



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

COUNCIL MEMORANDUM NO. 92-14

FROM: Deputy Administrator

DATE: January 28, 1992

RE: Sewer Treatment Facility Upgrade  
Recirculating Granular Media Filter

This memorandum is intended to memorialize and refresh in the minds of all concerned the continuing saga of authorizing engineering work to increase the capacity of the City's sewer treatment plant.

Council Memorandum 91-66, at Tab A, traces Council directions regarding the project from November, 1990 through November, 1991.

Council Memorandum 91-97, dated December 4, 1991 (Tab B), reflects Council direction received on November 25, 1991 to negotiate a contract with Gilfilian and requests approval of the negotiated contract. Council did not approve the request but did introduce Ordinance 91-48 (Tab C) to appropriate \$100,000 for engineer consultant fees. Note that Council was provided a copy of the scope of contract engineering services for their review.

During the Council meeting of December 9, 1991, Council reversed earlier direction and Administration was requested to confer with Mr. Felton of Alaska Rim Engineering and prepare advertisements for Letters of Interest and Statements of Qualifications for engineering services for the project. During the preparation of the advertisements, Administration was advised that the consultant fees would be significantly higher as a result of the new direction. Administration believed Council should be made aware of the new cost estimates and arranged a special Council meeting for that purpose. Only two Councilmembers attended the December 16, 1991 special Council meeting. A copy of the minutes is attached (Tab D).

On January 11, 1992, Council again reversed their position and requested Administration to continue negotiations with Gilfilian and, in particular, obtain a cost estimate for Errors and Omissions (E & O) insurance. Council was provided a copy of the proposed contract with Gilfilian which contained a breakdown of the estimated consultant fees without the two-year discovery rider (tail) (Exhibit B3 of Tab E).

On January 27, 1992, Council was provided with the estimated cost of the E & O insurance with the two-year discovery (tail) (Tab F). Council voted to postpone action until February 10, 1992.


Apparently Administration has been unable to communicate effectively the reasons, as presented by Gilfilian, for the increase from the April, 1991 engineering cost estimate of \$78,000 to the November 30, 1991 cost estimate of \$100,000. Further confusion will likely result because the latest revised estimate will be in the range of \$125,000.

Council's attention is invited to compare Gilfilian's proposal of April, 1991 (Tab A) and the significantly increased scope of services (plus E & O insurance) as outlined in Tab B and in the proposed contract. The increase from \$100,000 to about \$125,000 is directly attributable to our request for a two-year discovery or tail on the E & O insurance (Tab F).

We have invited Mr. Ward Livingston, the Vice-President of Willis Corroon Corporation, who has expertise in specialized insurance such as Errors and Omissions coverage, to address insurance concerns of the Council.

Council options continue to be:

- (a) Postpone or delay the project indefinitely.
- (b) Advertise for consultant letters of interest.
- (c) Authorize a contract with Gilfilian Engineering with or without E & O insurance.



Robert E. Harris  
Deputy Administrator

Enclosures:

- Tab A - CM No. 91-66
- Tab B - CM No. 91-66  
Scope of Services
- Tab C - Ordinance No. 91-48
- Tab D - Special Council Meeting Minutes
- Tab E - Proposed Engineering Contract
- Tab F - E & O Insurance Proposal
- Tab G - Sewer Effluent Flow Records
- Tab H - ADEC Waste Disposal Permit

*No vote on reconsideration  
Gilfilian withdrew proposal  
Mayor pursue Option "B"  
McCarthy, Erickson, Mayor  
Stein & Bob Harris serve  
on committee to review  
letters of interest 2/24/92*



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COUNCIL MEMORANDUM NO. 91-66 (REVISED)

FROM: Deputy Administrator

DATE: November 25, 1991 (Updated November 22, 1991 - Enclosures 8-12)

RE: Upgrade of Sewer Treatment Facility

The memorandum is intended to outline:

- (a) The process and Council directions which culminated in Council voting down authorization for funds to design the facility on August 26, 1991.
- (b) The activities and decisions that remain before construction bids can be awarded.

## Enclosure 1

Council Memorandum No. 90-78, approved by Council on November 14, 1990. The memo proposed a work plan and budget to evaluate, bench test, discharge permit process and conceptual plans to develop a replacement sewage treatment and disposal system with an initial capacity of 250,000 gallons per day.

## Enclosure 2

Council Memorandum No. 91-05 and Ordinance No. 91-03, approved by Council on February 11, 1991, appropriated \$19,960 to fund the proposal approved on November 14, 1990. (Plans for RGMF)

## Enclosure 3

The results of the work approved by Council was reported verbally to Council and presented in writing as a proposed upgrade and expansion to the sewer treatment and disposal system at the Council meeting of April 22, 1991.

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## Enclosure 4

A copy of the proposed upgrade (Recirculating Granular Media Filter) presented at the April 22, 1991 meeting. The proposal included a preliminary cost estimate, one item of which is the estimated design and construction administration costs (includes engineering and construction inspection) of \$78,000.

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Enclosure 5

Council passed Resolution No. WR91-21 which directs the City Engineer to prepare engineering plans and specifications for the construction of a replacement/upgrade of the sewer treatment facility. The Deputy Administrator requested the engineer to provide a cost estimate to perform the work directed by Council.

Enclosure 6

Gilfilian responded by letter dated July 15, 1991 with a cost estimate of \$39,000. The letter explains the rationale for arriving at the cost estimate and includes a description of the scope of work. The work includes plans, specifications and construction cost estimates - in a form to make a complete bid package (emphasis added).

Administration's intent was to enter into a formal contract agreement for the design work as the scope of work and value of the contract is, in our estimate, too much for a simple work order directive.

Enclosure 7

Ordinance No. 91-29, introduced on July 22, 1991 was to appropriate the estimated cost to design the upgrade of the sewer treatment facility. The ordinance was accompanied by CM 91-47 which outlines the present status of the project. (\$39,000)

Council did not authorize the requested design funds (Ord. 91-29 failed).

Enclosure 8

CM91-47, August 12, 1991 - Requested authority for \$39,000 for final design of RGMF by Gilfilian. Not Approved. Introduced Ordinance 91-35 appropriating \$20,000 for site work for RGMF.

Enclosure 9

Ordinance 91-35, August 26, 1991 - Appropriating funds for RGMF site work postponed.

Enclosure 10

CM91-67 and Ordinance 91-42, September 23, 1991 - Requesting RFP and funding for second engineering opinion on RGMF. Postponed by Council.

Enclosure 11

October 14, 1991 - Final oral presentation and report to EPA on drainfield by Gilfilian. No Council action taken. Report filed with EPA. Staff reported RGMF site preparation work complete, total cost about \$16,000

Enclosure 12

CM91-81, October 28, 1991 - Council selected Alaska Rim Engineering to evaluate RGMF.

Enclosure 13

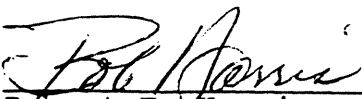
November 13, 1991 - Alaska Rim provided oral and written evaluation supporting RGMF project.

The following activities/actions must occur prior to advertising for construction bid.

- (1) Complete final design and obtain all required permits. Prepare final construction cost estimate.
- (2) Compare construction cost estimates with grant funds available to the City to determine the amount of shortfall.

Evaluate alternative for obtaining funds:

- (a) FY93 legislative appropriation (grant). Unknown until July 1992.
  - (b) Conventional financing.
  - (c) Farmers Home Administration loan.
  - (d) Department of Environmental Conservation Loan. (Requires prioritization of the project in competition with other statewide needs but is presently the best interest rate. Requires application and complete project description, cost/benefit analysis to be submitted in November. Awards are usually announced in July.)
  - (e) Evaluate reducing scope of project or other cost reduction measures.
  - (f) Compute loan impact on sewer rate structure.
- (3) After securing adequate financing, advertise for construction bids and award contract (approximately 2 month process).

  
\_\_\_\_\_  
Robert E. Harris  
Deputy Administrator



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### COUNCIL MEMORANDUM NO. 91-97

FROM: Deputy Administrator

DATE: December 4, 1991

RE: Contract for Professional Services

On November 25, 1991, Council voted to direct administration to negotiate a professional services agreement with Gilfilian Engineering, Inc. to complete final design and provide contract administration and inspection of a recirculating granular media filter (RGMF) sewage treatment system. The scope of services for the proposed contract is attached for Council approval.

Source of funding for this contract is Municipal Grant #4/87-475 which has approximately \$334,427.09 remaining.

Recommend that Council authorize the Mayor to enter into a contract substantially as presented and that Ordinance 91-48 be introduced for public hearing.

Robert E. Harris  
Deputy Administrator

*Not approved  
12/9/91*

Professional Services Agreement  
City of Wasilla/Gilfilian Engineering, Inc. (Consultant)

EXHIBIT A

SCOPE OF SERVICES

A. General

The tasks and services to be performed by the Consultant are delineated herein and separated into three (3) phases. This Exhibit A is intended to incorporate and to further identify those services and tasks described in the Gilfilian Engineering, Inc. proposal for engineering services for the Wasilla sewage treatment facility dated November 30, 1991, attached as Exhibit B. In the event of conflict between Exhibit A and Exhibit B, Exhibit A shall prevail.

B. Consultant Fees and Project Budget

The total project budget for consultant fees is based on time, expense and materials not to exceed \$100,000. The maximum budget for each of the three (3) phases is as follows except that any budgeted funds remaining after completion of Phase I or Phase II may be reallocated for a subsequent phase, but no funds may be reallocated to a preceding phase:

Phase I	\$ 55,000
Phase II	35,000
Phase III	<u>10,000</u>
Total	\$100,000

C. The services and tasks to be completed include all usual engineering tasks and services to complete the project and shall include, but are not limited to, the following:

Phase I (\$55,000)

- a. Prepare one complete reproducible set of bid-ready plans and specifications for a septic tank effluent treatment facility using the principal of a recirculating granular media filter (RGMF) with a design capacity of 200,000 gallons per day with a numerical safety factor of two (2) and with treatment capability to meet effluent quality for surface and subsurface discharge standards of the discharge permit issued to the City of Wasilla on November 19, 1991 by the Alaska Department of Environmental Conservation (ADEQ).
- b. Final design shall allow for operator control to direct treated effluent to either surface or subsurface discharge to existing drainfield beds with reasonable time and effort.
- c. Consultant shall obtain all necessary construction permits from local, state and federal agencies as applicable.

- d. Prepare engineer's estimate of construction costs.
- e. Consultant shall hold minimum of one (1) pre-bid conference and issue addendum as required.
- f. Consultant shall give one (1) written and oral status report of the project to the City Council after completion of design and cost estimate and prior to City advertising for construction bids.

#### Phase II (\$35,000)

The parties to this agreement recognize that funds for construction may not be available upon completion of Phase I. Therefore, the services and fees agreed to herein for Phase II and Phase III may be initiated at the direction of the Mayor within two (2) years of the effective date. Thereafter, the terms of this agreement as they pertain to Phase II and Phase III may be renegotiated.

- a. Review and analyze bid submittals and make recommendations on bid award.
- b. Prepare notice to proceed upon bidder's presentation of documents required for bid award, conduct pre-construction conference with successful bidder.
- c. Provide construction inspection and contract administration. Maintain daily construction journal with photographs of key installations.
- d. Obtain operating permits from state and federal agencies as required.
- e. Provide manufacturers catalog cuts and complete set of reproducible as-built plans and specifications.
- f. Review contractor's pay requests and forward to City with pay recommendations, review contractor's certified payroll reports, prepare change orders for approving City signature as necessary.

#### Phase III (\$10,000)

- a. Provide engineering services for the start-up and trouble shooting of the new Recirculating Granular Media Filter (RGMF) sewage treatment and disposal system.
- b. Monitor the RGMF system for a period of two (2) months after start-up for its effectiveness in treating the effluent and to adjust treatment as necessary to meet Alaska Department of Environmental Conservation (ADEC) discharge permit requirements. Services will be on a time and expense basis including laboratory test fees.



- c. Allow City public works personnel to assist in trouble shooting and adjustments to the RGMF system for purposes of training during the two (2) month start-up period.
- d. Prepare in final form an operation manual acceptable to ADEC that is written to a level that can be understood by a layman trained to the level of a state certified Level 1 wastewater treatment operator.

