

MINUTES

The City of Douglas Mayor and Council met in a Special Meeting on Wednesday, July 30, 2025, at 5:30 p.m., at City Hall Council Chamber, 425 10th Street. The Honorable Mayor Jose Grijalva called the meeting to order.

1. **CALL TO ORDER.**
2. **ROLL CALL.**

| | <u>PRESENT</u> | <u>ABSENT</u> |
|------------------------------------|-----------------------|----------------------|
| MAYOR, JOSE GRIJALVA | X | |
| MAYOR PRO TEMPORE, DANYA ACOSTA | | X (excused) |
| COUNCILMEMBER, MELISSA RODRIGUEZ | X | |
| COUNCILMEMBER, JOSE MONTANO | X | |
| COUNCILMEMBER, RAY SHELTON | X | |
| COUNCILMEMBER, MICHAEL BALDENEGRO | X | |
| COUNCILMEMBER, RICHARD C. ACOSTA | X | |
| CITY MANAGER, ANA URQUIJO | X | |
| CITY ATTORNEY, DENIS FITZGIBBONS | X | |
| CITY TREASURER, ALEJANDRO MARTINEZ | X | |
| CITY CLERK, ALMA ANDRADE | X | |

3. **PERSONS WISHING TO ADDRESS THE COUNCIL IN WRITING OR VERBALLY ON ANY ITEM NOT ON THE AGENDA.**

Ms. Andrade stated no public participation forms were submitted.

4. **DISCUSSION/DECISION on APPROVALS.**

A. COMMUNITY FUNDING REQUEST for MAKING CONNECTIONS 4U/COCHISE CONNECTIONS.

Mr. Martinez explained that as part of the FY 2025-2026 budget process, the Mayor and Council had approved an allocation of \$30,000 for the Community Funding Program. He noted that \$24,000 had already been allocated to four organizations during the budget process, leaving \$6,000 for mid-year requests. He presented the funding request from Making Connections 4U/Cochise Connections to provide school supplies through the Douglas Care Fair.

Mr. Martinez stated that this annual back-to-school event, hosted for 13 years in Douglas, aligns with council priorities to enhance health, welfare, and quality of life for Douglas residents. The fair equips Douglas Unified School District students with essential supplies and community resources, ensuring all students, regardless of financial circumstances, are prepared for academic success. Staff recommended approving a funding request of \$3,000.

Motion by Council Member Shelton, second by Council Member R. Acosta to approve the Community Funding request from Making Connections 4U/Cochise Connections in the amount of \$3,000 for school supplies through the Douglas Care Fair.

Mayor Grijalva mentioned that the organization had requested funding around February or March, but there had been some delay in putting it on the agenda. He clarified that the delay was not the organization's fault and noted that the Care Fair was scheduled for this coming Saturday.

Council Member Rodriguez suggested that if anyone from Making Connections could hear her, they should consider providing clear backpacks for high school students as part of the school supplies.

Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Melissa Rodriguez, Jose Montano, Ray Shelton, Michael Baldenegro and Richard Acosta. Voted Against: None.

B. **RESOLUTION 25-1682**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the EXECUTION of an EFFLUENT USE and LICENSE AGREEMENT with HENSEL PHELPS CONSTRUCTION COMPANY** for the extraction and use of effluent from the City of Douglas wastewater treatment plant for the construction of the new commercial port of entry project located in Cochise County, Arizona.

Mr. Pedroza provided an overview, explaining that Hensel Phelps, working with GSA to construct the new commercial port of entry, was requesting to use effluent from the city's wastewater treatment plant for earthwork needed to begin construction. He noted that approximately 350,000 gallons maximum would be needed on peak days from October 2025 through February 2026, with about 40-50 days of peak water demand.

Mr. Pedroza explained that the city's temporary water well built next to the 80-acre site, though constructed to GSA's specifications, would not be sufficient to supply the amount needed for peak days. During non-peak periods, the city's well site would be able to serve the water needs. He described how Hensel Phelps would pump the effluent from a manhole into storage tanks and haul the water to the port site, requiring approximately 80 trucks on peak days. He noted that the city's well site is an exempt well site capped at 35 gallons per minute. To expand capacity, the city must extend its water service area and obtain a permit from ADWR, which would be addressed in the next agenda item. The well site would also require upgrades to increase pumping capacity.

Mr. Pedroza informed the Council that the city currently sends about 1.2 million gallons of effluent per day to Agua Prieta. The city had notified Agua Prieta of the plan to divert about 350,000 gallons (30% of the total) after confirming with the International Boundary Water Commission that there was no formal commitment requiring the city to continue delivering effluent to Agua Prieta. He reported that OMAPAS (the water utility in Agua Prieta) expressed no concerns and was somewhat relieved since they currently have a sewer leak where their sewer line converges with the effluent channel, making repairs easier with less water flow.

