



AGREEMENT FOR PROFESSIONAL SERVICES

Date: _____ Project Name: _____

Client Name: _____ Description: _____

Address: _____ Contact Person: _____

City: _____ Project Manager: _____

State & Zip: _____ SGM Project No.: _____

Phone: _____ Client Email Address: _____

Mailing Address (if other than above): _____

Client requests and authorizes SGM to perform the following services:

Scope of Work: (including assumptions, Client responsibilities, limitations & exclusions) _____

Description of Property: (including owner's name, address & phone) _____

Time & Compensation by Client to SGM will be on the basis of: (Time & Materials per current Fee Schedule, Lump Sum, Per Proposal, etc.)

When compensation is on a cost-reimbursable basis, a service charge of **10%** will be added to Direct Expenses. All sales, use, value added, business transfer, gross receipts, or other similar taxes will be added to SGM's compensation when invoicing Client.

Other Terms:

Services covered by this Agreement will be performed in accordance with the attached Provisions along with any attachments or schedules. This Agreement supersedes all prior agreements and understandings and may only be changed by written amendment executed by both parties.

IN WITNESS WHEREOF, the parties have made and executed this Agreement to be effective as of the date first above written.

CLIENT

BY: _____

NAME: _____
(PLEASE PRINT)

DATE: _____

SGM

BY: _____

NAME: _____
(PLEASE PRINT)

DATE: _____

CLIENT'S REPRESENTATIVE

BY: _____

NAME: _____
(PLEASE PRINT)

DATE: _____

Provisions

(Revised 2/18/2025)

1. Authorization to Proceed

Execution of this Agreement by Client will be authorization for SGM to proceed with the Project, unless otherwise provided for in this Agreement.

2. Billing Rates

Both parties understand and agree that all work not specifically delineated within the scope of work described herein shall be billed on a time and materials basis and shall be in addition to any budget, bid or maximum price agreement for the above-described Scope of Work. Fee adjustments shall be made accordingly for delays and interruptions not the fault of SGM.

3. Direct Expenses

SGM Direct Expenses are those necessary costs and charges incurred for the Project including, but not limited to: (1) the direct costs of transportation, meals and lodging, mail, courier services, equipment materials and supplies; (2) SGM's current standard rate charges for direct use of SGM's vehicles, computing systems, word processing and printing.

4. Standard of Care

Services performed under this Agreement are performed with the care and skill ordinarily exercised by members of the profession practicing under similar conditions at the same time and in the same or similar locality. No warranty, expressed or implied, is made or intended by the interpretation of consulting services or by furnishing oral or written reports of the findings made. SGM's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project.

5. Termination

This Agreement may be terminated for convenience on 30 days written notice, or for cause if either party fails substantially to perform through no fault of the other and does not commence correction of such nonperformance within 5 days of written notice and diligently complete the correction thereafter. On termination, SGM will be paid for all authorized work performed up to the termination date plus any related closeout costs such as copying of files, blueprints copies, etc. If no notice of termination is given, relationships and obligations created by this Agreement will be terminated upon completion of all applicable requirements of this Agreement.

6. Payment to SGM

All fees, commissions, product charges and expenses invoiced shall be due within thirty (30) days of the date of billing. Interest on unpaid or late bills shall accrue at 1½ percent per month (18.0 % A.P.R.). In the event any sum is not timely paid, SGM shall be entitled to the recovery of all costs of collection, including reasonable attorney's fees and expenses. Client agrees that all invoices not objected to in writing within fifteen (15) days of receipt are assumed to be final and binding upon the parties as to the amount due, the adequacy of SGM's performance and the value of the services provided to Client.

7. Venue

This Agreement is subject to the Laws of the State of Colorado, the venue of the County of San Miguel shall control any proceedings arising in the transaction described herein.

8. Insurance

SGM shall secure and maintain throughout the full period of this Agreement, sufficient insurance to protect itself adequately from: (i) claims made by its employees under applicable Workers' Compensation Act in coverage amounts no less than required by Colorado law; (ii) claims of bodily injury, death or property damage as may arise from the performance of services under the Agreement; and (iii) claims of errors and omissions in the performance of the services under this Agreement. Client must obtain its own insurance. SGM will, upon request, file certification of such insurance coverage with Client or authorized representative.

