

**FIRST AMENDMENT TO THE AGREEMENT BETWEEN
CITY OF DOUGLAS
AND
ARIZONA DEPARTMENT OF CORRECTIONS, REHABILITATION AND REENTRY**

This First Amendment to the Agreement between the City of Douglas (“City”) and Arizona Department of Corrections, Rehabilitation and Reentry Agreement (“ADCRR”) (“First Amendment”) is made and entered on this _____ day of _____, 2022.

WHEREAS, on November 10, 2021, the City and ADCRR entered into an Agreement regarding wastewater services and the City of Douglas Wastewater Treatment Plant (“Agreement”); and

WHEREAS, when the parties entered into the Agreement, the City was proposing fee increases, which have subsequently been adopted by the City of Douglas City Council..

NOW THEREFORE, the parties now desire to amend the Agreement entered into on November 10, 2021 as follows:

1. The reference to Section I, Paragraph(1) and Section I, Paragraph (2) is replaced with Section I, Paragraph H and Section I, Paragraph I, **respectively**.

2. Section I, Paragraph B is deleted in its entirety and replaced with the following:

To invoice the ADCRR each month for services provided. Invoices shall be calculated based on the prior month’s flow per month. The ADCRR shall pay each invoiced amount within twenty (20) days after receipt of the City’s invoice. Invoices shall be sent to:

Arizona State Prison Complex- Douglas
Attn: Business Manager
P.O. Box 3867
Douglas, Arizona 85608

3. Section I, Paragraph C is deleted in its entirety and replaced with the following:

To notify the Central Office Facilities Division and the ASPC-D Warden, or designee when the daily average sewage flow is approaching or exceeds the limits of its basic allotted usage.

4. Section I, Paragraph D, is amended to replace forty-eight hours (48) with ninety-six hours (96).

5. The reference in Section I, Paragraph G to Section III(D) is amended to read Section III Paragraph (D).

6. Section I, Paragraph H (1) is deleted in its entirety and replaced with the following:

A fixed monthly charge of \$57.20 user fee and \$5.20 surcharge fee for a total monthly charge of \$62.40. The fixed monthly charge shall be adjusted according to the City’s established sewer industrial rate schedule in City Ordinance 21-1141.

7. Section I, Paragraph H (2) is deleted in its entirety and replaced with the following:

2. A monthly charge of \$8.84 per 100,000 gallons over 300,000 gallons per year. As an example, if the ADCRR uses 90,000,000 gallons per year, the monthly charge shall be \$7,929.48 per month $((90,000,000-300,000)/100,000) \times 8.84$). The monthly charge per 100,000 gallons shall increase per the prescribed sewer industrial rate schedule established in City Ordinance 21-1141.

The City has agreed to initially bill the ADCRR incrementally as follows:

- a. 2021 - \$4.50 per 100,000 gallons over 300,000 gallons per year
- b. 2022 - \$5.72 per 100,000 gallons over 300,000 gallons per year
- c. 2023 - \$6.99 per 100,000 gallons over 300,000 gallons per year
- d. 2024 - \$8.31 per 100,000 gallons over 300,000 gallons per year
- e. 2025 - \$9.68 per 100,000 gallons over 300,000 gallons per year
- f. *2026 - \$11.34 per 100,000 gallons over 300,000 gallons per year

*2026 rates shall be increased by \$1.00 above the established rate in Section I, Paragraph H (2) until the difference in reduced billing from years 2021 through June 30, 2025 to actual billing established in Section I, Paragraph H (2) are paid back in full. At the point the City is paid back in full, rates shall revert to rates established in Section I, Paragraph H (2) and implement any increases established during that time.

8. Section I, Paragraph I is deleted in its entirety and replaced with the following:

Credit ADCRR for additional wastewater discharge from other buildings that are metered by the ADCRR wastewater flow meter. Credit shall be based on the amount of wastewater discharged or the current Commercial 1 rate for outside city limits as established in the City of Douglas sewer service rate tables currently at \$67.60 per month per building. Credit shall increase according to the established City sewer commercial rate schedule per Ordinance 21-1141 as follows: \$70.30 on 1/15/2023, \$73.12 on 1/15/2024, \$76.04 on 1/15/2025 and \$79.08 on 1/15/2026 per building. There are currently two buildings connected. Credit is subject to change in accordance to any rate adjustments.

9. Section I, Paragraph J is deleted in its entirety and replaced with the following:

Notify the ADCRR ninety (90) days prior to any proposed user fee increase. Notification shall include at least notices of public hearings related to the proposed increase. The proposed request for increase shall be accompanied by information and/or documentation from the City that recorded approval of the rate increases, i.e., City Council minutes with authorized signatures affixed. The approved user fee increase shall become effective with the ADCRR's next fiscal year, commencing on July 1 of the designated fiscal year. The City may only increase water and sewer rates it charges the ADCRR by the same percentage as industrial rate increases. The City shall send requests, notices, information and/or documentation to the ADCRR at the address listed in Section I, Paragraph B above.

10. The reference in Section II, Paragraph A to Section I, Paragraphs I is amended to read Section I, Paragraph H.

11. Section IV, Paragraph I, is amended to delete reference to "AAC Section."

All other terms and conditions of the Agreement are to continue in full force and effect as stated and agreed to in the Agreement dated November 10, 2021 except as amended by this First Amendment.

IN WITNESS WHEREOF the parties thereto have caused this First Amendment to be executed the day and year first before written.

APPROVED:

Arizona Department of Corrections,
Rehabilitation, and Reentry

Denel M. Pickering, Chief Procurement Officer
Date:

ATTEST:

Name, Title
Date:

APPROVED:

City of Douglas:

Ana Urquijo, City Manager
Date:

ATTEST:

Alma Andrade, City Clerk
Date:

APPROVED AS TO FORM:

Denis Fitzgibbons, City Attorney