



1178 Broadway, 3<sup>rd</sup> Floor, #1123  
New York, NY 10001  
646-499-0083  
www.CarbonVerificationService.com

August 22, 2025

Rainie Torrance, Utility Manager  
City of Needles  
817 Third Street  
Needles, CA 92363

**Re: City of Needles  
California Air Resources Board  
GHG Report Verification – Reporting Years 2025, 2026 and 2027**

Dear Ms. Torrance:

Carbon Verification Service appreciates the opportunity to submit a proposal to verify the City of Needles's Greenhouse Gas Emission Report for the California Air Resources Board for reporting years 2025, 2026, and 2027. A scope of work, cost estimate and general terms and conditions are outlined below.

**Scope of Work**

Carbon Verification Service will conduct verification services in accordance with the following general verification principles:

<b>Verification Criteria</b>	CARB Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, 17 CCR 95100 to 95158
<b>Boundaries of the Project</b>	The electricity transactions by City of Needles subject to reporting by 17 CCR 95111
<b>GHGs to be Verified</b>	CO <sub>2</sub> e
<b>Level of Assurance</b>	Reasonable assurance
<b>Time Period Included</b>	GHG emissions during calendar year 2025, 2026 and 2027
<b>Definition of Materiality</b>	<p>The materiality determination will be based on the following equation:</p> $\text{Percent error (emissions)} = \sum \frac{[\text{Discrepancies} + \text{Omissions} + \text{Misreporting}] \times 100\%}{\text{Total reported covered emissions}}$ <p>The result of this equation must be 5% or greater to find that there is a material misstatement of emissions.</p>

Carbon Verification Service will use its best efforts to complete the project according to the following schedule:



1178 Broadway, 3<sup>rd</sup> Floor, #1123  
New York, NY 10001  
646-499-0083  
www.CarbonVerificationService.com

Task #	Task	Deadline
1	Submit Conflict of Interest/Notice of Verification Service certification to CARB	5 Days after contract award
2	Issue Request for Information	5 days after CARB approval of COI/NOVS
3	Prepare Verification Plan and Sampling Plan	5 days after receipt of requested information.
4	Perform Site Visit at WAPA's office in Phoenix, AZ (year 1 only)	15 days
5	Perform Data Review and Assessment	20 days
6	Prepare Verification Report	10 days
7	Conduct Independent Technical Review	5 days
8	Issue Verification Statement	No later than August 11 of each year.

Carbon Verification Service will:

- Perform the services in an efficient, prompt, skillful and careful manner in accordance with current industry standards, practices and accredited procedures.
- Provide at least one opportunity for City of Needles to respond to corrective action requests, if any, and verify any final version of the corrected emission report.
- For each year, issue a Verification Report and Verification Statement substantially as defined in the

Reporting Rule. City of Needles will:

- Make commercially reasonable efforts to cooperate with Carbon Verification Service to comply with the schedule set forth in this Proposal.
- Submit an Emission Report in the Cal-eGGRT reporting tool and provide access to the Report to Carbon Verification Service.
- Promptly and appropriately respond to requests from Carbon Verification Service for correct, accurate and complete background and supporting documentation, including e-tags. This includes making employees available for interviews in a timely fashion. Personnel to be interviewed include those who prepared the GHG Report, traders and data management personnel.
- If feasible, provide read-only access to the City of Needles's tagging agent (OATI) to review import and export e-tags and conduct data queries.
- Promptly correct all material misstatements and respond to any other corrective action requests from Carbon Verification Service.
- Pay the fee, as specified below.



1178 Broadway, 3<sup>rd</sup> Floor, #1123  
New York, NY 10001  
646-499-0083  
[www.CarbonVerificationService.com](http://www.CarbonVerificationService.com)

**Cost**

The cost to complete the tasks identified above is \$ 9,850 per year. Travel expenses for the site visit are estimated to be an additional \$950. A deposit of \$1,970 will be invoiced upon execution of the contract for year 1. The deposit for years 2 and 3 will be invoiced on or around June 1, 2027 and June 1, 2028 for the same amount as year 1.

Fees in addition to that specified above may be charged for tasks that are not identified in the proposal, for repeats of any or all the tasks that are identified, or for work required due to non-conformances with the Reporting Rule. The City of Needles will be notified in writing in advance if additional fees are necessary.

**General Terms and Conditions**

General Terms and Conditions applicable to this Verification Project are attached and are hereby incorporated into this Agreement.