9. Limitation of Liability

The liability of SGM, for any actions, damages, claims, demands, judgments, losses, costs and expenses arising out of or resulting from the negligent acts, errors or omissions of SGM is limited to the proceeds of liability and/or errors and omissions insurance available to SGM. The parties understand and agree that SGM is not serving as a contractor hereunder and nothing shall be construed as imposing on SGM any duty or obligation to have authority over Contractor's work, nor shall SGM have authority over, or responsibility for, the means, methods, techniques, sequences or procedures of construction selected by the Contractor, or for safety precautions and programs incident to the work of the Contractor, or for any failure of the Contractor to comply with laws, rules, regulations, ordinances, codes or orders applicable to the Contractor furnishing and performing the work.

10. Indemnity

SGM agrees to indemnify and hold the Client and its officers, employees, agents, and representatives harmless from and against liability for all claims, losses, damages, and expenses, including reasonable attorneys' fees, claimed by third parties to the extent such claims, losses, damages, or expenses are caused by SGM's negligent acts, errors or omissions. In the event claims, losses, damages, or expenses are caused by the joint or concurrent negligence of Client and SGM, they shall be borne by each party in proportion to their respective negligence.

11. Ownership of Documents

All documents prepared or furnished by SGM pursuant to this Agreement are instruments of SGM's professional service, and SGM shall retain an ownership and property interest therein. SGM grants Client a license to use instruments of SGM's professional service for the purpose of constructing, occupying and maintaining the Project. Reuse for a purpose other than the Project or modification of any such documents by Client, without SGM's written permission, shall be at Client's sole risk.

12. Consequential Damages

Neither party shall be entitled to recover any indirect, special, incidental, consequential, punitive, exemplary, remote or speculative damages or damages for lost profits of any kind arising under or in connection with this order or the transactions contemplated hereby, except to the extent such damages relate to the gross negligence or willful misconduct of such party.

13. Client-Supplied Information

SGM is entitled to rely on information supplied by the Client or other consultants retained directly by the Client. SGM has no obligation to verify the accuracy or completeness of Client-supplied information but will bring to the Client's attention any discovered discrepancies.

14. Opinions of Cost; Design Engineering

When included in SGM's scope of services, opinions or estimates of probable construction cost are prepared on the basis of SGM's experience and qualifications and represent SGM's judgment as a professional generally familiar with the industry. However, since SGM has no control over the cost of labor, materials, equipment, or services furnished by others, over contractor's methods of determining prices, or over competitive bidding or market conditions, SGM cannot and does not guarantee that proposals, bids, or actual construction cost will not vary from SGM's opinions or estimates of probable construction cost.

When SGM's scope of services include design engineering for a construction project:

- SGM shall review laws, codes, and regulations applicable to the engineering services.
- SGM shall respond in the design of the Project to requirements imposed by governmental authorities having jurisdiction over the Project.
- SGM shall only be responsible for those construction phase services expressly agreed to in the written Scope of Work. Client (or others) shall be responsible for all other construction phase issues.
- SGM's certification of the amounts due the contractor shall constitute a representation that to the best of the SGM's knowledge, information and belief, the quality of the work is in accordance with the construction Contract Documents.
- SGM may review shop drawings "for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents." This review will not relieve the contractor or Client from the responsibility for errors or deviations from the construction Contract Document requirements.
- Construction "Contract Documents" include: Advertisement For Bid, Instructions To Bidders, Bid, Agreement, General Conditions, Supplementary General Conditions, Notice of Award, Notice To Proceed, Change Order, Drawings, Specifications and Addenda.

15. Immunity

Nothing in this Agreement or any provision hereof waives or is intended to waive, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended from time to time, or otherwise available.

16. Appropriation

No provision of this Agreement shall be construed or interpreted directly or indirectly to obligate the Client to make any payment in any year in excess of amounts appropriated for such year to the extent subject to Article X, Section 20 of the Colorado Constitution (TABOR) or any other constitutional or statutory limitation or provision.

17. Open Records

Notwithstanding any other term, condition, or provision of this Agreement, nothing in this Agreement shall obligate the Client to violate the Colorado Open Records Act, C.R.S. § 24-72-101, *et seq.* SGM and its designees shall and hereby expressly agree to comply with the provisions of the Colorado Open Records Act, C.R.S. § 24-72-101, *et seq.*

18. Independent Contractor Status

SGM and any persons employed or retained by SGM for the performance of work hereunder shall be independent contractors and not agents or employees of the Client. Any provisions in this Agreement that may appear to give the Client the right to direct SGM as to details of doing work or to exercise a measure of control over the work mean that SGM shall follow the direction of the Client as to end results of the work only.

