

**AGREEMENT FOR ENGINEERING SERVICES IN CONNECTION
WITH THE PESCADERO COMMUNITY SEWER PROJECT
SMALL COMMUNITY WASTEWATER GRANT (SCWG) PROGRAM
FACILITIES PLANNING REPORT
SCWG PROJECT NO. SCG-959**

THIS AGREEMENT, made and entered into this 2nd day of October 2007, by and between the COUNTY OF SAN MATEO, a political subdivision of the State of California, hereinafter called "**COUNTY**" and **HydroScience Engineers, Inc.**, hereinafter called "**CONSULTANT**".

WITNESSETH

WHEREAS, the Board of Supervisors of the County of San Mateo is authorized to engage the services of a professional technical expert on a temporary basis for a specific project for performance of necessary services for and on behalf of **COUNTY**; and

WHEREAS, the public interest and general welfare will be served by selecting and utilizing an engineer for engineering services in connection with the Pescadero Community Sewer Project, hereinafter referred to as the "Project"; and

WHEREAS, **CONSULTANT** is a competent Professional Engineer qualified and with employees duly licensed to perform such engineering services in connection with said project, and the parties hereto desire to enter into an Agreement for said engineering services.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO as follows:

SECTION 1. SCOPE OF PROJECT

The Scope of the Project to be executed by **CONSULTANT** shall be as described in Scope of Services for Pescadero Community Sewer Project attached hereto as Exhibit A, and by reference made a part of this Agreement.

SECTION 2 GENERAL REQUIREMENTS

- (a) **CONSULTANT'S** work shall begin within ten (10) days after receiving **COUNTY'S** Notice to Proceed.
- (b) The **CONSULTANT** will be responsible to one agency, namely, the **COUNTY** in matters pertaining to the contractual obligations, system evaluation, approvals, and interpretations required for this project. The

Director of Public Works will be the representative of the **COUNTY** for all purposes under this Agreement.

- (c) The **CONSULTANT** as part of the services to be performed, will keep the **COUNTY** apprised at all times of the progress of the work.
- (d) The **CONSULTANT** shall meet with **COUNTY** to develop a time schedule to be prepared and kept up to date by **CONSULTANT** of the anticipated program to complete services described in Exhibit A.
- (e) Computer software used by the **CONSULTANT** to produce the documents required in this Agreement shall be compatible with the **COUNTY'S** current versions of software. The software currently used by the **COUNTY** is Autodesk Land Desktop 2004, Microsoft Office 2000 Products. During all phases of this Agreement and at the time of final submittal of master plan reports, the **CONSULTANT** shall furnish the **COUNTY** with all final study documents in electronic form on compact disk, in addition to the number of copies specified in the Agreement.

SECTION 3 ENGINEERING SERVICES BY CONSULTANT

In consideration of payment by **COUNTY** to **CONSULTANT**, as hereinafter provided, **CONSULTANT** agrees to perform all Engineering Services described in Exhibit A necessary to complete the project.

SECTION 4 GENERAL OBLIGATIONS OF CONSULTANT

4.1 CONSULTANT PERSONNEL

The **CONSULTANT** shall provide the **COUNTY** with resumes of key staff members to be assigned to said project including the project manager and any project engineers in advance of commencing any engineering activities, as outlined under Exhibit A of this Agreement. Once the **COUNTY** approves the key staff to be assigned to the project, any substitutions or additions shall be subject to written approval by the **COUNTY**. The **COUNTY** reserves the right to reject any personnel the **CONSULTANT** proposes for use on the project. Approval of the use of staff from work sites other than the work sites of the engineering staff initially identified to work on said project shall be subject to written approval by the **COUNTY**. The use of additional subconsultants shall be as stipulated in Section 11 of this Agreement.

CONSULTANT represents that it is qualified to furnish the services described under this Agreement. **CONSULTANT** further declares that one or more members or employees of its firm and that of its subconsultants, if so required by the State, if any, are licensed by the

State of California to perform their services and that these services will be performed by them or under their direct supervision.

CONSULTANT shall furnish to **COUNTY** for approval, upon execution of this Agreement, a list of all firms or corporations to be employed as subconsultants.

Nothing in this Agreement abrogates the professional responsibilities of the **CONSULTANT** and/or subconsultants with respect to engineering defects, errors, omissions, or malpractice.

4.2 NON-DISCRIMINATION

CONSULTANT, with regard to the work performed under this Agreement, shall not discriminate on the grounds of race, religion, color, national origin, sex, or age in the selection of **CONSULTANT'S** employees or in the retention of sub-contractors, including procurement of materials and leases of equipment. The **CONSULTANT** shall use its good faith efforts to optimize minority participation under this Agreement.

4.3 CORRECTIONS AND/OR REVISIONS

CONSULTANT shall make and provide to **COUNTY** all necessary corrections and/or revisions to the project plans, reports, and engineering computations when it is determined by the Director of Public Works that such changes are necessary for the completion of the project and are due to oversights, omissions or errors of **CONSULTANT**. Such corrections and/or revisions shall be provided by **CONSULTANT** in a timely manner so as to not impact the project schedule.