# Gilfilian Engineering, Inc.

Professional Environmental Consultants

Main Office: 255 E. Fireweed Lane, Suite 102, Anchorage, Alaska 99503  
(907) 277-2021 • Fax (907) 274-8683  
Mat-Su Office: 5751 Mayflower Court, Wasilla, Alaska 99654-7880  
(907) 376-3005 • Fax (907) 373-5686

## PERSONNEL FEE SCHEDULE Effective October 15, 1991

ENGINEERING AND OFFICE PERSONNEL	HOURLY RATE
Principal	\$100.00
Registered Professional Engineer	90.00
Senior Environmental Geologist	78.00
Project Engineer	68.00
Senior Engineering Specialist	63.00
Environmental Scientist	63.00
Engineer Assistant	55.00
Environmental Technician	48.00
Draftsperson	48.00
Engineering Field Technician	42.00
Secretary	30.00

### NOTES

Minimum charge per field trip is \$60.00.

Field work further than 10 miles from the office will be charged mileage at a rate of \$0.45 per mile plus personnel travel time according to the above schedule.

Field services performed before 7:00 A.M., after 6:00 P.M., or anytime on Saturdays, Sundays, or Holidays at the client's request, will be considered overtime tests and will be billed at 1.25 times the normal rate.

Job incurred expenses will be billed at 1.15 times the actual expenses and will include, but are not limited to: reproduction, subsistence, commercial transportation, toll calls, backhoe and drilling rig costs and materials.

Unless previous arrangements have been made, all statement amounts not paid within 30 days of the billing date will be assessed late charges at the rate of 1.5% per month (18% per year) on the unpaid balance, retroactive to the date of the original billing.



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NON-CODE ORDINANCE

REQUESTED BY: Administration  
PREPARED BY: Finance Dept.

ORDINANCE SERIAL NO. 91-48

AN ORDINANCE OF THE CITY OF WASILLA, ALASKA AMENDING THE FY92 BUDGET BY APPROPRIATING ADDITIONAL FUNDS TO THE SEWER CONSTRUCTION FUND.

BE IT ORDAINED AND ENACTED BY THE CITY OF WASILLA, ALASKA AS FOLLOWS:

SECTION I. Classification. This is a non-code ordinance.

SECTION II. Purpose. To appropriate additional funds to the Sewer Construction Fund for engineering consultant fees for the Recirculating Granular Media Filter system.

SECTION III. Appropriation. Funds are appropriated to the following fund:

<u>Sewer Construction</u>		
Engineering Consultant Fees		
for Design, Contract Administration,		
Construction Inspection and Start-up		
Procedures	Acct #144569201	\$100,000.00

SECTION IV. Source of Funds.

Municipal Grant #4/87-475	\$100,000.00
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SECTION V. Effective Date. This ordinance becomes effective upon adoption by the Wasilla City Council.

Introduction: 12/09/91

Public Hearing: 01/13/92

ADOPTED by the Council of the City of Wasilla on this \_\_\_\_\_ day of \_\_\_\_\_, 1992.

\_\_\_\_\_  
JOHN C. STEIN, MAYOR

ATTEST:

\_\_\_\_\_  
ERLING P. NELSON, CMC  
City Clerk

SUMMARY OF MAIN POINTS OF CONCERN EXPRESSED AT SPECIAL COUNCIL  
MEETING SCHEDULED FOR DECEMBER 16, 1991

Mr. Felton's Points

- (1) Concern about potential doubling of engineering costs and delayed timing with new engineering firm having to come up to speed.
- (2) Gilfilian's negotiated agreement represents reasonable costs for engineering work.
- (3) Construction will not occur in 1992 if engineering work is delayed.

Mr. Gilfilian's Points

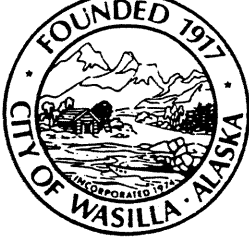
- (1) Engineering costs are based on time and expense estimates - not a lump sum bid.
- (2) New \$100,000 cost estimate is different from earlier \$78,000 cost estimate because:
  - (a) Errors and omissions insurance requirement.
  - (b) Change in project scope from part contract and part force account project to general contractor bid.
  - (c) Addition of two-month start-up management Phase III costs.

Mr. Pinard's Points

- (1) Present drainfield system is "maxed out".
- (2) City was issued short-term permit with understanding that progress was being made on new upgrade. D.E.C. will closely monitor results of drainfield performance tests in accordance with permit.
- (3) If upgrade is not accomplished in a timely manner, D.E.C. may:
  - (a) Restrict new sewer hook-ups.
  - (b) Restrict re-occupation of vacated premises if they are high volume users.
  - (c) Issue compliance order to City mandating specific performance to upgrade plant.

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John C. Stein, Mayor



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WASILLA CITY COUNCIL  
SPECIAL MEETING VERBATIM TRANSCRIPT  
DECEMBER 17, 1991  
7:00 PM

1. CALL TO ORDER:

Mayor Stein called the meeting to order at 7:12 p.m.

2. ROLL CALL:

COUNCILMEN:

Mr. Carson-Not present  
Mrs. Cottle-Not present  
Mr. Erickson-Not present  
Ms. Hjellen  
Mr. McCarthy-Ex.  
Mrs. Smith

STAFF:

Mayor Stein  
Mr. Harris-Deputy Admin.  
Mrs. Harris-Deputy Clerk  
Mr. Nelson-City Clerk

3. UNFINISHED BUSINESS:

CM. No. 91-97; Contract for Professional Services;  
Reports: Jack Felton, P.E., Alaska Rim Engineering;  
Alaska Department of Environmental Conservation;

Mayor Stein: "Let the record show that we do not have a quorum tonight, only Mrs. Smith and Ms. Hjellen are present. However, we do have present in the audience the Deputy Administrator, the City Attorney, Engineer Felton, Engineer Gilfilian, Paul Pinard from the Department of Environmental Conservation, and Sandy Medearis from the Frontiersman, what's the name of that place, and Engineer Peter Curtis.

In order to get the information to the remaining Councilmen, I think it would be appropriate simply for Mr. Felton and perhaps Mr. Gilfilian to make comments, we'll read those into the record and then have a verbatim transcript provided to the remaining Council people so we can get the information out. And also if Mr. Pinard would be available also to comment and then we can at least get the information out to the Council. So understanding that this is an unofficial meeting and information gathering effort I would like to I guess ask Mr. Harris to introduce Mr. Felton and we'll get these comments on the record."

Mr. Harris: "Starting at the last council meeting, Council directed that I prepare a request for engineering services and go out and ask for letters of interest and statements of qualifications to provide engineering services for design, contract administration and start up of the recirculating granular media filter for our sewer treatment system. I also received permission from Council to use the services of Engineer Jack Felton to assist in reviewing my solicitation for letters of interest. I prepared that letter of interest and ready for advertisement and Mr. Felton came in and

reviewed it and expressed a great deal of surprise that of the course of action that we are proceeding and he proceeded to relate to me why he was surprised at this and the potential impact of the course we are taking, and I thought that this was of such significance that the entire Council should be made aware of the facts as Mr. Felton sees them prior to proceeding any further. So Mr. Felton, if you would please relate those to the Council."

Mr. Felton: "Good evening, yes basically I was surprised and it was my understanding that Mr. Harris and I were to negotiate a contract with Gilfilian Engineering as stated by the Council. We had done that and through several meetings did come up with what we thought was a reasonable professional services agreement. It was within, I believe about 1% of the estimate that I told the Council in my report to you that I thought was fair to pay for the job. When I looked at the letter of interest and thought about it all I had to sit down and one of the things that we discussed with Mr. Harris is that of an engineering project of this size, if you go out with letters at this time, I would say you could expect to pay for the same services that we negotiated with Mr. Gilfilian anywhere between a hundred and ninety and two hundred twenty-five thousand, and there's a great disparage there between that and the reason is that no other firm or I'm not aware of any other firm or any other person that has the initial knowledge that Mr. Gilfilian and his firm have. The other firms would have to through interviews, site visits literature studies and a whole bunch of other things come up to speed with Mr. Gilfilian's firm. Because of the work they've done for you to date on this project, they're starting way ahead of us.

The other thing that we discussed was the professional services agreement, a professional service agreement is not in most instances like a contract that you would have with solicited quotes. In other words its not as if you went into a painter and said, how much to paint my living room, and they will give you a usually a quote and its good for 30 days. If you went into a full solicitation program and I'm being very generous here, and I understand Bob's in the audience and we are personal and professional friends but, I'm not putting any words and he can stop me at any time, or you can ask him, himself but he's not obligated to leave his quote on the table and he is a fully recognized firm. He could either answer the letter of solicitation or withdraw from the project 100%. Those are both honorable, equitable positions of his firm and it would be a business decision on his part, what he would choose to do.

If he did enter the solicitation program he would be justified in more compensation, in other words he's going through, if you will excuse it but those of us in the trade call it a dog and pony show. That's where we get all bib and tuckered up and give you all those nice full blown proposals and glowing letters of interest and all and they eat up time, their overhead, and for that and quite basically he's in a competitive market with other engineering

firms. His price could raise, it could stay the same. That's a business decision he has and I can't speak for him. The point being it did not, it would not hold his offer on the table because he is eligible to propose on the other.

So my counsel to Mr. Harris was that by not continuing on with the vain that I thought the Council had elected that you stood the chance of expending twice what you thought you were going to spend for the same service. And that's what alarmed me and that's what I discussed with Mr. Harris and the different opportunities. I also, we discussed quite frankly that with a project that has the potential, I'm not saying it will, but it has the potential of a quarter million dollars of engineering fees you are going to stir a great deal of interest. The majority of the firms that can respond positively to your request are in Anchorage, you might possibly find 1 in Washington. The Seattle area might, it might be worth while for a firm to come up here, this may be a project to get a foot in the door if you will to open an Alaska branch office, they might solicit. If they did, those firms and there's a few firms that are starting in Anchorage right now that closely scrutinize the selection process.

And by this I mean that if you do not have a process on line of how you are going to select and they can prove any kind of arbitral, that you are arbitrary or capricious, they will sue you for the cost of presentation and they have been winning. If there is a detailed procedure and you follow it, that's the rules of the game. If you want to get into the game, you read the rules as long as the rules are aptly applied. Quite frankly the City doesn't have enough business that it would be a bad political move for someone to sue you. The size firms we are talking about, the total City engineering probably couldn't keep one of their tech's paid through the calendar year. So you're not, there's no threat to say well we'll never do business with them again. They don't care, pay us for what we've done today and they'll go elsewhere for their work.

So I was discussing with Mr. Harris that we were going to have to come up with a detailed selection criteria to make the short list and then what is normal a detailed selection criteria for the proposing firms, the 3 or 5 whichever the Council decided to go with and that list is published and given to the proposers they know where the points are and they know how they are going to be reviewed and then they will aim their presentations to the Council at the points list.

So we were discussing how much time he and I were going to have to spend to try and come up with these documents to give the Council and how that was going to work. And it boiled down to the project would be in jeopardy for construction in the summer of 92, it was going to be very tight to get the project in and on line.

Again we discussed some of the things that I'd learned and Mr. Pinard is in the audience, but your discharge permit was granted for 2 years because you were taking corrective actions. You wouldn't be responding to your discharge permit, in other words if you went into the summer of 93, you are almost at the end of the permit, you haven't done any construction and you are liable for corrective or whatever, I can't speak for the department, I'm not a spokesman for the department but as your advisor I was telling you, you are exposing yourself to liability there.

So it seemed imperative to me, or I was stressing to Mr. Harris that if there's anyway that the Council could shorten this selection process, within your realm and get the project on line and make the summer of 92 construction it would greatly benefit the City, greatly benefit it. And that's the reason that I believe that Mr. Harris talked to the Mayor and this meeting was scheduled. Now I'd be happy to answer any questions that you might have of me about what I am saying."

Mayor Stein: "Questions. Mr. Harris."

Mr. Harris: "Mr. Felton, in your opinion, are there any firms including your own firm in the local area that could bid, successfully bid and maybe do this project?"

Mr. Felton: "Okay, we are excluded. Let me go back to that, professional ethics say that I can't bid on the project because you've hired me to make the selection criteria, its inside trading I'm in on the inside, I can not bid on the project under the firm. I am not aware of another firm in the Valley that would have the E & O and the size and the expertise. There may be one and I apologize if I'm slighting them, I'm just not aware of one that would take on a design project of this magnitude. There are probably and I will defer to Bob because he's there now, 8 to 10 Anchorage firms that would be interested in it. Is that a reasonable number? I'm not going to go down the list, but I can think of quite a few fairly quickly and maybe more that I'm not aware of."

Mayor Stein: "Any other questions, Dorothy."

Councilman Smith: "Mr. Felton, how knowledgeable are the firms that you're speaking of in Anchorage about the type of filter system we're talking about. It seems to be kind of a specialized thing that Bob had experience with."

