

## **AMENDMENT # 1**

**for**

### **GRANT AGREEMENT NO. GR-ARPA-102022-50**

**Between the**

**STATE OF ARIZONA,  
THE OFFICE OF THE GOVERNOR**

**And the**

**City of Douglas**

The following sections of the above referenced Agreement are hereby amended as follows:

#### **I. PURPOSE OF AGREEMENT**

The purpose of this Agreement is to authorize use and provide funds from the American Rescue Plan Act (“ARPA”), specifically the Coronavirus State and Local Fiscal Recovery Fund, to Grantee to support COVID-19 related activities in accordance with allowable State and Local Fiscal Recovery Fund Expenditure Category 5.18 Water and Sewer: Other.

#### **II. TERM OF AGREEMENT, TERMINATION AND AMENDMENTS**

This Agreement shall be effective January 1, 2023 and shall terminate on December 31, 2025, contingent upon funding.

Grantee shall provide an expenditure report and expenditure forecast regarding use of funding to the Arizona Office of the Governor by June 30, 2024.

#### **IV. MANNER OF FINANCING**

The Arizona Office of the Governor shall:

- A. Provide to Grantee a total award amount of up to \$8,900,000.00 for activities outlined in Attachment A Scope of Work, incorporated into the agreement in its entirety.

#### **V. REPORTING REQUIREMENTS**

Grantee shall report the following metrics in a format instructed by The Arizona Office of the Governor:

- A. Number of new jobs created
- B. Number of new entities connected to water and sewer
- C. National Pollutant Discharge Elimination System (NPDES) Permit Number (if applicable)
- D. Public Water System (PWS) ID Number (if applicable)
- E. Median Household Income of Service Area
- F. Lowest Quintile Income of the Service Area

Quarterly activity/metric reports will be due as follows:

March 31<sup>st</sup> for activity performed December, January, and February

June 30<sup>th</sup> for activity performed March, April, and May

September 30<sup>th</sup> for activity performed June, July, and August  
December 30<sup>th</sup> for activity performed September, October, and November

**Except as specifically stated herein, all other terms and conditions of this Agreement remain unchanged.**

**IN WITNESS WHEREOF,** the parties hereto agree to execute this Amendment

**CITY OF DOUGLAS**

**STATE OF ARIZONA,  
THE OFFICE OF THE GOVERNOR**

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Ms. Ana Urquijo  
City Manager

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Matt Gress  
Director  
Governor's Office of Strategic Planning and  
Budgeting

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John McCleve  
Comptroller and CFO  
Governor's Accounting Office



**Douglas A. Ducey**  
**Governor**

**Governor's Office of  
Strategic Planning and Budgeting**

**Matt Gress**  
**Director**

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. ☒

**Organizational Profile**

Organization Name:	City of Douglas
Type of Organization:	Government
Please put your Unique Entity Identifier (UEI) here:	KFGNFMWR35A6

If you do not have a UEI, please start the free registration process with [SAM.gov](https://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?

**Proposed Project Information**

Budget:	\$ 8,900,000.00
Performance Period (start and end dates):	01/01/2023 - 12/31/2025

[U.S. Treasury Expenditure Category](#) (pages 42-44, column EC<sup>28</sup>)

Please read the Treasury's allowable uses [Expenditure Categories Document](#) linked above and select only one expenditure category that best fits your proposed project.

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.*

The project consists of water/sewer and broadband conduit design and construction of water and sewer facilities to serve the new Douglas commercial port of entry (POE) and surrounding development. The City, County, and General Services Administration advocated for a new dedicated commercial POE, which received funding through the Infrastructure and Investment Jobs Act in November 2021. Close to \$400 million will be invested in a new commercial POE and the expansion and improvements of the existing POE. The commercial POE will be located away from our downtown outside of city limits in order to separate commercial traffic from vehicle and pedestrian traffic. Current commercial traffic crossing the border through Douglas often carries heavy loads with dangerous chemicals making it unsafe to mix with regular traffic and taking a greater toll on local roads. The expansion of the existing POE for only regular vehicle and pedestrian traffic will create greater opportunities for day tourism and expansion of commercial retail, restaurant and service businesses in downtown Douglas. COVID-19 partially shut down the border that affected the City by \$76,000 less per month in tax and other revenues. The new commercial POE and expansion of the existing POE will allow a response to the effects of COVID-19 by providing two secure ports that allow the safe entry of trade between the U.S. and Mexico, thus creating new jobs in Douglas and with the expanded real estate to provide better response to future pandemic threats like COVID-19. The proposed project includes extending 30,000 feet of sewer main line to the commercial POE site. It is likely to include two pump/lift stations to help convey the wastewater to the city's wastewater treatment plant. It must also build a new groundwater well, reservoir and piping for potable water production. The project will service homes and businesses along the way as well as the Border Patrol station with sewer and the Cochise College with water and sewer. The commercial POE is necessary to solve security concerns at the border and will be an economic driver that will serve to continue to grow trade with Mexico. The commercial POE will attract more commerce offering a quicker, safer and more efficient border crossing experience. More opportunity at the border will create jobs not only on the federal level through more customs agents, but also warehousing, manufacturing, and ancillary services jobs. The City and County have finalized a water and sewer master plan and finalized the 30% design for water and sewer and conduit design. According to the 30% design engineer's probable construction cost for the water and sewer facilities, total costs will be \$27 million. The City has partnered with the County for a funding strategy for this critical