Payment to **CONSULTANT** for making any such necessary corrections and/or revisions which are determined by the Director of Public Works to be due to the oversights, omissions, or errors of the **CONSULTANT** shall be considered as being included in the Basic Services fee to be paid to **CONSULTANT** for Basic Services described in Exhibit A of this Agreement. It is expressly understood that no additional payment shall be considered or made for these services.

SECTION 5 GENERAL OBLIGATIONS OF COUNTY

- (a) **COUNTY** shall be responsible for the administration of the project for all phases of the work.
- (b) **COUNTY** shall provide full information regarding its requirements for the Project. **COUNTY** shall advise **CONSULTANT** of required format for reports which are to be prepared by **CONSULTANT**. The software

currently used by the **COUNTY** is Autodesk Land Desktop 2004, and Microsoft Office 2000 products.

- (c) **COUNTY** shall examine documents submitted by **CONSULTANT** and shall render comments and direction pertaining thereto promptly, to avoid unreasonable delay in the progress of **CONSULTANT**'s work.

SECTION 6 PAYMENT BY COUNTY

In consideration of the furnishing of the engineering services by **CONSULTANT**, as herein provided, **COUNTY** agrees to pay **CONSULTANT** for engineering services described in Exhibit A of this Agreement on a time and materials basis with the following Not-to-Exceed amounts. The total Not-To-Exceed amount for Basic Services equals \$140,180.00. The total Not-To-Exceed amount for the Supplemental Services (subject to a separate written authorization by the **COUNTY** prior to proceeding with the work) described in Section 8 equals \$14,048.00. The total contract Not-To-Exceed amount equals \$154,228.00. Billing rates for services provided under this Agreement shall be as set forth on Exhibit B attached hereto and by reference made a part of this Agreement.

Payments for services performed are due and payable monthly upon the completion of the engineering services as determined, accepted and approved by the Director of Public Works and upon submission of a written statement therefor by **CONSULTANT** to **COUNTY** together with supporting documentation such as personnel time records and copies of outside service invoices.

6.2 METHOD OF PAYMENT

Payment shall be made by **COUNTY** only for services rendered and upon submission in duplicate of monthly progress payment requests. Invoice format shall be determined with the **COUNTY**, and monthly payment will be based on work approved by the **COUNTY**. The **CONSULTANT** shall provide a financial summary of all activities performed during the period for which the payment is being requested and shall clearly indicate original budget, amount of billing, and balance available for each activity. **CONSULTANT** shall also provide with each monthly progress payment request statements regarding total work, in percent, completed per phase and an updated time schedule detailing progress and completion of design activities.

6.3 PAYMENT UPON SUSPENSION, ABANDONMENT OF PROJECT, OR TERMINATION OF AGREEMENT

If the project is suspended for more than ninety (90) calendar days, or abandoned in all or in part, **CONSULTANT** shall be paid for its services performed prior to receipt of thirty (30) days written notice from **COUNTY** of such suspension or abandonment, together with reimbursable expenses then due. In the event that the **COUNTY** abandons the project the **COUNTY** may specifically authorize additional work necessary to properly close out the project.

If this Agreement is suspended or terminated due to fault of **CONSULTANT**, **COUNTY** shall be obligated to compensate **CONSULTANT** only for that portion of **CONSULTANT**'s services that were satisfactorily performed.

6.4 PERFORMANCE OF SERVICES IF CONSULTANT IS NOT DILIGENT IN PERFORMING WORK

In the event **CONSULTANT** is not diligent in pursuing all of the engineering services provided for in Exhibit A of this Agreement, the Director of Public Works may, at his option, seven (7) days after written notice to **CONSULTANT**, perform any such required engineering services or retain a different consultant to do the same, and the cost associated with having said work completed by a means other than the **CONSULTANT** will be retained from any sums not yet paid to the **CONSULTANT**.

SECTION 7 PROGRESS AND COMPLETION

7.1 Notice To Proceed

The Notice to Proceed shall be a letter, or similar instrument, signed by the Director of Public Works, and shall be labeled "Notice to Proceed". Such Notice to Proceed shall contain a reference to the work authorized by said Notice.

7.2 Time of Completion of each Task

CONSULTANT agrees to perform the engineering services described in Exhibit A within the time limits set forth in the project schedule required by Section 2 (d) of this Agreement. Any change in the scope of services will require a revised timetable.

COUNTY agrees to exercise due diligence in performing its tasks to implement the **CONSULTANT**'s time schedule.

7.3 COUNTY'S Review and Approval

Between each phase of work and at critical progress points there shall be a review and approval period by COUNTY and other agencies. COUNTY shall reject CONSULTANT's submittal if changes and/or comments transmitted to CONSULTANT by COUNTY during previous review were not addressed by CONSULTANT in current submittal.