- A. SGM is providing services independently and, therefore, is not an employee, partner, or joint venturer with the Client, and neither party has the authority to bind the other in any respect. SGM warrants to the Client that SGM understands the difference in status between an independent contractor and an employee, and SGM acknowledges and stipulates that SGM is neither eligible nor entitled to statutory or legal benefits or provisions of labor codes or other such similar statutes. The parties further agree that the Client shall not withhold from SGM unemployment insurance, social security, taxes or any other withholdings. SGM agrees to be responsible for all such payments required by law.
- B. Taxes. SGM acknowledges and agrees to report all payments received from Client on SGM's federal and state income tax returns and is obligated to pay any and all resulting federal and state income tax obligations. SGM will indemnify Client for any such payments required but not paid.
- C. No Insurance or Benefits. SGM acknowledges and agrees that it is not covered by any of Client's insurance, including Client's workers' compensation coverage, and is not entitled to any benefits otherwise provided to Client's employees, including vacation pay, sick leave, retirement benefits, social security, disability benefits, employee health benefits of any kind, and workers' compensation benefits. During the term of this Agreement, SGM will carry any insurance required by law, including without limitation professional liability insurance and general liability insurance.



Fee Schedule January 2025
Hourly Rate*

PRINCIPAL ENGINEER.....	\$250	SENIOR CADD/GIS.....	\$166
SENIOR ENGINEER III	\$234	CADD/GIS III	\$144
SENIOR ENGINEER II	\$218	CADD/GIS II	\$130
SENIOR ENGINEER I	\$199	CADD/GIS I	\$106
ENGINEER IV.....	\$180		
ENGINEER III	\$165	SENIOR CONSTRUCTION TECHNICIAN.....	\$157
ENGINEER II	\$140	CONSTRUCTION TECHNICIAN II	\$144
ENGINEER I	\$121	CONSTRUCTION TECHNICIAN I	\$130
SENIOR PROJECT MANAGER	\$179		
PROJECT MANAGER.....	\$166	PRINCIPAL SURVEYOR	\$199
		LAND SURVEYOR III.....	\$182
PRINCIPAL SCIENTIST	\$249	LAND SURVEYOR II.....	\$164
SENIOR SCIENTIST II.....	\$213	LAND SURVEYOR I.....	\$148
SENIOR SCIENTIST I.....	\$180	SURVEY TECHNICIAN III.....	\$132
SCIENTIST III	\$150	SURVEY TECHNICIAN II.....	\$119
SCIENTIST II	\$125	SURVEY TECHNICIAN I.....	\$107
SCIENTIST I	\$108	FIELD SURVEY (1-Man Crew)	\$179
SCIENTIST TECHNICIAN	\$90	FIELD SURVEY (2-Man Crew).....	\$238
		SUE FIELD PROJECT MANAGER.....	\$216
PRINCIPAL CONSULTANT	\$249	SUE FIELD TECHNICIAN.....	\$150
SENIOR CONSULTANT II.....	\$213		
SENIOR CONSULTANT I.....	\$177	EXPERT TESTIMONY	\$380
CONSULTANT III	\$149		
CONSULTANT II	\$130		
CONSULTANT I	\$116		
TECHNICIAN III.....	\$100		
TECHNICIAN II.....	\$85		
TECHNICIAN I.....	\$72		
CLERICAL	\$92		

*There is 10% upcharge to the rates shown for electrical engineering and a 5% upcharge for water resources staff

REIMBURSABLES

<u>Equipment</u>	<u>Rate</u>
Vehicle Mileage	Current IRS Standard Mileage Rate
ATV / Snowmobile.....	\$125.00/day
UTV.....	\$250.00/day
Flow Tote	\$125.00/day

Reproduction

Black & White Plots.....	\$5.50/sheet
Mylar Plots	\$19.00/sheet
Color Plots.....	\$30.00/sheet
Photocopies	\$0.25/page

Miscellaneous

10% will be added to all direct expenses, including FedEx, special delivery and courier charges, special consultants, subcontractors, laboratory tests, airfare, lodging, meals, car rental, telephone, outside printing expense, etc. **Interest of 1.5% per month will be charged for invoices past 30 days.**

January 14, 2025

Mr. Tony Daranyi
Board Chair
Norwood Water Commission
1670 Naturita Street
Norwood, CO 81423

RE: SGM Letter Proposal for Water Storage and Supply Planning and Design – CWCB Local Capacity & Technical Assistance Grant

The purpose of this work is to develop an application for a federal WaterSMART grant to assist in increasing and firming Norwood Water Commission's (NWC's) water storage capacity and development of additional water supplies to meet growing water demand in NWC's service area and ensure climate change resiliency. On November 20, 2024, CWCB awarded a Local Capacity & Technical Assistance Grant to NWC to cover the costs of the federal grant application.

