



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

WILL BE HELD AT:
122 MAIN STREET
SCOTIA, CALIFORNIA

Thursday, October 19, 2017
Regular 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. **CONSENT CALENDAR**
1. **Approval of Minutes from Previous Meetings** p. 3
- September 21, 2017
2. **Approval of September 1, 2017 – September 30, 2017 Check Register** p. 6
- D. **PUBLIC COMMENT & WRITTEN COMMUNICATION**
Regularly scheduled meetings provide an opportunity for members of the public to directly address the SCSD Board Members on any action item that has been described in the agenda for the meeting, before or during consideration of that item, or on matters not identified on the agenda within the Board jurisdiction. Comments are not generally taken on non-action items such as reports or information. Comments should be limited to three minutes.
- E. **PUBLIC HEARING – NONE**
- F. **BUSINESS**
1. **New Business –**
- a. **Addendum No. 2, WWTP Project, SHN Service Agreement.** p. 10
- b. **Addendum No. 3, RWCS Project, SHN Service Agreement.** p. 14
- c. **Consider Adopting Resolution 2017-12 Amending Personnel Policies and Procedures of the Scotia Community Services District.**
- d. **Consider Approval of Biosolids Disposal Agreement with the City of Ferndale.** p. 17
2. **Old Business –**
- G. **REPORTS**
No specific action is required on these items, but the Board may briefly discuss any particular item raised.
1. **President's Report:**
2. **Board Director Reports:**
3. **Interim Manager's Report:**

AGENDA FOR MEETING OF THE SCSD BOARD OF
DIRECTORS

October 19, 2017

POSTED at 5:00 PM October 12, 2017

- 4. Special Counsel's Report:**
- 5. Engineer's Report:**
- 6. Fire Chief's Status Report:**
- 7. Board Clerk Report:**

H. ADJOURNMENT

Next Regular Meeting of the SCSD will be November 16, 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.

Minutes of the REGULAR Board Meeting for the
Scotia Community Services District
Thursday, September 21, 2017 at 5:30 P.M.

A. CALL TO ORDER/ ROLL CALL/ PLEDGE OF ALLEGIANCE

The regular meeting of the Board of Directors of the Scotia Community Services District convened at 5:30 pm with the following directors in attendance:

Diane Bristol	Director - present
Gayle McKnight	Director – present
Paul Newmaker	Director – present
Susan Pryor	Director – present
Rick Walsh	President – present

Staff: S. Tyler, L. Marshall

B. SETTING OF AGENDA

No changes

C. CONSENT CALENDAR

1. Approval of Minutes from Previous Meetings

August 17, 2017

2. Approval of August 1, 2017 – August 31, 2017 Check Register

Motion: Motion to approve the consent calendar.

Motion: Pryor **Second:** Newmaker

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh

Opposed – 0

Absent - 0 Abstain - 0

D. PUBLIC COMMENT & WRITTEN COMMUNICATION

No Public Comment.

E. PUBLIC HEARING – NONE

F. BUSINESS

1. New Business –

a. Raw Water River Motors/Pumps Control System

Introduced by GM Steve Tyler. PG&E bills have been staggering. Staff is working with Portland Engineering and SHN for Raw water pump controls to pump during off-peak hours (9:30pm – 8:30am) only if possible. Part of this work is what would have been done during the corridor project. More project details and costs to come.

b. Consider amending Resolution 2017-11: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2017-2018 Fee Schedule

Board reviewed the water hauler agreement and new fee schedule language, and amended the attachments to Resolution 2017-11.

Motion: Motion to amend Resolution 2017-11: A Resolution of the Board of Directors of the Scotia Community Services District to Adopt FY 2017-2018 Fee Schedule

Motion: Bristol **Second:** McKnight

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Pryor, Walsh

Opposed – 0

Absent - 0 Abstain - 0

2. Old Business –

a. Heisler Engine #9 and associated equipment: Options Discussion

General Manager Steve Tyler and SHN Engineer Gregory Hufford introduced costs associated with retaining the logging equipment in the Museum park. Because of presence of asbestos and lead paint, the District would need to remediate the equipment (incurring both up-front and annual remediation costs) and fence it off permanently; or consider putting the equipment up for a sealed-bid auction. Complete remediation would potentially cost upwards of \$100,000.00, an unforeseen amount that the District has not budgeted for at this time. The Friends of Mt. Tamalpais have expressed interest previously in the equipment, and reminded the Board of their interest at this meeting. Humboldt Redwood Company has also recently expressed interest in the equipment for a historic logging exhibit of their own. G. Hufford suggested the possibility for HRC to pay for remediation and leave the equipment at its present location (costs to transport are expensive). The board requested assurance that any funds acquired from a sealed bid process would go directly back toward that Museum park area.

