Memo

Michael Ostrowski, Director
Community Development
City of Stevens Point
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City of Stevens Point – Department of Community Development

To: Finance Committee

From: Michael Ostrowski

CC: Common Council, Mayor Halverson, and C/T Schlice

Date: 3/15/2011

Re: Community Development Block Grant Contact and Grant Administrator

In order to proceed with the downtown redevelopment project, the City needs to formally accept the CDBG award and approve a contract with the Wisconsin Department of Commerce (DOC). The DOC has sent us a draft contract (please see attached) for the City to review and approve if in agreement.

To administer this grant, the City had sent out an RFP to get proposals from consultants. The City had received four proposals and reviewed them against a set of criteria. After review, staff has recommended to go with Short Elliott Hendrickson (SHE). Their total cost for the administration of the grant is a lump sum of $12,000 (please see the attached contract). Please note, this fee assumes certain parameters, such as only having two prime contractors and that a standard environmental review is done. Because of the number of parties involved in this project, it is likely that there will be more than two prime contractors. After discussing this with SEH, they have indicated that if five prime contractors are used, the fee could increase up to an additional $5,000, but would likely be more in the range of $1,500 to $2,500.

In regards to the environmental review, the properties involved in the project are very close to the floodplain. More specific elevations may be needed to delineate where exactly the true floodplain boundary is located. If any of the area of disturbance occurs within the floodplain, a lengthier and more detailed floodplain review process will be required. Thus, the fee would be adjusted accordingly.

As part of the process, the grant administrator would work with us to make recommended changes to the grant contract from DOC. Some changes that are likely to occur to the contract involve the budget and timeline. The budget outlines costs associated with property acquisition, site clearance, building improvements, parking & landscape, street improvements, and curb & gutter. When the grant application was submitted, it included the removal of the center portion of the mall area. As you are aware, the City is going through a series of public input sessions to

determine how to proceed with the center portion of the mall. Therefore, some of the individual costs may change or be allocated to different categories. With that said, I am seeking approvals for the following:

1. Acceptance of the CDBG award.
2. Approval of the contract with the Wisconsin Department of Commerce, with potential changes as recommended by the grant administrator or City.
3. Authorization for the City to approve modifications to the grant contract if the scope of work changes.
4. Approval of the grant administration contract with SEH, with the authorization to exceed the lump sum amount of $12,000 by $3,000 if additional prime contractors are required, a more extensive environmental review is needed, or if a change in the scope of work requires additional administration charges. If costs go above the $15,000 amount, I will bring the request back to committee for review.

If you should have any questions or concerns, please do not hesitate to contact me.

2011
WISCONSIN COMMUNITY DEVELOPMENT BLOCK GRANT
PUBLIC FACILITIES GRANT CONTRACT
BETWEEN THE
WISCONSIN DEPARTMENT OF COMMERCE
AND THE
CITY OF STEVENS POINT

This Agreement is entered into this _____ day of _____, 2011, by and between the Wisconsin Department of Commerce ("the Department") and the City of Stevens Point ("the Grantee").

WHEREAS, the United States Government, through the Housing and Community Development Act of 1974, as amended, has established the Community Development Block Grant ("CDBG") Program and authorized each State to administer the program for non-entitlement areas; and

WHEREAS, the State of Wisconsin has elected to administer the CDBG program for non-entitlement areas through the Department; and

WHEREAS, the Department has approved the Grantee's application for CDBG funds;

NOW, THEREFORE, the Department agrees to grant Seven Hundred Fifty Thousand Dollars ($750,000) of CDBG funds to the Grantee for the period of February 8, 2011 through February 8, 2013, subject to the following conditions:

1. BUDGET

The Grantee shall spend the CDBG funds as follows:

BUDGET CODE	ACTIVITY	CDBG AMOUNT	MATCH AMOUNT	TOTAL
110	Property Acquisition	$ -	$ 2,569,000	$ 2,569,000
190	Site Clearance	-	250,000	250,000
385	Building Improvements	750,000	2,250,000	3,000,000
415	Parking & Landscape	-	391,000	391,000
430	Street Improvements	-	365,000	365,000
431	Curb & Gutter	-	35,000	35,000
TOTALS		**$ 750,000**	**$ 5,860,000**	**$ 6,610,000**
Funding Ratio		11%	89%	

Matching Funds Ratio: The Grantee shall provide a minimum of $7.81 of Match funds for each $1 of CDBG funds granted under this contract by the time 75 percent of the CDBG funds are drawn, and the ratio shall then be maintained until the closeout of the contract.

Construction Costs: Match funds may be moved between construction line items in the budget without Department approval. The expenditure of the CDBG funds is limited to facilities owned and operated by the Grantee.

Additional Grant Funds: The Grantee agrees that any additional grant funds received for this Project will be credited to both the applicant's and Department's financial commitment to this Project. The credit will be at the same ratio of each commitment to the total Project costs as stated in this contract.

Request for final payment of any and all funds awarded by this Agreement, including project and administrative funds, must be received by the Department within 15 days prior to the end of the performance period of this agreement.

2. SCOPE OF WORK

The Grantee shall accomplish the following tasks ("the Project") with the CDBG funds in accordance with its application dated and related materials:

- Acquire the existing CenterPoint Marketplace Mall located at 1201 3rd Court in Stevens Point.
- Perform a partial demolition of the CenterPoint Marketplace Mall.
- Rehabilitate the remaining CenterPoint Marketplace Mall for occupation by Mid-State Technical College.
- Extend Third Street through the project property.

3. TIMETABLE

The Project must commence no later than May 8, 2011. In addition to commencing by this date, the Grantee shall complete the contract activities according to the following schedule:

On or Before	**Accomplishments**
Prior to Commencing Construction	**NOTE:** The following accomplishments must be submitted in writing to the Department by the date shown on the left: Establish grant files and financial accounts. Report date of completion. Secure engineering and administrative services. Name parties retained and report date(s) of contracting and amount(s) of contract(s). Complete environmental review. Report date of certification. Request Federal and State wage rates. Report date of requests. Obtain all necessary permits. Identify permits and dates of issuance. Prepare and solicit construction bids. Report dates of advertising and bid opening. Award contract. Submit “Notice of Contract Award.” Complete construction site signage in accordance with Section 26 of this contract. Provide written assurance or a photo of the sign posted at this site, and the date the sign was erected.