Should this Proposal meet with your approval, please sign below to signify your agreement with the terms and conditions of this Agreement and return a fully executed original to me. Thank you for the opportunity to submit this Proposal. If you have any questions, please contact me at 916-208-9389.

Sincerely,  
For Carbon Verification Service, LLC

A handwritten signature in black ink that reads "James J. Groome". The signature is fluid and cursive, with the first and last names being more prominent.

James J. Groome  
President

AGREED TO AND ACCEPTED:  
City of Needles

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Attachment - General Terms and Conditions



1178 Broadway, 3<sup>rd</sup> Floor, #1123  
New York, NY 10001  
646-499-0083  
www.CarbonVerificationService.com

## General Terms and Conditions

This Verification Agreement ("Agreement") is entered into by and between Carbon Verification Service, LLC, (hereinafter referred to as "the Verification Body" or "the VB") and the City of Needles (the "Client"). The Verification Body and the Client to be referred to individually as a "Party" and collectively, when the context so permits, as the "Parties". All capitalized terms not defined herein have the definition set forth in the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions sections 95100 to 95158, Title 17, California Code of Regulations (The "Reporting Rule") which is incorporated herein by reference, as applicable.

### 1. Scope of Agreement

- 1.1 The VB shall perform the Services in accordance with the Proposal dated August 22, 2025.
- 1.2 The Client recognizes that its compliance with the Deadlines identified in the Proposal and its timely cooperation is critical to receiving the Services from the VB in a timely manner. If the Client fails to meet its responsibilities as outlined in the Proposal, the VB provides no guarantees regarding completion of the Services, including submission of the final verification statement, by the schedule indicated in the Proposal and Client agrees that additional fees may be charged to Client to complete the Services.
- 1.3 The Services will be conducted in English unless otherwise agreed upon by both the VB and the Client. Language requirements include oral communication, written communication and document review.
- 1.4 The VB retains authority and responsibility for its verification activities, decisions and Verification Statement.

### 2. Representations, Warranties, and Disclaimer

- 2.1. Any Services provided by VB will be provided pursuant to industry standards by competent and qualified personnel.
- 2.2. Each Party has entered into this Agreement as principal and for its own account (and not as advisor, agent, broker or in any other capacity, fiduciary or otherwise), with a full understanding of, and the ability to assume, the material terms and risks of the same.
- 2.3. Each Party represents and warrants that it is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing and has the authority and power to execute this Agreement or other document relating hereto to which it is a party, to deliver this Agreement or other document relating hereto that it is required hereby to deliver, and to perform its obligations under this Agreement or other document relating hereto to which it is a party, and has taken all necessary action to authorize such execution, delivery and performance. Each Party further represents and warrants that the person executing this Agreement on behalf of each Party has full power and authority to enter into this Agreement.

- 2.4. This Agreement constitutes its legal, valid and binding obligation enforceable against it in accordance with its terms, except as the same may be limited by bankruptcy, insolvency or other similar laws affecting creditor's rights generally.
- 2.5. The VB makes no further representations regarding the Services provided. ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

### 3. Use of the Deliverable

- 3.1. The VB will provide the Deliverable set forth in the Proposal in its entirety to the Client. The Client may include the Deliverable in its annual report or may be issued by the Client in any separate report that it may publish or be provided to any other interested parties or entities. The name and/or logo of the VB may not appear in the report or publication without prior written consent of the VB. The VB reserves its right to seek legal remedies for unauthorized use of the VB name or logo.
- 3.2. Except as expressly permitted in this Agreement, the Client hereby represents and warrants that it will not publish, nor otherwise refer to, the Deliverable or any portion thereof unless the prior written consent of the VB is received.

### 4. Compensation and Payment

- 4.1. VB shall deliver to the Client, at the address provided below, invoices every month for the duration of the project, which invoices shall be calculated in accordance with the pricing terms set forth in the Proposal or as agreed to by the Parties from time to time. VB may require a deposit in the amount set forth on a separate invoice to be applied to the last invoice before performing the Services. Other than the deposit, the Client shall pay the amount specified on the invoice in US Dollars directly to the VB within thirty (30) calendar days from the date of Client's receipt of such invoice (the "Due Date"). Any amounts not paid by the applicable Due Date shall accrue interest at a rate of 1.5% per month beginning the day after the Due Date, up to and including the date payment is actually received by the VB. The VB reserves the right to cease or suspend work for reason of unpaid fees and/or to seek legal remedies for unpaid fees. The Client shall pay all of the VB's reasonable collection costs including reasonable attorney's fees.

