

DRAFT Agreement for Biosolids Management Services

This agreement ("Agreement") is by and between **Sonoma Valley County Sanitation District** ("District") and **Lystek International Limited**, a Delaware corporation ("Service Provider"). The Effective Date of this Agreement is the date the Agreement is last signed by the parties to the Agreement, unless otherwise specified in Paragraph 5.1.

RECITALS

- A. Service Provider certifies that it is a Delaware corporation duly authorized to do business in the State of California, registered with the Secretary of State of California, and represents that it is a duly qualified biosolids management service provider, experienced in receiving third-party biosolids for processing and related services.
- B. Service Provider provides beneficial uses for municipal biosolids (such as soil amendment and landfill cover) in response to local, state, and federal regulations.
- C. Service Provider owns and operates an organic material recovery center (OMRC) at the Fairfield-Suisun Sewer District in Fairfield, California, and is authorized to receive third-party material for processing biosolids approved for beneficial reuse.
- D. Sonoma County Water Agency operates and manages District under contract with District. References to District employees are understood to be Sonoma County Water Agency employees acting on behalf of District.
- E. Under this Agreement, Service Provider will manage District's biosolids including hauling and processing.

In consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

AGREEMENT

1. RECITALS

- 1.1. The above recitals are true and correct and are incorporated herein.

2. LIST OF EXHIBITS

- 2.1. The following exhibits are attached hereto and incorporated herein:
 - a. Exhibit A: Scope of Work.
 - b. Exhibit B: Insurance Requirements.
 - c. Exhibit C: Waiver of Insurance Requirements.

3. **SCOPE OF SERVICES**

- 3.1. *Service Provider's Specified Services:* Service Provider shall perform the services described in Exhibit A (Scope of Work), within the times or by the dates provided for in Exhibit A and pursuant to Article 9 (Prosecution of Work). In the event of a conflict between the body of this Agreement and Exhibit A, the provisions in the body of this Agreement shall control.
- 3.2. *Cooperation with District:* Service Provider shall cooperate with District in the performance of all work hereunder. Service Provider shall coordinate the work with District's Project Manager. Contact information and mailing addresses:

District	Service Provider
Project Manager: Garrett Walker 404 Aviation Boulevard Santa Rosa, California 95403-9019 Phone: 707-521-1849 Email: gwalker@scwa.ca.gov	Contact: James Dunbar 1014 Chadbourne Road Fairfield, California 94534 Phone: 707-419-0084 Email: jdunbar@lystek.com
Remit invoices to:	Remit payments to:
Accounts Payable Same address as above or Email: ap.agreements@scwa.ca.gov	Same address as above Attn: Accounts Receivable

- 3.3. *Performance Standard and Standard of Care:* Service Provider hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with the standards of a reasonable professional having specialized knowledge and expertise in the services provided under this Agreement and in accordance with all applicable federal, state and local laws, it being understood that acceptance of Service Provider's work by District shall not operate as a waiver or release. District has relied upon the professional ability and training of Service Provider as a material inducement to enter into this Agreement. If District determines that any of Service Provider's work is not in accordance with such level of competency and standard of care, District, in its sole discretion, shall have the right to do any or all of the following: (a) require Service Provider to meet with District to review the quality of the work and resolve matters of concern; (b) require Service Provider to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 6 (Termination); or (d) pursue any and all other remedies at law or in equity.
- 3.4. *Assigned Personnel:*
- Service Provider shall assign only competent personnel to perform work hereunder. In the event that at any time District, in its sole discretion, desires the removal of any person or persons assigned by Service Provider to perform work hereunder, Service Provider shall remove such person or persons immediately upon receiving written notice from District.

- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by District to be key personnel whose services were a material inducement to District to enter into this Agreement, and without whose services District would not have entered into this Agreement. Service Provider shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of District.
- c. In the event that any of Service Provider's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness, or other factors outside of Service Provider's control, Service Provider shall be responsible for timely provision of adequately qualified replacements.

