

**INTERGOVERNMENTAL AGREEMENT
BETWEEN COCHISE COUNTY
AND THE CITY OF DOUGLAS
FOR DISBURSEMENT OF OPIOID SETTLEMENT FUNDS**

This Intergovernmental Agreement ("IGA") is made and entered into by and between Cochise County, a body politic and corporate of the State of Arizona ("County"), on behalf of the Cochise County Health and Social Services Department, and the City of Douglas ("City").

RECITALS

WHEREAS, the parties are Participating Local Governments in a single-county Region under the One Arizona Distribution of Opioid Settlement Funds Agreement ("One Arizona Distribution Agreement"), attached as Appendix 1; and

WHEREAS, pursuant to the One Arizona Distribution Agreement, the Cochise County Health and Social Services Department is the lead agency responsible for distributing the Local Government (LG) Share funds within the Region consisting of County and its constituent Participating Cities and Towns ("Cochise County Region"); and

WHEREAS, the City of Douglas desires to enter into an agreement with the County with respect to the use of Settlement funds pursuant to the One Arizona Distribution Agreement; and

WHEREAS, the parties may enter into agreements with one another for joint and cooperative action pursuant to A.R.S. § 11-952; et seq.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1.0 Purpose. The purpose of this IGA is to establish a process for the use of Local Government (LG) Share funds allocated to the parties pursuant to the One Arizona Distribution Agreement, this IGA shall be subject to and hereby incorporates the terms of the One Arizona Distribution Agreement and its exhibits by reference. In the event of conflict between the terms of the One Arizona Distribution Agreement and this IGA, the terms of the One Arizona Distribution Agreement shall govern.

2.0 **Definitions.** All capitalized terms not otherwise defined in this IGA have the meanings assigned to them in the One Arizona Distribution Agreement.

3.0 **Term/Effective Date.**

3.1 The term of this IGA commences on May 13, 2026 and will terminate on five (5) years from the date thereof May 12, 2031, ("Initial Term"). "Term," when used in this IGA, means the Initial Term plus any exercised extension options under Section 3.3. If the commencement date of the Initial Term is before the signature date of the last party to execute this IGA, the parties will, for all purposes, deem the IGA to have been in effect as of the commencement date.

3.2 Either party may elect to not extend the Term by providing the other party a notice of non-renewal at least thirty (30) days prior to the expiration of the then current Term. cancel its participation in this IGA after thirty days' written notice to the other party.

3.3 This IGA may be renewed for three additional five-year periods unless terminated pursuant to Section 3.2 above.

4.0 **Use of Funds.**

4.1 The City of Douglas, as one of the Participating Cities and Towns, and the County agree to pool their default allocations of the LG Share funds under the One Arizona Distribution Agreement (the "Pooled Funds") as provided in Exhibit C thereto.

4.2 The Cochise County Health and Social Services Department will consult with the Participating Cities and Towns regarding distribution of the Pooled Funds in accordance with Section 4.3 below. Following approval by the Cochise County Board of Supervisors (the "Board"), the Cochise County Health and Social Services Department will authorize the use of the Pooled Funds for Approved Purposes, or for grants to organizations for Approved Purposes, as defined by the One Arizona Distribution Agreement.

4.3 Each Participating City and Town, including the City, may elect to appoint a committee representative for the purpose of advising the Health and Social Service Department as to its desired allocation and

administration of the Pooled Funds (said committee, the “Advisory Committee” or “Committee,” and each Participating City and Town electing to appoint a representative, an “Opt-In Jurisdiction”). Each Opt-In Jurisdiction with a population of less than 10,000 may nominate one member to the Advisory Committee. Any Opt-In Jurisdiction with a population of 10,000 or more may nominate one-two members to the Committee. The County will appoint the County Administrator to Chair the Committee. Cochise County may nominate two members to the Advisory Committee. At such times as the Health and Social Services Department Director may from time to time reasonably establish, the Advisory Committee will meet to advise the Health and Social Services Department said Director and the County Administrator on the allocation and administration of settlement funds desired by its Opt-In Jurisdiction members. The Health and Social Services Department Director shall provide a summary of the Committee’s recommendations to the Board, and the Board (in its reasonable discretion) may elect to adopt some or all of the recommendations of the Advisory Committee. For the avoidance of doubt, nothing in this Section 4.3 shall impose any legal obligation on the Board, its agents, representatives or employees to approve any Pooled Funds allocation or administration plan proposed by the Committee. The parties agree and understand that any meetings of the Advisory Committee may be subject to the Arizona Open Meeting Law, A.R.S. § 38-431, et seq.

