

**MINUTES/PUBLIC SERVICE COMMITTEE**  
**Monday, March 10, 1997 - 7:00 p.m.**

Members present: Hagness, Beyer, Hafner, Klave.

1. Matter of declaring used fuel oil in underground tank behind

W.R.S. (water reclamation system) surplus and look for potential buyer.

Hazel Fetter-Sletten, water plant supt., asked that fuel oil and tank be declared surplus so that it can be offered for sale, not using fuel oil as system switched to natural gas. She reported she had fuel oil tested, that there's no water in it and Orchard Oil thought it would be marketable but has high sulfur content so they may have to dilute out to some of their large customers so don't violate air emission standards. Moved by Klave and Hafner to declare the fuel oil and underground tank as surplus and to offer for sale. Motion carried.

2. Consideration of bids for ion chromatography equipment.

Mrs. Sletten stated that she had reported to committee on this matter at January 27 meeting, that equipment used to measure cations and anions in the river, that they were planning to use on source water to help with the blending process to help control chemical costs. She stated that another thing happening in their watershed is the discharge under the ice from Fargo's, Moorhead's and Grand Forks' waste treatments with the nitrates and nitrites, that there are some health standards that might be affected by that and need to track it, and this equipment would allow them to do that. She reported that Craig Lacher, city chemist, wrote specs. and is recommending the Dionex Corporation bid for \$35,395.00 because low bid did not meet bid specs. She reported this wasn't budgeted but would transfer funds from cash carryover (chemical savings). She reported they would do testing for other cities at a cost if they were interested, and would also have on-line information so that they could adjust chemical feeds (example: in 1989 they spent 26 cents 1,000 gal. for chemicals for treatment and last year through diligence of the operators brought that down to 18 cents a thousand gal. and on \$600,000 budget that does show up), and this tool would give operators more of a justification when making those decisions about pumps and that's another reason why they'll be proposing variable speeds on the river pumps so they can dial in, that this is one area of the budget they can have an effect (chemicals and energy) so those are what they are trying to target for

performance measures and cost control. Moved by Beyer and Hafner to accept the bid of Dionex Corporation in the amount of \$35,395.00. Motion carried.

3, Update on cryptosporidium project and request for additional funding.

Mrs. Sletten reported this is housekeeping item, that they had done purchase order in 1995 in the amount of \$10,000 for this project. She reported that cryptosporidium is a protozoan that comes from warm blooded animals, is resistant to chlorine, and is

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what caused water borne epidemic in Milwaukee; and that surface water such as ours is vulnerable. She stated they have done some initial testing and haven't found it; need to be thinking about it. She stated they started looking at their vulnerable population which is starting to grow (HIV pop. in the city, chemotherapy because of hospital complex, etc.) and the health department's recommendation was to try to initiate a project with UND so could do some localized monitoring; that a professor at UND (John Spannier) has been doing this research, he has received some grants and this is leverage money to do the grants. She stated this is in the budget and would like authorization to work with him on continuation of this project. Moved by Beyer and Klave to approve request. Motion carried. (committee only)

4. SWTR (Surface Water Treatment Rule) Phase II, additional clearwell storage, permission to negotiate engineering contract with Advanced Engineering.

Steve Burian and Lon Aune, Advanced Engineering, were present; Mr. Aune will be working on this project. Mrs. Sletten reported this is Phase II of the project, Phase I in progress and they are working to get Phase I completed and Minnesota Avenue open (have closed for safety reasons because fill material sliding a little), should be open by middle of next week. She stated this is for clearwell and project necessary to provide additional disinfectant contact time to comply with the SWTR (that will be driven by the cryptosporidium), replace the storage that was lost to the 1968 clearwell modifications, eventually replace volume of the Third Street tank (tank is on riverbank and has slipped - has jacks under it, but still usable and they will maintain it), provide storage for expanding water treatment demands and benefit finished water quality by minimizing pump changes, and that finished water

quality will be improved. She stated that they did identify the location which is currently occupied by single family houses that will be relocated or demolished. She reported that this project is in the MR & I Grant Program and has preliminary approval for grant monies (\$4.9 million) in 1999. She stated they are now in violation of SWTR. Mr. Burian stated that rule was mandated in 1993 and are in violation. Ken Vein, city engineer, reported that we are under a compliance schedule and working with them. He stated City would have to do interim financing, short-term bond until permanent finance in place. Est. Phase II expenditures, \$8,195,000.

