



Agenda

Regular Council Meeting

Tuesday, January 19, 2021 @ 7:00 PM

Council Chambers

Join Zoom Meeting

<https://us02web.zoom.us/j/86189396193?pwd=ZjJwYzcvSmxERkVYT0FNbGJkTXUyQT09>

Meeting ID: 861 8939 6193

Passcode: 898048

or Dial: 312.626.6799

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1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE	
2. CLERKS ROLL CALL	
3. PRESENTATIONS	
a. Presentation from Wisconsin Department of Transportation Regarding Upcoming Maintenance Project at I-94/Carmichael Road Interchange	
4. PUBLIC HEARINGS	
5. COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT	
Comments are limited to five (5) minutes; must address items not listed on the agenda; are limited to issues that have an impact of the City of Hudson, and that the Common Council may address at a future meeting and must not include endorsements of any candidates or other electioneering. An exception to the five (5) minute limits may be made at the discretion of the Mayor. As presiding officer, the Mayor, may allow public comment on agenda items during discussion by the Common Council following a motion and a second being made on said agenda item. The Mayor may place time limits on individual comments as he or she deems necessary.	
6. DISCUSSION AND POSSIBLE ACTION ON CONSENT AGENDA ITEMS	
All items listed under the consent agenda will be approved as one motion. There will be no separate discussion of these items. If further discussion is desired by the council members or by the public, the item may be removed from the consent agenda and considered separately.	
a. Approve the meeting minutes from the December 7, 2020 and January 4, 2021 Regular Council Meeting and the December 8, 2020 and January 13, 2021 Special Council Meetings	4 - 14
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[Retaining Wall Policy](#)

- c. Discussion and possible action on City Hall improvements and construction 146 - 183
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 - d. Discussion and possible action on the 2021-2022 CIP 184 - 187
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 - e. Discussion and possible action on Resolution 2-21; Support for Outdoor Recreation Assistance to Improve Riverfront Recreational Opportunities at Lakefront Park 188
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 - f. Discussion and possible action on updating the 2020 Sewer Rate and Connection Fee Ordinance 198-10 189 - 278
[Sewer Rate & Connection fee Ordinance](#)
 - g. Discussion and possible action on amending Ordinance 242-1 Section B to establish a clear role for the appointed Village of North Hudson liaison on the Public Utility Commission 279 - 287
[Ordinance 242-1 sec B](#)
9. Discussion and possible action on motion to convene into closed session pursuant to Wis. Stat 19.85(1)(g) to confer with legal counsel for the governmental body relating to litigation in which the governing body is likely to become involved relating to the City's sign ordinance.
10. Discussion and possible action to convene into closed session pursuant to A.12. Wis. Stat. 1985(1) (c) to consider performance evaluation date and compensation relating to the City Administrator
11. Reconvene into open session for discussion and any possible action relating to the performance evaluation date and compensation relating to City Administrator
12. COMMUNICATIONS AND RECOMMENDATIONS OF THE MAYOR
13. COMMUNICATIONS AND ITEMS FOR FUTURE AGENDAS
- a. City Attorney and/or City Staff
14. ADJOURNMENT

Rich O'Connor, Mayor

Some agenda items may be taken up earlier in the meeting, or in a different order than listed. Upon reasonable notice, an interpreter or other auxiliary aids will be provided at the meeting to accommodate the needs of the public. Please contact the City Clerk at 715-386-4765, ext. 140.



MINUTES

Regular Council Meeting

7:00 PM - Monday, December 7, 2020

Council Chambers

The City of Hudson Council met in Regular Council on Monday, December 7, 2020 at 7:00 PM in the Council Chambers and via Zoom.

1 CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Mayor O'Connor called the meeting to order at 7:02pm and led those in the Pledge of Allegiance

2 CLERKS ROLL CALL

Council Present: Mayor Rich O'Connor, Alderperson -Dist 1 Randy Morrissette II, Alderperson - Dist 2 Bill Alms, Alderperson - Dist 3 Paul Deziel, Alderperson - Dist 4 Jim Webber, Alderperson - Dist 5 Sarah Atkins Hoggatt, and Alderperson - Dist 6 Joyce Hall

Council Absent:

Staff Present: City Administrator - Aaron Reeves, Clerk - Becky Eggen, Finance Director - Alison Egger, Technolgy Director - Bryan Watson, City Attorney - Cathy Munkittrick, Police Chief - Geoff Willems, Assistant City Administrator/Community Development Director - Michael Johnson, and Public Works Director - Mike Mroz

3 PRESENTATIONS

A. *K9 Vest Donation Recognition*

Administrator Reeves recognized Mallory Myster and Haylee Johnson for raising money all summer to buy a bulletproof vest for a local K9 dog. Mallory and Haylee were presented with a pin from Mayor O'Connor for all their efforts.

