

**AMENDMENT NO. 7**  
**To the**  
**AGREEMENT**  
**For**  
**OPERATIONS, MAINTENANCE, AND MANAGEMENT SERVICES**  
**For the**  
**TOWN OF PRESCOTT VALLEY,**  
**WASTEWATER TREATMENT PLANT,**  
**WASTEWATER COLLECTION SYSTEM, RECLAIMED WATER SYSTEM,**  
**RECHARGE SYSTEM and WATER SYSTEMS**

**THIS AMENDMENT NO. 7** is hereby made and entered into this \_\_\_day of June, 2014, between the Town of Prescott Valley, Arizona (hereinafter "Town") and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") (the Town and CH2M HILL OMI are hereinafter jointly referred to as the "Parties"). This is Amendment No. 7 to the Agreement for Operations Maintenance and Management, dated July 1, 2008 between the Parties.

**WHEREFORE**, the Parties have renegotiated and revised the table listed in Article 12 Compensation, Subsection No. 1; and

**WHEREFORE**, the Parties desire to revise the terms of the Agreement as further described below; and

**NOW THEREFORE**, the Town and CH2M HILL OMI agree to amend the Agreement as follows:

1. Article 4, Subsection No. 5 is deleted in its entirety and replaced as follows:

"CH2M HILL OMI shall continue to clean hot spots and do routine maintenance of wastewater collection system main lines, manholes, and main line cleanouts during the current period of this Agreement, which shall be July 1, 2014 through June 30, 2015. Additionally, as part of the ADEQ Consent Judgment CH2M HILL OMI shall provide 1.0 additional Full Time Employee ("FTE") and shall clean one-half (approximately one hundred and fifteen (115) miles) of wastewater collection system main lines, manholes, and main line cleanouts. This amount shall include lines cleaned due to emergency blockage as well as lines cleaned for routine maintenance. On October 28, 2013, the Town initiated the cleaning schedule (the "Annual Collections Cleaning Schedule") for this work prescribed in the ADEQ Consent Decree which, must be completed by October 28, 2015. CH2M HILL OMI shall perform this work in accordance with the Annual Collections Cleaning Schedule, which shall be mutually agreed upon by the Parties and shall be incorporated by reference into this Agreement. In the event of emergency blockages of any collection system main lines, manholes, and main line cleanouts during the initial 115 miles of line cleanouts that have been previously cleaned, the lines will be cleaned again. However, under no circumstances, shall less than 60 miles of cleaning be performed."

2. Article 6, Subsection No. 2 is hereby deleted in its entirety and replaced as follows:

"2. CH2M HILL OMI shall perform inspections and data reporting to the Town on the five (5) newly constructed recharge basins making up the North Plains Recharge Facility. These tasks include: daily; weekly; monthly; quarterly; semi-annual; and annual inspections. The parties shall mutually agree upon the North Plains Recharge Facility Operational Tasks, in a mutually agreed upon schedule which shall be incorporated to this Agreement by reference. The time required to complete inspections and reporting in subsequent years will be reassessed annually. The Town will be responsible for all regulatory reporting requirements however; CH2MHILL OMI will assist the Town in preparing all regulatory reports.

3. Article 7, Subsection No. 4 is deleted in its entirety.

4. The following Article 7, Subsection No. 20 is hereby added to the Agreement as follows:

"20. CH2M HILL OMI shall participate in a leak detection program which shall consist of training and periodic deployments of leak detection equipment in areas which shall be designated by the Town. The main focus for this scope of work in this contract year will be to become familiar with the equipment and the technology. In the event that CH2M HILL OMI's participation in the leak detection program interferes with its ability to perform its other duties under the contract, CH2M HILL OMI shall notify the Town of this conflict and the Town shall advise CH2M HILL OMI on how to proceed."

5. Article 12, Subsection No. 1 is deleted in its entirety and replaced as follows:

"1. The Town shall pay to CH2M HILL OMI as compensation for services performed under this Agreement Base Fees as defined below. In addition to the Base Fees, the Town shall reimburse CH2M HILL OMI monthly (or as invoiced if less frequent than monthly) for costs incurred for services identified as "reimbursable". The Town shall pay directly all electricity costs, except for the electricity costs associated with the buildings located on Long Mesa.

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See Table Below:

	Wastewater Treatment Plant and Wastewater Collection System	Reclaimed Water System	Recharge System	Town of Prescott Valley Water System	TOTALS
Base Fee	\$ 991,243.00	\$ 139,294.00	\$ 91,184.00	\$2,168,310.00	\$3,390,031.00
Electricity	Paid by Town	Paid by Town	Paid by Town	Paid by Town	
Small Sewer Projects (reimbursable)	50,000.00				50,000.00
Well Rehabilitation Program (reimbursable)	150,000.00				150,000.00
Repairs (reimbursable)	\$ 275,000.00	\$ 46,000.00	\$ 25,000.00	\$ 275,000.00	\$621,000
Water Meters (reimbursable)				\$ 500,300.00	\$500,300
Biosolids (reimbursable)	\$ 230,000.00				\$230,000
Magnesium Hydroxide (reimbursable)	\$ 40,000.00				\$40,000
<b>TOTALS</b>	<b>\$ 1,736,243.00</b>	<b>\$ 185,294.00</b>	<b>\$ 116,184.00</b>	<b>\$ 2,943,610.00</b>	<b>\$4,981,331.00</b>

All of the above listed fees shall be in effect from July 1, 2014 through June 30, 2015.”

