



SCOTIA COMMUNITY SERVICES DISTRICT
NOTICE IS HEREBY GIVEN THAT A
SPECIAL MEETING
OF THE BOARD OF DIRECTORS

WILL BE HELD AT: 122
MAIN STREET SCOTIA,
CALIFORNIA

Thursday, June 29, 2017
Special Meeting at 5:30 P.M.

AGENDA

- A. CALL TO ORDER/ ROLL CALL** The Presiding officer will call the meeting to order and call the roll of members to determine the presence of a quorum.
- PLEDGE OF ALLEGIANCE**
- B. SETTING OF AGENDA**
The Board may adopt/ revise the order of the agenda as presented.
- C. PUBLIC COMMENT & WRITTEN COMMUNICATION**
At every *special meeting*, the legislative body shall provide the public with an opportunity to address the body on any item described in the notice before or during consideration of that item. Comments are not generally taken on non-action items such as reports or information. Comments should be limited to three minutes.
- D. PUBLIC HEARING**
1. **Consider adoption of Resolution 2017-9 A Resolution of the Scotia Community Services District Board of Directors to Adopt the Final Budget for FY 2017-2018** p. 3
- E. BUSINESS**
1. **New Business –**
- a. **Consider adoption of Resolution 2017-10: A Resolution of the Scotia Community Services District Board of Directors Establishing the FY 2017-2018 Appropriations Limit** p. 7
- b. **Consider approval of service agreement with SHN Geologists and Engineers** p. 10
2. **Old Business – NONE**
- F. CLOSED SESSION**
1. Call to Order
2. Roll Call
3. Government Code §54956.8 Real Property Negotiations. Agency Negotiators: Stephen C Tyler, Tracy M Boobar, Leslie Marshall & President Rick Walsh. Negotiating Parties: Scotia Community Services District & Town of Scotia Company LLC.
4. Closed Session Discussion
- G. ADJOURN TO OPEN SESSION**
1. Report out of Closed Session

H. ADJOURNMENT

Next Regular Meeting of the SCSD will be July 20, 2017 at 5:30 PM. A Special meeting may be held prior to that.

Notice regarding the Americans with Disabilities Act: The District adheres to the [Americans with Disabilities Act](#). Persons requiring special accommodations or more information about accessibility should contact the District Office. Notice regarding Rights of Appeal: Persons who are dissatisfied with the decisions of the SCSD Board of Directors have the right to have the decision reviewed by a State Court. The District has adopted [Section 1094.6](#) of the [Code of Civil Procedure](#) which generally limits the time within which the decision may be judicially challenged to 90 days.

Scotia Community Services District

Staff Report

DATE: June 29, 2017
TO: Scotia Community Services District Board of Directors
FROM: Steve Tyler, General Manager
SUBJECT: Scotia CSD FY 2017/18 Final Budget

RECOMMENDATION:

The Administrative staff recommends that the Board review and adopt the Final Budget for FY 2017/18.

ACTION:

Adopt the Scotia CSD (SCSD) FY 2017/18 Final Budget.

DISCUSSION:

The Final FY 2017/18 Budget (budget) was developed, by staff, utilizing information contained in the December 2016 SHN Engineers & Geologists (SHN) User Rate and Benefit Assessment Reports. The budget includes personnel services costs for contracted staff services and potential permanent staff for FY 2017/18. The personnel services costs are listed in Expenditures as Admin/Operations/ Maintenance Staff, Account # 350 of the budget.

The Town of Scotia (TOS) will be providing contract services (six to twelve months) for Water/Wastewater Treatment Plant Operations/Maintenance, and construction, plus electrical and general maintenance as needed. Additionally, staff will be developing full and part-time job descriptions and a wage and benefit package in preparation for recruiting and hiring permanent SCSD staff.

The budget also includes 2016/17 Benefit Assessment Fees listed in Revenues, Account # 200 of the budget. These fees were billed by SCSD staff on June 2, 2017. The budget and account numbers are similar to the Final FY 2016/17 Budget that the Board approved on June 16, 2016.

The FY 2017/18 Final Budget is required, by law, to be approved and adopted, by Resolution, prior to June 30, 2017.

