

FARGO CITY COMMISSION AGENDA  
Monday, February 12, 2018 - 5:00 p.m.

City Commission meetings are broadcast live on TV Fargo Channel 56 and online at [www.FargoND.gov/streaming](http://www.FargoND.gov/streaming). They are rebroadcast Mondays at 5:00 p.m., Thursdays at 7:00 p.m. and Saturdays at 8:00 a.m. They are also included in the video archive at [www.FargoND.gov/citycommission](http://www.FargoND.gov/citycommission).

- A. Pledge of Allegiance.
- B. Roll Call.
- C. Approve Order of Agenda.
- D. Minutes (Regular Meeting, January 29, 2018).

**CONSENT AGENDA – APPROVE THE FOLLOWING:**

- 1. 1st reading of the following Ordinances:
  - a. Amending Section 10-0304, of Article 10-03 of Chapter 10 of the Fargo Municipal Code Relating to Public Safety, Morals and Welfare.
  - b. Amending Section 25-1506, of Article 25-15 of Chapter 25 of the Fargo Municipal Code Relating to Alcoholic Beverages.
- 2. 2nd reading of the following Ordinances; 1st reading on 1/29/18:
  - a. Rezoning Certain Parcels of Land Lying in Timber Parkway Second Addition.
  - b. Rezoning a Certain Parcel of Land Lying in Valley View Second Addition.
- 3. Receive and file Summons and Petition for Writ of Mandamus in the matter of Aaron L. Cockfield v. City of Fargo.
- 4. Receive and file Investment Report for the quarter ended December 31, 2017.
- 5. Receive and file Fourth Quarter Financial Status Report for Major Operating Funds through December 31, 2017.
- 6. Receive and file General Fund – Budget to Actual through January 31, 2018 (unaudited).
- 7. Five-year Indigent Defense Service agreements with Joe Johnson and Stormy Vickers for January 1, 2018 through December 31, 2022.
- 8. Applications for Games of Chance:
  - a. Josh Jensen Benefit for a raffle board on 3/10/18; Public Spirited Resolution.
  - b. St. Joseph's School for a raffle on 3/17/18.
  - c. Fargo Moorhead Derby Girls for a raffle on 3/17/18.
  - d. NDSU Men's Lacrosse Team for a raffle on 3/24/18.
  - e. Fargo Elks Lodge #260 for a calendar raffle from 5/1/18 to 5/31/18.
  - f. United Way of Cass-Clay for a raffle board on 2/24/18.
  - g. Fargo North PTSA for a raffle on 4/22/18.
  - h. University Lutheran Center for a raffle on 2/26/18.

## Tax exemptions for improvements made to buildings:

- a. Roger C. and Diane Genoch, 1502 28th Avenue South (3 year).
  - b. Blake A. and Addie R. Fidler, 1808 26 1/2 Court South (3 year).
  - c. Tyler J. Leverington, 746 Elm Street North, Unit C2 (5 year).
  - d. Ryan J. Nagle and Kjersten R. Nelson, 409 8th Avenue South (5 year).
  - e. Kenton R. Rodgers and Gudrun S. Lukat-Rodgers, 2820 Hickory Street North (5 year).
  - f. Travis J. and Alison L. Hoeg, 2586 Willow Road North (5 year).
  - g. Katie E. and Ryan Habgood, 1302 4th Street North (5 year).
  - h. Thomas A. and Denise K. Eide, 1005 9th Street South (5 year).
  - i. David C. and Jane E. Dahlgren, 1361 4th Street North (5 year).
  - j. Karlgaard Properties LLC, 734 College Street North (5 year).
10. Bid award for handicap seating upgrades at the FARGODOME.
  11. Bid award for suite finish upgrades at the FARGODOME.
  12. Contract Agreement with Jeremiah Program to provide a breastfeeding friendly environment for their employees.
  13. Agreement for Services with Jeff Knight to create branding for the Cass Clay Food Partners gleaning project.
  14. Purchase of Service Agreement with the ND Department of Health for targeted testing for tuberculosis infection and treatment (CFDA #93.116).
  15. Agreement for Services with the American Lung Association for tobacco prevention (RFP17386).
  16. Sole Source Procurement for replacement wear parts from Electric Pump for Sanitary Lift Station Nos. 19, 23 and 25 in the amount of \$110,406.50.
  17. Programmatic Categorical Exclusion document for Project No. SN-18-A1.
  18. Engineering Services Agreement Amendment No. 3 with Houston Engineering, Inc. for Project No. FM-15-F2.
  19. Change Order No. 1 for an increase of \$51,600.00 for Project No. TR-17-B1.
  20. Bid advertisement for Project Nos. FM-15-K and PR-18-A.
  21. Purchase of property at 1213 El Cano Drive South and direct engineering staff to negotiate the purchase of 4003 Copperfield Court once an updated appraisal has been received.
  22. Change Orders for the City Hall Project:
    - a. No. 18 for an increase of \$4,042.00 for the general contract.
    - b. No. 10 for an increase of \$2,165.00 for the mechanical contract.
    - c. No. 11 for an increase of \$4,881.00 for the mechanical contract.
    - d. No. 10 for a decrease of \$1,303.00 for the electrical contract.
  23. Change Orders for the Police Department Remodeling Project at the Border States Electric Building:
    - a. No. E-4 for an increase of \$10,826.50 for the electrical construction contract.
    - b. No. G-4 for an increase of \$2,421.00 for the general construction contract.

24. Bid award for a Gas Chromatography/Mass Spectrometer at the Water Treatment Plant.
25. Bills.
26. Engineering Services Agreement Amendment No. 1 for Improvement District No. BR-18-C0.
27. Final Balancing Change Order No. 3 for an increase of \$6,551.60 for Improvement District No. PR-16-F1.
28. Addition of Improvement District Nos. SL-17-A, SL-17-B and SL-17-C to the 2018 Capital Improvement Plan.
29. Amendment to Road Use Agreement with Kilbourne Construction Management and DFI Roberts LLC, Fargo for Improvement District No. BR-17-L1.
30. Create Improvement District Nos. BN-18-G, FM-17-C and PR-18-E.

**REGULAR AGENDA:**

31. Update on Apartment Incentive Policy Review by the Tax Exempt Review Committee.
32. Update on the North Dakota Interagency Council on Homelessness.
33. Public Hearings - 5:15 pm:
  - a. CONTINUE to 2/26/18 - Transfer of a Class "AB" Alcoholic Beverage License from Mom's Kitchen Inc. d/b/a Tailgator's Sports Café at 1322 Main Avenue to Demeske Enterprises Inc. d/b/a Tailgator's/Mom's Kitchen; continued from the 1/29/18 Regular Meeting.
  - b. Class "Z" Alcoholic Beverage License Applications for the following:
    1. District 64 LLC d/b/a District 64 at 64 Broadway North.
    2. L & S Hospitality LLC d/b/a Cowboy Jack's at 64 4th Street North.
      - a. Conduct a drawing to determine issuance of the Class "Z" Alcoholic Beverage License.
34. Proposal from Fargo Cass Public Health to administer the Good Neighbor Project Syringe Services Program.
35. Change Orders for Project No. WA1301:
  - a. No. 13 for an increase of \$211,760.00 for the general construction contract.
  - b. No. 11 for an increase of \$37,924.71 for the mechanical construction contract.
  - c. No. 6 for an increase of \$39,675.00 for the electrical construction contract.
36. Task Order No. 2 from AE2S in the amount of \$587,200.00 for Project No. WA1301.
37. Task Order No. 3 from AE2S in the amount of \$432,200.00 for Project No. WA1301.

People with disabilities who plan to attend the meeting and need special accommodations should contact the Commission Office at 701.241.1310. Please contact us at least 48 hours before the meeting to give our staff adequate time to make arrangements.

Minutes are available on the City of Fargo website at [www.FargoND.gov/citycommission](http://www.FargoND.gov/citycommission).



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## Memo

**To:** Fargo City Commission  
**From:** Ben Hushka, City Assessor   
**Date:** 2/7/2018  
**Re:** Update on Apartment Incentive Policy Review by Tax Exempt Review Committee

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The Tax Exempt Review Committee has been discussing the apartment Payment in Lieu of Tax (PILOT) incentive policy the past several meetings.

Several of the items discussed have revolved around the need for apartment incentives in the downtown area, boundaries defining the downtown focus area, need for incentives for low income families, and definitions of low and affordable rent units.

At the most recent meeting, the committee heard from Dan Madler, Chief Executive Officer for Beyond Shelter, an organization locally who has and continues to develop low income housing in Fargo.

Commissioner Piepkorn, the chairman of the Tax Exempt Review Committee, suggested that the information the committee has discussed up to this point, including information presented by Mr. Madler, would be beneficial for the City Commission to hear.

Mr. Madler as well as Lynn Fundingsland, Executive Director of the Fargo Housing Authority, have been invited to attend the February 12, 2018 Fargo City Commission meeting to participate in the discussion for this policy review update.

Included is a copy of the current policy on incentives for apartments in the downtown as well as low income housing. Also included is a map of a 2016 survey of downtown multi-family housing units.

**New or Expanding Industry Exemption Policy and Guidelines**

Businesses, whether commercial, industrial, or service are eligible for this exemption if they meet the State requirements and the following guidelines:

A \$250.00 non-refundable fee for public notices and processing of applications must be paid before any notices are published.

A new business to the community must not gain unfair advantage with existing competitors through the use of the exemption.

An existing business is eligible if expansion of the business includes new jobs, a dramatic increase in sales (projected or verified) and/or diversion into another line of product sales or production.

Warehousing and retail projects would not receive exemptions unless the owner could prove need or provide other information to justify granting the exemption.

An exemption which has been granted will be considered lapsed and invalid if construction has not begun in 1 year and/or completed in 2 years. Notice will be sent to the project operator 90 days prior to the exemption lapsing.

**Payment In Lieu of Taxes (PILOT) Option**

An option to establish up to 20 years of payments in lieu of property taxes or a property tax exemption may be available to qualifying projects and will be evaluated on a case by case basis. In addition to the general guidelines stated above, the PILOT incentive will include the following considerations and criteria:

PILOT payment schedules will be granted based on a percentage of building exemption for each defined yearly term. The actual annual payment amounts will be determined based upon the Assessor's initial completed property appraised value and the prevailing, most recently certified mill levy:

**Standard Exemption**

Exemption Years	% of Building Exempt
1-5	100%

**New Apartment Buildings Within Downtown Area Plan**

PILOT Years	% of Building Exempt Equivalent
1-5	100%
6-10	75%

**New or Expanding Industry Exemption Policy and Guidelines**

**Significant Commercial Construction/Renovation**

Private development of non-housing or mixed use projects with both housing and commercial use consisting of major building renovations or substantial new construction are eligible for a maximum of the following:

PILOT Years	% of Building Exempt Equivalent
1-10	100%
11-15	75%

Projects will include a “but for” review to determine if the incentive is necessary to make the project financially feasible. They will be evaluated to determine if the project will bring added commerce activity to benefit other businesses. Analysis will also be done to determine if the incentive will provide an unfair advantage over existing businesses. Total investment must be in excess of \$8,000,000.

Project must comply with at least one of the following:

- Significant new building construction of at least 40,000 square feet, equivalent in quality to Class A office with high quality exterior finish.
- Building is over 50 years old and complies with historic preservation standards.
- Renovation is greater than 50% of the current value of the building.
- Project complies with historic preservation standards
- Provides small living units or element of affordability.

**Manufacturing or Processing a Product From An Agricultural Commodity**

PILOT Years	% of Building Exempt Equivalent
1-10	100%

**Low Income Housing**

Qualifying projects under the federal Low Income Housing Tax Credit (LIHTC) program will be considered for a 15 year PILOT according to the following:

- City of Fargo must approve the LIHTC participation.
- PILOT payment schedule will be established based on a value of the project determined by using a gross rent multiplier (GRM) of 5.5–6.5 times the gross rents received from the project imposed by the low income credit program in the initial year.
- An annual inflation factor of 2% will be applied to the PILOT payment schedule.

Projects with an ownership interest by a political subdivision or qualified non-profit entity as defined in section 42 of the Internal Revenue Code, will be considered for a 15 year PILOT according to the following:

- Project must have begun after December 31, 2012.
- If a for-profit entity has an ownership interest, the agreement must provide first right of refusal to the non-profit entity, at no financial gain, in the transfer of the ownership interest in the property.

- PILOT payment schedule will be established based on the land tax, pro-forma estimate of effective gross rents, and utility expenses.
  - Year 1-3 PILOT payment = \$0
  - Year 4 PILOT payment = 5% times pro-forma Year 1 Effective Gross Rent minus Utility Expense minus (Year 1) Land Tax
  - Year 5-15 PILOT increases 2% per year over Year 4 PILOT

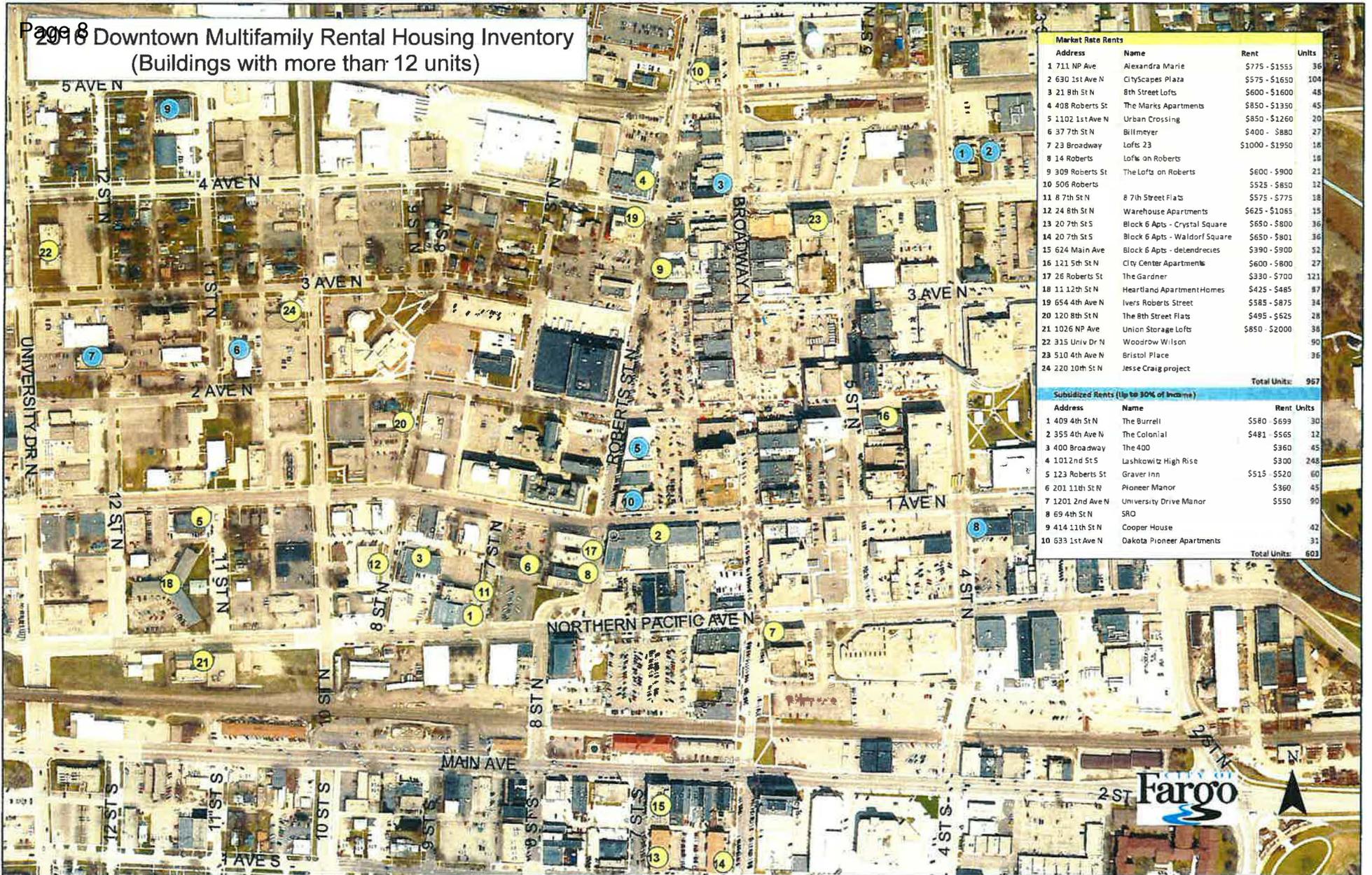
**Significant Commercial Construction/Renovation Outside Downtown**

Private development outside of downtown consisting of significant investment in tax base, large increase in jobs added, or providing support services to other local businesses may be eligible for incentives beyond the standard 5 years @ 100% exemption of building value.

**Additional Policy and Procedure Guidelines**

- Maximum number of years at 100% exemption equivalent will be 10 years.
- Maximum number of years for PILOT & exemptions will be 15 years.
- A development agreement will be prepared to require a financial review at 5 years and 10 years to evaluate the continued need for assistance.
- Projects receiving incentives will be subject to periodic audits of employee counts with provisions for revisions to the terms of the incentive based on audit results.

**Page 8** Downtown Multifamily Rental Housing Inventory  
 (Buildings with more than 12 units)



Market Rate Rents			
Address	Name	Rent	Units
1 711 NP Ave	Alexandra Marie	\$775 - \$1555	36
2 630 1st Ave N	CityScapes Plaza	\$575 - \$1650	104
3 21 8th St N	8th Street Lofts	\$600 - \$1600	48
4 408 Roberts St	The Marks Apartments	\$850 - \$1350	45
5 1102 1st Ave N	Urban Crossing	\$850 - \$1260	20
6 37 7th St N	Billmeyer Lofts 23	\$400 - \$880	27
7 23 Broadway	Lofts on Roberts	\$1000 - \$1950	18
8 14 Roberts	The Lofts on Roberts	\$600 - \$900	21
9 309 Roberts St	8 7th Street Flats	\$525 - \$850	12
10 506 Roberts	Warehouse Apartments	\$575 - \$775	18
11 8 7th St N	Block 6 Apts - Crystal Square	\$625 - \$1065	15
12 24 8th St N	Block 6 Apts - Waldorf Square	\$650 - \$800	36
13 20 7th St S	Block 6 Apts - delendrecies	\$650 - \$901	36
14 20 7th St S	City Center Apartments	\$390 - \$900	52
15 624 Main Ave	The Gardner	\$600 - \$800	27
16 121 5th St N	Heartland Apartment Homes	\$330 - \$700	121
17 26 Roberts St	Ivers Roberts Street	\$425 - \$485	87
18 11 12th St N	The 8th Street Flats	\$585 - \$875	34
19 654 4th Ave N	Union Storage Lofts	\$495 - \$625	28
20 120 8th St N	Woodrow Wilson	\$850 - \$2000	90
21 1026 NP Ave	Bristol Place		36
22 315 Univ Dr N	Jesse Craig project		
23 510 4th Ave N			
24 220 10th St N			
			<b>Total Units: 967</b>
Subsidized Rents (Up to 30% of Income)			
Address	Name	Rent	Units
1 409 4th St N	The Burrell	\$580 - \$699	30
2 355 4th Ave N	The Colonial	\$481 - \$565	12
3 400 Broadway	The 400	\$360	45
4 101 2nd St S	Lashkowitz High Rise	\$300	248
5 123 Roberts St	Graver Inn	\$515 - \$520	60
6 201 11th St N	Pioneer Manor	\$360	45
7 1201 2nd Ave N	University Drive Manor	\$550	90
8 69 4th St N	SRO		
9 414 11th St N	Cooper House		42
10 633 1st Ave N	Dakota Pioneer Apartments		31
			<b>Total Units: 603</b>



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**PLANNING AND DEVELOPMENT**

200 Third Street North  
Fargo, North Dakota 58102  
Phone: (701) 241-1474  
Fax: (701) 241-1526  
E-Mail: [planning@FargoND.gov](mailto:planning@FargoND.gov)  
[www.FargoND.gov](http://www.FargoND.gov)

**MEMORANDUM**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: NICOLE CRUTCHFIELD, DIRECTOR OF PLANNING AND DEVELOPMENT** *NC*

**DATE: FEBRUARY 8, 2018**

**SUBJECT: REPORT ON STATE INTERAGENCY COALITION ON HOMELESSNESS**

On Friday, February 9<sup>th</sup>, City of Fargo Planning will join other state-wide and local agencies to review and coordinate the state's 10 year plan to end homelessness. Staff will provide a report of this meeting at the City Commission meeting on February 12<sup>th</sup>. In addition, staff will provide updates to the process for City of Fargo's participation in the Fargo-Moorhead's 10 year plan to end homelessness update.



