

**VILLAGE OF COTTAGE GROVE UTILITY COMMISSION
MEETING MINUTES OF JANUARY 13, 2016**

1. **Call to Order.** The meeting was called to order by Chairperson Christopher Dyer at 5:00 p.m.
2. **Determine that a quorum is present and that the agenda was properly posted.** It was determined that a quorum was present and that the agenda had been properly posted. Present were Christopher Dyer, Bruce Halverson, Charlie Rogers, Dave Wallace, and Alex Jushchyshyn. Also present were Travis McDermott and Mike Maloney of MSA, Village Attorney Lee Boushea, Village Administrator Matt Giese, Town of Cottage Grove Chair Kris Hampton, Director of Public Works JJ Larson, and Village Trustee Harvey Potter arrived shortly after the meeting was called to order.
3. **Public Appearances – Public’s opportunity to speak to Commission Members about any item that is not a specific agenda item.** None.
4. **Discuss and consider the Town of Cottage Grove’s right-of-way permit approval with conditions for the Gaston Road Water Main Extension Project.** McDermott outlined the packet memo explaining that the Village is required to obtain a Right-of Way permit to install the planned water main along Gaston Rd. The goal was for the Village to obtain the permit, with any requested conditions and bring it to Utility Commission for approval. After the initial submission the Town requested further information; specifically on the planned asphalt joint and future hydrant flushing. The Village submitted the requested information and the Town granted the permit with a number of conditions. Village staff met and discussed the conditions and felt that a number of them were unreasonable, and provided a response to the Town. At the next Town meeting, the permit was approved with permission for the Village staff to work directly with Town staff on the remaining concerns. At issue are the request that the Village pay professional fees the Town may incur, the requested five year warranty on the road, and the Town request that the Village develop a bid alternate for mill & overlay work on the half of the road not being reconstructed. Village Attorney Boushea was talking through the issues with Town Attorney Connie Anderson. Boushea stated that the Village regards the request as a straight forward permit application per Wisconsin statutes and PSC code there are limits on what can be requested on a right-of-way permit. Boushea stated that he talked with Anderson yesterday and clarified the request about notice; the town will provide a list of residents for the Village to contact about the project. They discussed a 1 year warranty, and that historically longer is only requested when there are specific issues or concerns that come up during construction. They discussed a cap of \$10,000 for professional fees as well as using language allowed under PSC guidelines, not to exceed certain amount. Wallace asked what was identified as beyond reasonable by the Village. Boushea responded the warranty and the language “as good or better condition,” legal costs, and problems with the bid alternate option beyond the contract, such as Village and Town both having staff on one job site. McDermott explained that Village concerns were outlined in responses to Town in packets. Dyer stated that the bid alternate for repairing the whole road makes sense and asked about how to address managing of work on the other half. Maloney stated that this could create issues with both the Village and Town having managers on site, and with ensuring that extra engineering costs stay with the Town. Giese asked about how this could affect Safe Drinking Water Loan funds. Maloney stated that ineligible items can be the project and that it was confirmed with the loan administrators. Giese asked if the Village would have to fund the Town’s half and then get repaid. Maloney stated that it would be some of the very last work, and likely part of the last contractor invoice, so that even if the Village did fund it could circulate through quickly and go to the Town for repayment. Dyer asked if the contractor could split the invoice. Boushea said he discussed that option with Giese. Maloney stated that it’s not done often but is possible. Giese asked about possible cost for mill & overlay work. Maloney estimated \$75,000 to \$125,000 for the 5000 feet. Dyer asked if there was anything that would prevent the Town from contacting the contractor. Giese said no, but it would be beneficial to do so at same time. Dyer stated