4 PUBLIC HEARINGS

Mayor O'Connor addressed the media letting them know the curfew ordinance would not be discussed at the meeting as it was not on the agenda.

5 COMMENTS AND SUGGESTIONS FROM CITIZENS PRESENT

Comments are limited to five (5) minutes; must address items not listed on the agenda; are limited to issues that have an impact of the City of Hudson, and that the Common Council may address at a future meeting and must not include endorsements of any candidates or other electioneering. An exception to the five (5) minute limits may be made at the discretion of the Mayor. As presiding officer, the Mayor, may allow public comment on agenda items during discussion by the Common Council following a motion and a second being made on said agenda item. The Mayor may place time limits on individual comments as he or she deems necessary.

Kerry Reis spoke in favor of the Mayor's curfew.

Sarah Bruch wants to see substance and not just noise of the Golden Rule.

Kristen Emerson stated her disappointment with the City Council and wants to see Safer than Hudson Initiative take place.

Roy Sjoberg likes the Golden Rule Initiative but would like to see it moved up to a Platinum Rule as something needs to be done in the downtown area.

Rebecca Hagel stated the 10pm curfew must pass.

Kelsie Janeski spoke in support of the curfew.

Addison Filiatreaux stated the City needs to take action and asked Council to pass the curfew.

Reid Filiatreaux said it was time to act as nothing has been done in the City of Hudson.

Dan Brook affirmed reconsidering the mask ordinance and wants the Council to act firmly and quickly for masks and social distancing.

Kris Shelton would like the Council to take up the curfew to preserve the City's safety.

Denise Carter stated no mask mandate in Hudson is hard for at risk citizens to leave their house.

Rebecca Bonesteel applauded the Mayor for talking about a curfew and stated the mask ordinance needs to be put in place and asked the Council to reconsider it.

Tallia spoke in support of the curfew as it is safety for all and stated her concerns for the vigilant groups on social media.

Rachel McCardle spoke in opposition of the mask and curfew ordinances. She would like to see the Council educating and promoting them as recommendations and guidelines only.

Deziel reminded everyone Governor Evers has in place a statewide mask mandate.

6 DISCUSSION AND POSSIBLE ACTION ON CONSENT AGENDA ITEMS

All items listed under the consent agenda will be approved as one motion. There will be no separate discussion of these items. If further discussion is desired by the council members or by the public, the item may be removed from the consent agenda and considered separately.

- A. *Approve the 2021 Council Meeting Schedule*
- B. *Approve the claims in the amount of \$583,633.10*
- C. *Approve the meeting minutes from the November 23, 2020 Regular Council Meeting*
- D. *Approve Operator's Licenses listed on the list sheet*
- E. *Approve Secondhand Article Dealer/Secondhand Jewelry Licenses for Kudos at 809 Dominion Drive; Suite 170*
- F. *Approve the hire of Jessica Genecki at Part-time Receptionist/Account Clerk*
- G. *Approve the bid from Fibar Group LLC in the amount of \$58,320.00 for the Burton Park Synthetic Playground Surface*
- H. *Approve Emergency Siren Control System*
- I. *Approve the Police Union Agreements as presented*
- J. *Approve the acceptance of US Bank's proposal and switching banking services to US Bank*
- K. *Approve ordering two new squad cars for 2021*

Motion by Alderperson -Dist 1: Randy Morrissette II, second by Alderperson - Dist 3: Paul Deziel to approve items A-K. Carried unanimously.

7 NEW BUSINESS

A. *Update on the Mayor's Golden Rule Initiative*

Mayor O'Connor stated he is working with the Library to make bookmarks. Approximately 20,000 bookmarks with the Golden Rule on them will be printed. He will be reading the Golden Rule book at the Library and Elementary Schools at each grade level. He stated the bookmarks will be privately funded. Discussion was had between the Council members.

Kerry Reis stated it is a starting place and very supportive.

Andrew Hassan loved the idea and fully supports the initiative and would like to know who is involved as they should be carefully selected.

Kelsey Janetski echoed Hassan's comments and would like to know how others can get involved in the group

8 COMMUNICATIONS AND RECOMMENDATIONS OF THE MAYOR

Morrisette, Chair of the Public Safety, stated vigilant groups are not needed downtown. The City has trained professionals and they do not need the help from other groups.

9 COMMUNICATIONS AND ITEMS FOR FUTURE AGENDAS

A special emergency meeting will be held Tuesday, December 8, 2020 at 5:00pm in regards to the 10:00pm Curfew Ordinance. This meeting will only be for one hour as there is Plan Commission meeting at 6:00pm

A. *City Attorney and/or City Staff*

10 ADJOURNMENT

Motion by Morrisette, second by Hall to adjourn at 8:06pm. All in favor (6) Motion carried

I hereby certify the City Clerk has submitted the foregoing minutes to me and hereby my signature approves said minutes and all acts of the Common Council as set forth therein.

