

**INTERGOVERNMENTAL AGREEMENT BETWEEN PINAL
COUNTY AND THE CITY OF CASA GRANDE TO DEFINE
RESPONSIBILITIES FOR THE APPLICATION FOR AND USE AND
TRACKING OF FUNDING FOR WATER SYSTEM ENHANCEMENT
AND EXPANSION**

THIS INTERGOVERNMENTAL AGREEMENT ("IGA") is made and entered into by and between Pinal County, a political subdivision of the State of Arizona, hereinafter referred to as "Pinal," and the City of Casa Grande, a municipal corporation of the State of Arizona, hereinafter referred to as "Casa Grande". Pinal and Casa Grande are sometimes hereinafter referred to individually as a "Party" and collectively as the "Parties".

I. RECITALS

- A. The Parties are empowered by A.R.S. § 11-951 et seq. to enter into intergovernmental agreements for joint or cooperative action.
- B. The County is further authorized to enter this IGA under A.R.S. § 11-251.
- C. Casa Grande is further authorized to enter into this IGA pursuant to Article I, Section 3(12) of the Casa Grande City Charter

NOW, THEREFORE, in consideration of the covenants contained herein, the Parties agree as follows:

II. SCOPE OF WORK

The Project consists of funding of the enhancement and expansion of existing water treatment and delivery systems in the area of Thornton and Selma Roads ("Project").

III. FUNDING

The total estimated cost for construction of the Project is \$17,640,000.

IV. AGREEMENT

A. Pinal shall:

- 1. Prepare and submit an application to the Arizona Governor's Office on a form such as the one attached hereto as Exhibit A for funding under the American Relief Act ("ARPA") State and Local Relief Fund ("SLRF").
- 2. Accept, any funds awarded for the Project and responsibility for all necessary tracking and reporting.
- 3. If funding is awarded, transfer the awarded funds to Casa Grande subject to the terms of a Funding Agreement substantially in the form attached hereto as Exhibit B.

B. Casa Grande shall:

- 1. If funding is awarded, enter into a Funding Agreement with Pinal in substantially the form attached hereto as Exhibit B.

2. Be responsible for implementation of the Project including procurement, project management, and construction. Casa Grande may make sub-awards or enter into other agreements as necessary to complete the Project.
3. Comply with all applicable state and federal procurement requirements.
4. Provide Pinal with all information and documentation required to demonstrate compliance with the justification, tracking, reporting and other requirements related to SLRF funding under ARPA and associated regulations.

V. GENERAL PROVISIONS

- A. The foregoing recitals are hereby incorporated into this IGA by reference as if more fully stated herein.
- B. This IGA shall become effective upon the approval by both governing bodies of the parties hereto and the execution of this IGA by the authorized representatives of both parties.
- C. To the fullest extent permitted by law, each party to this IGA, as Indemnitor, shall indemnify, defend, save, and hold harmless the other party, its officers, employees, agents, officials, directors and representatives (collectively, Indemnitees") from and against any and all liability, claims, losses, suits, actions, damages, and expenses (including but not limited to, court costs, attorney's fees, and costs of claim processing, investigation and litigation (collectively "Claims") for any personal injury, bodily injury, loss of life, or loss or damage to property, or loses of use thereof, or any violation of any federal, state, or local law or ordinance, or other cause of action related to or arising out of the Indemnifying Party's performance of its obligations pursuant to the terms of this IGA, or caused, in whole or in part, by the acts or omissions of the Indemnitor, or anyone for whose acts Indemnitor is responsible, in the performance of this IGA. This indemnity includes any claim or amount arising out of or recovered under the Workers Compensation Law or arising out of the failure of Indemnitor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree.
- D. This IGA may be cancelled for conflict of interest without further obligation or penalty in accordance with A.R.S. § 38-511.
- E. All notices or demands required under this IGA from either party to the other shall be in writing and shall be deemed to have been received when the notice is delivered in person or three (3) days after deposited in a U.S. Mailbox in a postage prepaid envelope addressed as follows:

Larry Rains
City Manager
City of Casa Grande
510 E. Florence Blvd.
Casa Grande, AZ 85122