FISCAL IMPACT:

Attached SCSD FY 2017/18 Final Budget

RESOLUTION NO. 2017-9

**A RESOLUTION OF THE
SCOTIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS
TO ADOPT THE FINAL BUDGET FOR FISCAL YEAR 2017-2018**

WHEREAS, the Scotia Community Services District (“Scotia CSD”) is organized and operates pursuant to the California Government Code Section 61000, *et seq.*; and

WHEREAS, the Board of Directors of the Scotia Community Services District is required by California Government Code Section 61110(f) to adopt a final budget on or before July 1st of each year; and

WHEREAS, the Final Budget for Fiscal Year 2017-2018 was discussed in two public meetings, public notice was published in a local newspaper and a public hearing was held on June 29, 2017; and

WHEREAS, the Scotia CSD Board of Directors has made the Final Budget for Fiscal Year 2017-2018 available to the public, published notice of a public hearing to consider the Final Budget for FY 2017-2018, public meetings were held on April 20, 2017 and May 18, 2017, and a public hearing on June 29, 2017 to receive comments from interested parties regarding the Final Budget for Fiscal Year 2017-2018; and

WHEREAS, the Final Budget for the Scotia Community Services District for the fiscal year beginning July 1, 2017, as presented by the General Manager, has been reviewed, studied and revised by the Board of Directors and represents a responsible and balanced financial approach for the reliable operation and maintenance of the infrastructure and programs under its jurisdiction; and

WHEREAS, a public notice has been prepared and published stating the time and place within the District that the Final Budget for FY2016-2017 is available for inspection; and

WHEREAS, a public notice was prepared and published stating the date, time and place where the Board of Directors will meet to adopt the Final Budget FY2015-2016 and that any person may appear and be heard regarding any item in the budget; and

WHEREAS, the notice was published 21 days before the hearing in at least one newspaper of general circulation in the District pursuant to Government Code Section 6061.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Scotia Community Services District as follows:

Section 1: The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2: The budget for fiscal year 2017-2018 is hereby adopted as set forth in Exhibit A: “Scotia Community Services District FY 2017-2018 Final Budget” and is attached hereto and incorporated herein.

Section 3: Modifications and amendments to the 2017-2018 Scotia Community Services District Final Budget shall be allowed during the 2017-2018 fiscal year, when in conformance with Board Policies and state law.

Section 4: This resolution shall be effective upon adoption.

Dated: June 29, 2017

Attach: Exhibit A: “Scotia Community Services District FY 2017-2018 Final Budget”

APPROVED:

Rick Walsh, Board President, Scotia CSD

ATTEST:

Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-9, passed and adopted at a special meeting of the Scotia Community Services District Board of Directors, County of Humboldt, State of California, held on the 29th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Board Clerk, Scotia CSD

**Scotia Community Services District
Fiscal Year 2017-2018 Operating Budget**

Revenues

Fund Type	Account #	Treated Water	Raw Water	Wastewater	Streets & Street Lighting	Storm Drainage	Parks & Recreation	Total All Services
2016-2017 Benefit Assessment Fees	200	\$ -	\$ -	\$ -	\$ 72,359	\$ 25,347	\$ 144,713	\$ 242,419
Interest Earnings	210	\$ 600	\$ -	\$ 600	\$ 100	\$ -	\$ 100	\$ 1,400
Property Tax ¹	220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contingency Fund Contribution	230	\$ 56,700	\$ 2,700	\$ 59,400	\$ 6,750	\$ 2,700	\$ 6,750	\$ 135,000
Office Equipment/Furniture Capital Contribution	240	\$ 6,500	\$ 500	\$ 6,000	\$ 3,000	\$ 3,000	\$ 1,000	\$ 20,000
SCSD Facilities Purchase/Loan	250	\$ 113,400	\$ 5,400	\$ 118,800	\$ 13,500	\$ 5,400	\$ 13,500	\$ 270,000
Special Use Income	260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ 500
2017/2018 User Fee Revenues	270	\$ 444,768	\$ 35,130	\$ 614,961	\$ -	\$ -	\$ -	\$ 1,094,859
2017/2018 SCSD User Fee Revenues	271	\$ 8,682	\$ -	\$ 4,569	\$ -	\$ -	\$ -	\$ 13,251
2017/2018 Benefit Assessment Revenues	280	\$ -	\$ -	\$ -	\$ 62,725	\$ 26,190	\$ 143,025	\$ 231,940
2017/2018 SCSD Benefit Assessment Revenues	281	\$ -	\$ -	\$ -	\$ 5,778	\$ 424	\$ 7,196	\$ 13,398
Miscellaneous	290	\$ 100	\$ -	\$ 100	\$ 100	\$ 100	\$ -	\$ 400
TOTAL REVENUES		\$ 630,750	\$ 43,730	\$ 804,430	\$ 164,312	\$ 63,161	\$ 316,784	\$ 2,023,167

