

RESOLUTION NO. 3361

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING THE INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF PAYSON AND RIM COUNTRY EDUCATIONAL ALLIANCE REGARDING INFRASTRUCTURE DEVELOPMENT AND UNTREATED WATER SERVICE.

WHEREAS, A.R.S. Title 11, Chapter 7, Article 3 (A.R.S. § 11-952 *et seq.*) authorizes two (2) or more public agencies to enter into intergovernmental agreements to contract for services, if authorized by their legislative or governing bodies.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, as follows:

Section 1. The Intergovernmental Agreement between the Town of Payson, an Arizona municipal corporation (“City”), and Rim Country Educational Alliance, for the coordinated planning, design, engineering, construction, installation, and/or provision of public infrastructure improvements necessary for development of the Granite Dells Park (the “Agreement”) is hereby approved in the form attached as Exhibit A and incorporated by reference.

Section 2. The Mayor, Town Manager, Town Clerk and Town Attorney are hereby authorized and directed to take all steps necessary to cause the execution and delivery of the Agreement and to take all steps necessary to carry out the purpose and intent of this Resolution.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this ____ day of November, 2023, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Chris Higgins, Mayor

ATTEST:

APPROVED AS TO FORM:

Tracie Bailey, Town Clerk

Jon Paladini, Pierce Coleman PLLC
Town Attorney

EXHIBIT A

TO

RESOLUTION NO. 3361

[Intergovernmental Agreement]

See following pages.

**INFRASTRUCTURE DEVELOPMENT AND UNTREATED WATER SERVICE
INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF PAYSON AND THE
RIM COUNTRY EDUCATIONAL ALLIANCE**

THIS INFRASTRUCTURE DEVELOPMENT AND UNTREATED WATER SERVICE INTERGOVERNMENTAL AGREEMENT ("AGREEMENT") is made this 30 day of October, 2023, by and between the Town of Payson, an Arizona municipal corporation ("Payson"), the Rim Country Educational Alliance, a political subdivision of the State of Arizona ("RCEA"), (collectively "the Parties").

RECITALS:

WHEREAS, the RCEA owns a parcel of land known as Gila County Parcel No. 304-01-375 (the "RCEA Property") approximately 243.75 acres in size that it wishes to develop for educational and other related purposes; and

WHEREAS, the RCEA has started construction of improvements (the "Improvements") known as the Granite Dells Park (the "Park") on a portion of the RCEA Property located south of E. Granite Dells Road (the "Property") within their jurisdictional boundaries. The Park is approximately 26 acres in size and is generally depicted on the attached Exhibit A; and

WHEREAS, On August 25, 2022 the Payson Town Council approved Resolution 3309 which authorized an Intergovernmental Agreement between the Town of Payson and the Rim Country Educational Alliance (RCEA) to provide plan review and field inspection services for the RCEA Property; and

WHEREAS, the transition plan for Plan Review and Field Inspection Services authorized RCEA to continue the use of outside contract firms for plan review and inspections in order to complete the Park; and

WHEREAS, several Town collector streets are located within or adjacent to the Property; and

WHEREAS, Section 7 of the IGA requires that RCEA shall be responsible for construction of "offsite infrastructure and utilities" consistent with existing Town requirements as may be amended from time to time; and

WHEREAS, the "offsite infrastructure and utilities" includes the Town collector streets located within or adjacent to the Property; and

WHEREAS, construction of the Improvements will have an impact on Town infrastructure outside the boundary of the Property; and

WHEREAS, Section 7 of the IGA also states the "RCEA shall cause to be constructed or installed, to the Town's standards all offsite utility improvements needed to serve the development on the Property."; and

WHEREAS, Section 7 of the IGA also requires "RCEA to provide financial assurances as typically required by Town's engineering standards to assure that the installation of infrastructure or utilities will be completed"; and

WHEREAS, in consideration of RCEA's performance of this agreement, Payson will allow encroachment by RCEA onto Town rights-of-way and easements for construction of offsite infrastructure and improvements to provide municipal water service to RCEA for the Property; and

WHEREAS, On January 25, 2018 the Payson Town Council approved Resolution 3081 which authorized the first supplemental water rights transfer, and water delivery and use agreement between the Salt River Water Users' Association, an Arizona Corporation, and the Salt River Project Agricultural Improvement and Power District, a political Subdivision of the State of Arizona and the Town of Payson, a political subdivision of the State of Arizona; and