we should split invoices, and don't want to be funding. Giese asked Hampton how the Town would pay for the work. Hampton stated the Town would pay either the Village or contractor direct. Rogers asked if there would there be two engineers and two supervisors, and that we can't have two competing. Maloney stated one important thing would be to have a single general contractor. Hampton stated that both engineers, Village and Town, would agree on damage to be repaired after the installation work is complete. McDermott stated that damage assessment would be done anyway, and that the road will be videoed before and after construction. Boushea asked if the Town would calculate the damage to the remaining side and then determine whether or not to do their side completely. Jushchyshyn explained assessing the damage post-construction and then the Town would determine if they wanted to completely redo the remaining road work. McDermott stated that the Town should know beforehand if they intend to do their side of the road and if the Town opts not to, there will still be a normal damage assessment and repair. Jushchyshyn stated that the Town could opt in if the Village work leads to a lot of damage to the other side, lowering the total cost for the Town. Rogers asked how far apart are the attorneys. Boushea stated on fees and length of warranty, with fees and possibility of using PSC language and a hard cap-they are close. Still feel the 5 year warranty request is excessive. Maloney stated that every engineer he's talked to said 5 year is excessive and that a 1 year is statutory, and if there is a problem you can request extended warranty. Dyer asked about industry standard warranty. Maloney stated 1 year, contractors are required to provide municipalities 1 year. Dyer asked about the Town requesting a longer warranty. Maloney stated that it's very rare to have an extended warranty, typically try to remedy any situations immediately. Dyer stated that the Village shouldn't give the Town a warranty they couldn't get on their own. Maloney stated that if we go to bid requesting a 5 year warranty, we would get extremely high bids. Rogers asked if these are the only two sticking points. Giese said that language "good or better," and not PSC standard "existing conditions" was another point. Rogers stated the Village needs to be sure to video and photograph before and after and then asked Hampton if the Town was willing to work with the Village. Hampton responded yes, but did state that he wished the Village had come to them earlier so they could have budgeted. Hampton stated the Town would be willing to cap the professional fees at \$10,000. Boushea stated a hard cap with consistent PSC language. Hampton agreed with that. Giese asked Boushea about discussion of fees only start at agreement-not prior. Boushea wanted an idea from Anderson on costs now and was waiting. Jushchyshyn asked if there was a fee to permit. Giese said yes. Dyer asked Hampton specifically about the warranty request. Hampton stated the Town's main concern is what will happen with a good frost and that it may not happen in the first year. If we get a mild winter, we won't know extent of frost heave. Maloney stated the risk is academic, the plan calls for putting back same material, the Village showed examples of municipalities doing to themselves with patches in roadways. Village showed a number of water main projects on old roads where you don't see that heave and those have sand backfill. Gravel generally effects pavement performance but not heave; singular water main projects in Stoughton, Belleville, and Madison haven't seen heave. Can have movement if filled with sand. Rogers asked if mill work prevent that with seal seam. Maloney answered that it doesn't really effect that, backfill will. Dyer asks Hampton if it's typical for the Town to ask for a 2 or 5 year warranty. Hampton stated, if building a new road, they ask for 1 year only in subdivisions, otherwise their work is just mill & overlay existing roads. Hampton asked if we came to you what would you ask for. Dyer responded, not to speak for group, but would ask for industry standard. Jushchyshyn asked Maloney about a possible bid alternate for a longer warranty. Maloney said we could. Boushea asked if we could get a specific price for charge for 5 year warranty. Maloney said yes. Boushea asked if the commission would be ok with bid alternate for mill & pave and additional 5 year warranty. Maloney didn't think the Town would necessarily agree to pay for that. Jushchyshyn stated the Village isn't going to pay for more than 1 year. Wallace asked if there was insurance for a 5 year warranty. Giese and Maloney responded that would be through the contractor. Boushea clarified; Village would bid the alternate but the Town would pay for it if they wanted it. Maloney asked Hampton, the specific concern was to warranty the centerline seam. Hampton stated, if not paved, the seam is a concern for the Town. Maloney stated the concern would be that on mill & overlay work, cracks reflect in a few years and that assessment of roads is very subjective. Hampton stated the Town was only interested in a 5 year warranty on the half of the road the Village is reconstructing. Dyer asked if a 5 year warranty is unheard of, even in new road. Maloney described one instance, but otherwise very rare. Boushea

