

**PROFESSIONAL SERVICES AGREEMENT
WITH
SHN CONSULTING ENGINEERS & GEOLOGISTS, INC**

THIS AGREEMENT is made and entered into this 12 day of February, 2024 (“Effective Date”), by and between the Fort Bragg Municipal Improvement District, a municipal corporation, 416 N. Franklin Street, Fort Bragg, California 95437 (“District”), and SHN Consulting Engineers & Geologist, INC, a California corporation, 335 S. Main Street, Willits, California 95490 (“Consultant”).

WITNESSETH:

A. WHEREAS, District proposes to utilize the services of Consultant as an independent contractor to complete a biosolids treatment and disposal feasibility study, as more fully described herein; and

B. WHEREAS, Consultant represents that it is a “design professional” as that term is defined by California Civil Code Section 2782.8 and has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, District and Consultant desire to contract for the specific services described in Exhibit “A” (the “Project”) and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of District has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

E. WHEREAS, the legislative body of the District on February 12, 2024 by Resolution No. _____ authorized execution of this Agreement on behalf of the District in accordance with Chapter 3.20 of the City Municipal Code and/or other applicable law;

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Work. Consultant shall provide the professional services described in the Consultant’s Proposal (“Proposal”), attached hereto as **Exhibit A** and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise District of any changes in any laws that may affect Consultant’s performance of this Agreement. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way

affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. District officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of District. Consultant agrees to perform all the work to the complete satisfaction of the District as hereinafter specified. Evaluations of the work will be done by the District Manager or his or her designee. If the quality of work is not satisfactory, District in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless District from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against District for or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's negligent performance under this Agreement. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Consultant and any subcontractors shall comply with all applicable rules and regulations to which District is bound by the terms of such fiscal assistance program.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, sexual orientation, or disability except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender, sexual orientation, or disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

1.6. Non-Exclusive Agreement. Consultant acknowledges that District may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of District. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense. All insurance requirements contained in this Agreement are independently applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of District. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by District. District shall grant such authorization if disclosure is required by law. All District data shall be returned to District upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION, BILLING AND PREVAILING WAGES

2.1. Compensation. Consultant's total compensation shall not exceed Thirty-Eight Thousand Dollars (\$ 38,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of work specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement unless the District or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the District request in writing additional services that increase the hereinabove described "Scope of Work," an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services. The District Manager may approve contract change orders not exceeding a total of 10% of the approved contract or up to the contingency amount whichever amount is less for any one project.

2.3. Method of Billing. Consultant may submit invoices to the District for approval on a progress basis, but not more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to District's sole satisfaction. District shall pay Consultant's invoice within forty-five (45) days from the date District receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to District or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the date of final payment.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be

performed pursuant to this Agreement shall commence within five (5) days from the issuance of Notice to Proceed. Said services shall be performed in strict compliance with the schedule set forth in the Scope of Work attached hereto as **Exhibit A**. Consultant will complete the services in accordance with this Agreement by December 20, 2024. The Time of Completion may only be modified by a written amendment of the Agreement signed by both the District and the Consultant and in accordance with its terms.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the District and the Consultant. The Consultant shall present documentation satisfactory to the District to substantiate any request for a time extension.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and expire on March 20, 2025, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. Either party reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least ten (10) days prior written notice to the other party. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the District. If the District suspends, terminates or abandons a portion of this Agreement, such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The District shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

- a. Be adjudged a bankrupt;
- b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
- c. Make a general assignment for the benefit of creditors;
- d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;

- e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
- f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, District shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of District's written notice of termination within thirty-five (35) days after service of the notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the District or in the possession of the Consultant. District shall not be liable for any claim of lost profits.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the District within ten (10) days of delivery of termination notice to Consultant, at no cost to District. Any use of uncompleted documents without specific written authorization from Consultant shall be at District's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by District:

- (a) Broad-form commercial general liability, in a form at least as broad as ISO form #CG 20 01 04 13, including premises-operations, products/ completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) aggregate, combined single limits. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit. If Consultant maintains higher limits than the specified minimum limits, District requires and shall be entitled to coverage for the high limits maintained by the Consultant.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, each incident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of \$1,000,000 per

accident for any employee or employees of Consultant. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the District, its officials, officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the District and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

Before execution of this Agreement by the District, the Consultant shall file with the District Clerk the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the District Clerk before execution of this Agreement by the District. The District, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than Two Million Dollars (\$2,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

Neither the District nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The District and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the District; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention

is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the District may procure such insurance at Consultant's sole cost and expense."

- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the District, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the District shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the District, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self-Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by District. No policy of insurance issued as to which the District is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to District certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by District, prior to performing any services under this Agreement. The certificates of insurance and endorsements shall be attached hereto as **Exhibit B** and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The District Manager or his or her designee shall be the representative of District for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the District, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. The Project Manager designated to work directly with Consultant in the performance of this Agreement will be Alfredo Huerta. It shall be the Consultant's responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by f, to the Project Manager. Unless otherwise specified herein, any approval of District required hereunder shall mean the approval of the Project Manager.

Consultant designates Chuck Swanson as its Project Manager, who shall represent it and be its agent in all consultations with District during the term of this Agreement and who shall not be changed by Consultant without the express written approval by the District. Consultant or its Project Manager shall attend and assist in all coordination meetings called by District.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:
Jason Island
SHN Consulting Engineers
335 S. Main Street
Willits, CA 95490

Tel: 707-962-3140
Jason Island

IF TO DISTRICT:
District Clerk
Fort Bragg Municipal Improvement
District
416 N. Franklin St.
Fort Bragg, CA 95437
Tel: 707-961-2823
Fax: 707-961-2802

6.5. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Mendocino County, California. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without District's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of District's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless.

If Consultant is not a design professional performing “design professional” services under this Agreement, as that term is defined in Civil Code Section 2782.8, Consultant agrees to defend, indemnify, hold free and harmless the District, its elected and appointed officials, officers, agents and employees, at Consultant’s sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the District, its elected and appointed officials, officers, agents and employees arising out of the negligent performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the District, its elected and appointed officials, officers, agents and employees based upon the work negligent performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the District for claims, actions, complaints or suits arising out of the active negligence or willful misconduct of the District. This provision shall supersede and replace all other indemnity provisions contained either in the District’s specifications or Consultant’s Proposal, which shall be of no force and effect.

If Consultant is a design professional performing “design professional” services under this Agreement, as that term is defined in Civil Code Section 2782.8, Consultant agrees to defend, indemnify, hold free and harmless the District, its elected and appointed officials, officers, agents and employees, at Consultant’s sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of Consultant. The defense obligation provided for hereunder shall apply whenever any claim, action, complaint or suit asserts liability against the District, its elected and appointed officials, officers, agents and employees based upon the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the District for claims, actions, complaints or suits arising out of the active negligence or willful misconduct of the District. This provision shall supersede and replace all other indemnity provisions contained either in the District’s specifications or Consultant’s Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of District. Consultant shall have no power to incur any debt, obligation, or liability on behalf of District or otherwise act on behalf of District as an agent. Neither District nor any of its agents shall have control over the conduct of Consultant or any of Consultant’s employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of District. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold District harmless from any and all taxes, assessments, penalties, and interest asserted against District by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold District harmless from any failure of Consultant to comply with the applicable worker’s compensation laws. District shall have the right to offset against the amount of any fees

due to Consultant under this Agreement any amount due to District from Consultant as a result of Consultant's failure to promptly pay to District any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the District, Consultant shall indemnify, defend, and hold harmless District for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of District.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by District, including but not limited to eligibility to enroll in PERS as an employee of District and entitlement to any contribution to be paid by District for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against District relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which District might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of District. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of District, but shall be made available to the District within ten (10) days of request or within ten (10) days of termination. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of District and without liability or legal exposure to Consultant. District shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from District's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to District any findings, reports, documents, information, data, preliminary notes and working documents, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by District or its authorized representative, at no additional cost to the District. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm District's ownership of the copyright in such documents.

6.13. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to District may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 7920.000 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 7924.510, and of which Consultant informs District of such trade secret. The District will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The District shall

not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.14. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the District Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.15. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the District's representative, regarding any services rendered under this Agreement at no additional cost to District. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to District, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of District and to participate in any meeting required with regard to the correction.