Motion: Motion to direct staff to take the historic logging equipment to a publicly noticed sealed bid auction.

Motion: Walsh

Second: McKnight

Motion Vote: Ayes - Bristol, McKnight, Newmaker, Walsh

Opposed – 0

Absent - 0

Abstain - Pryor

D. REPORTS

No specific action is required on these items, but the Board may briefly discuss any particular item raised.

1. President's Report: None.

2. Board Director Reports: HRC Christmas Tree Update: HRC is working with TOS and PG&E for power at the site.

3. General Manager's Report: DHHS Inspection went well, some labeling issues were pointed out and are being fixed; DWR Log Pond Dam Weir Inspection scheduled for October; Wastewater Treatment Plant fence complete, signage to follow; Daycare building and vacant lot appraisal tentatively scheduled for the third week in October; news: 9 garages by the polishing ponds belong to the SCSD.

4. Special Counsel's Report: None.

5. Engineer's Report: None.

6. Fire Chief's Status Report: None.

7. Board Clerk Report: None.

H. ADJOURNMENT

Meeting adjourned at 6:34 pm by Board President Rick Walsh.

These minutes were approved by the Board of Directors of the Scotia Community Services District on October 19, 2017 at its duly-noticed regular meeting in Scotia, CA.

APPROVED:

Rick Walsh, President
Board of Directors
Scotia Community Services District

Date

ATTEST:

Leslie Marshall, Board Clerk
Scotia Community Services District

Date

3:17 PM

10/12/17

Cash Basis

Scotia Community Services District

Account QuickReport

As of September 30, 2017

Type	Date	Num	Name	Memo	Original Amount	Paid Amount	Balance
10000 · RCB Checking 8239							306,480.91
Check	09/01/2017	POS	Walmart	Stack-on safe for office	-409.70	-409.70	306,071.21
Bill Pmt -Check	09/05/2017	50015	Sequoia Personnel	T. Cannon PPE 08/27/17	-263.50	-263.50	305,807.71
Bill Pmt -Check	09/07/2017	50019	PG&E		-23,891.12	-23,891.12	281,916.59
Deposit	09/12/2017			Deposit - HRC only	48,001.06	48,001.06	329,917.65
Bill Pmt -Check	09/19/2017	50020	Eel River Disposal	Additionally insured cert	-8.10	-8.10	329,909.55
Bill Pmt -Check	09/19/2017	50021	Halls Sheetmetal & Weld...	Fabricate T-handle pipe	-100.00	-100.00	329,809.55
Bill Pmt -Check	09/19/2017	50022	PG&E	VOID: TOS 6th St. Streetlight p...	0.00	0.00	329,809.55
Bill Pmt -Check	09/19/2017	50023	Redi-Rents	Excavator/man digging	-2,575.30	-2,575.30	327,234.25
Bill Pmt -Check	09/19/2017	50024	Sequoia Personnel		-527.00	-527.00	326,707.25
Bill Pmt -Check	09/19/2017	50025	Sierra Chemical Co.	Chlorine supplies	-1,543.10	-1,543.10	325,164.15
Bill Pmt -Check	09/19/2017	50026	Steves Septic		-825.00	-825.00	324,339.15
Bill Pmt -Check	09/19/2017	50027	USA Blue Book	Lamp Assembly for 1720 D&E	-155.12	-155.12	324,184.03
Bill Pmt -Check	09/19/2017	1032	Windy Point Fence	VOID: Amount changed, see re...	0.00	0.00	324,184.03
Bill Pmt -Check	09/21/2017	50029	Windy Point Fence	Fencing/gates around WTP	-11,552.76	-11,552.76	312,631.27
Deposit	09/21/2017			Deposit	3,143.09	3,143.09	315,774.36
Bill Pmt -Check	09/21/2017	50030	Nancy Diamond		-1,534.50	-1,534.50	314,239.86
Bill Pmt -Check	09/21/2017	50031	Planwest Partners		-11,256.15	-11,256.15	302,983.71
Deposit	09/26/2017			Deposit	11,525.10	11,525.10	314,508.81
Bill Pmt -Check	09/28/2017	50032	AT&T		-204.91	-204.91	314,303.90
Bill Pmt -Check	09/28/2017	50033	Eureka Oxygen		-14.00	-14.00	314,289.90
Bill Pmt -Check	09/28/2017	50034	Johnson's Mobile Home ...		-163.53	-163.53	314,126.37
Bill Pmt -Check	09/28/2017	50035	JWC Environmental		-2,412.30	-2,412.30	311,714.07
Bill Pmt -Check	09/28/2017	50036	Nancy Diamond		-577.50	-577.50	311,136.57
Bill Pmt -Check	09/28/2017	50037	North Coast Laboratories		-2,275.00	-2,275.00	308,861.57
Bill Pmt -Check	09/28/2017	50038	Precision Intermedia	Monthly web hosting	-30.00	-30.00	308,831.57
Bill Pmt -Check	09/28/2017	50039	Sequoia Personnel		-532.25	-532.25	308,299.32
Total 10000 · RCB Checking 8239						1,818.41	308,299.32
TOTAL						1,818.41	308,299.32

