AMENDED
BIOSOLIDS MANAGEMENT SERVICE AGREEMENT

This SERVICE AGREEMENT (hereinafter called the AGREEMENT) made and entered into this 1st day of July 2006, (the EFFECTIVE DATE) by and between OMI/THAMES WATER STOCKTON INC. (hereinafter called CUSTOMER), and SYNAGRO-WWT, INC., (hereinafter called SUBCONTRACTOR which term shall include its successors and assigns) and shall amend and supersed the AGREEMENT dated the 1st day of August 2003.

WITNESSETH:

In consideration of the following covenants and agreements, the CUSTOMER and the SUBCONTRACTOR hereby mutually agree as follows:

1. SCOPE

1.1. The City of Stockton (CITY) has awarded a contract to CUSTOMER which includes the operation of the Stockton Regional Wastewater Control Facility, located in Stockton, California (hereinafter called RWCF). The SUBCONTRACTOR shall provide various biosolids management services that include operation of loading, transportation, and land application or other beneficial reuse in accordance with the terms of this AGREEMENT, (hereinafter called SERVICES) of the CUSTOMER's biosolids which constitute primarily dewatered liquid semi-solid (20%-30% solids) residue generated during the treatment of domestic sewage in a treatment works (hereinafter called BIOSOLIDS) generated by the RWCF.

1.2. The scope and pricing of additional work, including that which requires a Contractor's License, may be agreed to by the parties and thereafter initiated by purchase orders or task orders signed by both parties and shall be incorporated herein and made a part of this AGREEMENT as if fully set out.

2. SUBCONTRACTOR OBLIGATIONS

The SUBCONTRACTOR shall:

2.1. Within a reasonable time after receipt of notice from CUSTOMER, provide SERVICES as designated by CUSTOMER, in accordance with all applicable LEGAL REQUIREMENTS as follows:
- One rubber tire wheel loader for loading dewatered biosolids into trailers
- Loading and transportation of dewatered biosolids to beneficial use or disposal sites
Beneficial use of dewatered biosolids, either for agricultural use or landfill alternative daily cover
Backup disposal capacity in the event beneficial use becomes temporarily unavailable
Provision of information necessary to complete the facility's annual Report of Biosolids Information

2.2. At the written request of CUSTOMER, and as applicable, provide any AUTHORIZATIONS which are issued by applicable GOVERNMENTAL AUTHORITIES for land application.

2.3. Notify the CUSTOMER of any notice of violation, action, suit, claim, or legal proceeding against SUBCONTRACTOR relating to any aspect of the CUSTOMER'S BIOSOLIDS managed pursuant to this AGREEMENT.

2.4. Provide proof of liability insurance, as set forth in Section 4 of this AGREEMENT.

2.5. Indemnify, defend, and hold harmless CITY, CUSTOMER, their subsidiaries, affiliates, successors and assigns and their respective directors, officers, employees, shareholders, representatives and agents (hereinafter referred to collectively in this section as CUSTOMER INDEMNITEES) from and against (1) any and all claims, liabilities, lawsuits, and causes of action, together with reasonable costs, expenses, and attorneys' fees associated therewith and all amounts paid in defense or settlement of the foregoing, which may be imposed upon or incurred by CUSTOMER INDEMNITEES, caused by SUBCONTRACTOR'S breach of its obligations under this AGREEMENT or its violation of applicable LEGAL REQUIREMENTS or (2) the negligence or willful misconduct of SUBCONTRACTOR or any of its officers, directors, employees, representatives, agents or subcontractors in connection with this Service Agreement.

SUBCONTRACTOR's indemnity obligations hereunder shall not be limited by any coverage exclusions or other provisions in any insurance policy maintained by SUBCONTRACTOR which is intended to respond to such events.

SUBCONTRACTOR shall not, however, be required to reimburse or indemnify CUSTOMER INDEMNITEES for any Loss-and-Expense to the extent caused by the negligence or willful misconduct of such party or for any Loss-and-Expense resulting from the sole negligence or willful misconduct of a CUSTOMER INDEMNITTEE.

A CUSTOMER INDEMNITTEE shall promptly notify SUBCONTRACTOR of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and SUBCONTRACTOR shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. These indemnification provisions are for the protection of CUSTOMER INDEMNITEES only and shall not establish, of themselves, any liability to third parties. The provisions of this Section shall survive termination of this Service Agreement.
2.6. Comply in all material respects with all LEGAL REQUIREMENTS applicable to SUBCONTRACTOR'S provision of the SERVICES.

2.7. SUBCONTRACTOR'S obligations to take, receive or beneficially reuse BIOSOLIDS shall be suspended during a Force Majeure.

3. CUSTOMER

The CUSTOMER shall:

3.1. Provide to SUBCONTRACTOR for off-site beneficial reuse 100% of the annual volume of BIOSOLIDS handled by CUSTOMER for the CITY.

3.2. Provide SUBCONTRACTOR with reasonable access to the CUSTOMER'S BIOSOLIDS, except as reasonably required for safety or emergency considerations, or planned shutdown of the RWCF. It is agreed that when safety, emergency or shutdown conditions prevent access, that both parties will attempt to resolve such conditions as expeditiously as possible.

3.3. Provide SUBCONTRACTOR written notice of the concentration of total nitrogen (as N on a dry weight basis) in the BIOSOLIDS which CUSTOMER provides, plus all other information which SUBCONTRACTOR may request to facilitate its compliance with applicable LEGAL REQUIREMENTS, including without limitation the requirements of 40 C.F.R. Part 503. Information which SUBCONTRACTOR may obtain shall include, without limitation, the monthly average concentrations (in milligrams per kilogram) of arsenic, cadmium, copper, lead, mercury, nickel, selenium, and zinc or other potentially Hazardous Materials present in the BIOSOLIDS, the level of pathogen reduction which CUSTOMER has achieved, and the method of vector attraction reduction which CUSTOMER has applied. The methods and procedures by which CUSTOMER samples and analyzes concentrations of potentially HAZARDOUS MATERIALS, pathogen reduction, and vector attraction reduction, shall comply with methods and procedures prescribed by applicable LEGAL REQUIREMENTS, including without limitation 40 C.F.R. Part 503. CUSTOMER shall provide SUBCONTRACTOR with a certification regarding concentrations of HAZARDOUS MATERIALS, pathogen reduction, and vector attraction reduction, as well as certification that all methods and procedures used by customer for the sampling and analysis of BIOSOLIDS comply with requirements of 40 C.F.R. Part 503, and any other applicable LEGAL REQUIREMENTS. The form of certification, and the type of information which the SUBCONTRACTOR may request from CUSTOMER may include the form of certification or the type of information which CUSTOMER must maintain under 40 C.F.R. § 503.17. SUBCONTRACTOR shall have the
undisputed right to rely upon any information or certification provided by CUSTOMER, and shall not have any independent duty to investigate or inquire regarding the subject matter of the CUSTOMER'S certification or of the information which CUSTOMER provides to SUBCONTRACTOR.

3.4. Not provide to SUBCONTRACTOR any BIOSOLIDS which contain HAZARDOUS MATERIAL or are hazardous in accordance with 40 C.F.R. Part 261, other federal law, state law, or which contains a concentration of polychlorinated biphenyls equal to or greater than 50 milligrams per kilogram of total solids (on a dry weight basis). If such occurs, SUBCONTRACTOR shall immediately notify CUSTOMER, and SUBCONTRACTOR and CUSTOMER shall meet and confer to determine what steps shall be taken to remedy such event.

3.5. Provide SUBCONTRACTOR with reasonable advance notice of when CUSTOMER desires for SUBCONTRACTOR to remove BIOSOLIDS.

