



Description	KLM Engineering		Dixon Engineering		Midco	
	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
2024 WDNR Required Storage Tank Inspection Proposal		\$24,000		\$33,600		\$52,376

May 30, 2024

Sent via Email Only

Mr. Dave McMillan
Distribution Supervisor
Sheboygan Water Utility
72 Park Ave.
Sheboygan, WI 53081

**RE: 1,800,000-Gallon 1929 Clearwell ROV Evaluation
 774,000-Gallon 1939 Clearwell ROV Evaluation
 3,000,000-Gallon Erie Avenue North ROV Evaluation
 3,000,000-Gallon Erie Avenue South ROV Evaluation
 4,000,000-Gallon Taylor Hill ROV Evaluation
 500,000-Gallon MG EE Tower ROV Evaluation
 600,000-Gallon Horizon Tower ROV Evaluation
 2,000,000-Gallon Georgia Standpipe Dry Tank Inspection
 Sheboygan, WI**

Dear Mr. McMillan:

KLM is pleased to submit this proposal for evaluations of the above-referenced water storage tanks.

KLM Engineering provides NACE and AWS trained inspectors, certified in competent climbing, having experience and working knowledge of the Occupational Safety and Health Standards (OSHA), American Water Works Association (AWWA), American Concrete Industry (ACI) and State Regulations.

KLM Engineering provides evaluation reports that are reviewed by an engineer who has authored the report and/or were written under the engineer's direct supervision.

DOCUMENTATION

KLM will provide the Owner with an evaluation report, which will provide the following benefits:

1. Complete and submit WI DNR Form 3300-248 to Owner.
2. Clearly stating the actual condition of the reservoir.
3. For coated reservoirs, provide a life expectancy estimate of the coatings and/or an estimated timeline for coating replacement.
4. Identify structure deficiencies and recommended repairs to bring the reservoir into compliance with ACI, AWWA and OSHA requirements.
5. Provide a schedule for performing recommended maintenance work.
6. Provide a Cost Estimate for all structure repairs and coating replacement.
7. Identify the quantity of sediment and recommend a timeline for cleanout, if warranted.

8. Include color photographs identifying current conditions and any required repairs.
9. Recommend a timeline for future evaluations.

The evaluation report will be provided to Sheboygan Water Utility in digital format (Pdf). After which, KLM will contact Sheboygan Water Utility to discuss the report and answer any questions.

SCOPE OF WORK

ROV Evaluation

KLM plans to utilize a two-man crew and a remote operated vehicle (ROV) to perform the evaluations. This evaluation method can be performed in one day.

KLM will provide inspectors who are properly trained and qualified to perform this type of evaluation. KLM inspectors will place a disinfected ROV and tether into the reservoir for the interior evaluation of the roof, walls, partition walls, floor, piping and valves. Photos will be taken with an underwater camera, which will show the structure conditions and quantity of sediment. The interior of the inlet pipe is excluded from the evaluation, unless otherwise written into this Agreement.

Dry Tank Cleanout Evaluation-2,000,000-Gallon Georgia Standpipe

KLM will inspect the floor, the reservoir walls and any interior structure accessible without rigging the tanks. All accessible exterior surfaces, including the roof, will also be inspected. KLM will measure and photograph all areas that need to be included in the evaluation report. KLM will also remove any sediment inside the tank and the sediment will remain on site.

When the tanks are empty, KLM will perform a cleanout of the interior of the tanks and risers. KLM will supply the chlorine and disinfect the tanks in accordance with Method 2 or 3 of AWWA C652-11.

Exterior and Interior Evaluation

The exterior and interior evaluation is critical to the evaluation to determine whether there are any structure deficiencies and OSHA compliance.

The exterior will be inspected from all areas accessible without rigging, unless otherwise written into this Agreement. Coating conditions of both the interior and exterior piping and reservoir coatings, when applicable, will be examined using dry film thickness (DFT) and standard ASTM tests.

Interior and Exterior:

- | | |
|--|--------------------------|
| ◆ Roof structure (size and style). | ◆ Inlet/outlet pipe. |
| ◆ Vents (size and style). | ◆ Mud ring. |
| ◆ Roof manways (size and style). | ◆ Site dimensions. |
| ◆ Ventilation manways (size and style). | ◆ Safety considerations. |
| ◆ Overflow weir and pipe (size and style). | ◆ Drains. |
| ◆ Support column (size and style). | ◆ Floor condition. |
| ◆ Capacity level and head range. | ◆ Pitting on piping. |

Sheboygan, WI – Tower/Tank Evaluations

- Ladders, cages, platforms and handrails.
- Base pad condition, including Flexcell and grout.
- Screens on vents and overflows.
- Overflow air breaks, splash pads and drainage.
- Safety devices.

