

**PROFESSIONAL SERVICES AGREEMENT**  
**BETWEEN**  
**CITY OF ISLETON**  
**AND**  
**SECTARIS PARTNERS LLC**

This Personal Services Agreement (“Agreement”) is made and entered into this \_\_\_\_\_ day of January 2025 by and between City of Isleton (“City”) and Sectaris Partners LLC (“Contractor”).

RECITALS

WHEREAS, City desires to retain a person or firm to provide city manager services; and

WHEREAS, Contractor warrants that it is qualified and agreeable to render the aforesaid services.

AGREEMENT

NOW, THEREFORE, for and in consideration of the agreement made, and the payments to be made by City, the parties agree to the following:

- I. **SCOPE OF SERVICES:** Contractor agrees to provide all of the services described in Exhibit A.
- II. **TERM:** This Agreement shall commence on January 15, 2025, and shall terminate on December 31, 2025, unless sooner terminated in accordance with the terms hereunder.
- III. **FEES:** The fees for furnishing services under this Agreement shall be based on the rate schedule which is attached hereto as Exhibit A. Said fees shall remain in effect for the entire term of this Agreement.
- IV. **MAXIMUM COST:** Notwithstanding any other provision of this Agreement, in no event will the cost to City for the services to be provided herein exceed the maximum cost included in Exhibit A.
- V. **PAYMENT:** The fees for services under this Agreement shall be due within 15 calendar days after receipt and approval by City of an invoice covering the service(s) rendered to date.

Invoices or applications for payment to the City shall be sufficiently detailed and shall contain full documentation of all work performed and all reimbursable expenses incurred. Where the scope of work on the Agreement is divided into

various tasks, invoices shall detail the related expenditures accordingly. Labor expenditures need documentation to support time, subsistence, travel and field expenses. No expense will be reimbursed without adequate documentation.

Notwithstanding any other provision herein, payment may be delayed, without penalty, for any period in which the State or Federal Government has delayed distribution of funds that are intended to be used by the City for funding payment to Contractor.

- VI. **INSURANCE:** Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees, or subcontractors.

Minimum Scope and Limit of Insurance

- A. The Contractor shall maintain a commercial general liability (CGL) insurance policy (Insurance Services Office Form CG 00 01) covering CGL on an occurrence basis, including products and completed operations, property damage, bodily injury, and personal & advertising injury, with limits in the amount of \$1,000,000, and a general aggregate limit of \$2,000,000.

The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the General Liability Policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor, including materials, parts, or equipment furnished in connection with such work or operations. Additional insured should read as follows:

City of Isleton

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Prior to the commencement of any work hereunder, the Contractor shall supply a Certificate of Insurance and endorsements, signed by the insurer, evidencing such insurance as specified above to City. However, failure to obtain and provide the required documents to City prior to the work beginning shall not waive the Contractor's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Each insurance policy

required above shall provide that coverage and shall not be canceled, except with prior written notice to the City.

Insurance is to be placed with an insurer with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

For any claims related to this Contract, the Contractor's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 with respect to the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers, shall be in excess of the Contractor's insurance and shall not contribute with it.

Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

- VII. **WORKER'S COMPENSATION:** The Contractor acknowledges that it is aware of the provisions of the Labor Code of the State of California which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code and it certifies that it will comply with such provisions before commencing the performance of the services to be performed under this Agreement and at all times during the performance of the services to be performed hereunder. A copy of the certificates evidencing such insurance with policy limits of at least \$1,000,000 per accident for bodily injury or disease (or, in the alternative, a signed City Workers' Compensation Exemption form) shall be provided to City prior to commencement of work.
- VIII. **INDEMNIFICATION:** Contractor agrees to indemnify, defend at its own expense, and hold City harmless from any and all liabilities, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from any and all acts or omissions to act of Contractor or its officers, agents, or employees in performing services under this Agreement; excluding, however, such liabilities, claims, losses, damages, or expenses arising from City's sole negligence or willful misconduct.