Mr. Pedroza presented the effluent agreement that outlines the conditions with Hensel Phelps. The company would, at their cost, pump, store, and truck the effluent from the wastewater treatment plant. The city would facilitate and work with the contractors to provide necessary space at the plant and ensure safety for all parties. He noted that the city does not currently have an effluent rate structure, which this agreement would establish.

Staff recommended setting the effluent rate at 75% of the potable water rate, which would be \$1.08 per 1,000 gallons (75% of the \$1.44 per 1,000 gallons for potable water at the 60,000+ tier). This rate would be subject to increases that the city may pass in its rate structure, with a programmed increase planned for February 2026. Billing would occur monthly.

Mr. Pedroza mentioned that Hensel Phelps was in a hurry to start work the following week, but their legal team had not completed a full review of the agreement. He indicated that any substantive changes would be brought back to the Council for approval.

Ms. Urquijo addressed a letter from GSA received that day, in which they acknowledged that effluent water is a valuable resource but requested free access to the effluent since the city currently discharges it to Mexico at no charge. She explained that her recommendation for charging a fee was based on a business position and that what the city does on a binational basis to discharge effluent into Mexico is separate from efforts to establish a reuse plan for effluent.

Ms. Urquijo noted that the city had researched other municipalities' practices for effluent rates, finding that they typically charge a discounted rate rather than the full potable water rate. She emphasized the importance of establishing this precedent as the city moves toward effluent reuse as part of its policy priorities for water conservation and aquifer protection. The proposed rate would generate a small revenue source for the wastewater enterprise fund, estimated at under \$20,000 for the period from October to February.

Motion by Council Member Rodriguez, second by Council Member Shelton to approve Resolution No. 25-1682.

Council Member Baldenegro asked if Hensel Phelps would have their own trucks and tanks at the wastewater treatment plant. Mr. Pedroza confirmed they would use their own equipment, and the city would only provide a location for the tanks and access to the effluent.

Council Member R. Acosta confirmed that the trucks would belong to Hensel Phelps, not the city.

Mayor Grijalva commented that the effluent discussion with Mexico was timely as the administration had already been considering this issue due to the precious nature of water resources needed for city parks and the golf course. He also noted that the city had previously helped GSA by donating both a parking lot to CBP and the land for the actual port of entry.

Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Melissa Rodriguez, Jose Montaño, Ray Shelton, Michael Baldenegro and Richard Acosta. Voted Against: None.

C. **RESOLUTION 25-1683**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING the EXPANSION OF THE CITY OF DOUGLAS WATER SERVICE AREA** to include the New Douglas Commercial Port of Entry and the Cochise Community College.

Mr. Pedroza explained that the city had applied to the Arizona Department of Water Resources (ADWR) for a permit but was denied because the water service area did not reach the well site. This resolution would incorporate the well site, Cochise College, the port of entry, and areas along SR 80 into the city's water service area.

He noted that the water service area must be expanded to include these areas and must be contiguous with the existing service area. The city currently services Bay Acres, even though it is not incorporated into the city. This expansion is a necessary step to comply with ADWR rules and would help with the permitting process, though approval was not guaranteed.

Motion by Council Member R. Acosta, second by Council Member Baldenegro to approve Resolution No. 25-1683.

Council Member Baldenegro asked if this expansion would allow other properties along that route to connect to city water. Mr. Pedroza confirmed that was the intent, allowing more people to connect to the city's water service. He explained that the current connection fees are \$2,100 for sewer and \$1,400 for water, totaling approximately \$3,500 for a regular single-family home, while commercial rates vary depending on the size of the meter.

Mayor Grijalva mentioned that the port of entry project had been waited on for 30-40 years, and the city should accommodate any needs to ensure its completion.

Council Member R. Acosta thanked the city manager and Mr. Pedroza for their hard work, noting that many city residents still do not believe the port project is real. He suggested that once construction starts, that dream will become reality and bring positive change to Douglas.

Mr. Pedroza acknowledged Mr. Rockwell for his significant work on the paperwork with ADWR.

Roll call: Voted in Favor: Mayor Jose Grijalva, Council Members: Melissa Rodriguez, Jose Montaño, Ray Shelton, Michael Baldenegro and Richard Acosta. Voted Against: None.

5. ADJOURNMENT.

Motion by Council Member Shelton, second by Council Member Rodriguez to adjourn the meeting at 5:56 p.m. Motion passed unanimously.


Prepared by: Cynthia Acuña Robles, Deputy City Clerk