clarified that the Town will provide the list of residents for contact, the project will be bid for standard 1 year warranty and alternate 5 year to the Town to consider accepting, language of “good or better” changed to “good” consistent with PSC, fees capped at \$10,000 after getting an idea of fees to date, consistent with PSC, the Village to get a bid alternate for mill & pave work on the other half of the road. Boushea will contact Anderson with revisions. Hampton stated that the Town does not want the hydrants on the north side of the road. McDermott stated there will be some engineering work to move plan to the south side of the road. Motion by Dyer, seconded by Jushchyshyn to incorporate the following revisions into the draft terms and conditions from the Town: revisions to paragraph 1(g) the Town to provide list of citizens to contact, 1(l) would remain a one-year warranty with a bid alternate for the Town to choose from, 1(n) to be restored to “as good condition,” 1(p) costs would be capped at \$10,000 allowable costs as provided in PSC administrative code and 2 Village would bid alternate for milling and paving of other half of the road for the Town to consider. Motion approved by unanimous voice vote, 5-0-0.

Dyer expressed to Hampton that the Village could have reached out collaboratively. Giese stated that the Village had a number of issues with this particular project that determined timing. Hampton asked Maloney about plans for the hills on Gaston. Maloney stated that they will plan to install the water main deeper to allow for future road lowering in those locations.

5. **Discuss and consider the Town of Cottage Grove Water Use document for the Gaston Road Main Extension Project.** McDermott gave an overview of the document that would offer Town residents a chance to connect to Village water at no cost to the Village. Maloney stated that Village ordinance doesn't specify that you have to be a resident to hook up to Village water and that language was inserted so as not to provide for future Town development. Rogers asked why we would preclude Town from having new development hook in. Maloney stated because the Village wants to develop, and that having non-residents in the area creates issues beyond just water revenue, such as planning. Dyer would rather have the tax base than a few utilities. Jushchyshyn said taking the statement out allows us the chance to say yes, leaving it in ties our hands. Potential for anyone with existing home willing to pay to hook up is there. Giese stated that maybe we could strike the second sentence, then each case can be looked at, ETJ and then Utility commission. Jushchyshyn points out that only residential was excluded; business could come in and connect. Hampton stated only one lot isn't built on. Dyer clarified this is only for the water main on Gaston Rd. and is not meant for potential Town projects to connect to our water system. Dyer asked if this get into extra-territorial jurisdictional development issues. Giese stated only be for new development. Maloney stated this was only written for Gaston Rd. because ordinance doesn't preclude hooking in; so language was added because ordinance presumes Village residence; references to Village President, etc. Language was added to ensure any Town customers are required to follow ordinance. Dyer asked Giese if he had concerns. Giese said no, this is well within the Commissions authority to approve. He may reach out to the Village Planner for other potential concerns. Hampton mentioned that the Town already has properties on water & sewer. Dyer wants language specifying Gaston Road residents. Motion by Dyer, seconded by Rogers to approve the Gaston Road Town Water Use Conditions Agreement with the addition of language specifying Gaston Road existing residents. Motion approved by unanimous voice vote, 5-0-0.

Hampton asked if the Village wants the Town to put together a list of residents along Gaston Road who could potentially hook in and when would the Village need it. Maloney said it would be best to have the information on who wants to connect before going to bid in March. Hampton said Town would want specific information; impact fees, construction estimates (per foot) to provide Town residents the information in order to decide. McDermott stated that these would only be estimates and that the Town can reach out to residents, but MSA can put together estimates. Maloney will work on getting a final date that Town residents would have to decide.

6. **Discuss and consider Purchase Treatment Adjustment Clause increase.** Larson explained the PTAC is an adjustment to sewer rates to account for increased costs from the Madison Metropolitan Sewerage District for treatment. Giese stated that this does not require Board approval if there is

nothing above the increase in MMSD charges. Motion by Wallace, seconded by Halverson to approve the Purchase Treatment Adjustment Clause increase, effective January 1, 2016. Motion approved by unanimous voice vote, 5-0-0.