Mr. Felton: "Well, that's why to be quite honest with you I think there's probably more expertise in the Northwest. The seminars that I've attended there's a lot of engineers doing them in the Seattle and Portland area and that's, for that reason I thought there might be interest if they read the Anchorage papers. I believe the firms



are competent if they bid on it, they would have the people or they would gain the expertise."

Councilman Smith: "One other thing, I understood the other night at the Council meeting that this wouldn't be on line for 92 anyway because of funding."

Mayor Stein: "Mr. Harris?"

Mr. Harris: "If the design were finished soon enough where we could get you know, a pretty close and detailed cost estimate as well as the final designs themselves in order to help us lobby in Juneau there may be an opportunity to do that, and if it looks like we're coming down the pike far enough, quickly enough, we may be able to either get, obtain legislative funding or DEC grants or loans in order to do it. But with the process we're going through I doubt we will be able to line up funding this summer."

Councilman Smith: "Well even, would we have, we have in the fund ourselves 300 and some thousand is that correct, in that grant?"

Mr. Harris: "We have in the general area right now of about 750 thousand."

Councilman Smith: "750 thousand, okay so if we had the plan design ready for the summer could we go ahead and start even if we weren't sure of the other funding or do we have to have a total?"

Mr. Harris: "No, we could start, we have more than adequate funding you know, for the design itself, but with those matching funds available and having design underway and knowing you know, having a time frame and schedule for it I wouldn't be shy then of beginning a process of grant applications and we could do a better job of lobbying the legislature if we could assure them that we are going to be building this year. If we can't build this year, we may have some trouble getting the funding from them, if there's any funding available at all."

Councilman Smith: "Thank you."

Mayor Stein: "Any other questions? Okay, thank you very much Mr. Felton. Mr. Harris, maybe we should hear from the, let me see, maybe Mr. Gilfilian and then we could hear from Mr. Pinard but there are some questions that arose regarding the nature of the quotation that was presented at Council last time and maybe Bob could go over what the difference between then and now is."

Mr. Harris: "I think that would be well, we did try to explain part of that to Council but we didn't really have the entire information. We explained that the first quote did not have include the errors and omission insurance, which is quite expensive,

secondly it did not include the start up assistance which we estimated services for 2 months and then there were other things thrown in that as well because the more detailed scope of services and more involvement by the engineer during contract administration and Mr. Gilfilian can probably better explain those."

Mayor Stein: "Bob."

Mr. Gilfilian: "Thank you, I came here tonight to explain the proposal dated November 30. I believe that was in the packet at the last Council meeting. I think its in order to provide some background information. Bob approached me to prepare an estimate so that he can get it before Mr. Felton and start working at a contract with conditions and agreed upon prices and the scope of work. And when Bob approached me it was like one day before I was to leave on a trip and I've been gone for 2 weeks. I just got back last night from Eastern Europe. I found out that things have gone in another direction here and I was quite disturbed.

The letter I prepared November 30th is the day before I was leaving, Bob asked for a wag on costs and that's, that's always a difficult thing to deal with and he said that what he wanted was in addition to what was being, what had been proposed in the past, it was additional work to be done, and E & O Insurance to be provided and the approach to be taken on the project would be different from what we had originally evaluated for the City, and that is the City to be taking strong role in the construction of the facility to save cost. I looked at our budget and Mr. Curtis here was also partly involved with the old budget and briefly discussed the budget with Peter and looked at the scope of work. I have outlined there in the November 30th letter a breakdown of the different tasks. This is different from the previous proposal that you have before you back in April.

We're going back a long ways, back in April I had a budget of \$78,000, this budget that was presented November 30th is different. It included an additional task of plant start up and trouble shooting, more involved construction inspection, contract administration and E & O Insurance. The E & O which I have hopes for my firm can obtain, has not been required in other projects that we have done. We used to have E & O, I explained that to Council many meetings ago and we dropped it once it got up to 60,000 a year, and that was only for 100,000 dollars coverage. Bob said he wanted a million dollars coverage, this was after I prepared this proposal and we're trying to get quotes on that now for the million dollar coverage. I don't see or have a problem with that but the cost that you have before you in that budget is one for a different scope of work than what was before you before.

What bothered me most was the article that appeared in the Frontiersman on the 13th of December and it appeared from the

article that I was taking advantage of the City Council and raising my fees and that's not the case, of the fees that are in the November 30th proposal reflect a different scope of work, an increase in the scope and I was bothered by some of the quotes that are in that article and I've talked to a few people that have read the article and it comes across that I'm here to try to rip off the City and that bothers me a whole lot and the folks that most responsible are not here tonight.

So I've looked over the contract that Bob has prepared and essentially I don't think there was any major changes except E & O, we needed to get a final number on E & O costs. What I was trying to provide the City in previous proposals and the November 30th proposal was a budget that would be cost effective. The, I've talked it over again with Peter today, its a very tight budget and I certainly don't want to come before the Council asking for more money, its not my intent of raising the price because I would have to go through this process, but that we would honor that price and work towards that.

But there is something else that I need to point out about the E & O. There is a cost associated, the numbers that are before you here in the November 30th reflect about 1/2 million dollars worth of E & O coverage. I first said 300,000 but I believe that its 500 when I was looking at my quotes cause I had to call from Germany and talk to Peter and I didn't have my paperwork in front of me, but we're trying to get the costs now for the increase to a million dollars of E & O. E & O is an interesting type of insurance, its an insurance that provides you some form of protection if I make an error or there's an omission essentially in the design. The problem with E & O in many cases is that once you get a system designed and its constructed and its operated, time passes and then insurance may not cover that. That is something that constantly comes up because you get a false sense of security with E & O insurance.

There was an article to the Frontiersman by one of the Council members that made reference to one of the previous design engineer's E & O insurance, and the City attempting to pursue that course of action. And that's very difficult because you would have to go on the design basis. I would provide a design for that cost and I would be doing that design based on standards, recognized standards. If I make an error in that process then I am liable for that error. If the system is built and construction and designed in accordance with standards and it fails to meet the design criteria, you wouldn't be able to get that cost for replacement from E & O insurance unless there was an error in the design. And that's something I think there is a misconception, a guarantee here being implied because you got the E & O you're guaranteed the system can be replaced. That's all I have to share, if there's any questions?"

Mayor Stein: "Any questions for Mr. Gilfilian?"

Councilman Hjellen: "They were talking about that they wanted this E & O continued for 2 years. That seemed to be a hot item which doesn't mean anything to me because I see what happened now they're after CH2M Hill, well shoot, that was years ago. That has nothing to do with it."

Mr. Gilfilian: "And it would be extremely difficult to pursue. You have, that's a carry, I forget what the term, tail, I believe its referred to, that very expensive to get that kind of E & O insurance."

Councilman Hjellen: "And what are you looking at just to cover the contract or for 2 years after if you did the work yourself."

Mr. Gilfilian: "The E & O is a claims made basis, it only can be made during the year of the coverage."

Councilman Hjellen: "You can't get extra coverage, you can but,"

Mr. Gilfilian: "You can but its very expensive,"

Councilman Hjellen: "you can but its too expensive,"

Mr. Gilfilian: "and if you want it for a specific project it becomes even more expensive. Its available but to point out the important thing here is that even if you have it you may not be able to collect unless there's an error on the part of me as the designer or the contract inspector, construction."

Councilman Hjellen: "I understand now, I understand then, thank you."

Mayor Stein: "Mrs. Smith."

Councilman Smith: "I think that was one big misunderstanding the other night at the Council meeting about this E & O because I didn't. You had already talked to us about you had dropped yours because for the reasons you're stating here. Some of the Council insisted that you know, you still had that in that bid in April,"

Mr. Gilfilian: "No."

Councilman Smith: "which, how much did that add to the"

Mr. Gilfilian: "E & O for 1/2 a million dollars would cost us 20,000"

Councilman Smith: "20,000"

Mr. Gilfilian: "I think its 20, I've got the quotes. It may be 20 additional, I think its 15 for a 1/2 a million, now I've got earlier

quotes like 6 weeks earlier that it was at 40,000 and the market's changing and that's about the best we could do, I think its 15,000 for the 1/2 a million and its something that a lot of the clients just don't understand what kind of protection that provides for you. We can provide, we're, for project life its, its probably wise to have it. The Borough has been allowing it to slide on certain projects if they don't exceed a million dollars and, and this project is right at that line, and so its probably wise to have it but to understand what does it provide you I think is the point I'm trying to make."

Mayor Stein: "Sandi, oh, go ahead."

Councilman Smith: "So actually the, the E & O was 15,000 so then 7,000 was for, I think it was 22,000 above the orig, so 7,000 was basically for the additional change in the work, right."

Mr. Gilfilian: "I had, there's 10,000 for the phase 3 if you want to call it that. At the plant for plant startup and all. And you keep in mind that these are time and expense budgets, these are not okay we're going to get 10,000 for doing this work. So that was about 10,000, and in addition more, which is real important to me, is the type of construction. It was earlier to keep the costs down. Our firm would inspect the construction as it was occurring but not on a, I'm not going to say a full time basis but on a spot check basis. That we would go out and essentially look over the City's shoulder to see if its being done in accordance with the plans but not be out there on a full time basis. That adds up very quickly, that kind of cost so that was a whole different approach."

Councilman Smith: "Of course you are talking to 2 councilmen that"

Mr. Gilfilian: "Well this will be on record, I guess."

Councilman Smith: "Actually then from what you're saying if the phase 3 was 10,000 dollars in addition"

Mr. Gilfilian: "Yes."

Councilman Smith: "and then the E & O for 500,000 was 15,000, so actually this bid was basically less then what your first bid was"

Mr. Gilfilian: "Right, in those terms"

Councilman Smith: "in those terms."

Mr. Gilfilian: "and as I said I have spoken with Peter because of my personal drive here in terms of seeing the City get a system and my personal interest was there all through this process, I've been coming from. My goal has been coming out in the press and all and

so this looking for a fat contract I think is referred to as a quote so I have problems there."

Councilman Smith: "I know it, I don't blame you."

Mr. Gilfilian: "I did, I had one last comment. When I resigned from the, as City engineer it was because of the every other week of going through a bashing and to reduce the stress that I was dealing with I resigned thinking that I could work on projects without going through that process but its backfired and its gotten much worse then what it was previously and I don't know where its going to end but"

Councilman Hjellen: "You shouldn't have quit."

Mr. Gilfilian: "Yea, I look back but I thought I was doing the right thing at the time, I feel at peace about it but,"

Councilman Smith: "I understand."

Councilman Hjellen: "I do to."

Councilman Smith: "I understand and I am sorry you are still not the City engineer so we appreciate your work."

Mayor Stein: "Sandi, did you have a question for Bob?"

Ms. Medearis: "No, I'll talk to Mr. Gilfilian tomorrow."

Mayor Stein: "Okay, Mr. Harris."

Mr. Harris: "I'd like to clarify, Bob, Mr. Gilfilian, in case you didn't notice in your contract provisions do call for you to continue that E & O for an additional 2 years after completion."

Mr. Gilfilian: "Yea, that was something that was faxed to me over there and I would have to pull that out. Well that's what we're saying, Peter was trying to get the quote from the, Caroon & Black, they've changed their name but to see what and that might be the higher cost that you were quoting me, Peter. But we have to get a confirmation in writing on that Bob."

Mr. Harris: "Okay."

Mr. Gilfilian: "To get that tail if the City wants that tail."

Councilman Smith: "Mr., one other thing, I think we got hooked on this E & O because Mr. Felton had recommended it. As you say it is a good idea but I think, I think again we need to balance whatever the costs of this is going to be and go through Mr. Felton here also and see if we as a Council think its worth it. It sounds to me like

it might be an exorbitantly cost that may not be worth it. I mean I'd like to re-evaluate it once I find out what the cost might be."

Mr. Gilfilian: "Its, you couldn't find probably a bigger firm then CH2M Hill. CH2M Hill, okay they did the original design and we're over here saying to EPA that the system failed, but I can't and I had to go on record to show that CH2M Hill did not make an error in their design. So that, even though that system has not met the expectation of the City and also the DEC permit requirements you can't go after CH2M Hill's E & O insurance, you may try to but they're coming from a pretty strong position of how they did things in accordance with the standards recognized at the time."

Mayor Stein: "Okay, thank you, Jack."

Mr. Felton: "To answer Councilman Smith, yes I did say on record that I thought you should have E & O, its like any other insurance to a client. I'm not sitting on a fence here because I play both sides as you understand. Yet I think Bob said the same thing I was saying, yes he feels E & O, how much insurance you want and what you want it to cover is the same thing as doing your car. Quite frankly here you could get the deluxe super premium policy but you pay for it. You can get accurate coverage or a reasonable coverage at less cost. I am still of the opinion that you need it, how much you need I believe is up to you."