Expenditures

		Treated Water	Raw Water	Wastewater	Streets & Street Lighting	Storm	Parks & Recreation	Total All Services
Personnel Services								
Attorney	300	\$ 12,600	\$ 600	\$ 13,200	\$ 1,500	\$ 600	\$ 1,500	\$ 30,000
Auditor (Annual Audit)	310	\$ 5,040	\$ 240	\$ 5,280	\$ 600	\$ 240	\$ 600	\$ 12,000
Board Stipend	320	\$ 2,520	\$ 120	\$ 2,640	\$ 300	\$ 120	\$ 300	\$ 6,000
Bookkeeping/CPA Consultant	330	\$ 12,600	\$ 600	\$ 13,200	\$ 1,500	\$ 600	\$ 1,500	\$ 30,000
IT Services	335	\$ 6,300	\$ 300	\$ 6,600	\$ 750	\$ 300	\$ 750	\$ 15,000
Engineering	340	\$ 5,400	\$ 1,200	\$ 6,600	\$ -	\$ -	\$ -	\$ 12,000
Admin/Operations/Maintenance Staff	350	\$ 164,000	\$ 7,480	\$ 171,480	\$ 19,100	\$ 5,400	\$ 57,400	\$ 422,280
TOTAL PERSONNEL SERVICES		\$ 208,460	\$ 10,540	\$ 215,220	\$ 23,750	\$ 7,260	\$ 62,050	\$ 527,280
Materials and Services								
Bond, Dues, Publications	400	\$ 2,000	\$ 500	\$ 2,500	\$ 200	\$ 200	\$ 100	\$ 5,500
General Supplies, Lab, Permitting & Monitoring	410	\$ 14,000	\$ 500	\$ 14,500	\$ 500	\$ 2,000	\$ 4,500	\$ 76,500
Utilities- water, sewer, Assess., communications	420	\$ 2,200	\$ 500	\$ 2,700	\$ 4,000	\$ 2,500	\$ 4,800	\$ 18,800
General Maintenance & Repair	430	\$ 14,000	\$ 1,000	\$ 15,000	\$ 6,000	\$ 1,000	\$ 5,000	\$ 37,000
Liability Insurance	440	\$ 15,000	\$ 5,000	\$ 20,000	\$ 5,000	\$ 500	\$ 1,000	\$ 56,500
Electrical	450	\$ 19,000	\$ 14,000	\$ 33,000	\$ 4,500	\$ -	\$ 1,000	\$ 63,500
Contracted Maintenance Services	460	\$ 9,000	\$ 1,000	\$ 10,000	\$ 1,000	\$ -	\$ 1,000	\$ 19,500
TOTAL MATERIALS AND SERVICES		\$ 75,200	\$ 22,500	\$ 134,800	\$ 21,200	\$ 6,200	\$ 17,400	\$ 277,300
TOTAL O&M		\$ 283,660	\$ 33,040	\$ 350,020	\$ 44,950	\$ 13,460	\$ 79,450	\$ 804,580
Other Expenditures								
Annual Debt Service on Capital Improvement Loans	500	\$ 7,770	\$ 370	\$ 8,140	\$ 925	\$ 370	\$ 925	\$ 18,500
Transfer to Capital Reserve Fund	510	\$ 151,150	\$ -	\$ 151,150	\$ 14,550	\$ 11,760	\$ 58,050	\$ 461,710
Transfer to Equipment Replacement Reserve Fund	520	\$ 12,920	\$ 2,020	\$ 14,940	\$ 3,000	\$ 750	\$ 3,750	\$ 57,560
2017/2018 SCSD User Fee Expenditures	530	\$ 8,682	\$ -	\$ 8,682	\$ -	\$ -	\$ -	\$ 13,251
2017/2018 SCSD Benefit Assessment Expenditures	540	\$ -	\$ -	\$ -	\$ 5,778	\$ 424	\$ 7,196	\$ 13,398
TOTAL OTHER EXPENDITURES		\$ 180,522	\$ 2,390	\$ 274,029	\$ 24,253	\$ 13,304	\$ 69,921	\$ 564,419
Capital Outlay								
Office Equipment/furnishings Start-up	600	\$ 6,500	\$ 500	\$ 7,000	\$ 3,000	\$ 3,000	\$ 1,000	\$ 20,000
SCSD Office Building	610	\$ 113,400	\$ 5,400	\$ 118,800	\$ 13,500	\$ 5,400	\$ 13,500	\$ 270,000
TOTAL CAPITAL EXPENDITURES		\$ 119,900	\$ 5,900	\$ 124,800	\$ 16,500	\$ 8,400	\$ 14,500	\$ 290,000
TOTAL EXPENDITURES		\$ 584,082	\$ 41,330	\$ 748,849	\$ 85,703	\$ 35,164	\$ 163,871	\$ 1,658,999
Unexpended Fund Balance		\$ 46,668	\$ 2,400	\$ 55,581	\$ 78,609	\$ 27,997	\$ 152,913	\$ 364,168
EXPENDITURES + UFB		\$ 630,750	\$ 43,730	\$ 804,430	\$ 164,312	\$ 63,161	\$ 316,784	\$ 2,023,167

