerous Conditions. At all times during the term of this Agreement, MUSD and Marana shall promptly inform the State in writing of any dangerous condition existing on the Marana Estes Property or the Marana Property and shall keep all people, including children and pets, away from the areas of the Marana Estes Property and the Marana Property where Project Activities are being conducted or the State's equipment or other property are being stored. Without limiting the foregoing, MUSD shall take all actions necessary or prudent to prevent and prohibit its students and any other persons from accessing or entering any areas where Project activities are being conducted or the State's equipment or other property are being stored.
16. Ownership and Responsibility. Upon completion of Project Activities, the State shall have no further obligation with respect to any system, equipment, infrastructure or other item constructed, installed or altered pursuant to or in accordance with the Agreement. Without limiting the foregoing:
 - a. the approximately 40 feet of water line including water infrastructure, equipment or property installed on Marana Estes Property between the new water meter and the connection to the existing Marana PWS water infrastructure shall become property of MUSD; and MUSD, and not the State, shall have the obligation to operate, maintain, repair and replace all such systems, equipment, infrastructure and other items in perpetuity and at MUSD's sole cost and expense.
 - b. the approximately 10 feet of water line including water infrastructure, equipment or property installed on Marana Property between the new water meter and the connection to the existing Marana PWS water infrastructure shall become property of Marana; and Marana, and not the State, shall have the obligation to operate, maintain, repair and replace all such systems, equipment,

infrastructure and other items in perpetuity and at Marana's sole cost and expense.

- c. Wells 55-633836 and 55-633837 shall remain the property of MUSD; and MUSD, and not the State, shall have the obligation to operate, maintain, repair and replace all such systems, equipment, infrastructure and other items in perpetuity and at Marana's sole cost and expense and subject to MUSD's obligations set forth in Section 5.b.vi above.

17. Notices Required Under This Agreement.

Notices to MUSD shall be effective when given to:

Jack Romaker
Marana Unified School District
11249 W. Grier Road
Marana, AZ 85653
(520) 909-7946
J.E.Romaker@maranausd.org

With a required copy to:

DeConcini McDonald Yetwin & Lacy, P.C.
2525 E. Broadway, Suite 200
Tucson AZ 85716
(520) 322-5000
lasmith@dmyl.com
Attention: Lisa Anne Smith

Notices to Marana shall be effective when given to:

Town of Marana
11555 W. Civic Center Drive
Marana, AZ 85653
(520) 382-2560
hlasham@maranaaz.gov
Attention: Heidi Lasham

With a required copy to:

Marana Legal Department
11555 West Civic Center Drive,
Marana, AZ 85653
(520) 382-3492
dudall@maranaaz.gov
Attention: David Udall

Notices to the State of Arizona shall be effective when given to:

Sara Konrad
Arizona Department of Environmental Quality
Water Quality Division
1110 W. Washington Street
Phoenix, AZ 85007
602-771-4734
konrad.sara@azdeq.gov

With a required copy to:

Arizona Department of Administration
General Services Division
1400 W. Washington Street, Suite B200
Phoenix, AZ 85007
Attention: Jason Joseph
602-896-7205
jason.joseph@azdoa.gov

18. Funding Source and Availability. The State intends to complete the Project Activities solely utilizing funds from the EC-SDC Grant.
 - a. In the event such funds are not available, or if for any other reason the State decides not to proceed with the Project Activities, the State has the right to cancel the Project Activities and terminate this Agreement. The State shall have no further obligations with respect to the Project Activities, the Marana Estes Property, the Marana Property, MUSD or Marana upon such termination.
 - b. Without in any way limiting subsections a above, the State hereby notifies MUSD and Marana as follows: Every payment obligation of the State under this Agreement is conditioned upon the availability of funds appropriated and allocated for the payment of such obligation. If funds are not appropriated, allocated and available or if the appropriation is changed by the legislature resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated by the State or any other agency of the State of Arizona at the end of the period for which funds are available. No liability shall accrue to the State or any other agency of the State of Arizona in the event this provision is exercised, and neither the State nor any other agency of the State of Arizona shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.
19. Miscellaneous Provisions.
 - a. Amendments. Any amendment, modification or variation from the terms of this Agreement shall be in writing and shall be effective only after approval of all Parties signing the original Agreement.
 - b. Assignment. Neither MUSD nor Marana may assign their rights or obligations under this Agreement (whether by operation of law or otherwise) without first obtaining the State's written consent, which may be granted or denied in the State's sole and absolute discretion.