On or Before	Accomplishments
The Submission of the First Request for Payment of Funds	Report construction start date. Describe progress and/or any delays.
10/7/11	Complete and describe Affirmative Fair Housing actions committed to in the application. Continue construction. Describe progress and any delays. Submit Semi-Annual Report. Submit Semi-Annual Labor Standards Enforcement Report.
4/7/12	Continue construction. Describe progress and any delays. Submit Semi-Annual Report. Submit Semi-Annual Labor Standards Enforcement Report.
10/7/12	Continue construction. Describe progress and any delays. Conduct second citizen participation meeting to report Project progress and impact of Project on meeting the community's housing and other development needs. Send meeting minutes to the Department. Submit Semi-Annual Report. Submit final draw request and include the Final Labor Standards Enforcement Report.
2/8/13	Schedule Audit if required. Complete all construction work. Submit Final Semi-Annual Report. Submit closeout documents.

4. COMMITMENT OF OTHER PARTIES

The Grantee shall provide sufficient funds to ensure that the Match Funds requirement established in Section 1. BUDGET for the work described in Section 2. SCOPE OF WORK is met. Project costs in excess of the amounts established in the Budget will be the responsibility of the Grantee. Funds spent on activities outside the SCOPE OF WORK or funds spent in violation of the standards established in Section 1. BUDGET cannot be claimed as Match Funds. If the Department determines the Grantee has not satisfied the Match Funds requirement, the Grantee shall refund CDBG funds granted pursuant to this contract within thirty (30) days of the date of the Department's written determination to the Grantee, in an amount determined by the Department in order to bring the Grantee into compliance with the grant/match ratio. The Grantee shall also pay all attorneys' fees and other costs incurred by the Department to recover the amount in the determination. All amounts not paid by the Grantee to the Department pursuant to the determination shall accrue interest at the rate of prime rate plus five (5) percent.

5. USE OF PROJECT REVENUE

Project revenue received as a result of this CDBG grant shall be administered in accordance with the Financial Management section of the Implementation Handbook.

6. ADMINISTRATION

The Grantee shall maintain sufficient staff to administer the Project. All files and records shall be kept at City Hall in Stevens Point.

7. RECORDKEEPING

The Grantee shall prepare, keep, maintain and submit to the Department all records required by the Implementation Handbook including all contracts relating to the implementation of this Agreement. Such records shall be retained until at least four years after the closeout of the contract except to the extent that the laws and regulations in Sections 11, 12, 13, 14, 15 and 17 require longer retention.

8. REPORTING

The Grantee shall prepare semi-annual narrative reports as required by the Implementation Handbook on or before the dates established in Section 3 TIMETABLE. Financial Reports shall be submitted with each request for funds. Copies of such reports shall be maintained in the Grantee's file.

9. FINANCIAL MANAGEMENT

The Grantee shall maintain a financial management system that complies with the provisions of the Implementation Handbook.

10. ENVIRONMENTAL PROTECTION

The Grantee's chief executive officer shall assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 (NEPA) and other provisions of Federal law, as specified in 24 CFR 58. The Grantee and its chief executive officer hereby consent to the jurisdiction of the federal courts for the purpose of enforcement of their responsibilities. The Grantee shall comply with the terms in the Environmental Review section of the Handbook.

11. EQUAL OPPORTUNITY/AFFIRMATIVE ACTION

The Grantee shall comply with:

- Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and 24 CFR 1.
- Title VIII of the Civil Rights Act of 1968 (P.L. 90-284), as amended.
- Section 109 of the Housing and Community Development Act of 1974, 24 CFR 570.601, the Age Discrimination Act of 1975, Section 504 of the Vocational Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1991.
- Executive Order 11246, 24 CFR 130, and 41 CFR Chapter 60.
- Section 3 of the Housing and Urban Development Act of 1968, as amended.
- The Equal Opportunity section of the Implementation Handbook.

12. NONDISCRIMINATION IN EMPLOYMENT

In connection with the Project, the Grantee agrees not to discriminate against any employee or applicant for employment because of age, race, religion, color, handicap, sex, physical condition, developmental disabilities as defined in sec. 51.01 (5), Stats., sexual orientation or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Except with respect to sexual orientation, the Grantee further agrees to take affirmative action to ensure equal employment

opportunities. The Grantee agrees to post in conspicuous places available for employees and applicants for employment, notices to be provided by the contracting officer setting forth the provision of the nondiscrimination clause.

13. LABOR STANDARDS

The Grantee shall comply with and assure compliance of all Project contractors and subcontractors with the Davis-Bacon Act, as amended 40 U.S.C. 276a-276a-5, the Contract Work Hours and Safety Standards Act, 40 U.S.C. 327-333, other applicable Federal laws and regulations pertaining to labor standards, and the Labor Standards section of the Implementation Handbook.

14. ACQUISITION/RELOCATION

The Grantee shall:

- Comply with ch. 32, Stats., and related administrative rules issued by the Department of Workforce Development.
- Comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Department of Transportation implementing instructions in 49 CFR Part 24.
- Refer to the Acquisition/Relocation section of the Implementation Handbook for further requirements.

15. BIDDING

In advertising for and letting bids, the Grantee shall comply with sec. 66.0901, Stats., and, if a county, sec. 59.52 (29)(a), Stats.; if a town, sec. 60.47 (1m), Stats.; if a village, sec. 61.54 through 61.56, Stats.; and, if a city, sec. 62.15, Stats. The Grantee shall make its best effort to utilize Wisconsin-based service providers and suppliers of equipment, materials, and other tangible items.

16. ACQUISITION AND DISPOSITION OF PROPERTY AND EQUIPMENT

The Grantee shall comply with the Procurement Policy section of the Implementation Handbook and account for any tangible personal property acquired with CDBG funds. All proceeds derived from the disposition of real property acquired with CDBG funds shall be treated as program income under Section 5 of this Agreement.

17. LOBBYING

The Grantee shall comply with Section 319 of Public Law 101-102 and 24 CFR 87. The Grantee shall maintain a file containing signed copies of 24 CFR 87 Appendix A, "Certification Regarding Lobbying," and 24 CFR 87 Appendix B, "Disclosure of Lobbying Activities."

18. AMENDMENTS

This Agreement may be amended only by written agreement between the Department and the Grantee.

19. FAILURE TO PERFORM

The Department reserves the right to withhold CDBG funds if the Grantee is not complying with the Match Funds Ratio established in Section 1. BUDGET or if the Grantee's reports are not complete and accurate, are not submitted on time, or do not demonstrate adequate progress on the Project. The Department, in its sole discretion and upon ten (10) days prior written notice to the Grantee, may terminate this Agreement if the Grantee fails to perform any of the obligations hereunder. If the Department determines that the Grantee has used CDBG funds for purposes other than the Project, the Grantee shall repay such funds. All funds not paid within this time frame shall incur interest at an annual rate of prime rate plus five (5) percent. All such funds, interest, court costs and attorney's fees for collection, shall be submitted to the Department within thirty (30) days after termination of this Agreement.