4. PAYMENT

- 4.1. *Total Costs:* Total costs under this Agreement shall not exceed \$2,620,000.
- 4.2. *Method of Payment:* Service Provider shall be paid in accordance with the following terms:
 - a. Rates: Service Provider shall be paid the following rates to manage, haul, and process biosolids produced at District's treatment plant at Service Provider's OMRC as follows:
 - i. \$159 per wet ton. This rate includes, but is not limited to, wet tons, subcontractor, transportation, testing, applicable imposed fees for inspection, host fees, and road damage fees (exclusive of applicable taxes and duties).
 - ii. \$39.16 per day for each trailer onsite at District's treatment plant. District utilizes two trailers every day at the treatment plant.
 - b. Service Provider shall not be entitled to reimbursement for expenses incurred in completion of the services.
- 4.3. *Invoices:* Service Provider shall submit its bills in arrears on a monthly basis, based on work completed for the period, in a form approved by District. The bills shall show or include:
 - a. Service Provider name.
 - b. Agreement title and TW 25/26-052.
 - c. District's Project-Activity Code V1003W001.
 - d. Task performed with an itemized description of services rendered by date.
 - e. Summary of work performed by subconsultants, as described in Paragraph 14.4.
- 4.4. *Monthly Reports with Invoices:* Payment of invoices is subject to receipt of the monthly reports required under Task 1.3 of Exhibit A (Scope of Work).

- 4.5. *Rate Changes:* Upon at least 30 days written notice, Service Provider may change the wet ton and trailer day use rates up to 3 percent per year, commencing on July 1, 2026 and no more than once every 12 months thereafter.
- 4.6. *Timing of Payments:* Unless otherwise noted in this Agreement, payments shall be made within the normal course of District business after presentation of an invoice in a form approved by District for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by District.
- 4.7. *Taxes Withheld by District:*
- a. Pursuant to California Revenue and Taxation Code (R&TC) section 18662, District shall withhold seven percent of the income paid to Service Provider for services performed within the State of California under this Agreement, for payment and reporting to the California Franchise Tax Board, if Service Provider does not qualify as: (1) a corporation with its principal place of business in California, (2) an LLC or Partnership with a permanent place of business in California, (3) a corporation/LLC or Partnership qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.
 - b. If Service Provider does not qualify, as described in Paragraph 4.7.a, District requires that a completed and signed Form 587 be provided by Service Provider in order for payments to be made. If Service Provider is qualified, as described in Paragraph 4.7.a, then District requires a completed Form 590. Forms 587 and 590 remain valid for the duration of the Agreement provided there is no material change in facts. By signing either form, Service Provider agrees to promptly notify District of any changes in the facts. Forms should be sent to District pursuant to Article 15 (Method and Place of Giving Notice, Submitting Bills, and Making Payments) of this Agreement. To reduce the amount withheld, Service Provider has the option to provide District with either a full or partial waiver from the State of California.

5. TERM OF AGREEMENT

- 5.1. *Term of Agreement:* This Agreement shall expire on February 28, 2031, unless terminated earlier in accordance with the provisions of Article 6 (Termination).
- 5.2. *Term Extension:* Sonoma County Water Agency's General Manager shall have the ability to extend the term of this Agreement for up to two additional years by providing written notice to Service Provider thirty days in advance of the expiration date noted in this Article. The extension shall be formalized in an amended agreement or amendment signed by District and Service Provider.

6. TERMINATION

- 6.1. *Authority to Terminate:* District's right to terminate may be exercised by Sonoma County Water Agency's General Manager.

- 6.2. *Termination Without Cause:* Notwithstanding any other provision of this Agreement, at any time and without cause, District shall have the right, in its sole discretion, to terminate this Agreement by giving 5 days written notice to Service Provider.
- 6.3. *Termination for Cause:* Notwithstanding any other provision of this Agreement, should Service Provider fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, District may immediately terminate this Agreement by giving Service Provider written notice of such termination, stating the reason for termination.
- 6.4. *Delivery of Work Product and Final Payment Upon Termination:* In the event of termination, Service Provider, within 14 days following the date of termination, shall deliver to District all reports, original drawings, graphics, plans, studies, and other data or documents, in whatever form or format, assembled or prepared by Service Provider or Service Provider's subcontractors, consultants, and other agents in connection with this Agreement subject to Paragraph 12.10 and shall submit to District an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.
- 6.5. *Payment Upon Termination:* Upon termination of this Agreement by District, Service Provider shall be entitled to receive as full payment for all services satisfactorily rendered and reimbursable expenses properly incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Service Provider bear to the total services otherwise required to be performed for such total payment; provided, however, that if services are to be paid on a per-hour or per-day basis, then Service Provider shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to termination multiplied by the applicable hourly or daily rate; and further provided, however, that if District terminates the Agreement for cause pursuant to Paragraph 6.3, District shall deduct from such amounts the amount of damage, if any, sustained by District by virtue of the breach of the Agreement by Service Provider.

