



DULUTH, MINNESOTA

Proposal for Reconditioning Services

November 20, 2025



November 20, 2025

Sent via Email Only

Aaron Soderlund, PE
Senior Engineer
City of Duluth
411 W. First Street, Room 240
Duluth, MN 55802

**RE: 100,000-Gallon Standpipe Water Tank "Bayview Reservoir"
1,000,000-Gallon Single Pedestal Water Tower "Highland Park Tower"
400,000-Gallon Single Pedestal Water Tower "Orphanage Tower"
400,000-Gallon Single Pedestal Water Tower "Proctor Tower"
Duluth, Minnesota**

Dear Mr. Soderlund:

Thank you for the opportunity to submit this proposal to provide consulting and inspection services during the rehabilitation of the above-referenced water tanks.

KLM is one of 17 AMPP QP5 accredited inspection firms in the United States providing inspection services that specializes in water storage tanks. This unique accreditation elevates KLM above other inspection firms in our industry. Our staff has credentials associated with AWS Welding and AMPP coating inspections. We bring together key components from all aspects of services to fulfill each of our clients' goals and expectations.

The professionals at KLM have been working on water towers since the 1970's. We have combined experience of over 150 years and have rehabilitated over 500 water towers of various sizes. With KLM professional inspections, a tower's coating system can last 25 – 30 years.

KLM sets the standards that other companies strive to duplicate. No firm receives respect from tank contractors and subcontractors like KLM. Our inspectors climb the towers daily to inspect and document the work; holding contractors accountable for quality workmanship and ensuring that the specifications are met. Our dedication to quality inspections can be seen nationally, as our projects are represented each year in Tnemec's Tank of the Year calendar contest.

We look forward to the opportunity to assist the City of Duluth on this project. With our team's expertise, we are confident this project will be completed to your satisfaction.

Sincerely Yours,



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

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DISCLAIMER:

The information in this proposal is confidential, may be legally privileged, and is intended for the sole use of the City of Duluth. Access to this proposal by another company is not permitted. If you are not the intended recipient, any disclosure, copying, distribution of any action taken or committed in reliance on it is prohibited.

PROJECT PROFILES

KLM has an unparalleled record of consistently delivering successful projects like yours. KLM has planned, designed and refurbished water towers for the past thirty (30) years. The longevity of the coatings system of our projects is what we are most proud of. What owners most appreciate is the return-on-investment KLM brings to each new construction or rehabilitation project. This section highlights projects KLM has completed.



City of Burnsville, MN Colonial Standpipe | 1.0 MG Standpipe

Reconditioning - Inspection Services | 2024



City of Burnsville, MN Heather Hills Standpipe | 7.0 MG Standpipe

Reconditioning - Inspection Services | 2021



City of Chatfield, MN South Reservoir | 0.2 MG Standpipe

Reconditioning - Inspection Services | 2022



City of Burnsville, MN
Buck Hill Standpipe | 1.6 MG Standpipe

Reconditioning - Inspection Services | 2022



Lower Sioux Indian Community, Morton, MN
Jackpot Junction Tower | 1.25 MG Single Pedestal

Reconditioning - Inspection Services | 2024



City of Fountain, MN
Tower No.1 | 0.1 MG Single Pedestal

Reconditioning - Inspection Services | 2024



City of Osakis, MN
Tower No.1 | 0.2 MG Single Pedestal

Reconditioning - Inspection Services | 2024



City of Park Rapids, MN
Hatch Ave Tower | 0.4 MG Single Pedestal

Reconditioning - Inspection Services | 2024



City of Cohasset, MN
Tower No.1 | 0.2 MG Single Pedestal

Reconditioning - Inspection Services | 2024



City of Holland, MN
Tower No.1 | 0.075 MG Single Pedestal

Reconditioning - Inspection Services | 2024



City of Rushford, MN
Tower No.1 | 0.1 MG Single Pedestal

Reconditioning - Inspection Services | 2023



City of McIntosh, MN
Tower No.1 | 0.15 MG Single Pedestal

Reconditioning - Inspection Services | 2023



City of St. Paul Park, MN
Lincoln Avenue | 0.5 MG Single Pedestal

Reconditioning - Inspection Services | 2022



City of Thief River Falls, MN
Tower No.2 | 0.5 MG Single Pedestal

Reconditioning - Inspection Services | 2022



City of Hill City, MN
Tower No.1 | 0.075 MG Single Pedestal

Reconditioning - Inspection Services | 2022



City of Clear Lake, MN
Tower No.1 | 0.1 MG Single Pedestal

Reconditioning - Inspection Services | 2022



City of Pierz, MN
Tower No.1 | 0.2 MG Single Pedestal

Reconditioning - Inspection Services | 2022



City of Goodview, MN
Tower No. 1 | 0.1 MG Single Pedestal

Reconditioning - Inspection Services | 2022



City of Hinckley, MN
West Tower | 0.3 MG Single Pedestal

Reconditioning - Inspection Services | 2022

REFERENCES

The following is a summary list of the projects from the past five (5) years. A more complete list of references can be provided upon request.