Date Approved by Council:

Approved:

Rich O'Connor, Mayor

Attest:

Becky Eggen, City Clerk



MINUTES

Regular Council Meeting

7:00 PM - Tuesday, December 8, 2020

Council Chambers

The City of Hudson Council met in Regular Council on Tuesday, December 8, 2020 at 7:00 PM in the Council Chambers via Zoom.

1 CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Special Common Council meeting was called to order at 5:00pm by Mayor Rich O'Connor and led those in the Pledge of Allegiance.

2 Clerks Roll Call

A. **Council Present:** Mayor Rich O'Connor, Alderperson -Dist 1 Randy Morrissette II, Alderperson - Dist 2 Bill Alms, Alderperson - Dist 3 Paul Deziel, Alderperson - Dist 4 Jim Webber, Alderperson - Dist 5 Sarah Atkins Hoggatt, and Alderperson - Dist 6 Joyce Hall

Council Absent:

Staff Present: City Administrator - Aaron Reeves, Clerk - Becky Eggen, Finance Director - Alison Egger, Techonolgy Director - Bryan Watson, City Attorney - Cathy Munkittrick, Police Chief - Geoff Willems, Assistant City Administrator/Community Development Director - Michael Johnson, and Public Works Director - Mike Mroz

3 Discussion and Possible Action on Ordinance No. 19-20 Declaring an Emergency and Imposing Restrictions on all establishments in the City of Hudson that hold Class B Beer, Class B Intoxicating Liquor and/or Class C wine licenses for on-premises consumption and of beer, intoxicating liquor and/or wine

A. Mayor O'Connor stated there would be no public comment taken at this meeting. He also stated the subject at hand was not focused on face coverings it is strictly focused on the fact the State of Minnesota is closed for bars/restaurants.

An in-depth conversation was had between Council Members. Mayor O'Connor supports the ordinance and apologized to the business owners it affects. He stated the situation is very fluid and the City needs to Act. Morrissette would like to have a conversation with the downtown businesses and get their opinion on this ordnance. Webber wants to see updates at each meeting of how this ordinance is helping downtown and was hesitant with the ordinance not be effective seven days a week.

Motion by Alderperson - Dist 3: Paul Deziel, second by Alderperson - Dist 6: Joyce Hall to suspend the rules. Carried unanimously.

Motion by Alderperson - Dist 3: Paul Deziel, second by Alderperson -Dist 1: Randy Morrissette II to approve Ordinance No. 19-20 with changes of including Thursday nights. Carried unanimously.

4 ADJOURNMENT

A.

Motion by Alderperson - Dist 6: Joyce Hall, second by Alderperson - Dist 3: Paul Deziel to adjourn at 5:57pm Carried unanimously.

I hereby certify the City Clerk has submitted the foregoing minutes to me and hereby my signature approves said minutes and all acts of the Common Council as set froth therein.

Date Approved by Council:

Approved:

Rich O'Connor, Mayor

Attest:

Becky Eggen, City Clerk



MINUTES

Regular Council Meeting

7:00 PM - Monday, January 4, 2021
Council Chambers

The City of Hudson Council met in Regular Council on Monday, January 4, 2021 at 7:00 PM in the Council Chambers and via Zoom.

1 CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Common Council meeting was called to order by Mayor Rich O'Connor at 7:01pm and led those in the Pledge of Allegiance

2 CLERKS ROLL CALL

Council Present: Mayor Rich O'Connor, Alderperson - Dist 2 Bill Alms, Alderperson - Dist 4 Jim Webber, Alderperson - Dist 6 Joyce Hall, Alderperson - Dist 3 Paul Deziel, Alderperson - Dist 1 Randy Morrissette II, and Alderperson - Dist 5 Sarah Atkins Hoggatt

Council Absent:

Staff Present: City Administrator - Aaron Reeves, Clerk - Becky Eggen, Finance Director - Alison Egger, Techonolgy Director - Bryan Watson, City Attorney - Cathy Munkittrick, Police Chief - Geoff Willems, Waste Water Treatment / Utility Director - Kip Peters, Assistant City Administrator/Community Development Director - Michael Johnson, and Public Works Director - Mike Mroz

3 PRESENTATIONS

- A. *Thank Your Mentor Proclamation*
Administrator Aaron Reeves read the proclamation

4 DISCUSSION AND POSSIBLE ACTION ON CONSENT AGENDA ITEMS

All items listed under the consent agenda will be approved as one motion. There will be no separate discussion of these items. If further discussion is desired by the council members or by the public, the item may be removed from the consent agenda and considered separately.

