



THIRD AMENDMENT TO BIOSOLIDS HAULING AND DISPOSAL/REUSE SERVICES AGREEMENT FOR RIVERSIDE WATER QUALITY CONTROL PLANT

Public Works Department

City Council
October 3, 2023

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1

BACKGROUND

WQCP services **93,000 customers** within the City of Riverside

Treatment Plant

27 Million gallons per day average

Collections System

 800 miles of gravity sewers

 20 wastewater lift stations

 16,000 sewer manholes



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2

BACKGROUND

1. The Plant removes the biosolids from wastewater before it is discharged into the Santa Ana River, or it is reused as Recycled Water
2. 48,000 tons annually (131.5 tons/daily) of biosolids are produced
3. 2,000 truck trips are made to Arizona for disposal partly due to the closure of Nursery Products in Hinkley, CA



3

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3

DISCUSSION

1. Market Volatility, temporary supply shortages, Class A driver shortage, and Consumer Price Index (CPI) increases have created an unexpected rise in unit costs for business operations and biosolids hauling.
2. On December 23, 2021, Denali informed the City they were reducing trucking services due to staffing shortage.
3. Hauling cost significantly increased from \$42.89/ton to \$87.82/ton, in part due to the closure of Nursery Products in Hinkley, California and the need to transport and dispose the biosolids in Arizona.
4. In February 2023, staff received invoices from Denali for services rendered from April 2022 to June 2022. Invoices were late due to staffing turnover at Denali.
5. Audit was finalized in July 2023, resulting in additional costs associated with the unanticipated invoices.
6. Third Amendment to Biosolid Hauling and Disposal/Reuse Services Agreement was created to address the unanticipated additional costs and fully paid services rendered through December 31, 2022.



4

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4

STRATEGIC PLAN ALIGNMENT



Strategic Priority 4 – Environmental Stewardship

Goal 4.2 – Sustainably manage local water resources to maximize reliability and advanced water reuse to ensure safe, reliable, and affordable water to our community.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



5

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5

RECOMMENDATIONS

That the City Council:

1. Approve the Third Amendment to Biosolids Hauling and Disposal/Reuse Services Agreement with Denali Water Solutions, LLC, a Delaware limited liability company authorized to do business in California with a local Garden Grove location, increasing the compensation in the amount of \$1,499,803.80, for a revised total amount of \$17,686,014.80; and
2. Authorize the City Manager, or designee, to execute the Third Amendment to the Services Agreement, including making minor and non-substantive changes.



6

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6