(Recommended Operating Contingency)

(operating contingency is recommended to be set at 2-months operating costs, or approx. 16% of O&M Costs)

Scotia Community Services District Staff Report

DATE: June 29, 2017
TO: Scotia CSD Board of Directors
FROM: Tracy M. Boobar
SUBJECT: Resolution 2017-10: A Resolution of the Scotia Community Services District Board of Directors Establishing the Fiscal Year 2017-2018 Appropriations Limit

RECOMMENDATION:

Recommend establishing the appropriations limit for FY 2017-18 at \$2,5000,00 by adopting Resolution No. 2017-10.

ACTION:

The Board should make a motion to adopt the Resolution of the Scotia Community Services District Board of Directors Establishing the Fiscal Year 2017-2018 Appropriations Limit.

DISCUSSION:

California Government Code §61113 requires the District to adopt a resolution establishing its appropriations limit, if any, and make necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution, on or before July 1 of each year.

Appropriations limits were created by Proposition 4 in 1979. The state appropriations limit (SAL) puts an upper boundary each year on the amount of monies that an agency can spend from tax proceeds. SAL increases each year based on population and a cost of living factor. SAL is also sometimes referred to as a “Gann Limit” so named after one of the original authors. This may give an upper limit to our use of tax proceeds.

To meet our statutory obligation, the SAL or Gann Limit should be set for Fiscal Year 2017-2018 at \$2,500,000, by approving Resolution 2017-10.

FISCAL IMPACT: See Resolution.

RESOLUTION NO. 2017-10

**A RESOLUTION OF THE SCOTIA COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS
ESTABLISHING THE FISCAL YEAR 2017-2018 APPROPRIATIONS LIMIT**

WHEREAS, the Scotia Community Services District (“Scotia CSD”) is organized and operates pursuant to the California Government Code Section 61000, *et seq.*; and

WHEREAS, the Board of Directors of the Scotia Community Services District is required by California Government Code Section 61113 to adopt a resolution establishing its appropriations limit, if any, and make necessary determinations for the following fiscal year pursuant to Article XIII B of the California Constitution, on or before July 1 of each year; and

WHEREAS, Government Code Section 7910 provides that each year the governing body of each local jurisdiction shall, by resolution, establish its appropriations limit for the following fiscal year pursuant to Article XIII B at regularly scheduled meeting or a noticed special meeting and that fifteen days prior to such meeting, documentation used to determine the appropriations limit shall be made available to the public; and

WHEREAS, the Scotia CSD Board of Directors wishes to establish the appropriations limit for the forthcoming fiscal year for the Scotia Community Services District.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Scotia Community Services District as follows:

Section 1: The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

Section 2: As required by Government Code §61113, the tax appropriations limit for the Scotia CSD fiscal year 2017-2018 shall be \$2,500,000.

