

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 8, 2010**

1. CALL TO ORDER

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:00 p.m. in the City Council Chamber, 415 Central St. W.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Daleiden, Kodada, Rud, Furrer and Pelava

Absent: None

Staff Present: City Administrator Joel Erickson and Public Works Director Russ Vlasak

4. AGENDA

Mayor Rud asked if anyone had any additions or deletions to the agenda. A motion was made by Kodada and seconded by Pelava to approve the agenda as presented.

Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0.

Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

None

10. NEW BUSINESS

a. Interview Engineering Firms for the Preliminary Design, Final Design, Bidding and Construction of a Water Treatment Plant

Mayor Rud said the City will be interviewing four engineering firms to consideration for the design, bidding and construction of the water treatment plant. The four engineering firms to be interviewed are: Bolton & Menk, Inc., Bonestroo, BDM and WSB.

Bolton & Menk, Inc.:

Bob Brown said Bolton & Menk has worked on 100 water treatment plants in the past 15 years, of which 17 were for radium removal. He said Bolton & Menk has the experience and knowledge on funding options and is the most experienced firm in radium removal to be interviewed. He said the proposed team is the same as worked on the City's Well # 4 project. He said Bolton & Menk would take staff and the City Council on tours of existing facilities. Brown said typically construction observation would not be in a lump sum proposal but rather hourly not to exceed and that Bolton & Menk would be willing to negotiate the fee for construction observation. Daleiden asked if during the construction phase of the project if construction observation was reduced would the City realize a savings from Bolton & Menk. Brown said yes. Mayor Rud ask how many contractors would realistically bid on the project. Brown said about six contractors will bid on the project but Bolton & Menk will design the project so that local contractors

can bid on the project as well. Daleiden asked if the plant's electrical system would be designed as "green" to saving money. Sheldon Sorensen said he looks for equipment that offers rebates and only uses high efficiency motors to save the client money upfront and over the long term. Kodada asked if the lump sum of 3.9% for design of the plant would have any change orders? Brown said no because it is a lump sum. Kodada asked why the City would be eligible for a tax refund. Brown said the City will qualify for a tax refund because the equipment being purchased is used for the production of water. Mayor Rud asked if the proposal contained 1,000 hours of construction observation. Brown said their proposal contains 1,000 hours because the proposal requested 50% construction observation. Brown added there would not be any additional fees because they include mileage, phone calls, copies, etc. in their hourly billing rate. Mayor Rud asked Brown if they encountered any major problems on their last project. Brown said no, because they have a good design process. Furrer asked if there would be any savings by the City recycling the backwash. Graupman said that it depends on the cost to build the backwash reclamation basis compared to the wastewater treatment plant SAC fees that would be generated. Brown said the reclamation process could be handled by the DNR in respect to the City's water conservation plan that the DNR approves. Mayor Rud asked if Public Facility Authority (PFA) grants were realistic or not. Brown said there is "green" money available for water reclamation up to 30% of the cost but those grants are committed for the current funding year. Mayor Rud asked about staff calling Bolton & Menk after the plant is in operation for support. Brown said there would be no additional cost for additional access to Bolton & Menk. The City Council thanked Bolton & Menk for their time.

Bonestroo:

Ryan Capelle and Mark Rolfs of Bonestroo introduced themselves. Capelle stated he was impressed with the City's banners, welcome signs, etc. and that those improvements set the bar high for Bonestroo as it relates to the water treatment plant project. Capelle said the proposed team for this project has collaborated on 10 projects in the last 11 years and 4 projects in the last 5 years. He said because of this collaboration, the team has learned different options such as how to be the most affective in radium removal, by pumping the HMO chemicals separately. He said by doing so, the City will realize savings up to 6 times the cost of chemicals. Capelle said by having a good understanding of the costs, there are not many surprises that arise during a project. He said by thoughtfully planning the site, it sets the stage for an efficient City Campus proposed in the future. He said that Bonestroo's construction observation staff will be the City's advocate in the field. Daleiden reviewed Bonestroo's proposed construction services and asked the number of hours proposed for construction observation. Capelle replied 1,000 hours. Daleiden asked what the hourly rate associated with construction observation was. Capelle said \$91.00/hour and based on 1,000 hours, the proposal contained \$91,000.00 for construction observation. Kodada asked if Bonestroo has an electrical engineer on staff. Capelle replied yes. Mayor Rud asked what challenges they experienced on their last project. Capelle said on their last project the concrete subcontractor went out of business and then the general contractor went out of business as well. To deal with the challenge, Bonestroo became the general contractor and completed the project. He also added a challenge on another project was workers going on strike and having the cross the picket line and hire non-union employees to complete the project. Furrer asked if staff would be able to call Bonestroo after startup of the plant at no charge. Capelle said city staff would be under Bonestroo's wing as it relates to operation of the plant and there would be no charge for assistance. Capelle also said Bonestroo would require the contractor to provide a two year warranty. The City Council thanked Bonestroo for their time.