**North Dakota Interagency Council on Homelessness**

1:00 p.m., Friday, February 9, 2018

NDHFA Executive Board Room

2624 Vermont Ave., Bismarck

Agenda

- Call to Order
- Introductions
- Review of 10-Year Plan accomplishments and gaps (agencies to report)
- Discussion of Report to Governor
- Discussion of direction and future of the ICH

Statutory Members

Chris Jones	Department of Human Services
Kirsten Baesler	Department of Public Instruction
Leann Bertsch	Department of Corrections and Rehabilitation
Diana Hall	North Dakota Coalition for Homeless Persons
Michelle Kommer	Job Service North Dakota
Scott Davis	North Dakota Indian Affairs
Bonnie Malo	Division of Community Services
Jolene Kline	North Dakota Housing Finance Agency
Mayor Tim Mahoney	City of Fargo
Mayor Mike Seminary	City of Bismarck
Mayor Mike Brown	City of Grand Forks

## **Housing the Homeless**

### **North Dakota's 10 Year Plan to End Long Term Homelessness**

#### **Overall Goal and Role of the State**

Within the next 10 years, there exists a need for permanent housing and supportive services for an estimated 599 men, women and children who will experience long-term homelessness during this time frame. Based on the projected need, the State's goal is to assist local communities in providing housing, rent subsidies and support services for an estimated 461 households in the next 10 years. In other words, the number of long-term homeless individuals and families living in North Dakota communities will steadily decline to essentially zero by 2018. A benchmark of 50 units per year will enable North Dakota to reach its goal.

The overall role of the State of North Dakota is to provide incentives and support to local jurisdictions to develop permanent supportive housing options to individuals and families and successfully house them for the long term.

This will require a concerted and focused effort to provide solutions relating to the various disabilities often associated with homelessness, namely chemical dependency, serious mental illness, chronic medical conditions and developmental disabilities. Furthermore, supportive services and resources will need to be provided to address needs of people experiencing homelessness such as money management problems, a lack of access to transportation, bad credit and rental histories, unemployment and criminal backgrounds.

#### **Statewide Strategies and Action Plans by Strategy**

##### **Strategy #1: Develop Permanent Supportive Housing**

1. Develop non-federal sources of "soft money" for grants and non-amortized debt (e.g., equity that goes into a project that doesn't need to be paid back).

- Develop a program for non-federal sources of "soft money" for creation of new permanent supportive housing units for long-term homelessness.

2. Have enough housing units to support the needs of up to 461 households statewide by 2018.

- Develop financial incentives for converting existing rental units to permanent supportive housing.
- Develop risk mitigation tools for landlords (e.g., create an Indemnification Fund to help with corrections placement and/or people with background issues).
- Explore expanded role for the State of North Dakota in financing affordable housing projects.
- Examine program guidelines to maximize funds available through programs such as:
  - CDBG
  - Low Income Housing Tax Credit (LIHTC)

- HOME
  - Continuum of Care
  - Bond financing / tax exempt bonds
  - Emergency Shelter Grant (ESG)
3. Enhance the ability to create partnerships between developers and service providers.
- Facilitate an exchange of ideas and information between developers and service providers through education as well as the development of cultural competencies across the various professions.

**Strategy #2: Improve the Ability to Pay Rent**

1. Eliminate barriers to employment for people experiencing long term homelessness.
- Develop transitional jobs programs in North Dakota and support programs that provide on-the-job training for long-term homeless at both the state and the local level.
  - Seek more transportation resources such as travel vouchers in rural areas to transport people to and from work.
  - Build on the NDDOCR Re-entry program's "Employability" focus for incarcerated individuals.
  - Leverage vocational rehab programs as an opportunity for skill development and job creation for long-term homeless.
  - Connect long-term homeless people to existing employment programs.
2. Identify new sources for rent subsidies.
- Develop additional rent subsidies that can be used when Section 8 does not work or is not available.
    - S+C (targeted)
    - TBRA – HOME (run like S+C)
    - Homeless prevention – ESG (deposits, etc. for discharge situations)
  - Pursue utilization of non-traditional federal funding sources to pay for housing costs.
  - Pursue utilization of non-traditional State and private funding sources to pay for housing costs.
3. Improve access to mainstream supports (entitlement programs).
- Assist long-term homeless tenants to gain and maintain eligibility for mainstream supports (e.g. SSI, SSDI, TANF, food stamps, Medicaid, Medicare, Rep. payee, etc.).

**Strategy #3: Expand Supportive Services to Wrap Around Housing**

1. When a long term homeless individual accesses housing, ensure that they are also connected to supportive services.
- Support dissemination of successful evidence-based practices throughout NDDHS system (ex. IDDT, case aids, community supports).
  - Leverage case management resources from various agencies and organizations.

- Implement case management & other service practices appropriate to region and population based on best or emerging practices.
2. Assure that transitions aren't at a time when someone could "fall through the cracks." In other words, don't transition people into homelessness or uncertainty.
- Support the Transition from Prison to Community Initiative (e.g., Re-entry program).
  - Build a model and facilitate the partnerships that make "wrap-around" concepts work. Work with community partners to create culture of recovery which support individual's journey from homelessness.
  - Seek additional funding for supportive services (e.g., staffing, medications, housing assistance, flex funds, etc.).

**Strategy #4: Strengthen Prevention and Outreach Programs**

1. Emphasize prevention and outreach protocols to close the front door into homelessness.

- Support Transition from Prison to Community Initiative and the focus on enhanced re-entry services for ex-offenders (ex. "What you need to know" handbook prepared for offenders)
- Train state agency employees to integrate housing into the outreach work that state agencies are already doing
- Disseminate model practice for Project Homeless Connect.
- Ensure discharge planning in substance abuse and mental health facilities is coordinated with state plan and housing resources.
- Develop a statewide solution for landlord/tenant mediation as a key prevention practice.
- Build awareness about the homeless liaison program and other initiatives designed to address the needs of homeless youth.

**Strategy #5: Collect and Disseminate Data Relating to Long-term Homelessness**

1. Collect information on the homeless population and services provided from all agencies to allow comparison of anticipated and actual outcomes.

- Continue to support and coordinate HMIS (Homeless Management Information System).
- Explore ways to broaden the participation among stakeholders in the annual Point-in-time survey.

2. Market and measure progress on 10-year plan goals.

- Be proactive in disseminating information to regions by "digesting" information at the state level and creating a system of information dissemination to local communities.
- Help quantify the cost of action vs. inaction (e.g., the cost of ending vs. not ending long-term homelessness).
- Facilitate community conversations about homelessness by generation stories/materials.

MEMORANDUM

336-1

**TO:** Chief David Todd

**FROM:** Sergeant Matt Christensen

**DATE:** January 8<sup>th</sup>, 2018

**SUBJECT: Application for a Class "Z" Alcoholic Beverage License for District 64 LLC d/b/a: District 64 to be located at 64 Broadway, Fargo, ND.**

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation I questioned the applicant's criminal background, credit history, past residence history as well as any interaction they have had with law enforcement in any state.

The following information was discovered through this investigation:

**Chukweumeka Ilogu - Owner**

Criminal History- In August 2010, was arrested for Loud Party/Owner Failure to Cooperate in Fargo after refusing to make his guests leave the loud party. A bench warrant was issued after failing to appear in court after release from jail. Arrested on the warrant a month later and pled guilty to the offense receiving \$500 in fines.

In October 2007 was cited for Driving W/Out Liability Insurance. Warrant was issued after failing to appear for court and served in November 2007. Pled guilty and received 30 days in jail (suspended), Unsupervised Probation and \$150 in fines.

Credit History- Ilogu has a relatively low credit score, but all of his open accounts are current with no problems. Two accounts had been 30 days delinquent in the past, but are now current.

**Chinedu Ilogu - Owner**

Criminal History- No areas of concern

Credit History- Ilogu has a relatively low credit score as well, but all accounts are currently in good standing. Both low credit scores appear to be the result of lack of credit history.

**Investigation Notes**

Juice It Smoothie & Juice Bar recently applied for a Class "F" license to allow them to sell alcoholic beverages "on-sale" only. The current business is now moving in a new direction and changing the name to District 64 and will provide beverages which incorporate juices, juice smoothies and alcohol. They plan to provide a healthy selection of specialty beers and wine. District 64 plans to provide live entertainment as well to include DJs, local musicians and other recording artists.

**Business Location**

District 64 will be located at 64 Broadway Fargo, ND. Other businesses in the area with an alcoholic beverage license include; Hotel Donaldson, Vinyl Taco, Rooter's, Sport's Bar, Old Broadway, Fort Noks, Drunken Noodle, No Bull, The Boiler Room, Blackbird Woodfire, Front Street Taproom, and Rhombus Guys.

**Conclusion**

I believe I have discovered all information related to the listed applicant(s) and all information related to the issuance of the requested liquor license. I have provided this completed background investigation to Fargo Police Chief David Todd for his review and recommendation.



# APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE

Company name (LLC, Inc): Districtb4 LLC

Doing business as: Districtb4

Business address (location): 64 Broadway N, Fargo, ND 58102

Mailing address: Same as above

Business e-mail address: Ochplive@gmail.com

Phone number: (701) 840-2547 Other number: ( ) \_\_\_\_\_

**The following section to be completed by City Staff:**

Date Received by Auditor's Office: 12/21/17

Investigations Fee Paid (\$250)  Yes  No Date Paid: \_\_\_\_\_ Check # \_\_\_\_\_

Reviewed – Police Department by: \_\_\_\_\_ Date: \_\_\_\_\_

Comments (or see attached report):

\_\_\_\_\_ Approval Recommendation \_\_\_\_\_ Denial Recommendation

\_\_\_\_\_  
Chief of Police Date

Reviewed – Liquor Control Committee on (date): \_\_\_\_\_

\_\_\_\_\_ Approval Recommendation \_\_\_\_\_ Denial Recommendation  
(See attached comments or minutes)

Reviewed – City Commission on (date): \_\_\_\_\_

\_\_\_\_\_ Approval \_\_\_\_\_ Denial

**This application is for the Class or Classes of Licenses checked:**

- ( ) Class A Authorizes the licensee to sell "on-sale" only.
- ( ) Class B Authorizes the licensee to sell "off-sale" only. "Off-Sale" licensed premises must be no closer than 100 feet to any grocery store, drug store or gasoline service station or any part thereof.
- ( ) Class B "Limited" Authorizes the licensee to sell "off-sale" only. "Off-Sale" licensed premises must be no closer than 100 feet to any grocery store, drug store or gasoline service station or any part thereof. License is Non Transferable.
- ( ) Class AB Authorizes the licensee to sell "on-sale" or "off-sale". "Off-Sale" licensed premises must be no closer than 100 feet to any grocery store, drug store or gasoline service station or any part thereof.
- ( ) Class ABH Authorizes the licensee to sell "on-sale" or "off-sale", at hotels & motels with 100 or more guest rooms only.
- ( ) Class ABH "Limited" Authorizes license may be issued to persons engaging in "on-sale" of beer and wine or hosting "manager's specials," solely for guests or patrons of extended stay and limited service hotels or motels
- ( ) Class ABH-RZ Authorizes the licensee to sell "on-sale" or "off-sale", to hotel guests in a Renaissance Zone with 15 guestrooms.
- ( ) Class C Authorizes the licensee to sell beer "on-sale" only. No food sales required. Physical bar is allowed.
- ( ) Class D Authorizes the licensee to sell beer "off-sale" only.
- ( ) Class DD License shall only be issued to a domestic distillery owner or operator who has obtained a license from the ND State Tax Commissioner. No food sales required.
- ( ) Class E In nature of a special permit, shall authorize the holder of an existing "on-sale" license in the sale of On-sale only alcoholic beverages on such premises designated on the permit.
- ( ) Class F Authorizes the licensee to sell "on-sale" only served at table or booth; no bar allowed. Requires 50% or more of its annual gross receipts from the sale of prepared meals and not alcoholic beverages.
- ( ) Class FA Authorizes the licensee to sell "on-sale" only, physical bar is allowed. Requires 50% or more of its annual gross receipts from the sale of prepared meals and not alcoholic beverages.
- ( ) Class FA-Golf On USGA Golf Course or 9 or more holes. Requires 25% receipts of food sales from April to October and 50% the rest of the year.
- ( ) Class FA-Entertainment Authorizes the licensee to sell "on-sale" only, in a place of amusement or in a recreational establishment. Requires non-alcoholic sales to exceed alcohol sales.

- Class G Authorizes the licensee to sell wine and sparkling wine "on-sale" only, served at table or booth, no bar. Requires 50% food sales.
- Class H Authorizes the licensee to sell beer "on-sale" only, served at table or booth, with no bar allowed and requires 50% food sales.
- Class I Authorizes the licensee to sell beer, wine, and sparkling wine "on-sale" only. A physical bar is allowed and requires 65% food sales.
- Class I Entertainment Authorizes the Licensee to sell "on-sale" only of beer, wine and sparkling wine in a recreational establishment or place of amusement. A physical bar is allowed and 65 % of non-alcohol sales required.
- Class J Authorizes the licensee to sell "on-sale" only at a non-profit organization for military purposes.
- Class L Authorizes the licensee to sell "on-sale" only on an excursion boat operating on the Red River.
- Class M Authorizes the licensee to operate a Microbrew Pub or Domestic Winery and sell "on-sale" and "off-sale" offered in conjunction with another license. Allows the sale of Growlers.
- Class N Authorizes the licensee to sell "on-sale" only at a stadium with a minimum seating capacity of 2500.
- Class O Authorizes the licensee to operate a winemaker and/or vendor of winemaking supplies and related services.
- Class P Authorizes the licensee to operate a domestic winery and to sell wine "on-sale" and "off-sale". Allows limited beer sales.
- Class RZ-V Authorizes the licensee to sell "on-sale" only, located in an approved Renaissance Zone. The venue should be designed and intended to be used as a private event center or entertainment venue with square footage of at least 10,000 square feet and capacity of at least 300 people. The Venue must derive 60% or more of its annual gross receipts from the sale of tickets.
- Class W Authorizes the licensee to sell wine and sparkling wine "on-sale" only. A physical bar is allowed and no food sales required.
- Class Y Shall authorize the production brewery to obtain a brewer license and a retailer license. Must be licensed by the State Tax Commissioner. No food sales required.
- Class Z Authorizes the licensee to sell "on-sale" only issued to individuals not currently holding another "A", "AB", "ABH", or "ABH-RZ". A physical bar is allowed and no food sales required.

The following section to be completed by the applicant:

ALL APPLICANTS must initial #1 - #9 and sign in the space provided below.

- 1. COI All applicants must assure there is adequate off-street parking for my business (within the direction of and as approved by the City Commission). Membership in the current City parking program (e.g. "P.O.P") may place me in compliance with this requirement.
- 2. COI I have received a copy of the Alcoholic Beverage Ordinance(s) of the City of Fargo, read the ordinances and am familiar with the conditions and requirements of these ordinances.
- 3. COI If granted an alcoholic beverage license, I will obey, abide by and comply with the State of North Dakota Liquor Control Act, and the City of Fargo Alcoholic Beverage ordinances, as well as any amendments to either of these, which may be made from time to time.
- 4. COI I understand either, I, my manager(s), or both of us must attend a yearly meeting (date and time to be announced) with representatives from the Police and Health departments to discuss law enforcement and safety concerns as a condition of license renewal.
- 5. COI I understand that the premises described in the application, if licensed for alcoholic beverage sales, may be inspected at any time by the Chief of Police, or any officer of the Police or Health Departments as allowed by city ordinances and state law. My employees and I will cooperate with such inspections.
- 6. COI I understand that all employees, managers and owners engaged in mixing, pouring or service of alcoholic beverages **MUST** attend Server Training.
- 7. COI I am familiar with the question, answers and other information as it appears in the complete application of an alcoholic beverage license, and the answers and information are, to the best of my belief and knowledge, true, complete and accurate. (Note: This application must be made under oath before a Notary Public.)
- 8. COI I recognize the City of Fargo is subject to open records laws contained in chapter 44-04 of the N.D. Century Code. Section 44-04-18.4 contains an exception for trade secrets, proprietary, commercial, and financial information. I agree in submitting the application, that I have familiarized myself with this law. If any information being forwarded to the City of Fargo is claimed as confidential or proprietary under this section, I must clearly indicate this in writing when I submit this application, pointing out, in detail, why the information submitted is claimed as an exemption under section 44-04-18.4. I further agree to respond to, as well as to aid the City, in responding to any claim under 44-04-21.1 concerning this claim of confidentiality under 44-04-18.4.
- 9. COI I understand that **the license will expire on June 30 of each year** and a renewal process will need to be completed. This process will include a completed renewal application, payment in full for the required annual fee, a completed roster for each employee who pours or serves alcohol, attendance of Server Training for those listed on the roster, and a copy of your certified food sales if applicable to your license.

Applicant printed name: Chuck Ilogu Signature: 

Applicant printed name: \_\_\_\_\_ Signature: \_\_\_\_\_

Applicant printed name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Applicant Information:** (2 pages)

Name: Chuck Illogu  
 (first) (middle) (last) (maiden name)

---

Address: 4722 38<sup>th</sup> Avenue South, Unit D Fargo ND 58104  
 (address) (city) (state & zip)

How long have you lived at this address? August 1, 2017

Provide your address history for the past 5 years:

From May 2010 to July 31, 2017 Address: 4393 Calico Drive, #304, Fargo, ND 58104

From \_\_\_\_\_ to \_\_\_\_\_ Address: \_\_\_\_\_

E-mail address: ochplive@gmail.com

Home phone number: (701) 840-2547 Other number: (\_\_\_\_) \_\_\_\_\_

Date of Birth: 08/21/1987 Place of Birth: Lagos, Nigeria

List each driver's license you have ever had and the state of issue:

DL#: ILO-87-9849 State of Issue: ND Dates: Present

DL#: \_\_\_\_\_ State of Issue: \_\_\_\_\_ Dates: \_\_\_\_\_

Has your driver's license ever been suspended or revoked? X Yes \_\_\_\_\_ No If "yes," where and when.

**I had unpaid parking tickets back in college more than eight years ago and my license was suspended for a short short period of time until I paid the tickets.**

If "yes," have you ever been issued a citation for driving after your license was suspended or revoked?

\_\_\_\_\_ Yes X No If "yes," where and when?

Have you ever been convicted, plead guilty, or plead "no contest" to any law of the U.S., or any state, or of any local ordinance (other than traffic)? (DUI **should not** be considered a "traffic offense" – and therefore must be listed) \_\_\_\_\_ Yes X No

If "yes", provide the date of arrest, location, charge, and sentence of each conviction.

Have you been issued a citation for any alcohol-related offense? \_\_\_\_\_ Yes X No

If "yes", provide the date of arrest, location, charge of each conviction.

List all federal, state, and local licenses (including liquor licenses; excluding driver's licenses) you currently hold, formerly held, or may have an interest in:

**Food and beverage license**

Have any of the above named licenses ever been suspended or revoked?  Yes  No

If "yes", list the dates and reasons for the suspensions or revocations:

List your employment/business history for the past 7-year period:

From: June 2014 to Present Business name: Juice It, LLC

Address: 4302 13<sup>th</sup> Avenue South, Suite 18, Fargo, ND 58103 Position/Title: Owner

From: 2009 to 2014 Business name: Doolittles Woodfire Grill

Address: 2112 25<sup>th</sup> Street SW, Fargo, ND 58103 Position/Title: Server

From: 2008 to Present Business name: Hustle Proof Corporation

Address: 4393 Calico Drive South, #304, Fargo, ND 58104 Position/Title: Owner

Do you currently own or have a financial interest in any other business that sells or serves alcoholic beverages?  
 Yes  No If "yes", list each business below:

Have you ever manufactured, sold, or distributed alcoholic beverages on the wholesale or retail level?  
 Yes  No If "yes", indicate where, when, and for whom below:

Do you have any current or prior management experience working for a business that sells or serves alcohol?  
 Yes  No If "yes", describe below:

Make copies as needed for each shareholder/partner with 5% or greater interest in the company.