WHEREAS, in that Water Delivery and Use Agreement:

"The Town may only deliver and distribute water received from the C.C. Cragin Reservoir for use by customers within the Town Water Service Area."

and

"Upon execution of this agreement, the Town shall require that, as a condition of annexation of new territory to the Town, all residential, commercial, and industrial developments in the area to be annexed shall connect to the Town's water delivery system and obtain water exclusively from the Town."; and

WHEREAS, on September 07, 2017 the Payson Town Council approved Resolution 3059 which authorized an Intergovernmental Agreement between the Town of Payson and the Rim Country Educational Alliance/Rim Country Educational Foundation to provide water services to the "University Property"; and

WHEREAS, in that agreement, the Town will:

"Supply water to the water users on the University site through metered connection in the same manner that we serve other customers within the Town of Payson."

and the RCEA will

"Design and construct all water lines in accordance with Town of Payson and Arizona Department of Environmental Quality requirements"

and

"Pay all applicable plan review fees, water meter and connection fees, water usage fees and water development impact fees as a regular Payson Water Department customer"; and

WHEREAS, current Town Code sections 50.61 and 50.63 state the following:

- **§ 50.61 WATER CONSERVATION COMPLIANCE.**

- *It shall be unlawful for any customer of the Water Division to knowingly use or permit the use of water supplied by the Water Division in a manner contrary to any provision of this subchapter.*

- **§ 50.63 OUTDOOR CONSERVATION.**

- (A) *Artificial water features. New artificial water features **utilizing potable water**, such as ponds, lakes, water courses, and other types of water features larger than 500 gallons are prohibited. All permitted water features must be equipped with a recirculating pump; and*

WHEREAS, the RCEA desires to fill the lake for one-time use to prevent degradation of the current constructed lake infrastructure and to test and validate the design, engineering, and construction of the associated systems; and

WHEREAS, current Town Code 50.04 also states the following:

- **§ 50.04 TEMPORARY SERVICE.**

- *The town may, in its discretion, supply services for temporary purposes; and*

WHEREAS, in consideration of the above-mentioned agreement intentions and regulations, the Council finds that the part of this Agreement to accommodate an initial/one time filling of the Granite Dells Park lake (the "Lake") is in conformance with the Payson Town Code. Should the lake experience a substantial leak as determined by the Town during or within 14 days of initial filling, RCEA shall make and certify repairs that the Town finds acceptable prior to a second attempt to fill the lake; and

WHEREAS, the Town encourages the use of untreated water for non-potable uses and desires to provide untreated water service to the RCEA Property for such uses.

NOW, THEREFORE, in consideration of the mutual promises, covenants and considerations herein contained, and pursuant to the terms and provisions herein, the Parties hereby agree as follows:

1. Term. This Agreement shall be effective as of the date written above and shall continue to be effective in perpetuity. The parties may agree to an early termination at any time.

2. Offsite Infrastructure and Utilities.

2.1 The primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction, installation, and/or provision of public infrastructure improvements necessary for development of the Park.

2.2 The required infrastructure which is the subject of this Agreement is set forth on Exhibit

B attached hereto and made a part hereof by this reference (the "Infrastructure Plan").

2.3 RCEA agrees to construct or arrange for the construction of the public infrastructure and in the timeframes set forth in the Infrastructure Plan.

2.4 All such construction performed by RCEA shall be performed in compliance with all applicable requirements, standards, codes, rules, or regulations of the Town as established in compliance with all permit requirements, standards, codes, rules or regulations of (i) the Maricopa Association of Governments that have been incorporated by Payson into the Town standards, codes, rules, or regulations, (ii) Payson amendments to the Maricopa Association of Governments Uniform Standard Specifications and Details for Public Works Construction (iii) the State of Arizona, and (iv) the United States of America, as applicable, in effect at the time of such construction.

2.5 RCEA, its agents, and employees, shall have the additional right, upon receipt from the Town of an appropriate encroachment permit, to enter and remain upon and cross over any Town easements or rights-of-way to the extent reasonably necessary to facilitate such construction, or to perform necessary maintenance or repairs of such Infrastructure, provided that RECA's use of such easements and rights-of-way shall not impede or adversely affect the Town's use and enjoyment thereof and provided that RCEA shall restore such easements and rights-of-way to their condition prior to RCEA entry upon completion of such construction, repairs or maintenance.