- A. *Approve the claims in the amount of \$977,102.45*
- B. *Approve Operator's Licenses as listed on the list sheet*
- C. *Approve a Secondhand Article Dealer's Licenses for EcoATM, LLC at 2222 Crestview Drive*
- D. *Approve Library Occupancy Agreement as presented*

Motion by Alderperson -Dist 1: Randy Morrissette II, second by Alderperson - Dist 2: Bill Alms to approve items A-D. Roll call vote. All in favor. Carried unanimously.

5 UNFINISHED BUSINESS

A. *Review draft of information and provide further direction on how to implement the Safer Hudson Initiative.*

Motion by Alderperson - Dist 6: Joyce Hall, second by Alderperson - Dist 4: Jim Webber to approve the letter with the removal of signatures. Carried 5-2 (opposed: Alderperson - Dist 2: Bill Alms and Alderperson -Dist 1: Randy Morrissette II).

6 NEW BUSINESS

A. *Discussion and possible action on a Home Occupation License for 725 8th Street to operate a Hair Salon -- Lorie Shutte*

Motion by Alderperson - Dist 2: Bill Alms, second by Alderperson - Dist 5: Sarah Atkins Hoggatt to approve Home Occupation License at 725 8th Street Carried unanimously.

B. *Discussion and possible action of reinstating Ordinance 19-20 declaring public safety state of emergency and implementing restrictions*

Motion by Alderperson - Dist 5: Sarah Atkins Hoggatt, second by Alderperson -Dist 1: Randy Morrissette II to approve reinstating Ordinance 19-20 until 1/19/2021 and extending the time until 10:30pm Carried unanimously.

7 COMMUNICATIONS AND ITEMS FOR FUTURE AGENDAS

A. *City Attorney and/or City Staff*

Administrator Reeves informed the Council of a miscommunication for the funding of the wastewater treatment plant and requested a quick special meeting on January 13th, 2020 at 3:30pm to approve the loan documents.

Council Member Alms gave a shout out to the Hudson Police Department and Lakeview EMS on their fantastic work during an incident he incurred .

8 ADJOURNMENT

Motion by Alderperson - Dist 5: Sarah Atkins Hoggatt, second by Alderperson - Dist 3: Paul Deziel to adjourn at 8:07pm. Carried unanimously.

I hereby certify the City Clerk has submitted the foregoing minutes to me and hereby my signature approves said minutes and all acts of the Common Council as set forth therein.

Date Approved by Council:

Approved:

Rich O'Connor, Mayor

Attest:

Becky Eggen, City Clerk



MINUTES

Regular Council Meeting

3:30 PM - Wednesday, January 13, 2021

Council Chambers

The City of Hudson Council met in Regular Council on Wednesday, January 13, 2021 at 3:30 PM in the Council Chambers via Zoom.

1 CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Common Council meeting was called to order by Mayor Rich O'Connor at 3:30PM.

2 Clerks Roll Call

- A. **Council Present:** Mayor Rich O'Connor, Alderperson -Dist 1 Randy Morrissette II, Alderperson - Dist 3 Paul Deziel, Alderperson - Dist 4 Jim Webber, Alderperson - Dist 5 Sarah Atkins Hoggatt, and Alderperson - Dist 6 Joyce Hall
- Council Absent:** Alderperson - Dist 2 Bill Alms
- Staff Present:** City Administrator - Aaron Reeves, Clerk - Becky Eggen, Waste Water Treatment / Utility Director - Kip Peters, and Assistant City Administrator/Community Development Director - Michael Johnson

3 NEW BUSINESS

- A. *Discussion and possible action on Resolution 1-21; Authorizing the issuance and sale of up to \$12,616,740 taxable sewerage system revenue bonds, series 2021A, and providing for other details and covenants with respect thereto*

Motion by Alderperson - Dist 5: Sarah Atkins Hoggatt, second by Alderperson -Dist 1: Randy Morrissette II to suspend the Rules. Roll Call Vote Carried unanimously.

Motion by Alderperson -Dist 1: Randy Morrissette II, second by Alderperson - Dist 4: Jim Webber to approve Resolution 1-21 Carried unanimously.

4 ADJOURNMENT

Motion by Alderperson -Dist 1: Randy Morrissette II, second by Alderperson - Dist 5: Sarah Atkins Hoggatt to adjourn at 3:35pm. Carried unanimously.

I hereby certify the City Clerk has submitted the foregoing minutes to me and hereby my signature approves said minutes and all acts of the Common Council as set forth therein.

Date Approved by Council:

Approved:

Rich O'Connor, Mayor

Attest:

Becky Eggen, City Clerk



SUBMITTED TO: Finance Committee
 DATE: January 19, 2021
 SUBMITTED BY: Kathy Edwards, Accountant

COUNCIL CLAIMS - January 19, 2021				
Fund		A/P Amounts	P/R Amounts	Totals
100	General	537,780.14	127,229.67	665,009.81
235	Room Tax & Comm Subs	2,897.00		2,897.00
450	Capital Projects	928.82		928.82
620	Parking	1,326.06	2,090.88	3,416.94
630	Ambulance	2,448.47		2,448.47
640	Storm Sewer	353.37	506.15	859.52
860	Tax Agency	7,629,320.01		7,629,320.01
	Totals	\$8,175,053.87	\$ 129,826.70	\$ 8,304,880.57

**PUBLIC UTILITIES COMMISSION MEETING
CITY OF HUDSON, WISCONSIN
TUESDAY, DECEMBER 8, 2020**

Vice Chairperson Suzy Korum presiding. Meeting called to order by Korum at 6:00 p.m.