20. GOVERNING LAW AND VENUE

The laws of the State of Wisconsin shall govern this Agreement. The Grantee shall at all times comply with and observe all applicable federal, state, and local laws relating to the Project. Any litigation arising out of this Agreement or the Project shall be brought and venued in Dane County, Wisconsin.

21. AUDIT

The Grantee shall conduct an annual, single, or program-specific audit in accordance with Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the *State Single Audit Guidelines* issued by the Department of Administration, if required to do so under the Single Audit Act (31 U.S.C. §§7501-7507), as amended by the Single Audit Act Amendments of 1996 (P.L. 104-156). The audit shall be performed by an independent auditor in accordance with generally accepted government auditing standards. The audit shall include funds passed-through the Department and expended by the Grantee under the CDBG - State's Program (Catalog of Federal Domestic Assistance number 14.228), as well as funds expended under selected state financial assistance programs.

Records of the Grantee, subgrantees, if any, and contractors relating to this Agreement shall be available for review or audit upon request by the Department, the U.S. Department of Housing and Urban Development, the General Accounting Office, and made their duly authorized representatives. (See the "Audit Requirements" chapter of the Handbook for additional discussion of single or program-specific audits).

22. CLOSEOUT

The Grantee shall closeout this Agreement in accordance with the Program Closeout Section of the Implementation Handbook.

23. TERMINATION OR AMENDMENT BY DEPARTMENT

The Department, in its sole discretion and upon ten (10) days prior written notice to the Grantee, may terminate this Agreement or otherwise change the amount of CDBG funds granted to the Grantee hereunder if the U.S. Department of Housing and Urban Development (HUD) changes, modifies or rescinds any of the CDBG funds to be administered by the State of Wisconsin during the applicable grant year. The Grantee shall not incur any new obligations for the terminated portion of the CDBG grant after the effective date of the Department's termination or amendment of this Agreement. Expenses incurred prior to termination, if eligible, will be paid if federal CDBG funds remain available from HUD for payment of these obligations.

24. TERMINATION BY MUTUAL AGREEMENT

This Agreement may be terminated, in whole or in part, prior to the completion of the Project if both parties agree that continuation is not feasible or would not produce beneficial results commensurate with the further expenditure of funds. The Department will determine whether an environmental review of the cancellation is required. The parties must agree on the termination conditions, including the effective date and the portion to be terminated. The Grantee shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. Expenses incurred prior to termination, if eligible, will be paid if federal CDBG funds remain available from HUD for payment of these obligations.

25. AUTHORITY TO SIGN DOCUMENT

The person(s) signing this Agreement on behalf of the Grantee certifies and attests that the Grantee's respective Articles of Organization, Articles of Incorporation, By-Laws, Member's Agreement, Charter, Partnership Agreement, Corporate or other Resolutions, and/or other related documents give full and complete authority to bind the Grantee, on whose behalf they are executing this document.

Grantee assumes full responsibility and holds the Department harmless for any and all payments made or any other actions taken by Department in reliance upon the above representation. Further, Grantee agrees to indemnify Department against any and all claims, demands, losses, costs, damages, or expenses suffered or incurred by Department resulting from or arising out of any such payment or other action, including reasonable attorneys' fees and legal expenses.

26. PUBLICITY

Any publications, news releases, public notices, place cards, or signs relating to the Project shall state that it was financed by the Wisconsin Department of Commerce with federal CDBG funds. During the term of this agreement, the Grantee shall post a notice in a conspicuous location in the city hall notifying the general public of the Department's financial participation in the project. Also, the required 4-ft. by 8-ft. sign must be erected in the vicinity of the Project stating that the project is funded in part through a grant from the Wisconsin Department of Commerce using federal CDBG funds. Specs for the sign are contained in the CDBG Implementation Manual.

WISCONSIN DEPARTMENT OF COMMERCE

JAMES O'KEEFE, ADMINISTRATOR DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT	DATE

CITY OF STEVENS POINT

ANDREW HALVERSON, MAYOR	DATE
JOHN MOE, CITY CLERK	DATE

March 21, 2011

RE: City of Stevens Point
Downtown CDBG Administration

Michael Ostrowski
City of Stevens Point
1515 Strongs Avenue
Stevens Point, WI 54481

Dear Mr. Ostrowski:

This letter supplements the Agreement for Professional Services between City of Stevens Point, Owner, and Short Elliott Hendrickson Inc. (SEH®) dated June 28, 2007 and addresses providing services in connection with assisting the Owner in completing the requirements of the Community Development Block Grant Award for Downtown Improvements (hereinafter called the "Project"). The scope of said services is detailed in the attached Exhibit A. We will also furnish such Additional Services as you may request or as required.

You will pay us a fee for our services, currently estimated to be $12,000, in accordance with Exhibit C-1, Actual Billable Rate method. Payment for additional services shall be based on the time required to perform the services and the billable rates for the principals and employees engaged directly on the Project, plus charges for expenses and equipment, all in accordance with Exhibit C-1.

We will start our services promptly after receipt of your authorization. We estimate our services will be completed after eighteen months. If there are delays in the Project that are beyond our control, you agree to grant additional time to complete the services.

The work will be governed by this letter and the Agreement for Professional Services dated June 28, 2007 along with Exhibits A and C-1 and may only be modified in writing signed by both of us. If it satisfactorily sets forth your understanding of our agreement, please sign the enclosed copy of this letter in the space provided below and return it to us.

Sincerely,

David A. Carlson
Principal

Accepted by: City of Stevens Point

By: _____ Date: _____
Authorized Client Signature

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Exhibit A – Scope of Services

Phase 1 – Project Initiation

Goal – Identify scope, fee estimate and assign project responsibilities.

Tasks – Meet with City staff and review, discuss and assign responsibilities.

Outcome – Produce Memorandum of Understanding detailing CDBG Administration duties, responsibilities, timeline and fees.

Phase 2 – Project Implementation

Goal – Complete CDBG administration duties.

Tasks – Assist the City in administering the CDBG grant, based upon assignment of tasks in Phase 1.

1. **Records and Filing**
   a. Set up a complete set of file folders as required by the Department of Commerce.
      i. Application Files
      ii. CDBG Contract File
      iii. Procurement File
      iv. Environmental Review File
      v. Acquisition Relocation Files
      vi. Equal Opportunity and Fair Housing File
      vii. Labor Standards File
      viii. Financial Management Files
      ix. Force Account Files
      x. Semiannual Report File
      xi. Program Closeout File
      xii. Audit File
   b. Review proposed contract between the community and Commerce. Propose revisions to contract.
   c. Complete Citizen Participation Efforts as required. This includes:
      i. Draft Citizen Participation Plans and Amendments, as needed.
      ii. Prepare Notices and arrange for publication.
      iii. Presentation at Public Meetings (one during the application process, one near the completion of the project).
   d. LMI Survey Documentation, as appropriate, will be placed in the grant files.