**Applicant Information: (2 pages)**

Name: Chinedu Uzoma Ilogu  
(first) (middle) (last) (maiden name)

Address: 5060 43<sup>rd</sup> Avenue South Fargo ND 58104  
(address) (city) (state & zip)

How long have you lived at this address? August 1, 2017

Provide your address history for the past 5 years:

From 2015 to July 31, 2017 Address: 4393 Calico Drive South, #304, Fargo, ND 58104

From 2012 to 2015 Address: 4259 9<sup>th</sup> Avenue Circle South, #209, Fargo, ND 58103

E-mail address: reenohpl@gmail.com

Home phone number: (701) 840-3178 Other number: (\_\_\_\_) \_\_\_\_\_

Date of Birth: 11/30/1988 Place of Birth: Lagos, Nigeria

List each driver's license you have ever had and the state of issue:

DL#: ILO-88-4099 State of Issue: ND Dates: Present

DL#: \_\_\_\_\_ State of Issue: \_\_\_\_\_ Dates: \_\_\_\_\_

Has your driver's license ever been suspended or revoked? \_\_\_\_\_ Yes X No If "yes," where and when.

If "yes," have you ever been issued a citation for driving after your license was suspended or revoked?  
\_\_\_\_\_ Yes \_\_\_\_\_ No If "yes," where and when?

Have you ever been convicted, plead guilty, or plead "no contest" to any law of the U.S., or any state, or of any local ordinance (other than traffic)? (DUI **should not** be considered a "traffic offense" – and therefore must be listed) \_\_\_\_\_ Yes X No

If "yes", provide the date of arrest, location, charge, and sentence of each conviction.

Have you been issued a citation for any alcohol-related offense? \_\_\_\_\_ Yes X No  
If "yes", provide the date of arrest, location, charge of each conviction.

List all federal, state, and local licenses (including liquor licenses; excluding driver's licenses) you currently hold, formerly held, or may have an interest in:

**Food and beverage license**

Have any of the above named licenses ever been suspended or revoked?  Yes  No

If "yes", list the dates and reasons for the suspensions or revocations:

List your employment/business history for the past 7-year period:

From: June 2014 to Present Business name: Juice It, LLC

Address: 4302 13<sup>th</sup> Avenue South, Suite 18, Fargo, ND 58103 Position/Title: Owner

From: 2010 to 2013 Business name: Kelly Services

Address: 4501 15<sup>th</sup> Avenue SW, Fargo, ND 58103 Position/Title: Various temp work

From: 2008 to Present Business name: Hustle Proof Corporation

Address: 4393 Calico Drive South, #304, Fargo, ND 58104 Position/Title: Owner

Do you currently own or have a financial interest in any other business that sells or serves alcoholic beverages?  
 Yes  No If "yes", list each business below:

Have you ever manufactured, sold, or distributed alcoholic beverages on the wholesale or retail level?  
 Yes  No If "yes", indicate where, when, and for whom below:

Do you have any current or prior management experience working for a business that sells or serves alcohol?  
 Yes  No If "yes", describe below:

Make copies as needed for each shareholder/partner with 5% or greater interest in the company.

**Operator/Manager Information**

Are you going to operate/manage this business personally?

X Yes \_\_\_\_\_ No If "no", who will operate/manage it?

Name:

\_\_\_\_\_  
(first) (middle) (last) (maiden name)

Address:

\_\_\_\_\_  
(address) (city) (state & zip)

Home phone number: (\_\_\_\_) \_\_\_\_\_ Other number (\_\_\_\_) \_\_\_\_\_

Date of Birth: \_\_\_\_\_ Place of Birth: \_\_\_\_\_

**(Important:** The name and other information about your manager must be provided before a license can be issued. If the manager changes during the course of the license period, you must provide the City Auditor's Office with updated information about the new manager immediately.)



**Operational and Financial Issues**

Briefly describe your business concept, including your analysis of how this model fits into the proposed location (i.e., describe the suitability of the "fit" into the existing neighborhood or business area).

(Use additional pages if necessary)

See Attachment

Describe in detail how you intend to address/prevent each of the following concerns at your Business:

(Use additional pages if necessary)

Over-serving, intoxicated or disorderly patrons:

Our bartenders and staff will be trained to recognize when someone has had a few too many and will immediately cut them off and refuse them any more service. We will refuse service of intoxicated or belligerent individuals.

Safety and security issues, including crowd control:

Refuse entry to anyone else once the bar reaches it maximum occupancy. Anticipated busier nights such as weekends will be staffed adequately with security.

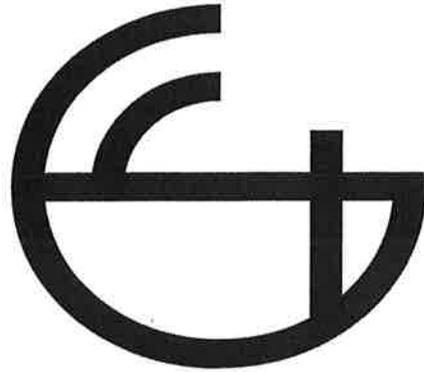
Minors on the premises, including consumption by minors:

I would check IDs of anyone ordering an alcoholic beverage before serving them. In the evenings there will be a staff checking IDs at the door. Only 21 & over will be allowed in.

Noise concerns, especially from nearby residences of other businesses:

We are located in the heart of downtown and are surrounded by other bars that offer entertainment and live bands so I don't believe there would be any concern about noise.

Do you plan to feature live entertainment?  Yes  No If "yes", describe what you envision at the time, including how often such entertainment will take place.



## DISTRICT 64

### Executive Summary

District 64 is a bar located in the heart of downtown Fargo with a unique yet eclectic selection of alcoholic beverages unprecedented in the Fargo local bar scene until now. Its set to provide exemplary service with juices and smoothies made with real fruits and fresh vegetables delicately complemented with some of our finest spirits. Our goal is to bring a taste of the islands to the mid-west in a comfortable & tranquil atmosphere. This premier bar will attract a diverse array of individuals to downtown Fargo area & bring an appealing thermosphere that is yet to be experienced by the locals

There is no other bar in the entire state of North Dakota with this concept. There will also be a healthy selection of specialty beers and wine which will appeal to the public's ever changing and increasingly more sophisticated demands for variety in beer and wine. The bar will also offer a full-service liquor bar.

Patrons will not be disappointed by the bar's offerings of specialty drinks.

District 64 will provide live music as well as entertainment performed by a DJ, local musicians, and also national recording artists.

### Owners Investment

To date, the owners have invested \$88,262 out of pocket to meet these startup costs including but not limited to a detailed floor plan, architectural blue print, engineer providing structural blue prints for fit up required in breaking down walls in strategic position for the themed bar, general contractor inspections with detailed analysis of project overview. Demolition of walls and removal of carpet and other unwanted material left in the space by previous tenant, hiring an attorney to apply and serve as a lesion through the city liquor application process, Paying for the city and state liquor license as well as liability insurance.

This project is ongoing already and another \$2,250,000 will for be put into fit-ups, remodeling of the space for this unique themed bar and purchase of the building.

MEMORANDUM

336-2

**TO:** Chief David Todd

**FROM:** Sergeant Matt Christensen

**DATE:** January 8<sup>th</sup>, 2018

**SUBJECT: Application for a Class "Z" Alcoholic Beverage License for L & S Hospitality LLC d/b/a: Cowboy Jack's to be located at 64 4<sup>th</sup> Street North, Fargo, ND.**

In accordance with Section 25-1505 of the Fargo Municipal Code, I have conducted an investigation into the character, reputation and fitness of the applicant(s) listed on the supplied application.

During this investigation I questioned the applicant's criminal background, credit history, past residence history as well as any interaction they have had with law enforcement in any state.

The following information was discovered through this investigation:

**Danielle Erickson – Owner/Manager**

Criminal History- No areas of concern.

Credit History- No areas of concern.

**David Erickson – Manager**

Criminal History- No areas of concern.

Credit History- No areas of concern.

**Investigation Notes**

Cowboy Jack's is planning to open a location in downtown Fargo and operate a bar and grill type business with a Western theme. All ages will be welcome in the establishment prior to 9pm, at which point only those over 21 years of age will be allowed to remain. Prior to 9pm, those under 21 will also not be allowed in the bar area of the business. The establishment plans to have live music once a week which will be indoors. If special occasions warrant an outdoor event with music, the music will be turned off at 10pm. The establishment will operate under current similar business models of downtown bars which offer food and alcohol. The Owner and manager are also involved with Bulldog

Tap and Hennessey's Irish Pub which have not had any recent issues with regards to Law Enforcement contact.

**Business Location**

Cowboy Jack's will be located at 64 4<sup>th</sup> Street North, Fargo, ND. Other businesses in the area with an alcoholic beverage license include; Hotel Donaldson, Rooter's, Vinyl Taco and JL Beers.

**Conclusion**

I believe I have discovered all information related to the listed applicant(s) and all information related to the issuance of the requested liquor license. I have provided this completed background investigation to Fargo Police Chief David Todd for his review and recommendation.



# APPLICATION FOR ALCOHOLIC BEVERAGE LICENSE

Company name (LLC, Inc): L & S Hospitality, LLC

Doing business as: Cowboy Jack's

Business address (location): 64 4<sup>th</sup> Street North Fargo, ND 58102

Mailing address: 4265 45<sup>th</sup> Street South #165 Fargo, ND 58104

Business e-mail address: derickson@bulldogtap.com

Phone number: (701) 866-2124 Other number: \_\_\_\_\_

**The following section to be completed by City Staff:**

Date Received by Auditor's Office: 12/19/17

Investigations Fee Paid (\$250)  Yes  No Date Paid: 12/19/17 Check # 5234

Reviewed – Police Department by: \_\_\_\_\_ Date: \_\_\_\_\_

Comments (or see attached report):

\_\_\_\_\_ Approval Recommendation

\_\_\_\_\_ Denial Recommendation

\_\_\_\_\_  
Chief of Police

\_\_\_\_\_  
Date

Reviewed – Liquor Control Committee on (date): \_\_\_\_\_

\_\_\_\_\_ Approval Recommendation

\_\_\_\_\_ Denial Recommendation

(See attached comments or minutes)

Reviewed – City Commission on (date): \_\_\_\_\_

\_\_\_\_\_ Approval

\_\_\_\_\_ Denial

**This application is for the Class or Classes of Licenses checked:**

- ( ) Class A Authorizes the licensee to sell "on-sale" only.
- ( ) Class B Authorizes the licensee to sell "off-sale" only. "Off-Sale" licensed premises must be no closer than 100 feet to any grocery store, drug store or gasoline service station or any part thereof.
- ( ) Class B "Limited" Authorizes the licensee to sell "off-sale" only. "Off-Sale" licensed premises must be no closer than 100 feet to any grocery store, drug store or gasoline service station or any part thereof. License is Non Transferable.
- ( ) Class AB Authorizes the licensee to sell "on-sale" or "off-sale". "Off-Sale" licensed premises must be no closer than 100 feet to any grocery store, drug store or gasoline service station or any part thereof.
- ( ) Class ABH Authorizes the licensee to sell "on-sale" or "off-sale", at hotels & motels with 100 or more guest rooms only.
- ( ) Class ABH "Limited" Authorizes license may be issued to persons engaging in "on-sale" of beer and wine or hosting "manager's specials," solely for guests or patrons of extended stay and limited service hotels or motels
- ( ) Class ABH-RZ Authorizes the licensee to sell "on-sale" or "off-sale", to hotel guests in a Renaissance Zone with 15 guestrooms.
- ( ) Class C Authorizes the licensee to sell beer "on-sale" only. No food sales required. Physical bar is allowed.
- ( ) Class D Authorizes the licensee to sell beer "off-sale" only.
- ( ) Class DD License shall only be issued to a domestic distillery owner or operator who has obtained a license from the ND State Tax Commissioner. No food sales required.
- ( ) Class E In nature of a special permit, shall authorize the holder of an existing "on-sale" license in the sale of On-sale only alcoholic beverages on such premises designated on the permit.
- ( ) Class F Authorizes the licensee to sell "on-sale" only served at table or booth; no bar allowed. Requires 50% or more of its annual gross receipts from the sale of prepared meals and not alcoholic beverages.
- ( ) Class FA Authorizes the licensee to sell "on-sale" only, physical bar is allowed. Requires 50% or more of its annual gross receipts from the sale of prepared meals and not alcoholic beverages.
- ( ) Class FA-Golf On USGA Golf Course or 9 or more holes. Requires 25% receipts of food sales from April to October and 50% the rest of the year.
- ( ) Class FA-Entertainment Authorizes the licensee to sell "on-sale" only, in a place of amusement or in a recreational establishment. Requires non-alcoholic sales to exceed alcohol sales.
- ( ) Class G Authorizes the licensee to sell wine and sparkling wine "on-sale" only, served at table or booth, no bar. Requires 50% food sales.
- ( ) Class H Authorizes the licensee to sell beer "on-sale" only, served at table or booth, with no bar allowed and requires 50% food sales.
- ( ) Class I Authorizes the licensee to sell beer, wine, and sparkling wine "on-sale" only. A physical bar is allowed and requires 65% food sales.
- ( ) Class I Entertainment Authorizes the Licensee to sell "on-sale" only of beer, wine and sparkling wine in a recreational

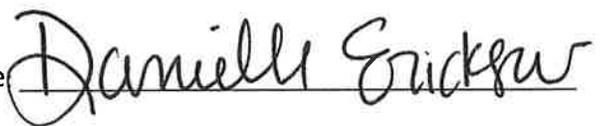
establishment or place of amusement. A physical bar is allowed and 65 % of non-alcohol sales required.

- ( ) Class J Authorizes the licensee to sell "on-sale" only at a non-profit organization for military purposes.
- ( ) Class L Authorizes the licensee to sell "on-sale" only on an excursion boat operating on the Red River.
- ( ) Class M Authorizes the licensee to operate a Microbrew Pub or Domestic Winery and sell "on-sale" and "off-sale" offered in conjunction with another license. Allows the sale of Growlers.
- ( ) Class N Authorizes the licensee to sell "on-sale" only at a stadium with a minimum seating capacity of 2500.
- ( ) Class O Authorizes the licensee to operate a winemaker and/or vendor of winemaking supplies and related services.
- ( ) Class P Authorizes the licensee to operate a domestic winery and to sell wine "on-sale" and "off-sale". Allows limited beer sales.
- ( ) Class RZ-V Authorizes the licensee to sell "on-sale" only, located in an approved Renaissance Zone. The venue should be designed and intended to be used as a private event center or entertainment venue with square footage of at least 10,000 square feet and capacity of at least 300 people. The Venue must derive 60% or more of its annual gross receipts from the sale of tickets.
- ( ) Class W Authorizes the licensee to sell wine and sparkling wine "on-sale" only. A physical bar is allowed and no food sales required.
- ( ) Class Y Shall authorize the production brewery to obtain a brewer license and a retailer license. Must be licensed by the State Tax Commissioner. No food sales required.
- (X) Class Z Authorizes the licensee to sell "on-sale" only issued to individuals not currently holding another "A", "AB", "ABH", or "ABH-RZ". A physical bar is allowed and no food sales required.

**The following section to be completed by the applicant:**

**ALL APPLICANTS** must initial #1 - #9 and sign in the space provided below.

1. X All applicants must assure there is adequate off-street parking for my business (within the direction of and as approved by the City Commission). Membership in the current City parking program (e.g. "P.O.P") may place me in compliance with this requirement.
2. X I have received a copy of the Alcoholic Beverage Ordinance(s) of the City of Fargo, read the ordinances and am familiar with the conditions and requirements of these ordinances.
3. X If granted an alcoholic beverage license, I will obey, abide by and comply with the State of North Dakota Liquor Control Act, and the City of Fargo Alcoholic Beverage ordinances, as well as any amendments to either of these, which may be made from time to time.
4. X I understand either, I, my manager(s), or both of us must attend a yearly meeting (date and time to be announced) with representatives from the Police and Health departments to discuss law enforcement and safety concerns as a condition of license renewal.
5. X I understand that the premises described in the application, if licensed for alcoholic beverage sales, may be inspected at any time by the Chief of Police, or any officer of the Police or Health Departments as allowed by city ordinances and state law. My employees and I will cooperate with such inspections.
6. X I understand that all employees, managers and owners engaged in mixing, pouring or service of alcoholic beverages **MUST** attend Server Training.
7. X I am familiar with the question, answers and other information as it appears in the complete application of an alcoholic beverage license, and the answers and information are, to the best of my belief and knowledge, true, complete and accurate. (Note: This application must be made under oath before a Notary Public.)
8. X I recognize the City of Fargo is subject to open records laws contained in chapter 44-04 of the N.D. Century Code. Section 44-04-18.4 contains an exception for trade secrets, proprietary, commercial, and financial information. I agree in submitting the application, that I have familiarized myself with this law. If any information being forwarded to the City of Fargo is claimed as confidential or proprietary under this section, I must clearly indicate this in writing when I submit this application, pointing out, in detail, why the information submitted is claimed as an exemption under section 44-04-18.4. I further agree to respond to, as well as to aid the City, in responding to any claim under 44-04-21.1 concerning this claim of confidentiality under 44-04-18.4.
9. X I understand that **the license will expire on June 30 of each year** and a renewal process will need to be completed. This process will include a completed renewal application, payment in full for the required annual fee, a completed roster for each employee who pours or serves alcohol, attendance of Server Training for those listed on the roster, and a copy of your certified food sales if applicable to your license.

Applicant printed name: Danielle Erickson Signature: 

Applicant printed name: \_\_\_\_\_ Signature: \_\_\_\_\_

Applicant printed name: \_\_\_\_\_ Signature: \_\_\_\_\_

**Applicant Information:** (2 pages)

Name: Danielle	Marie	Erickson	Evenson
(first)	(middle)	(last)	(maiden name)
Address: 3229 Timber Creek Circle South		Fargo	ND, 58104
(address)		(city)	(state & zip)

How long have you lived at this address? 2 Years

Provide your address history for the past 5 years:

From 2009 to 2015 Address: 525 Hampton Drive West Moorhead, MN 56560

From 2016 to Present Address: 3229 Timber Creek Circle South Fargo, ND 58104

E-mail address: Danielle.m.erickson@gmail.com

Home phone number: (952) 200-1486 Other number: (\_\_\_\_) \_\_\_\_\_

Date of Birth: May, 14<sup>th</sup> 1985 Place of Birth: Minot, ND

List each driver's license you have ever had and the state of issue:

DL#: ERI-85-1251 State of Issue: North Dakota Dates: 10-24-2016 - Present

DL#: No longer have DL numbers State of Issue: Minnesota Dates: 2001 - 2016

Has your driver's license ever been suspended or revoked? \_\_\_\_\_ Yes X No If "yes," where and when.

If "yes," have you ever been issued a citation for driving after your license was suspended or revoked?  
\_\_\_\_\_ Yes \_\_\_\_\_ No If "yes," where and when? NA

Have you ever been convicted, plead guilty, or plead "no contest" to any law of the U.S., or any state, or of any local ordinance (other than traffic)? (DUI **should not** be considered a "traffic offense" – and therefore must be listed) \_\_\_\_\_ Yes X No

If "yes", provide the date of arrest, location, charge, and sentence of each conviction.

NA

Have you been issued a citation for any alcohol-related offense? \_\_\_\_\_ Yes X No

If "yes", provide the date of arrest, location, charge of each conviction. NA

List all federal, state, and local licenses (including liquor licenses; excluding driver's licenses) you currently hold, formerly held, or may have an interest in: Husband owns liquor licenses in Fargo, Moorhead and Dilworth. One A Liquor License in Fargo. One Z Liquor License in Fargo. One On-Sale/2am/Sunday Liquor License in Moorhead, MN. One On-Sale/2am/Sunday Liquor License in Dilworth, MN.