PRESENT: Suzy Korum, Vice Chairperson, Joyce Hall, Pat Nolan, and Dave Prissel, Commissioners; Mary Wekkin, North Hudson Liaison.

ABSENT: Chairperson Andy Hassan.

ALSO PRESENT: Kip Peters and Jace Holzemer, Hudson Public Utilities.

APPROVAL OF NOVEMBER 10, 2020 MEETING MINUTES: Wekkin asked that the minutes state the attorney representing the Utility regarding the Riverside Drive N. lift station maintenance responsibility issue reviewed the three (3) agreements between the City and the Village. Motion by Prissel, second by Hall to approve the minutes of the November 10, 2020 Public Utilities Commission meeting with the noted change. **MOTION CARRIED.**

DISCUSSION AND POSSIBLE ACTION ON THE WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT – MAGNEY CONSTRUCTION, INC PAY REQUEST #6: Peters presented Magney Construction's Pay Request #6 for the Wastewater Treatment Plant Improvement Project. He said the project is progressing as scheduled.

Motion by Hall, second by Prissel to approve Magney Construction's Pay Request #6, as recommended by SEH, in the amount of \$401,293.43 for the Wastewater Treatment Plant Improvement Project. **MOTION CARRIED.**

DISCUSSION AND POSSIBLE ACTION ON THE LAKE MALLALIEU DAM RE-HAB PROJECT - PEMBER COMPANIES PAY REQUEST #1: Peters presented Pember Companies' Pay Request #1 for the Lake Mallalieu Dam Re-hab Project. He said the project is progressing as scheduled. Discussion followed on possible additional project costs.

Motion by Prissel, second by TeWinkel to approve Pember Companies' Pay Request #1, as recommended by SEH, in the amount of \$34,017.12 for the Lake Mallalieu Dam Re-hab Project. **MOTION CARRIED.**

DISCUSSION AND POSSIBLE ACTION ON SEH LETTER OF ENGAGEMENT (LOE) FOR THE AWIA RISK RESILIENCE ASSESSMENT AND EMERGENCY RESPONSE PLAN: Peters said on October 23, 2018 the America's Water Infrastructure Act (AWIA) was signed into law. Under this law community water systems with a population greater than 3,300 people must develop or update risk and resilience assessments (RRAs) and emergency response plans (ERPs). Peters then presented SEH's LOE to assist the Utility in developing its RRAs and ERPs. Wekkin asked about the need to have SEH assist the Utility with the first two tasks listed in the LOE. Discussion followed. It was the consensus of the Commission to have Peters discuss with SEH on having the Utility complete the first two tasks listed in the LOE.

Motion by Hall, second by Prissel to postpone action on this item until next month's meeting. All ayes. Korum opposed. **MOTION CARRIED.**

PROJECT UPDATES/PROJECT STATUS REPORT: Peters reviewed the report. He noted:

The Meter Replacement/ Residential Cross-connection Inspection Program is completed for the year.

**PUBLIC UTILITIES COMMISSION MEETING
CITY OF HUDSON, WISCONSIN
TUESDAY, DECEMBER 8, 2020**

The Utility is waiting to hear from the State regarding bids received and project timeline for the Hwy 35 Re-hab Project.

Peters then presented a construction summary and photos of the Wastewater Treatment Plant Improvement Project.

The Wisconsin St Tower Re-hab Project is complete and the tower is on-line.

OTHER BUSINESS FOR INFORMATION PURPOSES ONLY OR FOR UPCOMING AGENDA: Nolan asked about the status of the generator for the Riverside Dr. N. Lift Station. Peters said it is scheduled to be installed within the next couple of weeks.

WATER AND WASTEWATER UTILITY'S CASH REPORTS: The water and wastewater utility's monthly cash reports were not available for the Commission's review.

DISCUSSION AND POSSIBLE ACTION ON THE CLAIMS: Prissel asked about the claim from Diamond Tower Services. Peters said it was for the removal and re-installation of the Utility's communication equipment as part of the Wisconsin St. Tower re-hab project. Motion by Prissel, second by Hall to approve claims as reviewed by Commissioners. **MOTION CARRIED.**

ADJOURNMENT: Motion by Hall, second by Nolan to adjourn. **MOTION CARRIED.** – 6:40 p.m.