5.0 **Records.** County will maintain, for a period of at least five years, records of its expenditures from the Pooled Funds and documents underlying those expenditures, so that it can be verified that funds are being or have been utilized in a manner consistent with the Approved Purposes definition. This requirement supersedes any shorter period of time specified in any applicable document retention or destruction policy. The parties agree and understand that records may be subject to disclosure under Arizona’s Public Records Law, A.R.S. § 39-121, et seq.

6.0 **Reports.** County acknowledges that pursuant to section F.5 of the One Arizona Distribution Agreement, County is responsible for providing Cochise County Region's annual report to the State annually by July 31. County shall provide an annual summary of expenditures and allocations to all participating jurisdictions and post the report on the County website. Each City that receives pooled or grant funds shall maintain and provide

documentation verifying expenditures for Approved Purposes upon County request. Failure to do so may result in suspension of future disbursements.

- 7.0 Recapture.** The County reserves the right to recover any funds in the event an approved project or program does not commence within six (6) months of the projected start date, or if any Pooled Funds are not expended in accordance with the terms of the approved request, or if material misrepresentations are identified in the supporting documentation or if funds are expended in violation of the Approved Purposes defined in the One Arizona Distribution Agreement. Recovery may be executed through a proportional reduction of future disbursements or through direct repayment by the requesting jurisdiction, as deemed appropriate by the County Budget Director.
- 8.0 Legal Jurisdiction.** Nothing in this IGA shall be construed as either limiting or extending the legal jurisdiction of the parties. This IGA and all obligations upon the parties arising therefrom shall be subject to any limitations of budget law or other applicable local law or regulations.
- 9.0 Assignment of Rights.** No party shall assign its rights under this IGA to any other party without written permission from the other parties.
- 10.0 Construction of IGA.**
- 10.1 Construction and interpretation.** All provisions of this IGA shall be construed to be consistent with the intention of the parties as expressed in the Recitals and Section 1.0 hereof.
- 10.2 Captions and headings.** The headings used in this IGA are for convenience only and are not intended to affect the meaning of any provision of this IGA.
- 11.0 Conflict of Interest.** This IGA is subject to the provisions of A.R.S. § 38-511, the pertinent provisions of which are incorporated herein by reference.
- 12.0 Severability.** In the event that any provision of this IGA or the application thereof is declared invalid or void by statute or judicial decision, such action shall have no effect on other provisions and their application, which can be given effect without the invalid or void provision or application, and to this extent the provisions of the IGA are severable. If any provision of this IGA is

declared invalid or void, the parties agree to meet promptly upon request of a party in an attempt to reach an agreement on a substitute provision.