OWNER'S RESPONSIBILITIES

ROV Evaluation

The Owner's personnel shall also be responsible for:

- Set the water at, or near, the high-water operating level.
- Cease the water inlet and outlet operation during the ROV inspection.
- Taking and testing water samples, as required.
- Providing information on the reservoir, including maintenance records, construction drawings, previous evaluation reports and previous painting or reconditioning specifications. This information is most useful if obtained prior to the reservoir inspection and evaluation.

Dry Tank Cleanout Evaluation-2,000,000-Gallon Georgia Standpipe

The Owner's personnel shall also be responsible for:

- Verifying the tanks are empty prior to arrival of KLM inspectors.
- Manning the shut off valve at all times.
- Opening and closing the inlet/outlet pipe.
- Operating any valves prior to, during, and after the evaluation.
- Assist to backflush and disinfect the reservoir.
- Provide a supply of water.
- Verify that cleanout and disinfection have been performed to Owner's satisfaction.
- Disposing of sediment and debris.
- Taking and testing water samples within 24 hours after cleanout of the tank has been completed.
- Providing copies of background information on tank, including maintenance records, construction drawings, previous evaluation reports and previous painting or reconditioning specifications. It is especially helpful if this information is collected prior to KLM's personnel beginning its evaluation.

FEES

1,800,000-Gallon 1929 Clearwell	\$3,000.00
774,000-Gallon 1939 Clearwell	\$3,000.00
3,000,000-Gallon Erie Avenue North	\$3,000.00
3,000,000-Gallon Erie Avenue South	\$3,000.00
4,000,000-Gallon Taylor Hill	\$3,000.00
500,000-Gallon EE Tower	\$3,000.00
600,000-Gallon Horizon Tower	\$3,000.00
2,000,000-Gallon Georgia Standpipe	\$3,000.00
TOTAL	\$24,000.00

The fee for gasket installation on state-required wet access manway is \$100.00.

It is the responsibility of the Owner to make sure that the tanks are prepared for the evaluation per the schedule agreed to in advance by both parties. The above fees are for performing the cleanout and evaluations within a 9-hour workday. In the event KLM arrives on site and the tank is not ready, or a second day is required to remove the sediment, a second day will be charged as additional time and materials.

Should the tank be deemed unsafe by our inspectors, we reserve the right to revise the proposal to include necessary equipment and measures to ensure safe access to complete the scope of work. Said revised proposal would be subject to Owner approval

TERMS AND CONDITIONS

KLM has attached our standard Terms and Conditions. The Terms and Conditions are part of this Agreement between the Sheboygan Water Utility and KLM Engineering, Inc. unless otherwise agreed to in writing by both parties.

Fees are subject to change if proposed work exceeds twelve (12) months from the date of this proposal.

ADDITIONAL INFORMATION

Additional information can be found at KLM's website at: www.klmengineering.com

AGREEMENT

This proposal is valid for sixty (60) days from the date of this proposal. If Sheboygan Water Utility finds the proposal acceptable, please sign and return it by mail, fax or email. By signing and returning this signature page only, you agree to the terms of the entire proposal document submitted. When KLM receives the signed proposal, we will contact Sheboygan Water Utility to coordinate the evaluation dates. Upon delivery of the reports to Sheboygan Water Utility an invoice will be submitted according to the terms of this Agreement.

This Agreement, between Sheboygan Water Utility and KLM Engineering, Inc. is accepted by:

SHEBOYGAN WATER UTILITY
72 Park Ave.
Sheboygan, WI 53081

KLM ENGINEERING, INC.
1976 Wooddale Drive, Suite 4
Woodbury, MN 55125

Signature

Signature

Name

Dan Popehn
Name

Title

Director of Business Development
Title

Date

May 30, 2024
Date

We look forward to working with you.

Sincerely,

KLM ENGINEERING, INC.
Dan Popehn
Director of Business Development
1976 Wooddale Drive, Suite 4
Woodbury, MN 55125
Cell: 612-743-3102
Email: dpopehn@klmengineering.com