Reconditioning Projects

Clear Lake, MN

100,000 Gallon Single Pedestal

Owner/Client: City of Clear Lake, MN

Contact: Matt Landwehr 320-310-5534

Dexter, MN

100,000 Gallon Single Pedestal

Owner/Client: Dexter

Contact: Natalie Carroll 507-584-6821

McIntosh, MN

150,000 Gallon Single Pedestal

Owner/Client: City of McIntosh, MN

Contact: Larry Hedlund 218-563-3747

Chatfield, MN

200,000 Gallon Standpipe

Owner/Client: City of Chatfield, MN

Contact: Ryan Priebe 507-867-3810

North Branch, MN

200,000 Gallon Single Pedestal

Owner/Client: City of North Branch, MN

Contact: Shawn Williams 651-674-8493

Pierz, MN

200,000 Gallon Single Pedestal

Owner/Client: City of Pierz, MN

Contact: Bob Gruber 320-468-0268

Ada, MN

500,000 Gallon Single Pedestal

Owner/Client: City of Ada, MN

Contact: Brian Rasmusson 218-784-5537

Gilbert, MN

500,000 Gallon Single Ped & 500,000 Gallon GSR

Owner/Client: City of Gilbert, MN

Contact: Jack Bradach 218-748-2232

Arden Hills, MN

100,000 Gallon Single Pedestal

Owner/Client: City of Arden Hills, MN

Contact: Savannah Doerr EIT 651-703-4778

Clinton, MN

100,000 Gallon Single Pedestal

Owner/Client: City of Clinton, MN

Contact: Larry Van Hout P E 320-762-8149

Goodview, MN

100,000 Gallon Single Pedestal

Owner/Client: City of Goodview, MN

Contact: Dave Schultz 507-452-1630 x 114

Rushford, MN

100,000 Gallon Single Pedestal

Owner/Client: City of Rushford, MN

Contact: Roger Knutson 507-864-2664

Ottertail, MN

150,000 Gallon Single Pedestal

Owner/Client: City of Ottertail, MN

Contact: Justin Lohse 218-367-2250

Cohasset, MN

200,000 Gallon Single Pedestal

Owner/Client: City of Cohasset, MN

Contact: Bernie Hillman 218-328-0179

Osakis, MN

200,000 Gallon Single Pedestal

Owner/Client: City of Osakis, MN

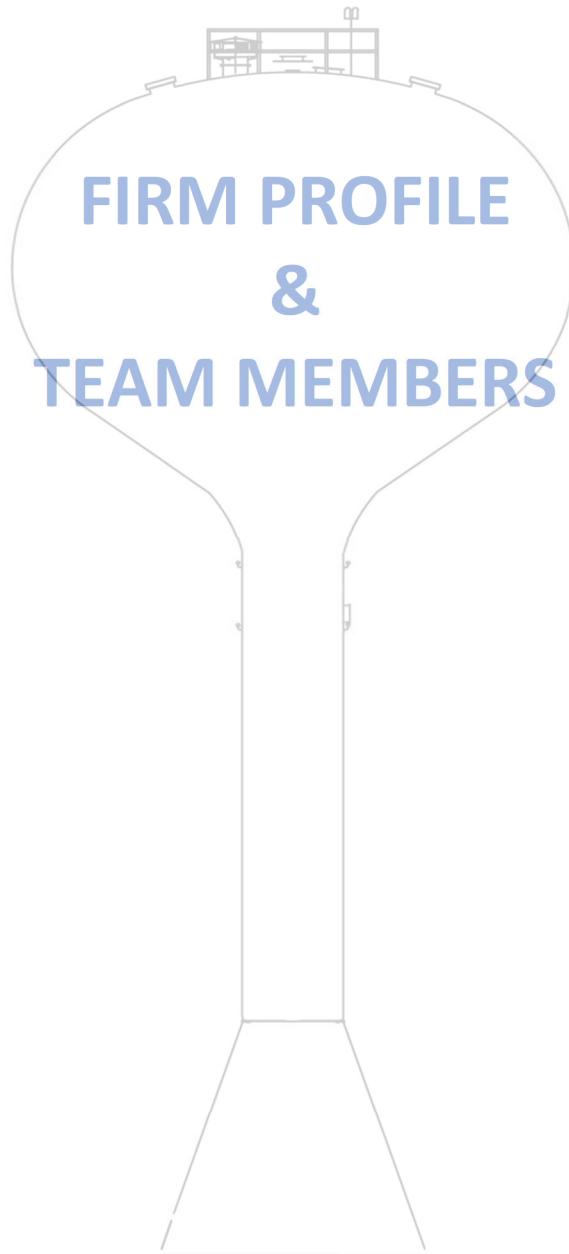
Contact: Greg Gottwald 320-859-2150

3M Cottage Grove, MN

250,000 Gallon Single Pedestal

Owner/Client: 3M Cottage Grove

Contact: Michael Rogers 651-458-2293



ABOUT US

Founded in 1995, **KLM Engineering, Inc.** is a consulting and inspection firm. On average, KLM completes over 150 water storage projects each year for clients across the United States. KLM specializes in:

- ◆ Inspection services on new and reconditioned elevated water towers, ground storage reservoirs, water treatment plants, wastewater treatment plants and concrete tanks during construction.
- ◆ Inspection and evaluations of existing concrete and steel storage tanks, pressure vessels, and other related structures.
- ◆ Design Build services.
- ◆ Preparation of project specifications for tank rehabilitation/lead paint abatement and disposal.
- ◆ Welding inspection during rehabilitation.
- ◆ Tank cleanings.
- ◆ Non-destructive testing.
- ◆ Antenna lease reviews, removal and installation inspections, and drawing reviews.
- ◆ Wastewater treatment plant inspections.

Our Engineers Are:

- ◆ Experienced in design and structure modifications based upon years of employment with tank fabricators, erectors and consulting engineers.
- ◆ Experienced at examining existing tanks regarding corrosion, structure integrity and fitness for continued service.
- ◆ Registered Professional Engineers with practical knowledge of current designs and code requirements.

Our Inspectors Are:

- ◆ Association for Materials Protection and Performance (AMPP), formerly NACE, trained/certified protective coating inspectors.
- ◆ American Welding Society (AWS) associate/certified welding inspectors.
- ◆ Experienced journeyman painters, climbers and riggers with the proven abilities to perform proper hands-on inspections and testing.
- ◆ Experienced in project management and enforcement of specifications for quality control and lead abatement.

REGIONAL OFFICES

- ◆ Headquarters | Woodbury, Minnesota
- ◆ Great Lakes Region | New Lenox, Illinois
- ◆ West Central Region | Blue Springs, Missouri

INSURANCE COVERAGE

Our firm maintains general liability, automotive, professional liability insurance and workers compensation. A certificate of insurance, listing the client as additional insured, will be provided upon execution of a contract.

PROFESSIONAL AFFILIATIONS

Association & Corporate Affiliations



Local Association Affiliations

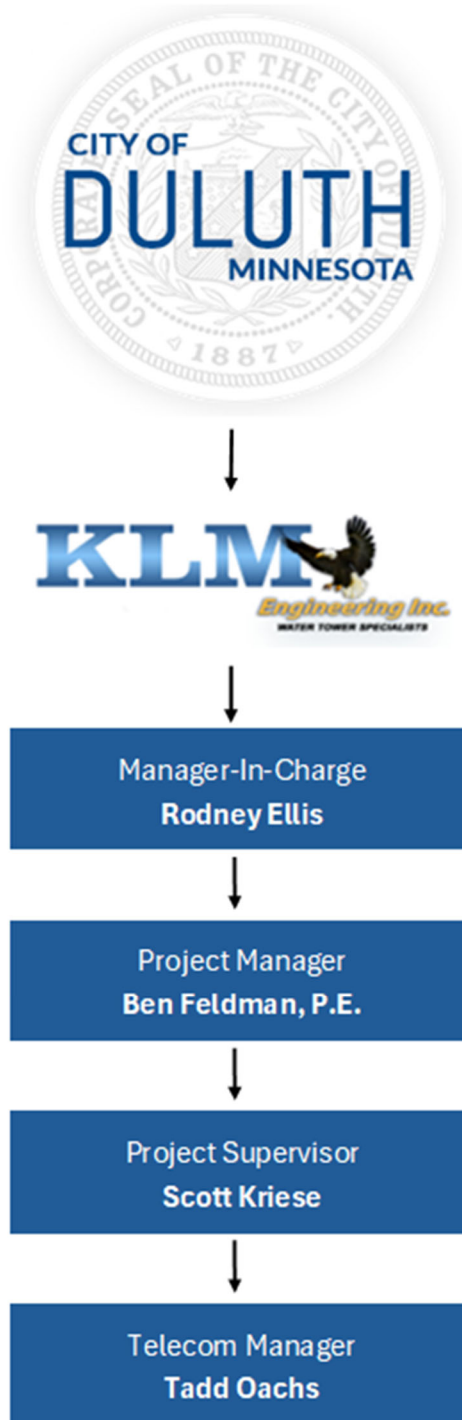


Charities



PROJECT TEAM CHART

Designed Specifically For:



PROJECT-SPECIFIC TEAM MEMBER RESUMES



Rodney Ellis | Vice President/COO

☎ 612-810-0956 @ rellis@klmengineering.com



Education, Experience & Certifications

- ◆ Mount Senario College
 - ◆ Federal Department of Natural Resources
 - ◆ OSHA 10
 - ◆ Certified Competent Climber
- ◆ NACE/AMPP Level 3 #1686
 - 37 Years Certified Experience
 - ◆ AWS Weld Inspection Certified #04040311
 - 29 Years Certified Experience