- 13.0 No Joint Venture.** It is not intended by this IGA and nothing contained in this IGA shall be construed to create any partnership, joint venture, or employment relationship between the parties or create any employer-employee relationship between the parties and each other's employees. No party shall be liable for any debts, accounts, obligations or other liabilities whatsoever of another party, including (without limitation) the obligation of another party to withhold Social Security and income taxes for itself or any of its employees.
- 14.0 No Third-Party Beneficiaries.** Nothing in the provisions of this IGA is intended to create duties or obligations to or rights in third parties not parties to this IGA or to affect the legal liability of either party to the IGA by imposing any standard of care different from the standard of care imposed by law.
- 15.0 Compliance with Laws.** The parties shall comply with all applicable federal, state, and local laws, rules, regulations, standards, and executive orders, without limitation to those designated within this IGA.
- 15.1 Anti-Discrimination.** The provision of A.R.S. § 41-1463 and Executive Order Number 2009-09 issued by the Governor of the State of Arizona, is incorporated by this reference as a part of this IGA.
- 15.2 Americans with Disabilities Act.** This IGA is subject to all applicable provisions of 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.
- 16.0 Non-Waiver.** The failure of any party to insist upon the complete performance of any of the terms and provisions of this IGA to be performed on the part of another party, or to take any action permitted as a result thereof, shall not constitute a waiver or relinquishment of the right to insist upon full and complete performance of the same, or any other covenant or condition, either in the past or in the future.
- 17.0 Force Majeure.** A party shall not be in default under this IGA if it does not fulfill any of its obligations under this IGA because it is prevented or delayed

in doing so by reason of Force Majeure. The term "Force Majeure" shall mean, for the purpose of this IGA, any cause beyond the control of the party affected, including but not limited to, failure of facilities, breakage or accident to machinery or transmission facilities, weather conditions, flood, earthquake, lightning, fire, epidemic, war, riot, civil disturbance, sabotage, strike, lockout, labor dispute, boycott, material or energy shortage, casualty loss, acts of God, or action or non-action by governmental bodies in approving or failing to act upon applications for approvals or permits which are not due to the negligence or willful action of the parties, order of any government officer or court (excluding orders promulgated by the parties themselves), and declared local, state, or national emergency, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Any party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

- 18.0 Notification.** All notices or demands upon another party to this IGA shall be in writing, unless other forms are designated elsewhere, and shall be delivered in person or sent by mail addressed as follows:

County:

Barbara Lang, Director
Cochise County Health and Social Services Department
1415 Melody Lane, Bldg. A
Bisbee, AZ 85603

City:

__Ana Urquijo, City Manager__
__City of Douglas__
__425 E. 10th Street__
__Douglas, AZ 85607__

- 19.0 Remedies.** Any party may pursue any remedies provided by law for the breach of this IGA. No right or remedy is intended to be exclusive of any other right or remedy and each shall be cumulative and in addition to any other right or remedy existing at law or in equity or by virtue of this IGA.
- 20.0 Indemnification.** Each party (as "indemnitor") agrees to indemnify, defend and hold harmless, the other parties (as "indemnitees") from and against any and all claims, losses, liability, costs or expenses (including reasonable

attorney's fees) (hereinafter collectively referred to as "claims") arising out of **actions taken in performance of this IGA**, but only to the extent that such claims, which result in vicarious/derivative liability to the indemnitee, and are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees or volunteers.

21.0 Counterparts. This IGA may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22.0 Legal Arizona Workers Act.

22.1 The parties hereby warrant that they will at all times during the term of this IGA comply with all federal immigration laws applicable to their employment of their employees, and with the requirements of A.R.S. § 23-214(A) (together the "State and Federal Immigration Laws").

22.2 Any breach of a party's warranty of compliance with the State and Federal Immigration Laws shall be deemed to be a material breach of this IGA subjecting the breaching party to penalties up to and including suspension or termination of this IGA.

23.0 Entire Agreement. This instrument and the One Arizona Distribution Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. Any appendices to this IGA are incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto each sign this IGA between the City of Douglas and Cochise County, on behalf of the Cochise County Health and Social Services Department. Each signor warrants that they have been duly authorized to commit the jurisdiction to participate in the IGA by formal approval of the jurisdiction's governing body.

COCHISE COUNTY BOARD OF SUPERVISORS

Frank Antenori, Chairman

ATTEST:

APPROVED AS TO FORM:

Lara Loewenheim
Clerk of the Board

Daniel Restrepo
Civil Deputy County Attorney

CITY OF DOUGLAS

Ana Urquijo, City Manager

ATTEST:

APPROVED AS TO FORM:

Alma Andrade, City Clerk

Denis Fitzgibbons, City Attorney