7. INDEMNIFICATION

- 7.1. Service Provider agrees to accept all responsibility for loss or damage to any person or entity, including Sonoma County Water Agency and Sonoma Valley County Sanitation District, and to indemnify, hold harmless, and release Sonoma County Water Agency and Sonoma Valley County Sanitation District, their officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Service Provider, that arise out of, pertain to, or relate to Service Provider's or its agents', employees', contractors', subcontractors', or invitees'

performance or obligations under this Agreement. Service Provider agrees to provide a complete defense for any claim or action brought against Sonoma County Water Agency or Sonoma Valley County Sanitation District based upon a claim relating to Service Provider's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Service Provider's obligations under this Article 7 apply whether or not there is concurrent or contributory negligence on the part of Sonoma County Water Agency or Sonoma Valley County Sanitation District, but, to the extent required by law, excluding liability due to conduct of Sonoma County Water Agency or Sonoma Valley County Sanitation District. Sonoma County Water Agency and Sonoma Valley County Sanitation District shall have the right to select their legal counsel at Service Provider's expense, subject to Service Provider's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Service Provider or its agents, employees, contractors, subcontractors, or invitees under workers' compensation acts, disability benefits acts, or other employee benefit acts.

8. INSURANCE

- 8.1. With respect to performance of work under this Agreement, Service Provider shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit B (Insurance Requirements) and Exhibit C (Waiver of Insurance Requirements).

9. PROSECUTION OF WORK

- 9.1. Service Provider is authorized to proceed immediately with the performance of this Agreement upon the Effective Date of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Service Provider's performance of this Agreement shall be extended by a number of days equal to the number of days Service Provider has been delayed.

10. EXTRA OR CHANGED WORK

- 10.1. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Changes to lengthen time schedules or make minor modifications to the scope of work, which do not increase the amount paid under the Agreement, may be executed by Sonoma County Water Agency's General Manager in a form approved by County Counsel. The parties expressly recognize that District personnel are without authorization to order all other extra or changed work or waive Agreement requirements. Failure of Service Provider to secure such written authorization for extra or changed work shall constitute a waiver of any and all

right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Service Provider shall be entitled to no compensation whatsoever for the performance of such work. Service Provider further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of District.

11. CONTENT ONLINE ACCESSIBILITY

- 11.1. *Accessibility:* District policy requires that all documents that may be published to the Web meet accessibility standards to the greatest extent possible and utilizing available existing technologies.
- 11.2. *Standards:* All consultants responsible for preparing content intended for use or publication on a District-managed or District-funded web site must comply with applicable federal accessibility standards established by 36 C.F.R. section 1194, pursuant to section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794(d)), District's Web Standards & Guidelines located at <https://sonomacounty.ca.gov/Services/Web-Standards-and-Guidelines/> and District's Web Site Accessibility Policy located at <https://sonomacounty.ca.gov/CAO/Administrative-Policies/9-3-Website-Accessibility-Policy/>.
- 11.3. *Alternate Format:* When it is strictly impossible due to the unavailability of technologies required to produce an accessible document, Service Provider shall identify the anticipated accessibility deficiency prior to commencement of any work to produce such deliverables. Service Provider agrees to cooperate with District in the development of alternate document formats to maximize the facilitative features of the impacted document(s); e.g., embedding the document with alt-tags that describe complex data/tables.
- 11.4. *Noncompliant Materials; Obligation to Cure:* Remediation of any materials that do not comply with District's Web Site Accessibility Policy shall be the responsibility of Service Provider. If District, in its sole and absolute discretion, determines that any deliverable intended for use or publication on any District-managed or District-funded Web site does not comply with District Accessibility Standards, District will promptly inform Service Provider in writing. Upon such notice, Service Provider shall, without charge to District, repair or replace the non-compliant materials within such period of time as specified by District in writing. If the required repair or replacement is not completed within the time specified, District shall have the right to do any or all of the following, without prejudice to District's right to pursue any and all other remedies at law or in equity:
 - a. Cancel any delivery or task order;
 - b. Terminate this Agreement pursuant to the provisions of Article 6 (Termination); and/or