KLM Projects

City of Valley Center, KS
Reconditioning of 0.75MG Composite



City of Moorhead, MN
New Construction of 0.75MG Composite



City of Andover, MN
Reconditioning of 1.0MG Hydropillar

City of Brighton, CO
New Construction of 2.0MG Composite

City of Des Moines, IA
Reconditioning of 4.1MG Standpipe

City of Hinckley, MN
Reconditioning of 0.3MG Single Pedestal

City of Joliet, IL
Reconditioning of 1.0MG Toro Ellipsoidal

City of Rogers, AR
Reconditioning of 2.0MG Toro Ellipsoidal

City of Verndale, MN
New Construction of 0.075MG Hydrocone

City of Parshall, ND
New Construction of 0.5MG Composite

City of Lawrence, KS
Reconditioning of 1.5MG Ground Storage Tank



Ben Feldman, PE | Civil Engineer

☎ 651-773-5111

@ bfeldman@klmengineering.com



Education, Experience & Certifications

- ◆ University of Minnesota - Twin Cities
 - BS Civil Engineering
 - Minor in Business Management
 - Men's Crew
- ◆ OSHA 10
- ◆ Licensed Professional Engineer
 - Minnesota License No. 49598
 - Colorado License No. 57334
 - South Dakota License No. 16938
- ◆ MN AWWA Awards Committee Co-Chair
 - Past Secretary-Treasurer

KLM Projects

City of Hastings, MN

Reconditioning of 0.75MG Hydropillar

City of Brighton, CO

New Construction of 2.0MG Composite

City of Hinckley, MN

Reconditioning of 0.15MG Double Ellipsoidal

City of Jamaica, IA

New Construction of 0.05MG Single Pedestal

City of Delavan, WI

Reconditioning of 0.5MG Single Pedestal

City of Lawrence, KS

Reconditioning of 1.5MG Ground Storage Tank

City of Napoleon, ND

New Construction of 0.3MG Single Pedestal

City of Goodview, MN

Reconditioning of 0.1MG Single Pedestal

City of Verndale, MN

New Construction of 0.075MG Hydrocone

City of West Chicago, IL

Reconditioning of 0.5MG Booster Reservoirs

City of Rogers, AR

Reconditioning of 2.0 MG Toro Ellipsoidal



Scott Kriese | Project Supervisor

☎ 651-773-5111

@ skriese@klmengineering.com



Education, Experience & Certifications

- ◆ NACE/AMPP Level 3 #11236
- ◆ 25 Years Industry Experience
- ◆ OSHA 10
- ◆ Certified Competent Climber

KLM Projects

City of Moorhead, MN

New Construction of 0.75MG Composite



City of Otsego, MN

New Construction of 1.5MG Composite

Village of Dresser, WI

Reconditioning of 0.2MG Double Ellipsoidal

City of Farmington, MN

Reconditioning of 1.5MG Hydropillar

City of Baxter, MN

Reconditioning of 0.75MG Hydropillar

City of St. Cloud, MN

Reconditioning of 1.0MG Hydropillar

City of Plymouth, MN

Design Build of 2.0MG Toro Ellipsoidal

Village of Somerset, WI

New Construction of 0.2MG Composite

City of Sioux Falls, SD

Reconditioning of 1.5MG Composite

City of Neodesha, KS

Reconditioning of 0.2MG Single Pedestal

Jackson County PWSD #1, MO

Reconditioning of 1.5MG Elevated Water Tower

City of Elgin, IL

Reconditioning of 1.0MG Single Pedestal

City of South Bend, IN

Reconditioning of 1.5MG Single Pedestal

City of Forney, TX

New Construction of 1.0MG Composite

City of Rogers, AR

Reconditioning of 2.0MG Toro Ellipsoidal

City of Topeka, KS

New Construction of 1.0MG Composite

City of Kansas City, MO

New Construction of 3.0MG Composite

Oglala Sioux Rural Water Supply System, SD

New Construction of 0.8MG Composite

City of Sioux Falls, SD

Reconditioning of 0.5MG Single Pedestal

City of Jamaica, IA

New Construction of 0.05MG Composite

City of Dubuque, IA

Reconditioning of 2.4MG Ground Storage Tank



Tadd Oachs | Telecom Manager

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Education, Experience & Certifications

- ◆ NACE/AMPP Level 2 #107515
- ◆ 12 years of Telecommunications Experience
- ◆ MBA, University of Wisconsin - Whitewater
- ◆ BS, Statistics; St. Cloud State University

KLM Projects

City of Victoria, MN

Water Tower 1

AT&T 5G Upgrades. Management of Engineering Review and Inspection Services

City of Alamosa, CO

Craft Water Tower

AT&T 5G Upgrades. Management of Engineering Review and Inspection Services

City of Clear Lake, WI

Water Tower No. 1

Verizon C-Band Upgrade. Management of Engineering Review and Inspection Services

Order of St. Benedict (Collegeville, MN)

Water Tower No. 1 Reconditioning

Telecommunications Temp Installation, Equipment Decom, and Reinstallation: Consulting, Management of Project Review and Inspection Services.