2. **Procurement of Professional Services**
   a. Document compliance with federal procurement policy.

3. **Complete the Environmental Review Process**
   a. Complete the Environmental Review Record.
   b. Draft all public notices and make arrangements for publication.
   c. Draft required Request for Release of Funds and Certification form (HUD form 7015.15).
   d. Document compliance with Federal Environmental Requirements.

4. **Acquisition/Relocation**
   a. Coordinate with municipal attorney, Relocation Plan consultant as appropriate.
   b. Maintain Acquisition Summary Checklist.
   c. Maintain required files documenting compliance.

5. **Equal Opportunity**
   a. Maintain Section 3 Compliance.
   b. Maintain compliance with Executive Order 11246.
   c. Ensure all required federal and state forms are in all bidding documents, as appropriate.
   d. Complete Fair Housing requirements.
   e. Document compliance with Handicap Accessibility Requirements.

6. **Financial Management**
   a. Draft all financial management forms.
   b. Complete all drawdown requests to the Department of Commerce.
   c. Maintain Cash Control Register.
   d. Maintain Disbursements Journal.
   e. Maintain Matching Funds Journal

7. **Labor Standards**
   a. Coordinate proper Davis Bacon Wage Rates insertion in all bid documents.
   b. Complete Semi-Annual Labor Standard Enforcement Reports.
   c. Complete Final Labor Standards Compliance Report.
   d. Review all payrolls on a weekly basis.
   e. Complete employee interviews as required.
   f. Document all payroll violations.
   g. Ensure that all wage underpayments are corrected.

8. **Force Account**
   a. Work with City staff to complete and sign force account affidavit(s).
   b. Ensure that accurate payroll records are kept.
   c. Document that work hours are logged under Force Account reporting.

9. Complete Semi-Annual Reports and submit to Commerce

Outcome: Receive and maintain full compliance of contractors, complete timely drawdown requests, ER sign-off from Department of Commerce.

Phase 3 – Project Wrap Up

Goal – Complete CDBG program close out reporting

Tasks -

Audit Requirements. Determine what level of Audit (if any) is required. Coordinate and submit audit.

Close Out. Complete Close out documentation, including self-monitoring checklist. Complete Closeout Report, Certificate of Completion, Fair Housing Report, MBE/WBE Report and Section 3 Compliance Report. Schedule and participate in Commerce monitoring visit (if required by Commerce).

Outcome – Receive close out letter from the Department of Commerce.

Additional Services

These services are not included in the estimated fee. If requested by the City, SEH will complete them on a time and materials basis at SEH's current rates.

Historical/Archeological Review

Projects that impact historic or potentially historic properties, or are located in historic districts have a higher standard of review if CDBG funding is used. This may include documentation of compliance with 36 CFR Part 800, Protection of Historic Properties (also known as Section 106 Compliance). This is in addition to any local ordinance compliance with Stevens Point Municipal Code 22 or other requirements associated with development in the Mathias Mitchell Public Square–Main Street Historic District.

Floodplain/Wetland Review

Portions of this project happen to be occurring in an area identified as Zone X, which is an area that may be in the 100-year floodplain, however, may not be. Further study will be required and documentation provided.

Federal Labor Standards

The second major cost driver is compliance with Federal Labor Standards, also known as Davis Bacon. The two key issues are number of prime contractors and length of construction.

The number of labor standard interviews required are based on the number of prime contractors. For each additional prime contractor, in effect, doubles the workload. Once the number of primes have been identified, we can estimate cost more accurately.

Length of construction period has an effect based on the fact that weekly payrolls must be reviewed on a weekly basis. A project in construction for eight weeks will require less work, typically, then a project that has a 16-week construction schedule.

Once we can identify the level of detail required for each item, a more accurate cost estimate, or fee, may be determined. Our current fee estimate assumes two prime contractors.

Exhibit C-1
to Agreement for Professional Services
Between City of Stevens Point (Owner)
and
Short Elliott Hendrickson Inc. (SEH®)
Dated March 21, 2011

Payments to SEH 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 Owner and SEH select the hourly basis for payment for services provided by SEH. SEH shall be compensated monthly. Monthly charges for services shall be based on SEH's current billing rates for applicable employees plus charges for expenses and equipment. Current billing rates shall be Actual Billing Rates of Personnel Method as indicated in the Supplemental Letter Agreement.

Actual Billable Rates of Personnel Method - Applicable billing rates of employees shall be based on the actual payroll rates of personnel times a multiplier plus the cost of expenses and equipment outlined in Paragraphs B and C of this Exhibit C-1.

SEH 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, SEH will notify the Owner and confer with representatives of the Owner to determine the basis for completing the work.

Compensation to SEH based on the Rate Table Method is conditioned on completion of the work within the effective period of the rate table. Should the time required to complete the work be extended beyond this period, the rates in the Rate Table shall be appropriately adjusted.

B. Other Provisions Concerning Payments

1. Invoices will be prepared in accordance with SEH's standard invoicing practices and will be submitted monthly to Owner by SEH, unless otherwise agreed.
2. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due SEH for services and expenses within 30 days after receipt of SEH's invoice therefor, the amounts due SEH will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. SEH may, after giving seven days written notice to Owner, suspend services under this Agreement until SEH has been paid in full all amounts due for services, expenses and other related charges. Payments will be credited first to interest and then to principal. Further, SEH reserves the right to retain products of service until all invoices are paid in full. SEH will not be liable for any claims of loss, delay, or damage by Owner for reason of withholding services or products of service until all invoices are paid in full.
3. In the event of a disputed or contested invoice, only that portion so contested may be withheld from payment, and the undisputed portion will be paid.
4. Should taxes, fees or costs be imposed, they shall be in addition to SEH's estimated total compensation.

C. Expenses

The following items involve expenditures made by SEH employees or professional consultants on behalf of the Owner. Their costs are not included in the hourly charges made for services and shall be paid for as described in this Agreement.

1. Transportation and travel expenses.
2. Lodging and meal expense connected with the Project.
3. Fees paid, in the name of the Owner, for securing approval of authorities having jurisdiction over the Project.
4. Report, plan and specification reproduction expenses.
5. Other special expenses required in connection with the Project.
6. 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 Owner shall pay SEH monthly for expenses.

D. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Owner. The Owner, therefore, agrees to pay the cost for the use of such specialized equipment on the project. SEH invoices to the Owner 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 SEH.