2.6 RCEA shall ensure that RCEA and/or contractors selected for this work provide financial assurances to the Town as set forth in the Town Code to assure that the installation of such infrastructure, then being undertaken within a particular subdivision or other infrastructure improvements directly related to such subdivision will be completed. The form of financial assurances shall be acceptable to the Town.

2.7 The Parties hereto acknowledge and agree that the Town will own certain completed segments or components of the infrastructure, which may include but are not limited to the underlying land (the "Public Infrastructure"). Ownership of all completed segments of the Public Infrastructure shall be dedicated without cost (other than subsequent operational and maintenance costs) by RCEA to the Town within thirty (30) days after completion of any segment of the infrastructure in accordance with the Infrastructure Plan. RCEA agrees to warrant the construction of all Public Infrastructure against defective workmanship and materials for a minimum period of two (2) years from the dedication of such Public Infrastructure.

2.8 RCEA shall dedicate road right-of-way for Mud Springs Road and Granite Dells Road in accordance with Town Code and as required for future operation and maintenance of the Improvements.

2.9 So long as such infrastructure is constructed in accordance with the Infrastructure Plan, as verified by the inspection of the completed improvements by the Town Engineer, and all punch list items have been completed, the Town shall immediately thereafter accept such

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dedication(s) of infrastructure, and shall, at its own cost and expense, maintain, repair and operate such infrastructure in accordance with its customary standards.

3. Untreated Water Service.

3.1 Upon termination of the temporary water service used for initial filling of the Lake, RCEA shall not utilize potable water for further refilling of the Lake or to provide makeup water to maintain the Lake water level without additional written approval of the Town.

3.2 RCEA shall construct the necessary facilities (the "JFM line extension") to receive untreated water from the existing Raw/Backwash water line in N. Tyler Parkway (the "JFM line") and convey the untreated water to the Park as described in Exhibit B.

3.3 Upon completion of the necessary facilities to receive untreated water from the JFM line, the facilities shall be dedicated to the Town of Payson for operation and maintenance.

3.4 RCEA shall size the untreated water facilities to serve all anticipated non-potable water uses on the Park.

3.5 The Town will utilize the JFM line and the JFM line extension described in Exhibit B to provide untreated water to RCEA for non-potable uses for the Park. Because the C.C. Cragin raw water pipeline between the C.C. Cragin reservoir is operated by the Salt River Project on a seasonal basis, the Town cannot guarantee year-round service of untreated water. In addition, the Town operates the JFM line pursuant to the "Untreated Water Pipeline Construction and Water Delivery Contract between Joint Facilities Management, LLC, the Rim Country Education Alliance, and the Town of Payson" executed on June 25, 2013 and adopted by Town Council via Resolution No. 2724. The terms of this agreement require the Town to deliver certain quantities and flows of water to Joint Facilities Management, LLC. As a result, there may be additional seasonal limitations on delivery of untreated water through the JFM line extension due to limited capacity within the JFM line.

3.6 The RCEA is responsible for paying any water development fees associated with the untreated water usage in accordance with the current Town Code and Administrative Policies. However, if the RCEA prepares and provides sufficient data and information necessary for the Town to obtain additional water rights from the Salt River Project C.C. Cragin Reservoir to serve the RCEA Property and the Town is successful in obtaining additional water rights, then the development fee to the Town of Payson may be based upon the proportionate share of capacity in the 18" diameter C.C. Cragin raw water line that runs between Washington Park and the treatment plant located near Mesa del Caballo calculated as follows: the additional capacity in acre feet, divided by 3,500 acre-feet capacity of the pipeline multiplied by the cost for design and construction of the 18" diameter C.C. Cragin raw water line.

3.7 RCEA shall pursue the purchase of treated wastewater effluent from the Green Valley Water (Sanitary District) for non-potable uses during periods of the year that Payson is unable to provide untreated water via the JFM line.

3.8 RCEA agrees to use only potable or untreated water provided by the Town or by Green Valley Water for all potable and non-potable uses at the Park. RCEA shall not use any existing wells nor drill any new water wells within the Payson Town Limits without prior written approval of Payson.

3.9 RCEA agrees to comply with the Town's Water Conservation Plan.

3.10 RCEA understands that the water to be delivered is untreated. The Town makes no representations as to the quality of the untreated water, nor its suitability for any use.

3.11 All untreated water delivered by the Town pursuant to this Agreement shall be used only within the limits of the Park (Exhibit B to this Agreement).