Attachment: KLM Terms and Conditions

Rev 2024.02.07

**KLM ENGINEERING, INC. (KLM)
TERMS AND CONDITIONS**

1. **AGREEMENT.** The agreement between the parties when entered by the parties shall include the applicable referenced agreement documents (i.e., KLM proposal/Agreement) and shall include these KLM Terms and Conditions (the “Agreement”). The Agreement may not be modified except by mutual agreement in writing.
2. **ADDITIONAL SERVICES.** Additional work or services shall not be performed without a KLM executed change order or purchase order outlining the scope of additional work or services.
3. **KLM CLIENT RESPONSIBILITIES.** The KLM Client shall fully disclose to KLM its knowledge of the condition of the project structure(s), its past and present contents and shall provide KLM with full information regarding the requirements for the project; shall designate an individual to act on the KLM Client’s behalf regarding the project; and provide safe access to and at the project site. When reasonably requested by KLM, the KLM Client shall furnish the services of other consultants including, but not limited to engineers and insurance representatives. The KLM Client shall test for pollution and hazardous materials when required by law or as requested by KLM. The KLM Client shall provide KLM with all necessary permits and other authorizations.
4. **SAFETY.** KLM shall be responsible for the safety of KLM personnel at the project site. The KLM Client or other persons shall be responsible for the safety of all other persons at the project site. The KLM Client shall inform KLM of any known or suspected hazardous materials or unsafe conditions at the project site. If, during the course of the KLM services, such materials, or conditions are discovered at the project site, KLM reserves the right to take measures to protect KLM personnel and equipment or to immediately terminate KLM services. The KLM Client agrees to be responsible for, and agrees to pay, any such additional protection costs. Upon such discovery by KLM, KLM agrees to use commercially reasonable efforts to notify the KLM Client in writing, of hazardous materials or unsafe conditions regarding the project site.
5. **HAZARDOUS MATERIALS.** Unless otherwise agreed to in the scope of work with the KLM Client, KLM has no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials at the project site. To the full extent permitted by the law, the KLM Client shall defend, indemnify, and hold harmless KLM, its employees and representatives from all claims, including costs and attorney fees, arising out of the presence of hazardous materials or exposure to the same on the job site.
6. **SITE ACCESS AND RESTORATION.** The KLM Client will provide KLM and its representatives with safe and legal project site access. It is understood by the KLM Client that in the normal course of KLM providing its services and work, some nominal damage to the project site may occur. KLM agrees to take reasonable commercial precautions to minimize such damage, if any. Restoration of the project site, if any, is the responsibility of the KLM Client, unless otherwise agreed to in writing in the scope of work.
7. **KLM LIMITED WARRANTY AND DISCLAIMER.** KLM will perform services consistent with the standard of care and skill normally performed by other like firms in the industry and profession at the time of this service and in the geographic area of the project. **EXCEPT AS EXPRESSLY STATED IN THIS SECTION, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, PERTAINING TO THE PRODUCTS AND SERVICES SOLD UNDER THIS AGREEMENT. KLM DISCLAIMS ANY IMPLIED**

WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL KLM BE LIABLE TO THE KLM CLIENT, ITS AGENTS, REPRESENTATIVES, EMPLOYEES, CUSTOMERS OR ANY OTHER THIRD PARTY, FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF USE, LOSS OF REVENUE OR LOSS OF PROFIT, IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT OR THE EXISTENCE, FURNISHING OR FUNCTIONING OF ANY ITEM OR SERVICES PROVIDED FOR IN THIS AGREEMENT OR FROM ANY OTHER CAUSE, INCLUDING WITHOUT LIMITATION CLAIMS BY THIRD PARTIES, EVEN IF KLM HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

8. **SCHEDULING.** Prior to KLM scheduling its services related to the project, the KLM Client shall furnish KLM with a written Agreement, purchase order or other written request for KLM services and shall give as much notice as reasonably possible in advance of the time when the KLM services are desired to commence. The KLM service schedule shall be mutually agreed upon by the parties in writing. If a KLM inspection is canceled or delayed after KLM personnel and/or equipment are in transit to the project site, then the KLM Client shall be billed, and the KLM Client agrees to pay for KLM time and expenses according to the then current KLM Fee Schedule for KLM time spent and KLM costs incurred. If KLM is unable to redirect KLM representatives to other third-party project sites on the canceled or delayed scheduled service day, at a minimum, the KLM Client will be billed and the KLM Client agrees to pay KLM for one (1) full day of KLM labor.
9. **INSURANCE.** KLM will maintain worker's compensation insurance and comprehensive general liability insurance. KLM will provide KLM Client with a certificate of insurance upon KLM Client's request.
10. **PAYMENT.** KLM will submit periodic invoices for KLM services provided and work performed. Invoices are due upon receipt. The KLM Client agrees to inform KLM of invoice questions or disputes within 10 business days of the invoice date. The KLM Client agrees to pay all undisputed KLM invoiced amounts within 45 days of the invoice date. The KLM Client agrees to pay interest on all overdue amounts at a rate of 1.5% per annum or the rate allowed by law, whichever is less, plus costs of collection, court costs, and reasonable attorney fees on all such amounts. If any undisputed invoice remains unpaid for 60 days, then KLM may, at its sole discretion, suspend or terminate services to the KLM Client without liability.
11. **INDEMNIFICATION.** KLM shall indemnify and hold harmless the KLM Client and its shareholders, directors, officers, members, governors and employees from liability, claims, losses, and damages arising out of or relating to the applicable Project, provided that such claims, costs, losses, or damages are attributable to bodily injury, sickness, disease, or death, or injury to, or destruction of tangible property, including the loss of use resulting therefrom to the extent caused by KLM's negligent acts or omissions.

The KLM Client shall indemnify and hold harmless KLM and its shareholders, directors, officers, members, governors and employees from liability, claims, losses, and damages arising out of or relating to the applicable Project, provided that such claims, costs, losses, or damages are attributable to bodily injury, sickness, disease, or death, or injury to, or destruction of tangible property, including the loss of use resulting therefrom to the extent caused by the KLM Client's negligent acts or omissions. Further, the KLM Client shall indemnify and hold harmless KLM from all claims or losses arising out of the unauthorized use of KLM's Documents.

- 12. LIMITATION OF LIABILITY.** IN NO EVENT SHALL KLM OR THE KLM CLIENT BE LIABLE, ONE TO THE OTHER, FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE FURNISHING, PERFORMANCE OR USE OF ANY PRODUCTS OR SERVICES PROVIDED PURSUANT TO THIS AGREEMENT.
- 13. DELAYS.** If KLM service or work delays are caused by the KLM Client, by third parties, strikes, natural causes, weather, or other circumstances beyond KLM's control, a reasonable time extension for performance of KLM services and work shall be granted, and KLM shall be entitled to and the KLM Client agrees to pay KLM an equitable fee adjustment.
- 14. TERMINATION.** After seven (7) days written notice, either party may elect to terminate this Agreement. Notwithstanding the foregoing, the KLM Client agrees to pay for all KLM services provided and work performed through the date of termination. Notwithstanding the foregoing, the following sections shall survive the termination of this Agreement: Sections 5, 7, 10, 11, 12, 15, 16, 21 and 24.
- 15. SEVERABILITY.** Any provisions of this Agreement later held to violate a law or regulation shall be deemed void, and all remaining provisions of the Agreement shall continue in full force and effect.
- 16. KLM'S DOCUMENTS.** All reports, specifications, drawings and other documents furnished by KLM are part of KLM's services and work for the KLM Client and the same are for use only for the project (KLM Documents). KLM retains all ownership of said documents regardless of whether the project is completed. The KLM Client may retain copies of the KLM Documents for reference purposes. KLM does not represent or warrant that the KLM Documents are suitable for reuse on any extension of the project or on other projects. The KLM Client shall not use the KLM Documents without KLM's written consent.
- 17. ASSIGNMENT.** KLM may not assign this Agreement to any other person unless written consent is obtained from the KLM Client.
- 18. AMENDMENTS.** Any modification or amendment of to this Agreement shall require a written agreement signed by both Parties.
- 19. NONDISCRIMINATION.** In the hiring of employees to perform work under this Agreement, KLM shall not discriminate against any person by reason of any characteristic or classification protected by state or federal law.
- 20. GOVERNING LAW.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Minnesota without regard to or application of conflicts of law rules or principles. All proceedings related to this Agreement shall be venued in **Washington County, Minnesota.**
- 21. AUDIT.** Pursuant to **Minnesota Statutes, § 16C.05, Subdivision 5**, KLM agrees that the KLM Client, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary (but under all circumstances not more often than once per calendar year), shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, or records which are pertinent to the accounting practices and procedures of KLM, and involve transactions relating to this Agreement.

22. **JOB SITE IMAGES, PHOTOGRAPHY AND VIDEO.** During the term of this Agreement and thereafter, KLM has the KLM Client's permission to take photographs or video of the project site for training, documentation, education or KLM promotional purposes. A signed Agreement that includes these KLM Terms and Conditions constitutes the KLM Client's written permission to KLM regarding the use of the items and information set forth in this section.
23. **WAIVER.** The waiver by either party of any breach or failure to comply with any provision of this Agreement by the other Party shall not be construed as or constitute a continuing waiver of such provision or a waiver of any other breach of or failure to comply with any other provision of this Agreement.
24. **HEADINGS.** Section headings used in this Agreement are for convenience only, have no legal significance, and in no way change the construction or meaning of the terms hereof.
25. **ENTIRE AGREEMENT.** This Agreement supersedes any prior or contemporaneous representations or agreements, whether written or oral, between the Parties and contains the entire agreement.

End of the KLM Terms and Conditions.

Rev 2022.11.23

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