- IX. **NONDISCRIMINATORY EMPLOYMENT:** In connection with the execution of this Agreement and the services to be provided hereunder, the Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, national origin, political affiliation, ancestry, marital status or disability. This policy does not require the employment of unqualified persons.
- X. **INTEREST OF PUBLIC OFFICIALS:** No officer, agent or employee of the City during their tenure, nor for one year thereafter, shall have any interest, direct or indirect, in this Contractor the proceeds thereof.
- XI. **SUBCONTRACTING AND ASSIGNMENT:** The rights, responsibilities and duties established under this Agreement are personal to the Contractor and may not be subcontracted, transferred or assigned without the express prior written consent of the City.
- XII. **LICENSING AND PERMITS:** The Contractor shall maintain the appropriate licenses throughout the life of this Agreement. Contractor shall also obtain any and all permits which might be required by the work to be performed herein.
- XIII. **BOOKS OF RECORD AND AUDIT PROVISION:** Contractor shall maintain on a current basis, complete books and records relating to this Contract. Such records shall include, but not be limited to, documents supporting all bids and all expenditures for which any reimbursement is sought. The books and records shall be original entry books. In addition, Contractor shall maintain detailed payroll records, including all subsistence, travel and field expenses, and canceled checks, receipts and invoices for all items for which any reimbursement is sought. These documents and records shall be retained for at least three years from the completion of this Agreement (42CFR Sections 433.32, 438.3(h) and (u)).
- XIV. **CONFIDENTIALITY:** All information and records obtained in the course of providing services under this Agreement shall be confidential and shall not be open to examination for any purpose not directly connected to the administration of this program or the services provided hereunder. Both parties shall comply with State and Federal requirements regarding confidential information.
- XV. **TITLE:** It is understood that any and all documents, information, computer disks, and reports of any kind concerning the services provided hereunder, prepared by and/or submitted to the Contractor, shall be the sole property of the City. The Contractor may retain reproducible copies of drawings and copies of other documents. In the event of the termination of this Agreement, for any reason whatsoever, Contractor shall promptly turn over all information, writing, computer disks, and documents to City without exception or reservation. Contractor shall

transfer from computer hard drive to disk any information or documents stored on hard drive and provide City with said disk.

XVI. TERMINATION:

- A. Either party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days written notice to the other party. Notice of Termination shall be by written notice to the other party and shall be sent by registered mail.
- B. If the Contractor fails to provide in any manner the services specified under this Agreement otherwise fails to comply with the terms of this Agreement, or violates any ordinance, regulation, or other law which applies to its performance herein, the City may terminate this Agreement by giving five calendar days written notice to Contractor.
- C. The Contractor shall be excused for failure to perform services herein if such services are prevented by acts of God, strikes, labor disputes or other forces over which the Contractor has no control.
- D. In the event of termination, not the fault of the Contractor, the Contractor shall be paid for services performed up to the date of termination in accordance with the terms of this Agreement.

XVII. RELATIONSHIP BETWEEN THE PARTIES: It is expressly understood that in the performances of the services herein, the Contractor, and the agents and employees thereof, shall act in an independent capacity and as an independent contractor and not as officers, employees or agents of the City.

XVIII. AMENDMENT: This Agreement may be amended or modified only by a written instrument signed by both parties.

XIX. ASSIGNMENT OF PERSONNEL: The Contractor shall not substitute any personnel for those specifically named in its proposal unless personnel with substantially equal or better qualifications and experience are provided, acceptable to City, as evidenced in writing.