- c. In the case of custom Electronic and Information Technology (EIT) developed by Service Provider for District, District may have any necessary changes or repairs performed by itself or by another contractor. In such event, Service Provider shall be liable for all expenses incurred by District in connection with such changes or repairs.
- 11.5. *District's Rights Reserved:* Notwithstanding the foregoing, District may accept deliverables that are not strictly compliant with District Accessibility Standards if District, in its sole and absolute discretion, determines that acceptance of such products or services is in District's best interest.

12. REPRESENTATIONS OF SERVICE PROVIDER

- 12.1. *Status of Service Provider:* The parties intend that Service Provider, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Service Provider is not to be considered an agent or employee of District and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits District provides its employees. In the event District exercises its right to terminate this Agreement pursuant to Article 6 (Termination), Service Provider expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.
- 12.2. *No Suspension or Debarment:* Service Provider warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Service Provider also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If Service Provider becomes debarred, Service Provider has the obligation to inform District.
- 12.3. *Taxes:* Service Provider agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Service Provider agrees to indemnify and hold District harmless from any liability which it may incur to the United States or to the State of California or to any other public entity as a consequence of Service Provider's failure to pay, when due, all such taxes and obligations. In case District is audited for compliance regarding any withholding or other applicable taxes, Service Provider agrees to furnish District with proof of payment of taxes on these earnings.
- 12.4. *Records Maintenance:* Service Provider shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such

documents and records available to District for inspection at any reasonable time. Service Provider shall maintain such records for a period of four (4) years following completion of work hereunder.

- 12.5. *Conflict of Interest:* Service Provider covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Service Provider further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if required by law or requested to do so by District, Service Provider shall submit a completed Fair Political Practices Commission Statement of Economic Interests (Form 700) with District within 30 calendar days after the Effective Date of this Agreement and each year thereafter during the term of this Agreement, or as required by state law.
- 12.6. *Statutory Compliance/Living Wage Ordinance:* Service Provider agrees to comply, and to ensure compliance by its subconsultants or subcontractors, with all applicable federal, state and local laws, regulations, statutes and policies, including but not limited to the County of Sonoma Living Wage Ordinance, applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, Service Provider expressly acknowledges and agrees that this Agreement is subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.
- 12.7. *Nondiscrimination:* Service Provider shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, the County of Sonoma's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.
- 12.8. *AIDS Discrimination:* Service Provider agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.
- 12.9. *Assignment of Rights:* Service Provider assigns to District all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the work, if any, now or later prepared by Service Provider in connection with this Agreement. Service Provider agrees to take such actions as are necessary to protect the rights assigned to District in this

Agreement, and to refrain from taking any action which would impair those rights. Service Provider's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the work as District may direct, and refraining from disclosing any versions of the work to any third party without first obtaining written permission of District. Service Provider shall not use or permit another to use the work in connection with this or any other project without first obtaining written permission of District.