Section 3: It is hereby found and determined that the documentation used to establish the District’s appropriations limit for the Fiscal Year was available to the public in the Office of the District at least fifteen days prior to this date.

Section 4: This resolution shall be effective upon adoption.

Dated: June 15, 2017

APPROVED:

Rick Walsh, Board President, Scotia CSD

ATTEST:

Board Clerk, Scotia CSD

CLERK'S CERTIFICATE

I hereby certify that the foregoing is a true and correct copy of Resolution No. 2017-10, passed and adopted at a special meeting of the Scotia Community Service District Board of Directors, County of Humboldt, State of California, held on the 29th day of June, 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Board Clerk, Scotia CSD

Scotia Community Services District

Staff Report

DATE: June 29, 2017

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, General Manager

SUBJECT: SHN Consulting Engineers & Geologists Inc. (SHN), Services Agreement, with Scotia Community Services District (SCSD), for Fiscal Year 2017/2018

RECOMMENDATION:

The Administrative staff recommends that the SCSD Board consider authorizing the General Manager to sign the SHN Services Agreement, for fiscal year 2017/2018.

ACTION:

Authorize the General Manager to sign the attached SHN Services Agreement (Agreement).

DISCUSSION:

The SHN Agreement includes a Scope of Services for the following two (2) services;

Task 1- National Pollutant Discharge Elimination System (NPDES) compliance assistance.

Task 2- Lead and Asbestos testing of historical logging equipment, located next to the Museum.

Task 1 is needed for the SCSD contract staff to meet the State Water Resources Control Board (State) NPDES Permit compliance, specific to monthly, quarterly and annual monitoring, sampling and reporting requirements.

Task 2 is needed to determine the amount and concentration of any Lead (paint) or Asbestos (material) that may be present on *or* in the historical logging equipment.

FISCAL IMPACT:

NPDES Compliance.....\$12,000

Lead and Asbestos testing.....\$ 2,500

Total.....\$14,500

Service Agreement

This Agreement is made this ____ day of _____ 2017, between Scotia Community Services District, subsequently referred to as "CLIENT," and SHN Consulting Engineers & Geologists, Inc., 812 W. Wabash Avenue, Eureka, California, a California Corporation, subsequently referred to as "SHN." SHN's professional work is conducted by or under the direction of licensed engineers and geologists. The work under this contract will be under the direction of Mike Foget, PE California Registered Professional Engineer, Civil #C 054123, located at SHN Consulting Engineers & Geologists, Inc., 812 W. Wabash Avenue, Eureka, California 95501-2138. SHN may assign another appropriately licensed person to direct such work by providing reasonable notice of such to CLIENT.

1. Project

- A. By joining in this Agreement, CLIENT retains SHN to provide consulting services for compliance of that property defined by the Scotia Community Services District, located in Scotia, California, and subsequently referred to as "Project."
- B. CLIENT is aware that work on Project has begun in good faith, and that remaining work will follow execution of this Agreement by both CLIENT and SHN. CLIENT's request to begin work prior to execution of this Agreement constitutes CLIENT's acceptance of this Agreement and all of its provisions with respect to work performed both prior to and after execution of this Agreement, unless such work was performed pursuant to separate written agreement or as otherwise expressly set forth to the contrary herein.

2. Scope of Services

- A. By this Agreement, the scope of SHN's services is limited to:
 - (i) National Pollutant Discharge Elimination System (NPDES) compliance assistance
 - (ii) Lead and asbestos testing of historical logging equipment in the vicinity of the museum
- B. SHN will not be responsible for any services not specifically listed under 2(A) above, including but not limited to:
 - (i) Permit fees
 - (ii) Analytical fees
 - (iii) Preparation of the annual report
- C. Except as expressly provided for in Sections 3(C) and 5(B) hereof, there will be no addition or deletion to the scope of services, schedule for performance, or the fees charged for such services without the written consent of both parties. Such written consent addressing the scope of services, schedule for performance, and fees charged for such services shall be required prior to any additional work being provided except as otherwise provided for in Sections 3(C) and 5(B) hereof.

