3:00 p.m. Call to order.

Old Business:

1) Brian Guldan re: WWTP

New Business:

1) Luke re: sump pumps
2) Campground Pavement Project

Other
VIA EMAIL

May 26, 2021

Dan Walker, City Administrator
City of Two Harbors
522 1st Ave.
Two Harbors, MN 55616

RE: Wastewater Treatment Facility (WWTF)
    Scope and Fee Amendment
    City of Two Harbors, Minnesota
    Project No.: M24.117177

Dan,

As you know, there have been several challenges and items requiring additional work that have popped up with the WWTF project as we try to get the project finalized and out for bid. We continue to be budget conscious, but the additional scope has led to efforts on our part above and beyond our original agreement. Following our discussion with the Utilities Committee, we are respectfully requesting the following changes in scope and associated fees. We have completed these items in a good faith effort to keep the project on schedule to obtain funding and grants, as well as deliver a project the city is proud to complete. We would appreciate the city’s consideration of the following:

1. **Land and Legal Issues Related to Adjacent Properties**
   a. The original scope for the project was to design improvements to the WWTF within the existing WWTF parcel boundary. As we have been finalizing the plans and specifications, we have been required to take part in meetings and evaluations of surrounding parcels and land disputes. The city did approve a budget of $4,900 for land surveying services to establish documents for a construction easement. However, this budget did not account for any other services related to the land disputes that have arisen and the additional time required of our staff to address the disputes.

   b. The existing land disputes with the adjacent property owner have made obtaining a construction easement difficult. Therefore, we were required to modify the bid documents to account for a separate bid item for the fence/wall system to be installed after the easement is obtained during construction.

   Requested additional fee of $14,200.
2. Expanded Scope for Decorative Fencing/Wall
The desire to improve aesthetics at the WWTF was a clear objective at the time we scoped the project in 2018. However, the efforts required by our staff to finalize the desired design with the city have far exceeded our expectations from the original project scope. It has been a very positive process and we are excited for the outcome as we believe the city will be pleased with the final result. Through this process we have also gained a better understanding of the city’s vision for beautification. It has however taken additional hours and effort to complete the design of the wall and added landscaping features.

Requested additional fee of $5,400.

3. Security System and Lighting
During final design of the site there were concerns raised regarding potential vandalism and graffiti along the perimeter fence and wall. To combat this, the city requested that a security camera system and additional lighting be added around the perimeter of the site. The compensation requested is for additional staff time to incorporate these elements into the bid documents.

Requested additional fee of $9,800.

4. Funding/Project Delays
When we originally scoped the project the anticipated bid date for the project was summer of 2019. This schedule was delayed in 2019 because the Minnesota State Legislature did not pass a bonding bill for the 2020 Fiscal Year. The project was further delayed in 2020 as the Minnesota State Legislature once again failed to pass a bonding bill in spring of 2020. These delays by the State are beyond our ability to predict or control. The bill was finally passed in October of 2020. Delays of this magnitude affect our overall budget and the project would have been scoped differently had we anticipated such delays and an extended timeline. The good news is that these delays resulted in a better funding package for the city and have led to additional funding opportunities through the recently reinstated federal earmarks.

To account for ongoing project management cost during the duration of the project delays, we are requesting compensation for 5 hours per month of project manager time over the course of an 18-month project delay.

Requested additional fee of $15,750.

5. Design of Utility Improvements Outside of the WWTF
During design of the WWTF improvements we were able to address existing utility concerns which were not directly associated with the WWTF. This includes elimination of the existing lighthouse lift station located in the boulevard at the southwest corner of the wastewater site. This lift station was identified in the city’s adopted CIP as a future project need with a budgeted expense of around $300,000. Design was completed to eliminate the lift station by extending gravity sewer from the WWTF to intercept the existing sanitary service from the lighthouse.

The watermain along Lighthouse Point Road was also designed for relocation after it was discovered that the city owns a 20 ft wide sliver of property to the south of the WWTF parcel. Relocating the watermain will clean up utilities along Lighthouse Point Road and will also provide water service to potential developments located to the south of the WWTF. These design items were not in the original scope of work for the WWTF project.

As standalone projects it is anticipated the above sanitary sewer and watermain improvements would require 10 percent engineering fees (approximately $30,000) for design. Since we were able to design
these improvements as part of the WWTF project, efficiencies were able to be achieved, resulting in savings of over 20 percent.

Requested additional fees of $22,800.

6. Design Considerations for Future Access to the WWTF from the East.
While we were working with the adjacent landowner to resolve land issues and establish a construction easement, the landowner indicated they would be interested in donating the land to the east of the WWTF to the city. If the city obtains this property, it will allow truck traffic for biosolids hauling to enter the site from the east and avoid Lighthouse Point Road. To allow for the possibility of a future biosolids loadout to the east of the site, piping configurations for sludge pumping and gravity sewer were designed and added to the plans.

Requested additional fees of $5,400.

Based on the identification and description of these items, we are requesting a total of $73,350 of additional fees for the scope that fell outside the original proposal. This cost represents over 450 hours spread across ten different professional and technical staff members. A summary table of the staff hours associated with this request has been enclosed.

We appreciate Two Harbor’s consideration of this matter and believe we have delivered a project that will serve the council, staff, and community well. It should also be noted that our fees on the preliminary engineering phase of the project came in under budget by nearly $32,000. Considering the additional hours for the above-described added scope and hours not used during preliminary engineering, our final hours for design of the improvements is within 4 percent of planned hours for the project. This falls well within the scope of project contingencies and will be fully fundable with the $15 Million grant and low interest loan provided through the PFA. Additionally, the city is being considered for another $10 Million grant from the Federal Earmark program that could be known by the end of this summer. Bolton & Menk will continue to work diligently with city staff to secure all of these dollars after the bidding process.

Best Regards,

Bolton & Menk, Inc.

Brian Guldan, P.E.
Principal Environmental Engineer

Enclosures

c: Miranda Pietila, City of Two Harbors
Joe Rhein – Bolton & Menk, Inc.
File

Bolton & Menk is an equal opportunity employer.
### Detailed Hour Breakdown

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<th>Work Task Description</th>
<th>Principle in Charge</th>
<th>Project Manager</th>
<th>Engineering Designer</th>
<th>Civil Project Engineer</th>
<th>Civil Designer</th>
<th>Landscape Architect</th>
<th>Landscape Designer</th>
<th>Structural Engineer</th>
<th>Electrical Engineer</th>
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