The Owner shall pay SEH monthly for equipment utilization.

E. SEH Hourly Billable Rate Range

Classification	*Billable Rate*[1]
Office Staff	
Principal	$135.00 - $199.00
Project Manager	$100.00 - $196.00
Senior Project Specialist	$105.00 - $199.00
Senior Project Engineer	$120.00 - $185.00
Project Engineer	$90.00 - $145.00
Staff Engineer	$75.00 - $98.00
Senior Project Architect	$120.00 - $185.00
Project Architect	$100.00 - $120.00
Staff Architect	$65.00 - $105.00
Senior Project Scientist	$100.00 - $165.00
Project Scientist	$70.00 - $90.00
Staff Scientist	$60.00 - $80.00
Senior Project Planner	$120.00 - $155.00
Project Planner	$70.00 - $105.00
Staff Planner	$65.00 - $80.00
Project GIS Analyst	$90.00 - $120.00
Lead Technician	$90.00 - $135.00
Senior Technician	$77.00 - $115.00
Technician	$54.00 - $95.00
Word Processor	$55.00 - $90.00
General Clerical	$55.00 - $90.00
Graphic Designers	$79.00 - $95.00
Field Staff	
Licensed Land Surveyor	$90.00 - $115.00
Lead Project Representative	$90.00 - $125.00
Sr. Project Representative	$80.00 - $105.00
Project Representative	$60.00 - $85.00
Survey Crew Chief	$65.00 - $110.00
Survey Instrument Operator	$55.00 - $70.00

(1) The actual rate charged is dependent upon the hourly rate of the employee assigned to the project. The rates shown are subject to change.

Effective: January 1, 2011
Expires: December 31, 2011

SHORT ELLIOTT HENDRICKSON INC.
AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is effective as of June 28, 2007 (Effective Date), between Stevens Point Water Utility (Owner) and Short Elliott Hendrickson Inc. (SEH). This Agreement consists of Agreement for Professional Services; Exhibit A: SEH's Services; Exhibit B: Owner's Responsibilities; Exhibit C: Compensation for Services.

By entering into this Agreement, Owner agrees to utilize the professional services of SEH and SEH agrees to provide the professional services described in this Agreement.

This Signature Page, the Agreement and Exhibits represent the entire understanding between Owner and SEH with respect to the services to be provided by SEH and may only be modified in writing signed by both parties. In the event of any conflict between the documents listed above as part of this Agreement, the Agreement for Professional Services shall govern over all other documents with Exhibit B and Exhibit A following in order of precedence.

SHORT ELLIOTT HENDRICKSON INC.
425 W. Water Street, Suite 300
Appleton, WI 54911-6058

By:

Patrick S. Planton, P.E.
Associate
Water Department Manager
East Region

CITY OF STEVENS POINT
STEVENS POINT WATER UTILITY
300 Bliss Avenue
Stevens Point, WI 54481

By:

Title Mayor, Stevens Point

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Short Elliott Hendrickson Inc., 425 West Water Street, Suite 300, Appleton, WI 54911-6058
SEH is an equal opportunity employer | **www.sehinc.com** | 920.380.2800 | 888.413.4214 | 920.380.2801 fax

SHORT ELLIOTT HENDRICKSON INC.
AGREEMENT FOR PROFESSIONAL SERVICES

SECTION I – SERVICES OF SEH

A. GENERAL

1. SEH agrees to perform professional services as hereinafter stated and as set forth in Exhibit A.
2. SEH shall serve as the Owner's professional representative and provide all engineering, architectural, environmental and planning services to which this Agreement applies, and shall give consultation and professional advice to the Owner during the performance of its services, to the extent agreed upon and stated in Exhibit A.

B. SERVICE NOT PROVIDED

1. Owner acknowledges SEH will not direct, supervise or control the work of contractors or their subcontractors, nor shall SEH have authority over or responsibility for the contractors means, methods, or procedures of construction. SEH's services do not include review or evaluation of the Owner's, contractor's or subcontractor's safety measures, or job site safety.

SECTION II – THE OWNER'S RESPONSIBILITY

A. GENERAL

1. Owner shall have the responsibilities set forth herein and in Exhibit B.

SECTION III – PERIOD OF SERVICES

A. GENERAL

1. SEH's services and compensation under this Agreement have been agreed to in anticipation of the orderly and continuous progress of the services to be provided. Unless specific periods of time or specific dates for providing services are specified in this Agreement, SEH's obligation to render services hereunder will be for a period which may reasonably be required for the completion of said services.
2. If in this Agreement specific periods of time for rendering services are set forth or specific dates by which services are to be completed are provided, and if such periods of time or dates are changed through no fault of SEH, the rates and amounts of compensation provided for herein shall be subject to equitable adjustment. If Owner has requested changes in the scope, extent, or character of the Project or the services to be provided by SEH, the time of performance of SEH's services shall be adjusted equitably.
3. For purposes of this Agreement the term "day" means a calendar day of 24 hours.

B. AGREEMENT TO CONTINUE

Unless sooner terminated as provided in Paragraph V.I. this Agreement shall remain in force:

1. For a period which may reasonably be required to complete the services authorized by the Owner, including extra services and any required extension thereto, or

C. SUSPENSION

1. If Owner fails to give prompt written authorization to proceed with any phase of services after completion of the immediately preceding phase, or if SEH's services are delayed through no fault of SEH, SEH may, after giving seven days written notice to Owner, suspend services under this Agreement.

2. If SEH's services are delayed or suspended in whole or in part by Owner, or if SEH's services are delayed by actions or inactions of others for more than 90 days through no fault of SEH, SEH shall be entitled to equitable adjustment of rates and amounts of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by SEH in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised.

SECTION IV – OPINIONS OF COST

A. OPINIONS OF PROBABLE CONSTRUCTION COST

1. If requested in Exhibit A, SEH may provide an opinion of construction cost. SEH's opinions of Project Cost provided for herein are to be made on the basis of SEH's experience and qualifications and represent SEH's best judgement as a professional generally familiar with the industry. However, since SEH has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, SEH cannot and does not guarantee that proposals, bids or actual Construction Cost will not vary from opinions of Construction Cost prepared by SEH. If Owner wishes greater assurance as to probable Construction Cost, Owner shall employ an independent cost estimator as provided in Exhibit B.

2. SEH assumes no responsibility for the accuracy of opinions of Total Project Costs.

B. DESIGNING TO CONSTRUCTION COST LIMIT

1. If a construction cost limit for a project is established between Owner and SEH, such construction cost limit and a statement of SEH's rights and responsibilities with respect thereto will be specifically set forth in the Supplemental Letter Agreement related to that project.

