

LAKE REDSTONE PROTECTION DISTRICT
Special Board Meeting-Joint with Dredging Committee
Tuesday, May 7, 2019 9 am
Location: Town of La Valle Hall, 324 Hwy 33, La Valle, WI 53941

Minutes

1. Call meeting to order, verify compliance with the Open Meeting Law

Mittelstadt called the meeting to order at 9 am. He verified compliance with open meeting laws.

2. Roll Call

Present: Al Baade, Paul Burke, Ken Keegstra, Mike Mittelstadt, and Glenn Choroszy. Others: Chuck Ecklund, Dick Fish, Cary Dudczak, Don Haasl, Janelle Skoyen (Ayres).

3. Approval of Agenda

Burke made a motion to approve the agenda; seconded by Choroszy. The motion carried.

4. Review of dredging bids and the analyses of them

Mittelstadt asked Janelle Skoyen to summarize what she had learned about the two contractors still under consideration. She reported that she had contacted the references that both Kaiyuh and Dredgit provided. She heard nothing but good things. Both had completed the projects on time and on budget.

She noted that Dredgit had proposed to work 24/7 while they were dredging. She contacted them to confirm and they indicated that this was to make sure they had sufficient time, but may not do so. She did not confirm whether or not they were aware of the town noise ordinance and that operating during quiet hours would need permission of the town board. She also reported that Kaiyuh has added additional subcontractors, including eTrac, a firm that will perform the bathymetric surveys before and after dredging, and A-1 Excavating. The latter is a large firm with plenty of equipment to add the capacity needed to meet the aggressive dredging schedule that has been proposed. Janelle reported that she, Dick Fish, and Mike Mittelstadt had just met with representatives from Kaiyuh, Water Works, and A-1 Excavating. Based on this meeting, she was confident that Kaiyuh was assembling a team that could meet the schedule that they had proposed. Both Dick and Mike confirmed that they had the same impression.

Janelle answered a number of questions from board members about the details of the bid from Kaiyuh, which involve mechanical dredging. She emphasized that because they proposed to use their own disposal sites (one near the corner of Hwy 33 and 58 and one on Menchoff road near CTH V), they will be responsible for getting all the needed permits. They will also need to provide us with a copy of the agreement between Kaiyuh and the owners of the spoils sites so that we can evaluate the agreement. She indicated that they intended to purchase a new clamshell bucket for use in the Lake Redstone dredging project. As they dredge each bay, the spoils will be loaded into hopper barges that will transport the spoils to the end of Mourning Dove bay where the spoils will be loaded into trucks for movement to the disposal

sites. In response to questions about how they will control the release of sediment into the lake during dredging of each bay, she indicated that this will be up to them. Our dredging permit from the DNR has turbidity control requirements and the DNR will be checking that they meet them. She said there are several strategies for installing sediment curtains and she will inquire what methods they propose to use to meet the permit requirements. She will also ask for videos of how the process will work so that this can be shown at the May 18th meeting.

The bid from Kaiyuh for Contract B is a relatively simple one with only 6 line items in the base bid and 2 line items in the alternate bid. Four of the line items in the base bid are single entities with a single unit cost. The only variable items in the bids are the dredging costs and the hauling and dewatering costs which are calculated per cubic yard in both the base bid and the alternate bid. Thus the variable costs will be based on the amount of sediment removed from the lake. Janelle explained that the contract allows a 2-foot horizontal tolerance either way and a 0.5 foot vertical tolerance from the bid specifications. If the contractor exceeds those tolerances, they will not get paid for the extra sediment removed. Janelle suggested that we carefully monitor the amount of sediment removed from bays early in the schedule to avoid reaching our limit of 95,000 cubic yards with several bays to be dredged.

5. Decision on which bids to pursue for presentation at the May 18th special meeting

Paul Burke made a motion that the district should pursue making an award to Kaiyuh for the contract B base bid and the contract B alternate bid pending approval of the district voters at the May 18th meeting and pending the contractor acquiring all necessary permits for the disposal sites. The motion was seconded by Glenn Choroszy. There was a request for a roll call vote. Baade, Burke, Keegstra, and Choroszy all voted “yes”. Mittelstadt did not vote because there was not a tie. The motion was approved.

6. Preparations for May 18th special meeting

One important activity that needs to be completed before the special district meeting on May 18th is to get an accurate estimate of the financing costs. Paul Burke explained that the interest rates on the loan offers that he has received to date are tied in one way or another to the 10-year treasury rate. Because this rate is variable the interest rate will not be locked in until a loan agreement is signed. Thus, we will have some uncertainty in the financing costs. Paul will try to get more precise estimates before the May 14th regular meeting, so that we can provide voters with the best possible estimate of costs. It was noted that our first payments will not be made until we begin to get revenue from the special levy, which will not be until early 2020. This point will be incorporated into the loan agreement. All of the potential lenders would like us to have an attorney draft the loan agreement. The agenda for our May 14th regular board meeting will be modified to consider this request.

Another important decision is the size of the contingency that should be added to the bid costs in deciding the size of the loan that will be negotiated. Both Janelle Skoyen and Dick Fish offered thoughts on reasons for adding a contingency and the size that should be considered. Janelle explained that the contingency is to cover unexpected costs. If the expenses could be foreseen, they would be included in the bid document. One of the main examples is more sediment than was measured last fall. The range of contingency levels is

usually 12 to 20% of the total costs of the bids. Both Dick Fish and Janelle Skoyen pointed out that the major source of uncertainty is in the variable costs of the bid, i.e., the dredging costs and the hauling and dewatering costs that are based on the volume of sediment removed. For our bids, this is about two-thirds of the total costs. Keegstra made a motion that we set the contingency at 12% of the total costs, which is equivalent to about 15% of the variable costs. The motion was seconded by Choroszy and passed unanimously.

A discussion of the process for having voters sign the affidavit and collect their ballots led to the suggestion that we should probably have three stations where voters can check in and that we should have two volunteers present at each station. Don Haasl offered to handle one station and said that his wife, Jan, could help him. We are still seeking volunteers for the other two stations.

The ballots will be collected and counted by the elections committee. However, one member of the committee, Tom Wagner, will not be at the meeting. Chuck Ecklund volunteered to fill in for Tom at the May 18th meeting. Paul Burke will check with Jay Kolb to make sure that he will be at the meeting.

Cary Dudczak is preparing a slide set that will be used for the oral presentation at the May 18th meeting. Mike Mittelstadt and Ken Keegstra offered to help him prepare the slides. It was agreed that Cary would also make the oral presentation at the meeting.

7. Adjourn

The meeting was adjourned at 11:45 am.

KK/May 8, 2019