STATE OF ARIZONA
DEPARTMENT OF CORRECTIONS
1645 West Jefferson, MC 55302
Phoenix, Arizona 85007-3002

AMENDMENT EIGHT

The **Agreement** entered into between the **Cochise County Board of Supervisors**, hereinafter referred to as the **County**, and the Director of the **Arizona Department of Corrections**, for and on behalf of the **Arizona State Prison Complex–Douglas (ASPC-Douglas)**, hereinafter known as the **Department** is hereby amended as follows:

1. To extend this Agreement through **June 30, 2017** based on the understanding that a new lease be established no later than **July 1, 2017**. The new lease will include the water rates, maintenance of the wells, and any other required improvements. Once the new lease is fully executed, this Agreement will expire.

2. It is mutually agreed that the terms and conditions of Land Lease No. 7044 between Cochise County and the Arizona Department of Corrections, ASPC-Douglas, for the real property known as Bisbee-Douglas International Airport remain valid through the term of this Agreement No. 090098DC, with the exception of the water rate as determined by this Agreement herein until a new Lease with the determined cost and scope of additional renovations of the water system can be fully executed.

3. To authorize immediate payment by the Department of **$242,000.00**, representing a portion of the Department's share for the Water System Improvement Project Phase II costs (95%). This specific amount ($242,000) pertains to the supplemental water supply required during construction.

4. To document the total cost of $1,649,509.67 for the Water System Improvement Project Phase II Costs, and ADC's 95% share ($1,567,034.19). Upon the Department's payment of $242,000.00, the remaining balance is $1,325,034.19. See Exhibit A for a summary of the total cost.

5. To document the agreed-to increase of water rates **to $4.08 per 1000 gallons**, effective July 1, 2017 through June 30, 2022 (a 5 year repayment schedule). This rate is based on the Department's annual average usage of 114,021,000 gallons. Upon the Department's repayment of 95% of the project costs The components of the increase shall include:

   a. **$1.08 - Operations and Maintenance (O&M)** costs (Routine O&M including light repairs).

   b. **$2.16 - Financing of Improvements**

   c. **$.84 – Recapitalization**

6. The water rate will revert back to $2.30/1,000 gallons upon repayment of 95% of the final construction costs. The completion date of the repayment schedule is anticipated to be June 30, 2022, but may change based on the Department's actual usage and final construction costs. The components of this rate shall include:

a. $1.08- Operations and Maintenance (O&M) costs (Routine O&M including light repairs). This cost assumes supply and labor cost stability, should these increase this rate will be adjusted to reflect any changes.
b. $1.22- Recapitalization (This component will be kept separate to accumulate money specifically for recapitalization and major repairs)

All other terms and conditions of this Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto agree to carry out the terms of this Amendment.

COCHISE COUNTY BOARD OF SUPERVISORS	**ARIZONA DEPARTMENT OF CORRECTIONS**
Signature of Authorized Individual Date	Signature of Authorized Individual Date
Richard Searle	**Michael P. Kearns**
Typed Name	Typed Name
Chairman	Division Director, Administrative Services
Typed Title	Typed Title
1415 Melody Lane, Building G.	1601 West Jefferson, MC 328
Bisbee, Arizona 85603	Phoenix, Arizona 85007-3002
Typed Address	Typed Address

Additional Signatures as Applicable

Signature Date	Signature Date
Typed Name	Typed Name
Typed Title	Typed Title

Prepared By: Janie Terry, Senior Procurement Specialist
Date: December 7, 2016

This amendment shall be effective when all signatures are affixed.

ATTACHMENT A

PROJECT COST SUMMARY

Project costs:

Existing pipeline valve replacement and hydrant install	$477,425.16
6000' of new piping- outer perimeter	$622,085.51
Rain for Rent- Supplemental water supply during construction	$241,999.00
Diesel fuel for generators	$ 10,000.00
Existing Water tower rehab **Total Costs** **DOC Share- 95%**	$298,000.00 **$1,649,509.67** **$1,567,034.19**