3.6. Notify the SUBCONTRACTOR of operating changes or any other conditions that would reasonably be expected to affect the BIOSOLIDS handled by SUBCONTRACTOR under this AGREEMENT.

3.7. Indemnify, defend, and hold harmless SUBCONTRACTOR and its respective directors, officers, employees, shareholders, representatives and agents (hereinafter referred to collectively in this Section 3.7 and Section 3.8 below as SUBCONTRACTOR INDEMNITIEES) from and against any and all claims, liabilities, lawsuits, and causes of action, together with reasonable costs, expenses, and attorneys' fees associated therewith and all amounts paid in defense or settlement of the foregoing, which may be imposed upon or incurred by SUBCONTRACTOR INDEMNITIEES, to the extent caused by the negligence or willful misconduct of CUSTOMER or any of its officers, directors, or employees in the performance of its services for the CITY and the custody or administration of the CITY's utility systems. CUSTOMER shall not, however, be required to reimburse or indemnify SUBCONTRACTOR INDEMNITIEES for any Loss-and-Expense to the extent caused by the negligence or willful misconduct of such party or for any Loss-and-Expense resulting from the sole negligence or willful misconduct of a SUBCONTRACTOR INDEMNITEE. A SUBCONTRACTOR INDEMNITEE shall promptly notify CUSTOMER of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and CUSTOMER shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. Indemnification provisions in this Section 3.7 are for the protection of SUBCONTRACTOR INDEMNITIEES only and shall not establish, of themselves, any liability to third parties.
3.8. Indemnify, defend, and hold harmless SUBCONTRACTOR INDEMNITEES from and against any and all claims, liabilities, lawsuits, and causes of action, together with reasonable costs, expenses, and attorneys' fees associated therewith and all amounts paid in defense or settlement of the foregoing, which may be imposed upon or incurred by SUBCONTRACTOR INDEMNITEES for any breach of the certification of the BIOSOLIDS, or any discrepancy in the character or composition of the BIOSOLIDS compared to analytical results, certifications or other information provided by CUSTOMER or CITY unless caused by the sole negligence or willful misconduct of a SUBCONTRACTOR INDEMNITEE. A SUBCONTRACTOR INDEMNITEE shall promptly notify CUSTOMER of the assertion of any claim against it for which it is entitled to be indemnified hereunder, and CUSTOMER shall have the right to assume the defense of the claim in any Legal Proceeding and to approve any settlement of the claim. Indemnification provisions in this Section 3.8 are for the protection of SUBCONTRACTOR INDEMNITEES only and shall not establish, of themselves, any liability to third parties.

4. INSURANCE

The SUBCONTRACTOR shall maintain and provide the CUSTOMER evidence of insurance as follows:

4.1. Worker's Compensation meeting at least the minimum requirements of the laws of the State of California, and Employer's Liability with a minimum single limit of $1,000,000.

4.2. Commercial General Liability and Automobile Liability Insurance to include premises operations and subcontractors. Completed Operations and Contractual Liability are to be included under the Commercial General Liability coverage. The insurance policies will have limits of no less than $5,000,000.00 per occurrence and $5,000,000.00 aggregate.

5. PAYMENT

The SUBCONTRACTOR shall provide the CUSTOMER with an accounting of the tons of BIOSOLIDS removed from the RWCF.

5.1. The SUBCONTRACTOR shall submit invoices once each month for SERVICES provided by SUBCONTRACTOR, using the rates and the amounts agreed in Section 10 of this AGREEMENT. The CUSTOMER shall pay all invoices within 30 days after receipt of the invoice.
5.2. It is agreed that in the event of any dispute concerning invoice amount, CUSTOMER will pay undisputed invoice amounts within 30 days after receipt of the invoice.

6. RECORD KEEPING

The SUBCONTRACTOR shall maintain records and submit summary reports to the CUSTOMER on a monthly basis. CUSTOMER may audit SUBCONTRACTOR’s records upon reasonable notice.

7. NOTICES

Except as otherwise provided herein, any notice, demand or other communication shall be in writing and shall be personally served, sent by commercial courier service or prepaid registered or certified mail, or sent by telephonic facsimile delivery with confirmation thereof. Any such notice shall be deemed communicated upon receipt.

7.1. The following address is hereby designated as the legal address of the SUBCONTRACTOR. Such address may be changed at any time by notice in writing delivered to CUSTOMER.

Synagro-WWT, Inc.
3845 Bithell Lane
Suisun City, CA 94585
707-438-3730
707-438-3737
Attention: Regional Vice President

With a copy to:
Alvin L. Thomas II
General Counsel
Synagro Technologies, Inc.
1800 Bering Drive, Suite 1000
Houston, Texas 77057
(713) 369-1700
(713) 369-1750 (Fax)

7.2. The following address is hereby designated as the legal address of the CUSTOMER. Such address may be changed at any time by notice in writing delivered to SUBCONTRACTOR.

Name: OMI/Thames Water Stockton, Inc.
Street Address: 2516 Navy Drive, Stockton, CA 95202
8. FORCE MAJEURE

Wherever the word "Force Majeure" is used, it should be understood to mean:

8.1. acts of God, landslides, lightning, earthquakes, hurricanes, tornadoes, blizzards and other adverse and inclement weather, fires, explosions, floods, acts of a public enemy, wars, blockades, insurrections, riots or civil disturbances;

8.2. labor disputes, except labor disputes involving employees of SUBCONTRACTOR, which affect the performance of the SERVICES hereunder;

8.3. orders or judgements of any Federal, State or local court, administrative agency or governmental body, if not the result of willful or negligent action of the party relying thereon;

8.4. power failure and outages affecting the RFCW or SUBCONTRACTOR’S SERVICES;

8.5. directed change orders from the CITY; and

8.6. any other similar cause or event, including a change in law, regulation, ordinance or permit, provided that the foregoing is beyond the reasonable control of the party claiming Force Majeure.

If, because of Force Majeure any party’s cost is increased by more than 15% or any party hereto is rendered unable, wholly or in part, to carry out its obligations under this Contract, then such party shall give to the other party prompt written notice of the Force Majeure with reasonable full details concerning it; thereupon the obligation of the party giving the notice, so far as they are affected by the Force Majeure, shall be suspended during, but no longer than, the continuance of the Force Majeure. The affected party shall use all possible diligence to remove the Force Majeure as quickly as possible, but his obligation shall not be deemed to require the settlement of any strike, lockout, or other labor difficulty contrary to the wishes of the party involved. Except in the case of a change in LEGAL REQUIREMENTS, which case is covered in Section 9.3 below, if, because of Force Majeure Synagro’s cost is increased then CUSTOMER agrees to increase the price paid to Synagro to cover those increased costs for the duration of the Force Majeure to the extent that CUSTOMER is able to recover such costs from CITY. At the request of
SUBCONTRACTOR, CUSTOMER shall make a good faith effort to recover such costs from the CITY. However, if because of Force Majeure Synagro's cost is increased by more than 15% then CUSTOMER may suspend performance for the duration of the Force Majeure.

9. TERM

9.1. This AGREEMENT shall be effective from the EFFECTIVE DATE until the 30th day of January 1, 2013 (the INITIAL TERM). At the end of this term, this AGREEMENT may be extended for two (2) separate consecutive five (5) year terms as mutually agreed in writing by both parties. Either party may terminate this AGREEMENT and shall have no further obligations to the other under this AGREEMENT if (i) the other party fails to observe or perform any material covenant or agreement contained in this agreement for ten (10) business days after written notice thereof has been given to such other party or (ii) at any time upon the insolvency of the other party, or the institution by or against the other party of any proceeding in bankruptcy or insolvency or for the appointment of a receiver or trustee or for an assignment for the benefit of creditors.