- 12.10. *Ownership of Work Product:* All reports, drawings, graphics, plans, and studies, in their final form and format, assembled or prepared by Service Provider or Service Provider's subcontractors, consultants, and other agents in connection with this Agreement, shall be the property of District. Service Provider shall deliver such materials to District upon request in their final form and format. Such materials shall be and will remain the property of District without restriction or limitation. Document drafts, notes, and emails of Service Provider and Service Provider's subcontractors, consultants, and other agents shall remain the property of those persons or entities.
- 12.11. *Authority:* The undersigned hereby represents and warrants that the undersigned has authority to execute and deliver this Agreement on behalf of Service Provider.
- 12.12. *Nondisclosure of Confidential Information:* While doing the work required by this Agreement, Service Provider may have access to technical information and materials pertaining to District's sensitive information or data determined by District to be confidential ("Confidential Information"). The Confidential Information may include confidential or proprietary information or trade secrets exempt from disclosure under provisions of the California Public Records Act. In consideration of disclosure by District of Confidential Information to Service Provider, Service Provider and its agents shall hold any material or information designated by District as Confidential in strict confidence and shall not disclose it or otherwise make it available, in any form or matter whatsoever, to any person or entity without the prior written consent of District, except as may be ordered by a court of law. Immediately upon receipt of any request or demand for disclosure of any Confidential Information within the scope of this Agreement, Service Provider shall give District written notice and a copy of the request and the time period, if any, within which Service Provider is required to respond to the request. Upon termination of this Agreement, Service Provider shall return Confidential Information in its possession, including copies, to District. Service Provider's obligation to maintain material and information designated as Confidential in strict confidence shall survive completion of work under this Agreement and termination of this Agreement and, as provided for in Paragraph 12.10, Service Provider agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of District.

12.13. *District Liability:* District is a separate legal entity from Sonoma County Water Agency, operated under contract by Sonoma County Water Agency. To the extent any work under this Agreement relates to District activities, Service Provider shall be paid exclusively from District funds. Service Provider agrees that it shall make no claim for compensation for Service Provider's services against Sonoma County Water Agency funds and expressly waives any right to be compensated from other funds available to Sonoma County Water Agency.

13. **DEMAND FOR ASSURANCE**

13.1. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may, in writing, demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article 13 limits District's right to terminate this Agreement pursuant to Article 6 (Termination).

14. **ASSIGNMENT AND DELEGATION**

14.1. *Consent:* Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

14.2. *Subcontracts:* Notwithstanding the foregoing, Service Provider may enter into subcontracts with the subconsultants specifically identified herein. If no subconsultants are listed, then no subconsultants will be utilized in the performance of the work specified in this Agreement. Approved subconsultants are as follows:

<i>Full Legal Name</i>	<i>Type of Services</i>	<i>Prevailing Wages Apply? Y/N</i>
Felipe De Jesus Gomez-Garcia, DBA NORCAL AG TRANSPORT	Biosolids hauling services	N

- 14.3. *Change of Subcontractors or Subconsultants:* If, after execution of the Agreement, parties agree that subconsultants not listed in Paragraph 14.2 will be utilized, Service Provider may enter into subcontracts with subconsultants to perform other specific duties pursuant to the provisions of this Paragraph 14.3. The following provisions apply to any subcontract entered into by Service Provider other than those listed in Paragraph 14.2:
- a. Prior to entering into any contract with subconsultant, Service Provider shall obtain District approval of subconsultant.
 - b. All agreements with subconsultants shall (a) contain indemnity requirements in favor of District in substantially the same form as that contained in Article 7 (Indemnification), (b) contain language that the subconsultant may be terminated with or without cause upon reasonable written notice, and (c) prohibit the assignment or delegation of work under the agreement to any third party.
- 14.4. *Summary of Subconsultants' Work:* Service Provider shall provide District with a summary of work performed by subconsultants with each invoice submitted under Paragraph 4.3. Such summary shall identify the individuals performing work on behalf of subconsultants and the total amount paid to subconsultant, broken down by the tasks listed in the Scope of Work.

15. METHOD AND PLACE OF GIVING NOTICE, SUBMITTING BILLS, AND MAKING PAYMENTS

- 15.1. *Method of Delivery:* All notices, bills, and payments shall be made in writing and shall be given by personal delivery, U.S. Mail, courier service, or electronic means. Notices, bills, and payments shall be addressed as specified in Paragraph 3.2.
- 15.2. *Receipt:* When a notice, bill, or payment is given by a generally recognized overnight courier service, the notice, bill, or payment shall be deemed received on the next business day. When a copy of a notice, bill, or payment is sent by electronic means, the notice, bill, or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill, or payment is deposited in the U.S. mail and postmarked on the date of the electronic transmission (for a payment, on or before the due date), (2) the sender has a written confirmation of the electronic transmission, and (3) the electronic transmission is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills, and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this Article 15.