3.12 RCEA shall not resell for uses outside the Park or RCEA Property, any water delivered to RCEA pursuant to this agreement.

3.13 Untreated water delivered by the Town to RCEA will be metered and RCEA shall pay for water delivered to the Park at rates established by the Town for provision of such services.

4. Insurance.

RCEA's general insurance coverage is by Auto Owners Insurance Company and it's D&O is insured by Indian Harbor Insurance Company administered through Crabtree Insurance, 431 S. Beeline Hwy, Payson, Arizona.

5. Authorized Presence Requirements/Government Procurement (A.R.S. 41-4401).

5.1 The Parties warrant their compliance with all Federal immigration laws and regulations that relate to their employees and with A.R.S. §23-214(A).

5.2 A breach of the warranty set forth in this Section shall be deemed a material breach of this Agreement and shall be subject to penalties up to and including termination of this Agreement.

5.3 The Parties retain the legal right to inspect the papers of each other to ensure that each is complying with this Section.

6. Choice of Law; Dispute Resolution; Venue.

6.1 This Agreement shall be governed and construed in accordance with the laws of the State of Arizona.

6.2 With the written consent of the Parties, any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by binding arbitration or mediation in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq.

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6.3 The venue for any such dispute shall be Gila County, Arizona, and the Parties consent in advance to such venue and jurisdiction.

6.4 Neither Party shall be entitled to recover from the other Party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action. Each Party shall bear its own attorneys' fees without contribution from the other party, whether the same is resolved through arbitration, mediation, litigation in a court, or otherwise.

7. Mutual Indemnification.

Payson agree to defend, indemnify and hold harmless RCEA, its Board members, employees, agents, attorneys, invitees and/or volunteers from any claims, demands, causes of action, liability, loss, property damage or any type of damage and/or injury (to property or person, including without limitation wrongful death), whether brought by an individual or other entity, or imposed by a court of law or by administrative action of any federal, state or local government body or agency, arising out of or incident to any acts, omissions, negligence, or conduct of Payson, its officials, personnel, employees, agents, contractors, or volunteers in connection with or arising out of the Payson's negligence, or intentional acts or failure to act, arising out of this Agreement.

RCEA agrees to defend, indemnify and hold harmless Payson, its officials, employees, agents, attorneys, invitees and/or volunteers from any claims, demands, causes of action, liability, loss, property damage or any type of damage and/or injury (to property or person, including without limitation wrongful death), whether brought by an individual or other entity, or imposed by a court of law or by administrative action of any federal, state or local government body or agency, arising out of or incident to any acts, omissions, negligence, or conduct of the RCEA, its officials, personnel, employees, agents, contractors, or volunteers in connection with or arising out of RCEA's negligence, or intentional acts or failure to act, arising out of this Agreement.

8. Other Terms.

8.1 Entire Agreement. This written instrument constitutes the entire agreement between the parties and all prior agreements related to the same subject matter, written or oral, are merged with this Agreement.

8.2 Modification, Amendment. Except as expressly provided in herein, this Agreement shall not be altered, modified or amended in whole or in part except by a similar written instrument approved and executed by both parties with the same formalities as this Agreement.

8.3 Counterparts. This Agreement may be executed in several counterparts.

8.4 Authority. The Parties represent and warrant to each other that the execution and performance of this Agreement has been duly authorized by the respective responsible

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officers of each Party.

8.5 Paragraph Headings. The subject headings of paragraphs are included for the purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

8.6 Other Acts. The Parties agree to execute, acknowledge, and deliver such other documents and instruments and perform such other acts as may be reasonably necessary or appropriate to carry out the full intent and purpose of this Agreement.

8.7 No Third-Party Beneficiaries. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization, or corporation not a party hereto, and no such other person, firm, organization, or corporation shall have any right or cause of action hereunder.

8.8 No Partnership. It is not intended by this Agreement to create any partnership or joint venture between the Parties.

8.9 Notices; Mailing Addresses. All notices, consents or other communications required or permitted hereunder shall be deemed sufficient if given in writing addressed and mailed by United States Mail, or delivered to the party for which the same is intended, as follows:

**TO RIM COUNTRY EDUCATIONAL
ALLIANCE:** Attn: Jon Cline, President
308 East Aero Drive
Payson, AZ 85541

TO THE TOWN OF PAYSON:
Attn: Troy Smith, Town Manager
303 North Beeline Highway
Payson, AZ 85541

8.10 Cancellation. This Agreement is subject to the provisions of A.R.S. § 38-511, the terms of which are included by reference herein.