Councilman Smith: "Now how much, you mean to cover the entire project, one million or for the 2 years after. I mean, I guess I'm thinking of what about these 2 years after."

Mr. Felton: "I'm saying at least for the design, that's what I'm talking about."

Councilman Smith: "But perhaps not for the 2 years after, or to me that's what we need to evaluate. That seems to me where the cost is going to be."

Mr. Felton: "That and when you are going to construct, and what gets very expensive and again is to cover a design that you put on the shelf and that's what Mr. Gilfilian was talking about. Standards could change and the insurance companies are very leery of covering a design that you put on the shelf and dust off in 2 years later and bid. There could be a whole new almost anything. Without paying the engineer to re-evaluate his design or bring it up to current standards your design specifications could change. Your legal constraints, your discharge permit could have changed in those 2 years. A lot of things could happen and that's why that kind of tail is extremely expensive."

Mayor Stein: "Thank you, Mr. Gilfilian, Mr. Felton,"

Mr. Curtis: "One more question for Bob,"

Mayor Stein: "oh, okay."

Mr. Curtis: "If you could just again go over the 2 philosophies behind our cost estimate in a little bit more detail with the City hiring an administrator and a force account and this cost estimate.."

Mr. Gilfilian: "I think probably the only thing to say there is that the City, we were looking for ways that the City would be able to save cost and one way of course is the City going out buying the materials and by force account constructing the facility., And our role then would diminish in that the City would be responsible for construction. And that we wouldn't have to be a watchdog as much so and also on the design end of it because there would be more of a close working relationship.

When you go out to bid its got to be tight and not only for DEC purposes but I'm talking about a bidding purposes that these contractors know what they get and you got contract documents. Bidding documents become laborious quite involved and you got, all that is cost. And so we approached it looking at what's cost effective ways since the City didn't have the funds to do this work. And that's where the research leading granular media filter came about and I still believe its a very effective way to deal with the situation here. Take a look at Talkeetna, you can see what's going on up there and they have had a lot of dollars both from State and Federal and who's going to pay for that user cost keeping things like that."

Councilman Smith: "Can I ask you one more question? Now with your design and plans, did that include writing up the criteria for the bidding for the engineering firms that come in, and did that include that?"

Mr. Gilfilian: "Yes,"

Councilman Smith: "From what I understand from Mr. Felton, that's a very critical area."

Mr. Gilfilian: "Yes, we, yes to answer that. We would get out contract documents complete and sufficient for bidding purposes."

Councilman Smith: "Thank you."

Mayor Stein: "I guess from the Mayor's perspective I would also like to acknowledge that I didn't recognize the difference in those 2 bids and during the discussion at the last meeting I probably didn't help that issue at all because I was not aware at the time of the difference. Mr. Harris, maybe you could introduce Mr. Pinard of DEC and,"



Mr. Harris: "We asked Mr. Pinard to attend tonight in case there were anymore questions for him as far as our existing system, the past as viewed by his office and what his office recommended we do and when we do it."

Mr. Pinard: "Mr. Mayor, Council members, again as Mr. Harris indicated I came here tonight primarily answer any questions you may have but I will make a few brief comments. The Department is quite concerned with the City's progress or lack of progress on the upgrade to the sewage treatment system.

We issued a permit for that discharge last month, largely the permit was written and issued based on our feelings, our understandings after discussions with the City that City and substantial progress would be made in the design and subsequently with the construction of an upgrade to the existing system out there. Even at that the permit was issued for less than a 2 year period, where standard practice is that the Department issue these permits for a 5 year period. I think that in itself shows, demonstrates that we have quite a concern with it.

I think its been adequately shown that the system is maxed out, and the logical question is what now if nothing is done? What are the ramifications? The Department has delegated some powers to the City specifically in plan review so the City is able to review and approve smaller connections to the system, however the Department retains the responsibility to approve large commercial connections to that system and we also have the responsibility to review the City's role and the general adequacy of the plant itself, make sure that it is adequate for the demand that is being placed on it.

If the, if progress is not forthcoming on the upgrade of the system I think the Department would have to take a look at seriously considering disallowing future connections to that system until the upgrade was accomplished. If that in itself was not adequate, there would be an evaluation made and if merely halting future growth, future connections to the system was not viewed as being adequate then we would have to take another look at what may be done in reducing the load to the system. What facilities could be disconnected, could be cut, what means of reducing demand to the system could be instituted. So all in all, we're looking, we've been fairly comfortable thus far with the City's efforts and have an expectation that the City will continue and proceed with the upgrade hopefully this year, we're counting on it."

Mayor Stein: "Any questions?"

Councilman Hjellen: "No, but I'm glad he came and spoke, sorry the rest aren't here. Thank you very much."

Mayor Stein: "One question that I had, you talked about reducing the load, what kind of actions might that entail?"

Mr. Pinard: "Well there may be just to throw something out for discussion purposes, perhaps, lets say that you've got facilities, malls perhaps space that merchants have moved out, rather than allowing another hook up, another business to move in, consideration may be given, you know if they are high demand users to withholding that approval. It may be going around and taking some actions to reduce discharges through just improving practices throughout the City, reducing the demand. Right now the way we've issued the permit you don't have a lot of slack available so you do have to take some action."

Mayor Stein: "Mrs. Smith."

Councilman Smith: "Mr. Pinard, right now the permit allows 130,000 gallons a day,"

Mr. Pinard: "Average."

Councilman Smith: "average, is that going to be standard or is that going to be lowered depending on the drainfield if we don't or is that,"

Mr. Pinard: "We do have a testing requirement, monitoring requirement and we will be taking a look at that closely. We do have latitude if those results show that there are problems with that higher load of going back in and reducing that daily, monthly average figure."

Mayor Stein: "One other question. May be this should be, say, hypothetically state wide. Has the, the Department ever, you know, leveled punitive fines or things like that to communities for failure or for whatever, difficulties with municipal treatment plants?"

Mr. Pinard: "I'm not sure whether we've issued fines or not, I think EPA has. I'm not sure whether the State DEC has or not. Again for discussion purposes, if we did not have the cooperation of the City, which I don't expect, but if we didn't I think that what we would be looking at is a compliance order."

Mayor Stein: "And a compliance order would be a demand to perform, essentially, right."

Mr. Pinard: "Right."

Mayor Stein: "Any other questions? I guess I'd like you to say maybe one more time. What's your analysis of the present condition of the drainfield system here?"

Mr. Pinard: "Again, in no uncertain terms in my opinion its maxed out and we have for the last year and a half or two years been looking seriously at the connections that the City has been making and we're at that point now that we can not tolerate any significant contribution flow to that system, it is maxed out, it needs to be upgraded."

Councilman Hjellen: "To introduce a note of levity. When you start cutting out people, I know 4 council people you can start with."

Mayor Stein: "Let the record show that the Mayor is on his own on-site system. Thank you very much Paul."

Councilman Smith: "Thank you."

Mayor Stein: "I guess I would, if I could as the Mayor introduce one other element here. In that, as the Council is aware, over the last few years, the revenues from the Sewer System have failed to meet the cost and we recently raised the rates. An important element of a, of a strong utility is having an adequate number of connections in order to pay the costs of maintenance and operations, and the kind of things that we are facing under a maxed out system is, as we can not add new customers. We only have, what, just barely 300 or 275 something like that,"

Mr. Harris: "307 or something."

Mayor Stein: "307 customers and in order to, to gain the economy of scale we need more customers because to run the plant you know, for 100,000 gallons doesn't cost really anymore than to run it for 200,000. And we need more customers and in my view as the administrator of the utilities this is a disastrous situation as far as maintaining our rate base which is critical I think to continuing the sewer utility on a healthy basis. Is there any other comment? Mrs. Smith."

Councilman Smith: "Mr. Mayor, I'd like for the record to show apparently Mr. McCarthy had an excused absence, but the other 3 as far as I'm concerned are unexcused and will there be a verbatim of this made for the Council?"

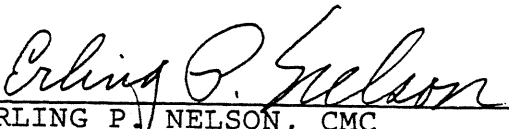
Mayor Stein: "Yes, that's correct. It is my intention to have this transcribed verbatim and prepared in a packet for every Council member and we will include Mr. Gilfilian's specific bid so that they can refer back to his comments and so that people understand the discussions here."

Councilman Smith: "And then it will be in at the next meeting, it'll be brought up again at the next meeting in January."

Mayor Stein: "It will be on the agenda for next meeting. Okay, if there is no other comments, we thank you all for coming and we hope this has been productive or ultimately will be productive."

4. ADJOURNMENT:  
The meeting adjourned at 8:00 p.m.

RESPECTFULLY SUBMITTED:

  
\_\_\_\_\_  
ERLING P. NELSON, CMC  
City Clerk

PROFESSIONAL SERVICES AGREEMENT

BETWEEN

CITY OF WASILLA

AND

GILFILIAN ENGINEERING, INC.

THIS CONTRACT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between the City of Wasilla, 290 E. Herning Avenue, Wasilla, Alaska 99654 and Gilfilian Engineering, Inc., 5751 Mayflower Court, Wasilla, Alaska 99654.

THIS CONTRACT is made without competitive bidding as professional services are to be provided.

SECTION 1. Definition. In this contract:

- A. The term "City" means the City of Wasilla.
- B. The term "Consultant" means Gilfilian Engineering, Inc.
- C. The term "Mayor" means the Mayor of the City of Wasilla or his authorized representative.

SECTION 2. Term. Performance of this contract shall become effective upon signature of both parties to the agreement.

SECTION 3. Contract Services.

- A. The Consultant shall perform that work described in the attached "Exhibit A" - Scope of Services and Hourly Rate Schedule.
- B. Contract services shall commence upon request by the City Mayor or his designee and terminate upon satisfactory completion of those services or termination of this agreement.
- C. The Consultant is to perform all services required to complete the project as set forth in Exhibit "A".

SECTION 4. Payment.

- A. In exchange for those professional services rendered under this agreement, the City shall pay the Consultant on the basis of quarterly progress reports but for a total sum not to exceed \$56,990.00, unless prior authorization is obtained and approved in writing.

- B. The Consultant shall submit quarterly requisitions for payment which describes the services rendered to the City during the period of billing. The Consultant shall be entitled to payment for the amount requested within ten (10) working days following approval of quarterly requisitions.
- C. Except as otherwise provided in this agreement, the City shall not provide any additional compensation, payment, use of facilities, service, or other thing of value to the Consultant in connection with performance of contract duties. The parties understand and agree that except as provided in this section, administrative overhead and any other indirect costs the Consultant may incur in performance of its obligations under this agreement have already been set forth in Exhibit "A" and may not be charged to the City.
- D. The City Mayor or his designate shall act as Owner's representative with respect to the work to be performed under this agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define Owner's policies and decisions with respect to materials, equipment, elements and systems pertinent to Consultant's services.
- E. Special Consultants. The parties understand and agree that the Consultant may not retain special consultants, engineers, technicians, or other persons not included in "Exhibit A" to assist in the performance of work under this agreement at the expense of the City in addition to the sums described in Subsection A unless the City consents in advance to their employment or retention.
- F. Funds to be provided under this agreement to the Consultant are subject to the appropriation by the City Council and approval of the Environmental Protection Agency.

SECTION 5. Documents and Data.

- A. All research materials, notes and files, plans, reports, drawings, mylars, sketches, originals and reports, tables, notes, photographs and other written or reproducible materials compiled or produced by the Consultant in connection with performance of its duties under this contract shall become the property of the City upon their generation and the Consultant shall not assert or maintain any claim or interest in such matters.
- B. No written or reproducible materials produced in whole or in part under this contract shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part, any

reports, data or other materials produced under this contract.

SECTION 6. Audits and Inspections. At any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination all of the Consultant records with respect to all matters covered by this contract and the Consultant will permit the City, and its representative or agents, to audit, examine, and make excerpts, copies, or transcripts from such records, and to make audits of all contract, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this contract.

SECTION 7. Assignment. The Consultant is permitted to engage the services of Joseph Eilers of E & S Environmental Chemistry, Inc. as co-principal investigator, Joseph Bernert of E & S Environmental Chemistry, Inc. for data base management and geographic information system and Ms. Meg Falter of Aqua ID for identification and enumeration of algal and zooplankton samples. The Consultant will provide quarterly progress reports and will review and make recommendations for all pay requests for project work. The Consultant may not assign any further interests in this agreement to another person, nor delegate any other duties under this contract without prior written approval of the Mayor.