16. MISCELLANEOUS PROVISIONS

- 16.1. *No Bottled Water:* In accordance with District Board of Directors Resolution No. 09-0920, dated September 29, 2009, no District funding shall be used to

purchase single-serving, disposable water bottles for use in District facilities or at District-sponsored events. This restriction shall not apply when potable water is not available.

- 16.2. *No Waiver of Breach:* The waiver by District of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or promise or any subsequent breach of the same or any other term or promise contained in this Agreement.
- 16.3. *Construction:* To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Service Provider and District acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Service Provider and District acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.
- 16.4. *Consent:* Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.
- 16.5. *No Third-Party Beneficiaries:* Except as provided in Article 7 (Indemnification), nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.
- 16.6. *Applicable Law and Forum:* This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or in the forum nearest to the City of Santa Rosa, in the County of Sonoma.
- 16.7. *Captions:* The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.
- 16.8. *Merger:* This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure section 1856. Each Party acknowledges that, in entering into this Agreement, it has not relied on any representation or undertaking, whether oral or in writing, other than those which are expressly set forth in this

Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

- 16.9. *Survival of Terms:* All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.
- 16.10. *Time of Essence:* Time is and shall be of the essence of this Agreement and every provision hereof.
- 16.11. *Counterpart; Electronic Signatures:* The parties agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and together which when executed by the requisite parties shall be deemed to be a complete original agreement. Counterparts may be delivered via electronic means, or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered, be valid and effective for all purposes, and shall have the same legal force and effect as an original document. This Agreement, and any counterpart, may be electronically signed by each or any of the parties through the use of any commercially available digital and/or electronic signature software or other electronic signature method in compliance with the U.S. federal E-SIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civil Code § 1633.1 et seq.), or other applicable law. By its use of any electronic signature below, the signing party agrees to have conducted this transaction and to execution of this Agreement by electronic means.

/

/

/

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date last signed by the parties to the Agreement.

Reviewed as to funds:

TW 25/26-052

By: _____
Sonoma County Water Agency
Division Manager - Administrative
Services

Approved as to form:

By: _____
Verne Ball
Deputy County Counsel

Insurance Documentation is on file with
District

Date/TW Initials: _____

Sonoma Valley County Sanitation District

Lystek International Limited, a Delaware
corporation

By: _____
Grant Davis
General Manager
Authorized per Boards of Directors Action
on January 27, 2026

By: _____

Name: _____

Title: _____

Date: _____

Date: _____

Exhibit A

Scope of Work

1. TASKS

1.1. Task 1: Coordination of Deliveries and Hauling Services

- a. Haul biosolids from District's wastewater facilities to Service Provider's Fairfield OMRC.
- b. Coordinate with District for the operational requirements and scheduling of hauling services within the following parameters:
 - i. Service Provider's Fairfield OMRC shall be available to receive deliveries of biosolids from District at least twelve (12) hours per day, five (5) days a week (Monday through Friday). Service Provider's Fairfield OMRC shall accept deliveries outside these hours and days upon receipt of at least 48 hours' notice from District.
 - ii. There is no minimum monthly quantity required from District. District will make a reasonable effort to have a regular delivery schedule to provide advance notice to Service Provider of deliveries to Service Provider's Fairfield OMRC.

1.2. Task 2: Receiving and Processing Biosolids

- a. Receive biosolids delivered from District's wastewater facilities to Service Provider's Fairfield OMRC, located at 1014 Chadbourne Rd, Fairfield, California.
- b. Weigh incoming deliveries of biosolids via a certified scale under the direction of a licensed weighmaster at Service Provider's Fairfield OMRC.
- c. After weighing, unload biosolids into a dedicated receiving pit, and transfer to a biosolids storage and feed tank.
- d. Process the biosolids to produce a multiuse, beneficial hydrolyzed product that meets the requirements to be handled as an Environmental Protection Agency (EPA) Class A biosolids fertilizer product. Additionally, biosolids shall meet the following requirements:
 - i. Biosolids Quality: District's biosolids are secondary solids from an activated sludge process. The solids content of District's biosolids will be between 15 percent and 25 percent by weight.
 - ii. Biosolids Volume: District anticipates needing processing of 1,500 to 2,500 wet tons, or more, annually of District's biosolids to Class A standards as defined under 40 C.F.R., Part 503.