Leo Lew
Pinal County Manager
P.O. Box 827
Florence, AZ 85132

- F. The failure to exercise any right, power or privilege under this IGA shall not operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of that or any right, power or privilege. The acceptance by either party of sums less than may be due and owing to it at any time shall not be construed as an accord or satisfaction.
- G. Nothing in this IGA shall be construed as either limiting or extending the lawful jurisdiction of either party hereto other than as expressly set forth herein.
- H. This IGA shall be governed by and construed in accordance with the laws of the State of Arizona and the parties agree that the venue for any claim arising out of or in any way related to this IGA shall be the Superior Court of Pinal County, Arizona.
- I. This IGA contains the entire agreement between the parties, and no statements, promises or inducements made by either party, their agents, or employees that are not contained herein shall be valid or binding. This IGA may not be altered except in writing and signed by each party hereto.
- J. Pinal and Casa Grande agree that should any part of this IGA be held to be invalid or void, the remainder of this Amendment shall remain in full force and effect and shall be binding upon the parties.
- K. This IGA shall remain in force and effect until completion of Project or termination or cancellation as provided within this IGA. The Indemnification and insurance provisions shall survive the termination of this IGA.
- L. Pursuant to the provisions of A.R.S. § 41-4401, each Party warrants to the other Party: (a) that the warranting Party and its subcontractors, if any, are in compliance with all federal immigration laws and regulations that relate to their employees and are in compliance with A.R.S. § 23-214(A); and (b) that a breach of this warranty is a material breach of this contract [agreement] that is subject to penalties up to and including termination of the contract or any subcontract; Each Party retains the legal right to inspect the employment records of the other Party and its subcontractors, if any, to ensure compliance with this warranty. Neither Party will consider the other Party or any of its subcontractors in material breach of the foregoing warranty if the other Party and its subcontractors, if any, establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the e-verify requirements prescribed by Arizona Revised Statutes § 23-214(A).

IN WITNESS WHEREOF, the Parties hereto have executed this IGA as of the dates set forth below.

CITY OF CASA GRANDE, a municipal Corporation of the State of Arizona



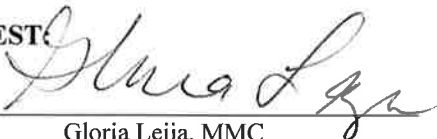
Craig H. McFarland
City of Casa Grande Mayor

PINAL COUNTY, a political subdivision of the State of Arizona

Jeff Serdy
Chairman, Board of Supervisors

Dated: 11/14/2023

Dated: _____

ATTEST: 
Gloria Leija, MMC
City Clerk


ATTEST: _____
Natasha Kennedy
Clerk of the Board

Dated: 11/15/23

Dated: _____

Approved as to form and within the powers
and authority granted Casa Grande under the
laws of the State of Arizona:

Approved as to form and within the powers
and authority granted Pinal under the laws
of the State of Arizona:


Brett D. Wallace
City Attorney


Kevin Costello
Deputy County Attorney

Dated: 11/14/23

Dated: 11/21/23

EXHIBIT A



Governor's Office of Strategic Planning and Budgeting

1700 West Washington, Suite 600
Phoenix, Arizona 85007
(602) 542-5381

State of Arizona - State and Local Fiscal Recovery Funds of the American Rescue Plan Act
Please review necessary guidelines regarding the U.S. Treasury's Final Rule here

I acknowledge that I have reviewed the guidelines linked above. [checked box]

Organizational Profile

Organization Name: Pinal County
Type of Organization: Government
Please put your Unique Entity Identifier (UEI) here: GX4FM9VQD7W3

If you do not have a UEI, please start the free registration process with SAM.gov to obtain one. It will take 1-2 business days to obtain a UEI after registration.