6.16. Prohibited Employment. Consultant will not employ any regular employee of District while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the District's Request for Proposals, the Consultant's Proposal.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of District and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraph and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

6.27. Use of Recycled Paper Products. In the performance of this Agreement, Consultant shall use paper products and printing and writing paper that meets Federal Trade Commission recyclability standards as defined in 16 CFR 260.12.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

DISTRICT

CONSULTANT

By: _____

Isaac Whippy
Its: District Manager

By: _____

Jason Island, PE
Its: SHN Regional Principal

ATTEST:

By: _____

Diana Sanchez
District Clerk

APPROVED AS TO FORM:

By: _____
Baron J. Bettenhausen
District Counsel



5. Scope of Work

Project Understanding

SHN understands that the Fort Bragg Municipal Improvement District (MID) is seeking solutions to wastewater biosolids treatment and disposal to reduce the MID's operating costs and environmental footprint, to convert a waste product into something with value to the local community, and to support the state of California's objective to divert organics from landfills thereby reducing climate change impacts from greenhouse gas generation. SHN shares these values and understands the need for cost-effective engineering solutions to support innovative and sustainable waste management.

It is our understanding that the MID has an existing digested sludge dewatering belt filter press that reduces moisture content producing biosolids with 15%-18% solids content. We understand that the MID would like to implement a drying process to further remove moisture producing a Class A biosolids product with 80%-90% solids content. There are many technologies available that can achieve this goal; however, we also understand the MID has an objective to minimize costs to rate payers and explore technologies that may have co-benefits such as production of biochar, which is known to have climate benefits through the sequestration of carbon from woody biomass.

To assist the MID with meeting these goals, SHN proposes to complete the following tasks in accordance with the request for proposals. The results of each task below will be incorporated into a final project feasibility report.

Task 1. Project Kickoff and Data Collection

Upon initiation of the project, SHN will meet with MID representatives and WWTP operators to review the project objectives, scope of work, and schedule of deliverables. Following the kickoff meeting, SHN will submit a data request to the MID for the following:

- Volume and percent solids of sludge wasted from the MID's aerobic digester
- Volume and percent solids of waste sludge processed by the MID's existing belt filter press
- Volume, percent solids, and weight of biosolids hauled offsite for disposal
- Electrical and natural gas utility rates (\$/kWh and \$/Therm), biosolids dewatering and processing utility usage (kWh/month and Therms/month), and plant-wide utility usage (kWh/month and Therms/month)
- Staff labor hours and hourly rates currently dedicated to biosolids processing and handling
- Typical operating runtime for the existing belt filter press (days per week and hours per day)
- Biosolids disposal contractor rates (\$/ton, \$/load, and/or \$/year)
- Volumes and sources of commercial fats, oils, and grease (FOG) requiring transport, storage, treatment, and disposal

Task 1. Project Kickoff and Data Collection (continued)

Using these data, SHN will characterize the design loading characteristics for evaluation of thermal biosolids drying units. The throughput capacity of the drying unit will need to consider the characteristics of the feed sludge, the desired output characteristics, and desired operational frequency and duration per cycle. Utility and staff labor costs will be used to estimate operating costs for the new drying system and disposal program for comparison to current contracted disposal service fees. And commercial FOG quantities and characteristics will be used to develop costs for treatment and disposal.

Woody biomass can be used as a fuel source to generate heat for the biosolids drying process. Through this process, woody biomass may be burned in a low-oxygen environment to produce biochar, and the waste heat from the process can be utilized to dry the biosolids. Production of biochar from woody biomass burning has added benefits of sequestering carbon which, when applied to soils, reduces the potential for this carbon to enter the atmosphere as a greenhouse gas, reducing potential climate change impacts. Sources of woody biomass will be evaluated which may include MID-owned properties, local green waste processing facilities, and/or local forest product companies.

SHN will estimate the amount of woody biomass needed to produce sufficient heat for biosolids drying considering the characteristics of the woody biomass from various sources (assuming literature values), various methods and technologies used to produce biochar from woody biomass, and regulatory requirements for operating a biochar production process.

Task 2. Biosolids Disposal Outreach

The most critical item to address for this project will be identifying feasible disposal locations or partners. This may include land application at MID-owned properties, private agricultural operations, private forestry operations, public lands, and/or private residential properties for landscaping. The final Class A biosolids product may also be valued by commercial enterprises such as plant nurseries or soil and fertilizer manufacturers.