3. Work Schedule

- A. SHN will perform the services described in the scope of services, in conformance with the following schedule:
 - (i) Monthly

- (ii) Lead and asbestos sampling will occur within two (2) calendar weeks of receiving CLIENT's authorization to proceed.
- B. Reasonable schedule extensions will be allowed for any delay that is beyond the control of SHN. Matters beyond the control of SHN that may give rise to schedule extensions include, but are not limited to inclement weather, unanticipated Project conditions, delays in obtaining necessary third party approvals regarding the Project, illness or death of key Project personnel, and delays caused by third parties working on the Project. In the event of delay allowed for herein, the parties agree to work together in good faith to make appropriate modifications to the schedule described in Section 3(A) above. SHN shall not be liable for damages arising out of any such delay and shall not be deemed to be in breach of this agreement as a result thereof.
- C. In the event there is a change to the scope of services that is agreed to in writing by the parties, but the parties fail to agree upon a change to the above described schedule for performance of the services, a reasonable extension to the schedule will be allowed to accommodate the change to the scope of services.

4. General Conditions

The following general conditions are incorporated into and made part of this Agreement:

- A. SHN is an independent contractor and will maintain complete control of and responsibility for its employees, subconsultants, subcontractors, and agents.
- B. CLIENT will provide SHN with all available information concerning this Project, including electronic copies, as necessary. SHN shall be entitled to rely, without liability, on the accuracy and completeness of any and all information and services provided by CLIENT, CLIENT's consultants and contractors, and information from public records, without the need for independent verification.
- C. In order to complete the work, CLIENT will provide the right of entry for SHN and subcontractor personnel.
- D. While SHN will take all reasonable precautions to minimize any damage to the property, it is understood by CLIENT that in the normal course of work some damage may occur, the correction of which is not part of this Agreement unless otherwise noted. In the execution of work, SHN will take all reasonable precautions to avoid damage to surface and subsurface structures and/or utilities. CLIENT agrees to hold SHN harmless for any damages to subsurface structures and/or utilities that are not called to SHN's attention and are not currently shown on the plans furnished or otherwise identified by CLIENT.
In the course of performing the Scope of Services as outlined in this Agreement, previously unknown or unidentified hazardous materials or substances may be encountered. In such event, SHN will not be considered the Owner, in control of, or responsible for said materials. SHN's sole responsibility will be to notify CLIENT of said hazardous materials and possible courses of action for CLIENT to pursue. All work on the Scope of Services outlined in this Agreement will cease until hazardous conditions have been resolved. Any additional work with regard to the hazardous material mitigation measures will be subject to negotiation of a new Agreement. CLIENT agrees to indemnify, defend, and hold SHN, its agents, employees, officers, directors, and independent contractors harmless from any liability relating to or arising from the breach of CLIENT's duties hereunder.

In addition, if cross-contamination of aquifers or other hydrous bodies were to occur, in connection with the Scope of Services provided hereunder, CLIENT waives

any and all claims against SHN and agrees to defend, indemnify, and hold SHN harmless from any claim or liability for injury or loss that may arise as a result of alleged cross-contamination. CLIENT further agrees to compensate SHN for any time spent or expenses incurred by SHN in defense of any such claim, in accordance with SHN's prevailing fee schedule and expense reimbursement policy.