- c. Forced Labor of Ethnic Uyghurs. MUSD and Marana warrant that they are in compliance with A.R.S. § 35-394, regarding use of the forced labor of ethnic Uyghurs, as applicable.
- d. Boycott of Israel. MUSD and Marana warrant that they are not engaged in a boycott of Israel as defined by A.R.S. § 35-393.01, as amended from time to time.
- e. Choice of Law and Venue. This Agreement shall be governed, interpreted, and enforced according to the laws of the State of Arizona. The Parties shall comply with all applicable laws, rules, regulations and ordinances, as may be amended. Proper venue for any civil action, proceeding, or arbitration arising out of this Agreement shall be Maricopa County, Arizona. To the extent required by A.R.S. § 12-1518(B) and as set forth in A.R.S. § 12-133, at the direction of the court, the Parties to such action shall submit any breach or dispute arising out of this Agreement to arbitration.
- f. Construction; Headings. This Agreement is the result of negotiations between the Parties and, accordingly, shall not be construed for or against either Party regardless of which Party drafted this Agreement or any portion thereof. The headings used in this Agreement are for convenience only and do not change the terms of this Agreement.
- g. Public Record. This Agreement is considered a public record and may be disclosed pursuant to A.R.S. § 39-121 et. seq. or displayed electronically by the State.
- h. Maintaining and Producing Records. Pursuant to A.R.S. §§ 35-214 and 35-215, MUSD and Marana shall retain for inspection and audit by the State all books, accounts, reports, files, and other records relating to this Agreement for a period of five years after its completion. Upon request by the State, a legible copy of all such records shall be produced by MUSD and Marana at the administrative office of the State Auditor. The original of all such records shall also be available and produced for inspection and audit when needed to verify the authenticity of a copy.
- i. Antitrust Violations. MUSD and Marana each assign to the State any claim for overcharges resulting from antitrust violations to the extent that such violations concern materials or services supplied by third parties to MUSD and Marana toward fulfillment of this Agreement.
- j. No Indemnification by State. Notwithstanding any provision of the Agreement to the contrary, the State is not authorized to, and will not, indemnify MUSD or Marana.
- k. Legal Obligations. This Agreement does not relieve any Party of any obligation or responsibility imposed upon it by law.
- l. Cancellation for Conflict of Interest. The requirements of A.R.S. § 38-511 apply to this Agreement. Any Party may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on behalf of any party is, at any time while this Agreement or any extension is in effect, an employee or agent of any other Party, or a consultant to any other Party with respect to the subject matter of this Agreement.

- m. Non-Discrimination. All Parties shall comply with Executive Orders 2009-09 and 2023-01, which mandate that all persons, regardless of race, color, religion, sex, age, national origin, or political affiliation, shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable Federal regulations under the Act, including 28 CFR Parts 35 and 36. All Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin, or disability. The Parties shall comply with Executive Order 2023-09 prohibiting race-based hair discrimination.
- n. Compliance Requirements under A.R.S. §41-4401 - Immigration Laws and E-Verify Requirement.
 - i. All Parties warrant compliance with all federal immigration laws and regulations relating to employees and warrant compliance with A.R.S. § 23-214, Subsection A, which reads: “After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.”
 - ii. A breach of the warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of this Agreement and the breaching Party may be subject to penalties up to and including termination of this Agreement.
 - iii. The Parties retain the legal right to audit the documentation of any employee working in relation to this Agreement to ensure that another Party, or any contractor or subcontractor, is in compliance with the warranty under subsection A of this Section.
- o. Force Majeure. The State shall be excused for delay or failure to perform its obligations under this Agreement, in whole or in part, when and to the extent that such a delay or failure is a result of causes beyond the control and without the fault or negligence of the State. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of the United States government, fires, floods, epidemics, quarantine restrictions, or embargoes.
- p. Waiver and Modification. None of the provisions of the Agreement may be waived, changed, or altered, except in writing signed by all of the Parties.
- q. Partial Performance; No Waiver. The failure of any Party to insist in any one or more instances upon the full and complete performance of any of the terms of this Agreement shall not be construed as a waiver or relinquishment of the right to insist upon a full and complete performance of the same, or any other term either in the past or in the future.
- r. Property Disposition. Upon termination of the Agreement, if the Parties have shared or exchanged property, the Parties will return the property to its original owner or dispose of it in a manner required by the original owner as described in this Agreement.
- s. Reporting. Marana and MUSD shall comply with any reporting obligations established by the EPA or Treasury as they relate to the EC-SDC Grant Program.