Project Background and Understanding

SGM prepared a Water Master Plan in 2020 and an update in 2022 for NWC, which outlined NWC's existing and future water needs, including water demands. The Plan noted that NWC's sole reliable source of water is 300 acre-feet of contract water in Gurley Reservoir, and that demand was expected to exceed supply by 2032 based upon a 4% growth rate or by 2036 based upon a 3% growth rate. The situation is critical, as housing prices push more of the Telluride region's workforce to the Norwood area, and receipt of federal grant(s) would enable NWC to develop and plan for an additional water supply.

In addition to ensuring a reliable domestic water supply for a small, rural community that includes in-town and agricultural users, a project is needed to allow NWC to increase its separate, in-town raw water supply. The raw water supply provides numerous ecological benefits including supporting soil health and the tree canopy, and the numerous birds and wildlife that depend upon these resources, and which create drought and climate change resiliency.

This project will include expanding and refining existing analyses of potential additional supply for the NWC system. NWC plans to analyze additional options, including but not limited to feasibility and economic viability analyses of its existing San Miguel River Diversion and of the San Miguel Project water rights reserved for municipal and domestic use in the NWC service area.

The 2020 Plan also noted that the current raw water reservoirs store much less than their design capacities but does not state the reason for the reduced storage. NWC will assess the potential to expand the capacity of the existing reservoirs and/or develop additional reservoir storage.

SGM is pleased to provide you with an itemized scope of work and budget consistent with the project approach presented in SGM's application to the CWCB Local Capacity and Technical Assistance Grant program, dated November 12, 2024. The project timeline is anticipated to be 18 months from project kickoff through project closeout (January 2025 - June 2026).

SCOPE OF WORK:

The project objective is to develop and apply for a federal WaterSMART grant to increase raw water storage capacity and raw water supplies for the NWC service area. NWC also plans to apply for other available state and local grants for these projects.

The following summarizes our proposed scope of services for the Water Storage and Supply Planning and Design project based on the approved scope from the grant application, and SGM's understanding of the project design and funding requirements:

Task 1 (PM-1) Project Management and Communications

Project management can be the most crucial aspect of these multidisciplinary projects with numerous stakeholders. It will be imperative that all disciplines and stakeholders be identified and appropriately included in the project development process. The primary stakeholders include the Norwood Water Commission, property owners of potential infrastructure sites (including U.S. Bureau of Land Management, U.S. Forest Service, Colorado State Land Board, San Miguel County, and private landowners), funding agencies, and review agencies such as Colorado Division of Water Resources (CDWR). Our proposed scope of work includes multiple coordination and planning review meetings with NWC staff and stakeholders throughout the planning process. In-person meetings and site visits will be conducted by SGM's civil engineering staff, water resources staff, and environmental consultants. Monthly progress memos will be provided to the NWC and CWCB and will include descriptions of work performed, planned work, critical issues, schedule, and budget updates.

Task 1 includes:

- Client-Consultant Kickoff Meeting
- Client-Consultant communications for duration of project
- Internal consultant communications for duration of project
- Consultant field trips to assess project feasibility and preliminary permitting issues at multiple water supply and storage project locations
- Attend NWC Board of Commissioners meetings to report on progress
- Reimbursable travel expenses (mileage) estimated at \$1,861

Deliverables:

- Milestone Meeting Agendas and Minutes
- Monthly project progress reports provided to NWC with invoices
- Monthly project progress reports provided to CWCB
- Final report provided to CWCB at project closeout

Cost Estimate: \$39,663

Task 2 – (CIV-1) Raw Water Storage Initial Project Development

Utilizing the 2020 Water Master Plan and 2022 update, SGM will:

1. Determine the amount of raw water storage needed for the next 50 years. Update current capacity and rate of growth, projected growth and associated water needs.
2. Determine whether there are physical, ownership or other constraints to expanding existing reservoirs at their current locations.
3. Determine constraints of developing a new reservoir or reservoirs at previously identified State Land Board Land site. Continue discussions with State Land Board.

4. Develop storage reservoir conceptual master site plan considering existing and proposed reservoir intake and outlet piping, emergency overflow, subsurface utility infrastructure, above-grade structures, environmental, and site drainage constraints.
5. Review other potential reservoir sites and determine ownership and potential constraints of each site.
6. Perform a field survey to pick up or verify critical elements and elevations (2 days, as needed).
7. Develop environmental permitting requirements.
8. Estimate costs of construction, land acquisition, and O&M of expanding current reservoirs and developing additional reservoirs
9. Develop a matrix of potential reservoir sites and their benefits and constraints.
10. Develop map exhibits.
11. Based upon the matrix, determine a site or site(s) to acquire and develop new raw water storage.

