

**BIG LAKE CITY COUNCIL
WORKSHOP MINUTES**

MARCH 23, 2022

1. CALL TO ORDER

Mayor Knier called the meeting to order at 5:00 p.m.

2. ROLL CALL

Council Members present: Ken Halverson, Sam Hanson, Paul Knier, Kim Noding, and Paul Seefeld. Also present: City Administrator Clay Wilfahrt, Deputy City Janette Rust, Finance Director Deb Wegeleben, Community Development Director Hanna Klimmek, City Engineer Layne Otteson, Acting Police Chief Sam Olson, Liquor Store Manager Greg Zurbey, Streets/Parks/Fleet Superintendent Norm Michels, Water/Wastewater Superintendent Dan Childs, and Big Lake Student Liaison Ella Dotzler.

3. PROPOSED AGENDA

Council Member Seefeld motioned to adopt the proposed Agenda as presented. Seconded by Council Member Hanson, unanimous ayes, Agenda adopted.

4. BUSINESS

4A. Review Wastewater Treatment Plant Facility Plan Quotes

Clay Wilfahrt reviewed that staff solicited quotes from three engineering firms for a Facility Plan for the City's wastewater treatment plant. Stantec, Bolton and Menk, and Short Elliot Hendrickson (SEH) each submitted a proposal. Interviews were held with all three firms by an interview panel consisting of the City Administrator, the Finance Director, the Water/Wastewater Superintendent, the Water/Wastewater Foreman, and the City Engineer. The panel unanimously chose SEH to perform the work. Wilfahrt noted the initial consideration that staff reviewed was the cost of the project. Bolton and Menk and Stantec came in at nearly an identical price, \$29,500 and \$29,910 respectively. SEH proposed a total fee of \$59,200. Wilfahrt noted that the total project cost for the project that is identified by this plan is going to cost \$15 million or more, so the total cost of this plan will be less than one half of one percent of the total project cost. The total fee costs are significant, but staff felt that it wasn't imperative to take the low bid. In this case, staff believed that taking the higher bid is the prudent decision for a number of reasons. First, SEH presented information on some new technologies that could potentially reduce the cost of building the wastewater plant. Specifically, they discussed a technology called inDENSE. The technology encourages condensation of denser solids, which leads to a more efficient treatment process. The use of the inDENSE technology could potentially save the City millions of dollars. Secondly, SEH gave an impressive presentation about financing the project and seemed to have the best understanding of

the City's desire to find the most cost-efficient process to treat wastewater. Most of the firms touched on financing, but they did not get too far into the specifics. SEH discussed a number of potential grant sources, and referred to numerous projects where they received grants for projects. Staff believes that the City's best chance of obtaining grant dollars is by utilizing the help of the finance team at SEH which is included in the cost of their proposal. Wilfahrt expressed that Staff recognizes that the cost difference is substantial; however, staff believes that the potential cost savings, and grant opportunities merit the additional expense. For these reasons, staff recommended moving forward with the SEH proposal.

Childs further explained that we currently have 3 oxidation ditches and with future growth, it is expected to expand to as many as 7 oxidation ditches. The City is trying to reduce its footprint with how much land, electricity, and labor is required to manage 7 oxidation ditches. The inDENSE system technology could help with that in the future and will be something the City will be looking at. Mayor Knier inquired if the inDENSE system is not used, would we be putting in 4 additional oxidation ditches with this project. Wilfahrt stated we will see how many are required to phase in and will know more when the project details are complete. Knier asked about the Spaghetti Noodle system that Detroit Lakes is using and the issues they are facing with their facility. Childs explained the industry specific issues Detroit Lakes is having and does not think the Spaghetti Noodle system would be a good fit for Big Lake at this time. Wilfahrt stated we face challenges with industry as well and work closely with our businesses to stay ahead of possible issues. Seefeld inquired about companies that use large quantities of water and if they are required to filter it before it gets sent to the City. Wilfahrt explained there is a threshold where an industrial wastewater agreement would be required that stipulates what is allowed and what is not.

Council Member Halverson asked about the cost of housing and operating the inDENSE system. Childs explained there are no moving parts, but it operates on a RAZ structure return. Halverson also asked if there is a performance or construction bond included in the cost to keep the project on track. Childs stated it is hard to answer due to current supply chain issues. Otteson explained that it is a two-step process. The first step is to select a consultant who completes a study that looks at all options and what we discovered with SEH is they had already presented many different options above the other two firms. Otteson continued, the second step is the construction phase that would include considering expansion or a new facility, design work, bidding process, and then finally the project performance and it would be at this time we would discover any supply chain issues.

Council Member Noding asked if SEH will assist the City with project financing sources and grant writing. Keren Cavett with SEH discussed grant and funding processes they use including in-house teams looking at different options and PFA loans and there are usually 3 to 5 different funding sources available. Mayor Knier asked what was the highest amount of funding they have obtained. Cavett stated they secured \$14.5 million in grants for Detroit Lakes' \$29 million project. Halverson commented that Metropolitan Council uses SEH and said they liked them because they do good work and fix any issues that arise. Noding discussed how access to funding is important but tracking it down and securing is also important because it is a lot of work. Seefeld stated that the inDENSE technology is newer but not new enough that the bugs haven't been worked out. Childs discussed that Germany has been using it for a long time as well as Rochester, Minnesota.

Knier asked about the timeframe of the project. Colin Marcusen with SEH stated they could have a

facility plan done and ready to submit to MPCA by mid-summer and if it is accepted, construction would begin in 2023 with a completion date sometime in 2025. Mayor Knier thanked the team from SEH.

Council directed Staff to bring forward the proposal submitted by Short, Elliot, Hendrickson in the amount of \$59,200 to an upcoming Council meeting for Council consideration.

4B. New Ideas Discussion - No new ideas were presented.

5. OTHER – No other.

6. ADJOURN

Council Member Noding motioned to adjourn at 5:26 p.m. Seconded by Council Member Seefeld unanimous ayes, motion carried.

Janette Rust

Deputy City Clerk

April 13, 2022

Date Approved By Council