3:53 PM

10/12/17

Accrual Basis

Scotia Community Services District

Account QuickReport

As of September 30, 2017

Type	Date	Num	Name	Memo	Amount	Balance
12000 · RCB Savings 0367						50,012.12
Deposit	09/30/2017			Interest	4.11	50,016.23
Total 12000 · RCB Savings 0367					4.11	50,016.23
TOTAL					4.11	50,016.23

3:52 PM

10/12/17

Accrual Basis

Scotia Community Services District

Account QuickReport

As of September 30, 2017

Type	Date	Num	Name	Memo	Amount	Balance
11000 · RCB CD 0929						50,031.17
Deposit	09/30/2017			Monthly Interest	10.62	50,041.79
Total 11000 · RCB CD 0929					10.62	50,041.79
TOTAL					10.62	50,041.79

3:55 PM

10/12/17

Accrual Basis

Scotia Community Services District

Account QuickReport

As of September 30, 2017

Type	Date	Num	Name	Memo	Amount	Balance
12100 · RCB Cust Deposit Savings 0797						600.01
Deposit	09/21/2017			409 Church St.	100.00	700.01
Deposit	09/21/2017			219 Mill St.	100.00	800.01
Check	09/30/2017			Service Charge	-10.00	790.01
Deposit	09/30/2017			Interest	0.03	790.04
Total 12100 · RCB Cust Deposit Savings 0797					190.03	790.04
TOTAL					190.03	790.04

Scotia Community Services District

Staff Report

DATE: October 19, 2017

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, General Manager; Leslie Marshall, Asst. General Manager

SUBJECT: SHN Consulting Engineers & Geologists Inc. (SHN), Services Agreement, with Scotia Community Services District (SCSD), Addendum No. 2, Wastewater Treatment Plant (WWTP) Sodium Hypochlorite Project

RECOMMENDATION:

The Administrative staff recommends that the SCSD Board consider authorizing the General Manager to sign the SHN Services Agreement, Addendum No. 2, WWTP Sodium Hypochlorite Project.

ACTION:

Authorize the General Manager to sign the attached SHN Services Agreement, Addendum No. 2, WWTP Sodium Hypochlorite Project (Addendum).

DISCUSSION:

The SHN Addendum provides engineering support services for the replacement of the existing chlorine gas disinfection system, at the SCSD WWTP, with a *new* liquid sodium hypochlorite system (system). The new system will be a programable logic control (PLC) based system which includes a cellular phone modem to notify district staff of any alarms and status of the system. The system is more accurately flow paced and includes a second injection pump for any high influent flow bypass conditions.

The new system eliminates *all* safety risks associated with any potential chlorine gas leak and will save the district money in reduced chemical usage.

Early next spring (2018) staff will present to the Board, for review and consideration, a similar project for the Water Treatment Plant.

FISCAL IMPACT:

The total cost for the new system is \$79,436.00

ATTACHMENTS:

SHN Services Agreement, Addendum No. 2.

Reference: 017138

Addendum No. 2 To Agreement

Dated June 29, 2017

Scotia Community Services District (SCSD) Engineering Support Services

Additional Scope of Work

- A. Work with Portland Engineering in the development of plans and submittals for replacement of the existing chlorine gas disinfection system at the Scotia WWTP with a new liquid sodium hypochlorite system. The new system will be a PLC based system and be influent flow paced, and will include a second chlorine pump specifically for the bypass line that will be set a preset speed, anytime the bypass pump is called to run.
- B. Scope will include a cellular phone modem that will notify CSD and WTP any status, alarms or set points.
- C. The following hardware and services for this system includes:
- UL508a-listed industrial control panel housing the following:
 - o Cellular Modem, Coax and Antenna
 - o PLC
 - o Power Distribution and Protection Circuitry
 - Ultrasonic Level Transducer, Transmitter and Channel Bracket
 - Functional Control Strategy Creation
 - Detailed Design Submittals including Control Panel Shop Drawings
 - Project Management and Installation Support
 - PLC Programming
 - Cellular Telemetry System Administration and Modem Configuration
 - Onsite Testing, Startup and Operator Training
 - Operation and Maintenance Manuals

Related Costs

- A. SHN agrees to provide services covered by this Addendum on a time and expenses basis. Fees are estimated as follows:

Replacement of gaseous chlorine at WWTP	\$ 55,164
20% contingency	\$ 11,033
Subtotal Total Construction	\$ 66,197
Engineering & Admin (20%)	\$ 13,239
Total	\$ 79,436

A detailed breakdown of estimated costs is included as Exhibit A.

All other terms and conditions contained in the original Agreement shall apply to this Addendum.

In Witness Whereof, the parties have executed this Addendum to the 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: _____

By: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

License #: _____

Opinion of Probable Project Cost
Scotia Wastewater Disinfection System: Replace Chlorine Gas with Liquid Sodium Hypochlorite
Scotia Wastewater Treatment Facility, Scotia, California

Item	Description	Units	Quantity	Unit Cost	Total Cost	Comments
1	Prep Hypochlorite Storage Area	LF	1	\$ 2,000	\$ 2,000	
2	Hypochlorite Feed Pump	EA	2	\$ 3,574	\$ 7,149	Peristaltic feed pumps
3	Liquid Sodium Hypochlorite (330-gal)	EA	1	\$ 899	\$ 899	Sierra Chemical
4	330-gal Tote Deposit	EA	1	\$ 825	\$ 825	one time fee, Sierra Chemical
5	Tote Secondary Spill Containment	EA	1	\$ 4,319	\$ 4,319	
6	Bypass Pump Injection Saddle	LS	1	\$ 500	\$ 500	8" Service Saddle with 3/4" tap
7	Transducer Signal Wire and Conduit	LF	150	\$ 50	\$ 7,500	
8	V-Notch Weir	LS	1	\$ 2,595	\$ 2,595	
9	Electrical Parts and Labor	LS	1	\$ 2,500	\$ 2,500	
10	Plumbing Parts and Labor	LS	1	\$ 5,000	\$ 5,000	
11	Portland Engineering	LS	1	\$ 19,250	\$ 19,250	incl tax & shipping
12	Mobilization (5%)	LS	1	\$ 2,627	\$ 2,627	

Subtotal: \$ 55,164

Contingency (20%): \$ 11,033

Total Construction: \$ 66,197

Engineering, Administration (20%): \$ 13,239

Total Project: \$ 79,436

Scotia Community Services District

Staff Report

DATE: October 19, 2017

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, General Manager; Leslie Marshall, Asst. General Manager

SUBJECT: SHN Consulting Engineers & Geologists Inc. (SHN), Services Agreement, with Scotia Community Services District (SCSD), Addendum No. 3, Raw Water Motors/Pumps Control System (RWCS) Project

RECOMMENDATION:

The Administrative staff recommends that the SCSD Board consider authorizing the General Manager to sign the SHN Services Agreement, Addendum No. 3, RWCS Project.

ACTION:

Authorize the General Manager to sign the attached SHN Services Agreement, Addendum No. 3, RWCS Project (Addendum).

DISCUSSION:

The existing raw water river motors/pumps and controls system are part of the Town of Scotia (TOS) Corridor Project, which will be totally replaced with all *new* equipment and is scheduled to be completed next year. The existing control system does *not* have the ability to pump water during PG&E off peak demand rates. Currently the *monthly* PG&E billing, for the river pumps only, is **\$21,000**. The adopted final budget for FY 2017/18 provides only **\$63,500** for total annual electrical charges. At the current PG&E costs, the annual total will be **\$252,000**, or **\$188,500 over budget** (impacting expected reserves).

SHN recommended designing and installation of a new RWCS for the existing control system. Portland Engineering Inc. (PEI) was contacted to review the existing control system and provide an estimated cost for designing and installing a *new* control system. The new control system should be completed and installed in approximately 90 days. The new control system will reduce the monthly PG&E costs and will be compatible with the new motor/pump system TOS is installing during the Corridor Project next year. The SHN Addendum provides engineering support services for completion of the RWCS Project.

FISCAL IMPACT:

The total cost for the RWCS project is **\$113,856**, a portion of which will be paid by TOS.

ATTACHMENTS:

SHN Services Agreement, Addendum No. 3.

Addendum No. 3 To Agreement

Dated June 29, 2017

Scotia Community Services District (SCSD) Engineering Support Services

Additional Scope of Work

- A. Work with Wahlund Construction and Portland Engineering in the development of plans, submittals, and installation of river pump and booster pump telemetry controls, to be installed at the river pump power building and the Scotia WTP. New control system and control logic will regulate when the pumps run based off of tank water elevation and time of day. Scope will include a cellular phone modem that will notify CSD and WTP any status, alarms, or set points.
- B. The following hardware and services for this system includes:
- UL508a-listed industrial control panel housing the following at the River Pump Power Building:
 - Cellular Modem, Coax, and Antenna
 - PLC
 - Power Distribution and Protection Circuitry
 - UL508a-listed industrial control panel housing the following at the Water Treatment Building:
 - Industrial Panel-Mounted Computer with GUI and Autodialer Software
 - Cellular Modem, Coax, and Antenna
 - PLC
 - Power Distribution and Protection Circuitry
 - UL508a-listed industrial control panel housing the following at the Scotia CSD Office:
 - Cellular Modem, Coax, and Antenna
 - VPN
 - Power Distribution and Protection Circuitry
 - High Water Pressure Switch
 - Pressure Transmitter – Raw water tank
 - Pressure Transmitter – Fire water tanks
 - Shop Drawings
 - Project Management
 - PLC Programming
 - Cellular Telemetry System Administration and Modem Configuration
 - Onsite Testing, Startup, and Operator Training
 - Operation and Maintenance Manuals

Related Costs

- A. SHN agrees to provide engineering related services covered by this Addendum on a time and expenses basis. Fees are estimated as follows:

Equipment Installation, setup, and testing (TOS cost share \$8,500)	\$ 83,880
Engineering and Coordination (TOS)	\$ 3,500
Construction Oversight (TOS)	\$ 7,500
Subtotal Total Construction	\$ 94,880
20% Contingency	\$ 18,976
Total	\$ 113,856

All other terms and conditions contained in the original Agreement shall apply to this addendum.

In Witness Whereof, the parties have executed this Addendum to the 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: P.O. Box 245
Scotia, CA 95565

By: _____

By: _____

Title: _____

Title: _____

Signature: _____

Signature: _____

Date: _____

Date: _____

License #: _____

Scotia Community Services District

Staff Report

DATE: October 19, 2017

TO: Scotia Community Services District Board of Directors

FROM: Steve Tyler, General Manager
Leslie Marshall, Asst. General Manager

SUBJECT: Scotia Community Services District Agreement for Biosolids Disposal between Scotia Community Services District and City of Ferndale

RECOMMENDATION:

The Administrative staff recommends that the SCSD Board consider authorizing the General Manager to sign the Biosolids Disposal Agreement (Agreement) between Scotia Community Services District (SCSD) and the City of Ferndale (City).

ACTION:

Authorize the General Manager to sign the attached Agreement, between SCSD and the City.

DISCUSSION:

The Agreement provides for SCSD to have the Wastewater Treatment Plant (WWTP) Biosolids transported from the SCSD WWTP to the City's WWTP for treatment and disposal. Biosolids are defined by the United States Environmental Protection Agency (USEPA), in the Code of Federal Regulations (CFR), Title 40, Part 503, *as treated sewage sludge that meets the USEPA pollutant and pathogen requirements for land application and surface disposal.*

The City's WWTP is authorized, by the California Regional Water Quality Control Board (CRWQCB) wastewater division, to store and treat Biosolids onsite. The City is also required to comply with all USEPA, CFR, Title 40, Part 503 regulations and any applicable state and federal regulation.