SECTION 8 CHANGES IN WORK

The Director of Public Works may order major changes in scope or character of work in writing which are mutually acceptable, either decreasing or increasing the amount of CONSULTANT's services. In the event that such changes are ordered, CONSULTANT shall be entitled to compensation for all work previously directed by COUNTY and performed by CONSULTANT prior to receipt of notice of change. Increased compensation for major changes shall be determined in accordance with Section 6 of the Agreement, but in no event shall COUNTY be liable for payment unless the amount of such extra compensation shall first have been agreed to in writing by COUNTY.

In the event that major changes are ordered pursuant to this Section, the schedule for progress and completion in Section 7 of this Agreement and compensation under Section 6 of this Agreement, shall be adjusted by negotiation between CONSULTANT and COUNTY.

SECTION 9 RECORDS

The CONSULTANT and all subcontractors under its employ, supervision and/or control shall retain all financial and technical records for inspection for a period of not less than three (3) years from completion and approval of the Final Reports by the COUNTY or upon termination of Agreement. Records of costs pertaining to the Project shall be kept by CONSULTANT on a generally recognized accounting basis and shall be available for COUNTY'S review at mutually convenient times.

SECTION 10 INTEREST OF CONSULTANT/CONSULTANT INDEPENDENT OF COUNTY

In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. CONSULTANT further covenants that, in the performance of this Agreement, no subcontractor or person having such an interest shall be employed throughout the term of this Agreement. CONSULTANT certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of COUNTY.

In the performance of the engineering services necessary for compliance with this Agreement, **CONSULTANT**, and any of its subconsultants or employees, shall be, and is at all times considered, an Independent Contractor, and is not an agent or employee of **COUNTY**. **CONSULTANT** has, and shall retain, the right to exercise full control and supervision of the services, and full control over the employment, direction, compensation and discharge of all persons assisting him in the performance of his engineering services hereunder to include any and all subconsultants employed for the project described herein. **CONSULTANT** shall be solely responsible for all matters relating to payment of his employees, including compliance with social security, withholding, and all other regulations governing such matters, and shall be solely responsible for his own acts and those of his subordinates and employees.

SECTION 11 SUBCONSULTANTS

CONSULTANT shall be responsible for employing all subconsultants necessary to aid **CONSULTANT** in the performance of the services listed in Section 3 of this Agreement; provided, however, that all such subconsultants shall receive prior written approval of **COUNTY** and shall remain acceptable to **COUNTY** during the term of this Agreement.

SECTION 12 GENERAL PROVISIONS

- (a) The **CONSULTANT** acknowledges that time is of the essence for this project and agrees to complete all work in Exhibit A, Section 3 within Twelve (12) months of the date of receipt of the **COUNTY**'s Notice to Proceed.
- (b) The **CONSULTANT** upon becoming aware of factors which would result in delays shall be responsible for alerting **COUNTY** to potential delays well in advance in order that possible mitigation measures may be evaluated. **CONSULTANT** shall detail the nature and reasons for potential delays and shall provide the **COUNTY** with possible mitigation measures for consideration.
- (c) On all matters pertaining to scope of services to be performed and the time taken by **CONSULTANT** to perform such services, the decision of the Director of Public Works will be final after discussions between **COUNTY** and **CONSULTANT**.
- (d) The **CONSULTANT** warrants that he/she has not employed or retained any company or person, other than a bona fide employee working for the **CONSULTANT**, to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or formation of this

Agreement. For breach or violation of this warranty, the COUNTY shall have the right to annul this Agreement without liability, or at its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

SECTION 13 OWNERSHIP OF DOCUMENTS

All tracings, sketches, plans, specifications, estimates, maps, design calculations, quantity calculations, supporting documents, studies, survey notes, and other documents prepared by CONSULTANT or subconsultants under the terms of this Agreement shall be delivered to and become the property of the COUNTY without restriction or limitation on their use. However, should COUNTY re-use or utilize data or drawings not for their intended use then COUNTY shall be solely liable. Computer files used by CONSULTANT to produce the final set of plans and reports shall also be delivered in AutoCAD and Microsoft Office electronic form on compact disks or other media acceptable to the COUNTY at no additional cost and become the property of the COUNTY.

CONSULTANT may keep copies of all work products for its records. With respect to computer files, COUNTY is cautioned that the accuracy of electronic copies and CAD documents may be compromised by electronic media degradation, file corruption, printing errors and incompatibilities, operator inexperience and file modification. CONSULTANT will maintain the original copy which will serve as the official archive record of the electronic and CAD documents.

SECTION 14 TERMINATION OF AGREEMENT

The COUNTY reserves the right to terminate this Agreement, at no fault of either party to this Agreement, with thirty (30) days written notice by Director of Public Works to the CONSULTANT.

The COUNTY is under no obligation to employ the CONSULTANT for all phases of work as outlined in this Agreement, but reserves the right to employ other consulting firms for the various phases of work. If in the COUNTY's opinion the CONSULTANT is without cause not diligent in pursuing any of the engineering services provided for in Section 3 of this Agreement the Director of Public Works may, at his option, with no more than seven (7) days after written notice to CONSULTANT, terminate this Agreement for engineering services or retain a different consultant to do the same, and retain the appropriate portion of any sums not yet paid to the CONSULTANT. Lack of diligence may include but not be limited to: lack of compliance with agreed upon schedule, submittal of partially completed required documents, and lack of quality control.