1.3. Task 3: Monthly Reports

- a. Prepare monthly reports. Submit to District in accordance with the date listed for this deliverable. The statement period shall be from the first to the end of each month.

- b. Include the following in each monthly report:
 - i. Destination.
 - ii. Date.
 - iii. Time.
 - iv. Total tonnage supported by the inclusion of weigh tickets.
 - v. Other information as appropriate or as requested by District.

Deliverable	Due Date
Monthly Report	Monthly with invoices

2. **DELIVERABLES**

- 2.1. Review and Acceptance of Deliverables
 - a. First Draft: Prepare each deliverable in draft form and submit to District for review and approval in accordance with the date listed for the deliverable in the applicable task. District will return the draft deliverable to Service Provider with comments or approval in writing.
 - b. Subsequent Draft(s): If District requests revisions, revise the draft deliverable and resubmit for District approval.
 - c. Final. Following District approval and prior to District's acceptance of work under this Agreement, submit the final approved deliverable to District in accordance with the date listed for this deliverable.
- 2.2. In addition to the requirements above, if any, submit one electronic copy in PDF format (emailed, on USB flash drive, or via internet) of each final deliverable to District.
- 2.3. Comply with requirements of Article 11 (Content Online Accessibility).
- 2.4. Include Agreement title and TW 25/26-052 on first page or cover of each deliverable.

Exhibit B

Insurance Requirements

Service Provider shall maintain and require all of its subcontractors and other agents to maintain the insurance listed below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Service Provider shall not commence Work, nor allow its employees, subcontractors or anyone to commence Work until the required insurance has been submitted and approved by District. Any requirement for insurance to be maintained after completion of the Work shall survive this Agreement.

District reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Service Provider from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

1. INSURANCE

- 1.1. Workers Compensation and Employers Liability Insurance
 - a. Required if Service Provider has employees.
 - b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
 - c. Employers' Liability with minimum limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
 - d. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against District.
 - e. Required Evidence of Insurance:
 - i. Subrogation waiver endorsement; and
 - ii. Certificate of Insurance
 - f. If Service Provider currently has no employees, Service Provider agrees to obtain the above-specified Workers' Compensation and Employers' Liability insurance should any employees be engaged during the term of this Agreement or any extensions of the term.
- 1.2. General Liability Insurance
 - a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
 - b. Minimum Limits: \$2,000,000 per Occurrence; \$4,000,000 General Aggregate; \$4,000,000 Products/Completed Operations Aggregate. The General Aggregate shall apply separately to each project. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance. If Service Provider

maintains higher limits than the specified minimum limits, District requires and shall be entitled to coverage for the higher limits maintained by Service Provider.

- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$100,000 it must be approved in advance by District. Service Provider is responsible for any deductible or self-insured retention and shall fund it upon District's written request, regardless of whether Service Provider has a claim against the insurance or is named as a party in any action involving District.
- d. Insurance shall be continued for one (1) year after completion of the work.
- e. Sonoma County Water Agency, Sonoma Valley County Sanitation District, their officers, agents, and employees, shall be endorsed as additional insureds for liability arising out of ongoing and completed operations by or on behalf of Service Provider in the performance of this Agreement. Additional insured status shall continue for (1) year after completion of the work under this Agreement.
- f. The insurance provided to District *et al.* as additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- g. The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- h. The policy shall be endorsed to include a written waiver of the insurer's right to subrogate against District.
- i. The policy shall cover inter-insured suits between the additional insureds and Service Provider and include a "separation of insureds" or "severability" clause which treats each insured separately.
- j. Required Evidence of Insurance:
 - i. Copy of the additional insured endorsement or policy language granting additional insured status, and
 - ii. Copy of the endorsement or policy language indicating that coverage is primary and non-contributory, and
 - iii. Certificate of Insurance.