8.11 Time of Essence. Time is of the essence of this Agreement and all its parts.

8.12 No Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by a Party of a breach of any of the covenants of this Agreement shall be construed as a waiver of any proceeding or succeeding breach of the same or any other covenant or condition of this Agreement.

8.13 Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The Parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

8.14 Park Opening. For purposes of this agreement, park opening means the date that all

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construction in the Park is substantially complete and no further construction work is required to complete the Park facilities. In order for the construction to be considered substantially complete, public access driveways onto Mud Springs Road must be completed, the parking lot must be paved, pedestrian circulation routes must be completed, and public restrooms must be available for use of the public. RCEA may continue to correct punch list items or may construct other minor improvements after the date of substantial completion.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

FOR RIM COUNTRY EDUCATIONAL ALLIANCE:

FOR THE TOWN OF PAYSON:

DocuSigned by:

Jon Cline

Jon Cline, Board President

Chris Higgins, Mayor

ATTEST:

Tracie Bailey, Town Clerk

APPROVAL AS TO FORM:

The respective attorneys for the Town of Payson, RCEA, and RCEF have reviewed this contract and approved it as to form and have determined that it is in proper form and is within the powers and authority granted under the laws of the State of Arizona.

DocuSigned by:

Hector Figueroa

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Hector Figueroa, RCEA Attorney

Pierce Coleman PLLC, Town Attorney

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EXHIBIT A
Granite Dells Park Boundary
(Approximately 26 acres within red highlighted area)