Have any of the above named licenses ever been suspended or revoked?  Yes  No

If "yes", list the dates and reasons for the suspensions or revocations:

NA

List your employment/business history for the past 7-year period:

From: 2008 to 2012 Business name: Flint Communications

Address: 101 10<sup>th</sup> Street N #300 Fargo, ND 58102 Position/Title: List Management Specialist

From: 2012 to Present Business name: Dave's Southside Tap

Address: 803 Belsly Blvd #100 Moorhead, MN 56560 Position/Title: Bookkeeper

From: 2016 to Present Business name: Troops Need You

Address: No physical address – Non-Profit Position/Title: Bookkeeper

Do you currently own or have a financial interest in any other business that sells or serves alcoholic beverages?

Yes  No If "yes", list each business below: Husband owns and operates: Dave's Southside Tap in Moorhead, MN; Red Hen Taphouse in Dilworth, MN; Hennessy's Irish Pub in Fargo, ND; Bulldog Tap in Fargo, ND

Have you ever manufactured, sold, or distributed alcoholic beverages on the wholesale or retail level?

Yes  No If "yes", indicate where, when, and for whom below:

Do you have any current or prior management experience working for a business that sells or serves alcohol?

Yes  No If "yes", describe below: No

Make copies as needed for each shareholder/partner with 5% or greater interest in the company.

**Operator/Manager Information**

Are you going to operate/manage this business personally?  
\_\_\_\_\_ Yes \_\_\_X\_\_\_ No If "no", who will operate/manage it?

Name:

\_\_\_\_David\_\_\_\_Erick\_\_\_\_Erickson\_\_\_\_  
(first) (middle) (last) (maiden name)

Address:

\_\_\_\_3229 Timber Creek Circle South\_\_\_\_Fargo\_\_\_\_ND 58104\_\_\_\_  
(address) (city) (state & zip)

Home phone number: (701) 866-2124 Other number (\_\_\_\_) \_\_\_\_\_

Date of Birth: August 29<sup>th</sup> 1984 Place of Birth: Fargo, ND

**(Important:** The name and other information about your manager must be provided before a license can be issued. If the manager changes during the course of the license period, you must provide the City Auditor's Office with updated information about the new manager immediately.)

**Business Site Plan**

On this page (or on attached pages if additional space is needed), provide a detailed diagram and description of the design, location, and square footage of the premises to be licensed.

- The scale should be stated, such as 1" = 20'. The direction N should be indicated towards the top.



**Public Health**  
Prevent. Promote. Protect.  
Fargo Cass Public Health

34

**FARGO CASS PUBLIC HEALTH**  
1240 25th Street South  
Fargo, ND 58103-2367  
Phone 701-241-1360  
Fax 701-241-1366  
FargoCassPublicHealth.com

**M E M O R A N D U M**

**TO: BOARD OF CITY COMMISSIONERS**

**FROM: JOHN BAIRD, MD, MPH  
HEALTH OFFICER  
RUTH ROMAN  
DIRECTOR OF PUBLIC HEALTH**

**DATE: FEBRUARY 8, 2018**

**RE0: PROPOSAL FOR THE FARGO CASS PUBLIC HEALTH  
GOOD NEIGHBOR PROJECT SYRINGE SERVICES  
PROGRAM**

The attached proposal is for the Good Neighbor Project Syringe Services Program administered through Fargo Cass Public Health.

**Suggested Motion:** Move to approve the proposed Syringe Services Program as proposed by Fargo Cass Public Health.

RR/la  
Enclosure



**Public Health**  
Prevent. Promote. Protect.

**Fargo Cass Public Health  
Good Neighbor Project Syringe Services Program  
February 12, 2018  
Fargo City Commission**

**Introduction:**

Harm reduction and syringe services programs (SSP), which have also been referred to as syringe exchange programs (SEP), are comprehensive programs designed to reduce the likelihood of transmission of blood borne diseases including Human Immunodeficiency virus (HIV) and Hepatitis C virus (HCV). The risk factors most commonly identified for HCV are being an injection drug user or someone having sex with an injection drug user. SEPs have been utilized in communities around the world since the 1980s. The availability of sterile syringes has minimized the number of new HIV infections among injection drug users. They have also been associated with reduced risk for infection with hepatitis C virus. The public health benefits of a syringe services program are many and include:

- 1) removing potentially infectious syringes and needles from the community,
  - 2) providing injection drug users (IDUs) with sterile syringes, clean injection equipment and education about blood borne infections and safe injection methods,
  - 3) distributing condoms and education concerning safe sex,
  - 4) screening for infectious diseases, including HIV and HCV, and
  - 5) providing an entry point for substance use treatment and other resources appropriate for each individual.
- Based on existing evidence, the U.S. Surgeon General has determined that SSPs, when part of a comprehensive prevention strategy, can play a critical role in preventing HIV among persons who inject drugs (PWID); can facilitate entry into drug treatment and medical services; and do not increase the unsafe illegal injection of drugs. These programs have also been associated with reduced risk for infection with hepatitis C virus (HCV). (DHHS, 2011)
  - A systematic review of 15 studies analyzing needle-syringe programs (NSP) found that NSP's were associated with decreases in the prevalence of HIV and HCV and decreases in the incidence of HIV. For example, a series of three-year longitudinal studies investigating the effect of New York's legalization of syringe exchange programs between 1990 and 2002 found decreases in:
    - HIV prevalence from 50 percent to 17 percent ( $p < .001$ )
    - Person-years at risk for HIV, from 3.55 to 0.77 per 100 person-years ( $p < .001$ ) (CDC, 2016)
  - Madison, Wisconsin's Public Health Department has had a SSP since 1996. In that community, the numbers of reported new cases of HIV among people who inject drugs has dropped by half in the last ten years. (Madison Department of Health, 2017)

- A cost-effectiveness analysis of a New York City needle syringe exchange estimated that the program would result in a baseline one-year savings to the government of \$1,300 to \$3,000 per client. (CDC, 2016)
- The annual cost to treat an individual with HIV is estimated to be between \$60,000 and \$90,000. The yearly cost of just medication for an individual with HCV is approximately \$35,000. (NDDoH Disease Control)
- A 2000 study concluded that reduced drug use and increased drug treatment enrollment were associated with needle exchange participation. In fact, new needle-exchange users were five times more likely to enter drug treatment than those who never used an exchange. (Hagan et al, 2000)
- Results of a 2014 study suggest that access to syringe and needle exchange programs decreases the rate of injection drug use among drug users in substance abuse treatment as well as among the general population. Additionally, access to these programs is associated with a statistically significant reduction in overall population drug use rates over time, which aligns with the findings of previous research. (Ingram, 2014)

#### **ND legislative authorization:**

The 2017 ND Legislative Session passed SB 2320, which created and enacted a new subsection to section 19-03.4-02 and a new section to chapter 23-01-44 of the ND Century Code (NDCC), relating to drug paraphernalia guidelines and a syringe exchange program. This new subsection created and enacted an addition that provides clarification to the court and law enforcement about determining whether an object is drug paraphernalia. The subsection adds “whether the object is a needle or syringe collected during the operation of a needle exchange program under chapter 23–01-44 to aid in the prevention of bloodborne diseases” to the list of considerations. This addition grants the consideration to law enforcement on whether or not to subject needles collected under an exchange as drug paraphernalia. By working with local law enforcement, SSPs can legally collect injection equipment without the risk of penalty of possessing drug paraphernalia.

The second addition to the NDCC adds a new section to chapter 23-01-44 that authorizes and legitimizes SEPs in North Dakota given appropriate authorization as a qualified entity. The addition also clarifies that the North Dakota Department of Health (NDDoH) will be the final authorizing agency to approve or deny a local entity or organization the authority to operate an SEP and will perform ongoing assessment of the programs for adherence to requirements of the statute. The NDDoH issued a guidance document outlining the required components of an SEP program that must be considered for NDDoH to authorize the program.

#### **Medical Supervision:**

The health officer of FCPH will provide oversight and consultation to the SSP. Currently, the health officer is John R. Baird, MD, MPH, who is a physician licensed in the state of North Dakota.

### **Public Information Meeting:**

A public informational meeting was held Friday, February 2, 10:00 AM at City Hall to hear public sentiment about the program before being presented for approval at the City Commission meeting on February 12. A presentation was made to approximately 30 attendees and a question and answer session was held following the presentation.

### **Determination of Need:**

From 2012-2016, 141 HIV/AIDS cases were diagnosed in North Dakota, with 32% meeting the criteria for AIDS and 68% for HIV infection. In 2016, 88 HIV/AIDS cases were reported to the NDDoH, including 50 new cases, with 15 meeting the definition of AIDS. Cass County had 15 newly identified HIV/AIDS cases. Preliminary data from 2017 show 39 new cases of HIV in ND, with eight in Cass County.

For those tested for HIV, the risk factor most commonly identified over the past three years is unprotected sex, with 88.5 percent tested in 2016 reporting this risk factor. In 2016, there was an increase in the reporting of injection drug use (IDU) not seen in the previous five years. In 2016, 12.4% of patients reported having sex with an IDU as their reason for seeking testing, followed by 10.8% identifying as an IDU.

In 2016, the NDDoH received 1,047 reports of newly identified cases HCV infection. In 2016, Cass County had 192 cases per 100,000 persons. Preliminary data from 2017 show an increase in HCV cases, with 1,111 cases in North Dakota and 236 in Cass County. For those tested for HCV, the most common risk factor over the past four years is sex with an IDU.

### **Population to be Served:**

Any individual age eighteen or older is eligible to receive SSP, clean needles, syringes, injection equipment, naloxone, testing, harm reduction counseling, and appropriate referrals.

### **Location of SSP:**

In an effort to make the SSP accessible and nonthreatening we will operate out of a **fixed location near downtown Fargo, at 510 5<sup>th</sup> St. N.** Hours of operation are: Monday 4-8 PM, Tuesday 1-5 PM, Wednesday 1-5 PM, Thursday 4-8 PM, Friday 8 AM – noon. Confirmatory lab testing is available at our main location, 1240 25<sup>th</sup> St. S.

### **Medical and Other Support Services and Education for Participants:**

- HIV, HCV Rapid Testing and Counseling and STD Counseling, Testing and Education
- Naloxone education and distribution of Opioid Overdose Rescue Kits
- Substance Abuse and Treatment Services Referrals
- Other Referrals: Counseling and referrals will be made for any need identified, including but not limited to healthcare services, social services, behavioral health, legal services, job/employment services, and housing.

**Sharps and Medical Waste Disposal:**

Removing potentially infectious syringes and needles from the community is an important public health function of a SSP. We will instruct participants in proper disposal of needles and syringes and safety for themselves and others. We have two needle/syringe drop boxes, or kiosks for safe disposal. These are heavy large boxes, secured to the ground and designed for safe disposal. One is installed at our SSP site. The other one will be installed at an appropriate location in the community. FCPH has a contract with Healthcare Environmental Service LLC (HESI) for pick up and disposal of medical waste. HESI will pick up syringes and needles from the SSP.

**Source of Funding:**

The budget has several sources including local, state, and grant funds. State and federal funds cannot be used to purchase hypodermic syringes, needles, or injection supplies. We will apply for a \$1,200 start-up kit from the North American Syringe Exchange Network (NASEN) and purchase their low priced syringes. Donations for services and naloxone kits will be requested from participants.

**Proposed Budget (12 month)**

**Revenue:**

City of Fargo	\$ 29,900
NASEN	\$ 1,200
Grants to cover Narcan	\$ 16,000
NDDoH – technical assistance grant	\$ 75,000
Donations	<u>\$ 5,800</u>
<b>TOTAL Revenue</b>	<b>\$127,900</b>

**Expenses:**

Salary & Benefits	\$ 78,000
Harm Reduction Specialist	
Health Officer	
Travel	\$ 5,000
Building & Office	\$ 3,600
Heat, electricity, phone, office supplies	\$ 1,700
Sharps containers & disposal	\$ 16,000
Opioid Overdose Rescue Kits	\$ 16,000
Bus passes	\$ 2,600
Educational materials	\$ 3,000
Syringes & injection equipment	<u>\$ 2,000</u>
<b>TOTAL Expenses</b>	<b>\$127,900</b>

**References:**

North Dakota Department of Health, Syringe Exchange Program Guidance  
<https://www.ndhealth.gov/hiv/sep/>

Epidemiologic Profile of HIV, STDs, TB and Viral Hepatitis in North Dakota  
[https://www.ndhealth.gov/hiv/Docs/EpiProfile\\_Current.pdf](https://www.ndhealth.gov/hiv/Docs/EpiProfile_Current.pdf)

Substance Use in North Dakota, website created by North Dakota Department of Human Services  
<https://sund.nd.gov/#/>

Syringe Services Program (SSP) Development and Implementation Guidelines for State and Local Health Departments, August 2012, by National Alliance of State & Territorial AIDS Directors (NASTAD) and Urban Coalition for HIV/AIDS Prevention Services (UCHAPS)  
[https://www.nastad.org/sites/default/files/055419\\_NASTAD-SSP-Guidelines-August-2012\\_0.pdf](https://www.nastad.org/sites/default/files/055419_NASTAD-SSP-Guidelines-August-2012_0.pdf)

Syringe Services Programs, Centers for Disease Control and Prevention (CDC)  
<https://www.cdc.gov/hiv/risk/ssps.html>

North American Syringe Exchange Network (NASEN) <https://nasen.org/>

Resources available from Harm Reduction Coalition <http://harmreduction.org/our-resources/>

U.S. Department of Health and Human Services. (2011). Determination That a Demonstration Needle Exchange Program Would be Effective in Reducing Drug Abuse and the Risk of Acquired Immune Deficiency Syndrome Infection Among Intravenous Drug Users.  
<https://www.federalregister.gov/documents/2011/02/23/2011-3990/determination-that-a-demonstration-needle-exchange-program-would-be-effective-in-reducing-drug-abuse>

Centers for Disease Control and Prevention. (2016). Access to Clean Syringes.  
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Hagan, H. et al. (2000). Reduced injection frequency and increased entry and retention in drug treatment associated with needle-exchange participation in Seattle drug injectors.  
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Ingram, M. (2014). The Impact of Syringe and Needle Exchange Programs on Drug Use Rates in the United States.  
[https://repository.library.georgetown.edu/bitstream/handle/10822/709897/Ingram\\_georgetown\\_0076M\\_12592.pdf?sequence=1](https://repository.library.georgetown.edu/bitstream/handle/10822/709897/Ingram_georgetown_0076M_12592.pdf?sequence=1)

# Reducing Harms from Injection Drug Use & Opioid Use Disorder with Syringe Services Programs

## What Is a Syringe Services Program (SSP)?

**A community-based public health program that provides comprehensive harm reduction services such as**

- Sterile needles, syringes, and other injection equipment
- Safe disposal containers for needles and syringes
- HIV and hepatitis testing and linkage to treatment
- Education about overdose prevention and safer injection practices
- Referral to substance use disorder treatment, including medication-assisted treatment
- Referral to medical, mental health, and social services
- Tools to prevent HIV, STDs, and viral hepatitis including counseling, condoms, and vaccinations

## How Do SSPs Benefit Communities and Public Safety?

### SSPs Increase Entry Into Substance Use Disorder Treatment:

SSPs **reduce drug use**. People who inject drugs (PWID) are 5 times as likely to enter treatment for substance use disorder and more likely to reduce or stop injecting when they use an SSP.



### SSPs Reduce Needlestick Injuries:

SSPs **reduce needlestick injuries** among first responders by providing proper disposal. One in three officers may be stuck with a needle during their career. Increasing safe disposal also protects the public from needlestick injuries. SSPs do not increase local crime in the areas where they are located.



### SSPs Reduce Overdose Deaths:

SSPs **reduce overdose deaths** by teaching PWID how to prevent and respond to drug overdose. They also learn how to use naloxone, a medication used to reverse overdose.



### 3,600 HIV Diagnoses Among PWID In 2015:

SSPs **reduce new HIV and viral hepatitis infections** by decreasing the sharing of syringes and other injection equipment. About 1 in 3 young PWID (aged 18–30) have hepatitis C.



### Prevention Saves Money:

SSPs **save health care dollars** by preventing infections. The estimated lifetime cost of treating one person living with HIV is more than \$400,000. Testing linked to hepatitis C treatment can save an estimated 320,000 lives.



**SSPs DON'T INCREASE DRUG USE OR CRIME.**

Learn more at [www.cdc.gov/hiv/risk/ssps.html](http://www.cdc.gov/hiv/risk/ssps.html)

National Center for HIV/AIDS, Viral Hepatitis, STD, and TB Prevention  
Division of HIV/AIDS Prevention



## Bibliography

1. CDC. HIV and injection drug use: Syringe services programs for HIV prevention [fact sheet]. Accessed May 15, 2017. [www.cdc.gov/vitalsigns/pdf/2016-12-vitalsigns.pdf](http://www.cdc.gov/vitalsigns/pdf/2016-12-vitalsigns.pdf).
2. Seal KH, Thawley R, Gee L, et al. Naloxone distribution and cardiopulmonary resuscitation training for injection drug users to prevent heroin overdose death: A pilot intervention study. *J Urban Health* 2005;82(2):303-11.
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4. Wodak A, Cooney A. Do needle syringe programs reduce HIV infection among injecting drug users: A comprehensive review of the international evidence. *Subst Use Misuse* 2006;41(6-7):777-813.
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8. Lorentz J, Hill L, Samimi B. Occupational needle stick injuries in a metropolitan police force. *Am J Prev Med* 2000;18(2):146-50.
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10. Heimer R, Khoshnood K, Bigg D, Guydish J, Junge B. Syringe use and reuse: Effects of syringe exchange programs in four cities. *J Acquir Immune Defic Syndr* 1998;Suppl 18:S37-44.
11. Bluthenthal RN, Gogineni A, Longshore D, Stein M. Factors associated with readiness to change drug use among needle-exchange users. *Drug Alcohol Depend* 2001;62(3):225-30.
12. Kidorf M, King VL, Peirce J, Kolodner K, Brooner RK. Benefits of concurrent syringe exchange and substance abuse treatment participation. *J Subst Abuse Treat* 2011;40(3):265-71.
13. Strathdee SA, Celentano DD, Shah N, et al. Needle-exchange attendance and health care utilization promote entry into detoxification. *J Urban Health* 1999;76(4):448-60.
14. Hagan H, McGough JP, Thiede H, Hopkins S, Duchin J, Alexander ER. Reduced injection frequency and increased entry and retention in drug treatment associated with needle-exchange participation in Seattle drug injectors. *J Subst Abuse Treat* 2000;19(3):247-52.
15. Marx MA, Crape B, Brookmeyer RS, et al. Trends in crime and the introduction of a needle exchange program. *Am J Public Health* 2000;90(12):1933-36.
16. Galea S, Ahern J, Fuller C, Freudenberg N, Vlahov D. Needle exchange programs and experience of violence in an inner city neighborhood. *J Acquir Immune Defic Syndr* 2001;28(3):282-8.
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REPORT OF ACTIONUTILITY COMMITTEE

35a-c

Project No. WA1301

Type: Project WA1301 Change  
Orders – All Three Contracts

Location: Water Treatment Plant Expansion

Date of Hearing: 2/1/18

<u>Routing</u>	<u>Date</u>
City Commission	2/12/18
Project File	

Troy Hall, Water Utility Director, presented the attached memo related to change orders for Membrane Water Treatment Plant (MWTP) construction with Alberici Constructors, Inc. (ACI), the General Contractor, and Wrigley Mechanical, Inc. (WMI), the Mechanical Contractor, JDP Electric, Inc. (JDP), the electrical contractor. The total proposed cost increase is \$289,359.71. In the change order proposal, there are 15 listed changes with the three contractors, but involve a significant number of detailed, specific changes. Two of the higher cost changes with ACI involve degasifier heater vent/ductwork modifications and electrical generator building changes. Overall, Water Utility staff suggests that the MWTP construction project is going well and on schedule.