Mrs. Sletten reported that they had presented master plan to the council and also worked with utility rate committee on the master plan.

Moved by Beyer and Hafner to authorize negotiation of contract with Advanced Engineering. Motion carried. (comm. only)  
(It was noted that this will not go to council until after negotiation of a contract.

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5. Matter of resale of potassium permanganate.

Mrs. Sletten reported that council declared this as surplus, was advertised and that they received quote from Feed-Rite Controls, Inc. in the amount of \$0.90/lb. for 97 - 330.75 lb. drums free flow potassium permanganate, for total purchase price of \$\$28,874.48, and that Feed-Rite will be responsible for all freight. She reported that the City paid \$1.21/lb. in 1990, that East Grand Forks' current price is \$1.27/lb.; that Feed-Rite is chemical supplier, that this is chemical that can be used in explosive manufacture and this gets it to right people to distribute. Moved by Beyer and Klave to accept offer of Feed-Rite Controls, Inc. as stated. Motion carried.

6. Plans and specs. for Proj. 4591, Rehab. L.S. #29.

Tom Hanson, WFW, reported this lift station is located east of the city arena on 7th Ave.S., that there is building with toilet facility for park and some storage for the City; that they ordered starters for this job couple weeks ago so would have installed before the flood. He reported that plans and specs. are complete.

Moved by Beyer and Hafner to approve plans and specifications, and authorize city auditor to call for bids. Motion carried.

7. Change order for Proj. 4199, Rehab. L.S. #22 (replace suction pipng).

Mr. Hanson, WFW, reviewed change order for this project in the amount of \$4,742, that pumps in this project run out far enough and are getting about 250-300 gal/per minute more than what specified and as a consequence the velocities on the pump suctions are up so high that the pumps are cavitating, that they want to replace and rearrange the piping so much smoother transi- tion and keeps velocity changes much more uniform so don't have as much head loss. Mr. Hanson stated there were no additional engineering costs in the change order. Moved by Beyer and Hafner to approve the change order in the amount of \$4,742.00. Motion carried.

8. Engineering agreement for design and bid services, Proj. 4643, Rehab. L.S. #5.  
Held in committee.

9. Matter of Proj. 4225, S. Washington Street reconstruction:  
a) concur in award of bids  
b) selection of alternative bids  
c) special meeting of city council

Mr. Grasser reported that they haven't received information re. bid award from the DOT but presented information re. items which will be 100% City cost; total cost \$556,231. He also reported that under item c) in order to meet earliest possible

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award date and because of potential of property owners to protest, protest period expires March 24, may have to have special meeting. He stated another option would be for council to give committee power to act.

Mr. Grasser reported that Strata Corp. was low bidder, that eng's est. \$5.2 Million and the asphalt alt. would be \$5.5 Million and concrete alt. \$6 Million, that there are portions of the bids which are 100% City cost and reviewed those alternate bids with the committee. He stated that they would need recommendation from committee as to which alternates they want to proceed with.

a) asphalt to concrete alternative for bikeway and service road

- 3" of asphalt with 12" of gravel with alt. bid of 6" concrete, that to change both of those to concrete would be as follows: service road portion about \$450,000 and bikepath about \$50,000. He stated that the change in HBP bid price is something that unit prices are higher because there's asphalt in both alternates but the alternate with concrete has less asphalt so it's at higher unit price, \$14,647. Committee questioned whether they need concrete for bikepaths, and Mr. Grasser stated he didn't think they could separate because of the way bid, either asphalt bikeway and service road or concrete bikeway and service road, but will check on that. Committee suggested negotiating with Strata to c.o. bikepath into asphalt, and Mr. Grasser stated they could pursue that.

b) festoon circuit - \$7,357 - to provide electrical service on poles to allow putting up Christmas decorations, etc.

c) median brick pattern - \$21,605 - in areas of median where concrete

d) colored median - \$8,493 - red color

Comm. suggested doing brick pattern without color (or paint); and Mr. Grasser stated concern doing without color as makes median more visible. Mr. Grotte stated he agreed with Mr. Grasser re. color of median; that sign shop pretty busy and if have to do several times year, \$8,000 might not be unreasonable amount to get done. Moved by Hafner and Beyer to eliminate brick pattern and color from medians. Motion carried.

e) frontage road under drains - \$3,911

Mr. Grasser reported they are putting gravel under frontage roads and a continuous under drain to drain moisture from aggregate and DOT decided they wouldn't pay for any drains in frontage road and would have to be local cost, and to reduce cost they put in 100 ft. length in sag points.

Hagness called for motion on the alternate bids. Mr. Grasser reported that only portion they would be special assessing would be service roads at cost of \$450,000, and that this is protest-

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able and that is why they have to wait until end of the protest period on the 24th before can concur in award. Mr. Grasser noted that the assessment district runs along S. Washington from Hammerling to approx. 28th Avenue S.

Moved by Hafner and Klave to approve alternate bid prices (with exception of median brick patten and colored median). Motion carried.

Moved by Beyer and Klave to recommend to council to grant committee power to act on the matter of concurrence in award of the bids. Motion carried.

10. Consideration of bids:

a) Proj. 4575, 1997 ADA curb ramps

Mr. Grasser reviewed tabulation of bids, that this project to meet ADA requirements, budget approx. \$50,000 year. He reported that low bidder was Kalenze Construction, who had bid last year, and recommended award. Moved by Hafner and Klave to accept the low bid of Kalenze Construction in the amount of \$49,800.00. Motion carried.

b) Proj. 4576, watermain replacement, Phase I

Mr. Grasser reported this is on-going project and is budgeted, and noted that bids higher than engineer's estimate. He reported that Soberaski, Inc. was low bidder and recommended award. Moved by Beyer and Klave to accept the low bid of Soberaski, Inc. in the amount of \$371,814.75. Motion carried.

c) Proj. 4537, Dist. 548, paving 15th Avenue South

Mr. Grasser distributed tabulation of bids, that this is extension of street by Johnson's 4th Addn. to 38th St., and noted that bids higher than engineer's est. (concrete prices higher). He stated that Valley Contracting was low bidder and recommended award, this project will be assessed. Moved by Beyer and Klave to accept the low bid of Valley Contracting Company in the amount of \$35,673.00. Motion carried.

11. Consideration of bids for sidewalk projects with POWER TO ACT.

a) Proj. 4593, Dist. 15, sidewalks in Sunland West.

b) Proj. 4617, Dist. 16, sidewalks in Landeco and Wash. Addn.

c) Proj. 4612, Dist. 14, sidewalks in Garden View

Mr. Grasser reported that Mr. Swanson, city attorney, had reviewed the provisions of the NDCC relating to bidding procedures for sidewalks construction, that statutes do not require that license be included in bid bond envelope, but was required under advertisement for bids. He reported that the bid of Cameo Homes, Inc. was not opened.

that his license was enclosed with bid rather than with the bond, was an oversight on his part, and asked committee to consider his bid. It was noted that in the past committee taken hard stand on any irregularities in bids. Mr. Grasser reported that he had talked with Mr. Swanson and his recommendation is not to open because of precedence it would set in future bid openings, and that based on that would be his recommendation also.

Moved by Beyer and Klave not to open the bid of Cameo Homes and to return the bid unopened. Motion carried.

Moved by Beyer and Hafner to accept the low bid of S.M. Kalenze Construction the amounts of \$2,915.00, \$1,635.00, and \$15,833.75, respectively, for a total bid of \$20,383.75. Motion carried. (with power to act).

12. Plans and specifications for:

a) Proj. 4557, Dist. 551, paving Rivers Edge

Mr. Grasser reported that the developer installed underground utilities, except storm water which will go in before paving, and that will meet 50% upfront money requirements; that the developer has asked that this be special assessed. Mark Lambrecht, CPS, reported that underground utilities will be done by June 15, and paving start after July 1.