1.3. Automobile Liability Insurance

- a. Minimum Limit: \$2,000,000 combined single limit per accident.
- b. The required limits may be provided by a combination of Automobile Liability Insurance and Commercial Excess or Umbrella Liability Insurance.
- c. Insurance shall cover all owned, hired, and non-owned vehicles.
- d. The policy shall include an MCS 90 endorsement if required by the Motor Carrier Act of 1980.

- e. The policy shall include a Pollution Liability endorsement (ISO form CA 99 48 or equivalent).
- f. District, its officers, agents, and employees shall be defined as insureds under the policy or shall be endorsed as additional insureds.
- g. Required Evidence of Coverage:
 - i. Copy of the endorsement or policy language indicating that District is an insured;
 - ii. Copy of the MCS-90 endorsement if required;
 - iii. Copy of pollution liability endorsement; and
 - iv. Certificate of Insurance.

1.4. Contractors Pollution Liability Insurance

- a. Minimum Limits: \$2,000,000 per pollution incident; \$4,000,000 annual aggregate. If Service Provider maintains higher limits than the specified minimum limits, District requires and shall be entitled to coverage for the higher limits maintained by Service Provider.
- b. The insurance shall cover:
 - i. bodily injury, sickness, disease, sustained by any person, including death;
 - ii. property damage, including physical injury to or destruction of tangible property including the resulting loss of use thereof;
 - iii. cleanup costs, and the loss of use of tangible property that has not been physically injured or destroyed including diminution of value and natural resources damages;
 - iv. defense costs, including costs, charges, and expenses incurred in the investigation, adjustment, or defense of claims; and
 - v. liability assumed by Service Provider under a written contract or agreement.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$100,000 it must be approved in advance by District. Service Provider is responsible for any deductible or self-insured retention and shall fund it upon District's written request, regardless of whether Service Provider has a claim against the insurance or is named as a party in any action involving District.
- d. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work.
- e. Insurance shall be continued for one (1) year after completion of the Work. If the insurance is on a Claims-Made basis, the continuation coverage may be provided by: (a) renewal of the existing policy; (b) an extended reporting period endorsement; or (c) replacement insurance with a retroactive date no later than the commencement of the work.
- f. Sonoma County Water Agency, Sonoma Valley County Sanitation District, their officers, agents, and employees, shall be endorsed as additional

insureds for liability arising out of ongoing and completed operations by or on behalf of Service Provider in the performance of this Agreement. Additional insured status shall continue for (1) year after completion of the work.

- g. The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by them.
- h. The policy shall cover inter-insured suits between Service Provider and the additional insureds and include a "separation of insureds" or "severability" clause which treats each insured separately.
- i. Required Evidence of Insurance:
 - i. Additional insured endorsement or policy language granting additional insured status;
 - ii. Copy of the endorsement or policy language indicating that Insurance is primary and non-contributory; and
 - iii. Certificate of Insurance including an indication of the coverage basis: occurrence or claims-made. If claims-made, the Certificate shall show the policy retroactive date.

1.5. Standards for Insurance Companies

- a. Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

1.6. Documentation

- a. The Certificate of Insurance must include the following reference: TW 25/26-052.
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Service Provider agrees to maintain current Evidence of Coverage on file with District for the required period of insurance.
- c. The name and address for mailing Additional Insured endorsements and Certificates of Insurance is: Sonoma Valley County Sanitation District, c/o Sonoma County Water Agency, 404 Aviation Boulevard, Santa Rosa, CA 95403-9019.
- d. Required Evidence of Coverage shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Service Provider shall provide immediate written notice if: (1) any of the required insurance policies are terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

1.7. Policy Obligations

- a. Service Provider's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

1.8. Material Breach

- a. If Service Provider fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. District, at its sole option, may terminate this Agreement and obtain damages from Service Provider resulting from said breach. Alternatively, District may purchase the required insurance, and without further notice to Service Provider, District may deduct from sums due to Service Provider any premium costs advanced by District for such insurance. These remedies shall be in addition to any other remedies available to District.

DRAFT

Exhibit C

Waiver of Insurance Requirements

[Forthcoming]

DRAFT