

**CITY OF GILBERT**  
**MINUTES OF SPECIAL COUNCIL MEETING**  
**TUESDAY, AUGUST 16, 2016**  
**COUNCIL CHAMBERS**

Mayor Kutsi called the meeting to order at 6:32 p.m.

Present: Mayor Kutsi, Councilors Pontinen, Skalko, Bol & Liimatta.

Absent: None.

Staff Present: City Engineer Jamnick, Public Works Operations Director Lautigar and City Clerk/Treasurer Sakrison.

Mayor Kutsi led the audience in the Pledge of Allegiance to the Flag.

The purpose of this Special City Council meeting is to take action on the Waste Water Treatment Facility Improvements Design contract proposal from Stantec Consulting, Inc.

City Engineer Jamnick recapped that they received draft proposals from Stantec, reviewed with Public Works Operations Director Lautigar and Stantec to be sure that all items that are needed are covered in the proposal.

Ron LaFond, of Stantec, went over the proposal/scope of services.

- He noted that every process, every piece of equipment will be touched for the Waste Water & Treatment Plant. It is all detailed in the Design & Bidding Phases Scope of Services.
- They are proposing a Lump Sum Fee of \$616,000.00 for their services for design & bidding.
- MPCA is expecting drawings & specifications by March of 2017.
- Ultimate deadline is February 1, 2020 to meet a mercury limit. It is in the permit and starts November 2019.
- The last project in Gilbert was done in the 1980's, it is in need of major rehabilitation.
- Project construction cost is estimated at \$7.4 million.
- A facility plan was submitted to the MPCA with a few options of (1) keeping what we have and fix that up or modify slightly, or what is recommended (2) membrane bioreactors, which is a key part of the process to remove mercury.

Councilor Pontinen asked how did we get to this point and how did the City chose Stantec to do the work? LaFond responded that they had a successful project in Mt. Iron and it was thought that they could bring the same success to Gilbert. Pontinen wanted to know if any other consultant was contacted. City Engineer Jamnick stated that they had used MSA out of Duluth a couple years ago. Stantec worked through some of the issues with the digester. Pontinen wanted to know if it was legal for the City to hire Stantec without going through a bidding process. LaFond responded that they provide professional services and it is not required to go through the same bidding laws as a construction project, or equipment purchase and so on for professional services. Stantec has done a lot of waste water work.

**CITY OF GILBERT**  
**MINUTES OF SPECIAL COUNCIL MEETING**  
**TUESDAY, AUGUST 16, 2016**  
**COUNCIL CHAMBERS**

Councilor Pontinen asked what services JPJ would be providing. LaFond responded that JPJ would design the equalization basin. He noted that if the City wants to put that out for bids that would be their decision. They mentioned JPJ because they would be involved in the equalization basin and it is more of a site/civil task and it could happen a year earlier.

Councilor Pontinen asked about Stantec assisting the City with advertising the project and asked about what the QwestCDN website was. LaFond responded that it is for posting documents online for bidders rather than having hard copies of documents, which is more efficient.

Councilor Pontinen questioned Services Not Included, Item 6 – Design meetings beyond those included under Professional Services. LaFond stated that there are 6 – 7 meetings included in their services. If this number gets up to 20 or more then yes, there would be additional fees incurred. The number of meetings needs to be a reasonable number. Pontinen asked if someone would be based on location. LaFond stated that they would be using JPJ to help with overseeing the project as it would be more cost effective.

LaFond stated that the overall project cost is \$8.5 million, this includes design and construction services.

Councilor Pontinen questioned the “Services Not Included, Item 2 - Geotechnical investigations. (Soil borings/soil testing)”. LaFond responded that these are needed, for example where the equalization basin is to be located, it is outside of the fence area, and we do not know the soils of that area. A building cannot be built without knowing the soil condition below.

Councilor Pontinen questioned the Description of Work on the Professional Services Agreement. It states that Stantec, at its discretion and at any stage, engage sub consultants to perform all or any part of the SERVICES. Pontinen stated that he reads that as Stantec could have someone else do the entire project. LaFond responded that is not what they intend to do, and if the City would like any part of the contract reworded that they could bring that up prior to the finalizing & signing of the contract. This is an item that needs to be reworded or crossed out.

Councilor Pontinen questioned compensation as to when their payments start and end. LaFond responded with if they were actually hired, they would start next week and the first invoice would be in September, and the first payment would be in October. Pontinen stated that we do not have any funding and that could put the City in a bind. Stantec’s contract states that they will assist the City of Gilbert with funding applications, but they are not responsible for heading the financial portion of the project. They would help in getting information needed for the applications. City Clerk Sakrison noted that the project cannot wait until all the funding is in place as then it would be behind schedule. LaFond noted that the project agreement could be a contingent approval.

LaFond noted that they want to pre-select the MBR vendor before they move forward with the design for that project. There are at least 5 vendors, with some up and coming. The equipment is put together in modular form, they are not custom. They have better effluent quality.

**CITY OF GILBERT**  
**MINUTES OF SPECIAL COUNCIL MEETING**  
**TUESDAY, AUGUST 16, 2016**  
**COUNCIL CHAMBERS**

In the pilot study, Kubota was used. Kubota was the only company that had a pilot unit available to use for the study.

Councilor Pontinen questioned who will be signing the agreement as it notes Mayor Kutsi, and he noted that Kutsi will not be here after January. City Clerk Sakrison noted that he is on the current council and his signature would be good.

Councilor Pontinen asked LaFond to explain the Client's Responsibilities paragraph. LaFond's response was that if the City of Gilbert is aware of anything that Stantec needs to do, they need to tell Stantec immediately.

Councilor Pontinen questioned Stantec's Responsibilities in the agreement, stating that it more or less states that they are not responsible for anything. LaFond responded that Stantec will be liable only for its failure to exercise diligence, reasonable care and professional skill. This standard of care is the sole and exclusive standard of care that will be applied to measure Stantec's performance. They are held to the standard of engineering.

Councilor Pontinen questioned Cost & Schedule of Construction Work and stated that it sounds like the contractor has no control of the probable construction cost. Councilor Bol stated that he reads it as Stantec has no control of the contractor's probable construction cost. LaFond stated that the opinions of probable cost are based on their reasonable professional judgment.

Discussion was held regarding inspectors. There is a state electrical inspector. There is no state mechanical inspector. There will be special structural inspections held also.

There is a warranty period of 2 years.

Mayor Kutsi asked City Clerk Sakrison if money could be temporarily transferred between utilities to get the ball rolling on this project. City Clerk Sakrison stated that this is a possibility for short term. Bridge financing would be done for short term.

Discussion was held regarding funding to go after. IRRRB, CDBG, Bonding, etc.

Motion by Bol second by Skalko to accept the Stantec Consulting Services, Inc. Professional Services Agreement for the Waste Water Treatment Facility Improvements Design for \$616,000. Pontinen – Aye, Skalko – Aye, Kutsi – Aye, Bol – Aye, Liimatta – Aye. Approved 5 – 0.

Motion by Bol second by Skalko to adjourn the meeting at 7:42 p.m. MCU

  
Debra Sakrison, City Clerk

ATTEST:

  
\_\_\_\_\_  
Robert Kutsi, Mayor