

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

AMENDMENT Nine

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 **December 31, 2017** based on the understanding that a new lease be established no later than **January 1, 2018**. 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. Payment by the Department in the amount of **\$242,000.00** was issued, 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. The Water System Improvement Project Phase II is completed. 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). Payment of \$242,000.00 issued on January 11, 2017, the remaining balance is \$1,325,034.19. See exhibit A for a summary of total cost.
 5. Amendment 8 executed on December 28, 2016, both parties 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 water rate will revert back to \$2.30/1000 gallons. The completion date of the repayment schedule may change based on the Department's actual usage. Provided, however, that the minimum payment from DOC to the County for any given calendar year, regardless of actual usage, shall be \$265,000 until the balance of \$1,325,034.19 is repaid in full; if, in any calendar year, the actual usage results in payments less than \$265,000, the difference between \$265,000 and payments based on actual usage shall be paid within 30 days after the end of the calendar year.
 6. **The components of the \$4.08 per gallon rate are:**
 - a. **\$1.08 - Operations and Maintenance (O&M)** costs (Routine O&M including light repairs).
 - b. **\$2.16 - Financing of Improvements**
 - c. **\$.84 – Recapitalization**
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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
Ann English	
Typed Name	
Chairman	
Typed Title	
1415 Melody Lane, Building G.	
Bisbee, Arizona 85603	
Typed Address	

Signature of Authorized Individual	Date
Kenneth P. Sanchez	
Typed Name	
Chief Procurement Officer, Administrative Services	
Typed Title	
1601 West Jefferson, MC 328	
Phoenix, Arizona 85007-3002	
Typed Address	

Additional Signatures as Applicable

Signature	Date
Typed Name	
Typed Title	

Signature	Date
Typed Name	
Typed Title	

Prepared By: Stephen Castillo, Senior Procurement Specialist
Date: July 12, 2017

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
Payment was issued for the Rain for Rent- Supplemental water supply during construction	\$241,999.00 -\$242,000.00
Diesel fuel for generators	\$ 10,000.00
Existing Water tower rehab	\$298,000.00
Total Costs	\$1,649,509.67
DOC Share- 95%	\$1,325,034.19