

PUBLIC WORKS/UTILITIES STAFF REPORT

MEMO DATE:	December 29, 2021
TO:	Matt Giese – Village Administrator
FROM:	JJ Larson –Director of Public Works & Utilities/Deputy Administrator
RE:	ARPA Project Budget Submittal

Background

The Village was allocated \$747,647.48 in federal American Rescue Plan Act (ARPA) funds. These funds can be utilized broadly by municipalities to make up for lost revenues due to the pandemic. If communities do not have revenue losses (the Village does not), the guidelines for eligible expenditures are more stringent. Unless the Federal guidance changes, these dollars must be used on projects related to Water, Sewer, or Broadband. All funds must be obligated by December 31, 2024 and expended by December 31, 2026. Funds can be spread over multiple uses, and do not need to fully fund any one project or expenditure.

I proposed two projects for funding consideration, and both were discussed at the Public Works Committee and Utility Commission respectively. They are the installation of The Farm Sanitary Sewer Interceptor and the Thaden Pond project. There has also been a proposal by Trustee Ratcliff to use the funds in the purchase of a Leaf-Vac Truck to begin offering curbside leaf collection. This proposal was discussed at numerous Committees recently (Public Works, Utility, Plan and Sustainability).

The purchase of replacement radios for Deer Grove EMS was initially determined by our auditors to be ineligible. The Cottage Grove Fire Department is also considering replacement of radios. Should the Federal guidance change or if our Auditors change their determination these are additional uses for consideration.

Below is a description of the two projects I initially proposed for use of ARPA funds, with additional, updated information.

Thaden Pond

Project Description

This project will improve the performance of this vital BMP (Best Management Practice) in the Village's stormwater system. It will involve analysis, engineering, cleanout, dredging and potential re-shaping of the stormwater treatment pond. The project will incur significant administrative and review costs due to the amount of regulatory permitting required. The project is the most cost-effective way for the Village to take big steps at improving the TSS (total suspended solids) and TP (total phosphorus) removal from our stormwater.

Priority

HIGH. The Village is only meeting total-suspended solids (TSS) and total phosphorus (TP) removal requirements in the Yahara River Watershed (Reach 66) through participation in the Yahara WINS Adaptive Management program. Our stormwater system will require additional projects to meet the standards on our own in future years.

ARPA Applicability & Alignment with Village Board Priorities

Water, Sewer and Broadband infrastructure projects are not required to have any ties to the pandemic to utilize ARPA funds; stormwater projects qualify under this designation.

This project aligns with a number of Village priorities.

- **Sustainability** – this project will increase the ability of this pond to meet water quality standards by removing more sediment and phosphorus before they reach our creeks, rivers and lakes. It will also increase capacity to manage water in large events, adding an additional level of protection from flooding in the Village as climate change continues to bring more severe storm events.
- **Fiscal Responsibility and Financial Planning** – utilizing ARPA funds for this project reduces the impact to taxpayers. The cost of the project is significant, but it's been identified as the most cost-effective way to gain water quality

improvements. These requirements only grow more stringent with time and this project will take a big step toward meeting future requirements while still having the flexibility and time to responsibly plan, design, and seek grant assistance from available sources. The Village is only meeting current required water quality measures on the western half of the Village through its partnership with the Yahara WINS Adaptive Management Program. This program is only permitted for a limited number of years and it is up to regulated MS4 communities to continue to plan projects to meet those standards on their own; this project is the most efficient and effective step the Village can take toward those requirements at this time.

Construction Year

2023. This project has long been in the Financial Management Plan for completion in 2023, and even with the availability of ARPA funds, this schedule still makes the most sense. This will allow Strand's team to analyze and design the project and seek grant opportunities in 2022.

Estimated Cost

Total project estimate is \$1,000,000. Strand's team has had a chance to take a look and dig into the details a bit more and the Thaden Pond project cost is closer to \$1 million, up from MSA's previous estimate of \$660,000.

Update

Given site-specific details, it is also less likely this project will be eligible for certain State grant funding we initially believed it would qualify for. We are still looking into options, including potential County grant opportunities.

“The Farm” Sanitary Sewer Interceptor

Project Description

This long-planned project will relieve the steadily increasing flows on the Village's southwest portion of the system. Presently a large main under Southing Grange is handling the flow from the majority of the Village to convey the last few thousand feet to the Vilas Road Lift Station. Steady growth over the last decade, and continued growth already approved for the immediate future has made providing system relief along the western side of the Village a priority. The Utility Commission authorized expenditure on a shared project two years ago with the owners of the former Farm Golf Course, this project brought sanitary interceptor along Vilas Rd. in the hopes that it would spur a developer to buy the property and install the needed interceptor; to date this development has not occurred.

Over a decade ago, an easement was acquired through the property for the installation of this interceptor, so there are no major hurdles in the way. Should the project move forward, the Village would work with the landowners (or any potential developers that may be working with at the time) to plan the placement and adjust the easement to be in the best location possible for future roadways.

The installation of this sanitary line is a need for our system, but could also spur development of The Farm property and encourage the landowners of the platted land north to develop theirs, which includes frontage along Cottage Grove Rd. These lots have not developed, likely due to the fact that sanitary installation would require significant over-building in order to flow to the existing Village lines; if the interceptor were installed it would be much more cost effective for the owners.

Priority

(updated to LOW/MEDIUM) Flow testing in early 2020 indicated the system need was not immediate but getting close. Additionally, there is a lot of growth occurring and planned in the Village and all of that flow will go to the main on Southing Grange.

ARPA Applicability & Alignment with Village Board Priorities

Water, Sewer and Broadband infrastructure projects are not required to have any ties to the pandemic to utilize ARPA funds; this project qualifies.

This project aligns with a number of Village Board priorities.

- **Economy/Economic and Community Development** – while the sanitary system needs this main regardless of any potential development of the Farm Golf Course site; installing this infrastructure is likely to spur development here. It's also likely to stimulate development of the parcels to the north, with frontage along BB; reaching the Village's

sanitary system is a barrier for these lots currently but once the interceptor is installed it will be significantly more cost effective for any future development.

- Sustainability – sanitary system overflows (SSOs) are a significant environmental hazard; the Village has not had a system overflow in my tenure, but that is only ensured through proactive maintenance and system-wide project planning. Easing the capacity pressure on the main running through the Southlawn subdivision is vitally important to maintaining that level of service and environmental stewardship.
- Fiscal Responsibility and Financial Planning – utilizing ARPA funds for this project will bring sewer-system relief while keeping the cost burden off the Village rate-payers.
- Housing – The Farm is a Planned Neighborhood, should the installation of the main encourage development; the project would bring much needed housing stock to the Village.

Construction Year

2022-2023.

Estimated Project Cost

The total project is estimated at \$460,000.

Update

There has been a significant change related to the Farm Interceptor project in recent months. The land was purchased recently, and the new owner is planning to develop the property, likely beginning the process formally in 2022. Given that means the interceptor sewer is likely to be installed as a part of that development in the coming years, the Village should no longer have to fund that project in its entirety.

Staff Recommendation

Staff recommends Board review of eligible uses of ARPA funding and prioritize use of the funds.