



Building a Better World
for All of Us®

May 21, 2025

RE: Agreement for Professional Services
Lead Service Line Replacements

Bruce Reimers - NPU General Manager
New Prague Utilities Commission
300 East Main Street
New Prague, MN

Dear Bruce:

After completion of the lead service inventory within the City of New Prague by your staff, it was found that the City has approximately 100 private lead or galvanized water services. These lead services are typically located between the water shutoff near the right of way and the meter at residential properties. The State of Minnesota is providing funding for municipalities to complete replacement of these private services through grant funding administered through the Drinking Water Revolving Fund. This grant funding covers both construction and consulting engineering costs. Construction costs include the water service replacement itself along with restoration of pavement, grass, and anything else disturbed to complete that work. It should be noted that due to the City's diligence with completing capital improvements plans and replacing old water mains, lead service replacements are only expected outside of the street where grants are applicable.

In May of last year, the replacement services were phased to prioritize those near the 2025 Street and Utility Improvement Project. These 19 services, conservatively estimated to cost \$20,000 each to replace, were included in an application to the Project Priority List (PPL). This was then used for placement on the Intended Use Plan (IUP) which was approved last November and included \$380,000 in grant for the City to complete this work. Early estimates expect actual costs to be lower than the awarded grant amount.

PROJECT SCOPE AND PROPOSED FEES

Replacement of lead water services are proposed to take place as part of two phases. Below is our scope of work:

Task 1.0 – 2025 Lead Service Line Replacements

The first Phase includes replacement of the lead services directly within the 2025 Street and Utility Improvement Project Area. These services have been approved for funding already and SEH has assisted city staff with completion of a “No Plan” replacement option where the city will solicit quotes to complete this work directly with contractors. The engineering cost to complete this work is estimated at **\$38,000** and include reimbursement of costs incurred the past two weeks to complete the submittal of documents to the Minnesota Department of Health, soliciting quotes from two contractors to complete replacement of water services, and construction administration/observation. Construction observation is anticipated to be a joint effort between SEH and New Prague Utilities Water staff to ensure work is completed according to plumbing code requirements and federal guidelines. There will also be coordination with property owners to provide access within homes. While there may be assistance from on-site staff for the 2025 CIP Project, it is anticipated that an RPR will be assigned directly to work with lead service line contractor to review work and provide proper documentation for pay applications and ensure funding compliance.

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 11 Civic Center Plaza, Suite 200, Mankato, MN 56001-7710

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Task 2.0 – 2026 Lead Service Line Replacements

The second phase of lead service replacement is expected to include approximately 80-85 water service replacements scattered throughout the City. At this time, we are proposing to provide services to assist with application to the Project Priority List (PPL) for an approximate cost of **\$2,000**.

With the larger number of service replacements expected in 2026, it will be required that the City pursue a more formal bidding document including construction drawings and specifications with public advertisement and bidding procedures followed. With this work likely to occur later this fall or over winter, it is proposed to submit a proposal to complete that work later in the year when placement on the 2026 Intended Use Plan is known (likely in November).

With completion of replacement water services, it is required to provide water filtration and testing to residents for 6-months. It is recommended that this be provided by New Prague Utilities due to proximity to these residents and the ability assist with testing if needed. It may be possible to include with the 2026 replacement as a contractor service when more residents will be affected.

PROJECT SCHEDULE

Work on this phase of the project is expected to begin immediately for application to the PPL for 2026 replacements. Some work on the 2025 replacements occurred last week to meet schedule deadlines and is expected to resume after approval by the Minnesota Department of Health with construction to occur later this year.

PROPOSED FEES:

We are proposing to provide the services outlined above as follows:

| | |
|---|-----------------|
| Task 1.0 - 2025 Lead Service Line Replacements | \$38,000 |
| Task 2.0 - 2026 Lead Service Line Replacements | \$2,000 |
| Total Proposed Fees | \$40,000 |

Please contact us with any questions or comments concerning this proposal/agreement.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC



Chris Knutson, PE
Client Service Manager
(Lic. MN)

Attachments

1. Supplemental Letter Agreement

cdk

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Supplemental Letter Agreement

In accordance with the [Master] Agreement for Professional Services between New Prague Utilities Commission (“Client”), and Short Elliott Hendrickson Inc. (“Consultant”), effective May 8, 2009, this Supplemental Letter Agreement dated May 21, 2025 authorizes and describes the scope, schedule, and payment conditions for Consultant’s work on the Project described as: LSL Replacements.

Client’s Authorized Representative: Bruce Reimers
Address: 118 Central Ave N, New Prague, Minnesota 56071, United States
Telephone: 952.758.4401 **email:** breimers@ci.new-prague.mn.us

Project Manager: Chris Knutson
Address: 11 Civic Center Plaza, Suite 200, Mankato, Minnesota 56001
Telephone: 507.237.8383 **email:** cknutson@sehinc.com

Scope: The Services to be provided by Consultant:
See the attached letter dated May 21, 2025.

Resident Project Representative Services
RPR services will be provided in accordance with attached Exhibit B.

Schedule: See the attached letter dated May 21, 2025.