Deliverables:

- Updated water supply future needs assessment
- Reservoir master site plan
- Reservoir site matrix
- Summary of recommended raw water storage site(s)

Cost Estimate: \$60,668

Task 3 – (WR-1) Raw Water Supply Project Development

Utilizing the existing 2020 Water Master Plan, SGM will:

1. Refine cost estimate to develop a water supply from the San Miguel River including but not limited to updating costs of construction, developing costs of permitting, installing power, any water rights change case costs, ROW acquisition (if needed), and O&M costs
2. Determine whether conditional San Miguel Project water rights could be changed to Beaver Creek using a contemplated draft analysis as well as an analysis of water availability in Beaver Creek.
3. Determine whether NWC could acquire additional water from Farmers Reservoir and Supply Company by entering discussions with Farmers Water to acquire additional supply.
4. If other viable water supply options are recommended in existing studies, analyze all costs of construction, acquisition and O&M costs.
5. Based upon analysis of potential raw water supply alternatives, develop the best alternative for raw water supply utilizing federal grant funding.

Deliverables:

- Water supply summary memorandum and table
- Updated and more complete cost estimates for viable water supply options, including anticipated O&M costs

Cost Estimate: \$52,704

Task 4 – Funding Analysis and Grant Application Submission

Utilizing a consultant with federal grant writing expertise, SGM will:

1. Research requirements of federal WaterSMART grants.
2. Outreach to WaterSMART grant program staff to ensure eligibility and understand grant criteria, match requirements, prerequisites, and required submittals.
3. Develop one (1) grant application and required submittals.
4. Outreach to local and regional governments and other entities to obtain letters of support.
5. Submit the grant application materials with supporting documents, including letters of support.

Deliverables:

- Funding package recommendation
- Application for WaterSMART Planning and Project Design Grant for raw water storage and supply purposes.

Cost Estimate: \$39,020

Exclusions

Final engineering design and additional field investigation (i.e. geotechnical testing) of the water storage and supply planning projects are not included. Coverage of these services is anticipated under a federal WaterSMART grant after it is awarded, which would be a separate project phase.

Estimated Schedule

The following table shows a tentative design schedule for this project. Schedule variables include the notice to proceed date, subsurface utility investigation, and stakeholder response times.

Task	Timeframe
Project kickoff meeting with NWC Board and Staff	January 2025
Background data review	January 2025
Prepare and submit local funding application for 12.5% match for Technical Assistance and Local Capacity grant (likely Southwest Basin Roundtable)	February - April 2025
Develop preliminary conceptual project designs and preliminary prioritization for stakeholder input	March 2025
Obtain stakeholder feedback on preliminary conceptual project designs and prioritization	April 2025
Refine conceptual project designs, prioritization, identify property owner constraints, identify environmental constraints, identify permits, planning level costs, site visits	April - July 2025
Research Federal funding opportunities, correspond with funding agencies	April - August 2025
Finalize conceptual project designs\prioritization. Prepare summary memo, tables, exhibits, and matrix of recommended raw water storage and raw supply projects.	August 2025
Obtain stakeholder feedback on final conceptual project designs\prioritization recommendations	September 2025
Prepare Federal funding analysis summary and recommended funding strategy	October 2025
Prepare Federal funding application and required attachments (likely WaterSMART Planning and Project Design grant)	November 2025 - February 2026
Obtain stakeholder feedback on funding application	March 2026
Submit Federal funding application	April 2026

CWCB Monthly Progress Reporting for duration of project	Monthly
CWCB Final Report and Project Closeout	June 2026

Fee Estimate

The overall anticipated project costs are presented below by project phase. A detailed man-hour, task, and fee breakdown is available upon request. The project cost is based on the CWCB Capacity Grant application.

Cost Breakdown by Task				
Task	SGM Hours	SGM Labor	Subconsultants & Expenses	Total Cost
1 Project Management and Communications	197	\$37,802		\$37,802
2 Raw Water Storage Initial Project Development	348	\$61,668		\$61,668
3 Raw Water Supply Project Development	286	\$52,704		\$52,704
4 Funding Analysis and Grant Application Submission	237	\$39,020		\$39,020
Reimbursable Expenses (<i>Includes Travel Expenses</i>)			\$1,861	\$1,861
PROJECT TOTALS	1,075	\$193,055	\$1,861	\$193,055

Please contact us if you have any questions about this proposal or require further information. We appreciate the opportunity to support the Town on this important water project.

Sincerely,
SGM

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 Senior Engineer, Water Resources Team
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