9.2. SUBCONTRACTOR may terminate this AGREEMENT at any time upon written notice to CUSTOMER and have no further obligation to CUSTOMER if:

9.2.1. The SUBCONTRACTOR is unable to utilize the BIOSOLIDS due to a change in any LEGAL REQUIREMENTS that renders the SERVICES illegal, or place such restrictions or requirements thereon so as to make the provision of the SERVICES cost prohibitive or to otherwise frustrate the commercial intent of this AGREEMENT.

9.2.2. The BIOSOLIDS become unsuitable for land application by the SUBCONTRACTOR by reason of (i) the act or omission of any third party or CUSTOMER, and through no fault of SUBCONTRACTOR, or (ii) the condition of the BIOSOLIDS is materially inconsistent with the description and analysis, certifications or other information the CUSTOMER has provided to the SUBCONTRACTOR regarding the BIOSOLIDS, including analytical results or (iii) CUSTOMER breaches its obligations hereunder regarding the quality of the BIOSOLIDS.

9.3. Subject to the once per anniversary year limitation set forth in Section 10.2, below, in the event of any change in federal, state or local law or regulation, or any change in any one of SUBCONTRACTOR'S permits, which is implemented during the Term of this AGREEMENT and which results in a significant increase or decrease in the cost of performing the SERVICES, the CITY, CUSTOMER and
SUBCONTRACTOR will negotiate a reasonable and mutually agreeable adjustment to those payment terms specified in this AGREEMENT.

9.4 In the event that CUSTOMER'S contract with the CITY is terminated for any reason, the CUSTOMER shall have the right to terminate this Agreement in its sole discretion, for its convenience and without cause at any time upon 30 days' written notice to the SUBCONTRACTOR. If the CUSTOMER exercises its right to terminate this Agreement pursuant to this Section 9.4, the CUSTOMER shall pay the SUBCONTRACTOR all Exhibit B related costs and expenses (prorated as necessary) remaining or becoming due through the date of termination and, subject to reasonable substantiation of such items, other direct costs reasonably incurred as a result of such termination. Such amounts shall be paid to SUBCONTRACTOR within sixty (60) days of receipt of SUBCONTRACTOR's invoice therefor that includes any substantiation as CUSTOMER may reasonably require. The SUBCONTRACTOR waives any claim it may have now or in the future for financial losses or other damages to the extent directly resulting from such a termination for convenience, other than claims for payment on account thereof as are expressly set forth in this Section 9.4.

10. PRICE

10.1 CUSTOMER will pay the prices for SUBCONTRACTOR’s SERVICES as requested hereunder for the duration of the INITIAL TERM of this Agreement as follows: $21.85 per wet ton provided that there is no landfill disposal of the biosolids required and there is at least 5000 wet tons of storage available on-site. This pricing is based on the continued use of land application in Sacramento County under current operating conditions. In the event there is a change in law or permit status of Synagro’s land application program that renders its operation under this agreement economically infeasible, or reduces the percentage of Stockton biosolids delivered to the Sacramento County site, the contract pricing would be adjusted to reflect these changes. Pricing for additional work such as lagoon, digester or pond cleaning and removal shall be negotiated in good faith by the parties.

10.2 Fuel Surcharge: The price per ton of biosolids managed shall be adjusted up quarterly, equal to one cent per ton for each one cent increase in the diesel fuel price from $3.50 per gallon. The base rate of $3.50 per gallon for this project is effective on July 1, 2006. Diesel price increases will be based on DOE EIA weekly retail on-highway diesel prices (California) as found at http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp.
10.3 Consumer Price Index: In addition, the CONTRACTOR’S stated prices shall be increased annually consistent with eighty percent (80%) of the Consumer Price Index (CPI) for the closest metropolitan area to the PLANT. CPI adjustments shall automatically become effective the anniversary date of the EFFECTIVE DATE.

11. MISCELLANEOUS PROVISIONS.

11.1. Assignment. The CUSTOMER and/or SUBCONTRACTOR shall have the right to assign this AGREEMENT in writing to any successor in interest, subject to the written approval of the other party, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, SUBCONTRACTOR may assign its rights and duties to an affiliate or related party of SUBCONTRACTOR without the consent of the CUSTOMER. The Parties, hereby acknowledge and consent to the assignment of this AGREEMENT to Synagro-WWT, Inc.

11.2. Governing Law. THIS AGREEMENT AND ALL THE RIGHTS AND DUTIES OF THE PARTIES ARISING FROM OR RELATING IN ANY WAY TO THE SUBJECT MATTER OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY IT, SHALL BE GOVERNED BY, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA. Venue for any such dispute shall be the Superior Court for the County of San Joaquin.

11.3. Costs and Fees. The prevailing party in any legal proceeding brought by or against the other party to enforce any provision or term of this AGREEMENT shall be entitled to recover against the non-prevailing party the reasonable attorneys' fees, court costs and other expenses incurred by the prevailing party.

11.4. Consent to Breach Not Waiver. No term or provision hereof shall be deemed waived and no breach excused, unless such waiver or consent be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach by the other party shall constitute a consent to, waiver of, or excuse of any other different or subsequent breach.

11.5. Severability. If any term or provision of this AGREEMENT should be declared invalid by a court of competent jurisdiction, (i) the remaining terms and provisions of this AGREEMENT shall be unimpaired, and (ii) the invalid term or provision shall be replaced by such valid term or provision as comes closest to the intention underlying the invalid term or provision.

11.6. ENTIRE AGREEMENT. THIS AGREEMENT HERETO CONSTITUTES THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES WITH REGARD TO THE
11.7. **Amendments.** This AGREEMENT may be amended from time to time only by an instrument in writing signed by the parties to this AGREEMENT.

11.8. **Counterparts.** This AGREEMENT may be executed in counterparts, which together shall constitute one and the same contract. The parties may execute more than one copy of this AGREEMENT, each of which shall constitute an original.

11.9. The parties agree to make reasonable efforts to explore and initiate new technologies and alliances for managing BIOSOLIDS in California.

12. **DEFINITIONS**

12.1. **AUTHORIZATIONS** means all authorizations, permits, applications, notices of intent, registrations, variances, and exemptions, required for the removal, transportation and land application of BIOSOLIDS in compliance with all applicable LEGAL REQUIREMENTS.

12.2. **BIOSOLIDS** means sewage sludge i) meeting USEPA Class B (as defined by 40 CFR Part 503) requirements; ii) meeting State of California and local regulatory requirements for land application; iii) consistent with a description to be provided by the CUSTOMER or the City of Stockton, CA; iv) which does not constitute HAZARDOUS MATERIALS; v) which will not be in violation of any federal, state or local law; and vi) which will not be excessively malodorous.

12.3. **ENVIRONMENTAL LAWS** means any AUTHORIZATION and any applicable federal, state, or local law, rule, regulation, ordinance, order, decision, principle of common law, consent decree or order, of any GOVERNMENTAL AUTHORITY, now or hereafter in effect relating to HAZARDOUS MATERIALS, BIOSOLIDS, or the protection of the environment, health and safety, or a community’s right to know, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Safe Drinking Water Act, the Clean Water Act, the Clean Air Act, the Emergency Planning and Community Right to Know Act, the Hazardous Materials Transportation Act, the Occupational Safety and Health Act, and any analogous state or local law.

12.4. **GOVERNMENTAL AUTHORITY** means any foreign governmental authority, the United States of America, any State of the United States of America, any local authority, and any political subdivision of any of the foregoing, and any agency,
department, commission, board, bureau, court, tribunal or any other governmental authority having jurisdiction over this AGREEMENT, BIOSOLIDS, or COMPANY, SUBCONTRACTOR, or any of their respective assets, properties, sites, facilities or operations.