- E. SHN will take reasonable precautions to safeguard its own employees. Except as otherwise expressly agreed to in writing by SHN, SHN will have no responsibility for any Project safety program or the safety of any entity or person other than SHN and its employees.
- F. Services performed by SHN under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily expected by members of the profession currently practicing in the same locality, under similar conditions. SHN will comply with applicable laws, rules, and regulations.
- G. No representation, express or implied, of warranty or guarantee is included or intended in this Agreement or in any report, opinion, document, or otherwise.
- H. CLIENT recognizes that subsurface conditions at various locations on the Project property may vary from those encountered at the location where borings, surveys, or explorations are made by SHN.
- I. The data, interpretations, and recommendations of SHN are based solely on the information available to SHN. SHN will be responsible for its data, interpretations, and recommendations, but will not be responsible for interpretations of the developed information made by others.
- J. Unless express provisions to the contrary are provided herein, SHN shall retain ownership and all copyrights to any plans, specifications, reports, and any other documents it creates for CLIENT, its agents, or assigns. Upon payment to SHN as set forth herein, CLIENT is merely granted a license to use such documents for the Project described herein.
- K. In such a case where CLIENT requests that SHN provide machine-readable information and data regarding PROJECT to CLIENT or CLIENT's authorized agent, SHN shall not be liable for claims, liabilities, or losses arising out of or in connection with:
 - (i) the modifications or misuse by CLIENT or third parties, of such electronic data;
 - (ii) decline of accuracy of readability of electronic data due to inappropriate storage conditions or duration; or
 - (iii) any use by CLIENT or third parties of such electronic data, for additions to this project, for the completion of this project by others for generation of record drawings, or for any other project by SHN.

Drawings shall not be interpreted as being true scale documents of the proposed work. CLIENT, by acceptance of such electronic data, agrees to indemnify SHN for damages and liability resulting from the modification, use, or misuse of such electronic data, as described above.

- L. Neither CLIENT nor SHN may delegate, assign, or transfer their duties or interest in this Agreement without the written consent of the other party except as expressly allowed for herein. SHN may use third parties it engages to perform the services

provided hereunder, and SHN may assign the right to collect any amounts due for work performed pursuant to this Agreement to third parties, without the consent of CLIENT having first been obtained.

- M. CLIENT shall review and approve SHN-prepared project documents conforming to the Scope of Services at each phase of the Project.
- N. Any opinion of the capital, construction, or operating costs of the facilities or operations related to the Scope of Services and prepared by SHN, represents SHN's judgment as a professional and is supplied for the general guidance of CLIENT.
- O. Because SHN has no control over the cost of labor, material, or equipment, or over the competitive bidding or market conditions, SHN does not guarantee the accuracy of such opinions as compared to contractor bids or actual costs to CLIENT.
- P. If SHN assists CLIENT in the process of selecting other consultants, contractors, or services, CLIENT shall perform its own due diligence in making a final decision. SHN makes no warranty or guarantee on the performance of the selected consultant, contractor, or service.
- Q. If CLIENT proposes and goes forward with an objectionable project decision or feature, construction activity, or operational procedure, SHN shall notify CLIENT of its objection and the reasons for the objection. If CLIENT moves forward with the objectionable action, SHN shall be held harmless from liability and negative results related to the action.
- R. SHN and CLIENT agree that any dispute arising under this Agreement and the performance thereof with an amount in controversy exceeding \$10,000.00 shall be subject to non-binding mediation as a prerequisite to further legal proceedings. The cost of such mediation shall be borne equally by the parties. Any party making a demand for mediation shall do so in writing to the other party, and such demand shall suggest not less than five (5) licensed attorneys with offices located within Humboldt County, California, as disinterested mediators to assist with resolution of the dispute. The parties shall cooperate to arrange mediation with a mediator from such list selected by the non-demanding party to be conducted not less than 60 days after the demand having been made. Failure by a party to cooperate with the foregoing shall enable the other party to proceed to further legal proceedings without completing mediation and the party so failing shall be liable for any damages caused by such. Any pertinent statute of limitations shall be tolled pending the conduct of the above described mediation process. This Agreement shall be governed by the laws of the State of California, and any litigation or other legal proceedings shall be conducted in the Superior Court of California. The parties agree that this Agreement was negotiated and executed in Humboldt County, California, and as such, agree that the proper venue for adjudication of any disputes arising hereunder shall be the Superior Court of California located in Humboldt County, California. SHN and CLIENT waive any right to a trial by jury.
- S. To the fullest extent permitted by law, the total liability, in the aggregate, of SHN and its agents and subconsultants, to CLIENT, and anyone claiming by, through, or under CLIENT, and to any third parties granted reliance, for any claims, losses, costs, or damages whatsoever arising out of, resulting from, or relating to the Project shall not exceed the total compensation received by SHN. CLIENT may negotiate a higher limitation of liability for an additional fee, which is necessary to compensate for the greater risk assumed by SHN.