Moved by Hafner and Beyer that we pass a resolution approving the plans and specifications for this construction and further that the city auditor be directed to advertise for bids on the project. Motion carried.

b) Proj. 4625, Dist. 385, Longview sanitary sewer

c) Proj. 4626, Dist. 254, Longview watermain

Mr. Grasser reported these projects are to run water and sewer to Longview property, which is approx. one-half mile west of GFG. Committee questioned if they were to annex Simplot property, would they run that across tracks to get water over there. Mr. Grasser stated that if they were to add that they would have to go back and start over on assessment district and tapping fee areas, would delay process by about 4 weeks. Mr. Grasser stated they could add at a later time. Mr. Vein stated that his recommendation is that as area hasn't been annexed and

if want to extend it, would create a separate district and as a separate project. Mr. Vein stated they typically do at recommendation of the fire department requesting additional hydrant, etc.

Moved by Beyer and Klave that we pass resolutions approving the plans and specifications for this construction and further that the city auditor be directed to advertise for bids on the projects. Motion carried.

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13. Matter of engineering agreement for storm sewer on S. 42nd Street (DeMers-17th Ave.S.)

Mr. Grasser reported this project will be part of what serves Aurora and other adj. properties. He presented eng. contract with CPS, Ltd. for this project, that contract has been sent to city attorney for his review. He stated that entire storm sewer project involves storm sewer on 42nd from 17th to DeMers and includes some channelization in the golf course, that prelim. est. from CPS is \$950,000, and engineering costs not to exceed \$71,284. Mr. Grasser informed committee that City will be doing inspection on the project. There was some discussion re. grades for storm sewer, etc.

Moved by Beyer and Klave that we authorize entering into an agreement with CPS, Ltd. for engineering services, including design, staking, and construction phase, on an hourly basis not to exceed \$71,284.00 including reimbursable expenses, contingent upon engineer's and city attorney's approval.

14. Matter of proposal for engineering services for S. Washington

Street storm sewer system.

Mr. Grasser presented proposal from Houston Engineering, Inc. re. design of storm sewer for S. Washington, that they will model and come up with pipe sizes and grade recommendations that they would have to negotiate through change orders with the DOT to upgrade the storm sewer.

Moved by Hafner and Klave to authorize entering into an agreement with Houston Engineering, Inc., Fargo, for design of storm sewer for South Washington Street on an hourly basis not to exceed \$12,000. Motion carried.

15. Request from street department to call for bids for steamer.

Mr. Grotte presented request from street department to take bids for steamer to replace existing steamer, est. cost \$9,000, and is budgeted. There was some discussion whether this equipment would have to be bid if needed on emergency basis for the flood and to purchase equipment with emergency funds. Mr. Vein stated they would still want to check for best bid. Moved by Beyer and Hafner to authorize public works department to purchase equipment with emergency funds. Motion carried. Comm. only.

16. Informational item - once-a-week garbage pickup.

Hagness reported that once a week garbage pickup will start May 1, that staff is making up routes/schedule. Mr. Grotte stated they are redoing schedule which will be sent out to residents, newspaper, etc. It was noted that alley pickup will be done on Monday and Friday; and that Mr. Newman will be at next meeting to review changes. He stated that finance committee will be looking at rate reduction; and that volume-base fees and

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recycling were referred to this committee, but they wanted to implement system before looking at that. Hagness stated he had asked staff to look at recycling, and what direction they should be going on that. Mr. Grotte reported that Mr. Newman has been looking at side-load trucks and will bring in sometime this summer.

Hagness reported that the mayor has asked that they look at matter of motor pool and at recycling.

14. Matter of Affordable Housing Plan.

The committee reviewed recommendations from the Affordable Housing Committee:

1) Limit the initial number of districts to no more than 3. Committee agreed with the recommendation.

2) Limit the initial number of lots in each district to no more than 100. Committee agreed.

3) Reduce special assessment mark-up from current 27% down

to 15% (eng. and auditing reduce to 4%, misc. costs to 4% and construction interest to 3%) Committee agreed.

4) Eliminate the 50% up-front money requirements. Committee agreed.

Hagness questioned how they would insure that the developer would pass that savings on to the buyer. Mr. Vein stated that when the committee was looking at this, they wanted to make sure that all savings would get passed on to the buyer; and would have to look at how much developer paid for land, how long held on to the land, markup, overhead costs, etc. to determine what fair profit margin would be and found would be very cumbersome to do that and not very accurate, so their philosophy was to rely on competition and free enterprise system to self-monitor without government controls. He stated they recommended three districts so there would be competition between districts, and yet restrict so don't get too many lots out there. Mr. Vein stated savings to developer are in reduced markup and elimination of up-front monies, while the raising of the tax exemption will go to the homeowner.