Payment:
The estimated fee is subject to a not-to-exceed amount of \$40,000 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1.
Additional work, if required, shall be compensated in accordance with the rate schedule.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein: None.


| Short Elliott Hendrickson Inc. | New Prague Utilities Commission |
|--|---------------------------------|
| By: <u></u> | By: _____ |
| Full Name: <u>Chris Knutson</u> | Full Name: _____ |
| Title: <u>Client Service Manager</u> | Title: _____ |
| | By: _____ |
| | Full Name: _____ |
| | Title: _____ |

Exhibit A-1
to Supplemental Letter Agreement
Between New Prague Utilities Commission (Client)
and
Short Elliott Hendrickson Inc. (Consultant)
Dated May 21, 2025

Payments to Consultant for Services and Expenses
Using the Hourly Basis Option

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Hourly Basis Option

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

B. Expenses

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services but instead are reimbursable expenses required in addition to hourly charges for services and shall be paid for as described in this Agreement:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

C. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.

Exhibit B
to Supplemental Letter Agreement
Between New Prague Utilities Commission (Client)
and
Short Elliott Hendrickson Inc. (Consultant)
Dated May 21, 2025

**A Listing of the Duties, Responsibilities and
Limitations of Authority of the Resident Project Representative**

Through more extensive on site observations of the construction work in progress and field checks of materials and equipment by the Resident Project Representative (RPR), Consultant shall endeavor to provide further protection for Client against defects and deficiencies in the work of contractor (Work); but, the furnishing of such services will not make Consultant responsible for or give Consultant control over construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or responsibility for contractor's failure to perform the Work in accordance with the Contract Documents. Contract Documents are the documents that govern or are pertinent to contractor's Work including but not limited to the agreement between Client and contractor, the contractor's bid, the bonds, specs, drawings, field orders, addenda, clarifications, interpretations, approved shop drawings and reports collectively called the Contract Documents. The duties and responsibilities of the RPR are further defined as follows:

A. General

RPR is an agent of Consultant at the site, will act as directed by and under the supervision of Consultant, and will confer with Consultant regarding RPR's actions. RPR's dealings in matters pertaining to the on site work shall in general be with Consultant and contractor keeping the Client advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of contractor. RPR shall generally communicate with Client with the knowledge of and under the direction of Consultant.

B. Duties and Responsibilities of RPR

1. Schedules: Review the progress schedule, schedule of shop drawing submittals and schedule of values prepared by Contractor and consult with Consultant concerning acceptability.
2. Conferences and Meetings: Attend meetings with contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
3. Liaison:
 - (a) Serve as Consultant's liaison with contractor, working principally through contractor's superintendent and assist in understanding the intent of the Contract Documents; and assist Consultant in serving as Client's liaison with contractor when contractor's operations affect Client's on-site operations.
 - (b) Assist in obtaining from Client additional information, when required for proper execution of the Work.
4. Shop Drawings and Samples*:
 - (a) Record date of receipt of shop drawings and samples.
 - (b) Receive samples furnished at the site by contractor, and notify Consultant of availability of samples.
 - (c) Advise Consultant and contractor of the commencement of any Work requiring a shop drawing or sample if the submittal has not been approved by Consultant.
5. Review of Work, Observations and Tests:
 - (a) Conduct on-site observations of the Work in progress to assist Consultant in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - (b) Report to Consultant whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Consultant of

Work that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.

- (c) Determine if tests, equipment and systems start-ups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof; and observe, record and report to Consultant appropriate details relative to the test procedures and start-ups.
 - (d) Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections and report to Consultant.
 6. Interpretation of Contract Documents: Report to Consultant when clarification and interpretations of the Contract Documents are requested by contractor and transmit to contractor clarifications and interpretations as issued by Consultant.
 7. Modifications: Consider and evaluate contractor's suggestions for modifications in drawings or specifications and report with RPR's recommendations to Consultant. Transmit to contractor decisions as issued by Consultant.
 8. Records:
 - (a) Maintain at the job site orderly files for correspondence, reports of job conferences, shop drawings and samples, reproductions of original Contract Documents including all addenda, change orders, field orders, additional drawings issued subsequent to the execution of the construction contract, Consultant's clarifications and interpretations of the Contract Documents, progress reports, and other related documents.
 - (b) Keep a diary or log book, recording contractor hours on the job site, weather conditions, data relative to questions of change orders, or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Consultant.
 - (c) Record names, addresses and telephone numbers of all contractors, subcontractors and major suppliers of materials and equipment.
 9. Reports:
 - (a) Furnish Consultant periodic reports as required of progress of the Work and of contractor's compliance with the progress schedule and schedule of shop drawing and sample submittals.
 - (b) Consult with Consultant in advance of scheduled major tests, inspections or start of important phases of the Work.
 - (c) Draft proposed change orders and Work, obtaining backup material from contractor and recommend to Consultant change orders, and field orders.
 - (d) Report immediately to Consultant and Client upon the occurrence of any accident.
 10. Payment Requests: Review applications for payment with contractor for compliance with the established procedure for their submission and forward with recommendations to Consultant, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.
 11. Certificates, Maintenance and Operation Manuals: During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to Consultant for review and forwarding to Client prior to final payment for the Work.
 12. Completion:
 - (a) Before Consultant issues a certificate of substantial completion, submit to contractor a list of observed items requiring completion or correction.
 - (b) Conduct final inspection in the company of Consultant, Client, and contractor and prepare a final list of items to be completed or corrected.
 - (c) Observe that all items on final list have been completed or corrected and make recommendations to Consultant concerning acceptance.

C. Limitations of Authority

Resident Project Representative:

1. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment, unless authorized by Client.
2. Shall not exceed limitations of Consultant's authority as set forth in the Agreement for Professional Services.
3. Shall not undertake any of the responsibilities of contractor, subcontractors or contractor's superintendent.
4. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the Work.
5. Shall not accept shop drawing or sample submittals from anyone other than contractor.
6. Shall not authorize Client to occupy the Project in whole or in part.
7. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by Consultant.