This Agreement will reduce the existing costs associated with transportation, treatment and disposal of the SCSD Biosolids from in excess of \$11,000 down to around \$7,000. A cost savings of approximately \$4,000.

FISCAL IMPACT:

The total estimated annual costs for transportation, treatment and disposal of the SCSD Biosolids is \$7,000.00.

ATTACHMENTS:

Biosolids Agreement

**SCOTIA COMMUNITY SERVICES DISTRICT
AGREEMENT FOR BIOSOLIDS DISPOSAL BETWEEN
SCOTIA COMMUNITY SERVICES DISTRICT AND CITY OF FERNDALE**

THIS AGREEMENT is made and entered into by and between Scotia Community Services District, a public agency formed pursuant to California Government Code §61000 *et seq.* (“District” or “SCSD”), and City of Ferndale, a municipal corporation of the State of California (“City”). Together, the District and the City shall be referred to herein as Parties.

BACKGROUND

- A. District owns, operates and maintains the Wastewater Treatment Plant (WWTP) at 849 Williams Street, Scotia, California.
- B. The District WWTP is operated pursuant to state and local permits that expressly allow and provide for the disposal of Biosolids. Biosolids are defined by the United States Environmental Protection Agency (USEPA) in the Code of Federal Regulations (CFR), Title 40, Part 503.
- C. City owns and operates the Ferndale Wastewater Treatment Plant (“Plant”), which produces or generates Biosolids after treatment of wastewater from the City’s sewer or sanitation system.
- D. Parties desire to secure and provide environmentally sound, legally compliant, economic and reliable transportation and disposition of Biosolids generated at the District WWTP.

AGREEMENT

In consideration of the mutual covenants, promises, valuable consideration and agreements set forth below, the Parties agree as follows:

1. **TERM.** The term of this Agreement shall commence upon the parties signing this Agreement and shall terminate on 30 days’ written notice by either party.

2. **CITY SERVICE COMMITMENT.**

(a) **Commitment to Accept Biosolids.** During the term of this Agreement, City shall accept the Biosolids delivered by District’s Hauler. City’s obligation to accept District Biosolids under the terms of this Agreement shall not be subject to any other condition except governing federal, state or local laws and regulations. The intent of the Parties is that the District shall rely upon City service commitment and that District shall not be required to make other arrangements for the management, non-District hauling, processing, use or disposal of the Biosolids covered by this Agreement.

(b) **Transportation Service.** District shall contract with a licensed septic service to provide Biosolids hauling services required to transport the Biosolids delivered under this Agreement from the District to the Plant. These transportation services shall

comply with the following provisions:

- (1) **Compliance with Plant Traffic Rules.** District hauler shall comply with all traffic scheduling, routing, health, and safety rules and regulations governing traffic to and from the City.
- (2) **Title to Biosolids.** City shall take title to and possession of the Biosolids upon delivery to the Plant.
- (3) **Adequate Equipment.** City shall provide sufficient equipment to meet treatment standards in accordance with this Agreement.
- (4) **Record-Keeping.** For three (3) years following the termination of this Agreement, City will keep and store complete and accurate records detailing all Biosolids hauled from the District. City will make the records available for inspection and copying by the District during reasonable business hours.

3. CITY'S RIGHT TO REFUSE UNACCEPTABLE OR HAZARDOUS WASTE.

- (a) **City's Refusal Rights.** City may refuse delivery of any Biosolids from the District that may impact the City's Plant, or that may contain Unacceptable Waste or Hazardous Waste, as defined herein and as determined by the City, in any quantities.
- (b) **Screening and Removal of Unacceptable Waste or Hazardous Waste.** District shall not knowingly deliver, and shall use all legal means reasonably available, in cooperation with City, to prevent the delivery of Unacceptable Waste or Hazardous Waste, as defined in Section 11 to the City. City may inspect all Biosolids delivered by District before or after loading for the presence of Unacceptable or Hazardous Waste. District and City shall conduct any and all Biosolids monitoring and reporting requirements established under their respective permits in compliance with all applicable laws.
- (c) **Disposal Responsibility and Costs.** City shall remove, and dispose of or cause the removal and disposal of, all Unacceptable Waste or Hazardous Waste delivered to City by the District. District shall pay for all costs and expenses incurred by City in connection with its obligations under this section.