- XX. **WAIVER:** No provision of this Contractor the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed.
- XXI. **SEVERABILITY:** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby. Each provision shall be valid and enforceable to the fullest extent permitted by law.
- XXII. **JURISDICTION AND VENUE:** This Agreement and the obligations hereunder shall be construed in accordance with the laws of the State of California. The parties hereto agree that venue for any legal disputes or litigation arising out of this Agreement shall be in Sacramento County, California.
- XXIII. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and all prior or contemporaneous agreements, understandings, and representations, oral or written, are superseded.
- XXIV. **EXHIBITS:** All “Exhibits” referred to below or attached to herein are by this reference incorporated into this Contract:

<b>Exhibit Designation</b>	<b>Exhibit Title</b>
Exhibit A	Services & Fees
Exhibit B	Health Insurance Portability and Accountability Act Supplement

- XXV. **DESIGNATED AGENTS:** The parties represent and warrant that they have full power and authority to execute and fully perform their obligations under this Agreement pursuant to their governing instruments, without the need for any further action, and that the person(s) executing this Agreement on behalf of each party are the duly designated agents of each party and are authorized to do so.
- XXVI. **COMPLIANCE WITH APPLICABLE LAWS:** The Contractor shall comply with any and all federal, state and local laws, regulations, and ordinances affecting the services covered by this Agreement. Contractor shall comply with the Health Insurance Portability and Accountability Act and shall execute the Health Insurance Portability and Accountability Act Supplement attached to this Agreement as Exhibit B.

XXVII. ATTORNEY'S FEES: If any party hereto employs an attorney for the purpose of enforcing or construing this Agreement, or any judgment based on this Agreement, in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, including appeals or rehearing, the prevailing party shall be entitled to receive from the other party, or parties thereto, reimbursement for all attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees, and the cost of any bonds, whether taxable or not. If any judgment or final order be issued in that proceeding, said reimbursement shall be specified therein.

XXVIII. NOTICES: Any notice required to be given pursuant to the terms and conditions hereof shall be in writing, and shall be via one of the following methods: personal delivery, prepaid Certified First-Class Mail, or prepaid Priority Mail with delivery confirmation. Unless others designated by either party, such notice shall be mailed to the address shown below:

If to City:

Mayor or City Manager  
101 Second Street  
Isleton, CA 95641

If to Contractor:

Adam Cox  
143 W. 21<sup>st</sup> Street  
Merced, CA 95340

[signature page to follow]

IN WITNESS WHEREOF, the parties hereunto have executed this Agreement on the date written below.

**CITY OF ISLETON**

By: \_\_\_\_\_  
Iva Walton  
Mayor  
Date: \_\_\_\_\_

**SECTARIS PARTNERS LLC**

By: \_\_\_\_\_  
Adam Cox  
Managing Partner  
Date: \_\_\_\_\_



## **EXHIBIT A**

### **Scope of Services:**

Contractor will serve in capacity of City Manager by and through Jon Kennedy or Adam Cox, and will report directly to and take direction from the City Council. It is understood that the City's particular concern is the fiscal health of the city and the potential filing of Chapter 9 Bankruptcy, and the City Manager should take care to prioritize City's fiscal health.

Contractor's typical tasks include:

- Exercise overall management of City operations and staff.
- Available 24/7 to provide emergency direction.

### **Fees:**

The Rate shall be \$125/hour, not to exceed 140 hours per month unless otherwise authorized in writing by the Mayor.

Rate shall be paid for travel between Contractor's home and City.

City shall pay Contractor the IRS Meals & Incidental rate on a per diem basis for the Sacramento County area. Per diem payment shall be made for each night spent in City.

All Rate hours and other claims shall be submitted with sufficiently itemized detail on a monthly basis as described in Section V of this Agreement.

## EXHIBIT B

### HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT SUPPLEMENT

#### Definitions:

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule.

- a. Business Associate. "Business Associate" shall mean the Contractor named in the first paragraph of this Agreement.
- b. Covered Entity. "Covered Entity" shall mean the Chester Public Utility City.
- c. Designated Record Set. "Designated Record Set" shall mean:
  - (1) A group of records maintained by or for a covered entity that is:
    - a. The medical records and billing records about individuals maintained by or for a covered health care provider;
    - b. The enrollment, payment, claims adjudication, and case or medical management record systems maintained by or for a health plan; or
    - c. Used, in whole or in part, by or for the covered entity to make decisions about individuals.
  - (2) For purposes of this paragraph, the term record means any item, collection, or grouping of information that includes protected health information and is maintained, collected, used, or disseminated by or for a covered entity.
- d. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- e. Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.
- f. Protected Health Information. "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- g. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.
- h. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.
- i. Electronic Protected Health Information. "Electronic Protected Health Information" ("EPHI") means individually identifiable health information that is transmitted or maintained in electronic media, limited to the information created, received, maintained or transmitted by Business Associate from or on behalf of Covered Entity.
- j. Security Incident. "Security Incident" shall mean the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system, but does not include minor incidents that occur on a daily basis, such as scans, "pings", or unsuccessful random attempts to penetrate computer networks or servers maintained by Business Associate.