City of Lakeville, MN

Steve Michaud Park Water Tower Reconditioning

Telecommunications Temp Installation, Equipment Decom, and Reinstallation: Consulting, Management of Project Review and Inspection Services.

City of Chaska, MN

Hundertmark Water Tower Reconditioning

Telecommunications Temp Installation, Equipment Decom, and Reinstallation: Consulting, Management of Project Review and Inspection Services.

City of Prior Lake, MN

South Tower Reconditioning

Telecommunications, Temporary and Reinstallation: Consulting, Management, and Inspection Services

City of Maple Grove, MN

Ranchview Tower Reconditioning

Telecommunications, Temporary and Reinstallation: Consulting, Management, and Inspection Services

City of Joliet, IL

Rock Run Tower Reconditioning

Telecommunications, Temporary and Reinstallation: Consulting, Management, and Inspection Services

City of Lakeville, MN

Verizon C-Band 5G Upgrades

Management of Engineering Review and Inspection Services

City of Fargo, ND

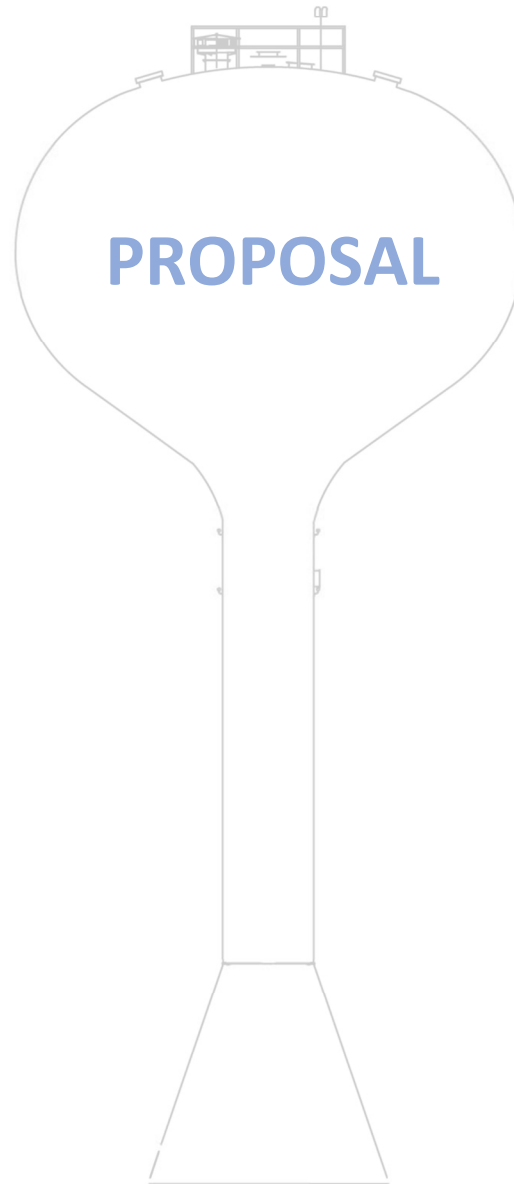
T-Mobile Anchor 5G Upgrades

Management of Engineering Review and Inspection Services

City of Chisholm, MN

AT&T 5G Upgrades

Management of Engineering Review and Inspection Services



PROJECT UNDERSTANDING

KLM Engineering understands this project to be the reconditioning of four water storage tanks for the City of Duluth. The four tanks are the Bayview Reservoir, Highland Park Tower, Orphanage Tower, and Proctor Tower. KLM has been working with Duluth on all the water storage tanks since 2000, performing evaluations and other services. Most recently we performed evaluations and condition assessments on the four tanks being reconditioned for this work. We have firsthand knowledge of the repairs needed on these tanks. For the Bayview Reservoir, Orphanage Tower, and Proctor Tower there will be full reconditioning projects. For the Highland Park Tower the project will consist of a coatings spot repair on the interior of the tower and an exterior overcoat. The plan for the projects will be to have two towers go in the spring of 2026 once weather allows for work to be performed and coatings to be cured properly. The final two tanks will start once the first two are completed or nearing completion. The plan is to have all four tanks completed during the 2026 construction season. KLM shall provide plans and specifications for all the tanks. We shall assist in the bidding process, with the understanding that the City of Duluth will handle advertising the project and other bidding activities. Once a contractor is selected KLM will handle submittal reviews and project supervision. We shall have a resident onsite inspector on the projects to make sure the contractor is meeting the specifications. Once the projects are completed warranty inspection dates will be determined. KLM shall then return to the tanks in two years to perform the warranty inspections prior to the expiration of the contractor's bond. KLM is honored to be involved in these projects and to continue work with the City of Duluth on your water assets. We are confident that following these projects, the tanks will be a source of pride for the city and will continue to serve the community for many years.

BENEFITS TO THE CITY OF DULUTH

Today's protective coating systems are designed to last 25-30 years with only minor maintenance. Tight project specifications and full-time inspections give the coating systems the opportunity to realize their intended service life.