4. BIOSOLIDS FEES.

- (a) **Biosolids Fee.** In consideration for City's performance of its obligations in this Agreement, District shall pay City \$0.18 per gallon of Biosolids delivered ("Biosolids Fee"). The parties agree that this Biosolids Fee compensates City for all costs incurred by City under this Agreement, including, but not limited to, the management, permitting, non-District hauling, processing, disposal of the Biosolids covered by this Agreement.
- (b) **Adjustment of Biosolids Fee.** The Biosolids Fee may only be adjusted through an amendment to this Agreement.

5. PAYMENT OF BIOSOLIDS FEES.

- (a) **Monthly Statement.** On or before the tenth (10th) working day following the end of any month for which payments are required to be made under this Agreement, City shall mail to District a bill setting forth the Biosolids Fees for such prior month based on the number of gallons delivered and accepted by City and the price per gallon established pursuant to this Agreement. On or before the thirtieth (30th) working day following the postmarked date of such bill, District shall mail the payment to City of the full amount of such fees.
- (b) **Disputes.** If District disputes any amount billed by City in any billing statement, District shall nonetheless pay the undisputed amount and shall mail to City detailed written objection within thirty (30) working days of the receipt of such billing statement indicating the amount that is being disputed and providing all reasons then known to District for its objection to or disagreement with such amount. If City and District are not able to resolve such dispute within thirty (30) days after District's objection, either party may pursue legal remedies.
- (c) **Failure to Pay Bill.** If payment in full of any bill rendered by City is not made as required, the unpaid balance shall bear an additional interest charge of one and one-half percent (1.5%) per month until full payment is made. City shall also be entitled to recover its reasonable expenses, including attorneys' fees incurred in obtaining payment of any unpaid balance hereunder. District may, at its option, pay all or any portion of a bill under written protest and bring action to recover same.

6. RECORDS AND ACCOUNTS. District and City shall each, respectively, keep proper books of records and accounts (separate from all other records and accounts), in which complete and correct entries shall be made of the transactions relating to the Plant, including records of the quantity, quality and other characteristics of Biosolids delivered by District and accepted by City.

7. INDEMNITY.

- (a) **City.** City agrees to hold District harmless from and to indemnify and defend District against any and all liabilities, claims, actions, lawsuits, costs and expenses, including reasonable attorney fees, liens, judgments and demands, including but not limited to claims of regulatory violation, damage to property, or bodily injury or death, which may be suffered by District, its employees, agents, representatives and/or independent contractors due to or arising out of the City's negligent performance or willful misconduct under this Agreement and its operations by City, its employees, agents, representatives, and independent contractors, except to the extent such claim(s) result from the negligence or willful misconduct of District or its employees, agents, representatives, or independent contractors.
- (b) **District.** District agrees to hold City harmless from and to indemnify and defend City against any and all liabilities, claims, actions, lawsuits, costs and expenses, including reasonable attorney fees, liens, judgments and demands, including but not limited to claims of regulatory violations, damage to property or bodily injury or death, which may be suffered by City, its employees, agents, representatives and independent contractors or third parties, due to or arising out of District's negligent performance

or willful misconduct under this Agreement and its operations, or its employees, agents, representatives, haulers, or independent contractors, except to the extent such claim(s) result from the negligence or willful misconduct of City or its employees, agents, representatives, or independent contractors.

- (c) **Joint Negligence.** Notwithstanding the preceding sections, when both Parties or employees, agents, representatives, haulers or independent contractors of both Parties are negligent and such joint negligence causes liabilities, claims, actions, lawsuits, costs, expenses, liens, judgments and demands, including but not limited to claims of regulatory violation, damage to property, or bodily injury or death, then each party shall be responsible and liable in proportion to the amount of fault attributable to each party or each party's employees, agents, representatives, haulers and/or independent contractors, and each party shall bear its own attorney fees.

8. **INSURANCE**

- (a) **District Self-Insured.** The District is a duly authorized and funded self-insured entity under the laws of the State of California,
- (b) **Minimum Coverage.** District will not commence or continue to perform under this Agreement unless it has provided for liability coverage, by a California-licensed insurance company for any liability, loss, expense or claim that may arise out of or result from the performance of District under this Agreement, and require its Biosolids haulers to also provide such insurance coverage:
- (1) General liability, including comprehensive form, contractual liability, premises operation, and broad form property damage coverage.
 - (2) Automobile liability, including comprehensive form including loading and unloading, owned, hired and non-owned coverage.
 - (3) Workers' compensation insurance as required by law.