CONSULTANT agrees that failure to carry out the requirements as set forth in this section shall constitute a breach of contract and after appropriate notification, may result in termination of the Agreement by the **COUNTY** as the **COUNTY** deems appropriate.

SECTION 15 NON-ASSIGNMENT OF AGREEMENT

This Agreement shall not be assigned, sublet or transferred by **CONSULTANT**, in whole, or in part without the written consent of the **COUNTY**. If the **CONSULTANT** elects to subcontract the any portions of the contract, **CONSULTANT** shall notify the Director of Public Works in writing with whom **CONSULTANT** proposes to subcontract. The approval for use of subcontractors for any aspect of the work not initially identified as part of the design team shall only be after written approval from the **COUNTY**, as stipulated in Section 11 of this Agreement.

SECTION 16 HOLD HARMLESS AND INSURANCE CLAUSES

16.1 HOLD HARMLESS

To the full extent permitted by law, and to the extent caused by **CONSULTANT** negligence, errors, omissions or reckless acts or willful misconduct, **CONSULTANT** shall indemnify and save harmless the County, its officers, employees, and servants from all damages, claims, suits, or actions of every name, kind, and description, brought for, or on account of:

- (A) Injuries to or death of any person, including **CONSULTANT**, its officers, employees and servants, or
- (B) Damage to any property of any kind whatsoever and to whomsoever belonging, or
- (C) Any sanctions, penalties or claims of damages resulting from **CONSULTANT'S** failure to comply with applicable laws, or
- (D) Any other loss or cost. **COUNTY** and **CONSULTANT** expressly agree that damages include **COUNTY'S** reasonable cost of defense.

The duty of **CONSULTANT** to indemnify and save harmless, as set forth herein, shall include the duty to defend, as set forth In Section 2778 of the California Civil Code.

The obligations set forth in this Section shall continue beyond the term of this Agreement as to any act or omission which occurred during or under this Agreement.”

16.2 INSURANCE

The **CONSULTANT** shall not commence work under this Agreement until he has obtained all insurance required under this paragraph and such insurance has been approved by the **COUNTY**, nor shall the **CONSULTANT** allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been so obtained. The **CONSULTANT** shall furnish the **COUNTY** with Certificates of Insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the **CONSULTANT**'s coverage to include the contractual liability assumed by the **CONSULTANT** pursuant to this Agreement, subject to the terms, conditions, limitations and exclusions of the policy. These Certificates shall specify or be endorsed to provide that **THIRTY (30) CALENDAR DATS**' notice must be given, in writing, to the **COUNTY** of any pending change in the limits of liability or of any cancellation or modification of the policy.

16.2.1 Workers' Compensation and Employer's Liability Insurance

The **CONSULTANT** shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage; and in case any work is sublet, the **CONSULTANT** shall require all **SUBCONSULTANTS** similarly to provide Worker's Compensation and Employer's Liability Insurance to full statutory limits. In signing this Agreement, the **CONSULTANT** makes the following certifications, required by Section 1861 of the California Labor Code:

“I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

16.2.2 Liability Insurance

The **CONSULTANT** shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him while performing work

covered by this Agreement from any and all operations under this Agreement, whether such operations be by himself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence, and in the aggregate, and shall be not less than the amount specified below:

Such insurance shall include:

- (a) Commercial General Liability \$1,000,000
- (b) Motor Vehicle Liability Insurance \$1,000,000
- (c) Professional Liability \$1,000,000

The **CONSULTANT** shall provide proof of continuing professional liability insurance to **COUNTY** in the amount of \$1,000,000 for a period of two (2) years after acceptance by **COUNTY** of the work constructed in conformance with **CONSULTANT's** design and any subsequent revisions/modifications made by **CONSULTANT**. **COUNTY** and its officers, agents, employees and servants shall be included as additional insured on any such policies of insurance, except professional liability, which shall also contain a provision that the insurance afforded thereby to the **COUNTY**, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, but only to the extent of the **CONSULTANT's** negligence, and that if the **COUNTY** or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provisions of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the **COUNTY**, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

SECTION 17 DISPUTES AND REMEDIES

Any dispute between the parties to this Agreement regarding the interpretation or application of any provision contained herein shall be resolved in a court of competent jurisdiction pursuant to the laws of the State of California. Each party shall bear its own costs and attorneys fees associated with the resolution of the dispute.

SECTION 18 NOTIFICATIONS

All notices hereunder and communications regarding interpretation of the terms of this Agreement and changes thereto shall be effected by the mailing thereof by registered or certified mail, return receipt requested postage prepaid, and addressed as follows:

COUNTY

James C. Porter, Director of Public Works
County of San Mateo, DPW
555 County Center, 5th Floor
Redwood City, CA 94063-1665

CONSULTANT

Curtis Lam
HydroScience Engineers, Inc.
221 Gateway Blvd West, Suite 403
Napa, CA 94558

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands on the day and year first above written.