BDM:

John Stewart and Bill Chang were present on BDM's behalf. Stewart said their presentation would be 15 minutes, which would allow for 15 minutes of questions. He said the proposal is what the City asked for and could be less if less time was spent on construction observation. He said the designed plant will not

be a “cookie cutter” design but rather reflect the City’s needs. Stewart reviewed BDM’s proposed costs. He said 500 hours of construction observation is what is needed for this project. He said the City would not be billed for phone calls. He said BDM has a good feel for what the City needs. Stewart said BDM will get the City whatever grant money is available. Daleiden asked if BDM’s proposal is not to exceed regardless of whether 500 hours or 1,000 hours are spent on construction observation. Stewart said yes, the proposal is not to exceed \$165,000.00. Chang said that 500 hours for construction observation is pretty typical. Pelava asked what the timeline for the Braham and Rushford projects were. Chang said the timeline was November to June. Mayor Rud said the project cost estimate had been \$1,200,000.00 and now it is \$1,900,000.00 and asked what the real construction number will be. Chang said it all depends on what the building is constructed of. Stewart said additional costs will be the proposed mezzanine and backwash tank. Chang said he was still comfortable with an estimate of \$1,200,000.00, not including the backwash tank. Kodada asked if backwash reclamation would be a benefit to the City by saving chemical costs at the waste water treatment plant. Chang said the engineer fee would be reduced if the reclamation tank is not designed. Kodada asked if there would be any additional mileage costs to the City. Stewart said the only mileage being charged would be in town and not to and from Lonsdale. Pelava asked if BDM would send out a mailing to the public to keep them informed of the project status. Stewart said they could do it but it would be cheaper for the City to do it. Stewart said BDM will provide the City with the best value project. Mayor Rud thanked BDM for submitting a proposal and attending the interview.

WSB:

Kevin Kawlewski introduced himself and Tom Roushar. Roushar said WSB has put together an experienced team including Ortel, Keading and Wentz. He said they will provide the City with information to make the best decisions based on the requested cost benefit analysis. He said several critical success factors will include dedicated assistance after start up and a detailed Operations & Maintenance manual. Daleiden asked if WSB would only charge the City for 300 hours of construction observation. Roushar said the proposal asked for a lump sum, which WSB provided and he said they will do whatever it takes to complete the project successfully. Daleiden asked with the number of options available for construction and equipment if there would be alternate bid options. Roushar said all the bid items are figured out during the preliminary design phase and there should not be many alternates. Mayor Rud asked if WSB has assisted other cities with funding options. Roushar said he assisted the City of Minnetrista with their Public Facilities Authority (PFA) application and obtained some of the PFA “green” funding. Kodada asked what size the backwash reclamation basis would have to be. Roushar said each time a backwash is conducted it will take 30,000 gallons of water. Kawlewski said the City should consider using the 21 inch sanitary sewer as the backwash basis and waste to the waste water treatment plant. By doing so, the City would be flushing the underutilized sanitary sewer in place. Daleiden asked if there was any way to create energy from the backwash process. Roushar said it could be done but it would be very expensive. Roushar said WSB has a lot riding on this project because they are the City Engineer and cannot just move on to the next project. He said the City’s plant will be WSB’s plant as well. Mayor Rud thanked WSB for responding to the RFP and interviewing.

Mayor Rud said by amending the number of construction observation hours, it changes the order of the low bid priority. The City Council held general discussion on BDM’s proposal being all inclusive, Bolton & Menk being the most expensive, WSB having lots of experience, being the least comfortable with Bonestroo and the amount of construction observation hours needed for a successful project. The City Council requested staff to contact Bolton & Menk for a proposal on 500 hours of construction observation and soil borings.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Daleiden and seconded by Kodada to adjourn the meeting.
Vote for: Daleiden, Kodada, Rud, Furrer and Pelava. Against: None Vote 5-0.
Motion carried. The meeting ended at 8:54 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator