

## Addendum to the Minutes of the City Council Meeting of September 15, 2025

### Item 7B: Wastewater Treatment Plant Design Build Contract

#### Council Questions and Responses

City Manager Tom DuBois presented the resolution for a design-build agreement with Schneider Electric for the new wastewater treatment plant. He highlighted this as a significant, long-term project for the city. The initial phase of the agreement is a 240-day assessment, with a budget of \$550,000. The City has engaged HydroScience to act as its "owner advocate," ensuring the City's interests are represented throughout the project.

Below is a summary of questions asked by the City Council and the responses provided by City Manager Tom DuBois, Bill Senter of HydroScience, and Moses Bchara of Schneider Electric.

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#### Council member Swift

- **Question:** Who from the city will be our representative in this process, and who will be responsible for tracking the expenses to ensure we stay within our budget?
  - **Response from Tom DuBois:** Bill Senter (HydroScience) and Tom DuBois are the primary representatives of the City. They will track all expenses related to the project. DuBois also mentioned that they are pursuing a low-interest loan through I-Bank, which may reduce the need for a traditional financial advisor, but will bring in additional expertise if necessary.
  - **Question:** What are the staffing plans for the new plant once it is operational?
  - **Response from Tom DuBois:** It is too early in the process to determine the exact staffing needs. This will be a key part of the design phase. The team will evaluate the level of automation and the specific skill sets required for the new technology. The goal is to define the operational and maintenance budget during the design process to ensure the City is prepared.
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#### Council member Riordan

- **Question:** What are the biggest risks to this project?
- **Response from Moses of Schneider Electric:** The two primary risks were identified as **regulatory** and **funding**.
  - **Regulatory Risk:** The most significant regulatory challenge is compliance with the Federal Emergency Management Agency (FEMA), due to the plant's location within a floodplain. This issue needs to be addressed and resolved early in the project's assessment phase.
  - **Funding Risk:** The other major challenge is securing the full funding package required for the entire project.
- **Question:** Is the FEMA issue the biggest hurdle you see?

- **Response from Tom DuBois:** DuBois confirmed that the FEMA issue is a critical and immediate priority. He emphasized that successfully navigating the FEMA regulations is essential for the project to move forward.
  - **Question:** On the funding side, what are the contingencies if the I-Bank loan doesn't come through, or if it's less than we expect?
  - **Response from Tom DuBois:** There is a multi-pronged approach to funding. The I-Bank loan is the primary target because of the favorable interest rates, but the City is also actively pursuing state and federal grants. The City has already had promising conversations with the State Water Resources Control Board, and the City is confident that it can secure the necessary funding through a combination of these sources. The City will have a much clearer picture of the funding landscape by the end of the 240-day assessment period, and will not proceed to the construction phase without having the full funding package in place.
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### Council member Feist

- **Question:** Will our current City staff be able to handle their responsibilities related to this project in addition to their regular duties?
  - **Response from Tom DuBois:** Yes. The design-build model is specifically designed for situations like this. Schneider Electric and HydroScience will function as an "extended arm of the city," managing the day-to-day aspects of the project. This allows city staff to remain involved and provide necessary input without being overwhelmed by the additional workload.
  - **Question:** Has our attorney looked over the contract and is our attorney comfortable with with this?
  - **Response from Derek Cole (City Attorney):** Yes it has been reviewed and conforms with expectations.
  - **Question:** What about the operational side once the plant is built? Will we need to hire additional staff with specialized skills to run a more modern facility?
  - **Response from Tom DuBois:** This will be addressed during the design phase. We don't have a definitive answer yet because the technology choices we make will dictate the staffing needs. Part of this initial assessment and the subsequent design is to evaluate the level of automation and the specific skill sets required for the new plant. Our goal is to define the full operational and maintenance budget, including staffing, before we finalize the design and the GMP. This way, the Council and the City will have a complete picture of the long-term financial commitment.
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### Mayor Gunselman's Question

- **Question:** Can you explain the Guaranteed Maximum Price (GMP)? When is that price established, and what happens if the project costs exceed it?

- **Response from Moses Bchara, Schneider Electric:** The GMP is a firm, not-to-exceed price for the project. It is established after the 30% design milestone has been completed. The purpose of the initial 240-day assessment phase is to collaboratively define the project's scope and resolve major uncertainties (such as FEMA requirements and technology choices) to arrive at an accurate GMP. The design-build team (Schneider Electric) is responsible for any cost overruns beyond the GMP, which protects the city from unforeseen expenses.
  - **Question:** So the \$550,000 for this initial phase is part of the total project cost, correct? It's not in addition to the GMP?
  - **Response from Tom DuBois:** That is correct. The \$550,000 is part of the overall project budget and will be credited towards the final GMP.
  - **Question:** If we get through this initial phase and we don't like the GMP, what are our options?
  - **Response from Moses Bchara, Schneider Electric:** The GMP is developed collaboratively, so there shouldn't be any surprises. However, if the City is not satisfied with the GMP, the City would own all of the design work completed up to that point. You would be free to take that design and put it out to bid with other contractors.
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#### Council Member Sierk's Questions

- **Question:** I want to echo Council Member Swift's question about who our representative is. It's crucial to have a single point of contact who can provide us with regular updates.
  - **Response from Tom DuBois:** "That would be me. I am the project manager for the city." DuBois assured the council that he would be the primary point of contact and would provide regular updates on the project's progress.
  - **Question:** I am also concerned about the impact on our City staff. Can you provide more detail on how we will ensure they are not overburdened?
  - **Response from Bill Senter, HydroScience:** Mr. Senter explained that his role as the "owner advocate" is to be the "boots on the ground" for the City. He will work closely with the design-build team, attend all meetings, and ensure the City's interests are represented at every stage. This will free up City staff to focus on their regular duties.
  - **Question:** Regarding the GMP, what is the process if we don't agree with the price that is presented?
  - **Response from Moses, Schneider Electric:** The GMP is not a surprise. It is developed collaboratively with the City throughout the assessment and design phases. The city will have multiple opportunities to review the project's scope and budget and provide input. If, for some reason, an agreement on the GMP cannot be reached, the City would own the design work completed up to that point and could choose to take it out to bid with another firm.
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Following this comprehensive discussion and the detailed answers provided, the council voted 5-0 to approve the resolution and enter into the contract with Schneider Electric for the initial assessment phase of the wastewater treatment plant project.