Has your organization ever received federal funding before either directly as the prime recipient or indirectly as a subrecipient from another organization? Yes

Proposed Project Information

Budget: \$ 17,640,000.00
Performance Period (start and end dates): 01/01/2024 - 12/31/2026

U.S. Treasury Expenditure Category (pages 42-44, column EC28)

Please read the Treasury's allowable uses Expenditure Categories Document linked above and select only one expenditure category that best fits your proposed project. 5.11 Drinking Water: Transmission & Distribution

Purpose of the Project (3000 character limit): Explain how your project will respond to the COVID-19 public health emergency or its negative economic impacts, specifically as it relates to your selected expenditure category.

Pinal County, in partnership with the City of Casa Grande, and Arizona Water, seek funding to address critical water infrastructure needs in the southwestern portion of Casa Grande, Arizona.

The proposed improvements will respond to the public health emergency by:

- 1. providing an adequate, minimum level of water service,
2. supplying drinking water to over 4,400 existing water customers,
3. providing additional supply and storage,
4. providing adequate pressure for fire flows,
5. providing treatment facilities to ensure drinking water complies with the Federal Safe Drinking Water Act and associated State and Federal regulations,
6. providing a new water well permitted to recover renewable water supplies specifically recharged Central Arizona Project water and recharge effluent, and
7. promoting equitable outcomes by providing adequate water supplies and fostering economic development and stability throughout the area.

The project is a necessary, cost-effective means to meet projected growth and support a reasonable and adequate level of increased water needs throughout the useful life of the infrastructure. Upon completion, the infrastructure will be owned and operated by Arizona Water Company (AWC), the regulated water utility serving the area. AWC is a privately owned, closely held public service corporation, as defined in the Arizona Constitution, Article 15, Section 2. AWC's assets are dedicated to the public for public benefit and use. AWC's business, assets, and rates are regulated by the Arizona Corporation Commission.

Description of Services (3000 character limit): *Identify who will benefit and provide a general overview of activities to be undertaken.*

Arizona Water Company has created a project plan designed to address the immediate critical needs for infrastructure improvements within the defined project area. AWC will use the requested funds to expand existing water systems, and add new water systems, across multiple categories:

1. construct over 12,000 linear feet of water mains,
2. drill, case, and equip one new well,
3. expand existing arsenic removal facilities 542 gpm,
4. re-equip the existing well to improve production to 1,059 gpm, and
5. expand existing arsenic removal facilities to 1,059 gpm.

These improvements will result, at a minimum, additional water production capacity of over 1,000 gallons per minute, increase efficiencies in water usage, and expand water access to more users. In addition, the expansion to the existing arsenic removal facilities will increase overall capacity to treat water and protect the environment.

The project is essential to expand existing infrastructure and provide adequate infrastructure to supply drinking water in an area of demonstrated need to serve over 4,400 low and moderate income area residents of traditionally disadvantaged and underserved populations. The area is approximately 31 square miles in southwestern Casa Grande, from Clayton to I-8, and Montgomery to Trell Road. The EPA has designated the area a Justice40 disadvantaged area where 46-53% of the residents are low income, and 63-77% are people of color. According to HUD, the subject area includes two areas that are 75.33% and 80.53% low and moderate income. The subject area is located in an opportunity zone.

Performance Metrics: *Identify specific measures that will be reported to reflect the impact as a result from this funding (Please List).*

Examples: Number of individuals served

Percent of successful program completions

The following metrics will be used to demonstrate the successful completion of the proposed project:

1. provide improved water service to over 4,400 customers,
2. provide additional water production capacity of over 1,000 gallons per minute,
3. increase efficiencies in water usage,
4. expand water access to more users, and
5. increase overall capacity to treat water and protect the environment.

Please complete the Budget Breakdown on the following Pages

Budget Breakdown (direct costs only)

Category	Amount	Line Item Breakdown and Justification
Personnel		
Fringe Benefits		
Travel		
Equipment		

Supplies		
Contractual		
Construction	\$17,640,000	2,700 LF of 16-inch distribution water main 3,300 LF of 16-inch distribution water main - \$1,970,000 2,500 LF of 16-inch distribution water main - \$750,000 Drill, case and equip well for 542 gpm - \$3,820,000 Expand existing Arsenic Removal Facility 542 gpm - \$5,410,000 Re-equip well to a capacity of 1,059 gpm - \$280,000 Expand existing Arsenic Removal Facility to match increased capacity in well - \$5,410,000
Other		
Total	\$17,640,000	

EXHIBIT B

FUNDING AGREEMENT

This AGREEMENT is made effective this ____ day of _____, 2023, (“Effective Date”) between Pinal County, a political subdivision of the State of Arizona (hereinafter referred to as “Pinal County”) and Casa Grande, a municipal corporation of the state of Arizona (hereinafter referred to as “Sub Recipient”).