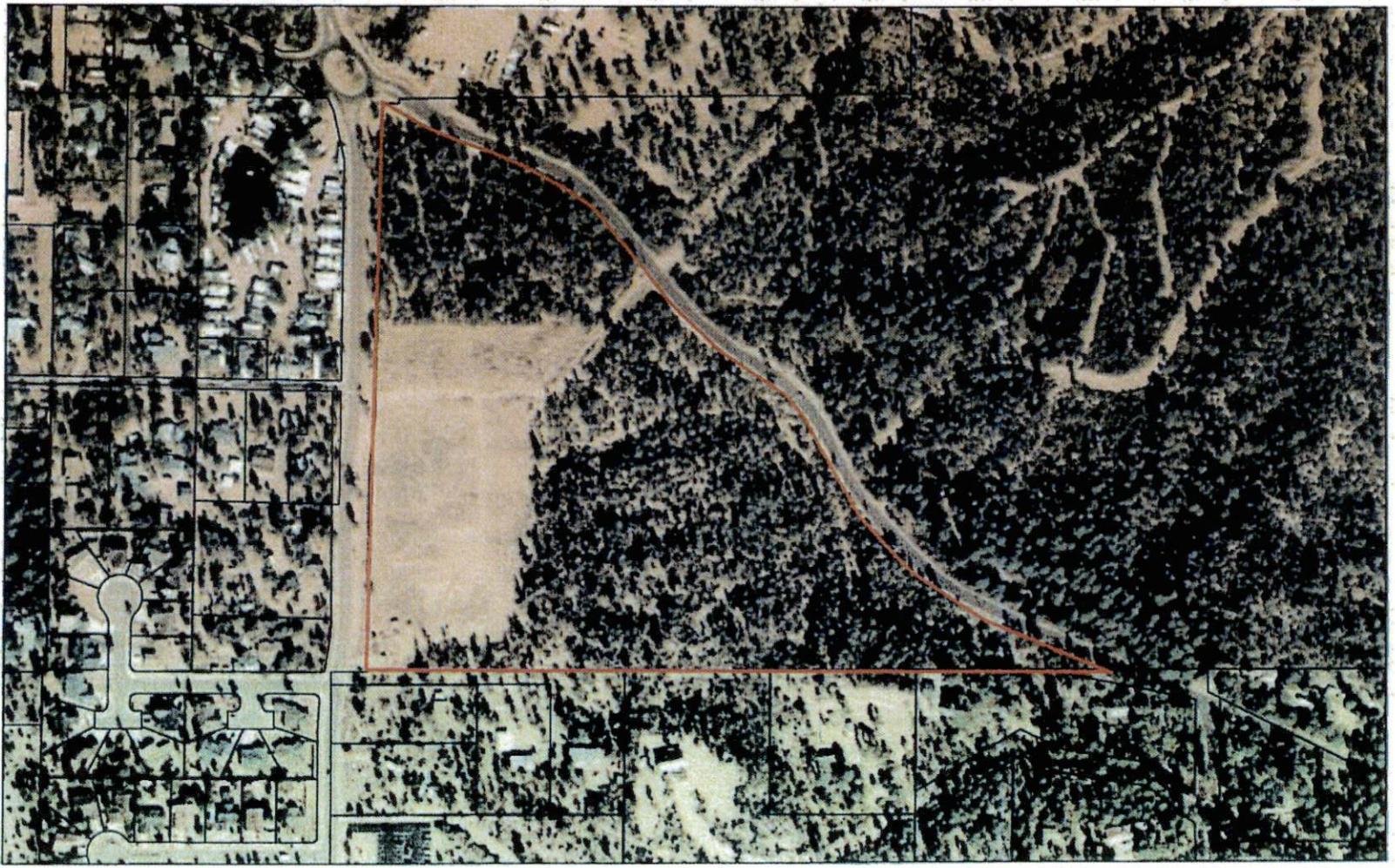


EXHIBIT B

INFRASTRUCTURE PLAN FOR THE INFRASTRUCTURE DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF PAYSON AND THE RIM COUNTRY EDUCATIONAL ALLIANCE

PART 1 – Transportation Improvements

1. Provide a financial contribution to the reconstruction of Granite Dells Roadway between SR-260 and Mud Springs Road. The required improvements include widening Granite Dells Road to match the collector street standards defined in §154-07-002, Table C.1.1 of the Code of Ordinances ("Town of Payson Street Design Standards"). The scope of work will include adjustments to horizontal and vertical alignment to improve clear vision for roadway users. The scope also includes removal of existing pavement and replacement with a new roadway section including vertical curb and gutter, five foot wide sidewalks on each side, and striping/signage for a bicycle lane in each direction. Payson has designed this work and will construct this work as a Town CIP project, after solicitation of public bids to comply with A.R.S. Title 34. The estimated cost of construction is \$3.1 million of which \$375,444.00 is being provided by ADOT through the HURF Exchange program. Construction is anticipated to be completed by September of 2024. During the design phase, Payson has expanded the original scope of work to include additional design elements including bicycle lanes, curb and gutter and concrete sidewalks in anticipation of the added traffic volume that will be generated by the Granite Dells Park. RCEA shall contribute \$700,000 to the Town of Payson to be used toward the cost of this project due to the impacts of the new Granite Dells Park. Payson will notify RCEA when a contract has been executed for this construction and RCEA shall pay the amount due within 10 days of said notification.
2. Reconstruct Granite Dells Road from Mud Springs Road, across the RCEA Property to the intersection of University Way with an adequate transition east of University Way to match the existing roadway width. This segment of roadway is operated by Payson and lies within a roadway and public utility easement granted to Payson by the RCEA via Resolution 2890. The proposed cross section shall match the collector street standards defined in §154-07-002, Table C.1.1 of the Code of Ordinances ("Town of Payson Street Design Standards"). This segment of roadway shall include a five foot wide sidewalk on each side or a single six foot wide sidewalk on the south side. Pavement markings and signage shall be included for an automobile lane and a bicycle lane in each direction. A left turn lane shall be provided at the intersection of University Way for eastbound traffic. Horizontal realignment of Granite Dells Road will be required to provide sufficient clearance to the new APS 69 kW pole located on the south side of Granite Dells Road or the 69 kV pole must be relocated. Roadway right-of-way shall be granted to the Town of Payson upon construction completion and acceptance by the town, and the existing roadway and public utility easement will be abandoned. This work shall be completed within three (3) years of the park opening, or no later than October 1, 2026. This portion of Granite Dells Road must be reconstructed prior to connection of University Way to Granite Dells Road and prior to construction of any driveways providing public access into the Park (service driveways for park maintenance will be permitted).