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

As a result of the water and sewer construction to service the new commercial POE, it is projected that 65 existing homes and businesses will now have city water and sewer availability. In addition, two major complexes that include the Border Patrol Station comprised of approximately 400 Border Patrol agents and Cochise Community College with current enrollment of 900 students and 172 employees will also have available service connection points. Activities for this project include design, engineering, and construction of water and sewer infrastructure to the commercial POE site. To deliver sewer, the City will extend service from the City limits west to the site on highway 80 and south on James Ranch Road with 16,850 linear feet of piping, 42 manholes, at least one large lift station and 350 linear feet of six-inch force main pipe. For potable water service, the City will construct a new well near Cochise College and extend 8,200 linear feet of piping east on Highway 80 and south on James Ranch Road to the commercial POE site. It also includes construction of a 500,000-gallon storage tank, distribution pumps, and a fire flow pump. In order to add redundancy to the water system and connect other existing homes and businesses, the City will bring the water piping back to city limits and loop it into its City system. There are other opportunities that the City will pursue that include working with the College to utilize their existing well. Depending if the College allows this, the well needs to be inspected if it has capacity for greater demand and if the equipment is sized correctly. In addition to the water and sewer, the City will be designing broadband conduit and is looking at partnering with Cox Communications who recently received a broadband grant from the Arizona Commerce Authority to upgrade Douglas to broadband and install fiber from the City limits to Cochise College, basically the same path that the proposed sewer line will take. If Cox is unable to connect some areas, specifically south to James Ranch Road towards the location of the commercial POE, the City may also pursue telecommunications infrastructure to meet any gaps that exist in the commercial POE and the commercial POE corridor. The utilization of the ARPA funding of \$8,900,000 being requested includes approximately \$3,325,000 to be utilized for the groundwater well and storage tank construction, \$4,300,000 for the water distribution piping, and \$1,275,000 for wastewater collection system piping. The planning/design/engineering funding will be funded by NADBank and Cochise County ARPA funds, while the rest of the construction cost funding will come from other grants the City is pursuing to include a congressional directed spending request that was recommended through Senator Kelly's office, a NADBank Border Environment Infrastructure Fund grant and funding from the Army Corps of Engineers Arizona Infrastructure Fund.

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

According to an Economic Impact Paper commissioned by the City of Douglas, the new commercial POE will initially create approximately 110 sustainable jobs. In addition, the commercial POE corridor will experience complimentary development of warehousing, manufacturing, logistics and commercial businesses that will be future beneficiaries needing to connect to water and sewer. The commercial POE corridor, which will be along a connector road from the new POE to Highway 80 is currently vacant land. We will track number of jobs created on this corridor as well as new businesses and new water and sewer connections.

*Please complete the Budget Breakdown on the following Pages*

Budget Breakdown (direct costs only)

Category	Amount	Line Item Breakdown and Justification
Personnel	\$360,000.00	The City will utilize City forces to complete some of the work. The City will furnish labor, materials and equipment to install water piping and sewer piping for this project. The City will hire 4 part time laborers and a supervisor to operate under the supervision of the Water and Sewer Divisions. This budget is to cover 100% cost of the 4 laborers and 1 supervisor for a period of 2 years solely dedicated for this project.
Fringe Benefits	\$160,000.00	Fringe benefits to cover 100% of 4 laborers and 1 supervisor for 2 years of work to include the following benefits: FICA, Retirement, health insurance and worker's compensation.
Travel		
Equipment	\$1,200,000.00	Renting of a backhoe for this project for trenching and movement of dirt for laying down water and sewer piping. Also, the purchase of water and sewer piping that includes valves, fittings, hydrants and other equipment utilized for installation of water and sewer main lines.

Supplies		
Contractual	\$500,000.00	Construction management and administration to include engineering support, permitting, testing and certification for construction of water and sewer piping, water well, storage tank and 2 lift stations.
Construction	\$6,680,000.0	The construction portion includes estimated construction of 2 lift stations, groundwater well and storage tank. Contracting work may also include boring in certain intersections for water and sewer piping.
Other		
<b>Total</b>	\$8,900,000.0	