Committee stated that it's their job to try to do what can to control as a city, and rest up to developers. Mr. Vein stated he would like to see what financial institutions can do as well as real estate people, so isn't just the public doing this. Klave reported that Mr. Cray has stated he would abide by the 5% for initial sale (item #14). Committee asked what Park District doing re. the recommendation re. park space requirements, and that this could be referred to Planning and Zoning, the Park

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Dedication Comm. and to the Park District.

Comm. questioned whether a percentage of houses should be below \$85,000, and it was stated this would fall within min. sq. ft. requirement to max. sq. ft. requirement. The committee reviewed historic housing cost comparison as prepared by the city assessor. The committee also discussed price of materials (lumber), etc. Beyer stated that she would try to find out costs of basic housing on project in Bismarck (and what is included)

- 5) Lot widths not to exceed 60 ft.
- 6) Lot depths a minimum of 120 feet.

- 7) Reduce right of way widths to 70 feet.
  - 8) Add 5 feet of easement on each side of right of way.
  - 9) That the Park District consider reducing their park and open space requirements, and suggest that they reduce it from 8% to 5%.
  - 10) Protective covenants would require city approval.
  - 12) Raise the 2-year tax exemption to \$75,000
  - 13) Financial institutions to establish a special funding mechanism to assist construction financing.
  - 14) Real estate agencies limit fee to 5% for initial sale.
- and II. 1) consider allocating additional city funds to supplement CDBG funds for the rehab of low-income housing.

11) Limit any one builder to no more than 50% of the lots in each district. Committee suggested that in the event the developer gets 50% built and sold, he can apply to council for additional lots. Mr. Vein stated that under item 11) requires competition within the district. It was suggested by committee to limit any one builder to no more than 50% of the lots in one district, and then could apply for variance. Mark Lambrecht, CPS, suggested that to perpetuate and form additional districts after the initial three, would be to look at on anniversary date and declare that he has to offer 50% of the remaining lots, that each year the district size is equal to the number of unsold lots in the district, and that when the total inventory of unsold lots get down to 200 lots, then someone can develop another district, so that never have more than 300 unsold, but gives mechanism to start another district. Mr. Vein suggested making second part of that as a recommendation. Committee stated that at least would come up for review. Lon Aune, CPS, stated that there's not real incentive for developer to sell off those lots or reduce prices but if make go through checks and balances that they've made good faith effort to sell, then justified to have annual review.

11) Moved by Beyer and Hafner to include annual review to re-evaluate the 50% rate at public hearing. Motion carried.

Moved by Beyer and Klave to include subsection 2-a) that when the total number of lots available falls below 150, a new district

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could be established. Motion carried.

Mr. Grasser stated that the City is cutting back on its fees (engineering, auditing, etc.) from 27 to 15% and that means that the City isn't going to recoup its assessments costs and is subsidizing, to some degree, the development; that when he est. calculations the City is going to subsidize the assessment process to about \$1200/lot and then developer turn around and puts in sod and plant trees. Mr. Vein stated that the protective covenants will require council approval before that would happen.

Mr. Vein stated that he would like financial institutions and real estate agents to tie into this; that the City can enforce and make ordinance changes and policies, but can't require others to do. Klave suggested that they go to Board of Realtors meeting with recommendations, but banks are regulated as to what they can do, but maybe could tie into their Community Reinvestment Act. Mr. Vein stated that if don't get participation from other agencies, could end the program.

12) Klave suggested graduated scale to certain level (ie., if house value from 0 to \$75,000 would get \$75,000 tax exemption; if value \$75,000 to \$100,000, would get \$50,000, and if \$100,000 to \$150,000, would get \$25,000 tax exemption and if over \$150,000 no exemption. Committee stated this would be coming out of finance committee.

After further discussion it was moved by Beyer and Klave to approve with changes as noted. Motion carried.

Mr. Vein noted that even if recommendations approved, would still have to make ordinance changes to implement.

Meeting adjourned at 9:00 p.m..

Alice Fontaine  
City Clerk

Dated: 3/11/97