SECTION V – GENERAL CONSIDERATIONS

A. STANDARDS OF PERFORMANCE

1. The standard of care for all professional engineering and related services performed or furnished by SEH under this Agreement will be the care and skill ordinarily used by members of SEH's profession practicing under similar circumstances at the same time and in the same locality.

2. SEH shall serve as Owner's prime professional and shall perform or furnish all professional engineering, architectural, environmental, planning and related services to which this Agreement applies. SEH may employ such Consultants as SEH deems necessary to assist in the performance or furnishing of the services. SEH shall not be required to employ any Consultant unacceptable to SEH.

3. SEH shall not be required to sign any documents, no matter by whom requested, that would result in SEH having to certify, guarantee or warrant the existence of conditions whose existence SEH cannot ascertain. Owner agrees not to make resolution of any dispute with SEH or payment of any amount due to SEH in any way contingent upon SEH's signing any such certification.

4. SEH neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform the work in accordance with the Contract Documents.

5. SEH shall not be responsible for the acts or omissions of any Contractor(s), subcontractor or supplier, or of any of the Contractor's agents or employees or any other persons (except SEH's own employees) at the site or otherwise furnishing or performing any of the Contractor's work; or for any decision made on interpretations or clarifications of the Contract Documents given by Owner without consultation and advice of SEH.

6. The General Conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (Document No. 1910-8, 1996 Edition) unless both parties mutually agree to use other General Conditions.

B. AUTHORIZED PROJECT REPRESENTATIVES

1. Contemporaneous with the execution of this Agreement, SEH and Owner shall designate specific individuals to act as SEH's and Owner's representatives with respect to the services to be performed or furnished by SEH and responsibilities of Owner under this Agreement. Such individuals shall have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of each respective party.

C. INDEMNIFICATION

1. Notwithstanding the Scope of Services to be provided by SEH pursuant to this Agreement, it is understood and agreed that SEH is not a user, handler, generator, operator, treater, storer, transporter or disposer of hazardous or toxic substances, pollutants or contaminants as any of the foregoing items are defined by Federal, State and/or local law, rules or regulations, now existing or hereafter amended, and which may be found or identified on any Project which is undertaken by SEH.

   The Owner agrees to hold harmless, indemnify and defend SEH and SEH's officers, subconsultant(s), employees and agents from and against any and all claims, losses, damages, liability and costs, including but not limited to costs of defense, arising out of or in any way connected with, the presence, discharge, release, or escape of hazardous or toxic substances, pollutants or contaminants of any kind, except that this clause shall not apply to such liability as may arise out of SEH's sole negligence in the performance of services under this Agreement arising from or relating to hazardous or toxic substances, pollutants, or contaminants specifically identified by the Owner and included within SEH's services to be provided under this Agreement.

2. To the fullest extent permitted by law, SEH shall indemnify and hold harmless Owner, Owner's officers, directors, partners and employees from and against any and all costs, losses and damages (adopt American Rule) caused solely by the negligent acts or omissions of SEH or SEH's officers, directors, partners, employees and SEH's Consultant in the performance and furnishing of SEH services under this Agreement.

3. To the fullest extent permitted by law, Owner shall indemnify and hold harmless SEH, SEH's officers, directors, partners, employees, and SEH's Consultants from and against any and all costs, losses and damages (adopt American Rule) caused solely by the negligent acts or omissions of Owner or Owner's officers, directors, partners, employees and Owner's Consultants with respect to this Agreement or the Project.

4. SEH's total liability to Owner and anyone claiming by, through or under Owner for any cost, loss or damages caused in part by the negligence of SEH and in part by the negligence of Owner or any other negligent entity or individual, shall not exceed the percentage share that SEH's negligence bears to the total negligence of Owner, SEH and all other negligent entities and individuals.

D. LIMITATIONS ON SEH'S LIABILITY

1. The Owner hereby agrees that SEH's total liability to the Owner for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to a Project or this Agreement from any cause or causes including, but not limited to, SEH's negligence, errors, omissions, strict liability, breach of Contract or breach of warranty shall not exceed the total available insurance proceeds paid on behalf of or to SEH by SEH's insurers in settlement or satisfaction of Owner's claims under the terms and conditions of SEH's insurance policies applicable thereto.

E. REUSE OF DOCUMENTS

1. All documents, including computer software, drawings, and specifications, prepared by SEH pursuant to this Agreement are instruments of service with respect to the Project. They are not intended or represented to be suitable for reuse by the Owner or others on extensions of the Project or on any other project. Any reuse without written consent or adaptation by SEH for the specific purpose intended will be at the Owner's sole risk and without liability or legal exposure to SEH; and the Owner shall defend,

indemnify and hold harmless SEH from all claims, damages, losses and expenses including attorneys' fees arising out of or resulting from reuse of SEH documents without written consent.

2. The Owner and SEH agree that any CADD files prepared by either party shall conform to the specifications of the systems and technology currently being utilized by SEH. The electronic files submitted by SEH to the Owner are submitted for an acceptance period of thirty (30) days. The Owner agrees it will perform any acceptance tests or procedures within 30 days. Any defects the Owner discovers during this period will be reported to SEH and will be corrected as part of the SEH scope of services. Correction of defects detected and reported after the acceptance period will be compensated for as Additional Services as described in Exhibit C.

   Under no circumstances shall transfer of the drawings and other instruments of service on electronic media for use by the Owner be deemed a sale by SEH and SEH makes no warranties, either expressed or implied, of merchantability and fitness for any particular purpose.

3. Copies of Documents that may be relied upon by Owner are limited to the printed copies (also known as hard copies) that are signed or sealed by SEH. Files in electronic media format of text, data, graphics or of other types that are furnished by SEH to Owner are only for convenience of Owner. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

4. When transferring documents in electronic media format, SEH makes no representations as to long term compatibility, usability or readability of documents resulting from the use of software application packages, operating system or computer hardware differing from those used by SEH at the beginning of the Project.

5. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

6. Any verification, reuse, or adaptation of the Documents for extensions of the Project or for any other project will entitle SEH to further compensation at rates to be agreed upon by Owner and SEH.

F. DISPUTE RESOLUTION

1. In an effort to resolve any conflicts that arise during the design or construction of the Project or following the completion of the Project, the Owner and SEH agree that all disputes between them arising out of or relating to this Agreement shall be submitted to nonbinding mediation unless the parties mutually agree otherwise.

2. The Owner and SEH further agree to include a similar mediation provision in all agreements with independent contractors and consultants retained for the Project and to require all independent contractors and consultants also to include a similar mediation provision in all agreements with subcontractors, subconsultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements.

G. ASSIGNMENT

1. Neither party to this Agreement shall transfer, sublet, or assign any rights under or interests in this Agreement without the prior written consent of the other party.

H. INSURANCE

1. SEH shall secure and maintain such insurance as SEH deems necessary or appropriate to protect SEH from claims under Workmen's Compensation, accidents or claims for bodily injury, death or property damage which may arise from the performance of SEH services under this Agreement.

2. Owner shall require Contractor to purchase and maintain general liability and other insurance as specified in the Contract Documents and to cause SEH and SEH's Consultants to be listed as additional insureds with respect to such liability and other insurance purchased and maintained by Contractor for the Project.

3. All policies of property insurance shall contain provisions to the effect that SEH's and SEH's Consultants' interests are covered and that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or additional insureds thereunder.

4. At any time, Owner may request that SEH, at Owner's sole expense, provide additional insurance coverage, increased limits or revised deductibles that are more protective than those being provided. If so requested by Owner, with the concurrence of SEH, and if commercially available, SEH shall obtain and shall require SEH's Consultants to obtain such additional insurance coverage, different limits or revised deductibles for such periods of time as requested by Owner.

I. TERMINATION

1. This Agreement may be terminated by either party upon seven days written notice should the other party fail substantially to perform in accordance with its terms through no fault of the party initiating the termination. In the event of termination SEH shall be compensated for services performed to termination date, including charges for expenses and equipment costs then due and all termination expenses.

J. CONTROLLING LAW

1. This Agreement is to be governed by the law of the state in which the Project is located.

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EXHIBIT A
TO
AGREEMENT FOR PROFESSIONAL SERVICES
Between Stevens Point Water Utility (Owner)
and
Short Elliott Hendrickson Inc. (SEH)
Dated June 28, 2007

SEH's SERVICES

The Owner intends to retain SEH to provide professional engineering services as may be directed by the Owner, and the Owner and SEH deem it mutually advantageous to set forth the general details described herein.

A. PROJECT DESCRIPTION

This Project involves water supply and treatment engineering studies for the Owner based on recommendations in the Owner's 2007 Water System Master Plan. The projects include the following:

- Exploratory field investigations including test well construction and test pumping for proposed new Well 11 to be constructed north of the Stevens Point Airport on City property.
- Preliminary engineering study for implementing blending treatment at Well 5 to address elevated levels of nitrates in the well water.
- Preliminary engineering study to determine the feasibility of converting the Owner's Patch Street collector well into a new municipal water supply well for the City.

B. SCOPE OF SERVICES

The scope of work for this Project has been broken down into three primary tasks, identified as follows:

Task	Description
1	New Well 11 Exploratory Field Work
2	Well 5 Nitrate Blending Pre-Design Study
3	Patch Street Collector Well Feasibility Study

SEH agrees to provide the following Services under this Agreement:

Task 1 –New Well 11 Exploratory Field Work

1. Meet with Owner staff to review alternative locations for construction of the test well on City-owned property north of the Stevens Point Airport.

2. Prepare a map indicating proposed test well location, adjacent properties and private wells.

3. Prepare a technical memorandum outlining the construction details and schedule of the proposed test well.

4. Identify potential contaminant sources located near the proposed test well site. Review state and federal records for potential contaminant sources. Site reconnaissance will also be conducted to verify locations of potential contaminant sources identified though the file search. The results of the file search and site reconnaissance will be summarized and evaluated to identify high-risk sites near or adjacent to the proposed locations for the new municipal well.

5. Test Well Construction: SEH will retain the services of a licensed well drilling firm to perform an exploratory boring and construct a test well in the proposed test well location.

6. Upon construction and development of the test well, conduct a 72-hour, constant-rate, aquifer pumping test, utilizing the proposed test well as the pumping well and observation well. Nearby Owner monitoring wells may also be used as observation wells during test pumping.

7. Install electronic equipment (pressure transducers and dataloggers) to record water level data during the test.

8. Prior to conducting the test, meet with Owner staff to discuss the logistics for the test.

9. Test Well Pumping: The pumping test data from the test well will be evaluated and analyzed to determine the hydraulic characteristics of the sand and gravel aquifer. Using the data from the test, SEH will analyze varying pumping scenarios to estimate potential groundwater drawdown effects. This analysis will assist in determining the amount of potential influence, interference, and/or impact the proposed municipal well may have on existing area wells.

10. Test Well Sampling: Near the conclusion of the pumping test, water samples will be collected for laboratory analyses to determine the quality of the water and identify issues related to the aquifer. Water samples will be tested for bacteriological quality, regulated inorganic parameters, VOCs, SOCs, and radionuclides.

11. Test Well report will be prepared summarizing the results of the test well construction, pumping, and water quality sampling testing. Specifically, the report will include the pumping test groundwater drawdown data and analysis; the laboratory analysis report; and will provide recommendations on the feasibility and design of a production well on or near the site. Provide 5 copies of report to Owner.

Task 2 – Well 5 Nitrate Blending Pre-Design Study

1. Contact Wisconsin DNR representatives to discuss Owner's Well 5 nitrate compliance issues and blending options.

2. Summarize historical operating and water quality records for Well 5.

3. Prepare design concepts for modifying Well 5 water supply facility to blend water from existing system to reduce nitrate levels in water discharged into the distribution system.

4. Prepare a functional description of the control and monitoring requirements needed at Well 5 for blending water with treated water from the existing system.

5. Develop preliminary design concept drawings that illustrate site plan and facility floor plan modifications. Design concepts to include well and pump rehabilitation and new VFD for Well 5 pump motor.

6. Prepare a preliminary process flow diagram illustrating primary blending process components as determined from analysis of Well 5 and distribution system water quality.

7. Prepare opinion of probable construction cost for the nitrate compliance improvements.

8. Meet with Owner staff to review nitrate compliance design concepts.

9. Prepare a draft Nitrate Compliance report outlining findings, conclusions and recommendations.

10. Contact representatives of Wisconsin DNR to discuss preliminary nitrate compliance recommendations. Based on comments provided by DNR and Owner, finalize report and provide 5 copies to Owner.

Task 3 – Patch Street Collector Well Feasibility Study

1. Contact Wisconsin DNR representatives to discuss Owner's Patch Street collector well test pumping and code compliance issues.

2. Summarize available historical operating and water quality records for collector well.

3. Prepare a technical memorandum summarizing the collector well construction details and outlining schedule of the proposed test pumping and well inspection.

4. Retain the services of a licensed well pump installer to furnish equipment to enable pumping of the collector well.

5. Coordinate receipt of required permits for discharging test pumping water to the Plover River.

6. Perform test pumping for 72 hours. Pump water for discharge to the Plover River. Flows and well drawdowns will be measured, in addition to flows from individual collector well laterals.