SECTION 8. Indemnification. The Consultant shall save and hold the City harmless from any and all claims, demands, suits or liability, including attorney's fees and costs arising from any loss, damage to property or injury to persons occurring in connection with performance of his duties under this contract by its partners, employees, attorneys, officers, agents, contractors, sub-contractors or suppliers. This indemnification agreement includes claims claiming or alleging acts or omissions by the City or its agent which are said to have contributed to the failure or damage. However, Consultant shall not be responsible for any damage or claim arising from the sole negligence or willful misconduct of the City, its agents, or servants.

SECTION 9. No Additional Work. No claim for additional services not specifically herein provided, done, or furnished by the Consultant shall be allowed by the City or the Mayor without prior written approval; provided, however, that the Consultant may at his own expense provide such other services as he may deem appropriate and consistent with the purposes and terms of this contract.

SECTION 10. Conflict of Interest. The Consultant, all employees of the Consultant, consultants and other personnel employed by the Consultant providing the services under this contract shall in no way stand to gain financially from the

terms of this contract except for wages, salaries or bonuses paid by the Consultant.

SECTION 11. Termination.

A. This contract may be terminated by the City for any reason upon five (5) days written notice prior to the date such termination is effective. In the event the City exercises its right to termination of this agreement pursuant to this section, all finished or unfinished reports or other material prepared by Consultant under this contract shall, at the option of the City become its property and Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents and materials before the date termination is effective. Such compensation shall not be in addition to payment provided to the Consultant under this agreement. This contract may also be terminated by the City pursuant to Section 7 above.

SECTION 12. Jurisdiction; Choice of Law. Any civil action arising from this contract shall be brought in the Superior Court for the Third Judicial District of the State of Alaska. The Law of the State of Alaska shall govern the rights and obligations of the parties under this contract.

SECTION 13. Non-Waiver. The failure of the city at any time to enforce a provision of this contract' shall in no way constitute a waiver of the provisions, nor in any way effect the validity of this contract or any part thereof, or the right of the City thereafter to enforce each and every protection hereof.

SECTION 14. Permits, Laws, Taxes, and Insurance. The Consultant shall acquire and maintain in good standing all permits, licenses, and other entitlements necessary to its performance under this contract. All actions taken by the Consultant under this contract shall comply with all applicable statutes, ordinance, rules and regulations. The Consultant shall pay all taxes pertaining to its performance under this contract.

The Consultant shall take out and agrees to maintain throughout the period of performance of the contract and for a period of two years following performance of the contract, insurance in the following minimum requirements:

- A. Workers compensation insurance, covering all employees of the project administrator, in statutory limits to perform any of the obligations assumed by the project administrator under the contract.
- B. Public liability and property damage liability insurance covering all operations under the contract: limits for



bodily injury or death not less than \$500,000.00 for one person and \$1,000,000.00 for each accident; for property damage, not less than \$100,000.00 for each accident for \$500,000.00 aggregate during the policy period.

C. Automobile liability insurance on all self-propelled vehicles used in connection with the contract, whether owned, non-owned, or hired; public liability limits of not less than \$500,000.00 for one person and \$1,000,000.00 for each accident; property damage limit of not less than \$50,000.00 for each accident.

Upon request by the owner the consultant shall furnish a certificate evidencing compliance with the foregoing requirement.

SECTION 15. Relationship of the Parties. The Consultant shall perform his obligations hereunder as an independent contractor of the City. The City may administer this contract and monitor the Consultant performance within this agreement but shall not supervise or otherwise direct the Consultant except as provided herein.

SECTION 16. Non Discrimination. The Consultant shall not, in the course of performing its duties under this contract, discriminate against any person on the basis of race, religion, color, national origin, sex, marital status or physical handicap.

SECTION 17. Integration. This agreement and any appendices and amendments hereto embody the entire agreement of the parties. There are no promises, terms, conditions, or obligations other than those contained herein; and this contract shall supersede all previous communications, representations or agreements, either oral or written, between the parties hereto.

SECTION 18. Notification. Any notice under this contract may be served upon the Consultant or the City by mail at the addresses provided in Section 1.

City of Wasilla

Gilfilian Engineering, Inc.

\_\_\_\_\_  
DATE: \_\_\_\_\_

\_\_\_\_\_  
DATE: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Erling P. Nelson, C.M.C.  
City Clerk

(SEAL)

FUNDING CERTIFICATION APPROVED BY COUNCIL ACTION OF: \_\_\_\_\_

CERTIFICATION OF FUND AVAILABILITY: \_\_\_\_\_

STATE OF ALASKA                    )  
  ) ss.  
THIRD JUDICIAL DISTRICT         )

THIS IS TO CERTIFY THAT on this \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_ before me the undersigned notary public in and for the  
State of Alaska, duly commissioned and sworn as such personally  
appeared \_\_\_\_\_ known to be the Mavor of the  
City of Wasilla and who executed the foregoing Professional  
Services Agreement and acknowledged to me that she/he signed  
the same for and on behalf of said corporation, freely and  
voluntarily and by authority of its board of directors for the  
uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my  
notarial seal the day and year in this certificate first above  
written.

\_\_\_\_\_  
Notary Public in and for Alaska  
My Commission Expires: \_\_\_\_\_



Professional Services Agreement  
City of Wasilla/Gilfilian Engineering, Inc. (Consultant)

EXHIBIT A

SCOPE OF SERVICES

A. General

The tasks and services to be performed by the Consultant are delineated herein and separated into three (3) phases. This Exhibit A is intended to incorporate and to further identify those services and tasks described in the Gilfilian Engineering, Inc. proposal for engineering services for the Wasilla sewage treatment facility dated November 30, 1991, attached as Exhibit B. In the event of conflict between Exhibit A and Exhibit B, Exhibit A shall prevail.

B. Consultant Fees and Project Budget

The total project budget for consultant fees is based on time, expense and materials not to exceed \$100,000. The maximum budget for each of the three (3) phases is as follows except that any budgeted funds remaining after completion of Phase I or Phase II may be reallocated for a subsequent phase, but no funds may be reallocated to a preceding phase:

Phase I	\$ 55,000
Phase II	35,000
Phase III	<u>10,000</u>
Total	\$100,000

- C. The services and tasks to be completed include all usual engineering tasks and services to complete the project and shall include, but are not limited to, the following:

Phase I (\$55,000)

- a. Prepare one complete reproducible set of bid-ready plans and specifications for a septic tank effluent treatment facility using the principal of a recirculating granular media filter (RGMF). The design capacity shall be 200,000 gallons per day with a numerical safety factor of two (2) producing effluent that meets the quality standards for surface and subsurface discharge standards of the discharge permit issued to the City of Wasilla on November 19, 1991 by the Alaska Department of Environmental Conservation (ADEC).
- b. Final design shall allow for operator control to direct treated effluent to either surface or subsurface discharge to existing drainfield beds with reasonable time and effort.
- c. Consultant shall obtain all necessary construction permits from local, state and federal agencies as applicable.

- d. Prepare engineer's estimate of construction costs.
- e. Consultant shall hold minimum of one (1) pre-bid conference and issue addendum as required.
- f. Consultant shall give one (1) written and oral status report of the project to the City Council after completion of design and cost estimate and prior to City advertising for construction bids.

Phase II (\$35,000)

The parties to this agreement recognize that funds for construction may not be available upon completion of Phase I. Therefore, the services and fees agreed to herein for Phase II and Phase III may be initiated at the direction of the Mayor within two (2) years of the effective date. Thereafter, the terms of this agreement as they pertain to Phase II and Phase III may be renegotiated.

- a. Review and analyze bid submittals and make recommendations on bid award.
- b. Prepare notice to proceed upon bidder's presentation of documents required for bid award, conduct pre-construction conference with successful bidder.
- c. Provide construction inspection and contract administration. Maintain daily construction journal with photographs of key installations.
- d. Obtain operating permits from state and federal agencies as required.
- e. Provide manufacturers catalog cuts and complete set of reproducible as-built plans and specifications.
- f. Review contractor's pay requests and forward to City with pay recommendations, review contractor's certified payroll reports, prepare change orders for approving City signature as necessary.

Phase III (\$10,000)

- a. Provide engineering services for the start-up and trouble shooting of the new Recirculating Granular Media Filter (RGMF) sewage treatment and disposal system.
- b. Monitor the RGMF system for a period of two (2) months after start-up for its effectiveness in treating the effluent and to adjust treatment as necessary to meet Alaska Department of Environmental Conservation (ADEC) discharge permit requirements. Services will be on a time and expense basis including laboratory test fees.

- c. Allow City public works personnel to assist in trouble shooting and adjustments to the RGMF system for purposes of training during the two (2) month start-up period.
- d. Prepare in final form an operation manual acceptable to ADEC that is written to a level that can be understood by a layman trained to the level of a state certified Level 1 wastewater treatment operator.

# Gilfilian Engineering, Inc.

Professional Environmental Consultants

Main Office: 255 E. Fireweed Lane, Suite 102, Anchorage, Alaska 99503  
(907) 277-2021 • Fax (907) 274-8683  
Mat-Su Office: 5751 Mayflower Court, Wasilla, Alaska 99654-7880  
(907) 376-3005 • Fax (907) 373-5686

## PERSONNEL FEE SCHEDULE Effective October 15, 1991

ENGINEERING AND OFFICE PERSONNEL	HOURLY RATE
Principal	\$100.00
Registered Professional Engineer	90.00
Senior Environmental Geologist	78.00
Project Engineer	68.00
Senior Engineering Specialist	63.00
Environmental Scientist	63.00
Engineer Assistant	55.00
Environmental Technician	48.00
Draftsperson	48.00
Engineering Field Technician	42.00
Secretary	30.00

### NOTES

Minimum charge per field trip is \$60.00.

Field work further than 10 miles from the office will be charged mileage at a rate of \$0.45 per mile plus personnel travel time according to the above schedule.

Field services performed before 7:00 A.M., after 6:00 P.M., or anytime on Saturdays, Sundays, or Holidays at the client's request, will be considered overtime tests and will be billed at 1.25 times the normal rate.

Job incurred expenses will be billed at 1.15 times the actual expenses and will include, but are not limited to: reproduction, subsistence, commercial transportation, toll calls, backhoe and drilling rig costs and materials.

Unless previous arrangements have been made, all statement amounts not paid within 30 days of the billing date will be assessed late charges at the rate of 1.5% per month (18% per year) on the unpaid balance, retroactive to the date of the original billing.

# Gilfilian Engineering, Inc.

Professional Environmental Consultants

Main Office: 255 E. Fireweed Lane, Suite 102, Anchorage, Alaska 99503  
(907) 277-2021 • Fax (907) 274-8683  
Mat-Su Office: 5751 Mayflower Court, Wasilla, Alaska 99654-7880  
(907) 376-3005 • Fax (907) 373-5686

November 30, 1991

RECEIVED

DEC 3 - 1991

City of Wasilla, Alaska

Mr. Bob Harris  
Deputy Administrator  
City of Wasilla  
290 E. Herning Avenue  
Wasilla, Alaska 99687

RE: Proposal for Engineering Services  
Wasilla Sewage Treatment Facility  
GEI Project No. W.O. #91-01

Dear Mr. Harris:

This letter is in response to your request of November 26, 1991 regarding a proposal from Gilfilian Engineering, Inc. (GEI) to provide engineering services for the design, construction and start-up of the replacement sewage treatment and disposal system for the City of Wasilla. Our engineering services would continue with the development of the final engineering plans for the upgrade and expansion of the treatment and disposal system as described in the attached report dated April 18, 1991.

The above referenced report was prepared by GEI under Work Order No. 91-01 and presented to the Wasilla City Council for FY 92 capital improvement projects. This report was based on a conceptual plan utilizing a Recirculating Granular Media Filter (RGMF) treatment process that was evaluated by GEI.

A detailed estimate of the cost for our services to complete the project as requested is difficult to determine at this time. We propose to use a Time and Expense Budget approach that will be based on a reasonable percentage of the estimated construction cost. Typically, the percentage factors used for the preparation of final engineering plans, specifications and engineer estimate (PS & E) and acquisition of permits ranges from 6 to 12 percent dependent on the complexity of the design and the amount of risk in the project. Also, it is our understanding that the City will require GEI to have Errors and Omission (E&O) Insurance on this project.

*Exhibit B.*



In consideration of the nature of this project, we believe a five (5) percent factor would be appropriate to develop a working budget. The final plans, specifications and engineer estimate will provide a bid ready package for a septic tank effluent treatment facility capable of handling 200,000 gallons per day. This treatment process will use the RGMF concept that is described in the above referenced report.