1. The reservoir-specific submittals will be reviewed to verify conformance to the specifications, AWWA, OSHA, and State regulations. KLM will respond in writing regarding the acceptance of the submittals.
2. KLM proposes preparing a technical specification package specifically designed for the water towers being reconditioned. Our experience has shown that the more comprehensive the specification is, the more likely it is that the project is completed on time, on budget, and with quality workmanship. The technical specifications mitigate requests for change orders during the reconditioning.
3. Welding and full-time AMPP Coating Inspections during reconditioning assures that the work performed by the contractor is in conformance with the specifications, as to maximize its life expectancy. KLM's inspectors monitor workmanship during all phases of work to verify the contractor's work meets the specification. Utilizing this process reduces reconditioning cycles over the life of the tank.
4. Our project administration and inspection services provide a buffer between the project specifications and the real-world challenges that can negatively affect the project performance. To initiate the project correctly, KLM's project supervision assures that a qualified contractor is retained at an appropriate cost.

TIMELINE

Upon execution of an agreement, KLM proposes the following schedule to perform the work:

- A. Specifications and Bidding.
 - 💧 Completed in Q1 2026.
- B. Construction Supervision and Inspection Services.
 - 💧 Completed in 2026.
- C. Warranty Inspection (2 year)
 - 💧 ROV, completed per Agreement.

DESIGN

KLM will also perform the following related specification services:

1. Meet with the Owner to review plans and specifications.
2. Produce preliminary and completed copies of the specifications for the Owner.
3. Provide an updated cost estimate for each tower/tank.
4. Attend and facilitate a mandatory pre-bid meeting, virtually.
5. Respond (in writing) to bidder questions.
6. Tabulate results for the Owner.
7. Evaluate contractors' bid proposals for conformance to the specification.
8. Make a written recommendation to the Owner on the low, qualified bidder(s).
9. Prepare Notice of Award and contract Agreement (forward to Owner).

SPECIFICATIONS

The project specifications will include:

- a. [Advertisement for Bids](#)

This section provides a detailed description of the project and meets the requirements for legal advertisements.
- b. [Instructions to Bidders](#)

This section provides precise instructions to bidders, including the scope of work, insurance, payments, time of completion, bidder qualifications, taxes and permits, legal requirements, performance and payment bonds and other important project information.
- c. [Bid Forms](#)

This section contains the bid proposals, construction time frame, alternate bid proposals, legal requirements and the bidder and subcontractor qualification forms.
- d. [Project Requirements](#)

This section includes a complete description of the project, project schedule(s), execution of contract documents, notice to proceed, project meetings, quality assurance, liquidated damages and legal and technical requirements for executing the scope of work.

e. [Technical Specifications](#)

This section details the technical specifications for structural modifications, surface repairs, interior and exterior surface preparation, exterior abrasive blast, containment, disposal of spent abrasives, dehumidification, lettering and logo, submittals, workmanship, unfavorable weather conditions, protective coating and material, repair work, health and sanitary facilities, clean up, ventilation and safety requirements, inspection of work, sterilization of tank interiors and containment plan.

f. [Supplemental Conditions](#)

This section supplements or amends the General Conditions and/or other provisions of the Contract Documents.

g. [General Conditions](#)

This section includes all the General Conditions designed for water tank reconditioning, such as authority of the Engineer, engineering inspection, modifications, additions and subtractions of scope of work, extensions of time, insurance and other appropriate items.

h. [Contract Documents](#)

This section provides the form of agreement to be used between the Owner and Contractor.

i. [Payment and Performance Bond](#)

Bonds for payment and performance are required for this project, as specified by state law.

j. [Appendix A – Photos](#)

This section includes copies of color photographs. This provides the contractor with a clear perspective of the interior/exterior conditions of the tank and the scope of work involved.

k. [Appendix B – Drawings](#)

This section includes drawings, which define structural repairs or modifications and welding definitions.

l. [Appendix C – Surface Preparation Requirements](#)

This section references excerpts from AMPP Standard Practice SP0178-2007 Standard Practice: Design, Fabrication and Surface Finish Practices for Tanks and Vessels to Be Lined for Immersion Services for defining welding and grinding requirements of the structural repair or modifications.

m. [Appendix D – Paint Chip Lead Test Results](#)

This section contains paint chip test results for lead and chromium used to calculate the risk factor and classification of containment required for conformance with Federal and State Environmental Regulations.

n. [Appendix E – Lettering and Logo \(optional\)](#)

If required, this section includes drawings of any required lettering and logo. Such drawings are to be provided by Owner.

CONSTRUCTION SERVICES

Construction Administration

The project manager and project supervisor work together on managing the project. KLM performs the review of the submittals and communicates with the inspector daily to help enforce the project specifications, as necessary. The project supervisor is the main contact between the contractor representative and the Owner. The project manager performs the final review of the submittals and will assist the supervisor, as required.