6. Article 12, Subsection No. 2 is hereby deleted and replaced with the following:

“2. CH2M HILL OMI shall not mark-up any costs that are submitted for reimbursement except for costs that are considered to be Out-of-Scope. However, CH2M HILL OMI shall be entitled to a mark-up of fifteen percent (15%) of all reimbursement costs that exceed One Million Five Hundred Ninety One Thousand Three Hundred Dollars (\$1,591,300.00) annually.”

7. The following shall be added to Appendix A, Section A.9:

"The Small Sewer Projects and the Well Rehabilitation Program listed in Article 12, Subsection No. 1, shall be considered Repairs."

8. Appendix H is deleted in its entirety and replaced with the attached Appendix H.

9. Appendix I is deleted in its entirety.

All other terms and conditions of the original Agreement effective July 1, 2008, as it has subsequently been amended, shall remain in effect. The Parties hereby approve this Amendment No. 7, as indicated by the signatures of their authorized representatives, below.

**OPERATIONS MANAGEMENT  
INTERNATIONAL, INC.**

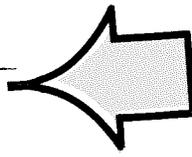
**TOWN OF PRESCOTT VALLEY**

Scott Neelley  
Name: Scott Neelley *ma* 5/5/2014  
Title: Vice President  
Date: 5/5/2014

\_\_\_\_\_  
Name: Harvey C. Skoog  
Title: Mayor  
Date: \_\_\_\_\_

ATTEST:

ATTEST:



\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: Diane Russell  
Title: Town Clerk  
Date: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Name: Ivan Legler  
Title: Town Attorney  
Date: \_\_\_\_\_

## APPENDIX H - UTILITY BILLING WORK FLOW SPECIFICS

1. Meter Reading. CH2M HILL OMI shall complete all meter reading according to the schedule established by Customer Accounts to ensure 28 to 32 day intervals between reads. Changes to the reading schedule must be requested 5 days in advance and will be approved by Customer Accounts staff provided the 28 to 32 day parameter is met. **Request for reading schedule changes outside of the 28 to 32 day parameter will require Manager approval.** Customer Accounts staff will be notified immediately of any unexpected events that delay the reading or disrupt the schedule.
  - a. **Direct Read**
    - i. Handheld devices used for direct reads will be returned to Customer Accounts as soon as reasonably possible, but no later than the next business day, after completing the route.
  - b. **Radio Read**
    - i. Thumb drives or other devices used to collect radio reads will be returned to Customer Accounts as soon as reasonably possible, but no later than the next business day, after completing the route.
  - c. **Tower Read**
    - i. Customer Accounts Staff will obtain reads by accessing web site and uploading / downloading files.
2. Work Orders. CH2M HILL OMI shall accept, record, complete, and track all work orders issued by Customer Accounts. CH2M HILL OMI shall create and maintain a process for tracking work orders that are completed and returned and establish strong control processes to follow up on open work orders. From time to time Customer accounts will provide the CH2M HILL OMI an Open Work Order Report to be reviewed and completed by the CH2M HILL OMI in close collaboration with the Customer Account Staff.
  - a. **Billing Work Orders**; CH2M HILL OMI shall prioritize these work orders, complete the task on the requested date, and return work order to Customer Accounts within 24 hours.
    - i. No-read
    - ii. Re-read check for leak high consumption warning
    - iii. Re-read for low or zero consumption
    - iv. Verify meter / end point number for data mismatch
    - v. Turn-on initial read for new account
    - vi. Turn-off final read for old account
    - vii. Read and Leave On both initial and final

- b. **Collections / follow Up;** CH2M HILL OMI shall complete, as reasonable, the delivery of Door Hangers and complete the DNP work orders on scheduled date indicated on the notices and return to **Customer Accounts the same day.**
  - i. Door Hangers
  - ii. DNP
  - iii. Verify after DNP
  - iv. Turn on after DNP-Based on the volume of DNP's and timing of W/O availability, these may extend into the following work day. CH2M HILL OMI will keep the Billing Department updated on any changes to the required W/O delivery schedule.
  - v. Water test for zero consumptions

3. Miscellaneous Work flow items included in the delivery of day to day Operations.

a. **Customer Requested Courtesy**

- i. Re-read check for leak (not the 24 hour high cons. warning billing re-read)
- ii. Water quality air/sediments/pressure
- iii. Sewer roaches

b. **Adjustment Processing**

- i. Check for leak to confirm repairs for leak adjustment
- ii. Get read to identify trend or close leak period

c. **New Service**

- i. Water line tap
- ii. Meter set / install for residential, (2) two weeks per town code
- iii. Meter set / install for Commercial, follows engineering guidelines
- iv. Hydrant meter set / install, relocation to be completed within 48 hours

d. **Program Related**

- i. Flex Net Replacements
- ii. Meter malfunctions

e. **OMI/ Utilities Initiated**

- i. Spray Bees to be returned to Customer Accounts within 48 hours. If re-spray is needed the same deliverable 48 hours will be observed.
- ii. Generic repair
- iii. Clean up
- iv. Check for leak

f. **Notifications**

- i. Planned repairs / outages
- ii. Emergency repairs / outages
- iii. Call outs

iv. Delays in completing / returning work orders

**g. Meter Tests**

i. Bench Test/responding to customer complaint, invoicing/ test results to be returned within 5 business days

ii. Hydrant meter test - scheduled immediately following pull/turn-off and invoicing/ test results to be returned within 5 business days