12.5. "HAZARDOUS MATERIALS" means any "petroleum," "oil," "hazardous waste," "hazardous substance," "toxic substance," and "extremely hazardous substance" as such terms are defined, listed, or regulated under ENVIRONMENTAL LAWS, or as they become defined, listed, or regulated under ENVIRONMENTAL LAWS.

12.6. "LEGAL REQUIREMENT" means any AUTHORIZATION and any applicable federal, state, or local law, rule, regulation, ordinance, order, decision, principle of common law, consent decree or order, of any GOVERNMENTAL AUTHORITY, now or hereafter in effect, including without limitation, ENVIRONMENTAL LAWS.

12.7. "REMEDIAL WORK" means investigation, monitoring, clean-up, containment, removal, storage, remedial or restoration work associated with HAZARDOUS MATERIALS or BIOSOLIDS.

IN WITNESS WHEREOF, the parties of this AGREEMENT have hereunto set their hands and seals, dated as of the day and year first herein written.

OMI/THAMES WATER STOCKTON INC. ("CUSTOMER")

By: ____________________________

Name & Title: A. STANBRIDGE, GENERAL MANAGER/VP.

SYNAGRO-WWT, INC. ("SUBCONTRACTOR")

By: ____________________________

Name & Title: Alvin L. Thomas, Vice President
Request for Taxpayer Identification Number and Certification

Synagro-WWT, Inc.

Check appropriate box: ☐ Individual/ Sole proprietor ☑ Corporation ☐ Partnership ☐ Other □

Address number, street, and apt. or suite no.
7014 East Baltimore Street

City, state, and ZIP code
Baltimore, MD 21224

List account number(s) here (optional)

Part I  Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Social security number

Employer Identification number
521304912

Part II  Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because:
   a. I am exempt from backup withholding, or
   b. I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or
   c. the IRS has not notified me that I am no longer subject to backup withholding, and

3. I am a U.S. person (including a U.S. resident alien).

Certification Instructions. You must cross out Item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, Item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Signature of person ▪

Date ▪ June 5, 2006

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest paid to you, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding,

or

3. Claim exemption from backup withholding if you are a U.S. exempt payee.

Note: If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 516, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.

2. The treaty article addressing the income.

3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT ("Assignment") is made this 23rd day of December, 2012 ("Effective Date"), by and between City of Stockton, California ("City"), OMI/Thames Water Stockton, Inc. ("OMI/TW") and Synagro-WWT, Inc. ("Synagro"), collectively "Parties".

WHEREAS, OMI/TW had entered into a Biosolids Management Service Agreement dated as of July 1, 2006 ("Biosolids Contract"), for the Stockton Regional Wastewater Control Facility ("Facility") when OMI/TW was the operator of such Facility. Synagro was to provide biosolids management services that would include loading, transporting and land applying or another beneficial reuse of the biosolids;

WHEREAS, on February 29, 2008, the City and OMI/TW terminated their contractual relationship and the City assumed control of the operations of the Facility;

WHEREAS, since then Synagro has been continuing to provide services to the City; and now OMI/TW wishes to assign all of its rights and obligations under the Biosolids Contract to City;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Assignment of Obligations. As per Article 11.1 of the Biosolids Contract, OMI/TW is requesting the assignment of the Biosolids Contract to the City, including all of its obligations, responsibilities and duties under such Contract as of March 1, 2008.

2. Consent of Assignment. By executing this Assignment Agreement, Synagro is accepting the assignment of the Biosolids Contract from OMI/TW to the City. And by executing this Assignment Agreement, the City is accepting all of OMI/TW's obligations, responsibilities and duties under the Biosolids Contract as of March 1, 2008.

IN WITNESS WHEREOF, the Parties have executed and delivered this Assignment on the day and year first written above.

SYNAGRO:

By: ____________________________
Name: Joseph J. Re
Title: Vice-President

OMI/THAMES WATER STOCKTON INC:

By: Roger B. Quayle
Name: Roger B. Quayle
Title: Chairman

CITY OF STOCKTON

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney
CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFRS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
The Addis Group Inc
2500 Renaissance Blvd
Suite 100
King of Prussia PA 19406-2772

INSURED
Syngro Technologies, Inc.
SEE BELOW FOR ITS
AFFILIATED ENTITY
1800 Bering Drive, Suite 1000
Houston TX 77057

CONTACT NAME: Keith Boyar
PHONE (Area Code, Ext): 610-279-8543
E-MAIL ADDRESS: NAIC #
INSURER A: Charits Specialty Ins. Co. 26883
INSURER B: American Zurich Insurance Co. 40142
INSURER C: Natl Union Fire Ins Co Pitt PA 19445
INSURER D: American Int'l Specialty 26883
INSURER E: Zurich American Insurance Co 16535

COVERAGE
CERTIFICATE NUMBER: 1408623103
REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR TYPE OF INSURANCE ADDL SUBR WRD POLICY NUMBER POLICY BEG. (MM/DD/YYYY) POLICY END (MM/DD/YYYY) LIMITS
A GENERAL LIABILITY
X COMMERCIAL GENERAL LIABILITY
CLAIMS-MADE
X OCCUR
X XCU Not Excluded
GENL AGGREGATE LIMIT APPLIES PER:
POLICY X PROJECT LOC
EG18305986 5/1/2012 5/1/2013 EACH OCCURRENCE $1,000,000 DAMAGE TO RENTED PREMISES (EA occurrence) $1,000,000 MED EXP (Any one person) $10,000 PERSONAL & ADV INJURY $1,000,000 GENERAL AGGREGATE $2,000,000 PRODUCTS - COMPOD AGG $2,000,000

B AUTOMOBILE LIABILITY
X ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS NON-OWNED AUTOS
BAP9243950-00 5/1/2012 5/1/2013 COMBINED SINGLE LIMIT (EA accident) $2,000,000 BODILY INJURY (Per person) $ - BODILY INJURY (Per accident) $ - PROPERTY DAMAGE (Per accident) $ -

C X UMBRELLA LIAB OCCUR CLAIMS-MADE
EXCESS LIAB
DED X RETENTION 5,10,000
BE19210722 5/1/2012 5/1/2013 EACH OCCURRENCE $5,000,000 AGGREGATE $5,000,000

D X WORKERS COMPENSATION AND EMPLOYERS LIABILITY
WC9243961-00 All Other WC9243962-00 Wisconsin
5/1/2012 5/1/2013 5/1/2013 5/1/2013 WC STATutory LIMITS OTHER E.L. EACH ACCIDENT $1,000,000 E.L. DISEASE - EA EMPLOYEE $1,000,000 E.L. DISEASE - POLICY LIMIT $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101; Additional Remarks Schedule, if more space is required)

AFFILIATED ENTITY: SYNGRO WWIT, INC. CITY OF STOCKTON, ITS MAYOR, COUNCIL, OFFICERS, REPRESENTATIVES, AGENTS, EMPLOYEES AND VOLUNTEERS ARE NAMED AS ADDITIONAL INSURED ON ALL POLICIES EXCEPT WORKERS COMPENSATION/NEL WHERE REQUIRED BY WRITTEN CONTRACT. A WAIVER OF SUBROGATION APPLIES WHERE REQUIRED BY WRITTEN CONTRACT.