Water Utility staff thinks that all of the changes are in the best long-term interest of the City of Fargo. The overall status of cost change orders was discussed at the Utility Committee meeting for MWTP construction. After some research inquiring about comparable projects, Water Utility staff suggests that the industry average for cost change orders is an increase of about 3% to 5% of the bid price at completion. If the currently proposed contract changes are approved, the cost change orders for the MWTP will total an increase of 2.82% from the original bid price. However, only 1.66% is attributed to errors/omissions and other minor changes typical in a construction project. The other 1.16% of changes were implemented related to capacity increases with West Fargo water service. Water Utility staff also suggests that we are at a reasonable level for overall cost change orders at this point in construction.

After bidding, contracts were approved on April 27, 2015, for Membrane Water Treatment Plant (MWTP) construction to the three prime contractors as follows:

<u>Contract</u>	<u>Contractor</u>	<u>Bid Price</u>
No. 1 – General Construction	Alberici Constructors, Inc.	\$80,044,884.00
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	\$6,824,000.00
No. 3 – Electrical Construction	JDP Electric, Inc.	\$16,821,411.00
<b>TOTAL</b>		<b>\$103,690,295.00</b>

The following table shows the overall cost summary of the recommended changes under this agenda item:

<u>Contract</u>	<u>Contractor</u>	<u>Number</u>	<u>Change Order Cost</u>
No. 1 – General Construction	Alberici Constructors, Inc.	13	\$211,760.00
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	11	\$37,924.71
No. 3 – Electrical Construction	JDP Electric, Inc.	6	\$39,675.00
<b>TOTAL</b>			<b>\$289,359.71</b>

With Change Order approval, the new updated contract amounts would be as follows:

<u>Contract</u>	<u>Contractor</u>	<u>Bid Price</u>
No. 1 – General Construction	Alberici Constructors, Inc.	\$81,690,423.05
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	\$7,643,826.02
No. 3 – Electrical Construction	JDP Electric, Inc.	\$17,282,893.00
<b>TOTAL</b>		<b>\$106,617,142.07</b>

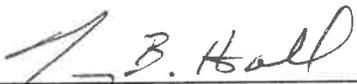
The project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan. The SRF loan is administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH). The City of Fargo has now collected the \$30 million in grant funding allotted for the MWTP from the SWC.

**MOTION:**

On a motion by Jim Hausauer, seconded by Terry Ludlum, the Utility Committee voted to approve the proposed change orders with all three contractors in a total amount of \$289,359.71 for the Membrane Water Treatment Plant.

<u>COMMITTEE:</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Unanimous</u>
				<u>X</u>
				<u>Proxy</u>
Anthony Gehrig, City Commissioner	<u>X</u>			
Mark Bittner, Director of Engineering	<u>X</u>			
Kent Costin, Director of Finance				
Brian Ward, Water Plant Supt.	<u>X</u>			
Mark Miller, Wastewater Plant Supt.	<u>X</u>			
Bruce Grubb, City Administrator	<u>X</u>			
Scott Liudahl, City Forester				
Terry Ludlum, Solid Waste Utility Director	<u>X</u>			
James Hausauer, Wastewater Util. Director	<u>X</u>			
Troy Hall, Water Utility Director	<u>X</u>			
Ben Dow, Public Works Operations Director	<u>X</u>			
Brenda Derrig, Assistant City Engineer	<u>X</u>			

ATTEST:

  
 \_\_\_\_\_  
 Troy B. Hall  
 Water Utility Director

C: Tim Mahoney, Mayor  
 Commissioner Grindberg  
 Commissioner Piepkorn  
 Commissioner Strand



**Water Treatment Plant**  
 435 14th Avenue South  
 Fargo, ND 58103  
 Office: 701.241.1469 | Fax: 701.241.8110  
[www.FargoND.gov](http://www.FargoND.gov)

## MEMORANDUM

January 29, 2018

To: Utility Committee

From: Troy B. Hall, Water Utility Director *TBH*

Re: WA1301 Change Orders – Membrane Water Treatment Plant

Introduction

Construction of the Membrane Water Treatment Plant (MWTP) began in May, 2015. This is Water Utility Project - WA1301. There have been previous change orders for this project approved by the Utility Committee and City Commission. Water utility staff is recommending additional changes to all three contracts at this time. Letters of explanation from AE2S and change order forms are attached.

After bidding, contracts were approved on April 27, 2015, for Membrane Water Treatment Plant (MWTP) construction to the three prime contractors as follows:

<u>Contract</u>	<u>Contractor</u>	<u>Bid Price</u>
No. 1 – General Construction	Alberici Constructors, Inc.	\$80,044,884.00
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	\$6,824,000.00
<u>No. 3 – Electrical Construction</u>	<u>JDP Electric, Inc.</u>	<u>\$16,821,411.00</u>
<b>TOTAL</b>		<b>\$103,690,295.00</b>

With previously approved change orders to the three contracts, the contract amounts prior to the current recommended changes under this agenda item are as follows:

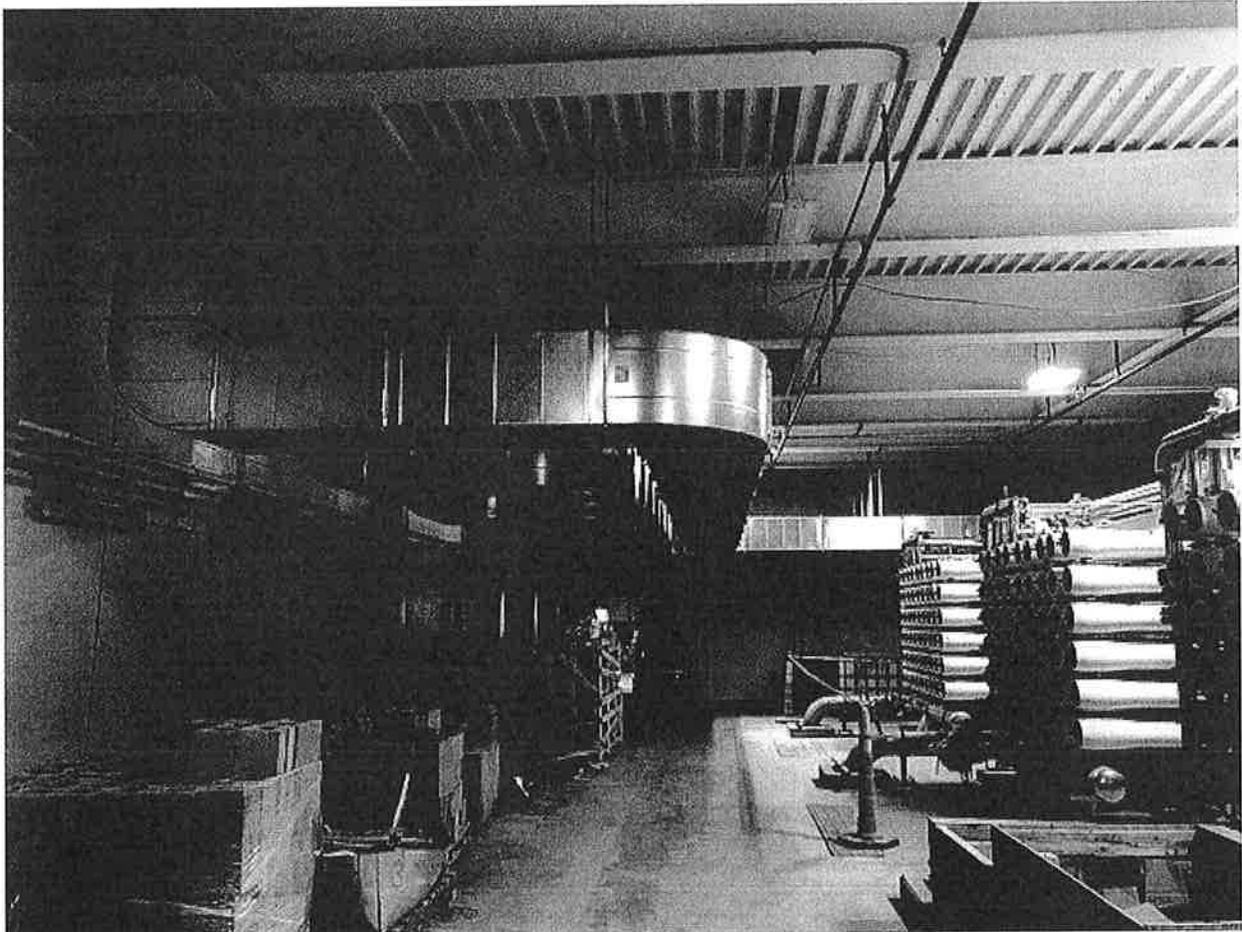
<u>Contract</u>	<u>Contractor</u>	<u>Bid Price</u>
No. 1 – General Construction	Alberici Constructors, Inc.	\$81,478,663.05
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	\$7,605,901.31
<u>No. 3 – Electrical Construction</u>	<u>JDP Electric, Inc.</u>	<u>\$17,243,218.00</u>
<b>TOTAL</b>		<b>\$106,327,782.36</b>

The following table shows the overall cost summary of the recommended changes by contractor under this agenda item:

<u>Contract</u>	<u>Contractor</u>	<u>Number</u>	<u>Change Order Cost</u>
No. 1 – General Construction	Alberici Constructors, Inc.	13	\$211,760.00
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	11	\$37,924.71
<u>No. 3 – Electrical Construction</u>	<u>JDP Electric, Inc.</u>	<u>6</u>	<u>\$39,675.00</u>
<b>TOTAL</b>			<b>\$289,359.71</b>

With Change Order approval, the new updated contract amounts would be as follows:

<u>Contract</u>	<u>Contractor</u>	<u>Bid Price</u>
No. 1 – General Construction	Alberici Constructors, Inc.	\$81,690,423.05
No. 2 – Mechanical Construction	Wrigley Mechanical, Inc.	\$7,643,826.02
No. 3 – Electrical Construction	JDP Electric, Inc.	\$17,282,893.00
<b>TOTAL</b>		<b>\$106,617,142.07</b>



Degasifier heater ductwork to prevent freezing in winter. Degasifiers reduce chemical costs for the final steps in water treatment, following the Reverse Osmosis process. Photo from January 19, 2018.

**MWTP Project Status Related Change Orders and Overall Cost**

The MWTP is a large, complicated, and expensive project for the City of Fargo and its water service customers. As such, it is normal for projects of this nature to have adjustments that result in cost change orders. Since the MWTP exceeded \$100 million in bid prices, the following is intended to help provide perspective for this project compared to the cost impacts of change orders commonly seen in the industry.

While it may be difficult to find exact comparators to the MWTP project, the following are typical observations and goals for change order cost increases in the industry at project completion:

- Industry average: **3% to 5% of bid price**
- Typical Project Goal: **<2% of bid price**
- Excellent Project: **<1% of bid price**
- Percentages for change order costs reflect (1) Errors & Omissions and (2) Owner Requested

Change Order (CO) statistics for MWTP project in percentages:

- Prior to Current CO Recommendations: **2.54%**
- Adjusted Value Prior to Current CO Recommendations: **1.38%**
- After Current CO Recommendations: **2.82%**
- Adjusted Value After Current CO Recommendations: **1.66%**
- Total Adjusted Value Dollar Amount – West Fargo: \$1,206,585.00 (Different funding source)
  - Generator Switchgear – West Fargo: \$137,816.00 (previously approved CO)
  - 7<sup>th</sup> Reverse Osmosis Train – West Fargo: \$1,068,769.00 (previously approved CO)

Since the MWTP construction project is approaching completion and through a number of the higher risk project components for change orders, Water Utility personnel think the project is at a very reasonable position from a change order perspective. 'Value Engineering' and teamwork between contractors, City staff, and consulting engineers has been an important factor in containing costs. The 'Value Engineering' for the foundation system was an important item for cost savings in the project, reducing the contract price by nearly \$300,000 early in construction.

Related to cost change orders, some higher risk project components include:

- Utility Infrastructure Rerouting (removal from excavation/construction areas) - **Complete**
- Mass Excavation (unforeseen underground conditions) - **Complete**
- Foundation (Pile) Installation - **Complete**
- Major Equipment/Treatment Process Submittals – **Complete**
- Concrete for Lower Level & Main Level - **Complete**
- Building Structural Steel, Exterior Brick, and Roof – **Nearly Completion**
- Process Piping, Building Electrical, and Mechanical Piping – **In progress**

Since the construction of the MWTP is approaching completion, startup of the front-end process equipment will begin in March, 2018. This is when permanent electrical power may be available to the new building. The MWTP is supposed to be operational in July, 2018. Currently most of the construction is to the interior of the building, including process piping installation, equipment installation, electrical installation, and mechanical/HVAC installation. The building is enclosed and being heated sufficiently for work to take place over the winter.

A complicating factor for the MWTP construction is the agreement in July, 2015, to provide drinking water to West Fargo. With the addition of West Fargo, Water Utility staff needs to gauge what design adjustments should be recommended for the MWTP, looking at the best long-term interest of the City and customers.

These adjustments in most cases will be cost increases. Two significant cost changes attributed to West Fargo water service have previous approval – 7<sup>th</sup> Reverse Osmosis train and electrical switchgear. Costs for the two changes will be funded by State Water Commission regionalization grant funding and infrastructure sales tax (Fund 450). Please be aware that there is annual water sales revenue from West Fargo.

#### Detailed Summary of Change Orders

The cost impact to Contract No. 1 with Alberici Constructors, Inc. is summarized in the following:

<u>No.</u>	<u>Item</u>	<u>Cost</u>	<u>Reason</u>
1	Water Quality Station # 1 Pump & Pipe Removal	(\$12,404.00)	Flood Wall Project
2	Disposal of Unsuitable Soil	\$3,209.00	Coal in Excavation
3	Add Piers to Generator Radiator Concrete Pad (WCD 16)	\$16,169.00	Frost Heaving/Difficulty
4	Generator Building Equipment & Piping Changes (WCD17)	\$73,621.00	Numerous Modifications
	*Support Steel & Exhaust Pipe Modifications		
	*Isolation valves added on coolant system		
	*Stainless steel exhaust stack with raincap		
	*Concrete pad under fuel day tank		
	* Fuel day tank vent reroute to City Code		
5	Degasifier Heater Vent & Duct Mods (WCD 18 & WCD 19)	\$118,562.00	Several Modifications
	*Exhaust vents from 6 heaters added through roof		
	*Duct work modified to blower manuf. Recommendations		
	*Supports modified for stacked heater orientation		
6	Mechanical Chase Firewall Changes	\$3,676.00	City Codes
7	Add Actuator to Valve 13-BFV-5002	\$8,927.00	Auto GAC Wash Waste
<b>Total – Contract No. 1 Change for Change Order No. 13</b>		<b>\$211,760.00</b>	

The cost impact to Contract No. 2 with Wrigley Mechanical, Inc. is summarized in the following:

<u>No.</u>	<u>Item</u>	<u>Cost</u>	<u>Reason</u>
1	Butterfly Valve Chain Wheels	\$13,775.54	Operate Elevated Valves
2	Control Dampener Move for Maint. Access-- Two PRVs	\$13,567.21	Employee Safety
3	Mechanical Penthouse Insulation Size Increase	\$5,221.00	Maint. Htg. Water Temp
4	Mechanical Penthouse Backdraft Dampers	\$2,544.68	Model Change
5	Increase Service Water Line Size to 3 Process Areas	\$2,816.12	Insufficient Water Flow
<b>Total – Contract No. 2 Change for Change Order No. 9</b>		<b>\$37,924.71</b>	

The cost impact to Contract No. 3 with JDP Electric, Inc. is summarized in the following:

<u>No.</u>	<u>Item</u>	<u>Cost</u>	<u>Reason</u>
1	Outside Can Light Replacement	\$7,435.00	Building Appearance
2	Instrumentation and Miscellaneous Changes (WCD 1)	\$7,675.00	Numerous Changes
3	Miscellaneous Electrical Changes (RFP 1-3)	\$24,565.00	Numerous Changes
<b>Total – Contract No. 2 Change for Change Order No. 9</b>		<b>\$39,675.00</b>	

**Plan of Financing**

The contract changes under this agenda item will result in an overall cost increase of \$289,359.71 for MWTP construction. The project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan administered by the North Dakota Public Finance Authority (PFA) and North Dakota Department of Health (NDDH). The \$30 million in grant funding from the SWC has all been received by the City of Fargo for the MWTP project.

**SUGGESTED MOTION:**

Approve the contract change orders with all three contractors in the total amount of \$289,359.71 for construction of the MWTP.

Your consideration in this matter is greatly appreciated.



January 25, 2018

Mr. Troy Hall  
Water Utility Director  
City of Fargo  
Water Treatment Plant  
435 14<sup>th</sup> Ave S  
Fargo, ND 58103-4306

**Re: Change Order No. 13  
Contract No. 1 Fargo Membrane WTP and Improvements  
City of Fargo Project #WA1301**

Dear Mr. Hall:

Enclosed please find four (4) copies of Change Order No. 13 for the above referenced project for your review and approval. This Change Order pertains to the following changes to the project:

1. The sample pump and piping associated with Water Quality Panel 1 (WQ 1) will be deleted from the Red River Raw Water Pump Station.
2. During site pipe installation soil was excavated that contained a large amount of black organic material (likely from a coal storage pile from the sites past use) that was determined to be unsuitable for use as backfill and had to be disposed of.
3. Concrete piers will be added under the concrete pad for the generator radiator to reduce the potential movement of the pad from frost heaving.
4. Support steel and exhaust piping modifications will be made to coordinate with the generator and equipment being supplied and to coordinate with the existing building roof support, isolation valves will be added on the coolant system as recommended by the generator supplier, the generator exhaust stack will be installed as stainless steel with a stainless steel rain cap, a concrete pad will be added under the fuel day tank, and the fuel day tank vent will be routed to the exterior of the building to meet City code requirements.
5. Exhaust vents will be added to discharge the degasifier heater exhaust from the six heaters out through the roof of the mechanical penthouse, the duct work for the degasifier blower discharge will be modified to meet the blower manufacturer recommendations for straight run distance before the duct work split to ensure even flow to the pairs of heaters associated with each of the three blowers, and the degasifier heater supports will be modified to support a stacked heater orientation.
6. The mechanical chases in the lobby will be sealed around the duct work with additional metal and fire caulking as required to meet City code requirements.

Mr. Troy Hall

Re: Change Order No. 13

Contract No. 1 Fargo Membrane WTP and Improvements  
City of Fargo Project #WA1301

January 25, 2018

Page 2 of 2

7. A pneumatic actuator will be added to valve 13-BFV-5002 to allow the WTP operations to automate the discharge of the backwash waste from the GAC vessels to either the Drain Basin or the Backwash Recovery Basin.

The cost impact to Contract No. 1 is summarized in the following:

<u>Item</u>	<u>Cost</u>
1. PCO 157 – Deduct for WQ 1 Sample Pump and Pipe	(\$12,404.00)
2. PCO 167 – Disposal of Unsuitable Soil	\$3,209.00
3. PCO 211 – Add Piers to Generator Radiator Concrete Pad (WCD 16)	\$16,169.00
4. PCO 213 – Generator Building Equipment and Piping Changes (WCD 17)	\$73,621.00
5. PCO 216 – Degasifier Heater Vents and Duct Modifications (WCD 18 & 19)	\$118,562.00
6. PCO 226 – Mechanical Chase Firewall Changes	\$3,676.00
7. PCO 232 – Add Actuator to Valve 13-BFV-5002	\$8,927.00
<b>Total for Change Order No. 13 =</b>	<b>\$211,760.00</b>

Upon the City of Fargo's acceptance of Change Order No. 13, please sign and date the four original copies. Retain one copy for your records and return the remaining three copies to AE2S. AE2S will forward one copy each to the North Dakota Department of Health and ACI and will retain the remaining copy for our records. Please contact me if you have any questions or need additional information.