To the extent damages are covered by insurance of CLIENT, CLIENT waives all rights against the contractors, consultants, agents, and employees of SHN for damages, except such rights as CLIENT may have to the proceeds of such insurance. CLIENT shall require its contractors, subcontractors, consultants, subconsultants, agents, and such parties' employees to execute similar waivers in a form and substance that is acceptable to SHN, in its reasonable discretion. SHN may further require any insurer capable of providing coverage described herein to expressly waive subrogation of claims against SHN, but failure of any such insurer to expressly waive subrogation shall in no way create a right of subrogation inconsistent with the terms hereof.

- T. SHN and CLIENT waive all consequential damages and any similar damages in tort, including, but not limited to, damages for loss of use, profits, revenue, business opportunity, or production, for claims, disputes, or other matters arising out of or relating to this Agreement, regardless of whether such claim or dispute is based upon breach of contract, or the negligent act, or omission of SHN or its employees, agents, subconsultants, or other legal theory. This mutual waiver shall survive termination or completion of this Agreement.
- U. Unless noted otherwise in Section 5 of this Agreement, CLIENT warrants and represents all work to be performed by SHN pursuant to this Agreement is not subject to State or Federal prevailing wages. If it is subsequently determined that work performed is subject to prevailing wages, CLIENT shall compensate SHN 1.3 times the difference between actual wage paid and prevailing rate required, plus any penalties. CLIENT shall also indemnify, defend, and hold SHN harmless for any other liabilities arising from or related to the breach of CLIENT's representation and warranty regarding prevailing wages.
- V. This Agreement shall be terminated as follows:
 - (i) Upon completion of the Scope of Services and receipt of all compensation due to SHN; or
 - (ii) Upon receipt by either party from the other of ten (10) days' written notice of termination. In such event, SHN shall be compensated for all service performed prior to the termination notice date plus reasonable termination expenses, including the cost of completing analysis, records, and reports necessary to document job status at the time of termination.

5. Fee

- A. SHN will be compensated for these services on a time and expenses basis. Fees are estimated as follows:

NPDES Compliance.....	\$12,000
Lead and Asbestos Sampling	\$ 2,500
Estimated Total.....	\$14,500

Fees DO NOT include Prevailing Wage Rates.

Because the SCSD is a client in good standing, no retainer is required for Project.

- B. If Project requirements indicate that the scope of services covered by this Agreement should be revised, an additional Service Agreement or a written addendum to this Agreement will be entered into to cover the revised scope and fee. In the event a change to the scope of services is agreed to in writing as provided for herein, but the parties fail to agree in writing to a revised method or figure for fees concerning the

changed scope of services, the fees for the changed scope of services shall be determined on the basis of time and expense in accordance with SHN's current schedule of fees.

SHN will submit monthly progress invoices to CLIENT and the final bill upon completion of the services. CLIENT shall notify SHN within two (2) weeks of receipt of invoice of any dispute with the invoice. CLIENT and SHN will act in good faith to resolve any disputed items promptly. Payment on invoice amounts is due upon receipt of invoice by CLIENT and is past due fifteen (15) days from the date of the invoice. Thereafter, SHN will charge, and CLIENT agrees to pay, a finance charge of 1.5% per month on the outstanding balance. At SHN's discretion, this Agreement may be terminated without penalty or liability to SHN for CLIENT failure to make timely payment for outstanding invoices. The retainer will be held until Project completion, and will be applied to the final invoice.

In Witness Whereof, the parties have executed this Agreement the day and year first set forth.

SHN Consulting Engineers & Geologists, Inc.
Address: 812 W. Wabash Ave.
Eureka, CA 95501-2138

CLIENT: Scotia Community Services District
Address: PO Box 245
Scotia, CA , 95565

By: Mike Foget

By: _____

Title: Civil Principal

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

License #: 054123

