



CH2M
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Hood River, OR 97031
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9.c(1)

January 15, 2016

Nick Hogan
City Administrator
City of Stevenson
PO Box 371
Stevenson, WA 98648

Dear Mr. Hogan:

This letter is to advise you of the proposed fee for the contract period January 1, 2016 through December 31, 2016 for the operation and maintenance of the City of Stevenson Wastewater Treatment Plant and lift stations. The proposed fee is \$117,631 which is \$3,631 or 3.0% increase over the 2015 contract year. As you may recall there was no fee increase for 2015 in appreciation of another five year contract renewal.

Explanations for the increased costs:

- Annual inflationary adjustments for labor, benefits and workers compensation. Labor costs are adjusted annually to keep the company competitive and reduce associate turnover. As you know the cost of health insurance continues to rise rapidly and to help hold down costs to our clients, CH2M associates continue co-paying a 25-27.5% share of benefit costs.
- Due to a marked increase in the amount of aerobic digester sludge hauled to Hood River for further treatment, a 4% increase in labor hours for hauling and a cost adjustment to accommodate additional lbs of solids being treated has been added.
- The current repair budget of \$4,546 remains unchanged.

I would like to personally thank the City of Stevenson for allowing CH2M the opportunity of providing full contract services since 1984 and hope our partnership continues for many years to come.

Respectfully,

Louie Hooks
Operations Supervisor, CH2M

AMENDMENT NO. 1
to the
AGREEMENT FOR OPERATIONS,
MAINTENANCE AND MANAGEMENT SERVICES
for the
CITY OF STEVENSON, WASHINGTON

This Amendment No. 1 (the "Amendment") to the Agreement for Operations, Maintenance and Management Services for the City of Stevenson, Washington effective as of December 23, 2014 (the "Agreement") is made and entered into this 1st day of January 2016 by and between the City of Stevenson, Washington (hereinafter "Owner") and Operations Management International, Inc. (hereinafter "CH2M HILL").

NOW THEREFORE, Owner and CH2M HILL agree to amend the Agreement as follows:


1. Article D.1.1 is hereby deleted in its entirety and replaced with the following:
 - 4.1 Owner shall pay to CH2M HILL as compensation for services performed under this Agreement a Base Fee of One Hundred Seventeen Thousand Six Hundred Thirty One Dollars (\$117,631.00) for the period January 1, 2016 through December 31, 2016. Subsequent years' Base Fees shall be determined as hereinafter specified in Appendix D.4 below.

This Amendment together with the Agreement constitutes the entire agreement between the Parties and supersedes all prior oral and written understandings with respect to the subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full force and effect. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

The Parties, intending to be legally bound, indicate their approval of the Amendment by their signatures below.

OPERATIONS MANAGEMENT
INTERNATIONAL, INC.

CITY OF STEVENSON, WA


Name: Scott Neelley
Title: Vice President
Date: 1/12/2016

Name: Frank Cox
Title: Mayor
Date: _____