Sincerely,

AE2S



Ben Julson, PE  
Project Engineer

Attachments

# Change Order

## No. 13

Date of Issuance: 02/12/2018 Effective Date: 02/12/2018

Project: Fargo Membrane WTP and Improvements	Owner: City of Fargo	Owner's Contract No.: WA1301
Contract: Contract No. 1 – General Construction		Date of Contract: 04/27/2015
Contractor: Alberici Constructors Inc.		Engineer's Project No.: P00803-2009-25

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: See attached Description of Work.

Attachments: Description of Work  
Supporting documents for Change Order Items

<b>CHANGE IN CONTRACT PRICE:</b>	<b>CHANGE IN CONTRACT TIMES:</b>
----------------------------------	----------------------------------

Original Contract Price:  \$ <u>80,044,884.00</u>	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days — Substantial completion (days or date): _____ — Ready for final payment (days or date): _____
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[ <b>Increase</b> ] [ <del>Decrease</del> ] from previously approved Change Orders No. <u>1</u> to No. <u>12</u> :  \$ <u>1,433,779.05</u>	[ <del>Increase</del> ] [ <b>Decrease</b> ] from previously approved Change Orders No. _____ to No. _____ : — Substantial completion (days): _____ — Ready for final payment (days): _____
--	--

Contract Price prior to this Change Order:  \$ <u>81,478,663.05</u>	Contract Times prior to this Change Order: — Substantial completion (days or date): _____ — Ready for final payment (days or date): _____
---	---

[ <b>Increase</b> ] [ <del>Decrease</del> ] of this Change Order:  \$ <u>211,760.00</u>	[ <del>Increase</del> ] [ <b>Decrease</b> ] of this Change Order: — Substantial completion (days or date): _____ — Ready for final payment (days or date): _____
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Contract Price incorporating this Change Order:  \$ <u>81,690,423.05</u>	Contract Times with all approved Change Orders: — Substantial completion (days or date): _____ — Ready for final payment (days or date): _____
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RECOMMENDED:  By: _____ Engineer (Authorized Signature)  Date: _____	ACCEPTED:  By: _____ Owner (Authorized Signature)  Date: _____	ACCEPTED:  By: _____ Contractor (Authorized Signature)  Date: _____
Approved by Funding Agency (if applicable): _____		Date: _____



January 25, 2018

Mr. Troy Hall  
 Water Utility Director  
 City of Fargo  
 Water Treatment Plant  
 435 14<sup>th</sup> Ave S  
 Fargo, ND 58103-4306

**Re: Change Order No. 11  
 Contract No. 2 Fargo Membrane WTP and Improvements  
 City of Fargo Project #WA1301**

Dear Mr. Hall:

Enclosed please find four (4) copies of Change Order No. 11 for the above referenced project for your review and approval. This Change Order pertains to the following changes to the project:

1. Chain wheels will be added to the high performance butterfly valve actuators that are over 7 feet in above the floor to allow for easier operation by WTP staff.
2. The control dampers for PRV-15 and PRV-18 will be moved to the lower level to allow safer access by WTP staff for any future maintenance or inspection.
3. The heating water piping insulation thickness will be increased by one inch on the piping in the Mechanical Penthouse to maintain the temperature of the heating water through the minimally heated space.
4. The backdraft damper model in the Mechanical Penthouse will be changed to a different model that is similar to the control damper construction, with thicker frame and blade material.
5. The 1 inch service water line in the Pretreatment area, MF/UF area, and RO area on the operating level will be increased to a 2 inch service water line to ensure sufficient water flow to the larger washdown stations.

The cost impact to Contract No. 2 is summarized in the following:

<u>Item</u>	<u>Cost</u>
1. PCO 190 – BFV Manual Chain Wheels	\$13,775.54
2. PCO 234 – PRV 15 and 18 Control Damper Move	\$13,567.21
3. PCO 235 – Mechanical Penthouse Insulation Size Increase	\$5,221.16
4. PCO 236 – Mechanical Penthouse Backdraft Dampers	\$2,544.68
5. PCO 241 – Increase SVW Line Size	\$2,816.12
<b>Total for Change Order No. 11 =</b>	<b>\$37,924.71</b>

Mr. Troy Hall

Re: Change Order No. 11

Contract No. 2 Fargo Membrane WTP and Improvements

City of Fargo Project #WA1301

January 25, 2018

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Upon the City of Fargo's acceptance of Change Order No. 11, please sign and date the four original copies. Retain one copy for your records and return the remaining three copies to AE2S. AE2S will forward one copy each to the North Dakota Department of Health and Wrigley Mechanical, Inc. and will retain the remaining copy for our records. Please contact me if you have any questions or need additional information.

Sincerely,

AE2S



Ben Julson, PE  
Project Engineer

Attachments

# Change Order

No. 11

Date of Issuance: 02/12/2018 Effective Date: 02/12/2018

Project: Fargo Membrane WTP and Improvements	Owner: City of Fargo	Owner's Contract No.: WA1301
Contract: Contract No. 2 – Mechanical Construction		Date of Contract: 04/27/2015
Contractor: Wrigley Mechanical Inc.		Engineer's Project No.: P00803-2009-25

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: See attached Description of Work.

Attachments: Description of Work  
Supporting documents for Change Order Items

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$ <u>6,824,000.00</u>	Original Contract Times: <input type="checkbox"/> Working days <input checked="" type="checkbox"/> Calendar days Substantial completion (days or date): _____ Ready for final payment (days or date): _____
[Increase] [Decrease] from previously approved Change Orders No. <u>1</u> to No. <u>10</u> : \$ <u>781,901.31</u>	[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: Substantial completion (days): _____ Ready for final payment (days): _____
Contract Price prior to this Change Order: \$ <u>7,605,901.31</u>	Contract Times prior to this Change Order: Substantial completion (days or date): _____ Ready for final payment (days or date): _____
[Increase] [Decrease] of this Change Order: \$ <u>37,924.71</u>	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): _____ Ready for final payment (days or date): _____
Contract Price incorporating this Change Order: \$ <u>7,643,826.02</u>	Contract Times with all approved Change Orders: Substantial completion (days or date): _____ Ready for final payment (days or date): _____

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (Authorized Signature)	By: _____ Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Date: _____	Date: _____	Date: _____
Approved by Funding Agency (if applicable): _____		Date: _____



January 25, 2018

Mr. Troy Hall  
 Water Utility Director  
 City of Fargo  
 Water Treatment Plant  
 435 14<sup>th</sup> Ave S  
 Fargo, ND 58103-4306

**Re: Change Order No. 6**  
**Contract No. 3 Fargo Membrane WTP and Improvements**  
**City of Fargo Project #WA1301**

Dear Mr. Hall:

Enclosed please find four (4) copies of Change Order No. 6 for the above referenced project for your review and approval. This Change Order pertains to the following changes to the project:

1. The original exterior can lights will be replaced with recessed lights to provide a better visual appearance and installation on the exterior of the building.
2. The horizontal bus in the lower level HVAC MCC will be increased from 600 amps to 800 amps, the turbidimeters (14 total) and chlorine analyzers (2 total) on the water quality panels will be switched to a different make and model that will provide more reliable water quality data at a higher accuracy with simplified instrument maintenance, PLC-2001-3 for the RO bypass process equipment will be increased in size to account for the multiple modification/additions that have been associated with this panel, Water Quality Panel 1 will be deleted from the Red River Raw Water Pump Station, and network rack modifications will be made to account for various plant additions and modifications and to enhance performance of the plant Ethernet network.
3. Miscellaneous electrical changes have been coordinated from the start of the project associated with various aspects of the electrical work including conductor size changes, drive size changes associated with changes to equipment motor sizes, and relay and disconnect changes. A summary of these changes is included with the supporting documentation for this change item.

The cost impact to Contract No. 3 is summarized in the following:

<u>Item</u>	<u>Cost</u>
1. PCO 247 – Outside Can Light Replacement	\$7,435.00
2. PCO 256 – Instrument and Miscellaneous Changes (WCD 01)	\$7,675.00
3. PCO 257 – Miscellaneous Electrical Changes (RFP 1-3)	\$24,565.00
<b>Total for Change Order No. 6 =</b>	<b>\$39,675.00</b>

Mr. Troy Hall

**Re: Change Order No. 6**

**Contract No. 3 Fargo Membrane WTP and Improvements**

**City of Fargo Project #WA1301**

**January 25, 2018**

Page 2 of 2

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Upon the City of Fargo's acceptance of Change Order No. 6, please sign and date the four original copies. Retain one copy for your records and return the remaining three copies to AE2S. AE2S will forward one copy each to the North Dakota Department of Health and JDP and will retain the remaining copy for our records. Please contact me if you have any questions or need additional information.

Sincerely,

AE2S



Ben Julson, PE  
Project Engineer

Attachments

# Change Order

No. 6

Date of Issuance: 02/12/2018 Effective Date: 02/12/2018

Project: Fargo Membrane WTP and Improvements	Owner: City of Fargo	Owner's Contract No.: WA1301
Contract: Contract No. 3 -- Electrical Construction		Date of Contract: 04/27/2015
Contractor: JDP Electric Inc.		Engineer's Project No.: P00803-2009-25

**The Contract Documents are modified as follows upon execution of this Change Order:**

Description: See attached Description of Work

Attachments: Description of Work  
Supporting documents for Change Order Items

**CHANGE IN CONTRACT PRICE:**

**CHANGE IN CONTRACT TIMES:**

Original Contract Price:  
\$ 16,821,411.00

Original Contract Times:  Working days  Calendar days  
Substantial completion (days or date): \_\_\_\_\_  
Ready for final payment (days or date): \_\_\_\_\_

[Increase] [Decrease] from previously approved Change Orders No. 1 to No. 5 :  
\$ 421,807

[Increase] [Decrease] from previously approved Change Orders No. \_\_\_\_\_ to No. \_\_\_\_\_ :  
Substantial completion (days): \_\_\_\_\_  
Ready for final payment (days): \_\_\_\_\_

Contract Price prior to this Change Order:  
\$ 17,243,218.00

Contract Times prior to this Change Order:  
Substantial completion (days or date): \_\_\_\_\_  
Ready for final payment (days or date): \_\_\_\_\_

[Increase] [Decrease] of this Change Order:  
\$ 39,675.00

[Increase] [Decrease] of this Change Order:  
Substantial completion (days or date): \_\_\_\_\_  
Ready for final payment (days or date): \_\_\_\_\_

Contract Price incorporating this Change Order:  
\$ 17,282,893.00

Contract Times with all approved Change Orders:  
Substantial completion (days or date): \_\_\_\_\_  
Ready for final payment (days or date): \_\_\_\_\_

RECOMMENDED:  
By: \_\_\_\_\_  
Engineer (Authorized Signature)

ACCEPTED:  
By: \_\_\_\_\_  
Owner (Authorized Signature)

ACCEPTED:  
By: \_\_\_\_\_  
Contractor (Authorized Signature)

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by Funding Agency (if applicable): \_\_\_\_\_

Date: \_\_\_\_\_

REPORT OF ACTION

36

UTILITY COMMITTEE

Project No. WA1301 Type: AE2S Task Order #2 – MWTP  
Startup Services

Location: Membrane Water Treatment Plant

Date of Hearing: 2/1/2018

<u>Routing</u>	<u>Date</u>
City Commission	2/12/18
Project File	

Troy Hall, Water Utility Director, presented the attached memo regarding a proposed AE2S task order for start-up services for the Membrane Water Treatment Plant (MWTP). The MWTP start-up will be a complex process involving 3 prime contractors and many equipment vendors/suppliers. This proposed task order is divided into 3 tasks as follows:

- **Start-up Memoranda:** There are 55 proposed memoranda which will document the actual start-up of equipment and define the details/principles of operation of each system to be included in an operations manual at a later date.
- **Start-up Services:** These services will involve the most hours and will coordinate the start-up activities for each system in the MWTP. A point person will be the 'Quarterback' in start-up of the MWTP. Since the MWTP is a complex plant, this task will require the most hours in this proposed task order.
- **Training:** The MWTP is composed of treatment processes that are very different compared to the existing water plant. A training task is included to help Water Utility staff gain knowledge of the new processes/equipment in an effort to ensure smooth operation once the MWTP is turned over to City staff and providing water to customers.

Water Utility staff suggests that the following scope of service is important to the successful implementation:

<u>Phase</u>	<u>Task Number and Task Name</u>	<u>Method</u>	<u>Hours</u>	<u>Cost</u>
<b>062</b>	<b>Construction Phase Services</b>			
	01 Start-up Memoranda	Hourly	550	\$ 94,400
	02 Start-up Services	Hourly	2,250	\$434,100
	03 Training	Hourly	350	\$ 58,700
	<b>Total</b>		<b>3,150</b>	<b>\$587,200</b>

The project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan. The SRF loan is administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH). The City of Fargo has now collected the \$30 million in grant funding allotted for the MWTP from the SWC.

**MOTION:**

On a motion by Ben Dow, seconded by Mark Bittner, the Utility Committee voted to approve the proposed Task Order #2 with AE2S in the amount of \$587,200.

<u>COMMITTEE:</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Unanimous</u>
				<u>X</u>
				<u>Proxy</u>
Anthony Gehrig, City Commissioner	X			
Mark Bittner, Director of Engineering	X			
Kent Costin, Director of Finance				
Brian Ward, Water Plant Supt.	X			
Mark Miller, Wastewater Plant Supt.	X			
Bruce Grubb, City Administrator	X			
Scott Liudahl, City Forester				
Terry Ludlum, Solid Waste Utility Director	X			
James Hausauer, Wastewater Util. Director	X			
Troy Hall, Water Utility Director	X			
Ben Dow, Public Works Operations Director	X			
Brenda Derrig, Assistant City Engineer	X			

ATTEST:

  
 \_\_\_\_\_  
 Troy B. Hall  
 Water Utility Director

- C: Tim Mahoney, Mayor  
 Commissioner Strand  
 Commissioner Piepkorn  
 Commissioner Grindberg

**MEMORANDUM**  
January 29, 2018

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**To:** Utility Committee

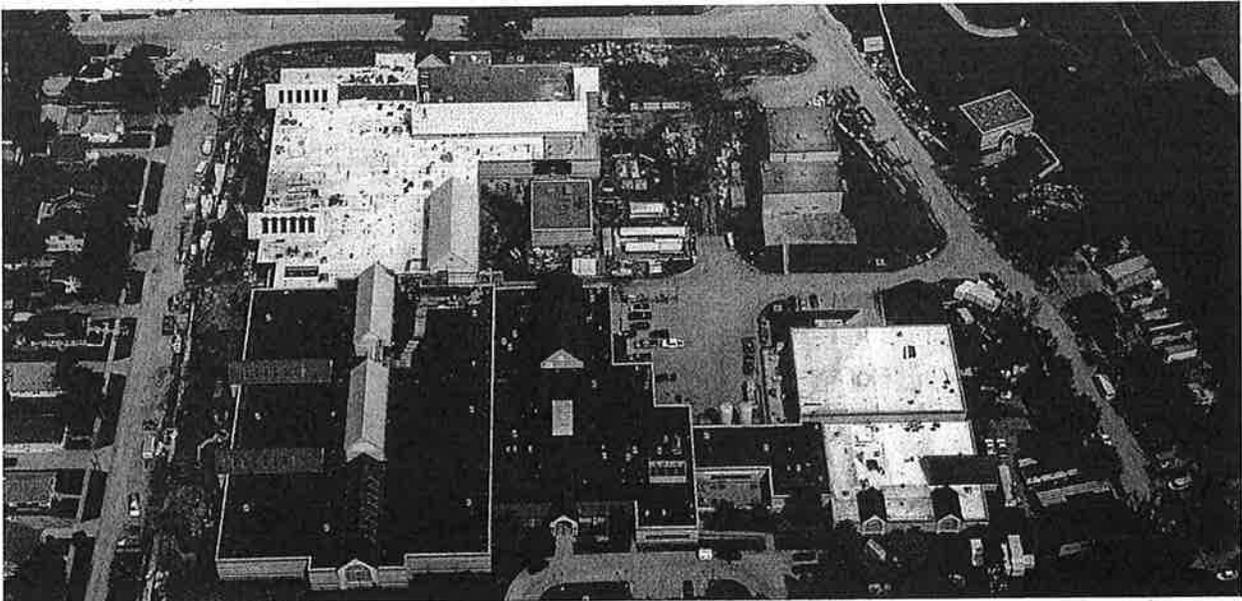
**From:** Troy B. Hall, Water Utility Director *TBH*

**Re:** AE2S Task Order #2 – Fargo Membrane WTP and Improvements – Start-up Services

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**Introduction**

Attached, please find a task order proposal with AE2S regarding Startup Services for the Membrane Water Treatment Plant (MWTP). Startup of the MWTP will begin in March, 2018 with the Pre-Treatment equipment with the intention of the MWTP being fully operational by July 29, 2018. The scope of service of the proposed task order is for: (1) Start-up Memoranda development; (2) Start-up Services; and (3) Training for Water Treatment Plant (WTP). Task Order #2 is in the amount of \$587,200 and will be billed hourly. The MWTP project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH). Water Utility staff recommends approval of this task order with AE2S.



**Aerial View of MWTP Construction Site in Summer, 2017. MWTP is now nearing Start-up.**

## **Background**

Construction of the MWTP is approaching completion with start-up of some systems to begin in March, 2018 once permanent electrical power is available to the building. At this time, there is a need for consultant assistance to start-up the MWTP and prepare WTP personnel to successfully operate the new plant. The MWTP start-up is a critical phase for the future of the Water Utility. The following are brief descriptions of the tasks involved with this task order:

### **Task 01 – Start-up Memoranda**

- 1) The engineer, contractor, and owner will develop a clearly defined start-up plan for process and building systems. These memoranda will serve as a basis for a future 'operations manual', that would typically be developed under Warranty Phase services.
- 2) There will be approximately 55 memoranda developed, including all water treatment plant processes/equipment and building automation systems (auxiliary equipment, HVAC, electrical systems).
- 3) To contain costs, Water Utility staff has asked the engineer to limit the develop of the Start-up Memoranda and stop short of a full-blown operations manual. As with other water plants in the past, the initially intended operation of the plant equipment may change once in service. A final operations manual should wait until there is a time period of experience with the equipment.

### **Task 02 – Start-up Services**

- 1) A Start-up Coordinator will assist WTP personnel and the 3 contractors with the overall start-up of MWTP processes. This person will act as the 'Quarterback' to facilitate coordination of the start-up because there are 3 prime contractors on the project, adding to the difficulty of start-up.
- 2) Through construction observation with the MWTP, it is apparent that more coordination will be needed through start-up because of having 3 contractors on site instead of a single contractor. The 3 contractors have worked well together but it is not the same as having a single point of communication.
- 3) The Start-up Coordinator will document and take notes for the start-up activities for each process, providing permanent record that equipment meets required specifications and service duty.

### **Task 03 – Training**

- 1) The existing WTP staff will soon be operating a new water treatment plant with new, unfamiliar process technology and a new control system. Most of the existing WTP staff were not heavily involved in the design and construction of the new plant. To better ensure successful MWTP operation after start-up, consulting engineers and WTP supervisory staff intend to provide training for all WTP personnel in the theory of operation and design considerations related to the MWTP and its equipment.

### **Financial Considerations**

Since it is difficult to predict exactly how start-up will go, all tasks in this task order are to be billed hourly. Task 02 (Start-up Services) is in the amount of \$434,100. Prior to bidding, the estimated budget amount for this task was \$240,400. There are essentially two reasons this amount is higher than the original estimated budget: (1) Start-up with 3 prime contractors

instead of a single prime contractor will be more complex and require additional coordination and (2) the Start-up Coordinator will be a very experienced engineer with higher billing rate. Water Utility staff believes this is important to successful start-up.

Currently, the engineering services for Construction Administration Services and Construction Field Services are projected to be under budget at the MWTP projects end. These engineering services are also billed at an hourly rate. One other engineering item pending is Warranty Phase engineering services. The original budget estimate from 2014 was \$285,000. The Warranty Phase services will likely be a future task order, possibly following MWTP start-up. Under the currently proposed task order, Task 01 (Start-up Memoranda) and Task 03 (Training) will likely reduce the amount of the Warranty Phase task order because they are part of tasks typically included in the warranty period.