Jace Holzemer,
Recording Secretary



SUBMITTED TO: Finance/Common Council
DATE: January 19, 2021
SUBMITTED BY: Karen Duchow, Deputy Clerk
REGARDING: Application(s) for Operator Licenses

ISSUE:

Applications for Operator Licenses are on file in the City Clerk's office and are available for inspection upon request. If approved by Council, the licenses will be issued contingent upon successful completion of a background check and payment of any outstanding debt owed to the City.

STAFF RECOMMENDATION:

Approve the issuance for 1 Regular Operator Licenses for the period of January 20, 2021 to June 30, 2022 to:

Steven Van Voorhuis



January 13, 2020

REPORT TO: COMMON COUNCIL

SUBMITTED BY: David Gray – Building Inspector

RE: 4th QUARTER/YEAR END 2020 – Building Inspector's Report

NOTABLE 4th QUARTER 2020 PROJECT STARTS:	Project Construction Value
Mayer Road 85-Unit Apartments	\$10,000,000
Phillips Medsize – Interior Alterations	
• 2202 Carmichael Rd	\$902,000
• 1205 Beaudry Rd	\$800,000
Preco Interior Alterations	\$208,000
19 - New Dwelling Units (One, Two, & Townhouse Units)	\$5,576,000
48 – Misc. Residential Additions / Alterations	\$700,395
4th Quarter Total Construction Value	\$18,492,195
4th Quarter Permit Revenue	\$97,839
Inspections	771

YEAR END SUMMARY:

Attached you will find the building permit and inspection statistics from 2020 along with the year-end records since 2011 for a 10-year comparison. By comparing this period, you will see a snapshot of post-recession construction activity in the City of Hudson.

Taking a close look at calendar year 2020, you will see that we significantly exceeded the 10-year average in **number of permits, construction value, and permit revenue**. Taking an even deeper dive into the 2020 numbers you will see that by excluding the unique large-scale projects (Hudson School District projects in 2017 and Phillips Medsize in 2019) you will see that 2020 construction value was not only better than average, but also the highest during this 10-year period. Which is saying something since 9-months of the year we were also battling the pandemic, periodic shutdowns, and construction material shortages.

Looking ahead to 2021 we see another busy year. Although already permitted in 2020, many projects have most of their inspections yet to come, including: the 85-unit apartment on Mayer Rd, First State Bank, Wastewater Treatment Plant expansion, and the many residential projects recently permitted. These projects alone could keep us busy for the entire year. Therefore, our inspectors are hoping for construction starts to slow down a bit in 2021.



A slowdown is possible, but probably not in the cards for 2021. There are projects already in the planning stages for construction to begin this upcoming year. In addition, 2021 will be the year construction picks up in the Bella Rose development (Atwood property) and, most likely, be the year things wrap up in Summit Ridge & Southpoint (Lee property).

Feel free to contact me with any questions you may have at dgray@hudsonwi.gov or by calling 715-716-5755.



SUBMITTED TO: Mayor and Common Council

DATE: January 12, 2021

SUBMITTED BY: Becky Eggen; City Clerk

REGARDING: Change of Polling Locations

BACKGROUND:

Wards 1&2 and 9&10 have been using City Hall as their polling location up until April of 2020 when Covid-19 hit. Staff temporarily moved the polling location to the old Fire Station on Walnut Street to allow more room for social distancing through the remainder of the 2020 elections. This temporary move also allowed more room to process the influx of absentee ballots to be counted at City Hall. The old Fire Hall worked temporarily but is not ideal to be a permanent polling location. Staff would like to designate the new Fire Station on Ward Avenue as the new polling location. This will allow City Hall to be designated to Central Count only.

STAFF RECOMMENDATION:

Approve the Fire Station on Ward Avenue as the new polling location for Wards 1&2 and 9&10



SUBMITTED TO: Mayor and Common Council

DATE: January 19, 2021

SUBMITTED BY: Aaron S. Reeves, City Administrator *AR*

REGARDING: Public Works Director Pay Grade Change

BACKGROUND:

To remain market competitive with our pay plan it is important to review employee compensation on a regular basis. The recent hiring of our City Engineer and a hiring of a Public Works Director in a nearby City has shown that the Public Works Director position should be moved from its current pay grade to the same grade as the Finance Director. This move would result in a \$6,474 pay increase and move the current position from the 2-year step in the current pay grade to the Start step in the new grade. There is money in the 2021 budget for this change.

STAFF RECOMMENDATION:

Approve the moving of the Public Works Director position to the same pay grade as the Finance Director position at the Start step.