RECITALS

WHEREAS, Pinal County has received money from the American Rescue Plan Act of 2021 (hereinafter referred to as “ARPA”), H.R. 1319; Title IX—Committee on Finance; Subtitle M—Coronavirus State and Local Fiscal Recovery Funds; Section 9901, Coronavirus State and Local Fiscal Recovery Funds; and

WHEREAS, the U.S. Department of the Treasury has published final rules to implement the ARPA (Federal Register / Vol. 87, No. 14 / Thursday, January 27, 2022, 31 CFR Part 35 / (Rules and Regulations); and

WHEREAS, the ARPA funds may be used to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including _____; and

WHEREAS, § 35.6_____ of the Treasury Department’s final rules identify _____ as acceptable programs and services for which ARPA funds may be used; and

WHEREAS, during the COVID-19 pandemic (indicate problem being addressed by the grant); and

WHEREAS, the purpose of this Agreement is to respond to the public health emergency caused by COVID-19, and to provide funds to assist in the economic recovery from the pandemic. Therefore time is of the essence and the speedy use of these funds is vital to the effectiveness of the ARPA; and

WHEREAS, Sub Recipient provides services that include drinking water systems, and the ARPA funds expended in this Agreement will be used by Sub Recipient to address these public health needs. Specifically, Sub Recipient intends to use the funds to enhance drinking water systems for the purpose of _improving drinking water quality and resilience for the drinking water system; and

WHEREAS, the funds must be used for costs incurred between March 3, 2021 and December 31, 2024. The funds must be obligated by December 31, 2024 and expended no later than December 31, 2026; and

WHEREAS, the Federal Government’s published reporting requirements for the use of ARPA funds include, but are not limited to; Code of Federal Regulations, 2 CFR Part 200 (<https://ecfr.federalregister.gov/current/title-2/subtitle-A>), information from the General Services

Administration (<https://sam.gov/fal/7cecfdef62dc42729a3fcd449bd62b8/view>), Compliance and Reporting Guidance (<https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>) from the Department of the Treasury, the 2020 OMB Compliance Supplement Part 3, Compliance Requirements for 2 CFR Part 200, Appendix XI, issued on August 18, 2020 (https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf), and memorandums from the Office of Management and Budget (<https://www.whitehouse.gov/wp-content/uploads/2020/04/Implementation-Guidance-for-Supplemental-Funding-Provided-in-Response.pdf>, and https://www.whitehouse.gov/wp-content/uploads/2021/03/M_21_20.pdf); and

WHEREAS, the ARPA funds are to be used within the geographical boundaries of Pinal County, and for the benefit of residents of Pinal County; and

WHEREAS, Pinal County is authorized to distribute the ARPA funds to sub-recipients. Sub-recipients are required to use ARPA funds to accomplish the purposes of the ARPA; and

WHEREAS, Casa Grande wishes to become a sub-recipient of ARPA funds and has requested \$ _____.

WHEREAS, the ARPA funds are subject to repayment if they are not spent consistent with the purposes, laws, rules, and guidelines of the ARPA.

WHEREAS, Pinal County and Sub Recipient believe the use of the funds pursuant to this Agreement is allowed by the laws, rules, and guidelines of the ARPA.

WHEREAS, Pinal County has the authority to enter into this Agreement pursuant to the ARPA, and A.R.S. §§ 11-201, and 11-251.

AGREEMENT

NOW THEREFORE, Pinal County and Sub Recipient, in consideration of the mutual covenants set forth herein, agree to be legally bound as follows.

1. Incorporation of Recitals

- a. The Recitals set forth above are incorporated into this Agreement.