- t. Severability. The provisions of this Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Agreement.
- u. Entire Agreement. This Agreement supersedes all prior negotiations, representations or agreements, whether written or oral between the Parties with respect to the subject matter hereof.
- v. Counterparts; Signatures. This Agreement may be executed in multiple counterparts, and delivered via electronic means (i.e. .pdf, email, or other electronic means) each of which shall be deemed an original.

[SIGNATURE PAGE FOLLOWS]

20. Signatures

IN WITNESS WHEREOF, the parties hereto agree to execute this Agreement.

MARANA UNIFIED SCHOOL DISTRICT NO. 6,
a political subdivision of the State of Arizona,

By: _____
DANIEL STREETER
Superintendent

Date: _____

APPROVED AS TO FORM:

By: *Lisa Anne Smith*
LISA ANNE SMITH,
MUSD Attorney

Date: 9/17/2026

TOWN OF MARANA, ARIZONA,
a municipal corporation

By: _____
JON POST,
Mayor

Date: _____

By: _____
JILL MCCLEARY,
Town Clerk

Date: _____

APPROVED AS TO FORM:

By: _____
JANE FAIRALL,
Town Attorney

Date: _____

STATE OF ARIZONA
WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA

By: _____
CHELSEA MCGUIRE,
Director

Date: _____

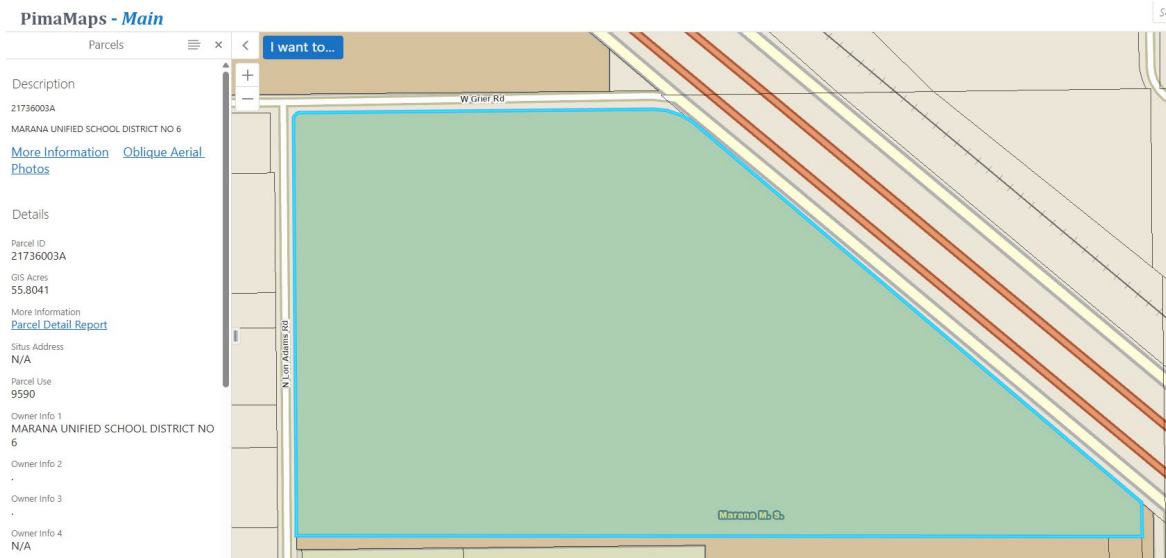
APPROVED AS TO FORM

By: _____
JOE CITELLI,
General Counsel

Date: _____

Exhibit A - 1
Depiction and/or Description of the Marana Estes Property

APN 217-36-003A



Legal Description

The land referred to herein below is situated in Pima County, Arizona, and is described as follows:

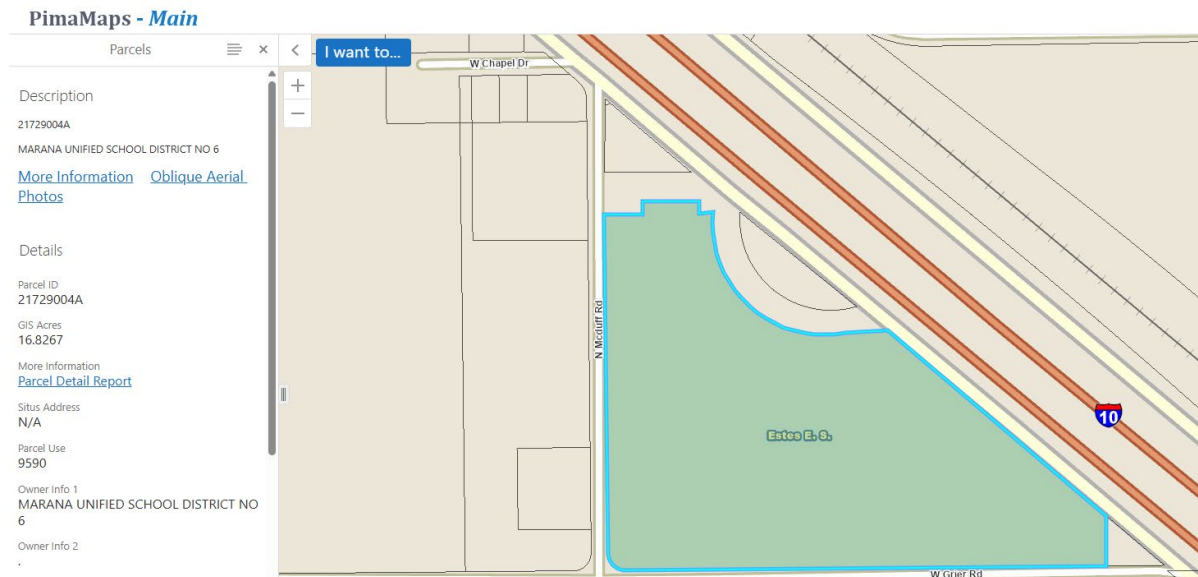
That parcel of land described in Docket 301, Page 101 of the Records of Pima County, Arizona, consisting of portion of the North Half of the Northeast Quarter of Section 27, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, lying southwest of and adjacent to the relocated Tucson-Picacho Highway, Pima County, Project F.I. 94, according to the map thereof recorded in the Office of the County Recorder of Pima County as Instrument No. 17973 on June 6, 1950;

EXCEPT the North 30 feet and the West 30 feet thereof;

EXCEPT any portion lying within that real property conveyed to the State of Arizona, by and through its State Highway Commission, in the Deed recorded in the Office of the County Recorder of Pima County in Docket 1975, Page 117 on August 9, 1962; AND

EXCEPT any portion lying within Postvale Road as shown on that certain Record of Survey recorded in the Office of the County Recorder of Pima County as Fee Number 20131080742 on April 18, 2013.

APN 217-29-004A



Legal Description

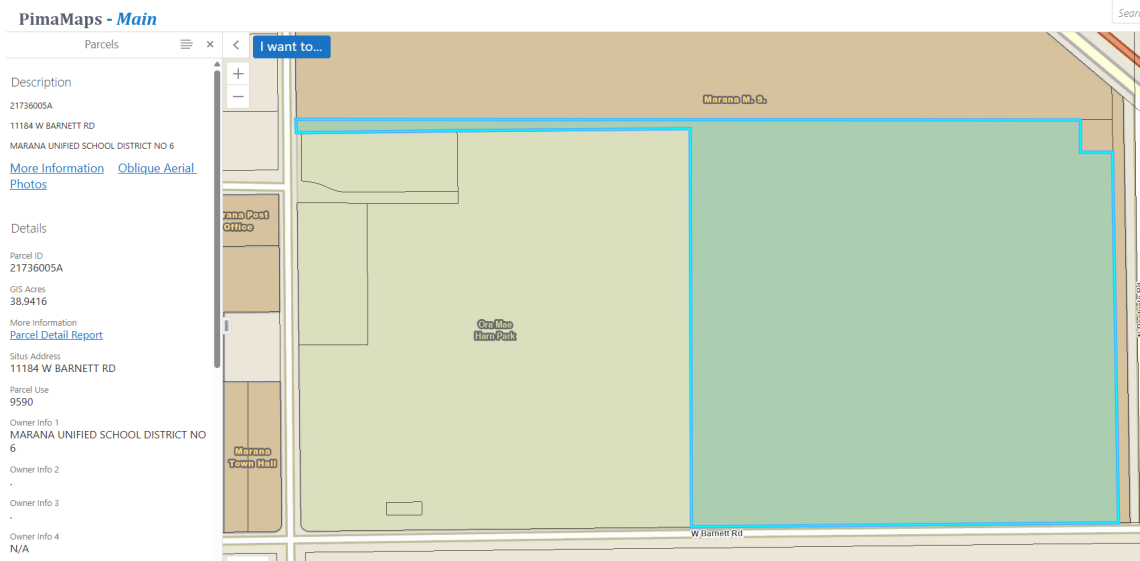
The land referred to herein below is situated in Pima County, Arizona, and is described as follows:

That parcel of land described in Docket 201, Page 374 of the Records of Pima County, Arizona, consisting of a portion of the South Half of Section 22, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian, lying southwest of and adjacent to Casa Grande Highway and East of McDuff Road as described in Docket 3998 at Page 644, Records of Pima County, Arizona;

EXCEPT the South 30 feet thereof; AND

EXCEPT those portions conveyed by the instruments recorded in the Office of the County Recorder of Pima County in Docket 296 at Page 179, in Docket 1975 at Page 117, and in Docket 4319 at Page 593.