Construction Management Consists of The Following:

- ◆ Attend pre-construction conference.
- ◆ Removal of cellular equipment. (If contracted)
- ◆ Periodically perform on-site review of project's work status and report to the Owner.
- ◆ Coordinate progress meetings, as necessary.
- ◆ Review of meeting minutes.
- ◆ Scheduling of inspections.
- ◆ Project close-out administration.
- ◆ Establishes warranty date.
- ◆ Review of inspector's daily documentation.
- ◆ Process change-orders.
- ◆ Prepare monthly payment request forms.
- ◆ Review and approval of the contractor's submittals:
 - ✓ Drawing reviews.
 - ✓ Welder Certifications.
 - ✓ Welder Qualifications
 - ✓ Welding Procedures.
 - ✓ Coating Materials Submittal.
 - ✓ TCLP Sampling Plan.

Construction Observation

The inspector assigned to this project will be an AMPP Coating Inspector and/or AWS Certified Welding Inspector. All our inspectors have extensive practical experience and knowledge of water storage tank reconditioning. They are experienced sandblasters, painters, climbers, riggers, coating inspectors, welders and welding inspectors which allow the inspector to perform inspections alongside the contractor to ensure the conformance to the project specification.

Field Inspections Consist of the Following:

- ◆ A pre-construction meeting with the client and contractor to clearly define the role of the Engineer and Inspector, to discuss the intent of the specifications, and to ensure all parties agree to the scope of work and expectations regarding the quality of work.
- ◆ Monitor and approval of the structure repairs and modifications for conformance to the specifications.
- ◆ Inspection of the abrasive blasting media and equipment for conformance to the specifications and to prevent contamination of surfaces during surface preparation with moisture and oil or other contaminants.
- ◆ Monitor the paint removal and disposal process for conformance to the specifications and environmental regulations.
- ◆ Monitor the contractors mixing and application of the coats for conformance to the specifications and the coating manufacturer's recommendations.
- ◆ Approve surface preparation samples.
- ◆ Record the contractor's progress for adherence to the construction schedule.
- ◆ Submit daily and weekly inspection reports and photos. Prepare and file copies of the reports on construction activities.
- ◆ Coordinate and review testing of materials for conformance to the specification and environmental regulations.
- ◆ Monitor punch list items and subsequent corrective action by the contractor.
- ◆ Final inspection, substantial completion and project acceptance.

ANTENNA INSPECTION

The Owner is responsible for establishing escrow accounts from each cellular provider prior to the commencement of the rehabilitation. Cellular antenna management fees for engineering and inspections services are paid for by the carriers through these accounts. Antenna management fees during reconditioning are \$10,500.00 per carrier and \$3,000.00 for any Owner antennas.

WARRANTY INSPECTION (2 Year)

KLM proposes to perform a ROV warranty inspection on the referenced tank prior to the expiration of the performance bonded warranty. The warranty inspection will include an inspection report. The fixed fee does not include any necessary warranty repair work required. The warranty evaluations will be billed after the city receives the reports in 2028.

DELIVERABLES

The Owner owns and retains this documentation. KLM also retains these records for future reference. Deliverables submitted electronically, unless indicated hard copy.

- 💧 Professional Engineering Certified plans and specifications.
- 💧 State Regulatory documentation including permitting, State Agency or Department of Health, TCLP Testing and Waste Tracking.
- 💧 Contractor Submittals.
- 💧 Daily Logs and Weather Logs.
- 💧 Surface Preparation.
- 💧 Daily Digital Photos.
- 💧 Weekly Summary and Progress Meetings.
- 💧 Project Acceptance Certificate.
- 💧 Warranty Inspection Report (Owner and Contractor).

FEE SUMMARY

KLM Engineering will manage the water towers/tank rehabilitations with project supervision, welding inspection, coating inspection, antenna inspection and a ROV warranty inspections, as detailed below.

Specification Package and Bidding Assistance - 4 tanks.	<u>\$ 12,000.00</u>
TOTAL HOURLY, NOT TO EXCEED	<u>\$ 48,000.00</u>

BAYVIEW RESERVOIR – 100,000-GALLON STANDPIPE

Submittal Reviews	\$ 2,500.00
Construction Supervision and Inspection Services	<u>\$ 37,371.00</u>
TOTAL HOURLY, NOT TO EXCEED	\$39,871.00
Warranty Inspection 2028	\$ 4,000.00

NOTE: Any additional 3rd party coating inspection time required and approved by the owner will be charged at the rate of \$9,343.00 per week.

HIGHLAND PARK TOWER – 1,000,000-GALLON SINGLE PEDESTAL

Submittal Reviews	\$ 2,500.00
Construction Supervision and Inspection Services	<u>\$ 64,074.00</u>
TOTAL HOURLY, NOT TO EXCEED	\$66,574.00
Warranty Inspection 2028	\$ 4,000.00

NOTE: Any additional 3rd party coating inspection time required and approved by the owner will be charged at the rate of \$9,154.00 per week.