“COUNTY”

SAN MATEO COUNTY

BY _____
Director of Public Works
San Mateo County

“CONSULTANT”

BY: CL _____

Curtis Lam
Principal
HydroScience Engineers, Inc.

Exhibit "A"

Proposed Scope of Work for the Pescadero Community Sewer Project
August 21, 2007
Page 3 of 8

Scope of Work

The primary intent of this scope of work is to fulfill the SCWG Program Procedures for a facilities plan, with a goal of having the Division of Financial Assistance issue a Facilities Plan Approval (FPA) letter. This scope of work has been structured to meet that goal, and includes the following five tasks.

- Task 1 – Project Management
- Task 2 – Operations Evaluation
- Task 3 – Project Feasibility Report
- Task 4 – Environmental Documentation, and
- Task 5 – Draft Revenue Program.

The following sections detail HSe's approach for each task and related key issues.

Task 1 – Project Management: Project Management for this project will include the production of monthly invoices, monthly status reports, preparation and statusing of the project schedule, and identifying contractual issues and requests. HSe will also oversee the project team to ensure that all team members and subconsultants are fully coordinating project activities. HSe will also ensure that the County is kept fully aware of all project issues as they arise.

Additionally, up to three project meetings will be held with County staff during development of the Project.

Deliverables

- Monthly Invoices
- Monthly Status Reports
- Monthly schedule updates
- Meeting agenda and minutes

Task 2 – Operations Evaluation: The key issue of the Operations Evaluation is to determine the degree to which the proposed changes in the operation and maintenance of the sewer system can improve water quality. Pescadero is currently an unsewered community that relies on septic systems for the capture of domestic wastewater. Septic systems can impact groundwater quality and do not provide optimal protection of public health.

The construction of a new collection system and wastewater treatment plant will result in improved treatment of waste and increased protection of local groundwater supplies. One of the keys for determining the water quality benefits will be to determine the extent of the collection system and therefore the number of septic systems that will be removed from service.

For this effort, HSe, in conjunction with HSo, will evaluate the current operations and maintenance practices of the existing septic tanks within the proposed collection system area. Once a project is defined and effluent water quality and disposal methods determined for a new wastewater treatment plant, HSe will quantify the extent of how the project benefits groundwater

quality. HSe will evaluate the potential alternative and the potential for improving existing operations.

This Operations Evaluation will be submitted as a section of the overall Project Feasibility Report.

Assumptions:

- County will provide available information about the existing septic tanks, including flows, hauling records, water quality data
- County will provide available information about existing groundwater quality in the Pescadero area

Task 3 – Feasibility Report: HSe will prepare the Feasibility Report to comply with all of the SCWG Program Procedures. The Feasibility Report must consider all project components and develop a recommended alternative. For example, selection of a method for effluent disposal will drive the selection of a treatment plant site, since that method may require more land or the treatment plant in a specific location. Project alternatives cannot be selected independently of an overall wastewater handling strategy that considers all project components.

HSe will prepare the Feasibility Report to detail the existing conditions, proposed design criteria, treatment plant sites, project alternatives, and planning-level estimates of capital and O&M costs for each alternative. One alternative will involve on-site systems, as required by SCWG. The outcome of this effort will provide planning-level sizing, loadings, capacity, and extent of the collection system, pumping facilities, and treatment plant. It will also recommend specific measures for effluent disposal. Additionally, it will demonstrate that the County has the capability to construct and operate the facility.

A key component of HSe's effort will be to involve the public. The Pescadero Municipal Advisory Council (PMAC) has been actively involved in the SCWG grant effort and is generally familiar with the project goals. HSe expects to use the PMAC to solicit project input from the public, to help develop and review project alternatives and disposal methods, identify pros and cons of the proposed treatment plant sites. It is expected that HSe will conduct one public meeting with the PMAC to discuss project issues, along with a noticed public meeting during the environmental documentation phase (Task 4). Our proposed scope assumes that PMAC will represent the greater population of Pescadero and will serve as the point of interface between HSe and the public, facilitating a streamlined process that involves the public at key points in the project while allowing the project to move forward in an efficient manner.

For the preferred alternative of the Feasibility Report, the report will detail:

- Design criteria (including flow, influent/effluent water quality)
- Effluent disposal methods
- Anticipated benefits to public health
- Estimated rate impacts to the community
- Planning-level construction and O&M cost estimates
- Revenue program (Task 5)
- Wastewater treatment plant operations requirements (e.g. power, chemicals)
- Operations Evaluation (Task 2)

- Staffing requirements
- Anticipated discharge permit limitations
- Implementation schedule

The outcome of this effort will result in a SCWG-compliant Feasibility Report. A draft report will be submitted to the County for review, and comments on the draft report will be incorporated into the final report. This final report will serve as the basis for the environmental documentation. The Feasibility Report will include the Operations Evaluation and Revenue Program as sections.

