



December 21, 2017

Teresa K.Q. Bowen, PE
Senior Vice President
Gray-Bowen-Scott
167 N. California Blvd., Suite 400
Walnut Creek, CA 94596

RE: Hercules Station Technical Support

Dear Terry,

Per your request for updated 2018 billing rate for the above referenced project. Below is my 2017 fully burdened rate. Please note that HDR's merit raises for 2018 will take effect on January 1, 2018 and will likely be in the 3% range.

Wayne Short:
Direct Labor (2017) = \$112.83/hr.
Over Head Rate = 165%
Profit (DL+OH) = 10%

Fully Burdened Rate = $\$112.83 \times 2.65 \times 1.10 = \$328.90/\text{hr.}$

Sincerely,
HDR Engineering, Inc.

A handwritten signature in black ink, appearing to read 'Wayne Short', with a long horizontal flourish extending to the right.

Wayne Short, PE
Vice President