It is estimated that the construction costs for these improvements may range from \$1 million to \$1.16 million. Based on a 5 percent factor, the cost for our services to prepare the final plans and specifications and engineer estimate (PS & E) will be budgeted at \$55,000. The design budget estimate includes the cost for one reproducible set of plans and specifications complete for bidding purposes.

It is also understood, you desire to have GEI provide construction inspection and contract administrative services during the construction project. As a rule, the budget for these services are nearly the same as the design budget. The approach taken by the City in constructing the facility will make a significant difference in the amount of effort needed by our firm to administer the project.

In consideration of the type of sewage treatment process proposed for this facility, it is estimated that the cost for construction inspection and contract administration will be budgeted at \$35,000. This budget will be based on time and expenses charges incurred on this project.

In addition, the City desires to have GEI provide engineering services for the start-up and troubleshooting of the new replacement RGMF sewage treatment and disposal system. This phase of work will also include the preparation of an operational manual for the treatment process.

During the start-up work, the RGMF system will be monitored for its effectiveness to treat the effluent and determine if the treated effluent is meeting an Alaska Department of Environmental Conservation (ADEC) discharge permit requirements. Again, these services will be rendered on a time and expense basis for a total budget amount not to exceed \$10,000 for over a two (2) month period after the activation of the new treatment process.

The following section provides a summary of the projected budget for the above described tasks.

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**BUDGET SUMMARY**

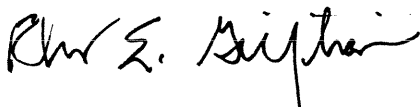
1.	Preparation of final plans, specifications and engineers estimate (PS & E) including the finalization of the Effluent Discharge Permit from ADEC.	
		\$ 55,000,00
2.	Construction Inspection and Contract Administration	
		35,000.00
3.	Plant Start-up, Troubleshooting and Preparation of Operation Manual	
		10,000.00
	<b>TOTAL BUDGET</b>	<b>\$ 100,000.00</b>

Because of the uncertainties in the extent of the scope of work, we wish to request the flexibility to transfer budget amounts between the various tasks listed above. However, it is understood that the total budget amount will not exceed \$100,000 without prior client authorization.

We are excited about this project and are prepared to begin the next phase of work as soon as we are directed to do so. If there are any questions on this proposal, please do not hesitate to contact me. I will not be available until December 16, 1991. During my absence, please direct any questions you may have on this proposal to Mr. Peter Curtis at 376-3005.

Sincerely,

GILFILIAN ENGINEERING, INC.



Robert E. Gilfilian, P.E.  
President

Attachment



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

### PROPOSED UPGRADE AND EXPANSION SEWAGE TREATMENT AND DISPOSAL SYSTEM

April 18, 1991

#### BACKGROUND

The City of Wasilla is the first community in Alaska to construct and operate a large municipal drainfield facility. The drainfield facility is used to treat and dispose of septic tank effluent collected in the City's pressure sewer system. The drainfield facility was constructed under the US Environmental Protection Agency's Innovative and Alternative Program and is one of the largest municipal drainfields in the nation.

Since the start-up of the drainfield facility in December 1986, the City has monitored the drainfield's operation and performance. The monitoring program has involved the monthly collection and analyses of samples from the wastewater influent, drainfield beds, groundwater wells and a nearby stream. The hydraulic capacity of the individual drainfield beds was also monitored.

Based on the results of the comprehensive monitoring program, the City identified several significant problems associated with the operation and performance of the drainfield facility. The two (2) most significant problems that need to be resolved are:

1. Limited Hydraulic Capacity- The drainfield facility was originally designed to treat and dispose of 440,000 gallons per day (gpd). Since the start-up of the facility, the quality of the wastewater applied to the drainfield beds caused a rapid formation of clogging in the soils beneath the beds. The drainfield beds have experienced premature hydraulic failure as a result of the excessive soil clogging condition.

The drainfield facility appears to have a limited long-term hydraulic capacity of approximately 100,000 gpd. Consequently, the use of the City's new sewer system is restrictive and will severely limit the growth and proper development of Wasilla.

2. Adverse Environmental Impact- The discharge of sewage effluent into the drainfield beds caused degradation of the quality of the groundwater aquifer and a groundwater spring located on the drainfield site. The treatment of the wastewater effluent in the soil zone beneath the drainfield beds had been documented to be inadequate. The untreated wastewater effluent has violated the permit discharge standards established by the Alaska Department of Environmental Conservation (ADEC).

#### PROPOSED UPGRADE AND EXPANSION IMPROVEMENTS

The City of Wasilla has evaluated several corrective action alternatives to provide an acceptable method for the treatment and disposal of the septic tank effluent. Because of the unique high strength characteristics of septic tank effluent, the City has selected an alternative treatment process that can affectively treat septic wastewater.

The selected treatment process, referred to as a Recirculating Granular Media Filter (RGMF), involves the use of a gravel media that filters recirculated effluent. The RGMF process was recently developed for the treatment of strong wastewater and found to consistently produce high quality effluent at relatively low operating and maintenance costs.

The RGMF treatment process offers several advantages for the conversion (upgrade and expansion) of the existing Wasilla drainfield facility. The existing treatment plant facilities are usable with minor modifications to retrofit the components for use in the RGMF treatment process. The RGMF system is capable of being developed in phases that will accommodate future increases in wastewater flow; thereby, decreasing initial capital improvement costs. Also, minimal operator skill is needed for the operation of the RGMF treatment process.

Operation of the RGMF Treatment System: Influent from the City's septic tank effluent pump (STEP) sewer system flows to a recirculating tank. In controlled doses, the mixture of fresh influent and recirculated, partially treated, filtrate is applied to a gravel media filter bed through a pressure distribution system. The wastewater drains through the gravel media and undergoes biological treatment on the surface of the media particles. The treated wastewater (filtrate) is collected at the bottom of the filter, and returned to the recirculating tank. The filtrate is mixed with fresh influent and cycles to the gravel filter bed. A portion of the filtrate flow is discharged through a float controlled valve to a chlorination unit. The chlorinated treated effluent flows through the chlorine contact chamber and discharges by gravity to a nearby stream.

A schematic flow diagram of the proposed upgrade and expansion improvements is shown on the attached drawing. The proposed improvements are designed to provide adequate treatment for 200,000 gpd. The RGMF process is designed for a recirculation ratio of 5:1 at a dosing rate of 2,000 gpm for 5 minutes every 30 minutes.

The RGMF treatment process has the potential to handle greater hydraulic flows, but the ultimate capacity will be dependent on the cold climate affect on the performance of the gravel filter media. Because of the limited information on the performance of RGMF treatment systems in cold climate areas, the initial use of the RGMF system will be seasonally restricted to the above freezing temperature times of the year.

The normal operation (current use) of the drainfield system will be activated during the winter months. This arrangement will allow the drainfield beds to rest for nearly 6 months of the year. The operation of the RGMF system will be tested and evaluated during the colder times of the year and may prove to be usable for the entire year.

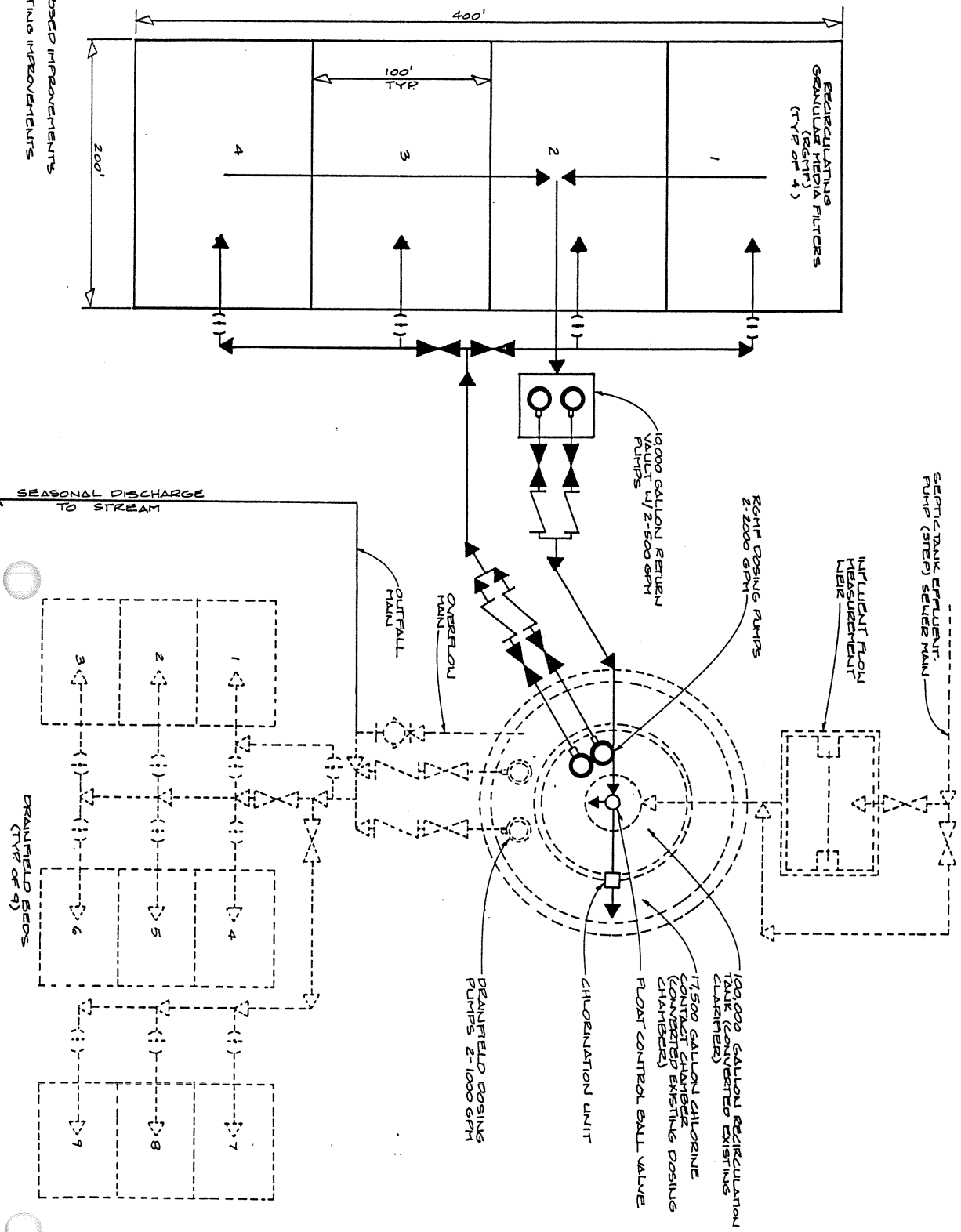
As shown on the attached flow diagram, the proposed upgrade and expansion improvements will consist of the following changes and additions:

- The existing 100,000 gallon clarifier will be converted into a recirculation tank.
- Effluent from the recirculating tank will be alternately dosed via 2 - 2,000 gpm pumps to 4 - 20,000 s.f. surface area recirculating gravel media filters (RGMF).
- Filtrate from the RGMFs will flow by gravity to a 10,000 gallon return vault and pumped via 2 - 500 gpm pumps to the inlet of the recirculation tank.
- An overflow volume equivalent to the influent flow will be discharged from the recirculating tank through a float controlled valve to a chlorination unit.
- The chlorinated effluent will flow into the existing 17,500 gallon dosing chamber that will be converted into a chlorine contact chamber.
- The finished treated effluent will flow by gravity from the chlorine contact tank through an existing overflow main to the headworks of Drainfield Bed No. 1.
- A new gravity outfall main will discharge the treated effluent to the nearby stream on the City's property.