2. Duration of this Agreement

This Agreement shall commence on the Effective Date and shall remain in effect until the end of the Federal Government's right to audit and require the return of any misspent funds.

3. Termination

- a. If either party fails to perform its respective obligations herein, the non-defaulting party shall give written notice of the default to the defaulting party. If the default is not cured within thirty (30) days of receipt of the notice of default, the non-defaulting party may terminate this Agreement upon written notice of termination delivered to the defaulting party. Any termination of this Agreement shall not relieve the parties of responsibility for obligations incurred prior to the effective date of the termination. Further, any monies not properly spent by Sub Recipient prior to termination shall be returned to Pinal County no later than ten (10) days from the date of termination. Paragraphs 6(e), 6(f), 6(g) and (7) shall survive the termination of this Agreement.

4. Conflict of Interest

- a. This Agreement is subject to cancellation under the conflict of interest provisions of A.R.S. § 35-511.

5. Duties of Pinal County

- a. Pinal County agrees to provide the ARPA funds as outlined in this Agreement.
- b. Pinal County shall review the Plan(s) submitted by Sub Recipient identifying projects it intends to accomplish with the ARPA funds. Only after Pinal County has approved Sub Recipient's plans can any ARPA monies be spent.
- c. Upon Sub Recipient providing Pinal County with documentation confirming payment for the project or purposes of this Agreement, Pinal County will reimburse Sub Recipient with ARPA funds within thirty (30) calendar days.
- d. Pinal County shall comply with the Federal Government's reporting requirements for the ARPA (including 2 CFR 200.1).
- e. Pinal County shall monitor the use of these ARPA funds by Sub Recipient, consistent with the Federal Government's requirements (including 2 CFR 200.332).

6. Duties of Sub Recipient

- a. Prior to spending any monies toward any projects, Sub Recipient shall submit a written Plan(s) to Pinal County identifying the projects it intends to accomplish, and how ARPA funds will be spent.
- b. Sub Recipient agrees to expend these ARPA funds solely for the following purposes:
 - i. the enhancement and expansion of existing water treatment and delivery systems in the area of _____;
- c. Sub Recipient's use of the ARPA funds shall be abide by all laws, rules, and guidelines of the Federal Government for these ARPA funds.

- d. Sub Recipient shall provide in a timely manner any information Pinal County needs to comply with the Federal Government's reporting requirements (including 2 CFR 200.1 and 2 CFR 200.332). This includes, but is not limited to; providing copies of contracts, contract amendments, line-item detail of project budgets, receipts, invoices, packing slips, purchase orders, and payments.
- e. Sub Recipient shall comply with, and assist Pinal County in complying, any Federal Government Audit requirements (including 2 CFR Part 200, Subpart F). Sub Recipient shall keep and maintain proper and complete books, records, files, and accounts of all its operations, which shall be open for inspection and audit by Pinal County or its auditors, at all reasonable times. All books, accounts, reports, files and other records relating to this Agreement shall be subject to inspection and audit by Pinal County for the later of five years after completion of the Agreement or the last date of the Federal Government's auditing of the use of ARPA funds.
- f. Sub Recipient shall reimburse Pinal County for any and all use of these ARPA funds in the event that the Federal Government determines the use did not comply with the ARPA laws, rules, and guidelines. The intent of the parties is that Sub Recipient will reimburse Pinal County within a timeframe that allows Pinal County to use the reimbursed funds to refund the money to the U.S. Department of the Treasury, as required by the ARPA.
- g. Sub Recipient shall comply with the Federal Government's requirements regarding the purchase, use, and disposition of real property and/or equipment. This includes, but is not limited to, the following:
 - i. Equipment and real property acquired with these funds must be used solely for the purpose(s) stated in this Agreement and consistent with the ARPA.
 - ii. Any purchase, use, and disposition of equipment or real property with these funds must comply with the Uniform Guidance at 2 CFR Part 200, Subpart D (including 2 CFR 200.311 and 2 CFR 200.313).