**Fargo Membrane WTP Start-up Services – Scope of Service**

Water Utility staff suggests that the following scope of service is important to the successful implementation:

<b><u>Phase</u></b>	<b><u>Task Number and Task Name</u></b>	<b><u>Method</u></b>	<b><u>Hours</u></b>	<b><u>Cost</u></b>
<b>062</b>	<b>Construction Phase Services</b>			
	01 Start-up Memoranda	Hourly	550	\$ 94,400
	02 Start-up Services	Hourly	2,250	\$434,100
	03 Training	Hourly	350	\$ 58,700
	<b>Total</b>		<b>3,150</b>	<b>\$587,200</b>

**Plan of Financing**

The project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH).

**SUGGESTED MOTION:**

Approve Task Order #2 with AE2S in the amount of \$587,200 to be paid with Fund 450 and a State Revolving Fund (SRF) loan.

Your consideration in this matter is greatly appreciated.



January 25, 2018

Mr. Troy Hall  
Water Utility Director  
City of Fargo  
Water Treatment Plant  
435 14<sup>th</sup> Ave S  
Fargo, ND 58103-4306

**RE: Fargo Membrane Water Treatment Plant and Improvements  
Start-Up Services and I&C Services Phase 2  
Water Utility Task Orders #2 and #3**

Dear Troy:

Thank you for the opportunity to submit this letter proposal and attached task orders for professional engineering services related to start-up and programming for the Membrane Water Treatment Plant (WTP) and Improvements Project. Attached to this cover letter is Water Consulting Services Task Order #2 for Start-up Services and Task Order #3 for Instrumentation and Controls (I&C) Services Phase 2. A summary of the proposed services is presented in the following paragraphs and a detailed description of the proposed services is included within each task order.

The scope of services for Task Order #2, Start-Up Services, includes three main tasks. In the first task, the engineering team shall develop a series of Start-Up Memoranda for supporting start-up activities and will work with the contractor and Water Utility staff. The Memoranda will create a clearly defined plan for process and building system start-up, including outlining system components; methods to verify process system effectiveness; and the approach for ensuring functionality of monitoring and control systems. Under the second task, Start-up Services, a designated Start-Up Coordinator will assist Water Utility staff and the contractor with the overall start-up process. Our team will take a hands-on approach to assist with system start-up plan and ensure start-up and operating procedures are followed. Under the third task, Training, we will conduct start-up training in conjunction with development of each System Start-up Memorandum with focus on reviewing start-up procedures and operational protocol. Our team also proposes to conduct weekly staff training sessions to review the overall process and ancillary design elements, equipment review, and general operating details. The proposed total fee for the Start-Up Services is \$587,200.

Mr. Troy Hall

**RE: Fargo Membrane Water Treatment Plant and Improvements  
Start-Up Services and I&C Services Phase 2  
Water Utility Task Orders #2 and #3**

January 25, 2018

Page 2 of 2

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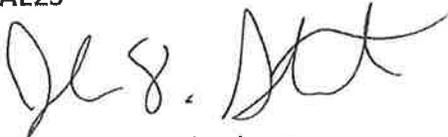
The scope of work for Task Order #3, I&C Services Phase 2, includes process control system programming necessary to remotely monitor and control the Membrane WTP. This process entails programmable logic controller (PLC) programming, human machine interface (HMI) programming, and instrumentation and controls verification and start-up for nine different process areas of the Membrane WTP. The project also includes programming integration between different vendor supplied equipment. Our team will work closely with Water Utility staff throughout the project to ensure the resulting system meets the utility's needs. The proposed total fee for I&C Services Phase 2 is \$432,200.

If you are satisfied with the proposed professional services and associated fees presented in the attached Water Utility Task Orders #2 and #3, please sign and return one executed copy of each task order to AE2S and keep a copy for your records.

We truly appreciate the opportunity to work with the City of Fargo on this important project. If you have any questions at all about this task order, please do not hesitate to contact me.

Submitted in Service,

**AE2S**



Jacob D. Strombeck, PE  
Project Manager

Attachments

This is Water Consulting Task Order No. 2, consisting of 3 pages.

**Water Consulting Task Order No. 2**

---

In accordance with Paragraph 1.01 of the Agreement Between Owner and Engineer for Professional Water Consulting Services – Task Order Edition, dated January 1, 2018 ("Agreement"), Owner and Engineer agree as follows:

**1. Background Data**

- A. Effective Task Order Date: February 1, 2018
- B. Owner: City of Fargo (Water Utility)
- C. Engineer: Advanced Engineering and Environmental Services, Inc. (AE2S)
- D. Engineer Project No.: P00803-2009-025
- E. Specific Project (title): Fargo Membrane WTP and Improvements -- Start-up Services
- F. Specific Project (description):

This project entails start-up services for the Fargo Membrane Water Treatment Plant (WTP) and Improvements Project and generally includes development of start-up memoranda, training, and hands-on start-up services.

**2. Services of Engineer**

- A. The specific services to be provided or furnished by Engineer under this Task Order are detailed in Attachment 1 and include the services (and related terms and conditions) set forth in the following sections of Exhibit A, as attached to the Agreement referred to above, such sections being hereby incorporated by reference:
  - Construction Phase Services (Exhibit A, Paragraph A1.05)
    - [not including Resident Project Representative (RPR) services (A1.05.A.2)]
  - I&C System Services and Commissioning Services (Exhibit A, Paragraph A1.07)
  - Others Services (Exhibit A, Paragraph A1.08)
- B. Resident Project Representative (RPR) Services: None.
- C. All of the services included above comprise Basic Services for purposes of Engineer's compensation under this Task Order.

**3. Owner's Responsibilities**

Owner shall have those responsibilities set forth in Article 2, Exhibit B of the Agreement.

**4. Task Order Schedule**

In addition to any schedule provisions provided in Exhibit A or elsewhere, the parties shall meet the following approximate schedule:

- Task Order approval – *February 1, 2018*
- Project Completion – *July 2018*

**5. Payments to Engineer**

A. Owner shall pay Engineer for services rendered under this Task Order as follows:

<i>Phase</i>	<i>Task Number and Task Name</i>	<i>Payment Method</i>	<i>Estimated Hours</i>	<i>Amount</i>
<i>062</i>	<i>Construction Phase Services</i>	<i>Method B – Standard Hourly Rates</i>		
<i>01</i>	<i>Start-up Memoranda</i>		<i>550</i>	<i>\$94,400</i>
<i>02</i>	<i>Start-up Services</i>		<i>2,250</i>	<i>\$434,100</i>
<i>03</i>	<i>Training</i>		<i>350</i>	<i>\$58,700</i>
<i>Total</i>			<i>3,150</i>	<i>\$587,200</i>

Compensation items and totals based in whole or in part on Hourly Rates or Direct Labor are estimates only. Lump sum amounts and estimated totals included in the breakdown by phases incorporate Engineer's labor, overhead, profit, reimbursable expenses (if any), and Consultants' charges, if any. For lump sum items, Engineer may alter the distribution of compensation between individual phases (line items) to be consistent with services actually rendered, but shall not exceed the total lump sum compensation amount unless approved in writing by the Owner.

B. The terms of payment are set forth in Article 4 of the Agreement and in the applicable governing provisions of Exhibit C.

**6. Consultants retained as of the Effective Date of the Task Order:**

Black & Veatch Corporation

**7. Other Modifications to Agreement and Exhibits: None.****8. Attachments:**

Attachment 1 – Scope of Services for Task Order

Attachment 2 – Project Schedule

**9. Other Documents Incorporated by Reference: None.**

**10. Terms and Conditions**

Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

The Effective Date of this Task Order is February 1, 2018.

OWNER: City of Fargo (Water Utility)

ENGINEER: Advanced Engineering and Environmental Services, Inc. (AE2S)

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: Troy B. Hall

Name: Brett Jochim

Title: Water Utility Director

Title: Chief Operating Officer

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

Name: Troy B. Hall

Name: Brian R. Bergantine

Title: Water Utility Director

Title: Operations Manager

Address: 435 14<sup>th</sup> Ave S  
Fargo, ND 58103

Address: 4170 28<sup>th</sup> Ave S  
Fargo, ND 58104

E-Mail Address: THall@FargoND.gov

E-Mail Address: Brian.Bergantine@ae2s.com

Phone: (701) 476 - 6741

Phone: (701) 364 - 9111

This is Attachment 1 to Water Consulting Task Order No. 2 consisting of 3 page(s).

*Attachment 1 to Water Consulting Task Order No. 2*

*Fargo Membrane WTP and Improvements – Start-up Services*

*February 1, 2018*

## Scope of Services

The Project entails start-up services for the Fargo Membrane Water Treatment Plant (WTP) and Improvements Project and generally includes development of start-up memoranda, training, and hands-on start-up services. The following is a detailed breakdown of this Scope of Services to Water Consulting Task Order No. 2.

### **Phase 062 – Construction Phase Services**

*In accordance with Paragraphs A1.05, A1.07, and A1.08 of Exhibit A of the Original Task Order Agreement, dated January 1, 2018, ENGINEER shall perform the following services under Water Consulting Task Order No. 2:*

#### Task 01 – Start-up Memoranda

Engineer shall develop a series of “System Start-Up Memoranda” for supporting start-up activities. Engineer shall work with the Contractor and Owner to create a clearly defined process and building system start-up plan outlining components; means to verify process system effectiveness; means by which the project team may check all modes of monitoring and control of the process systems; and ability to simulate abnormal modes of operations. The memoranda shall also include system descriptions, control narratives, start-up checklist, planned project start-up values / set points, and documentation for start-up acceptance. Engineer shall review the Start-up Memoranda and overall start-up procedures with the Owner and Contractor for the start-up of each system as part of Task 03. Engineer shall develop no more than 55 memoranda focusing on the following process and building systems:

- Pretreatment System Components including: Raw Water Metering, Automatic Strainers, Rapid Mix System, Flocculation Basins and Flocculators, Inclined Plate Settlers and Solids Collection, Backwash Recovery Wetwell, and Basin Drain Wetwell (7 Start-Up Memos);
- MF/UF System Components including: Permeate Suction Pumps, Submerged Membrane Unit/Tanks, Membrane Backpulse System, Membrane Air Scour System, Membrane Maintenance Wash and Clean-in-Place System, Membrane Neutralization System, and Membrane Compressed Air System (7 Start-Up Memos);
- RO Area Components including: Filtrate Pumps; Cartridge Filters; High Pressure RO Feed Pumps, RO Membrane Skids, RO Permeate Flush System, RO CIP System, RO Neutralization System, Degasifier System, and RO Concentrate Disposal System (9 Start-Up Memos);
- RO Bypass Components including: Ozone Injection System, Ozone Destruct System, and Activated Carbon Pressure Vessels (3 Start-Up Memos);
- Disinfection Area Components including the Chlorine Contact Basin and Post-Basin Mixing System (1 Start-Up Memo);

- Existing WTP Chemical System (components that were modified as part of the Membrane WTP Project) including: Lime Storage and Conveyance System, Soda Ash Storage and Conveyance System, Ozone Generation System, and chemical transfer systems (4 Start-Up Memos and 3 Operation Memos);
- Membrane WTP Chemical System Components including: Sulfuric Acid Systems (both 93% and 40% systems), Coagulant System, Sodium Hydroxide System, Antiscalant System, Sodium Bisulfite System, Sodium Hypochlorite System, Membrane Cleaner System, Citric Acid System, and Hydrogen Peroxide System (10 Start-Up Memos);
- Ancillary System Components including: Compressed Air System, HVAC – Hydronic Heating System, HVAC – Hydronic Cooling System, HVAC – Dehumidifiers, HVAC – Air Handling System, HVAC – Fan Ventilation Systems, Plumbing – Water Systems, Plumbing – Sewer Systems, and Electrical System Components including the Medium Voltage Electrical System and the Emergency Power Generation System (10 Start-up Memos).

### Task 02 – Start-up Services

Engineer shall designate a Start-Up Coordinator to assist Owner and Contractor with the overall start-up process. Engineer shall coordinate scheduling of each process system and building system start-up with the Contractor, Owner, and Manufacturer and oversee the start-up of each system by the Contractor. Engineer shall assist Owner and Contractor to verify that the start-up plan is matched to the sequence of the proposed construction. Engineer shall work with Owner and Contractor to help demonstrate operations of the process systems to the WTP staff. Mechanical integrity testing including pressure testing and checking for noise, vibration, alignment, temperature, etc., as required, shall be conducted by the Contractor and witnessed by the Engineer where specified in the Specifications. Engineer shall witness operations and testing of valves to verify that the valves operate correctly and are tested at full-open, full-close, and intermediary, if available, positions. Engineer shall work with Owner and Contractor to verify that field devices have been properly calibrated prior to start-up. Engineer shall work with Owner and Contractor to verify that all passive testing required has been completed by the Contractor prior to making the final connections. Engineer, along with Owner and Contractor, shall notify the power utility as to when the equipment is to be energized. Engineer shall assist Owner and Contractor in updating the documentation during system start-up which verifies that the steps that have been taken during the process system start-up accurately reflect the equipment installed or any configuration changes that were made to the process software. Engineer will collect notes and create a detailed list of corrective actions and review the list of corrective actions with Owner and Contractor prior to considering the start-up complete. Engineer shall coordinate and participate in Contractor and Manufacturer provided start-up and training. Engineer anticipates system start-up services to occur through July 2018.

### Task 03 – Training

Engineer shall conduct start-up training with Owner in conjunction with development of each System Start-up Memorandum (Task 01). It is anticipated start-up training will be coordinated with start-up services for each system (Task 02). Start-up training will focus on reviewing each Start-up Memorandum and reviewing system start-up procedures.

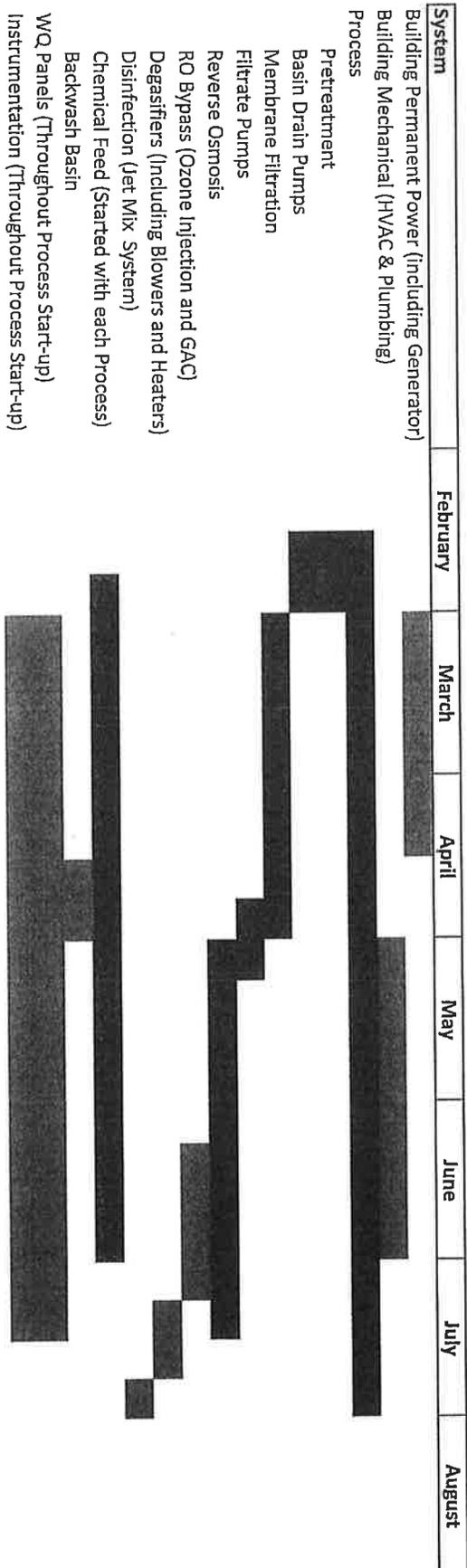
Engineer shall support Owner in conducting weekly all staff training sessions to review overall process and ancillary design elements, equipment review, and general operating details. Engineer shall work with Owner to develop training topics and schedule. Engineer anticipates training to occur during start-up phase

through July 2018. Engineer shall primarily rely on the System Start-up Memoranda and past presentation materials for conducting training. It is anticipated each training session will have a duration of one hour and a variety of meeting styles will be utilized including both in-person meetings and online meetings depending on training needs.

Additional hands-on operational training is planned to be conducted in conjunction with development of an Operations Manual and is not part of this task order. This hands-on operational training is anticipated to be completed in the future along with warranty phase services which also include record drawings and operations manual development.

**Task Order No. 2 - Attachment 2**  
**Fargo Membrane WTP Start-up Phase Services**  
**AE2S Project P00803-2009-025**  
**City of Fargo, ND**  
**Membrane WTP Start-Up Schedule**

 = Indicates estimated timeframe from Contractor.  
 = Indicates estimated timeline (not dates from Contractor).



REPORT OF ACTION**UTILITY COMMITTEE**

(31)

Project No. WA1301 Type: AE2S Task Order #3 – MWTP  
Control System Startup Services

Location: Membrane Water Treatment Plant

Date of Hearing: 2/1/2018

<u>Routing</u>	<u>Date</u>
City Commission	<u>2/12/18</u>
Project File	<u>                    </u>

Troy Hall, Water Utility Director, presented the attached memo regarding a proposed AE2S task order for control system programming and Instrumentation & Control (I&C) start-up services for the Membrane Water Treatment Plant (MWTP). The first phase will be programming the Programmable Logic Controllers (PLCs), Human-Machine Interfaces (HMI), and other devices. This allows for automated and operator monitoring and control of the MWTP. The second phase involves start-up of the MWTP control system and is a complex, involved process. AE2S is unique in that they have an I&C division in addition to being a full service engineering firm for water and wastewater. The following table shows the I&C phases and costs for this proposed task order:

<u>Phase</u>	<u>Task Number and Task Name</u>	<u>Method</u>	<u>Hours</u>	<u>Cost</u>
<b>080</b>	<b>I&amp;C System Services</b>			
	01 PLC and HMI Programming Services	Hourly	1,330	\$194,400
	02 I&C Start-up Services	Hourly	1,500	\$237,800
	<b>Total</b>		<b>2,830</b>	<b>\$432,200</b>

The original estimated budget (2014) for I&C services for the MWTP was a total of \$940,900. If MWTP start-up of the control system is completed under this task order, the total I&C service cost for the project will be almost \$400,000 under the original estimate. Water Utility staff believes the low potential cost is attributed to a change in SCADA software vendors and a phased I&C services approach. The new SCADA software is quicker programming and many improved features for water plant operations staff once the MWTP project is completed. Water Utility staff recommends approval of this task order.

The project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan. The SRF loan is administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH). The City of Fargo has now collected the \$30 million in grant funding allotted for the MWTP from the SWC.

**MOTION:**

On a motion by Ben Dow, seconded by Mark Miller, the Utility Committee voted to approve the proposed Task Order #3 with AE2S in the amount of \$432,200.