Deliverables:

- Draft Feasibility Report (five hard copies and one electronic PDF)
- Final Feasibility Report (five hard copies and one electronic PDF)
- Minutes from PMAC public meeting

Task 4 – Environmental Documentation: This task has been broken into three subtasks, as listed below.

Task 4.1 – Project Initiation and Scoping: AES will review the project description, site plans, adopted land use plans and associated CEQA documentation, and other related materials. Following this review, AES will meet with HSe to clarify the Proposed Project and client expectations in terms of solicited services and scheduling requirements. AES will join HSe in a meeting with the Lead Agency. At this meeting, the project team will establish lines of communication, discuss the nature of the document to be prepared, and establish a project schedule based on preliminary assumptions. AES will prepare a memorandum of decisions reached during completion of this task and distribute to the project team.

Task 4.2 – Draft Initial Study and CEQA Recommendation: AES will prepare a draft Initial Study that will be used to determine the nature of documentation required to comply with CEQA. The draft Initial Study will consider all potentially significant environmental effects from the Proposed Project. The draft Initial Study will be accompanied by a written recommendation for the appropriate type and level of CEQA documentation to be prepared, including a list of any special studies, fieldwork, or analyses that should be completed to ensure legal defensibility of the CEQA document.

AES will provide the Lead Agency with five hardcopies and two electronic copies of an administrative draft of the Initial Study and CEQA recommendations. AES will incorporate Lead Agency comments and provide five hardcopies and two electronic copies of the final version.

Task 4.3 – CEQA Document Preparation: The Lead Agency will make the final determination on the type of CEQA document to be prepared. For the purposes of this scope, it is assumed that a Mitigated Negative Declaration will be prepared.

AES will supplement the results of the previously prepared draft Initial Study with additional analysis, site surveys, and consultation as determined through the completion of Tasks 4.1 and 4.2. It is anticipated that select special studies, fieldwork, and technical analyses will be required under this option to determine impacts and the appropriate measures to reduce all potential effects to a less-than-significant level. This scope provides for air quality impact

analysis, biological and cultural resources assessments, Native American consultation, and a hazardous materials database search.

All documents will be prepared in accordance with CEQA Guidelines in a format approved by the Lead Agency. The Lead Agency shall identify any locally adopted thresholds of significance to be used to measure environmental impacts.

Notices: AES will prepare a draft version of all relevant public notices (i.e. Notice of Intent, Notice of Preparation, Notice of Availability, Notice of Completion) using the Lead Agency's preferred format. Draft notices will be finalized following Lead Agency review and comment. AES will deliver 15 copies of all relevant notices to the Office of Planning and Research, State Clearinghouse for transmittal to identified state agencies and deliver up to 100 copies via the U.S. Postal Service to individuals, groups, or jurisdictional agencies included on a master project mailing list. The Lead Agency will be responsible for the coordination and costs of placing notices in local newspapers.

Scoping Meeting: AES will participate in up to two scoping meetings or public hearings for the Proposed Project. AES will provide up to three poster board displays for each meeting. The Lead Agency will be responsible for the coordination and costs of reserving an appropriate venue. If requested, a court reporter will be provided by the Lead Agency.

Task 4.4 – Coastal Development Permitting: AES will consult with the North Coast Central District of the California Coastal Commission and submit an application for project approval. The level of effort required to complete the application and secure the permit will depend on the final design and layout of the Proposed Project. The cost estimate for this task assumes a moderate level of effort.

Deliverables:

- AES will provide the Lead Agency with five (5) hardcopies and two (2) electronic copies of an administrative draft MND.
- AES will revise the MND based on comments received from the Lead Agency. AES will produce twenty (20) copies of the MND, fifteen (15) of which will be submitted as required to the State Clearinghouse with the Notice of Intent.
- AES shall provide the Lead Agency with a written response to all comments received during the review period.
- AES shall also provide the Lead Agency with a Mitigation Monitoring and Reporting Plan to support adoption of the MND.

Assumptions:

- Special studies, fieldwork, and technical analysis will be limited to those anticipated in under the Work Plan above. Unanticipated services may require a contract amendment.
- Environmental permitting is limited to that described under Task 4.4. Additional costs may be incurred depending on the final design and layout of the Proposed Project.
- Application and environmental review fees are not included in the cost estimate.

Task 5 – Draft Revenue Program: The draft Revenue Program will establish funding mechanisms for operations and maintenance (including replacement costs) of the treatment system and any other debt payments associated with capital costs. The Revenue Program will include a system of user charges based on a fair and equitable distribution of project costs. It is also expected that other opportunities for external funding will be investigated, and the Revenue Program will recommend which funding sources to pursue. These sources could potentially reduce the project cost (and rates) for the residents of Pescadero.

Guidelines for preparing the Revenue Program are contained in Appendix C of the SCWG Policy. If the project will be receiving SRF funds, the SRF Revenue Program requirements will be utilized to satisfy this requirement. The Revenue Program will be submitted as part of the Facilities Plan.