7. Indemnification

- a. To the fullest extent allowed by law, Sub Recipient shall indemnify, defend, and hold harmless Pinal County, its officials, board members, officers, agents and employees, from any and all claims, demands, suits, actions, proceedings, loss, cost and damages of every kind and description, including any attorney's fees, litigation expenses and/or arbitration expenses, which may be brought or made against or incurred by Pinal County on account of loss of or damage to any property or for injuries to or death of any person, caused by, arising out of, or contributed to, by reason of any omission, professional effort, fault, mistake or negligent act, whether active or passive, of Sub Recipient, its employees, agents or representatives or subcontractors, their employees,

volunteers, agents or representatives in connection with or incident to the performance of this Agreement. Such indemnity shall not be limited by reason of remuneration of any insurance coverage herein provided. Every provision of this indemnification paragraph shall survive the termination of this Agreement.

8. Governing Law

- a. This Agreement is executed in the State of Arizona and this Agreement and every matter or thing arising therefrom shall be construed in accordance with the laws of the State of Arizona. In the event of litigation, jurisdiction and venue shall be Pinal County.

9. Alternative Dispute Resolution

- a. Pursuant to A.R.S. § 12-1518, disputes under this Agreement shall be resolved through the use of arbitration when the case or lawsuit is subject to mandatory arbitration pursuant to rules adopted under A.R.S. § 12-133.

10. Entire Agreement

- a. This Agreement contains the entire, integrated agreement of the parties and there are no oral agreements, understandings, or representations relied upon by the parties. This Agreement supersedes all prior negotiations, representations, or agreements, whether written or oral.

11. Amendments and Modifications

- a. No modification or amendment of any provision of this Agreement shall be valid unless it is in writing and signed by the party against whom it is sought to be enforced.

12. Notice

- a. All notices and other communication authorized or required in this Agreement shall be in writing and shall be deemed to have been given when delivered personally or deposited in the United States mail in a postage pre-paid envelope addressed to the other party to the address provided herein.

Pinal County
Pinal County Manager
P.O. Box 827
Florence AZ 85132

Casa Grande
Larry Raines/City Manager
City of Casa Grande
510 E. Florence Blvd.
Casa Grande, AZ 85122

13. Assignability

- a. Sub Recipient agrees that it shall not assign, sublet, subcontract or transfer its interest in this Agreement without the written consent of the Pinal County Board of Supervisors.

14. Successors and Assigns

- a. The provisions of this Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the parties.

15. Waiver

- a. Waiver of any of the terms of this Agreement shall not be valid unless it is in writing and signed by all parties. The failure of claimant to enforce the provisions of this Agreement or require performance by opponent of any of the provisions, shall not be construed as a waiver of such provisions or affect the right of claimant to thereafter enforce the provisions of this Agreement. Waiver of any breach of this Agreement shall not be held to be a waiver of any other subsequent breach of the Agreement.

16. Severability

- a. In case one or more provision of this Agreement is held invalid or voidable, the validity of the remaining provisions shall not be affected thereby, and the Agreement shall continue in full force and effect. The parties agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.

17. Legal Agreement

- a. This Agreement is an important, binding legal document, and each Party warrants it has had an opportunity to consult with an attorney about the terms set forth herein. By signing this Agreement, each person signing this Agreement represents and warrants that he or she is duly authorized and has the legal capacity to execute this Agreement and understands the meaning of all terms contained herein and agrees to their application and enforceability.

APPROVALS

By the signatures below of their duly authorized officials, the parties agree to, and accept, the terms of this Agreement.

**Pinal County, Arizona, a political
subdivision of the State of Arizona**

By: _____
Jeffrey McClure, Chairman
Pinal County Board of Supervisors

By: _____
Craig McFarland, Mayor
City of Casa Grande

Date: _____

Date: _____

This Agreement has been reviewed by the undersigned counsel who have determined that it is in appropriate form and within the powers and authority granted to each counsel's respective Party.

Attorney for Pinal County
Kent Volkmer
Pinal County Attorney

Attorney for Sub-Recipient
Attorney/Firm Name

By: _____
Kevin Costello, Deputy County Attorney

By: _____
Name, Title

Date: _____

Date: _____

Attestation

By: _____
Natasha Kennedy, Clerk
Pinal County Board of Supervisors