7. Prior to conducting the test, meet with Owner's staff to discuss the logistics for the test.

8. Install electronic equipment (pressure transducers and dataloggers) to record water level data during the test.

9. Collect water quality samples for analysis by Owner during the test pumping period. Samples to be tested for dissolved iron, manganese, and hardness after 1 hour, 24, 48 and 72 hours of pumping.

10. Near the end of test pumping period, well will be physically inspected by certified diver and hydrogeologist. Video logging of well caisson and lateral screens will be performed.

11. At the conclusion of the pumping test, water samples will be collected for laboratory analyses to determine the quality of the water and identify issues related to the aquifer. Samples will be tested for bacteriological quality, regulated inorganic parameters, VOCs, SOC, radionuclides, and any other parameters recommended by DNR.

12. Following receipt of well water quality data, collector well will be pilot tested to determine degree of water treatment needed and extent of potential treatment costs.

13. A Feasibility Study report will be prepared summarizing the results of the well inspection, test pumping, water quality sample testing, and pilot testing. Provide 5 copies of report to Owner. Report will include and summarize the following:

    a. Pumping test data and analysis
    b. Laboratory analysis water quality report
    c. Recommendations on the feasibility of converting the collector well into a drinking water well for the City
    d. Recommendations for facility improvements to meet current DNR requirements for future use as a municipal supply well.

C. ASSUMPTIONS

In preparing this Agreement, the following assumptions were made:

1. Test well will be constructed on land owned by City of Stevens Point. Test well will be properly abandoned following project.

2. Test well and collector well temporary discharge piping will be installed on land owned by City of Stevens Point.

3. Projects are anticipated to be completed by November 30, 2007.

D. ADDITIONAL SERVICES

It is difficult at this time to define the nature and scope of additional Services that may be required for this Project. However, additional Services may include:

1. Attendance at meetings or public hearings to present Project information.

2. Property surveys.

3. Preparation of additional exhibits or reports for purposes such as public information or Planning Commission review.

4. Estimating the system improvements impact on Utility rates and/or a preparation of an application to PSC to adjust water rates.

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EXHIBIT B
TO
AGREEMENT FOR PROFESSIONAL SERVICES
Between Stevens Point Water Utility (Owner)
and
Short Elliott Hendrickson Inc. (SEH)
Dated June 28, 2007

OWNER'S RESPONSIBILITIES

A. GENERAL

Owner, at its expense, shall do the following in a timely manner so as not to delay the services.

1. Information / Reports

Furnish SEH the following information, all of which SEH may rely upon without independent verification in performing the Services.

a. Plat of survey information for Project sites.

b. Mapping that shows existing property division layouts.

c. Record drawings of existing infrastructure for adjoining roadways and utilities.

d. Record drawings of existing Well 5 pump station.

e. Available drawings and operating data for Patch Street collector well.

2. Representative

Designate a representative for the Project who shall have the authority to transmit instructions, receive information, interpret and define Owner's policies and make decisions with respect to the Services.

3. Decisions

Provide all criteria and full information as to Owner requirements for the Project, obtain (with SEH's assistance, if applicable) necessary approvals and permits, attend Project-related meetings, provide interim reviews on an agreed-upon schedule, make decisions on Project alternatives, and generally participate in the Project to the extent necessary to allow SEH to perform the Services.

4. Other Responsibilities

a. Contract for and pay directly cost of any analytical laboratory testing of water samples.

b. Pay directly any permit or plan review fees associated with the Project.

c. Provide access to project sites to SEH staff and its subconsultants.

d. Provide interim water sample testing for iron, manganese and hardness during Patch Street collector well test pumping. Provide results to SEH.

e. Provide liaison between SEH and general public during test well drilling and test pumping.

B. ASSUMPTION OF RISKS

The Owner and SEH agree that the risks of the Project and the costs related to those risks remain with the Owner or with others and that SEH does not assume any risks that are not specifically called out in the Agreement.

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EXHIBIT C
TO
AGREEMENT FOR PROFESSIONAL SERVICES
Between Stevens Point Water Utility (Owner)
and
Short Elliott Hendrickson Inc. (SEH)
Dated June 28, 2007

PAYMENTS TO SEH FOR SERVICES AND EXPENSES USING THE LUMP SUM BASIS OPTION

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

A. LUMP SUM BASIS OPTION

The Owner and SEH select the Lump Sum Basis for Payment for the services described in this agreement. During the course of providing its services, SEH shall be paid monthly based on SEH's estimate of the percentage of the work completed. Necessary expenses and equipment are provided as a part of SEH's services and are included in the initial Lump Sum amount. Total payments to SEH for work covered by the Lump Sum Agreement shall not exceed the lump sum amount without written authorization from the Owner.

SEH's estimate of the costs for services in this Agreement is listed below:

Task	Description	Fee
1	New Well 11 Exploratory Field Work	$50,000
2	Well 5 Nitrate Blending Pre-Design Study	$20,000
3	Patch Street Collector Well Feasibility Study	$50,000
TOTAL		**$120,000**

The Lump Sum amount includes compensation for SEH's services and the services of SEH's Consultants, if any. Appropriate amounts have been incorporated in the initial Lump Sum to account for labor, overhead, profit, expenses and equipment charges. The Owner agrees to pay for other additional services, equipment, and expenses that may become necessary by amendment to complete SEH's services at their normal charge out rates as published by SEH or as available commercially.

B. OTHER PROVISIONS CONCERNING PAYMENTS

1. Invoices will be prepared in accordance with SEH's standard invoicing practices and will be submitted monthly to Owner by SEH, unless otherwise agreed.
2. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due SEH for services and expenses within 30 days after receipt of SEH's invoice therefore, the amounts due SEH will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, SEH may, after giving seven days written notice to Owner, suspend services under this Agreement until SEH has been paid in full all amounts due for services, expenses and other related charges. Payments will be credited first to interest and then to principal.

3. In the event of a disputed or contested invoice, only that portion so contested may be withheld from payment, and the undisputed portion will be paid.
4. Should such taxes, fees or costs be imposed, they shall be in addition to SEH's estimated total compensation.

C. EXPENSES

The following items involve expenditures made by SEH employees or professional consultants on behalf of the Owner and shall be paid for as described in this Agreement. Expenses are included in the lump sum fee estimate.

1. Transportation and travel expenses.
2. Lodging and meal expenses connected with the Project.
3. Fees paid for, in the name of the Owner, for securing approval of authorities having jurisdiction over the Project.
4. Report, Plan and specification reproduction expenses.
5. Other special expenses required in connection with the Project.
6. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditures plus 10% markup for the cost of administration and insurance.

The Owner shall pay SEH monthly for expenses.

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