SHN will meet with MID representatives and assist with developing a list of MID-owned properties, and potential commercial, industrial, agricultural, public, and/or residential customers. SHN will initiate contact with potential partners, provide information on the project and gather information on level of interest and potential for partnerships. The objective of these outreach efforts will be to identify a list of potential end-product users and determine if there is sufficient capacity and interest to dispose of all the MID's biosolids.

If there is not sufficient interest and/or capacity with larger commercial, industrial, and/or public partners, it may be necessary to investigate the potential for a residential distribution program. If a residential distribution program is identified as a necessary component of the disposal program, SHN assumes that further development of this program will occur during a later phase of the project.

Task 3. Regulatory Issues

Once a list of potential disposal sites and/or partners is established, the different regulatory issues surrounding each option will be developed. SHN will review regulations and codes pertinent to biosolids disposal for each disposal option. Regulatory agencies will be identified, and initial agency outreach meetings will be scheduled to gather input and guidance from agencies on permitting pathways, and to identify special studies that will be required.

Through the initial outreach meetings, SHN will identify planning and permitting pathways for the various project alternatives including anticipated timelines and potential challenges or uncertainties that will need to be addressed during the proceeding phases of the project.

The feasibility of disposal alternatives will include consideration of the type of treatment required to meet the minimum requirements for agency approvals. Regulatory requirements for treatment are the minimum standards to obtain agency permits for disposal; however, disposal site owners (if other than the MID) may have additional requirements and objectives which must also be considered as part of this feasibility analysis.

At a minimum, SHN will reach out to the North Coast Regional Water Quality Control Board (RWQCB) regarding land application of biosolids in accordance with the State Water Resources Control Board (SWRCB) Biosolids General Order (2004-12-DWQ), the USEPA Region 9 Biosolids Coordinator regarding compliance with Title 40 CFR Part 503 requirements, and the County of Mendocino regarding any potential offsite facilities that may require County permits or changes to onsite processes requiring County approval. If biosolids application is proposed within the Coastal Zone, the California Coastal Commission will need to be consulted in addition to the RWQCB because the SWRCB General Order is not applicable in the Coastal Zone.

The drying of biosolids can generate volatile compounds which will require consultation with the North Coast Unified Air Quality Management District (NCUAQMD) regarding control of emissions from drying processes. SHN will coordinate with biosolids dryer manufacturers to estimate the quantity of emissions that may be generated by various technologies, and consult with the NCUAQMD regarding potential control, treatment, permitting, and compliance monitoring requirements.

Production of biochar from woody biomass will also generate volatile organic compounds (VOCs) in addition to various waste products from the anoxic burning process. This will also require consultation with the NCUAQMD regarding control, treatment, permitting, and compliance monitoring requirements.

Transport, receiving, storage, and processing of FOG requires permitting through the California Department of Food and Agriculture (CDFA). SHN will consult with CDFA regarding permitting requirements for a FOG handling and processing process at the WWTP.

Task 4. Schematic Design

SHN will meet with MID representatives and WWTP operators to identify potential locations for the new biosolids drying process equipment. SHN will review existing WWTP drawings and develop a conceptual site plan identifying general process flow, locations for new equipment, provide a preliminary equipment layout concept, and identify key process and utility interconnections. The schematic design will include figures incorporated into the feasibility study report.

The equipment required for the drying process is anticipated to include (at a minimum):

- Wet cake feed hopper and conveyor
- Dryer unit
- Dry cake conveyor
- Dry cake storage
- Ventilation and odor control
- VOC capture and destruction

If a biochar production process is selected as the preferred alternative for generating heat required for biosolids drying, the following equipment is anticipated to be included in the schematic design:

- Woody biomass receiving and storage area (SHN assumes woody biomass processing will be the responsibility of others, and that biomass delivered to the WWTP will be in a form appropriate for the biochar burner)
- Biomass burner (biochar gasifier)
- Biochar storage area

SHN assumes that fats, oils, and grease (FOG) from local businesses will be delivered to the site by others, the MID's WWTP operators will provide FOG receiving support, and that onsite FOG storage will be included in this project's scope of work.