Project Schedule

The schedule for project completion was detailed in the proposal, and is included as **Figure 1**.

Figure 1: Proposed Schedule

| TASK OR MILESTONE | 2007 | | | | 2008 | | | | | | | | | | | |
|---|------|---|---|---|------|---|---|---|---|---|---|---|---|---|---|--|
| | S | O | N | D | J | F | M | A | M | J | J | A | S | O | | |
| Notice to Proceed: Sept 26, 2007 | ○ | | | | | | | | | | | | | | | |
| Operation Evaluation: Sept 26 – December 19, 2007 | | | | | | | | | | | | | | | | |
| Feasibility Report: Sept 26, 2007 – Apr 2008 | | | | | | | | | | | | | | | | |
| Noticed Public Meeting: Dec 12, 2007 | | | | ○ | | | | | | | | | | | | |
| Draft Submittal: Feb 23, 2008 | | | | | | | | | | ○ | | | | | | |
| Final Submittal: Apr 11, 2008 | | | | | | | | | | | | | | | ○ | |
| Environmental Documentation: Jan 11, 2007 – Aug 2008 | | | | | | | | | | | | | | | | |
| Submit Initial Study: Mar 10, 2008 | | | | | | | | | | | | | | | ○ | |
| Submit Administrative Draft of MND: May 9, 2008 | | | | | | | | | | | | | | | ○ | |
| Submit Draft MND: June 11, 2008 | | | | | | | | | | | | | | | ○ | |
| Public Review Period: Jun 12, 2008 – Jul 22, 2008 | | | | | | | | | | | | | | | | |
| Prepare Response to Comments: Jul 22, 2008 – Sept 5, 2008 | | | | | | | | | | | | | | | | |
| Adopt MND: Sep 10, 2008 | | | | | | | | | | | | | | | ○ | |
| Coastal Development Permitting: Jan 11 – Aug 2008 | | | | | | | | | | | | | | | | |
| Revenue Program: Dec 12, 2007 – Feb 23, 2008 | | | | | | | | | | | | | | | | |
| Receive DFA Approval: Dec 2008 | | | | | | | | | | | | | | | ○ | |

○ Denotes Project Milestone

Project Team

The HSe project team will be as outlined in the proposal. The key project team members will be:

| | |
|--|-----------------------------------|
| Project Manager: | Curtis Lam |
| Principal-in-Charge: | George Harris |
| QA/QC: | Michael Jensen |
| Project Engineer: | Eric Jones |
| Facilities Planning: | Bill Slenter |
| Environmental Documentation: | Analytical Environmental Services |
| Revenue Planning/Financial Assistance: | Nexgen Utility Management |

Both the firms and the team members on the HSe team were selected with the project needs in mind. The people on the HSe team have a wealth of experience planning wastewater projects including those that comply with the requirements of the SCWG program.

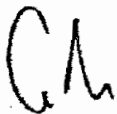
Proposed Fee

Table 1 summarizes the proposed budget of **\$140,180** for this scope of work. Services will be invoiced in accordance with HSe's standard billing rate schedule, a copy of which is attached. All services provided as part of this project will be on a time and materials basis with the "not-to-exceed" fee caps summarized in the following table. Work performed outside of this scope of work will require a separate authorization.

HSe appreciates that the County of San Mateo has selected us to provide facilities planning services for this project. We look at this project as an opportunity to demonstrate our qualifications and provide quality services to the County over the long term.

If you have any questions about this scope of work or project, or require any additional information, please give me a call at (707) 254-1900 (office) or (530) 848-3938 (cell).

Sincerely yours,
HydroScience Engineers, Inc.



Curtis Lam
Principal

HydroScience Engineers, Inc.
 Table 1: Fee Proposal for the Pescadero Community Sewer Project

August 13, 2007

| Task Description | Senior Manager \$155 /hr | | Project Manager \$125 /hr | | Associate Engineer II \$95 /hr | | Senior CAD Designer \$85 /hr | | Operations \$110 /hr | | Subconsultants AES | | Total HSe Fee | |
|--|-----------------------------|------------------|------------------------------|------------------|-----------------------------------|------------------|---------------------------------|-----------------|-------------------------|-----------------|-----------------------|-----------------|---------------|------------------|
| | Hours | Fee | Hours | Fee | Hours | Fee | Hours | Fee | Hours | Fee | Hours | Fee | HSe Hours | HSe Fee |
| 1 Project Management | 2 | \$ 310 | 8 | \$ 1,000 | 16 | \$ 1,520 | 0 | \$ - | 0 | \$ - | - | \$ - | 26 | \$ 2,830 |
| 2 Operations Evaluation | 8 | \$ 1,240 | 12 | \$ 1,500 | 0 | \$ - | 0 | \$ - | 16 | \$ 1,760 | - | \$ - | 36 | \$ 4,500 |
| 3 Facilities Planning/Feasibility Report | 64 | \$ 9,920 | 80 | \$ 10,000 | 124 | \$ 11,780 | 24 | \$ 2,040 | 12 | \$ 1,320 | 40 | \$ 4,400 | 304 | \$ 35,060 |
| 4 Environmental Documentation | 8 | \$ 1,240 | 24 | \$ 3,000 | 24 | \$ 2,280 | 0 | \$ - | 0 | \$ - | 650 | \$ 7,150 | 56 | \$ 6,520 |
| 5 Revenue Program | 4 | \$ 620 | 8 | \$ 1,000 | 0 | \$ - | 0 | \$ - | 0 | \$ - | - | \$ - | 12 | \$ 1,620 |
| TOTAL LABOR | 86 | \$ 13,330 | 132 | \$ 16,500 | 164 | \$ 15,580 | 24 | \$ 2,040 | 28 | \$ 3,080 | 690 | \$ 7,530 | 434 | \$ 50,530 |
| HSE Labor Fee | | \$ 50,530 | | | | | | | | | | | | |

