

Service Agreement

This Agreement is made this 16th day of October, 2023 between Weott 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 Jared O'Barr, PE, California Registered Professional Engineer, # C76125, 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 construction of a new 94,000-gallon welded steel water storage tank of that property located in Weott, California, and subsequently referred to as "Project."
- B. CLIENT is aware that no work will begin until both CLIENT and SHN sign this Agreement.

2. Scope of Services

- A. By this Agreement, the scope of SHN's services is limited to:
 - (i) Scope of work described in Exhibit "A"
- B. SHN will not be responsible for any services not specifically listed under 2(A) above, including but not limited to:
 - (i) Exclusions outlined in Exhibit "A"
- 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 schedule outlined in Exhibit "A."
- 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.
- E. 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.

- F. 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.
- G. 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.
- H. No representation, express or implied, of warranty or guarantee is included or intended in this Agreement or in any report, opinion, document, or otherwise.
- I. 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.
- J. 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.

- K. 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.
- L. 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.
- M. 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.
- N. 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.
- O. CLIENT shall review and approve SHN-prepared project documents conforming to the Scope of Services at each phase of the Project.
- P. 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. 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.
- Q. 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.
- R. 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.
- S. 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.

- T. 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.
- U. 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.
- V. 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.
- W. SHN shall be afforded reasonable extensions of time with respect to its duty to perform the Scope of Services provided for herein during the period of any force majeure event. Force majeure events shall include but are not limited to strikes; labor troubles; lockouts; inclement weather, including but not limited to extreme heat, hail, snow, freezing temperatures, excessive rain, and excessive wind; drought; floods; blocked road access; acts of God; inability to secure necessary materials; mandated or advised shutdowns due to pandemic or other related conditions; earthquakes; mudslides or earthflows; tsunamis, seiches, utility disturbances; acts of war, terrorism, vandalism, and fire. In addition to the foregoing, CLIENT shall be responsible for any additional costs incurred by SHN in the performance of the Scope of Services provided for herein as a result of any force majeure event.
- X. 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.



- Y. 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 One Hundred Fifty-Three Thousand dollars (\$153,000).
Fees DO NOT include Prevailing Wage Rates.
- 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.
- C. 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: Weott Community Services District
Address: 200 Lum St.
Weott, CA 95571

By: Michael K Foyet
Title: CEO
Signature: [Signature]
Date: 10/17/23
License #: C54123

By: Jamie Little
Title: Administrative Manager
Signature: [Signature]
Date: 10-16-2023





Exhibit A

Reference: 023000.055

June 5, 2023

Dan Arreguin, General Manager
Weott Community Services District
200 Lum Street
Weott, CA 95571

Subject: Weott CSD DWR-Funded Water Storage Tank Design and Construction Services Proposal

Dear Dan:

This letter presents our scope and fee estimate for grant administration assistance, design, bid assistance, and construction support services for construction of a new 94,000-gallon welded steel water storage tank in Weott, California.

Project Understanding

SHN previously completed final plans and specifications for construction of two new welded-steel water storage tanks at the "A" Tank project site (one 94,000-gallon tank and one 165,000-gallon tank). SHN understands that the Weott Community Services District (District) has received funding from the California Department of Water Resources (DWR) through the Urban and Multibenefit Drought Relief Grant Program (UMDRP) for construction of a 94,000-gallon welded steel water storage tank. We further understand that this funding is being administered by the County of Humboldt as the primary grant recipient and that the District is a sub-recipient for this funding. The following scope of work and fee estimate are for assistance in administering the DWR grant program funds, updating the previously completed engineering design, bid support, and construction support services for construction of the water storage tank.

Scope of Work

Task 010-Grant Administration

Under this task, SHN will assist the District with managing the DWR UMDRP grant funding for the project including:

- Maintain project budget, schedule, and deliverable records.
- Assist with meeting the requirements of the UMDRP financing agreement.
- Prepare and submit quarterly status reports.
- Prepare and submit final project completion report.
- Coordinate with District and County staff.



Deliverables:

- Draft quarterly status reports.
- Final quarterly status reports.
- Draft final project completion report.
- Final project completion report.

Assumptions:

- The UMDRP is the sole funding source for this project.
- SHN will have direct communication with County staff with respect to questions and issues related to the funding program.

Exclusions:

- Administration of other funding program requirements
- Preparation of financing agreement amendment requests

Task 100-Design Update

SHN will update the existing engineering design plans and technical specifications signed and stamped on November 4, 2019, by Jared O'Barr. Updating the plans will consist of identifying items not to be included in the DWR-funded project. Updating the technical specifications to comply with current code standards.

SHN will prepare an updated opinion of probable construction cost (OPCC) for the DWR-funded project.

SHN will also update the project geotechnical report to conform to current codes and standards.

Deliverables:

- Updated project geotechnical report
- 100% final signed and stamped plans and technical specifications
- Engineer's Opinion of Probable Construction Cost

Assumptions:

- No major changes will be made to the project other than what is listed above.

Exclusions:

- Multiple rounds of revisions to plans and specifications
- Design elements not included in the November 4, 2019, plans and specifications
- Site visits
- Land survey



Task 200–Bid Assistance

SHN will provide assistance with soliciting competitive bids from construction contractors for construction of the project. Bid documents will be prepared to include special conditions required by the UMDRP. Bid assistance will include preparation of “front end” bid documents including:

- Invitation for bids
- Instructions to bidders
- Bid and contract forms
- Construction contract
- General conditions
- Special conditions

SHN will publish the bid documents and distribute them to public exchanges, including the Humboldt Builders Exchange and CIPLIST.com. SHN will respond to questions received during the open-bid period by preparing bid addenda and distributing addenda to planholders through the two exchanges above.