<u>COMMITTEE:</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Unanimous</u>
				<u>X</u>
				<u>Proxy</u>
Anthony Gehrig, City Commissioner	<u>X</u>			
Mark Bittner, Director of Engineering	<u>X</u>			
Kent Costin, Director of Finance				
Brian Ward, Water Plant Supt.	<u>X</u>			
Mark Miller, Wastewater Plant Supt.	<u>X</u>			
Bruce Grubb, City Administrator	<u>X</u>			
Scott Liudahl, City Forester				
Terry Ludlum, Solid Waste Utility Director	<u>X</u>			
James Hausauer, Wastewater Util. Director	<u>X</u>			
Troy Hall, Water Utility Director	<u>X</u>			
Ben Dow, Public Works Operations Director	<u>X</u>			
Brenda Derrig, Assistant City Engineer	<u>X</u>			



ATTEST:

Troy B. Hall  
Water Utility Director

C: Tim Mahoney, Mayor  
Commissioner Strand  
Commissioner Piepkorn  
Commissioner Grindberg

**MEMORANDUM**  
January 29, 2018

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**To:** Utility Committee

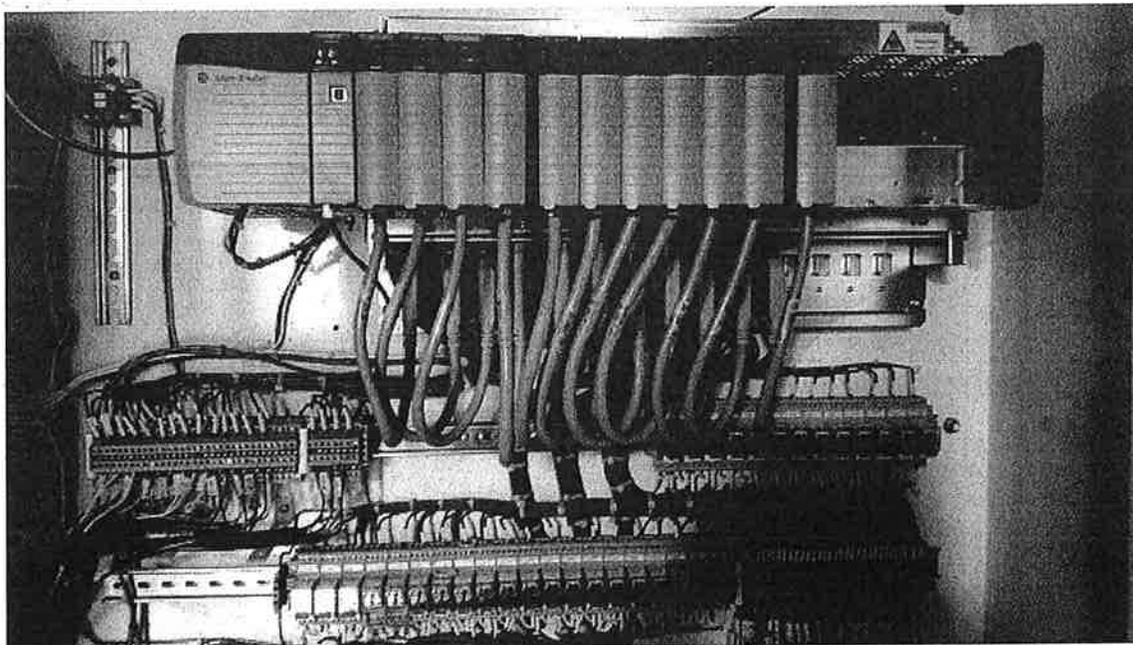
**From:** Troy B. Hall, Water Utility Director T B H

**Re:** AE2S Task Order #3 – Fargo Membrane WTP and Improvements – I&C Services Phase 2

---

**Introduction**

Attached, please find a task order proposal with AE2S regarding Instrumentation & Control (I&C) Services for the Membrane Water Treatment Plant (MWTP). Startup of the MWTP will begin in March, 2018 for the Pre-Treatment equipment with the intention of the MWTP being fully operational by July 29, 2018. The scope of service of the proposed task order is for: (1) programming of Programmable Logic Controllers (PLCs) and Human-Machine Interfaces (HMIs); and (2) I&C Start-up services for the MWTP. Task Order #3 is in the amount of \$432,200 and will be billed hourly. The MWTP project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH). Water Utility staff recommends approval of this task order with AE2S.



**Programmable Logic Controller in Control Cabinet of Existing Water Treatment Plant**

## Background

Construction of the MWTP is approaching completion with start-up of some systems to begin in March, 2018 once permanent electrical power is available to the building. At this time, there is a need for control system programming for MWTP equipment and to make I&C consultants available for start-up and check-out of equipment. The following are brief descriptions of the tasks involved with this task order:

### **Task 01 - PLC and HMI Programming Services**

- 1) Develop a customized program for the MWTP PLC to automate and control the processes as described in the Process Control Narrative documents, developed under another task order. As listed in the attached Scope of Service, there are nine MWTP areas shown as needing this programming.
- 2) Integrate vendor supplied control systems into the MWTP PLC program and Supervisory Control and Data Acquisition (SCADA) system. As listed in the attached Scope of Service, there are seven vendor supplied systems in the MWTP that require this programming.
- 3) Develop a customized HMI application using Ignition HMI software. The use of Ignition HMI software was approved by the Utility Committee and Finance Committee late in 2017. Ignition will replace the existing SCADA platform, adding speedier operational information methods for operations staff. Ignition has much lower support cost, too. Details of the Ignition HMI programming needs are described in the attached Scope of Service.

### **Task 02 – I&C Start-up Services**

- 1) Each individual process will startup as a unit according to Process Control Narratives and the System Startup Memoranda developed in a separate task order. In the attached Scope of Service, there are four task areas listed as verifications during start-up. There are four task areas listed as performing configuration, including seven server applications.

### **Previous I&C Task Order Services under Separate Contracts**

Preceding the proposed task order, there have been two previous I&C related contracts. They are as follows:

<u>Services</u>	<u>Contract Description</u>	<u>Cost</u>
Ozone and Dry Chemical Programming	Task Order #76 Amendment	\$35,000
Membrane WTP – I&C Services Phase 1	Task Order #91	\$82,030

The ozone generator installation is complete. For the dry chemical, the programming is essentially done from an AE2S perspective. However, Water Treatment Plant (WTP) staff is working with the dry chemical vendor and contractor to optimize the lime system. Following the I&C Services Phase 1 scope, WTP personnel have been meeting periodically with AE2S to discuss several control system features. This includes:

- Installation and features of Ignition SCADA software
- Digital and analog control and display conventions
- Methods to speed up WTP process information to WTP staff

## Financial Considerations

Including the previously approved I&C services, the total contracted amount for MWTP I&C services will be \$549,230, if this proposed task order is approved. It is difficult to estimate the I&C effort needed on such a complex project as the MWTP. Therefore, the proposed task order is set up as hourly billing. When estimating the budget for the MWTP construction services, the I&C programming services were estimated at \$940,900. If the MWTP start-up is completed under the proposed task order, the total project will be approximately \$400,000 under the initial budget estimate from about 2014.

### Fargo Membrane WTP Phase 2 I&C Services – Scope of Service

Water Utility staff suggests that the following scope of service is important to the successful implementation:

<u>Phase</u>	<u>Task Number and Task Name</u>	<u>Method</u>	<u>Hours</u>	<u>Cost</u>
<b>080</b>	<b>I&amp;C System Services</b>			
	01 PLC and HMI Programming Services	Hourly	1,330	\$194,400
	02 I&C Start-up Services	Hourly	1,500	\$237,800
	<b>Total</b>		<b>2,830</b>	<b>\$432,200</b>

### Plan of Financing

The project is being paid for through State Water Commission (SWC) grant funding and through a State Revolving Fund (SRF) loan administered by the North Dakota Public Finance Authority (PFA) and the North Dakota Department of Health (NDDH).

### **SUGGESTED MOTION:**

Approve Task Order #3 with AE2S in the amount of \$432,200 to be paid with Fund 450 and a State Revolving Fund (SRF) loan.

Your consideration in this matter is greatly appreciated.



January 25, 2018

Mr. Troy Hall  
Water Utility Director  
City of Fargo  
Water Treatment Plant  
435 14<sup>th</sup> Ave S  
Fargo, ND 58103-4306

**RE: Fargo Membrane Water Treatment Plant and Improvements  
Start-Up Services and I&C Services Phase 2  
Water Utility Task Orders #2 and #3**

Dear Troy:

Thank you for the opportunity to submit this letter proposal and attached task orders for professional engineering services related to start-up and programming for the Membrane Water Treatment Plant (WTP) and Improvements Project. Attached to this cover letter is Water Consulting Services Task Order #2 for Start-up Services and Task Order #3 for Instrumentation and Controls (I&C) Services Phase 2. A summary of the proposed services is presented in the following paragraphs and a detailed description of the proposed services is included within each task order.

The scope of services for Task Order #2, Start-Up Services, includes three main tasks. In the first task, the engineering team shall develop a series of Start-Up Memoranda for supporting start-up activities and will work with the contractor and Water Utility staff. The Memoranda will create a clearly defined plan for process and building system start-up, including outlining system components; methods to verify process system effectiveness; and the approach for ensuring functionality of monitoring and control systems. Under the second task, Start-up Services, a designated Start-Up Coordinator will assist Water Utility staff and the contractor with the overall start-up process. Our team will take a hands-on approach to assist with system start-up plan and ensure start-up and operating procedures are followed. Under the third task, Training, we will conduct start-up training in conjunction with development of each System Start-up Memorandum with focus on reviewing start-up procedures and operational protocol. Our team also proposes to conduct weekly staff training sessions to review the overall process and ancillary design elements, equipment review, and general operating details. The proposed total fee for the Start-Up Services is \$587,200.

Mr. Troy Hall

**RE: Fargo Membrane Water Treatment Plant and Improvements  
Start-Up Services and I&C Services Phase 2  
Water Utility Task Orders #2 and #3**

January 25, 2018

Page 2 of 2

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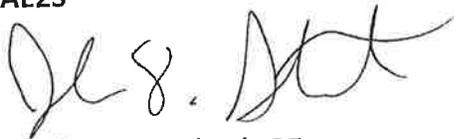
The scope of work for Task Order #3, I&C Services Phase 2, includes process control system programming necessary to remotely monitor and control the Membrane WTP. This process entails programmable logic controller (PLC) programming, human machine interface (HMI) programming, and instrumentation and controls verification and start-up for nine different process areas of the Membrane WTP. The project also includes programming integration between different vendor supplied equipment. Our team will work closely with Water Utility staff throughout the project to ensure the resulting system meets the utility's needs. The proposed total fee for I&C Services Phase 2 is \$432,200.

If you are satisfied with the proposed professional services and associated fees presented in the attached Water Utility Task Orders #2 and #3, please sign and return one executed copy of each task order to AE2S and keep a copy for your records.

We truly appreciate the opportunity to work with the City of Fargo on this important project. If you have any questions at all about this task order, please do not hesitate to contact me.

Submitted in Service,

**AE2S**



Jacob D. Strombeck, PE  
Project Manager

Attachments

This is Water Consulting Task Order No. 3, consisting of 3 pages.

**Water Consulting Task Order No. 3**

---

In accordance with Paragraph 1.01 of the Agreement Between Owner and Engineer for Professional Water Consulting Services – Task Order Edition, dated January 1, 2018 ("Agreement"), Owner and Engineer agree as follows:

**1. Background Data**

- A. Effective Task Order Date: February 1, 2018
- B. Owner: City of Fargo (Water Utility)
- C. Engineer: Advanced Engineering and Environmental Services, Inc. (AE2S)
- D. Engineer Project No.: P00803-2009-025
- E. Specific Project (title): Fargo Membrane WTP and Improvements – I&C Services Phase 2
- F. Specific Project (description):

The Project entails programmable logic controller (PLC) programming, human machine interface (HMI) programming, and instrumentation and controls (I&C) start-up services for the Fargo Membrane WTP and Improvements Project.

**2. Services of Engineer**

- A. The specific services to be provided or furnished by Engineer under this Task Order are detailed in Attachment 1 and include the services (and related terms and conditions) set forth in the following sections of Exhibit A, as attached to the Agreement referred to above, such sections being hereby incorporated by reference:
  - I&C System Services and Commissioning Services (Exhibit A, Paragraph A1.07)
  - Others Services (Exhibit A, Paragraph A1.08)
- B. Resident Project Representative (RPR) Services: None.
- C. All of the services included above comprise Basic Services for purposes of Engineer's compensation under this Task Order.

**3. Owner's Responsibilities**

Owner shall have those responsibilities set forth in Article 2, Exhibit B of the Agreement.

#### 4. Task Order Schedule

In addition to any schedule provisions provided in Exhibit A or elsewhere, the parties shall meet the following approximate schedule:

- Task Order approval – *February 1, 2018*
- Project Completion – *July 2018*

#### 5. Payments to Engineer

A. Owner shall pay Engineer for services rendered under this Task Order as follows:

<i>Phase</i>	<i>Task Number and Task Name</i>	<i>Payment Method</i>	<i>Estimated Hours</i>	<i>Amount</i>
<i>080</i>	<i>I&amp;C System Services</i>	<i>Method B – Standard Hourly Rates</i>		
<i>01</i>	<i>PLC and HMI Programming Services</i>		<i>1,330</i>	<i>\$194,400</i>
<i>02</i>	<i>I&amp;C Start-up Services</i>		<i>1,500</i>	<i>\$237,800</i>
<i>Total</i>			<i>2,830</i>	<i>\$432,200</i>

Compensation items and totals based in whole or in part on Hourly Rates or Direct Labor are estimates only. Lump sum amounts and estimated totals included in the breakdown by phases incorporate Engineer's labor, overhead, profit, reimbursable expenses (if any), and Consultants' charges, if any. For lump sum items, Engineer may alter the distribution of compensation between individual phases (line items) to be consistent with services actually rendered, but shall not exceed the total lump sum compensation amount unless approved in writing by the Owner.

B. The terms of payment are set forth in Article 4 of the Agreement and in the applicable governing provisions of Exhibit C.

6. **Consultants retained as of the Effective Date of the Task Order:** None.

7. **Other Modifications to Agreement and Exhibits:** None.

8. **Attachments:**

Attachment 1 – Scope of Services for Task Order

9. **Other Documents Incorporated by Reference:** None.

10. **Terms and Conditions**

Execution of this Task Order by Owner and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Task Order signed by Owner.

The Effective Date of this Task Order is February 1, 2018.

OWNER: City of Fargo (Water Utility)

ENGINEER: Advanced Engineering and Environmental Services, Inc. (AE2S)

By: \_\_\_\_\_

By:  \_\_\_\_\_

Name: Troy B. Hall

Name: Brian R. Bergantine

Title: Water Utility Director

Title: Operations Manager

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

DESIGNATED REPRESENTATIVE FOR TASK ORDER:

Name: Troy B. Hall

Name: Jason Sanden

Title: Water Utility Director

Title: I&C Division Manager

Address: 435 14<sup>th</sup> Ave S  
Fargo, ND 58103

Address: 4170 28<sup>th</sup> Ave S  
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E-Mail Address: THall@FargoND.gov

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Phone: (701) 364 - 9111

This is Attachment 1 to Water Consulting Task Order No. 3 consisting of 3 page(s).

*Attachment 1 to Water Consulting Task Order No. 3*

*Fargo Membrane WTP and Improvements – I&C Services Phase 2*

*February 1, 2018*

## Scope of Services

The Project entails programmable logic controller (PLC) programming, human machine interface programming, and instrumentation and controls (I&C) start-up services for the Fargo Membrane WTP and Improvements Project. The following is a detailed breakdown of this Scope of Services to Water Consulting Task Order No. 3.

### **Phase 080 – I&C System Services**

*In accordance with Paragraph A1.07 and A1.08 of Exhibit A of the Original Task Order Agreement, dated January 1, 2018, ENGINEER shall perform the following specific Commissioning and I&C Systems services under Water Consulting Task Order No. 3:*

#### Task 01 – PLC and HMI Programming Services

Engineer shall provide the PLC and HMI programming services necessary to remotely monitor and control the instrumentation and control devices associated with the processes that make up the membrane water treatment plant. The PLC shall be programmed in accordance with the Process Control Narratives developed under a separate Task Order. The PLC shall be programmed using Rockwell Software RSLogix 5000 software. The HMI shall be programmed using Ignition HMI software. PLC and HMI programming required to communicate and integrate with vendor supplied control systems will be performed. The specific tasks for the PLC and HMI programming are as follows:

- 1) Develop a customized program for the membrane WTP PLC to automate and control the process as described in the Process Control Narrative documents. Process areas to be automated by the Engineer include the following areas as defined by the project plans and specifications:
  - a) 10 – Pretreatment/Backwash Recovery/Drainage Area and all sub areas
  - b) 12-1 RO Area/Filtrate Pumps
  - c) 12-2 Cartridge Filters
  - d) 12-8 Degasification System
  - e) 12-9 Concentrate Disposal
  - f) 13 – RO Bypass (all sub areas not controlled by vendor supplied control systems)
  - g) 14 – Disinfection Area and all sub areas
  - h) 15 – Existing Chemical Feed Area and all sub areas
  - i) 16 – New Chemical Feed Area and all sub areas
  
- 2) Integrate vendor supplied control systems into the membrane WTP PLC program and supervisory control and data acquisition (SCADA) system, as necessary, to provide remote control and monitoring functions of the vendor control systems from the WTP SCADA system. Vendor supplied control systems to be integrated by the Engineer include the following systems and the control panel ID numbers as defined by the project plans and specifications:

- a) Raw Water Strainer: 10-LCP-1001
  - b) Sedimentation Basin Sludge Collectors: 10-LCP-2120, 10-LCP-2220, and 10-LCP-2230
  - c) MF/UF PLC (no panel ID number)
  - d) RO PLC: PLC-4100
  - e) Ozone Injection Skids: OIS-1100 and OIS-1200
  - f) Ozone Destruct Skids: ODS-2100 and ODS-2200
  - g) Engine Generator and Power Distribution (no panel ID number)
- 3) Develop a customized Human Machine Interface (HMI) application using Ignition HMI software. The HMI application shall provide the following functionality:
- a) Provide an overview display of each process area.
    - i) Display current process instrumentation values with the appropriate measuring units.
    - ii) Provide an interface for each device and process for operators to change operating setpoints.
    - iii) Provide an interface for operators to change alarms setpoints and enable/disable alarms for each process value.
    - iv) Provide an interface to trend historical data for each process value.
    - v) Display the status of each device that is monitored and controlled.
    - vi) Provide an interface to remotely control each device.
    - vii) Provide displays for each process area to monitor and change the alarm setpoints for each device in that process area.
    - viii) Provide displays for each process area to display historical trends of the critical values of that process area.
  - b) Provide a display for operators to create trends on demand.
  - c) Provide a display to allow operators and managers to query historical process data on demand in a tabular format to export for further data analysis.
  - d) Provide a display to show current alarms with functions for operators to sort and filter alarms by process area and to acknowledge alarms.
  - e) Provide a display to show the alarm history with selectable date ranges, and functions to filter and sort by process area.
  - f) Create the following reports and a display for the operators to select and view the reports
    - i) Production reports to display the daily flow total for each flow meter in the membrane WTP.
    - ii) Runtime reports to display the daily runtime for each motor/pump in the membrane WTP.
    - iii) Chemical feed reports to display the daily usage for each chemical in the membrane WTP.
    - iv) Individual Filter Turbidity report.
    - v) Power usage reports to display the daily power consumption in the membrane WTP.

#### Task 02 – I&C Start-up Services

Engineer shall perform start-up services to verify that all instrument and control devices are installed and programmed correctly in the PLC and HMI. Each instrumentation device will be individually checked out for correct reading in the PLC and HMI. Each control device will be checked for correct operation between the HMI and the device. Each individual process area will started up as a unit to verify correct automation sequences as determined by the Process Control Narratives and the System Start-Up Memoranda developed in separate Task Orders. The specific start-up tasks are as follows:

- 1) Verify the correct readings for each process and analytical instrument between the instrument and the PLC, and between the PLC and SCADA system.
- 2) Verify the correct control and alarm functions between each device and the PLC, and between the PLC and SCADA system.
- 3) Verify the correct automation for each process as defined in the Process Control Narratives.
- 4) Verify the correct integration between the SCADA system and the vendor supplied control systems.
- 5) Configure all SCADA network switches to manage the communications between the motor controls, vendors supplied control panels, membrane plant PLC, and SCADA servers.
- 6) Configure the new SCADA servers in a virtual environment to run the following applications and services:
  - a) VMWare Esxi Server
  - b) Windows 2016
  - c) Redundant SCADA/HMI software using Ignition HMI software
  - d) Microsoft SQL Server database
  - e) Microsoft Remote Desktop Services with ACP Thinmanger
  - f) Domain controller with Active Directory Services
  - g) Server and file backup software
- 7) Configure a new Network Attached Storage (NAS) device to store the server and file backups.
- 8) Configure the SCADA system historical database to exchange data with the City's Hach WIMS software.