DIRECT COSTS

| | | |
|--------------------------------------|-------------------|---|
| 4 Analytical Environmental Services | \$ 75,000 | Assumes preparation of a Mitigated Negative Declaration |
| 5 Bryan Brock, Nexgen Reimburseables | \$ 10,000 | |
| Direct Charges Markup (5%) | \$ 400 | |
| | \$ 4,250 | |
| TOTAL DIRECT CHARGES | \$ 89,650 | |
| TOTAL PROPOSED FEE | \$ 140,180 | |

Overall Level of Effort for HSe Staff Members

| Hse Staff Member | Classification | Total Hours |
|------------------|---------------------|-------------|
| Curtis Lam | Senior Manager | 54 |
| Mike Jensen | Senior Manager | 16 |
| George Harris | Senior Manager | 16 |
| Eric Jones | Project Manager | 84 |
| Bill Sienter | Project Manager | 48 |
| Angela Singer | Associate Engineer | 120 |
| Michael Hyatt | Associate Engineer | 44 |
| Pete Desal | Senior CAD Designer | 24 |
| Don Brown | Operations | 28 |
| Total | | 434 |

Exhibit "B"

2007

HYDROSCIENCE ENGINEERS, INC.

Standard Schedule of Billing Rates

Effective January 1, 2007 through December 31, 2007

| <u>Labor Category</u> | <u>Hourly Rate</u> |
|-------------------------------|--------------------|
| Senior Manager | \$155 |
| Project Manager | \$140 |
| Senior Engineer II | \$120 |
| Senior Engineer I | \$110 |
| Associate Engineer II | \$95 |
| Associate Engineer I | \$85 |
| Senior Construction Inspector | \$85 |
| Construction Inspector | \$75 |
| CAD Manager | \$95 |
| Senior CAD Designer | \$80 |
| CAD Designer | \$65 |
| Engineering Aide | \$60 |
| Senior Administrative | \$60 |
| Administrative | \$45 |

These rates are in effect for the duration of this agreement. Subsequent agreements will be billed at HSe's current billing rate structure.

Hourly billing rates include postage and telephone charges that are normal to the work authorized. Other direct costs for travel, reproduction, mail service, outside services, etc. will be invoiced at 110 percent of the actual cost.

County of San Mateo
Contractor's Declaration Form

I. CONTRACTOR INFORMATION

| | | | |
|------------------|--|--------|----------------|
| Contractor Name: | HydroScience Engineers, Inc. | Phone: | (707) 254-1906 |
| Contact Person: | Curtis Lam | Fax: | (707) 254-1901 |
| Address: | 221 Gateway Road West, Suite 403 Napa, CA 94558 | | |

II. EQUAL BENEFITS (check one or more boxes)

Contractors with contracts in excess of \$5,000 must treat spouses and domestic partners equally as to employee benefits.

- Contractor complies with the County's Equal Benefits Ordinance by:
- offering equal benefits to employees with spouses and employees with domestic partners.
 - offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- Contractor does not comply with the County's Equal Benefits Ordinance.
- Contractor is exempt from this requirement because:
- Contractor has no employees, does not provide benefits to employees' spouses, or the contract is for \$5,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on _____ (date) and expires on _____ (date), and intends to offer equal benefits when said agreement expires.

III. NON-DISCRIMINATION (check appropriate box)

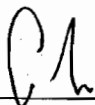
- Finding(s) of discrimination have been issued against Contractor within the past year by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. Please see attached sheet of paper explaining the outcome(s) or remedy for the discrimination.
- No finding of discrimination has been issued in the past year against the Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other entity.

IV. EMPLOYEE JURY SERVICE (check one or more boxes)

Contractors with original or amended contracts in excess of \$100,000 must have and adhere to a written policy that provides its employees living in San Mateo County up to five days regular pay for actual jury service in the County.

- Contractor complies with the County's Employee Jury Service Ordinance.
- Contractor does not comply with the County's Employee Jury Service Ordinance.
- Contractor is exempt from this requirement because:
- the contract is for \$100,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on _____ (date) and expires on _____ (date), and intends to comply when the collective bargaining agreement expires.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.



Signature

Curtis Lam

Name

09/12/07

Date

Principal

Title