

**FIRST AMENDMENT  
TO BIOSOLIDS HAULING AND DISPOSAL/REUSE SERVICES AGREEMENT**

**DENALI WATER SOLUTIONS, LLC.**

THIS FIRST AMENDMENT TO BIOSOLIDS HAULING AND DISPOSAL/REUSE SERVICES AGREEMENT ("First Amendment") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and DENALI WATER SOLUTIONS, LLC., a Delaware limited liability company authorized to do business in California ("Contractor"), with respect to the following:

**RECITALS**

WHEREAS, on or about April 22, 2016, City and Consultant entered into that certain Biosolids Hauling and Disposal/Reuse Services Agreement for Biosolids hauling and disposal Services for Riverside Regional Water Quality Control Plant; and

WHEREAS, City is satisfied with the performance of Contractor; and

WHEREAS, the Agreement included an option to extend the term of the Agreement for up to four additional years;

WHEREAS, the City and Contractor desire to exercise that option to extend the Agreement for an additional two years and increase the compensation for that extended term.

NOW, THEREFORE, in consideration of the foregoing recitals which are incorporated herein by this reference, City and Consultant agree as follows:

1. Section 3, Term of the Agreement is amended to extend the term by two years, to expire on June 30, 2020.
2. Section 4, Compensation of the Agreement is amended to add an additional Four Million, Four Hundred Two Thousand, Ninety Dollars (\$4,402,000), for the extended term, for a contract total of Nine Million, Eight Hundred Thirty Thousand, Eight Hundred Ninety-Five Dollars (\$9,830,895). City shall pay Contractor in accordance with Exhibit "B-1" attached hereto and incorporated herein.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Biosolids Hauling and Disposal Reuse Services Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a charter city  
and municipal corporation,

By: \_\_\_\_\_  
City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

DENALI WATER SOLUTIONS, LLC., a  
Delaware limited liability company authorized  
to do business in California

By:  \_\_\_\_\_

Printed Name: Mark Marasco

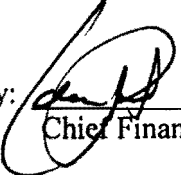
Title: CFO

By:  \_\_\_\_\_


Printed Name: Andy McNeill

Title: CEO

Certified as to funds availability:

By:  \_\_\_\_\_  
Chief Financial Officer

APPROVED AS TO FORM:

By:  \_\_\_\_\_  
Ruthann M. Elder  
Deputy City Attorney

## **EXHIBIT B-1**



March 21, 2018

Gilbert Perez  
Wastewater Operations Manager  
Public Works-RWQCP  
5950 Acorn St  
Riverside, CA 92507

Denali Water Solutions (Denali Water) has been providing the City of Riverside (City) with Biosolids Hauling and Disposal/Reuse Services. The current Agreement between Denali Water and the City expires on December 31, 2018, and the City contacted Denali Water to extend the Agreement starting July 1, 2018. Denali Water appreciates the opportunity to continue providing the City with our services and would also like to extend the Agreement with the City.

Denali Water will extend the current Agreement under the same terms and conditions. There have been some increases in the cost of doing business since the start of the current Agreement, and Denali Water would ask for an adjustment to the rates to account for those increases. We had to retrofit our trucks to meet California's Air Board requirements and we changed our trucks to meet electronic logs transportation regulations. Additionally, the cost of workers compensation and insurance has increased significantly.

Over the past two years, CPI in the Los Angeles region has increased 6.3% ([www.bls.gov](http://www.bls.gov)). However, Denali Water is willing to use the 10 year average annual CPI increase of 1.8% to adjust the contract pricing. Using 1.8% increase in CPI annually over the 32 month period of the original contract period results in a 4.8 % increase in the rates overall. Adjusting Denali Water's pricing by 4.8 results in:

Class B Biosolids Hauling and Reuse adjusted price:

<b>Current Price</b>	<b>\$39.95 per wet ton</b>
<b>Price Adjustment</b>	<b>\$1.92 per wet ton</b>
<b>New Price</b>	<b>\$41.87 per wet ton</b>

Biosolids that do not meet "Class B" designation per 503 regulations or other non-hazardous materials, the adjusted price is:

<b>Current Other Solids Price -</b>	<b>\$44.95 per wet ton</b>
<b>Price</b>	<b>\$2.16 per wet ton</b>
<b>New Price</b>	<b>\$47.11 per wet ton</b>

This small adjustment to our rate to account for the increase inflation maintains extremely competitive rate for the City while keeping the rate pegged with inflation. After reviewing the 2016 SCAP Biosolids Trend Report, the City of Riverside would have continue to have the lowest biosolids price in the Inland Empire area including southern California generators.

We appreciate the opportunity to continue our services to the City. If you have any question regarding our request, please call me at (949) 678-3153.

Sincerely,

Jeff Thurber