PRELIMINARY COST ESTIMATE

SITWORK: clearing, grubbing, and excavation	\$165,000
RECIRCULATING TANK: clarifier conversion and chlorine contact chamber	100,000
YARD PIPING & PUMPING SYSTEM	100,000
RECIRCULATING GRANULAR MEDIA FILTERS	650,000
OUTFALL DISCHARGE SYSTEM	<u>20,000</u>
Total Construction Cost Estimate	\$1,035,000
Design and Construction Admin. (7.5%)	78,000
Administration Costs (2%)	21,000
Subtotal Cost	\$1,134,000
Contingency (10%)	<u>113,000</u>
ESTIMATED TOTAL PROJECT COST	\$1,247,000

**NOTE**  
 PROPOSED IMPROVEMENTS  
 EXISTING IMPROVEMENTS



**SCHMATIC FLOW DIAGRAM**  
 CITY OF WASILLA  
 PROPOSED UPGRADE AND EXPANSION  
 SEWAGE TREATMENT AND DISPOSAL SYSTEM

W.O. # 91-01  
 DATE: APRIL 18, 1991  
 DRAWN BY: M.H.  
 NOT TO SCALE

Gilfilian Engineering, Inc.  
 P.O. Box 871868  
 Wasilla, Alaska 99687

80

FAX TRANSMISSION

From: WARD LIVINGSTON

Date: January 27, 1992

For inquiries on transmissions call

To: ROBERT E. GILFILLIAN, P.E.  
Company: GILFILLIAN ENGINEERING, INC.  
Town/Country: ANCHORAGE

Fax: 274-8683

Number of pages: 7 (including this cover)

Subject/Reference: WASTE WATER TREATMENT FACILITY PROJECT  
ESTIMATED PREMIUM PROJECT POLICY

Message

FOLLOWING IS THE ESTIMATED PREMIUM FOR PROJECT INSURANCE ON

THE WASILLA WASTE WATER TREATMENT FACILITY. THE UNDERWRITER

WOULD BE EVANSTON INSURANCE COMPANY WHICH HAS AS BEST RATING OF

B+. IT IS A NON-ADMITTED SURPLUS LINES UNDERWRITER IN ALASKA.

THERE WOULD BE 3.7% FEES AND TAXES ADDED TO THE PREMIUM, AND

THEY ARE NOT COVERED UNDER THE STATE GUARANTEE FUND WHICH COVERS

CERTAIN LOSSES DUE TO THE INSOLVENCY OF INSURANCE COMPANIES

LICENSED TO DO BUSINESS IN THE STATE.

I HOPE THIS HELPS FOR YOUR MEETING TONIGHT. IF YOU HAVE ANY

QUESTIONS, PLEASE CALL.

Willis Corroon  
Corporation of  
Anchorage  
4220 B Street  
Anchorage, AK 99503  
Telephone 907-562-2266  
Fax 907-562-6483





Shand Morahan

Shand, Morahan & Company, Inc.  
Shand Morahan Plaza  
Evanston, Illinois 60201  
708/866-2800

January 27, 1992

Ward Livingston  
WILLIS CORROON CORPORATION  
4220 B STREET  
ANCHORAGE, AK 99503

RE: GILFILIAN ENGINEERING, INC.  
Waste Water Treatment Facility Project

ARCHITECTS & ENGINEERS PROFESSIONAL LIABILITY

Dear Ward:

Here is a ballpark indication for coverage to apply to the above project only.

TERM OF COVERAGE: 1 year policy + 2 year discovery  
LIMIT(per term): \$1,000,000  
DEDUCTIBLE(per claim): \$25,000  
ESTIMATED PREMIUM: approximately \$30,000

In order to furnish a quotation, we will require the following.

1. A completed Shand Morahan project application;
2. A complete description of the project;
3. A copy of the contract between the applicant and the owner;
4. Background information on the applicant and all members of the design team.

I am faxing you a copy of our Project application and also a copy of our new project policy fact sheet for future use.

Sincerely,

Edward P. Signatur

(708) 866-0734

VIA FAX - 6 PAGES FOLLOW



# CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: (907) 373-9050  
FAX: (907) 373-0788

## SEWER TREATMENT PLANT DAILY AVERAGE FLOW

YEAR	MONTH	TOTAL MONTHLY FLOW	AVG. DAILY FLOW (GALS)
1986	November	2,020,000	67,360
1986	December	2,270,000	73,226
1987	January	2,178,000	70,258
1987	February	1,909,000	68,178
1987	March	2,101,000	67,774
1987	April	2,089,000	69,633
1987	May	2,576,000	83,096
1987	June	2,755,000	91,836
1987	July	2,927,000	94,419
1987	August	2,787,000	89,903
1987	September	2,846,000	94,866
1987	October	2,525,000	81,451
1987	November	2,280,000	76,000
1987	December	2,295,000	74,370
1988	January	2,195,000	70,810
1988	February	2,134,000	73,590
1988	March	2,346,000	75,420
1988	April	2,290,000	73,870
1988	May	2,400,000	77,420
1988	June	2,438,000	81,370
1988	July	2,470,000	79,680
1988	August	2,496,000	80,520
1988	September	2,185,000	72,833
1988	October	1,729,000	55,774
1988	November	1,752,000	58,400
1988	December	2,103,000	67,839
1989	January	1,584,000	52,800
1989	February	1,875,000	66,964
1989	March	2,512,000	81,032
1989	April	2,350,000	78,333
1989	May	1,394,000	46,467
1989	June	2,301,000	74,226
1989	July	1,258,000	40,580
1989	August	993,000	32,032
1989	September	713,000	23,767
1989	October	1,176,000	37,935
1989	November	2,149,000	71,633
1989	December	2,248,000	72,516

YEAR	MONTH	TOTAL MONTHLY FLOW	AVG. DAILY FLOW (GALS)
1990	January	2,344,000	75,613
1990	February	1,932,000	69,000
1990	March	2,502,000	80,710
1990	April	2,858,000	95,267
1990	May	2,552,000	82,323
1990	June	2,365,000	78,834
1990	July	3,010,000	100,334
1990	August	3,281,000	105,839
1990	September	3,166,000	105,534
1990	October	3,109,000	100,291
1990	November	2,944,000	98,134
1990	December	2,877,000	95,900

YEAR	MONTH	TOTAL MONTHLY FLOW	AVG. DAILY FLOW (GALS)
1991	January	2,804,000	90,452
1991	February	2,263,000	80,821
1991	March	2,446,000	78,903
1991	April	2,596,000	86,533
1991	May	2,511,000	81,000
1991	June	2,364,000	78,800
1991	July	2,802,000	90,387
1991	August	3,821,000	123,258
1991	September	3,709,000	125,966
1991	October	3,067,000	98,935
1991	November	3,257,000	108,567
1991	December	3,184,000	102,710

ANNUAL AVERAGE DAILY FLOW

YEAR	AVERAGE DAILY FLOW
1987	86,346 gallons
1988	72,524 gallons
1989	56,524 gallons
1990	90,649 gallons

AVERAGE MONTHLY FLOW

1987	2,676,726 gallons
1988	2,248,244 gallons
1989	1,752,244 gallons
1990	2,810,119 gallons

# STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

SOUTHCENTRAL REGIONAL OFFICE  
3601 C ST., SUITE 1334  
ANCHORAGE, AK 99503

563-6529

CERTIFIED MAIL  
RETURN RECEIPT  
REQUESTED

P 521 087 212

November 20, 1991

The Honorable John Stein  
City of Wasilla  
290 E. Herning Avenue  
Wasilla, Alaska 99687

RECEIVED

NOV 22 1991

City of Wasilla, Alaska

Dear Mayor Stein:

RE: Waste Disposal Permit Application  
ADEC File No. 9122-DB003

The Department of Environmental Conservation has reviewed your Waste Disposal Permit Application for the Wasilla Sewage Treatment Plant. Based on our evaluation, Permit No. 9122-DB003 is hereby granted and found to be consistent with the Standards of the Alaskan Coastal Management Program, 6 AAC 80.

Please note the conditions in Appendices A, B, and C. This permit expires November 1, 1993 and must be renewed by that date for continued operation of the facility. Department regulations require that renewal requests be received at least 30 days prior to expiration of a wastewater disposal permit. Requests not received prior to this date can not be renewed and must be reissued as a new permit, this process takes a minimum of 60 days during which time the facility may be prohibited from operation. Appendix C is the form to be used when reporting discharge monitoring results; copies should be made from the original.

Department of Environmental Conservation regulations provide that any person who disagrees with any portion of this decision, may request an adjudicatory hearing in accordance with 18 AAC 15.200-920. The request should be mailed to the Commissioner of the Alaska Department of Environmental Conservation, Pouch O, Juneau, Alaska 99811-1800, or delivered to his office at 3220 Hospital Drive, Juneau. Please send a copy

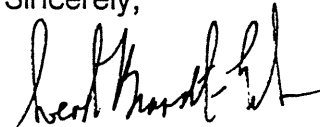
City of Wasilla  
Permit No. 9122-DB003

-2-

November 19, 1991

of any such request to the undersigned. You are reminded that, even if an adjudicatory hearing has been requested and granted, all permit conditions remain in full force and effect. Failure to submit a hearing request within thirty (30) days of receipt of this letter shall constitute a waiver of that person's right to judicial review of this decision.

Sincerely,



Svend Brandt-Erichsen  
Regional Administrator

SBE\RD\ji  
ENCLOSURES

cc: (w/ENCLOSURES)  
Mat-Su District Office, ADEC  
Valerie Haney, EPA, Anchorage  
Robert Gilfilian  
Elaine Pistoresi

STATE OF ALASKA  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION  
SOUTHCENTRAL REGIONAL OFFICE  
3601 C STREET, SUITE 1334  
ANCHORAGE, ALASKA 99503

RECEIVED

NOV 22 1991

City of Wasilla, Alaska

City of Wasilla  
290 East Herring Avenue  
Wasilla, AK 99687

PERMIT NO. 9122-DB003

DATE ISSUED: November 19, 1991

This permit is issued to the City of Wasilla for the surface and subsurface discharge of a maximum of 200,000 gallons per day of treated domestic wastewater at Wasilla, Alaska, in the SE  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 13, T17N, R1W, Seward Meridian. This permit is subject to the conditions contained in Appendices A, B, and C which are incorporated herein by reference.

This permit is issued under provisions of Alaska Statutes 46.03, the Alaska Administrative Code as amended or revised, and other applicable State laws and regulations.

This permit is effective on issuance and expires November 1, 1993 unless superseded before that time by State Certified NPDES permit. It may be terminated or modified in accordance with AS 46.03.120.

11-21-91  
Date Issued

  
Svend Brandt-Erichsen  
Regional Administrator

DISCHARGE MONITORING REPORT

PARAMETER		CONCENTRATION			UNITS	FREQUENCY OF ANALYSIS	SAMPLE TYPE
		MINIMUM	AVERAGE	MAXIMUM			
Oil and Grease	Sample Measurement						
	Permit Requirement			N/A	mg/l	monthly	grab
Ammonia	Sample Measurement						
	Permit Requirement			N/A	mg/l	monthly	grab
Nitrate as Nitrogen	Sample Measurement						
	Permit Requirement			N/A	mg/l	monthly	grab
Lead	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Chromium	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Cadmium	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Mercury	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Silver	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab

Comment and Explanation of any violation:

Type or Print Name and Title of Principal Executive or Authorized Agent:

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_



APPENDIX A - OPERATIONA. APPLICATION COMPLIANCE

The Permittee shall comply with all parts of their permit application submitted May 24, 1991 except as specified otherwise in this permit.

B. SITE PREPARATION

1. Engineering plan approval for system upgrades shall be obtained prior to construction of system modifications. This includes, but is not limited to, conversion of the existing 100,000 gallon clarifier into a recirculation tank and construction of the Recirculating Granular Media Filter (RGMF).
2. Upon completion of the RGMF system and review by this Department of system upgrades this permit may be reopened and modified upon request of the permittee to reflect and address the increased capacity of the system to handle wastewater flows.
3. A quality assurance/quality control (QA/QC) plan for the sampling program shall be submitted to Mat-Su District Office for review and approval no later than January 1, 1992.

C. SITE OPERATION

1. The discharge shall be limited to treated domestic wastewater and shall not exceed a maximum of 200,000 gallons/day. The wastewater shall be discharged to the subsurface and/or an unnamed stream located on the southern boundary of the property.
2. There shall be no discharge of floating solids, garbage, grease, foam, oily waste or wastewater containing a visible sheen or which may produce a film, sheen or coloration on surface waters.
3. The discharge shall not cause contamination of surface or groundwaters, and shall not cause a violation of the Alaska Water Quality Standards (18 AAC 70).
4. The disposal shall not cause adverse effects on aquatic or terrestrial plant or animal life, their reproduction, or habitat.

D. SITE MAINTENANCE

1. The permittee will conduct inspections of the status of the outfall line three times per year if the surface discharge mode of operation is used. These inspections shall be conducted just after breakup (April or May) when

APPENDIX A - OPERATION

exposed portions of the outfall are visible, during mid summer (July) and prior to freeze up (September or October). If breaks or leaks are found the Department shall be notified within 24 hours of discovery and immediate steps shall be taken to repair the damages.

2. Regular maintenance of the RGMF system shall be performed to insure the proper treatment of the wastewater. This maintenance shall be in accordance with the designer or manufactures recommendations.
3. The owner or operator shall keep equipment maintenance logs of any scheduled or non-scheduled maintenance. These logs shall be kept at the facility and be made available to inspectors at their request. These logs shall include the time, date, scope of work performed, and name(s) of persons performing the work.