CERTIFICATE HOLDER
City of Stockton
Attn Risk Services Division
425 N El Dorado Street
Stockton CA 95202

CANCELLATION 30 DAYS EXCEPT 10 DAYS FOR NON-PAY

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2010 ACORD CORPORATION. All rights reserved.
ENDORSEMENT NO. 16

This endorsement, effective 12:01 AM: May 1, 2012

Forms a part of policy no.: EG 18305986

Issued to: SYNATECH HOLDINGS, INC

By: CHARTIS SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED PRIMARY AND NON-CONTRIBUTORY ENDORSEMENT - OWNERS, LESSEES OR CONTRACTORS - YOUR WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND POLLUTION LEGAL LIABILITY POLICY

SCHEDULE

Name of Additional Insured Person(s) or Organization(s):
BLANKET AS REQUIRED BY WRITTEN CONTRACT OR AGREEMENT

Location(s) of Covered Operation(s):
AS SPECIFIED IN THE WRITTEN CONTRACTS OR AGREEMENTS

I. Solely as respects COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY, and COVERAGE E - ADDITIONAL POLLUTION LEGAL LIABILITY, SECTION II - WHO IS AN INSURED is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for bodily injury, property damage, personal and advertising injury, environmental damage or emergency response costs arising out of your work for the additional insured(s) by or for you at the location(s) designated above.

II. As respects the coverage afforded the additional insured(s) scheduled above, this insurance is primary and non-contributory, and our obligations are not affected by any other insurance carried by such additional insured(s) whether primary, excess, contingent, or on any other basis.

All other terms, conditions and exclusions remain the same.

Authorized Representative
or countersignature (where required by law)
Name (as shown on your income tax return)

Synagro-WWT, Inc.

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:

- Individual/sole proprietor
- Corporation
- S Corporation
- Partnership
- Trust/estate

Exempt payee

Limited liability company. Enter the tax classification (C=S corporation, S=S corporation, P=partnership)

Address (number, street, and apt. or suite no.)

1800 Bering Drive, Suite 1000

City, state, and ZIP code

Houston, TX 77057

List account number(s) here (optional)

Requester’s name and address (optional)

Part I Taxpayer Identification Number (TIN)
Enter your TIN in the appropriate box. The TIN provided must match the name given on the “Name” line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see How to get a TIN on page 3.

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding because of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

3. I am a U.S. citizen or other U.S. person (defined below).

Certification instructions. You must cross out Item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

Sign Here

Signature of U.S. person

Date

2/1/12

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),

2. Certify that you are not subject to backup withholding, or

3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners’ share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester’s form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,

- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,

- An estate (other than a foreign estate), or

- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners’ share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.
AMENDMENT TO
THE AMENDED BIOSOLIDS MANAGEMENT SERVICE AGREEMENT
WITH SYNAGRO-WWT, INC

This Amendment to the Amended Biosolids Management Service Agreement is made and entered into on January 31, 2013, by and between the City of Stockton, a municipal corporation, hereinafter referred to as "CITY," and SYNAGRO-WWT, INC, hereinafter referred to as "FIRM," to provide CITY with Biosolids Removal and Management Services.

WITNESSETH:

WHEREAS, CITY and FIRM entered into an Amended Biosolids Management Service Agreement for Biosolids Management Services on July 1, 2006 that included loading, transporting, and land application, or other beneficial reuse of the biosolids. The initial contract term was for five years, which terminated on December 31, 2012, and allowed for two subsequent five-year extensions. CITY and FIRM desire to amend said Contract by authorizing the extension of the contract by the first of the two five-year options.

NOW, THEREFORE, in consideration of these premises and the following terms and conditions, the parties hereto agree as follows:

1. This Amendment to the Amended Biosolids Management Service Agreement hereby authorizes the first of two five-year extensions of the contract beginning January 1, 2013 through December 2017, according to paragraph 9.1 of the original contract.

2. Section 10, Price is hereby amended in the amount of $29.31 per wet ton.

3. Section 7.2, Notices is hereby amended to provide that FIRM shall notify the City of Stockton Municipal Utilities Department, C. Mel Lytle, Ph.D., Director, or his assignee, on all matters related to the work.
4. Section 4, Insurance requirements are hereby amended to the current insurance requirements set forth in Exhibit A, attached hereto and incorporated by this reference. Firm shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Contract the policies of insurance specified in Exhibit A. FIRM shall not commence any work before obtaining, and shall maintain in force at all times during the duration and performance of this Contract, policies of insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the FIRM its agents, representatives, volunteers, or employees.

5. Section 2.5, Indemnification is hereby amended to the following: FIRM agrees to indemnify, save, hold harmless, and at CITY'S request, defend the CITY, its officers, agents, and employees from any and all costs and expenses (including attorney and legal fees), damages, liabilities, claims, and losses occurring or resulting to the CITY to the extent caused by the negligent acts or omissions of, or breach of this contract by, FIRM, its officers, agents, sub-contractors, employees, or anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable under this Amended Agreement, and from any and all costs and expenses (including attorney and legal fees), damages, liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who may be injured or damaged by the performance, or failure to perform, of FIRM, its officers, agents, or employees under this Amended Agreement. The duty to defend and the duty to indemnify are separate and distinct obligations. The indemnification obligations of this section shall survive the termination of this agreement.

6. All other terms and conditions of the Contract not expressly amended by this document shall remain unchanged and in full force and effect.
IN WITNESS WHEREOF, the parties have caused this Amendment to the Amended Biosolids Management Service Agreement to be executed on the date and year first written above.

ATTEST:

BONNIE PAIGE
City Clerk of the City of Stockton

CITY OF STOCKTON, a municipal corporation

By: BOB DEIS
City Manager

“FIRM”

SYNAGRO-WWT, INC.

By: 
City Attorney

Title: Asst. Secretary

::ODMA|GRPWISE|COS.MUD.MUD_LIBRARY:154371.1
EXHIBIT A
INSURANCE REQUIREMENTS
BIOSOLIDS HAULING & MANAGEMENT VENDOR

VENDOR shall procure and maintain for the duration of the Agreement, insurance against all claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the VENDOR, its agents, representatives, volunteers, or employees.

1. INSURANCE Throughout the life of this Contract, the Vendor shall pay for and maintain in full force and effect with an insurance company admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

   A. COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY insurance, endorsed for "any auto" with combined single limits of liability of not less than $1,000,000 each occurrence, including MCS90 endorsement form.

   B. WORKERS’ COMPENSATION insurance as required under the California Labor Code and Employers Liability Insurance with limits not less than $1,000,000 per accident/injury/disease.

   C. COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY AND MISCELLANEOUS SUPPLEMENTARY INSURANCE;

FOR ADDITIONAL REQUIREMENT(S):

   (i) COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY insurance which shall include Contractual Liability, Products and Completed Operations coverage's, Bodily Injury and Property Damage Liability insurance with combined single limits of not less than $3,000,000 per occurrence, and if written on an Aggregate basis, $6,000,000 Aggregate limit.

   (ii) ENVIRONMENTAL IMPAIRMENT/POLLUTION LIABILITY insurance with minimum limits of $1,000,000 combined single limit, to include liability for Groundwater contamination, Sudden and Accidental and Environmental cleanup, etc.

Deductibles and Self-Insured Retentions must be declared and are subject to approval by the CITY.

The Policy(s) shall also provide the following:

1. The Commercial General Liability insurance shall be written on ISO approved occurrence form with additional insured endorsement naming: City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are additional insureds.

2. All insurance required by this Agreement shall be with a company acceptable to the CITY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date VENDOR completes its performance of services under this Agreement.

3. For any claims related to services or products provided under this contract, the Vendor’s insurance coverage shall be primary insurance as respects the City of Stockton its officers, agents, and employees. Any coverage maintained by the CITY shall be excess of the
Vendor’s insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against the CITY.

4. Each insurance policy required by this clause shall have a provision that coverage shall not be cancelled by either party, except after thirty (30) days' prior to written notice by certified mail, return receipt requested, has been given to the CITY. Further, the thirty (30) day notice shall be unrestricted, except for workers' compensation, or non-payment of premium, which shall permit ten (10) days advance notice. The insurer and/or the contractor and/or the contractor's insurance agent shall provide the CITY with notification of any cancellation, major change, modification or reduction in coverage.

5. Regardless of these contract minimum insurance requirements, the Vendor and its insurer shall agree to commit the Vendor’s full policy limits and these minimum requirements shall not restrict the Vendor's liability or coverage limit obligations.

6. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

7. The Company shall furnish the City of Stockton with the Certificates and Endorsement for all required insurance, prior to the CITY's execution of the Agreement and start of work.

8. Proper address for mailing certificates, endorsements and notices shall be:

   City of Stockton  
   Attention: Risk Services  
   425 N. El Dorado Street  
   Stockton, CA 95202

9. Upon notification of receipt by the CITY of a Notice of Cancellation, major change, modification, or reduction in coverage, the Vendor shall immediately file with the CITY a certified copy of the required new or renewal policy and certificates for such policy.

Any variation from the above contract requirements shall only be considered by and be subject to approval by the CITY's Risk Manager (209) 937-8617. Our fax is (209) 937-8658.

If at any time during the life of the Contract or any extension, the Vendor fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

If the Vendor should subcontract all or any portion of the work to be performed in this contract, the Vendor shall cover the sub-contractor, and/or require each sub-contractor to adhere to all subparagraphs of these Insurance Requirements section. Similarly, any cancellation, lapse, reduction or change of sub-contractor's insurance shall have the same impact as described above.
## CONTRACT ROUTING FORM

**Contract Number**: C-09-024 NP Extensimak

### CONTRACT TYPE (select one)
- Original
- Amendment/Renewal/Change Order
- Grant
- Subdivision Agreement
- Other 6-month extension

### CONTRACT INFORMATION
- Contract Amount: $333.65/ton, ~$350,000
- Contract Title: Amended Biosolids Management Service Agreement
- Vendor/Other Party: Synagro WWT, Inc.
- Contract Start Date: 1-1-18
- Contract End Date: 6-30-18
- Contract Term: 6-month

### COUNCIL APPROVAL REQUIRED?
- Yes ✗ No
- (provide account # if no) 431-4331-574.20-25

- Motion/Resolution/Ordinance No: RRee 08-0055

### REQUIRED DOCUMENTS (The following documents shall be submitted with the signed contract when required):

- Business License Required? Yes ✗ No
- Business License No. 17-00118219 (exp 12-31-17)
- Bonds Required? Yes ✗ No
- Insurance Required? Yes ✗ No
- Notary Required? Yes ✗ No
- Recodination Required? Yes ✗ No

### DEPARTMENT: MUD

#### DEPARTMENT HEAD APPROVAL
- Project Mgr: Deedee Antypas
- Staff: Carolyn Avra
- Forwarded to: Risk
- ext: 7425
- ext: 8751
- date: 12/19/17

#### VENDOR/OTHER PARTY
- Signed (✓) originals on: 12/19/17
- Forwarded to: MUD

#### RISK SERVICES
- Insurance approved on: 12/19/17
- Bonds approved on: 12/19/17
- Forwarded to: City Atty
- by: KLB

#### CITY ATTORNEY
- Approved as to Form and Content: 12/19/17
- Forwarded to: City Mgr
- by: LCH

#### CITY MANAGER
- Signed by City Manager on: 12/19/17
- Forwarded to: City Clerk
- by: MB

#### CITY CLERK
- City Clerk attested on: 12/21/17
- Returned (✓) original(s) to dept. on: 12/21/17
- Retained (✓) original(s) for City's file
- Hard Copy on file? Yes ✗ No
- OB #

#### ORIGINATING DEPARTMENT: MUD
- Requisition No.
- Original sent to vendor on: 12/19/17
- Copy of contract to be retained by department. Original on file in the Clerk’s office.
- Copy of contract sent to Purchasing on: 12/19/17

### PURCHASING: Purchase Order No.

- PUR No.

### Routing Order
- Routing Order
- MUD FINANCE: Minnie Morgan
- DATE: 12/19/17
December 12, 2017

Mr. Matt DeWitt
Synagro WWT, Inc.
435 Williams Court, Suite 100
Baltimore, MD 21220

CITY OF STOCKTON CONTRACT EXTENSION FOR BIOSOLIDS HAULING

We have received and considered your request for the second 5-year extension to your current contract with the City of Stockton for biosolids hauling and management services. According to Section 9.1 of the original contract, the City may grant up to two 5-year extensions to the original contract. The first extension extended the contract period through December 31, 2017.

Your request for the second 5-year extension has been granted. The contract for Municipal Utilities Department biosolids hauling and management at the current price of $33.65 per ton has been extended and will now expire on December 31, 2022. All other terms and conditions of the original contract shall remain in effect.

KURT O. WILSON
CITY MANAGER

APPROVED AS TO FORM AND CONTENT

By
Deputy City Attorney

ATTEST:
CLERK OF THE CITY OF STOCKTON

cc Daniel Garza, Senior Buyer
MEMORANDUM

December 12, 2017

TO: Kurt O. Wilson, City Manager

FROM: John Abrew, Director of Municipal Utilities (x8438)

SUBJECT: BIOSOLIDS HAULING CONTRACT EXTENSION

The Regional Wastewater Treatment Facility (RWCF) has contracted with Synagro WWT, Inc. for biosolids removal services since 2006. The original contract was for a 5-year period, and allowed for two additional 5-year extensions. Staff is requesting approval by letter of the second, and last, 5-year extension with Synagro for biosolids removal services.

The contract with Synagro was negotiated by OMI/Thames Water in 2006 for biosolids removal services. The City Council approved the assignment of the contract to the City by Resolution 08-0055. Section 9.1 of the contract allows for up to two 5-year extensions. The first 5-year extension was approved in 2013, extending the contract end date to December 31, 2017 (copy attached). Synagro has requested the final 5-year extension with no price increase from the current rate of $33.65/ton. The attorney's office has reviewed the original contract and subsequent Council actions and finds no contractual reason to prohibit the extension.

The option to extend a contract allows staff to evaluate the company's performance and determine if it is advantageous for the City to extend the contract. Synagro has fulfilled their obligations under the current contract with the existing terms and conditions. In an informal survey of other wastewater treatment plants in the area, it was found that all are using Synagro for biosolids hauling, and paying at rates higher than that being charged to the City. Synagro also has multi-county hauling capability, which allows transportation and disposal across county boundaries if problems arise at the contracted disposal site. MUD has reviewed Synagro's performance, responsibilities, and cost effectiveness and found the Contract extension to be in the best interest of the City.

If approved, the final Contract extension will run from January 1, 2018 through December 31, 2023. Funding for the additional contract years will be considered for approval by Council as part of the annual budget process.

[Signature]
JOHN ABBREW
DIRECTOR OF MUNICIPAL UTILITIES

JA:DAA

cc Daniel Garza, Sr. Buyer
Deedee: because the original contract allows for two consecutive five year extensions and it appears from the Resolution that there was a valid assignment of the contract to the City, I don’t see the need to go out for a competitive bid at this time. The resolution also provides some good examples that John could use in his memo to the CM in the exceptions to the competitive bid portion of the reso. MUD would not want to ask the CM to approve exceptions to the competitive bidding process since the City Council must approve those. However, they could be used in conjunction with the terms of the contract for Manager approval via what is expressed in the memo.

I suggest MUD have a discussion with the CM's Office first before routing the extension to see if there is a business reason why they would prefer to advertise this instead of extending the current contract, since it has been some time since the original contract was assigned to the City and we aren’t exactly sure how OMI procured Synagro's services in the first instance.

Please let me know if you have any questions.