Invoicing Information (to be completed by the Client):

Client Contact Name:	
Client Billing Address:	
Contact Telephone:	
P.O. Number:	
Client Federal Tax ID (EIN):	

- 4.2. All fees and charges payable to the VB shall be net of any and all taxes, sales or use taxes, fees, value added taxes, or other government charges (collectively "Taxes") charged or which may be imposed in the future in relation to the VB's Services (other than VB's income taxes), directly in relation to the rendering of the Services, and Client agrees that it will be responsible for the payment of all such taxes. The Client shall pay all Taxes associated with the Services to VB as required by law.
- 4.3. Notwithstanding the dispute resolution provisions of Section 9.2 below, should the Client wish to dispute an invoice, it must do so in writing, within thirty (30) calendar days of receipt, and shall provide sufficient detail in the notice to fully describe the nature, detail, and evidence in support of the dispute along with the amount in dispute. Otherwise, invoices shall be deemed accurate and payable according to the terms thereof. If VB has received notice of such an invoice dispute, the Client will pay the full undisputed amount when due and shall not be entitled to retain or defer payment of any sums to the VB on account of any dispute, counter claim or set off which Client may allege against the VB. The VB may elect to bring action for the collection of unpaid fees in any court having competent jurisdiction, and upon a judgment in VB's favor, the Client shall pay all of the VB's collection costs, including attorneys' fees and related expenses.

## 5. Marketing and Claims

- 5.1. Client may not state in marketing efforts and other publications that its Report was verified by VB without VB's express prior written consent.
- 5.2. Client may not use the Verification Statement, the mark of or the logo of Carbon Verification Service, LLC in marketing efforts and publications without express prior written consent of VB.

## 6. Term and Termination of the Agreement

- 6.1. Term. The Term of this Agreement shall commence on the Effective Date and terminate on the first anniversary date of the Effective Date. The Effective Date is the date both parties execute the contract.
- 6.2. Termination for Cause. Either Party may terminate this Agreement upon the other Party's material breach of a material provision of this Agreement, if such breach is not cured within ten (10) calendar days of notice from the non-breaching Party, provided that if this Agreement is terminated by the VB, the VB shall be entitled to the *pro rata* portion of the fees agreed to for the Services under this Agreement for the Services performed by VB prior to the Client's breach, and other than as stated in Section 6.3 (Conflict of Interest), no refunds will be due in the event of Termination of this Agreement.
- 6.3. Termination for Conflict of Interest. In the event that any applicable government agency determines that VB has a conflict of interest in performing the Services, which VB determines in its sole judgment and discretion cannot be mitigated or the cost of such mitigation is too expensive, then VB shall have the right to immediately terminate this Agreement without any penalty or further obligation. In such event, VB shall refund all fees received for Services not yet performed.

## 7. Limitation of Liability and Indemnification

- 7.1. LIMITATION OF LIABILITY. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY HEREIN PROVIDED, THE LIABLE PARTY'S LIABILITY SHALL BE LIMITED TO THE DIRECT ACTUAL DAMAGES (INCLUDING ANY FEES PREVIOUSLY PAID UNDER THIS AGREEMENT) ONLY AND SUCH DIRECT, ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY HEREUNDER, AND ALL OTHER REMEDIES OR DAMAGES SHALL BE WAIVED. NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR REVENUES OR LOSS OF USE OF EITHER, OR BUSINESS INTERRUPTION DAMAGES, WHETHER BY STATUTE, IN TORT OR IN CONTRACT, UNDER THIS AGREEMENT.
- 7.2. The VB shall not be liable for:
- 7.2.1. ANY DELAYED OR PARTIAL PERFORMANCE OF THE SERVICES, OR ANY DAMAGES SUFFERED BY CLIENT AS A RESULT OF SUCH DELAYED OR PARTIAL PERFORMANCE OF THE SERVICES, ARISING DIRECTLY OR INDIRECTLY FROM ANY EVENT OUTSIDE THE VB'S CONTROL; OR
- 7.2.2. ANY PARTIAL OR TOTAL NON-PERFORMANCE OF THE SERVICES OR ANY DAMAGES SUFFERED BY CLIENT AS A RESULT OF SUCH PARTIAL OR TOTAL NON-PERFORMANCE OF THE SERVICES, DIRECTLY OR INDIRECTLY ARISING OUT OF AN ACT OR OMISSION BY THE CLIENT.
- 7.3. Indemnity. Except for cases of proven negligence or fraud by Party, the other Party agrees to indemnify, defend and hold harmless such Party and its officers, directors, employees, agents, representatives and subcontractors against all claims (actual or potential) of any third party for loss, damage or expense of whatever nature, including all legal expenses and related costs arising from, related to or in connection with this Agreement.
- 7.4. Defense. VB shall: (i) give prompt written notice, in accordance with the provisions of Section 10.3, of any third-party claim, suit, expense or the like related to or in connection with this Agreement; (ii) permit the Client to control and direct the defense or settlement of any such claim, suit or the like, provided, however, that (a) the Client shall not enter into any settlement agreement that would result in any admission by VB or payment by VB without VB's prior written consent, (b) VB may at its election participate in the defense of such claim, suit or the like through separate counsel at its own expense, and (c) VB provides the Client all reasonable assistance (at the expense of Client) in connection with the defense or settlement of any such claim or suit.