E. LIMITATIONS AND MONITORING

1. Unless otherwise specified in this permit, during the period beginning on the effective date to the expiration date, the Permittee is authorized to discharge in accordance with the following limitations and monitoring requirements below:

APPENDIX A - OPERATION

SURFACE DISCHARGE - EFFLUENT

Effluent Characteristics	Effluent Limitation			Monitoring Frequency	Sample Type
	Monthly Avg	Weekly Avg	Daily Max		
Flow	130,000 gpd		200,000 gpd	Monthly <sup>1</sup>	Meter
TSS	30 mg/l	45 mg/l	60 mg/l	Monthly	Grab
BOD <sub>5</sub>	30 mg/l	45 mg/l	60 mg/l	Monthly	Grab
Fecal Coliform			40FC/100ml	Monthly	Grab
Chlorine	Non-Detectable using DPD Method <sup>2</sup>			Monthly	Grab
Temperature			N/A	Monthly	Grab
pH			6.5 to 8.5	Monthly	Grab
Conductivity	N/A	N/A	N/A	Monthly	Grab
Oil and Grease	N/A	N/A	N/A	Monthly	Grab
Ammonia	N/A	N/A	N/A	Monthly	Grab
Nitrate as Nitrogen			N/A	Monthly	Grab

<sup>1</sup> Monthly monitoring for surface discharges shall only be conducted during months when the RGMF filter is in use or a surface discharge occurs.

<sup>2</sup> The DPD(N,N-diethyl-p-phenylene-diamine) Method used shall be either of the two methods listed in Standard Methods for the Examination of Water & Wastewater, American Public Health Association. Chlorine residual shall be measured in the effluent discharge prior to entering the creek, if chlorine is detected at this point another sample will be taken 10 feet down stream of the effluent discharge. Chlorine residual measured in the receiving water shall be non-detectable as specified in the limitations.

APPENDIX A - OPERATION

METALS MONITORING

Effluent Characteristics	Effluent Limitation			Monitoring Frequency	Sample Type
	Monthly Avg	Weekly Avg	Daily Max		
Lead			N/A	Annual/Semi-annual <sup>3</sup>	Grab
Chromium			N/A	Annual/Semi-annual <sup>3</sup>	Grab
Cadmium			N/A	Annual/Semi-annual <sup>3</sup>	Grab
Mercury			N/A	Annual/Semi-annual <sup>3</sup>	Grab
Silver			N/A	Annual/Semi-annual <sup>3</sup>	Grab

GROUND WATER MONITORING  
LEACH BED MONITORING

Sampling is required in the monitoring wells numbered 7, 17A and 18A in the upper aquifer and in monitoring well #19 in the lower aquifer.

Effluent Characteristics	Effluent Limitation			Monitoring Frequency	Sample Type
	Monthly Avg	Weekly Avg	Daily Max		
Fecal Coliform			1 FC/100ml	Quarterly/Annually <sup>4</sup>	Grab
Nitrate as Nitrogen			10 mg/l	Quarterly/Annually <sup>4</sup>	Grab
Conductivity			N/A	Quarterly/Annually <sup>4</sup>	Grab
pH			6.5 to 8.5	Quarterly/Annually <sup>4</sup>	Grab

2. If the Permittee monitors any effluent characteristic identified in this permit more frequently than required, the results of such monitoring shall be included in the calculation and reporting of the values required in the monitoring report (Part F). Such increased frequency shall also be indicated.

<sup>3</sup>In the immediate future as the facility is operated in its traditional mode as a drainfield this annual sampling will take place during the Month of June, at the monitoring wells specified in footnote #4. When the RGMF unit is incorporated into the facility the sampling schedule for metals will become semi-annual with groundwater sampling taking place in June as specified in this footnote and sampling of the surface discharge, if there is such discharge taking place in December. The annual sampling for metals may be increased to a more frequent schedule if sample results indicate elevated levels of these metals.

<sup>4</sup> Samples shall be taken during the months of March, June, September and December for the upper aquifer (monitoring wells #7, 17A and 18A) and samples will be taken in June for the lower aquifer (monitoring well #19).

APPENDIX A - OPERATION

3. Test procedures for the analysis of pollutants shall conform to methods cited in 18 AAC 70.020. The Permittee may substitute alternative methods of monitoring or analysis upon receipt of written approval from the Department.
4. All records and information resulting from the monitoring activities required by this permit, including all records of analyses performed, calibration and maintenance of instrumentation, recordings from continuous monitoring instrumentation, and any addition or modification of the facility, shall be retained at the facility for observation by the Department for three years. Upon request from the Department, the Permittee shall submit certified copies of such records.

F. REPORTING

1. Monitoring results as required in Part E shall be summarized each month and submitted to the following offices no later than 45 days following the monthly sampling or 15 days after receipt of the laboratory results:

Alaska Department of Environmental Conservation  
Southcentral Regional Office  
3601 C Street, Suite 1334  
Anchorage, AK 99503  
(907) 563-6529

Alaska Department of Environmental Conservation  
Mat-Su District Office  
P.O. Box 871064  
Wasilla, Alaska 99687  
(907) 376-5038

2. If for any reason the Permittee does not comply with or will be unable to comply with any effluent limitations specified in this permit, the Permittee shall report the noncompliance to the Department within 24 hours of becoming aware of such condition by telephone, telegraph, or in the absence of both, by mail. A written follow-up report shall be submitted to the Department within 10 days of the non-compliance. The report shall contain, but not be limited to:
  - a. Times and dates on which the event occurred and, if not corrected, the anticipated time the non-compliance is expected to continue;

APPENDIX A - OPERATION

- b. A detailed description of the event including quantities and types of materials involved;
  - c. details of any damage to the receiving environment;
  - d. details of actions taken or to be taken to correct the causes of the event; and
  - e. details of actions taken or to be taken to correct any damage resulting from the event.
3. For purposes of this permit, a violation of this permit, or contamination of surface or groundwaters shall be defined as any of the following:
- a. Discharging waste other than authorized.
  - b. Discharging waste to an area other than authorized.
  - c. Surface or groundwater levels exceeding levels specified in 18 AAC 70 (Water Quality Standards).

## APPENDIX B - GENERAL

A. Access and Inspection

The department's representatives shall be allowed access to the permittee's facilities to conduct scheduled or unscheduled inspections or tests to determine compliance with this permit and State laws and regulations.

B. Availability of Records

Except for information related to confidential processes or methods of manufacture, all application materials and records and reports submitted in accordance with the terms of this permit shall be available for public inspection at the department's Southcentral Regional Office.

C. Location of Permit and Application

The permittee shall maintain a copy of this permit and facility plans at the disposal facility or, if that is not feasible, at the permittee's or operator's place of business.

D. Civil and Criminal Liability

Nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance, whether or not such noncompliance is due to factors beyond his control, including but not limited to accidents, equipment breakdowns, or labor dispute.

E. Adverse Impacts

The permittee shall take all necessary means to minimize any adverse impact to the receiving waters or lands resulting from a violation or noncompliance with any limitations specified in this permit, including any additional monitoring needed to determine the nature and impact of the activity in noncompliance. The permittee shall clean-up and restore all areas adversely impacted by the noncompliance.

F. Cultural or Paleontological Resources

Should cultural or paleontological resources be discovered as a result of this activity, work which would disturb such resources are to be stopped, and the Office of History and Archaeology, Division of Parks and Outdoor Recreation, Department of Natural Resources, is to be notified immediately (907)561-2020.

## APPENDIX B - GENERAL

G. Property Rights

The issuance of this permit does not convey any property rights in either real or personal property, nor does it authorize any damage to private property.

H. Modifications or Changes

This permit authorizes only that operation specified in the application and permit. Any alteration, installation, expansion or modification which was not submitted as component of the permitted facility plan will require a written plan approval or permit amendment prior to implementation. Any expansion, modification, or other change in a facility process or operation which may result in an increase in emissions or discharges or may cause other detrimental environmental impacts from the permittee's facility requires a new permit.

I. Applications for Permit Renewal, Amendment or Plan Approval

Application for a renewal of or amendment to a permit will be treated in the same manner as the initial application, except that public notice or hearing will not be required for applications for renewal or amendment. Application for renewal or amendment or plan approval must be made no later than 30 days before the expiration of the permit or the planned effective date of the amendment or change.

J. Transfers

Should operation of the facility be contracted or a change in contractors be made, the new contractor shall be notified of the existence of the permit and its conditions. The permittee may request to transfer this permit to another proposed permittee. The written request must include a certified signed affidavit from the proposed new permittee stating that they accept this permit in its entirety. This department reserves the sole discretion to transfer this permit.

K. Termination

This permit terminates upon the expiration date. The department has the authority to terminate a permit upon 30 days written notice if the department finds that there has been a violation of the conditions of the permit.



DISCHARGE MONITORING REPORT - SURFACE DISCHARGE

Permittee Name/Address

Monitoring Period

Name: City of Wasilla  
 Address: 290 E. Herning Ave.  
 Wasilla, AK. 99687

From: \_\_\_/\_\_\_/\_\_\_  
 Yr. Mo. Day  
 To: \_\_\_/\_\_\_/\_\_\_  
 Yr. Mo. Day

Location: Wasilla, AK

PARAMETER		CONCENTRATION			UNITS	FREQUENCY OF ANALYSIS	SAMPLE TYPE
		MINIMUM	AVERAGE	MAXIMUM			
Flow	Sample Measurement						
	Permit Requirement		130,000	200,000	gpd	daily	meter
BOD <sub>5</sub>	Sample Measurement						
	Permit Requirement		30		mg/l	monthly	grab
TSS	Sample Measurement						
	Permit Requirement		30		mg/l	monthly	grab
Fecal Coliforms	Sample Measurement				FC/100ml		
	Permit Requirement			40		monthly	grab
Chlorine Residual	Sample Measurement						
	Permit Requirement			non-detect	mg/l	monthly	grab
Temperature	Sample Measurement						
	Permit Requirement			report	°F	monthly	grab
pH	Sample Measurement						
	Permit Requirement	6.5		8.5	Std.	monthly	grab
Conductivity	Sample Measurement				µmhos/cm		
	Permit Requirement			N/A		monthly	grab

Comment and Explanation of any violation:

Type or Print Name and Title of Principal Executive or Authorized Agent:

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

DISCHARGE MONITORING REPORT -SUBSURFACE DISCHARGE

Permittee Name/Address

Monitoring Period

Name: City of Wasilla  
 Address: 290 E. Herning Ave.  
 Wasilla, AK. 99687

From: \_\_\_/\_\_\_/\_\_\_  
 Yr. Mo. Day  
 To: \_\_\_/\_\_\_/\_\_\_  
 Yr. Mo. Day

Location: Wasilla, AK.

PARAMETER		CONCENTRATION			UNITS	FREQUENCY OF ANALYSIS	SAMPLE TYPE
		MINIMUM	AVERAGE	MAXIMUM			
Fecal Coliforms	Sample Measurement				FC/	quarterly	grab
	Permit Requirement			1	100ml		
Nitrate as Nitrogen	Sample Measurement					quarterly	grab
	Permit Requirement			10	mg/l		
Conductivity	Sample Measurement				μmhos	quarterly	grab
	Permit Requirement			N/A	/cm		
pH	Sample Measurement					quarterly	grab
	Permit Requirement	6.5		8.5	Std.		
Fecal Coliforms	Sample Measurement				FC/	annual	grab
	Permit Requirement			1	100ml		
Nitrate as Nitrogen	Sample Measurement					annual	grab
	Permit Requirement			10	mg/l		
Conductivity	Sample Measurement				μmhos	annual	grab
	Permit Requirement			N/A	/cm		
pH	Sample Measurement					annual	grab
	Permit Requirement	6.5		8.5	Std.		

Comment and Explanation of any violation:

Type or Print Name and Title of Principal Executive or Authorized Agent:

DATE: \_\_\_\_\_ SIGNATURE: \_\_\_\_\_

DISCHARGE MONITORING REPORT

PARAMETER		CONCENTRATION			UNITS	FREQUENCY OF ANALYSIS	SAMPLE TYPE
		MINIMUM	AVERAGE	MAXIMUM			
Lead	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Chromium	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Cadmium	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Mercury	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
Silver	Sample Measurement						
	Permit Requirement			N/A	µg/l	annual	grab
	Sample Measurement						
	Permit Requirement						
	Sample Measurement						
	Permit Requirement						
	Sample Measurement						
	Permit Requirement						

Comment and Explanation of any violation:

Type or Print Name and Title of Principal Executive or Authorized Agent:

DATE: SIGNATURE: