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**AUTHORIZATION FOR AGREEMENTS, MOUs, OR OTHER DOCUMENTS OBLIGATING THE CITY**

All contracts, agreements, grant agreements, memoranda of understanding, or any document obligating the city (with the exception of purchase orders), requires the completion of this form. The City Manager will sign these documents after all other required information and signatures are obtained.

Document: Crustman - addendum No. 2 Date: 6/5/2023

Statement of Purpose: Temporary emergency addendum to change Current Brosnolds Storage & Land application to accommodate the summer production while APP is being drilled.

Department Head Signature: [Signature]

Remarks, if any: \_\_\_\_\_

City Attorney Review and Signature: See attached email from David Allen Date: \_\_\_\_\_

Other Signatures as Requested by the City Attorney: \_\_\_\_\_

Name/Position  
Date: \_\_\_\_\_

Budget Confirmed: Signature Yes  No  N/A

Certificate of Insurance Attached: Yes  No  N/A

City Council Approval Needed: Yes  No  Date: \_\_\_\_\_

After all the above requested information is complete and signatures obtained, return this form, along with the original document to the City Manager for signature. No documents should be executed prior to the City Manager's approval as evidenced by signature of this document.

City Manager Signature: [Signature] Date: 6-6-23

Once all signatures and certificates of insurance have been obtained, return this document, along with the original, fully-executed agreement, MOU, or other document to the City Recorder. A copy of grant agreement and all project funding documents, must be forwarded to the Finance Department for tracking and audit purposes.

City Recorder Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Date posted on website: \_\_\_\_\_



## Stephanie Kerns

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**From:** David Allen  
**Sent:** Tuesday, May 30, 2023 5:03 PM  
**To:** Stephanie Kerns; Clare Paul; David Powell  
**Cc:** Spencer Nebel  
**Subject:** Re: DRAFT Biosolids storage and disposal RFP / Memo

If David P. is okay with the edited/revise memo attached below, then forward draft addendum no. 2 (along with the clean copy of the 5/25/23 memo and the signed addendum no. 1) to Crestmont for review/signature. --David

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**From:** Stephanie Kerns  
**Sent:** Tuesday, May 30, 2023 3:30 PM  
**To:** David Allen; Clare Paul; David Powell  
**Cc:** Spencer Nebel  
**Subject:** RE: DRAFT Biosolids storage and disposal RFP / Memo

It all looks good to me, let me know when the addendum No. 2 needs to be sent to Crestmont for signature and I will send it over.

Thanks!

Stephanie Kerns  
Environmental Compliance Specialist  
The City of Newport  
169 SW Coast HWY  
Newport, OR 97365

Office: (541)819-7249  
Cell: (541)270-9926  
S.Kerns@NewportOregon.gov

-----Original Message-----

**From:** David Allen <D.Allen@NewportOregon.gov>  
**Sent:** Tuesday, May 30, 2023 2:38 PM  
**To:** Clare Paul <C.Paul@NewportOregon.gov>; David Powell <D.Powell@NewportOregon.gov>; Stephanie Kerns <S.Kerns@NewportOregon.gov>  
**Cc:** Spencer Nebel <S.Nebel@NewportOregon.gov>  
**Subject:** Re: DRAFT Biosolids storage and disposal RFP / Memo

Attached is draft addendum no. 2 to the Crestmont contract (link below) along with an edited/revise memo in track changes and a clean copy for review (as an attachment to addendum no. 2). Also attached is a copy of the signed addendum no. 1 which will also be an attachment to addendum no. 2. Take a look and let me know. This will be in place during the RFP process through the early part of September. --David

[https://www.newportoregon.gov/dept/adm/agreements/2615/agreement\\_2615.pdf](https://www.newportoregon.gov/dept/adm/agreements/2615/agreement_2615.pdf)



## **Addendum No. 2 to Goods and Services Contract Between City of Newport and Crestmont Farm, LLC**

THIS ADDENDUM NO. 2 is to the Goods and Services Contract between the City of Newport (City) and Crestmont Farm, LLC (Contractor) dated November 30, 2018 for Biosolids Storage and Land Application.

### Recitals:

1. City and Contractor entered into a Goods and Services Contract dated November 30, 2018 for Biosolids Storage and Land Application (Agreement), which became effective on January 1, 2019 through July 1, 2024.
2. City and Contractor entered into an Addendum No. 1 to the Agreement dated February 3, 2020, which replaced the original Exhibit B to the Agreement with a revised Exhibit B and extended the Agreement through July 1, 2026. Attached is a copy of Addendum No. 1 with revised Exhibit B.
3. As provided for under City's public contracting rule 137-047-0280, and for the reasons described in the attached memo dated May 25, 2023, the City is using an emergency procurement for the period through September 15, 2023, under the terms as set forth below.

### Terms of Addendum:

City and Contractor agree to this Addendum, as provided for in section 28 of the Agreement, as follows, effective on the date of the last signature below:

#### A. The following changes are made to revised Exhibit B to the Agreement:

1. Under subsection 4(a), "800 wet tons" is replaced with "1,750 wet tons" and "300 wet tons" is replaced with "1,250 wet tons".
2. Under subsection 4(a)(ii), "300 wet tons" is replaced with "1,250 wet tons".
3. Under subsection 4(b), "1,000 wet tons" is replaced with "1,750 wet tons".
4. Section 10 is replaced to read as follows: During May - September, Contractor has the option to request up to 10 truckloads to be delivered at a location within 12 miles of 24641 Cardwell Hill Drive (near Wren, Oregon) at City's expense.
5. Section 11 is replaced to read as follows: Land application of biosolids is the responsibility of Contractor.
6. Under section 12, "three feet (3')" is replaced with "four feet (4)'".

#### B. This Addendum may be executed in counterparts and a signed copy transmitted by facsimile



or other electronic means, each of which will be deemed an original, but all of which taken together will constitute one and the same agreement.

Except as expressly set forth herein, all provisions of the Agreement shall continue and remain in full force and effect.

**City of Newport**

  
\_\_\_\_\_  
Spencer R. Nebel, City Manager

Date: 06/06/23

**Crestmont Farm, LLC**

  
\_\_\_\_\_  
Ed Easterling, Managing Member

Date: 06/01/23







# Memo

**To:** Spencer Nebel, City Manager  
David Allen, City Attorney

**From:** David Powell; PE, Public Works Director

**Date:** May 25, 2023

**Re:** Vance Avery WWTP Biosolids Disposal Emergency Authorization

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The purpose of this memo is to ask for an emergency authorization to extend the contract with Crestmont Farm, LLC (Crestmont) for 90 days while the City obtains competitive quotes for disposal of “Class A” biosolids.

The City entered into a contract with Crestmont in November 2018 for an estimated total fee of \$80,000 for storage and disposal of our “Class A” biosolids produced from the Vance Avery WWTP. At that time, the City had two options for disposal of biosolids: 1) City WWTP staff hauled and spread biosolids using our own equipment and staff, and 2) we had the Crestmont contract for times when we could not dispose of the biosolids due to weather or other constraints. With the ongoing challenge of staff shortages, we simply do not have the capacity to dispose of biosolids at local farms for the foreseeable future. Therefore, the City will need to expand the usage of Crestmont and use their services for all of our biosolids disposal needs.

The City is still under contract with Crestmont. The total amounts paid to Crestmont are shown in the table below:

2019	\$22,849.76
2020	\$41,423.68
2021	\$36,704.32
2022	\$49,438.68
2023 (through March)	\$18,534.08
<b>TOTAL</b>	<b>\$168,950.52</b>



As the use of Crestmont expands, the amount of the contract is estimated to be approximately \$56,000 annually.

Since the total paid to Crestmont under this contract exceeds \$150,000 the City needs to competitively advertise this contract and solicit quotes for continued work. The City cannot suspend the contract because the production of biosolids at the WWTP will continue and we do not have proper storage facilities on the WWTP site. The process of soliciting competitive quotes will take a couple months to complete. Staff requests an emergency authorization to extend the contract with Crestmont until September 2023 while we advertise the work for competitive quotes.

END OF MEMO



**ADDENDUM NO. 1**

**CITY OF NEWPORT  
GOODS AND SERVICES CONTRACT  
BIOSOLIDS STORAGE AND LAND APPLICATION**

WHEREAS City of Newport ("City") and Crestmont Farm, LLC ("Contractor") entered into a Goods and Services Contract dated as of November 30, 2018 and effective on January 1, 2019 ("Contract"),

WHEREAS Contractor has assessed the needs of its pastures and has determined that the needs are greater than originally contemplated and Contractor desires additional Class A biosolids product;

WHEREAS City's production of Class A biosolids has increased beyond the volumes originally contemplated in the Contract and can meet the needs of Contractor's pastures;

WHEREAS the Contractor will need to construct additional facilities to store more biosolids;

THE parties hereby mutually agree amend the Contract pursuant to this Addendum No. 1 to replace the original "Exhibit B" to the contract with the revised "Exhibit B (Revised per Addendum No. 1)" as attached.

All other provisions and terms of the Contract remain in full force and effect. This Addendum is effective upon its execution by signature and date from an authorized representative of each party.

**CITY: CITY OF NEWPORT**

**CONTRACTOR: CRESTMONT FARM, LLC**

By: 02-03-20

By: 

Name: Spencer R. Nebel

Name: Ed Easterling

Title: City Manager

Title: Managing Member

Date: 

Date: 02-03-20



**EXHIBIT B (REVISED PER ADDENDUM NO. 1)**

**Additional Terms and Conditions for Good and Services Contract between City of Newport, Oregon (City) and Crestmont Farm, LLC. ("Contractor") for Biosolids storage and land application**

In addition to the terms agreed upon in the signed Personal Services Agreement, the City of Newport, Oregon (City) and Crestmont Farm, LLC. agree to the following:

1. Contractor will accept Class A biosolids produced by the City of Newport Wastewater Treatment Plant located at 5525 SE 50th Place in Newport, Oregon.
2. The City shall pay to the Contractor \$32.00 per wet ton of biosolids delivered between the period of October through April under the terms of this agreement. There shall be no cost for biosolids delivered between the period of May through September under the terms of this agreement once the minimum tonnage required in paragraph 4 is met.
3. The above-stated price of \$32.00 per ton will remain fixed through July 1, 2026. Any subsequent change to the \$32.00 per ton price will require a new agreement.
4. City guarantees a minimum volume of 500 wet tons delivered yearly between the months of October-April to Contractor at 24641 Cardwell Hill Dr. (near Wren, Oregon).
  - a. City has the option to deliver up to 800 wet tons per year during October- April. 300 wet tons more than the guaranteed minimum volume.
    - i. At the end of each month from October through April, City will provide contractor with the actual wet tons produced for that month and an estimate in wet tons of City's (1) production of Class A biosolids for the remainder of the current October-April period and delivery of Class A biosolids to Contractor for the remainder of the current October-April period.
    - ii. Contractor will dedicate readily available storage capacity to meet City's option to deliver annually up to 300 wet tons of Class A biosolids beyond the 500 wet ton minimum volume. City will promptly notify Contractor of any consideration, exploration, or offer to otherwise use, store, sell, or redirect from delivery to Contractor more than 15% of City's production of Class A biosolids during any current or future annual October-April period. Except for the guaranteed minimum volume of 500 wet tons of Class A biosolids to Contractor, this does not limit City's ability to otherwise use, store, sell, or redirect from delivery to Contractor its production of Class A biosolids.
  - b. City has the option to deliver to Contractor up to 1,000 wet tons of Class A biosolids per year during May-September. If Contractor has received fees for at least 500 wet tons of Class A biosolids during the immediately preceding October-April period, Contractor agrees to waive the fee pursuant in paragraph 2 of Exhibit B for tons delivered pursuant to this additional 1,000 wet tons option.
  - c. The minimum and optional volume thresholds and levels provided in paragraphs 4 of Exhibit B can be further increased by mutual agreement based upon Contractor's pasture needs and City's Class A biosolids availability.





5. The Goods and Services Agreement shall be effective from January 1, 2019 through July 1, 2026.
6. Contractor will provide covered storage, biosolids usage, biosolids receiving and loading.
7. Ownership, possession, and control of the biosolids are transferred to Contractor upon delivery.
8. Contractor agrees to not apply Nitrogen fertilizers on fields receiving biosolids for the life of the contract unless agreed upon by the City.
9. City agrees to conduct all permit required testing of biosolids and soils.
10. City agrees to provide a spreader and operator during normal business hours for one 5-day period between April 1 and Sept 30 to apply to even fields\* not to exceed 125 acres. Loading of the spreader is the responsibility of Contractor. Land application of biosolids outside of this period is the responsibility of Contractor.
  - a. City and Contractor each may elect by April 1 of each year, without concurrence of the other, to forego the use of City's spreader in return for 200 wet tons of biosolids delivered between May 1 and September 30 of that year. The volume under this paragraph shall be in addition to volume provided under paragraph 4(a) of Exhibit B. There shall be no fee pursuant to paragraph 2 for volumes delivered under this provision.
11. Land application of biosolids outside of the even fields\* (approximated at 125 acre) is the responsibility of Contractor.
12. The Class A biosolids delivered by City between the period of October through April shall maintain a minimum slump height of at least three feet (3') over a period of 24 hours following delivery. City may add straw to the biosolids, to the least amount necessary to achieve the minimum slump. Should a delivery not maintain the minimum slump, the fee provided in paragraph 2 shall increase by \$10 per wet ton.

\* Even fields are defined as fields easily accessible with the City's existing spreader truck, including required setbacks.

All other provisions and terms of the Contract remain in full force and effect. This Addendum is effective upon its execution by signature and date from an authorized representative of each party.