7. **Discuss and consider 2016 water operating budget.** Larson presented the budget, explaining that there are no planned changes to any budget lines. He does hope to utilize a few accounts that historically have remaining funds to begin working on putting water infrastructure into the Village GIS system. Motion by Dyer, seconded by Rogers to approve the 2016 water operating budget. Motion passed by unanimous voice vote, 5-0-0.
8. **Discuss and consider 2016 sewer operating budget.** Larson presented the budget, explaining that there are no planned changes to any budget lines. He does hope to utilize a few accounts that historically have remaining funds to begin working on putting sanitary sewer infrastructure into the Village GIS system. Motion by Jushchyshyn, seconded by Wallace to approve the 2016 sewer operating budget. Motion passed by unanimous voice vote, 5-0-0.
9. **Discuss and consider 2016 water capital budget.** Larson explained that the only projects for the coming year are the Gaston Road transmission main and the engineering work for the Seldal Plat, with construction of Seldal planned for 2017. Motion by Dyer, seconded by Wallace to approve the 2016 water capital budget. Motion passed by unanimous voice vote, 5-0-0.
10. **Discuss and consider 2016 sewer capital budget.** Larson explained that the only project planned is the engineering for the Seldal Plat, with planned construction in 2017. Motion by Jushchyshyn, seconded by Wallace to approve the 2016 sewer capital budget. Motion passed by unanimous voice vote, 5-0-0.

Giese commented that Seldal and Crawford Plats are the only projects planned for the near future.

11. **Discuss and consider authorizing staff to write-off amounts in terminated water and sewer accounts.** Motion by Dyer, seconded by Wallace to write off amounts listed of \$41.30. Motion passed by unanimous voice vote, 5-0-0.

12. Engineer's Report.

McDermott updated the Gaston Road project. Working with the Town on the permit and the owner and developer on the easement. Village already has extension approval from the DNR, currently holding off on design waiting on permits. Plan to bid this spring and it has to be by the end of March. Rogers asked if the plan was always to go down the road. McDermott stated there was discussion of going along the ditch, but that it wouldn't have alleviated current challenges, and presented others. McDermott then gave an overview of the Reservoir #2 project. There were no big issues, did go over bid, but it was because pavement work on existing road was needed; it wasn't drivable. Another addition was the selection of sod between neighbors' houses, which turned out very well. Paint turned out very well. Control room is very nice and done in the same manner as new reservoir. Wallace asked if both neighbors were happy with storm pipe work between the homes. McDermott said yes. Did have calls about potential paint problems, worked with contractor to remedy. Rogers asked if the punch list was done. McDermott responded it was, but project still has standard one year warranty.

13. **Director's Report.** Larson stated the SCADA system has been updated and moved by LW Allen, there are still some bugs being worked out, but the TeamViewer was just activated in the last few days and appears to be working well. Larson also stated that the soft starter for the deep well motor at Well #3 failed in December. LW Allen provided a quote to replace with a new equivalent unit, and the order was placed this week.

14. **Approve vouchers for payment.** Motion by Rogers, seconded by Wallace to approve payment of the vouchers in the amount of \$248, 936.22. Motion approved by unanimous voice vote, 5-0-0.

- 15. Approve the minutes of the November 11, 2015 meeting.** Motion by Dyer, seconded by Halverson to approve the minutes as presented. Motion approved by unanimous voice vote, 5-0-0.
- 16. Set next meeting date.** The next meeting of the Utility Commission will take place on Wednesday, February 10th, 2016 at 5:00 p.m. at the Municipal Services Building, 210 Progress Dr.
- 17. Adjournment.** Motion by Jushchyshyn, seconded by Wallace, to adjourn the meeting. Motion approved by unanimous voice vote, 5-0-0.

Submitted by JJ Larson, Director of Public Works

Approved on February 10, 2016.

These minutes represent the general subject matter discussed in this meeting but do not reflect a verbatim discussion of the subjects and conversations that took place.