SHN will host a pre-bid meeting on site during the open-bid period to make prospective bidders familiar with the project and any special requirements of which prospective bidders should be aware. SHN will prepare a pre-bid meeting agenda, lead the meeting, and document meeting attendees and questions.

Bids will be received by the District at the District office in Weott. The District will be responsible for publicly opening the bids on the date and time specified in the bid documents. SHN will review bids and prepare a bid summary indicating whether bids are responsive to all bid requirements, and will provide a recommendation for award to the lowest responsive bidder.

Deliverables:

- Draft bid documents
- Final bid documents
- Pre-bid meeting agenda, attendees list, questions, and addenda
- Bid summary and award recommendation

Assumptions:

- The District will receive and open sealed bids at the District’s office in Weott.

Exclusions:

- Multiple bid packages
- More than one public bid
- Dispute resolution regarding the bid process



Task 210–Construction Support Services

Services under this task are expected to consist of the following:

- Construction Administration:
 - Conduct submittal reviews.
 - Respond to Requests for information (RFIs).
 - Review change order requests.
 - Review contractor’s pay requests.
 - Maintain construction documentation.
- Construction Management & Observation:
 - Part-time construction monitoring, field report documentation, and photo documentation. See “Assumptions” below for level of effort.
 - Weekly Construction Meetings: SHN will lead weekly construction meetings. SHN will prepare meeting agendas and meeting notes for meetings. SHN assumes that meetings will be web-based and that there will be a total of 16 construction meetings.
 - Conduct up to six site visits by project engineer during construction. This includes a punch-list site walk.
- Preparation of Record Drawings.

Deliverables:

- Responses to Contractor submittals
- Responses to Contractor requests for information
- Responses to Contractor requests for contract change orders
- Responses to Contractor requests for payment
- Daily observation field reports (Daily field reports will include photographic documentation of project progress, written documentation of field observations, and documentation of problems or issues observed in the field.)
- Weekly construction meeting agendas and notes
- Final construction punch list
- Final project record drawings; one set of full-size (24”x36”) printed hard copies, and one set in digital PDF format

Assumptions:

- On average, 20 hours of construction observation (including travel time) will be provided each week during active construction.
- Active construction will last 16 weeks.



- Construction observation does not qualify for prevailing wage.
- The District will be responsible for hiring an independent coating inspector.

Exclusions:

- Labor compliance support
- Materials testing and special inspections including coating inspections, reinforcement inspections, concrete testing, and compaction testing
- Construction staking
- Dispute resolution
- Land survey
- Permitting assistance

Task 300–Warranty Inspections

Under this task, the District will hire a tank-inspection contractor to conduct dive inspections of the tank to assess the condition of the coating at 11 months and 23 months after final completion of the project. SHN will be present onsite during the inspections which are anticipated to take one full 8-hour day each including travel time. Following receipt of the inspection reports, SHN will review the reports and make a recommendation for necessary warranty repairs, if any. This task does not include additional construction management, engineering design, materials testing, or special inspections resulting from a failed warranty inspection.

Deliverables:

- Warranty dive inspection report review letter indicating necessary repairs if any

Assumptions:

- The tank coating will have a two-year warranty.
- The District will be responsible for hiring an independent dive inspection contractor.
- SHN will be present onsite during dive inspections which are anticipated to take one full day.

Exclusions:

- If warranty repair work is necessary following either of the two warranty dive inspections, additional construction management, materials testing, special inspections, laboratory testing, and coating inspections are not included in this scope of work and fee estimate. These services may be provided on a time and expenses basis.

General Assumptions

The scope and fee presented in this proposal are based on the following assumptions:

1. Construction permits and environmental documentation (California Environmental Quality Act [CEQA]) previously completed will not require updating or changes.



2. Design update will be completed in 2023.
3. Bid assistance will be completed during late-2023 or early-2024.
4. Construction will be completed in 2024.

Schedule

SHN expects our efforts to progress in accordance with the following general schedule:

- Submit 100% final stamped plans, specifications, and cost opinion within four months after an executed agreement has been received.
- Draft bid documents will be completed within two months after the final plans and specifications have been approved by the District.
- Final bid documents will be completed within two weeks of receiving District comments on draft bid documents.
- Public bid solicitation will be advertised within two weeks of completing the final bid documents.
- The public bid solicitation period is anticipated to be open for six weeks.
- Bid summary and award recommendation will be completed within two weeks of the bid opening.
- Construction is anticipated to begin in early summer 2024 and will last up to four months.
- Project closeout and record drawings will be completed within two months after final construction acceptance.

Fee

Compensation for services described herein will be on a time and expenses basis. The table below provides an anticipated budget breakdown by task. SHN shall be free to adjust budgets between these tasks as needed, as long as the total fee is not exceeded. This total fee will not be exceeded without prior authorization.

Task 010	Grant Administration	\$7,500
Task 100	Design Update	\$12,500
Task 200	Bid Assistance	\$17,500
Task 210	Construction Support Services	\$111,000
Task 300	Warranty Inspections.....	\$4,500
Total Fee		\$153,000



Dan Arreguin

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June 5, 2023

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Thank you for providing SHN with the opportunity to propose on this project. We look forward to receiving your notice to proceed. If you have any questions or comments regarding the information provided in this proposal, please email Chuck Swanson at cswanson@shn-engr.com.

Sincerely,

SHN



Chuck Swanson
Project Manager



Jared O'Barr, PE
Principal Civil Engineer

CRS/JOB:lam