Tara

Tara Mazzanti
Deputy City Attorney
Office of the City Attorney
CITY OF STOCKTON
425 N. El Dorado Street, 2nd Floor
Stockton, CA 95202-1997
(209) 937-8333
Tara.Mazzanti@stocktonca.gov

This email transmission and any documents, files or previous email messages attached to it may contain confidential information that is legally privileged and is intended for the designated recipient only. Recipients should not file copies of this e-mail with publicly accessible written or electronic records. If you have received this email in error, please notify us immediately by telephone at the number shown above. Thank you.

-----Original Message-----
From: Deedee Antypas
Sent: Wednesday, December 6, 2017 10:32 AM
To: Tara Mazzanti <Tara.Mazzanti@stocktonca.gov>
Subject: Synagro Contract Extension
Importance: High

Tara,
Our contract for biosolids hauling with Synagro is up at the end of December. The original contract was issued in 2006 under OMI/Thames (attached) and allowed for two 5-year extensions. When operation of the plant returned to the City in 2008, Council took action to take over the OMI contract (reso attached). In 2013 Council approved the first of the 5-year extensions (attached).
I would like your input on whether we have a strong enough standing to issue the second, and final 5-year extension. Synagro is willing, but my concern is that OMI did not publicly bid the original contract. If you determine we are on solid ground, I will route the contract extension packet. If you determine we need to re-bid, I will request a 6-month extension to get the contract on a fiscal year period and give time for the bid process.

I appreciate your time and input. Let me know if you have any questions, or need more information. With the timing and holidays, I am on a tight turn-around schedule for this.

Thanks,
Deedee
CITY OF STOCKTON

Contract Change Order #: 1
Resolution/Motion No. N/A Purchase Order No. 211740
(If not required enter "N/A") Purchase Order #

C-08-024 Biosolids Management

Project Number / Project Name / Activity

| Original Contract Price | $4,511,847 Estimated |
| Approved Change Order Total | $0.00 |
| This Change Order | $309,600 Estimated |
| Revised Contract Price | $4,821,447 Estimated |

TO Synagro WWT, Inc. (Contractor), You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications of this contract.

Additional Work Performed for Above Referenced Project
Increase the contracted per ton cost from $35.87 to $39.39 for pass-through costs ($2.00 per ton for land management and $1.52 for scale detourn) for the remaining term of the contract per the attached request. This action will increase the contract by approximately 6.9% over the 5-year life of the project. All other terms of the contract remain unchanged, including Section 10. The requested cost increase shall be effective retroactive to July 1, 2019.

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefore the prices shown above.

By reason of this proposed change, 0 days extension of time will be allowed.

Accepted Date 2/19/2020

Synagro WWT, Inc.
(Contractor)

Michael J. Kotlic
Title Vice President West Region

Note: This contract change order is not effective until approved by the City Manager.

Internal Approval Routing:

Submitted by: Project Manager Date: 2/19/2020

Approval by Department Fiscal Division Date: 2/21/2020

Approval Recommended by:

Approval Recommended by:

Department Head Date: 3/4/2020

Change Order Approved By:

City Manager, Harry Black
Date: 3/4/2020

APPROVED AS TO FORM & CONTENT: OFFICE OF THE CITY ATTORNEY

BY Date: 3/4/2020

ATTEST:

ELIZA R. GARZA, CMC
CITY CLERK OF THE CITY OF STOCKTON

FULLY EXECUTED FORM ROUTING: ORIGINAL TO CITY CLERK, COPY TO VENDOR
### Change Order Calculator

**Vendor:** Synagro-WWT  
**Dept:** Municipal Utilities  
**Project #:**

**Date:** 1/28/2020  
**PO Number:** 211740  
**Account Number:** 431-4391-574

---

**Entries in bold red indicate your balance of CM Authority CCO amount is exceeded. You must go to council for approval.**  
(Effective 2/26/15: CM Authority = $75,000)

---

**Original Contract Amount:** $4,511,847.00  
**Original Contract Award Date:** 7/1/2006  
**Original Contract Expiration Date:** 12/31/2022

**Contract Amount to date:** $4,821,447.00  
**Authorized CCO Amount to date:** $305,600.00

**Available CCO Funding:**  
**Contract Expiration to date:** 12/31/22

---

<table>
<thead>
<tr>
<th>CCO No.</th>
<th>Description</th>
<th>Requested CCO Amount</th>
<th>Time Extensions</th>
<th>Required Approval by:</th>
<th>Date CC Approved</th>
<th>Revised Contract Amount</th>
<th>Revised CCO Authority Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Last Council Action</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total approved CCOs since last Council Action</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Previously Approved CCOs**

- **Y**

**New Proposed CCOs**

<table>
<thead>
<tr>
<th>CCO No.</th>
<th>Description</th>
<th>Requested CCO Amount</th>
<th>Time Extensions</th>
<th>Required Approval by:</th>
<th>Date CC Approved</th>
<th>Revised Contract Amount</th>
<th>Revised CCO Authority Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Change Order No. 1 - Pass Through Costs</td>
<td>$305,600.00</td>
<td></td>
<td></td>
<td></td>
<td>$4,821,447.00</td>
<td>$206,584.70</td>
</tr>
</tbody>
</table>

**Total CCO Amount and Time Extension To-Date:** $305,600.00
November 21, 2019

City of Stockton
Deedee Antipas
2500 Navy Drive
Stockton, California 95206

RE: Request for modification of contract rate for management of biosolids

Dear Ms. Antipas:

Per our discussion, Synagro is incurring additional costs resulting from the following:

1. Increase in farmer application costs as a result of changes in Silva Ranch permit requirements (change in regulatory requirement – see Gary Silva letter attached) $2.00 per ton
2. Additional costs resulting from non-operation of city provided scale $1.52 per ton

Non-operational scale cost is calculated by multiplying the hourly rate of $105 per hour for 20 minutes out of route, or

20/60 x $105/hr = $35.00. $35.00 per load divided by 23 tons per load = $1.52 per ton.

Accordingly, Synagro is requesting an increase in price from $35.87 per ton to $39.39 per ton to cover the additional costs. Synagro has been incurring these additional costs for permit compliance since January 2019 and the additional costs for scale non-operation for more than one year. Accordingly, Synagro is requesting the adjustment to be effective July 1, 2019, which is the beginning of the city’s fiscal year.

If you have any questions or require further information, please call me at 650-333-0729.

Very truly yours,

John Pugliaresi

John Pugliaresi
Area Sales Manager

cc: Nick Caggiano, Mark Kaebnick, John Pugliaresi, Simranpreet Kaur, Elizabeth Grant, Jessica Stahl, File
Gary Silva
11540 Clay Station Road
Herald, CA 95638

Synagro West, LLC.
3110 Gold Canal Drive
Rancho Cordova, CA 95670

Re: WDR R5-2019-002

To Whom It May Concern:

Please be advised that effective February 7, 2019, WDR R5-2019-002 is adopted and is enforced by the Central Valley Regional Water Quality Control Board.

Due to the change in grazing restrictions from 30 days to 60 days in the new Report of Waste Discharge Requirements, an additional $2.00 will be charged to cover incurred costs, loss of resources and additional land management fees.

Thank you in advance for your attention to this matter.

Respectfully,

Gary Silva, Sr.
**CONTRACT ROUTING FORM**

**CITY CONTRACT TYPE (select one)**
- Original
- Amendment/Change Order
- Grant
- Subdivision Agreement
- Other

**CONTRACT INFORMATION**
- Contract Amount: $309,600 Estimated CCO#1
- Contract Title: Biosolids Management
- Vendor/Other Party: Synagro WWT, Inc.
- Contract Start Date: 1-29-2018
- Contract End Date: 12-31-2023
- Contract Term: 5-years w/2 5-yr ext.