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3. Widen Mud Springs Road to provide a center left turn lane at driveways serving Granite Dells Park. Provide a minimum stacking distance of 100 feet. Access onto Mud Springs Road is to be limited to not more than two driveways. The northerly driveway is to be aligned with Miller Road. The southerly driveway is to be located a sufficient distance north of Juniper Street to avoid the detrimental effects of an offset intersection. The existing bicycle lanes must be retained with the widening project. Sufficient roadway right-of-way shall be granted to the Town of Payson for the widened pavement section and the existing roadway and public utility easement will be abandoned. This work shall be completed prior to park opening.
4. Complete pedestrian improvements in the vicinity of Granite Dells Park providing connections to surrounding neighborhoods including the following:
 - a. Complete the five foot wide sidewalk on the east side of Mud Springs Road between 505 Mud Springs Road and the south entrance to the Park.
 - b. Install ADA ramps and a crosswalk at Miller Road. Provide a pedestrian access point between this crosswalk and park amenities.
 - c. Install ADA ramps and a mid-block crosswalk at the south entrance to the Park.
 - d. At both crosswalks, provide ADOT "High Intensity" style pavement markings and push button activated, solar powered rectangular rapid flashing beacons.
 - e. Install ADA ramps on each side of each driveway into the Park and construct driveways with slopes that comply with ADA standards.

This work shall be completed prior to park opening.

5. Coordinate scheduling of construction activities on Granite Dells Road with construction activities on Mud Springs Road so as not to interfere with the construction schedule of Granite Dells Road west of Mud Springs Road. If the construction schedule for Granite Dells Road west of Mud Springs Road by the Town and the construction schedule for Mud Springs Road by RCEA overlap, RCEA and their contractors shall ensure that a minimum of two 11 foot wide paved vehicular traffic lanes are maintained on Mud Springs Road. The two 11 foot wide traffic lanes shall be clearly delineated with temporary pavement markings and channelizing devices.
6. Construct University Way through the RCEA Property to connect SR 260 to Granite Dells Road. Complete installation of a traffic signal at the intersection of SR 260 and University Way. University Way will be operated as a private roadway by RCEA. If RCEA desires University Way to be accepted for maintenance as a public roadway and operated by the Town of Payson, it shall be constructed to meet the minimum standards defined in §154-07-002, Table C.1.1 of the Code of Ordinances ("Town of Payson Street Design Standards"). The classification of this street has not yet been determined by either Party. The general use of the RCEA Property is intended to be educational in nature. Table C.1.1 does not define standards for roadways serving educational land uses. Since educational land use will likely generate higher volumes of traffic than residential land uses, the "Commercial" column in

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Table C.1.1 should be used as the minimum requirement, unless the Parties agree that a higher classification would be beneficial. This work shall be completed within (3) years of the park opening, or no later than October 1, 2026. University Way may not be connected to Granite Dells Road until the completion of improvements described in PART 1, Item 2 are also completed.

7. Construct gravity sanitary sewer in Juniper Street and Mud Springs Road to serve the Park. Gravity sanitary sewer shall be designed and constructed per the requirements of Green Valley Water. This work shall be completed prior to park opening.

PART 2 – Water System Improvements

1. Complete design and construction of a untreated water line extension (the "JFM line extension" to service all non-potable uses in the Park including the manmade lake within the Granite Dells Park. The Raw/Backwash Water line extension shall connect to the existing 8-inch diameter HDPE raw water line in Tyler Parkway at approximately 701 N. Tyler Parkway (the "JFM line"). The JFM line extension shall continue within N. Tyler Parkway to SR-260. From the intersection of N. Tyler Parkway and SR -260, the JFM line extension may continue south in Rim Club Parkway or may turn east in SR-260. The line shall end in a location convenient to serve the manmade lake within the Granite Dells Park. A booster pump station, automatic actuated valves, storage tanks or other appurtenances may be necessary to provide adequate flow to the Property. This work shall be completed prior to park opening.
2. Construct a minimum 12-inch diameter potable water main and appurtenances within Granite Dells Road east of Mud Springs Road concurrent with the roadway construction described in PART 1, Item 2. Payson will reimburse the RCEA the difference in cost between installing an 8-inch diameter and 12-inch diameter potable water main including the cost for 1 foot of additional depth of bury required for 12-inch potable water main.
3. Construct a minimum 12-inch diameter potable water main with appurtenances, fittings and valves for future connections on the RCEA Property within University Way between SR 260 and Granite Dells Road concurrent with the roadway construction described in PART 1, Item 6. Valve, fittings and appurtenances shall also be provided in the appropriate location for future construction of a water storage tank on the RCEA Property.
4. Potable water mains shall be constructed in accordance with the terms of the Agreement between the Town of Payson and the Rim Country Educational Alliance for Water Services approved by Payson Town Council as Resolution 3059.