## 8. Confidentiality

- 8.1. As used herein, "Confidential Information" shall include any and all oral and written information provided to a Party by the Other, provided, however, that Confidential Information shall not include any information which (i) is, or hereafter becomes (but not in violation of this Agreement), generally known to the public, (ii) was available to a Party on a non-confidential basis prior to the time it was disclosed by the other Party, (iii) is disclosed by an independent third party with a right (or apparent right) to make such disclosure. Unless required by law or upon request of a governmental authority with competent jurisdiction, neither Party shall disclose the Confidential Information to any person or entity except for its directors, employees or outside consultants retained by it in connection with this Agreement.
- 8.2. The VB agrees that any Confidential Information disclosed to it by the Client will not be used for any purpose other than in connection with the performance of its duties and obligations under this Agreement. The VB shall use its best efforts to prevent access by unauthorized persons to such Confidential Information, such efforts to reflect at least the same degree of security that the VB accords its own confidential information. The VB shall ensure that any outside consultant retained by the VB is made aware of, and is bound by, this Article 8.
- 8.3. In the event that a Party, or anyone to whom Confidential Information is disclosed pursuant to this Agreement, becomes legally compelled to disclose any of the Confidential Information, or such disclosure is requested by any governmental authority with jurisdiction over the subject of this Agreement or the Parties hereto (the "Compelled Party"), the Compelled Party shall provide the Party whose Confidential Information will be affected by such disclosure (the "Affected Party") with prompt notice so that the Affected Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Section. In the event that such protective order or other remedy is not obtained or in the event that the Affected Party waives compliance with the provisions of this Section, the Compelled Party will furnish only that portion of the Confidential Information which the Compelled Party is legally required or requested to disclose and will seek to obtain reliable assurance that confidential treatment will be accorded the Confidential Information so disclosed.
- 8.4. Notwithstanding the foregoing, except as required by witness assessments or other accreditation assessments by accreditation bodies or oversight authorities of GHG regimes and sector schemes, the VB will not disclose to a third party, without prior written consent from the Client, any information that comes into its possession, the possession of its employees, agents or others in the course of the engagement. Where disclosure is required by a relevant reporting program, the VB will give timely notification to the Client prior to any release of information to such reporting program. The Client acknowledges, understands and agrees that on occasion, a representative of the accreditation body or relevant GHG program may request to witness the VB's verification activities. Client agrees that granting access is an accreditation body requirement and therefore cannot be denied by the VB or the Client. The VB shall notify the Client in advance of granting such access.

- 8.5. The Parties acknowledge and agree that any breach of this Section 8 would cause irreparable harm to the nonbreaching party. Therefore, the breaching party consents to injunctive relief in such event.

## 9. Governing Law and Jurisdiction; Dispute Resolution

- 9.1. Governing Law. This Agreement shall be governed by, and interpreted in accordance with the substantive laws of the State of California exclusive of any rules contained therein with respect to conflicts of laws.
- 9.2. Dispute Resolution. Prior to filing any action or suit, the Parties shall negotiate in good faith to amicably resolve the dispute.