APN 217-36-005A



Legal Description

The land referred to herein below is situated in Pima County, Arizona, and is described as follows:

That parcel of land described in the Records of Pima County, Arizona, at Docket 301, Page 101, at Docket 3998, Pages 640–642, and at Docket 5313, Page 105, consisting of the Southeast Quarter of the Northeast Quarter of Section 27, Township 11 South, Range 11 East of the Gila and Salt River Base and Meridian;

EXCEPT the east 65 feet of the Southeast Quarter of the Northeast Quarter of said Section 27;

EXCEPT the west 100 feet and the north 100 feet of the east 165 feet of the Southeast Quarter of the Northeast Quarter of said Section 27;

EXCEPT the south 30 feet of said Section 27;

AND consisting of the north 30 feet of the Southwest Quarter of the Northeast Quarter of said Section 27;

EXCEPT the west 30 feet of the north 30 feet of the Southwest Quarter of the Northeast Quarter of said Section 27.

Exhibit A - 2
Depiction and/or Description of the Marana Property

PimaMaps - Main

Parcels

I want to...

Description

21736004D

13250 N LON ADAMS RD

TOWN OF MARANA

[More Information](#) [Oblique Aerial](#)
[Photos](#)

Details

Parcel ID
21736004D

GIS Acres
29.8937

More Information
[Parcel Detail Report](#)

Situs Address
13250 N LON ADAMS RD

Parcel Use
9750

Owner Info 1
TOWN OF MARANA

Owner Info 2
MARANA MUNICIPAL COMPLEX

Owner Info 3
11555 W CIVIC CENTER DR

Owner Info 4
MARANA AZ

Owner Info 5

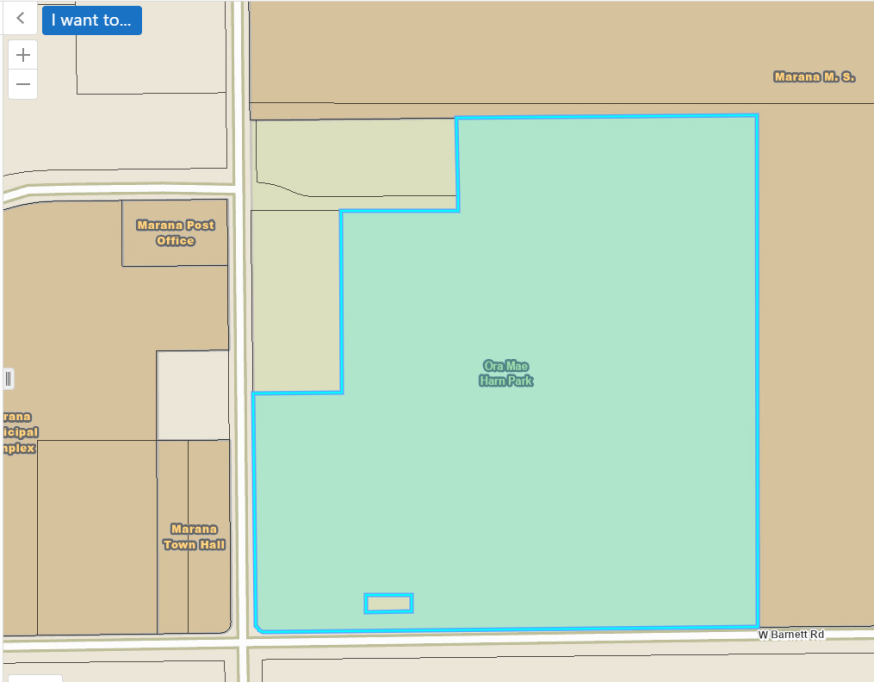


Exhibit B
The Plans

[To be inserted following the approval of the Approval to Construct]

Exhibit C
Approval to Construct

[To be inserted following the approval of the Approval to Construct]

Exhibit D
Marana Town Council Resolution

Exhibit E
Marana Unified School District Board of Directors Resolution