- FOG receiving/holding tank(s)
- FOG treatment/separation unit(s)
- Brown grease storage tank(s)
- Batter storage tank(s)
- Separated FOG water return line to headworks

Task 5. Feasibility Study Report

SHN will prepare a feasibility study report incorporating the results of the previous tasks. The report will include the following:

- Basis of design data
- Recommended process equipment technologies and sizing
- Recommended heat fuel type and proposed fuel sourcing
- Proposed site layout and process flow
- Proposed utility and process interconnections
- Estimated utility demands
- Anticipated permitting requirements and additional special studies needed
- Technical issues to be addressed during subsequent phases of the project
- Opinion of probable construction cost (OPCC)
- Estimated annual operation and maintenance (O&M) cost
- Estimated revenue and simple payback period (if any)

The OPCC will include, at a minimum, onsite drying and processing equipment at the WWTP, offsite application equipment and facilities, special studies required to implement and permit the project, one-time regulatory agency permit fees, engineering and construction support fees, and other ancillary soft costs associated with construction of the project. The estimate of O&M costs associated with implementing the proposed project will include, at a minimum, onsite WWTP utility costs, MID staff labor costs, overhead costs, fuel costs for hauling and applying biosolids at disposal sites, equipment maintenance and replacement costs, ongoing permit renewal fees, compliance monitoring and reporting costs, and lease or land use costs (if applicable).

Capital costs will be estimated using equipment quotes from suppliers and applying standard sales tax and contractor markup rates, recent project bids from similar projects, and an engineer's opinion of costs. Soft costs and construction contingency costs will be estimated using standard percentages appropriate for a conceptual level of design.

Capital and O&M costs will be compared with current MID biosolids hauling and disposal costs and the financial feasibility of the project will be summarized indicating if the proposed project will represent a net benefit or a net loss for the MID.

A draft report will be submitted to the MID for review and a review meeting will be hosted by SHN remotely to gather comments, and a final report will be submitted incorporating comments from the MID.



6. Budget and Schedule of Charges

Proposed Budget and Schedule of Charges

SHN will complete the above scope of work for an amount not to exceed \$38,000 without prior authorization. This fee estimate does not include prevailing wage rates. The following table lists SHN staff titles and billing rates that will be dedicated to this project.

Staff Title	Hourly Rate
Project Manager	\$155
Senior Civil Engineer	\$200
Project Engineer	\$160
Staff Engineer	\$105
Drafter	\$140
Administrative Assistant	\$85

Travel reimbursement costs are anticipated to be approximately \$500 including vehicle mileage only.

Job Descriptions

- **Project Manager** – Serves as the point of contact for the MID, communicates progress and challenges with the MID, manages internal staff availability, ensures project deliverable quality assurance, schedules and hosts meetings, manages the project budget and prepares invoices, and ensures that the project objectives are met.
- **Senior Civil Engineer** – Provides quality assurance review and support, attends progress meetings, and participates in project development.
- **Project Engineer** – Evaluates biosolids disposal regulations, appropriate heating and drying treatment technologies, utility needs, and estimate project costs.
- **Staff Engineer** – Assists with selection and sizing of process equipment, review of regulatory requirements, development of project costs, and preparation of the feasibility study report.
- **Drafter** – Review existing WWTP drawings, prepares schematic drawings and figures, identifies process interconnection locations.
- **Administrative Assistant** – Reviews, formats, and publishes final reports; assists with preparation of presentations, and meeting agendas and notes.

7. Work Schedule



Work Schedule

For this project, SHN proposes the following work schedule which assumes a service agreement would be signed following the MID's Board meeting on February 12, 2024.

It should be noted that a major component of this project may involve reaching out to other entities regarding potential disposal sites and that SHN cannot control the responsiveness of these entities. SHN has allotted approximately 3.5 months for this effort to conduct outreach efforts.

If the MID has scheduling requirements that may conflict with the proposed schedule below, SHN can take those into account and adjust the schedule if necessary.

Task	Anticipated Completion Date
Signed Service Agreement	February 12, 2024
Kickoff Meeting	February 23, 2024
Data Collection	March 8, 2024
Disposal Outreach	June 28, 2024
Regulatory Issues	July 26, 2024
Schematic Design	October 4, 2024
Draft Feasibility Report	November 1, 2024
Final Feasibility Report	December 20, 2024

EXHIBIT B
CERTIFICATES OF INSURANCE AND ENDORSEMENTS