## 10. Miscellaneous

- 10.1. Entire Agreement. The text of this Agreement shall constitute the entire agreement between the Parties with respect to its subject matter, all prior contracts, proposals, representations, negotiations and understandings, either orally or in writing, including any nondisclosure and use of information agreement as may have been signed by the Parties, being hereby expressly superseded, and is not intended to confer upon any person other than the Parties any rights or remedies hereunder.
- 10.2. Amendment / Change Orders. Changes in the scope of the Services, either by Client request or necessitated by other events or conditions (including, without limitation, changes in law or regulation) must be agreed to in writing by the Parties. The Parties may execute one or more change orders detailing any additional Services along with associated fees upon the mutual agreement of the Parties.
- 10.3. Notices. Any communications required or permitted to be given by one Party to another shall be sent to the other Party by personal delivery or by first class mail, or overnight courier, or facsimile at the address shown in the introduction to this Agreement or any other address subsequently notified by any Party to the other Party and deemed delivered 5 days after mailing or when received, whichever is earlier. Unless a particular method has been required by any provision of this Agreement, facsimile communications shall be accepted if there is confirmation of the transmission and such communication is followed up by paper copy thereof sent by messenger, overnight or other express delivery service.
- 10.4. Assignment. Save as expressly provided for in this Agreement, no Party shall assign this Agreement in whole or in part without the prior written consent of the other Party, which shall not be unreasonably withheld. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns.
- 10.5. Independent Contractors. In performance of any services subject to this Agreement, each of the parties will operate as, and have the status of, an independent contractor.

- 10.6. Severability. If any provision of this Agreement is deemed invalid by a court of competent jurisdiction, then the invalid or unenforceable provision will be deemed superseded by a valid, enforceable provision that most closely matches the intent of the original provision and the remaining provisions of this Agreement shall govern. Client acknowledges and agrees that each provision of this Agreement that provides for a disclaimer of warranties or an exclusion or limitation of damages represents an express allocation of risk, and is part of the consideration of this Agreement. Invalidity of any provision of this Agreement shall not affect the validity of the remaining provisions of this Agreement.
- 10.7. Interpretation. This Agreement shall not be construed against any party by reason of the fact that such party drafted any particular provision so construed.
- 10.8. Force Majeure. Except as otherwise set forth in this Agreement, VB will not be deemed to have materially breached this Agreement to the extent that performance of its obligations or attempts to cure any breach are delayed or prevented by reason of any act of God, fire, natural disaster, accident, act of government, shortage of materials or supplies beyond the reasonable control of VB, strike, labor dispute or walkout, or any other cause beyond the reasonable control of VB, provided that the VB resumes performance of its obligations as soon as practicable.
- 10.9. No Partnership. Neither Party's employees shall be entitled to represent itself/themselves to any third parties, whether orally or on business cards or letterhead, as the agents of the other Party. Nothing in this Agreement shall constitute or create or be deemed to constitute or create a partnership, joint venture, agency, fiduciary or trust relationship or other legal association of any kind. Neither Party has the authority under this Agreement to bind the other with respect to third parties. Neither Party will represent itself to third parties as the partner of or joint venturer with the other, nor as having the authority to bind the other, except as may be otherwise expressly agreed in writing. Under no circumstances shall the VB's employees be deemed to be employees of the Client or vice versa nor shall either Party be liable for any compensation or benefits for the other Party's employees. In addition, neither Party shall use any of the other Party's trademarks without the prior written approval of such other Party.
- 10.10. No Waiver. Nothing shall constitute, or have the effect of, a waiver except an instrument in writing signed by a duly authorized officer or representative of the Party against whom such waiver is sought to be enforced which expressly, and not impliedly, waives a right or rights under this Agreement. The failure of any Party hereto to enforce at any time any of the provisions of this Agreement or to exercise any right which is herein provided shall in no way be construed to be a waiver of such provisions nor in any way affect the validity of this Agreement or any part thereof or the right of any Party to enforce thereafter each and every such right or option. No waiver of any breach of this Agreement shall be considered or held to be a waiver of any other or subsequent breach.
- 10.11. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.
- 10.12. Attorneys' Fees. The prevailing party in any action or lawsuit shall be entitled to receive its attorneys' fees and costs of suit from the nonprevailing party.
- 10.13. Duty to Comply with Applicable Laws. The Parties will comply with all applicable laws, regulations, and orders in connection with each of their obligations pursuant to this Agreement.
- 10.14. Document Retention and Record Keeping Requirements. Client shall establish and maintain procedures for document retention and record keeping for all documents relating to the design, development, and maintenance of the GHG inventory, in paper, electronic or other usable format, for a period of not less than ten years after the termination of this Agreement.
- 10.15. Survival. Sections 2 through 10 and any portion of the Proposal that by its terms should survive, shall survive for two (2) years after the termination of this Agreement.