9. **SUCCESSORS/ASSIGNMENT.**

- (a) **Binding on Successors.** District and City each binds itself and its successors, assigns and legal representatives to the other party hereto and to the partners, successors, assigns and legal representatives of such other party in respect to all covenants, agreements and obligations contained in this Agreement.
- (b) **Responsibility for Subcontractors.** City and District shall be responsible, only after the subcontractor and subcontractor's insurance, for all acts and omissions of their haulers, subcontractors and of persons and organizations directly or indirectly employed by them and of persons and organizations for whose acts any of them may be liable to the same extent that it is responsible for the acts and omissions of persons directly employed by it.

10. **RELATIONSHIP OF DISTRICT TO CITY.** It is expressly understood between the Parties hereto that no employee-employer relationship is intended or created by this Agreement

and that the relationship of City to the District being that of an independent contractor. District shall not be required to make any payroll deductions or provide Workers' Compensation Insurance coverage or health benefits to City employees. City is solely responsible for selecting the means, methods and procedures for performing hereunder, and for coordinating all portions of its performance.

11. DEFINITIONS.

- (a) **Hazardous Waste.** Any waste under Article 1, Chapter 11, Division 4.5 (section 66261.3 *et seq.*) of Title 22 of the California Code of Regulations.
- (b) **Plant.** The City of Ferndale Wastewater Treatment Plant located at 606 Port Kenyon Road, Ferndale, California 95536.
- (c) **Unacceptable Waste.** Waste that does not meet the criteria for Biosolids, as defined by USEPA, CFR, Title 40, Part 503..

12. GENERAL PROVISIONS.

- (a) **Time.** Time is of the essence of this Agreement. Any reference herein to days, unless otherwise defined, shall be interpreted as referring to calendar days.
- (b) **Notices.** Any notice to be given under this Agreement shall be in writing and shall be deemed given two (2) days after being sent by first class mail addressed to:

District:
General Manager
Scotia Community Services District
PO Box 104
Scotia, CA 95565

City:
City Manager
City of Ferndale
PO Box 1095
Ferndale, CA 95536

or to such other address as either party may designate hereinafter in writing delivered to the other party.

- (c) **Governing Law/Venue.** This Agreement, and all matters relating to this Agreement, shall be governed by the laws of the State of California in force at the time any need for interpreting this Agreement or any decision or holding concerning this Agreement arises.
- (d) **Severability.** If any clause, provision, paragraph or section of this Agreement shall be ruled invalid by any court of jurisdiction, then the parties shall: (1) promptly meet and negotiate a substitute for such clause, provision, paragraph or section which shall, to the greatest extent legally permissible, effect the intent of the parties therein; (2) if necessary or desirable to accomplish item (1) above, apply to the court having declared such invalidity for a judicial construction of the invalidated portion of this Agreement; and (3) negotiate such changes in, substitutions for or additions to the remaining provisions of this Agreement as may be necessary in addition to and in conjunction with items (1) and (2) above to effect the intent of the Parties in the invalid provision. The invalidity of such clause, provision, paragraph or section shall not affect any of the remaining provisions hereof, and this Agreement shall be construed and enforced as if such invalid portion did not exist.

- (e) **Prior Understandings and Usage.** This Agreement contains the entire agreement between the Parties and supersedes all previous written or oral negotiations, commitments, understandings, proposals and writings. It is expressly understood by the Parties that the terms of this Agreement shall not be modified by course of performance, course of dealing, usage or informal arrangements which may occur from time to time over the term of this Agreement or by evidence of additional terms not expressly contained in this Agreement.
- (f) **Amendments.** No amendment to this Agreement shall be valid and binding on the Parties except when in writing and mutually agreed to by the Parties and signed by authorized representatives for each one of the Parties.
- (g) **Execution in Counterparts.** This Agreement may be executed in counterparts with the same force and effect as if one document were signed by all Parties.
- (h) **Force Majeure.** Neither party shall be responsible for delays or failures in performance resulting from acts beyond their reasonable control.

SCOTIA COMMUNITY SERVICES DISTRICT

Stephen Tyler, General Manager

Date

CITY OF FERNDALE

Jay Parrish, City Manager

Date