505 Third Street
Hudson, Wisconsin 54016
ph: (715)-386-4765 fx: (715)386-3385
www.ci.hudson.wi.us

TO: Common Council

FROM: Dean Chamberlain – City Engineer

DATE: January 13, 2021 (for January 19, 2021 meeting)

SUBJECT: **6H** – Set Public Hearing Date of February 15, 2021 for Adoption of Special Assessments for 2020 Mill & Overlay Project (Industrial Street and Stageline Road)

BACKGROUND:

In 2020, the City of Hudson contracted out a mill & overlay project on Industrial Street and Stageline Road to improve the condition of the pavement on those two streets. The project also included replacement of spot sections of curb & gutter as well as improvements to driveway aprons, which are assessable costs. The project is substantially complete with just a few small items remaining on the “punchlist” (to-do list prior to final completion), and no assessable items remain that need to be completed.

The final assessment amounts have changed compared to the preliminary assessment amounts, and in some cases the amounts have increased. A public hearing needs to occur to adopt assessments if the final amounts have increased “materially” from the preliminary assessment amounts.

RECOMMENDED ACTION:

Staff recommends setting a public hearing date for February 15, 2021 for the assessment hearing.

Prepared by: Dean Chamberlain, PE - City Engineer



505 Third Street
 Hudson, Wisconsin 54016
 ph: (715)-386-4765 fx: (715)386-3385
 www.hudsonwi.gov

TO: Common Council

FROM: Plan Commission

DATE: 19 January 2021

SUBJECT: Approval of a conditional use permit (CUP) application for garage height to exceed 20 feet at 809 Third Street – Robert & Wendy Hanson

BACKGROUND:

The Hanson's have applied for a conditional use permit to allow the construction of a 1.5-story detached garage at their residence of 809 3rd Street that would exceed the height limitation of 20 feet for accessory buildings as cited in *Attachment 2* of the City of Hudson's Zoning Code.

The project would include a 2-car garage, an office space, storage closet, bathroom, and a bonus/exercise room. The intention for this garage is not to be used as a separate living space and, if approved, would be noted as such on the building permit. This construction would demolish the existing detached garage on site and would be replaced with a new garage with a proposed height of 23 feet 9.5 inches, thereby exceeding the 20-ft height limit.

Both homeowners work out of their home, which is currently not well-suited for two home office spaces. The existing garage, while functional, is not aging well and does not fit the character of the English Tudor house design or the historic 3rd Street neighborhood. With this redesign, the Hanson's hope to have the garage matching all historical aspects of both their house and the surrounding neighborhood. The Hanson's considered other options for reducing the height, however, those changes detracted from the design of the garage as a flatter roofline of the new garage would not match the steep-roofed Tudor design of the existing house.

A public hearing was held at the January 5, 2020 Plan Commission meeting. Multiple neighboring residents stated support for the project.

PLAN COMMISSION RECOMMENDATION:

Recommends approval of the conditional use permit with conditions.

ACTION REQUESTED:

Approve the conditional use permit for the development of a 23 ft 9.5 in garage height at 809 Third Street with the following conditions:

1. Property owner to obtain Building Permit as needed prior to construction activities.
2. The detached garage space shall not be used as an accessory dwelling unit.

3. Any omissions of any conditions not listed shall not release the property owner/developer from abiding by City Ordinances.
4. All conditions run with the land and are binding upon the property owner and all heirs, successors, and assigns. The sale or transfer of all or any portion of the property does not relieve the original property owner from meeting any conditions.

ATTACHMENTS:

Applicant Narrative

Architectural Rendering Plan Set

Prepared by: Tiffany Weiss, Associate City Planner

Through: David Gray, Building Inspector



Application for:
CONDITIONAL USE PERMIT
 (As per Municipal Code § 255-76, 255-85, 255-88 and 255-89)

505 Third Street • Hudson, WI 54016 • (715)386-4776

www.hudsonwi.gov

Date	November 27, 2020		
Applicant Name	Robert and Wendy Hanson		
Mailing Address	809 3rd Street, Hudson, WI 54016		
Phone	913-709-7566	Email	bob.hanson@hansontech.net
Property/Building Owner	Robert and Wendy Hanson		
Project Name	Hanson Carriage House		
Project Location	809	3rd St	
	<i>(number)</i>	<i>(street)</i>	<i>(other information)</i>
Project Location Details <i>(if applicable)</i>	Detached carriage house/garage to replace existing garage on primary residence.		
<p>The following are to be included with the application:</p> <ul style="list-style-type: none"> Development plans of the proposed use. Requirements as per Municipal Code §255-76(C) Application fee (nonrefundable) of \$400.00 payable to the City of Hudson. <p>Number of plan copies to be submitted:</p> <ul style="list-style-type: none"> (2) 24" x 36" (6) 11" x 17" Electronic submittal 			
		 Robert Hanson <small>Digitally signed by Robert Hanson Date: 2020.11.25 16:34:31 -06'00'</small>	
		<hr style="width: 80%; margin: 0 auto;"/> Applicant Signature	
Application #	Receipt #	Date	

Application for Conditional Use Permit

Project: Hanson Carriage House

Applicants: Robert and Wendy Hanson
809 3rd Street, Hudson
ph: 913-709-7566

Project Description

This application is for a conditional use permit for a 1.5 story “carriage house” style garage to replace the existing garage on our residential property at 809 3rd Street.