- k. Security Rule. "Security Rule" shall mean the Standards for the Protection of Electronic Protected Health Information at 45 CFR Part 160 and Part 164, Subparts A and C.

#### Obligations of Business Associate

Business Associate shall:

- a. Not use or disclose Protected Health Information other than as permitted or required by the Contractor as required by law.
- b. Use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- c. Mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.
- d. Report to Covered Entity any use or disclosure of the Protected Health Information in violation of the requirements of this Agreement of which it becomes aware.
- e. Ensure that any agent, including a subcontractor, to whom it provides or receives Protected Health Information agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information.
- f. Document disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
- g. Provide to Covered Entity or an Individual, in time and manner agreed to between the parties, information collected pursuant to this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR § 164.528.
- h. Provide access, at the request of Covered Entity, and in the time and manner agreed to by the parties, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR §164.524.
- i. Make any amendment(s) to Protected Health Information in a Designated Record set that the Covered Entity directs or agrees to pursuant to 45 CFR §164.526 at the request of Covered Entity or an Individual, and in the time and manner agreed to between the parties.
- j. Business Associate shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity.
- k. Business Associate shall conform to generally accepted system security principles and the requirements of the final HIPAA rule pertaining to the security of health information.
- l. Business Associate shall ensure that any agent to whom it provides EPHI, including a subcontractor, agrees to implement reasonable and appropriate safeguards to protect such EPHI.
- m. Business Associate shall report to Covered Entity any Security Incident within 5 business days of becoming aware of such incident.

- n. Business Associate shall make its policies, procedures, and documentation relating to the security and privacy of protected health information, including EPHI, available to the Secretary of the U.S. Department of Health and Human Services and, at Covered Entity's request, to the Covered Entity for purposes of the Secretary determining Covered Entity's compliance with the HIPAA privacy and security regulations.

#### Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in this Agreement, provided that such use or disclosure would not violate the Privacy Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

#### Obligations of Covered Entity

Covered Entity shall notify Business Associate of any:

- a. Limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.
- b. Changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.
- c. Restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

#### Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

#### Term and Termination

- a. Term. The Term of these provisions shall be concurrent with the term of the Agreement, and shall terminate when all of the Protected Health Information provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section.
- b. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
  - a. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
  - b. Immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or

- c. If neither termination nor cure are feasible, Covered Entity shall report the violation to the Secretary.
- c. Effect of Termination.
  - a. Except as provided in paragraph (2) of this section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
  - b. In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon determination that return or destruction of Protected Health Information is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

#### Reservation of Right to Monitor Activities.

Covered Entity reserves the right to monitor the security policies and procedures of Business Associate.

#### **Specific Provisions for Use and Disclosures by Business Associate of PHI Subject to 42 CFR Part 2.**

(a) Covered Entity operates a program for treatment of alcohol or drug abuse, receives federal financial assistance in the operation of that program, and is required to comply with 42 CFR Part 2 pertaining to use and disclosure of patient information and patient records.

(b) Business Associate is a "Qualified Service Organization" as that term is defined at 42 CFR 2.11.

(c) Business Associate acknowledges that it will have access to records that are covered by 42 CFR Part 2. Business Associate agrees that it is fully bound by the provisions of 42 CFR Part 2, and will only use and disclose protected health information as permitted by those regulations. Business Associate will, if necessary, resist in judicial proceedings any effort to obtain access to patient records not permitted by 42 CFR Part 2.

#### Miscellaneous

- a. Regulatory References. A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
- b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- c. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.