**COUNCIL APPROVAL REQUIRED?**
- Yes
- No (provide account # if no)
  - Council approval required for contracts over $75,000 for FISCAL YEAR: 2019-20
  - Motion/Resolution/Ordinance No: Motion # 2013-01-29-1206
  - Must be Attached

**REQUIRED DOCUMENTS**
(The following documents shall be submitted with the signed contract when required):
- Business License Required? Yes
- Business License No. 20-00118219
- Bonds Required? No
- Insurance Required? No
- Notary Required? No
- Recodnation Required? Yes

**Mandatory Routing Order**

<table>
<thead>
<tr>
<th>DEPARTMENT:</th>
<th>5WD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENT HEAD APPROVAL</td>
<td></td>
</tr>
<tr>
<td>Project Mgr: Kat Garcia</td>
<td>ext: 8232</td>
</tr>
<tr>
<td>Staff: Carolyn Avra</td>
<td>ext: 8751</td>
</tr>
<tr>
<td>date: 3/1/2020</td>
<td></td>
</tr>
<tr>
<td>forwarded to: Procurement</td>
<td></td>
</tr>
<tr>
<td>by: KING</td>
<td></td>
</tr>
</tbody>
</table>

| PROCUREMENT |
| Approved (✓) Name/Signature: TFD |
| forwarded to: CAO |
| on: 3-4-2020 |
| by: JUSTIN DUPEE |

| VENDOR/OTHER PARTY |
| Signed (✓) originals on: 2/19/2020 |
| forwarding to: Department |
| on: 2/19/2020 |
| by: Vendor |

| RISK SERVICES |
| Insurance on: N/A by: |
| Bonds approved on: by: |
| Forwarded to: N/A on: by: |
| RM #: |

| CITY ATTORNEY |
| Approved as to Form and Content on: 3/4/2020 |
| Forwarded to: CCRK |
| on: 3/4/2020 |
| by: LHR |

| CITY MANAGER |
| Signed by City Manager on: 3/1/20 |
| Forwarded to: CCRK |
| on: 3/4/2020 |
| by: LHR |

| CITY CLERK |
| City Clerk attested on: 3/4/20 |
| Returned (✓) original(s) to dept. on: 3/4/20 |
| Retained (✓) original(s) for City’s file. Hard Copy on file? Yes No |
| OB #: |

| ORIGINATING DEPARTMENT: |
| Requisition No. Original sent to vendor on: by: |
| Copy of contract to be retained by department. Original on file in the Clerk’s office. |
| Copy of contract sent to Purchasing on: by: |

| PROCUREMENT: Purchase Order No. PUR No. |
MEMORANDUM

February 18, 2020

TO: Harry Black, City Manager

FROM: John Abrew, Director of Municipal Utilities

SUBJECT: ADMINISTRATIVE CONTRACT CHANGE ORDER – BIOSOLIDS REMOVAL SERVICES

The contract with Synagro was negotiated by OMI/Thames Water in 2006 for biosolids removal services. On February 19, 2008 the above item was approved for assignment to the City by City Council by resolution number 08-0055. On January 29, 2013, the first five-year contract extension was approved by City Council by motion number 2013-01-29-1206. The second and last five-year extension was executed by letter in December 2018 and now expires on December 31, 2023.

Upon assignment of the contract, the disposal cost was $26.50 per wet ton. Section 10 of the contract provides for annual increases of 80% of the Consumer Price Index (CPI) change from the prior June and quarterly fuel surcharges when the cost of fuel exceeds $3.50 per gallon. Council approved the first five-year extension on January 29, 2013 with an amended disposal cost of $29.31. All other terms of the contract remained the same. In December 2018, the contract was extended by letter agreement for the second and last five-year term with a cost of $33.65 per wet ton. All other terms of the contract remained the same.

Since 2013, the City has budgeted an annual cost of $750,000 for biosolids removal services. Shown below is the volume and cost per ton for the past seven fiscal years. During this time, the fuel surcharge varied from $0.00 to $0.96 per wet ton.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Cost per ton</th>
<th>Volume (tons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>$29.31</td>
<td>17,374.10</td>
</tr>
<tr>
<td>2013-14</td>
<td>$30.06</td>
<td>21,041.14</td>
</tr>
<tr>
<td>2014-15</td>
<td>$30.96</td>
<td>22,697.53</td>
</tr>
<tr>
<td>2015-16</td>
<td>$31.67</td>
<td>22,102.28</td>
</tr>
<tr>
<td>2016-17</td>
<td>$32.52</td>
<td>21,564.29</td>
</tr>
<tr>
<td>2017-18</td>
<td>$33.65</td>
<td>24,345.88</td>
</tr>
<tr>
<td>2018-19</td>
<td>$34.97</td>
<td>22,450.50</td>
</tr>
</tbody>
</table>

Recent changes in regulatory requirements in the Silva Waste Discharge Requirement (WDR) Permit (R5-2019-0002, effective February 7, 2019) changed grazing restrictions from 30 days to 60 days following the application of biosolids. The restriction change results in an increased cost of $2.00 per ton due to increased land management costs. Additionally, the City’s scale has been out of service requiring haulers to travel
Harry Black, City Manager
February 18, 2020
Page 2

approximately 20 minutes out of their normal route. This detour results in an increased cost of $1.52 per ton. The City's scale is scheduled to be replaced as part of the Plant Modifications Project. These increases are considered pass-through costs and, in accordance with Section 9.3 of the Synagro Biosolids Management Service agreement, the cost of $2.00 for additional land management and $1.52 for additional haul distance will be added to the cost-per-ton fee.

Over the length of time remaining on the contract, Staff projects that approximately $4,821,447 will be spent on biosolids removal services, not including fuel surcharges. The services projected are summarized in the table below.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Current Cost per Ton</th>
<th>Adjusted Cost per Ton</th>
<th>Estimated Volume (tons)</th>
<th>Current Estimated Cost per Year</th>
<th>Adjusted Cost per Year</th>
<th>Annual Cost Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan-June 2018</td>
<td>$33.65</td>
<td></td>
<td>12,986</td>
<td>$437,062</td>
<td>$437,062</td>
<td>$0</td>
</tr>
<tr>
<td>2018-19</td>
<td>$34.97</td>
<td></td>
<td>22,450</td>
<td>$790,685</td>
<td>$790,685</td>
<td>$0</td>
</tr>
<tr>
<td>2019-20</td>
<td>$35.87</td>
<td>$39.39</td>
<td>23,575</td>
<td>$845,600</td>
<td>$928,600</td>
<td>$83,000</td>
</tr>
<tr>
<td>2020-21</td>
<td>$36.95</td>
<td>$40.57</td>
<td>24,755</td>
<td>$914,700</td>
<td>$1,001,800</td>
<td>$87,100</td>
</tr>
<tr>
<td>2021-22</td>
<td>$38.05</td>
<td>$41.79</td>
<td>25,990</td>
<td>$988,900</td>
<td>$1,080,400</td>
<td>$91,500</td>
</tr>
<tr>
<td>July-Dec 2022</td>
<td>$39.20</td>
<td>$43.04</td>
<td>13,645</td>
<td>$534,900</td>
<td>$582,900</td>
<td>$48,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>123,404</td>
<td>$4,511,847</td>
<td>$4,821,447</td>
<td>$309,600</td>
</tr>
</tbody>
</table>

Note: Assumes an annual increase of 3% CPI and 5% volume hauled and does not include fuel surcharge. Estimated volume rounded to the nearest ton.

The proposed CCO #1 (attached) increases the total contract price of $4,511,847 by $309,600 for a new total of $4,821,447. This proposed change order is within the City Manager delegation of authority and is appropriate to be approved administratively under Council Resolution #11-0298.

JOHN ABREW
DIRECTOR OF MUNICIPAL UTILITIES

JA:DAA:KMG:cla

Attachments