ORPHANAGE TOWER – 400,000-GALLON SINGLE PEDESTAL

Submittal Reviews	\$ 2,500.00
Construction Supervision and Inspection Services	<u>\$ 90,655.50</u>
TOTAL HOURLY, NOT TO EXCEED	\$ 93,155.50

NOTE: Any additional 3rd party coating inspection time required and approved by the owner will be charged at the rate of \$9,066.00 per week.

PROCTOR TOWER – 400,000-GALLON SINGLE PEDESTAL

Submittal Reviews	\$ 2,500.00
Construction Supervision and Inspection Services	<u>\$ 90,628.50</u>
TOTAL HOURLY, NOT TO EXCEED	\$93,128.50
Warranty Inspection 2028	\$ 4,000.00

NOTE: Any additional 3rd party coating inspection time required and approved by the owner will be charged at the rate of \$9,063.00 per week.

GRAND TOTAL specification, submittals and inspection fees..... \$340,729.00

***Antenna Inspection fees will be under separate agreement.**

***Warranty Inspections fees are not included in the GRAND TOTAL. The warranty evaluations will be billed after the warranty evaluation has been completed.**

WHY USE KLM

KLM Engineering, Inc. has been evaluating water towers for over 30 years. KLM is the leader in providing engineering and inspection services during reconditioning of towers greater than 100,000-gallons. Our reference list has customers including the US Military, US Steel, Indian Health Services, State of Minnesota and municipalities ranging from coast-to-coast and beyond, including Hawaii.

TERMS AND CONDITIONS

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

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 the City of Duluth finds this 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.

This Agreement, between the City of Duluth, Minnesota and KLM Engineering, Inc. is accepted by:

CITY OF DULUTH
411 W. First Street, Room 240
Duluth, MN 55802

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



Signature

Signature

Name

Dan Popehn

Name

Title

Director of Business Development

Title

Date

November 20, 2025

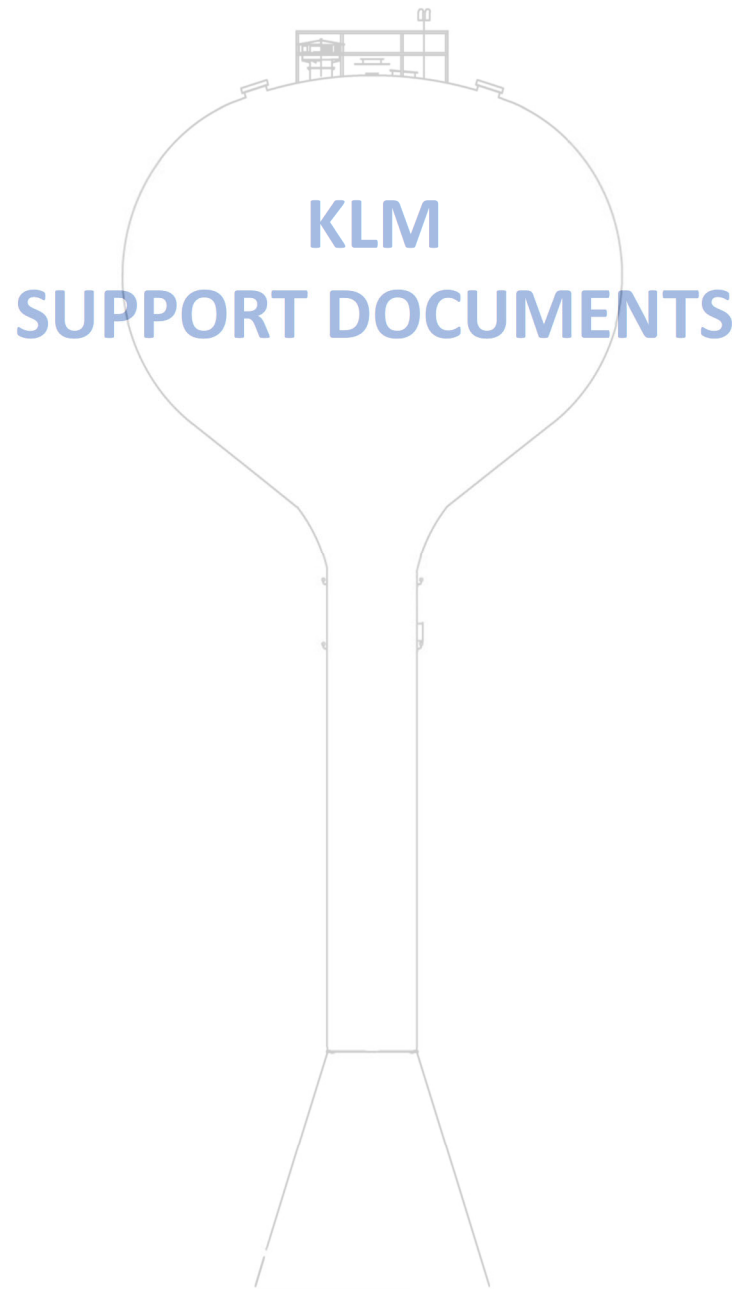
Date

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

REV 2025.05.06



**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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