The proposed new carriage house was designed by Michael Huber Architects. It has a garage and home-office on the main floor and a bathroom and “bonus” room on the second floor. The bonus room will be used as an office and a family room. The new carriage house will be used solely as part of the primary residence, and will not be used for a second family residence or a rental property. The reason for this CUP application is that the design for this new 1.5 story carriage will have a height of 23 ft 9.5 in, which exceeds the 20 ft height allowed by City code for an accessory building, and thus the need for a CUP.

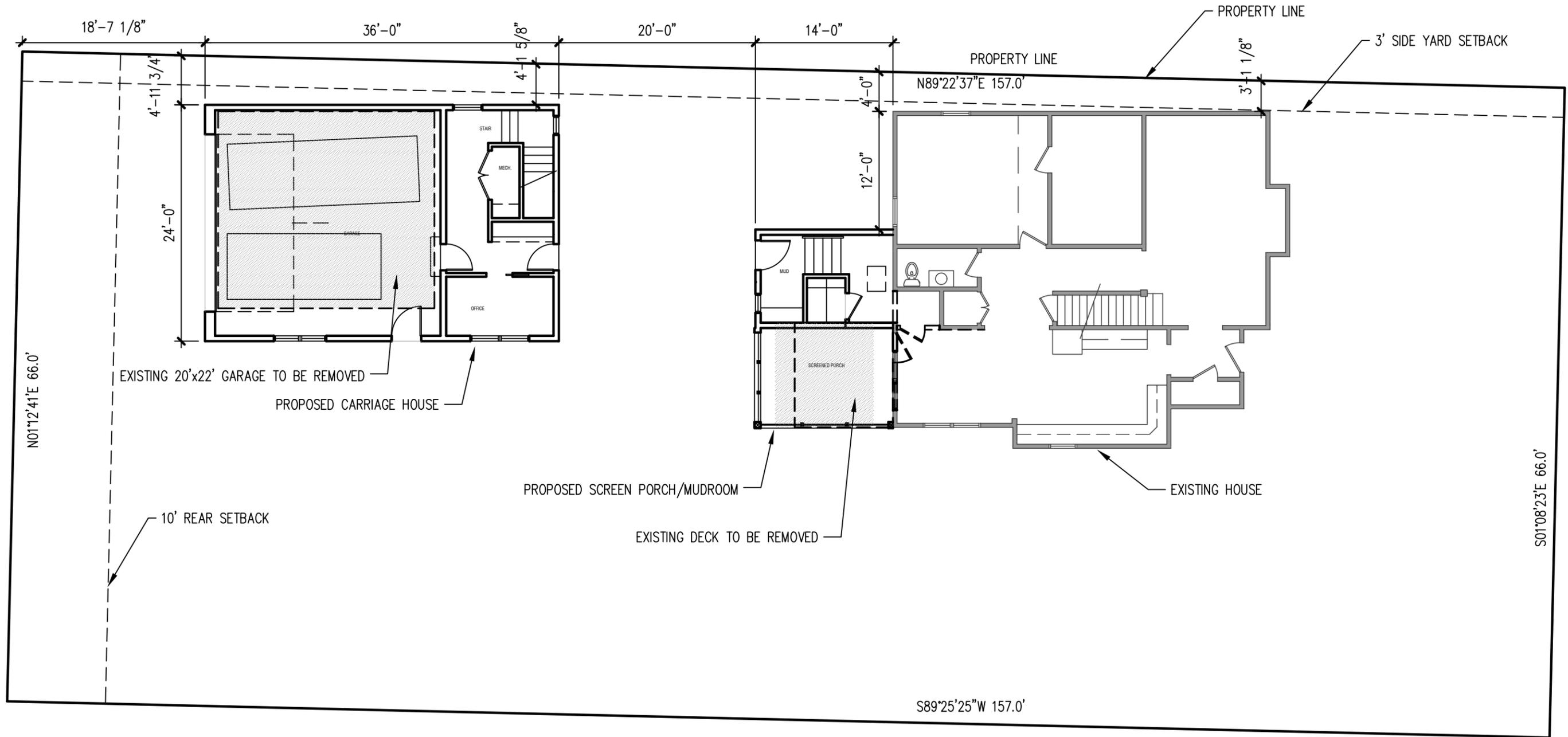
Form and Function

Wendy and I both work out of the home, and our current house is not well suited for home offices. Our aim with the proposed carriage house is to create private home-office spaces for each of us as well adding storage space, a new living area and a larger garage. The existing garage, while functional, is not aging well and its design does not fit the character of our English Tudor house design or the historic 3rd Street neighborhood.

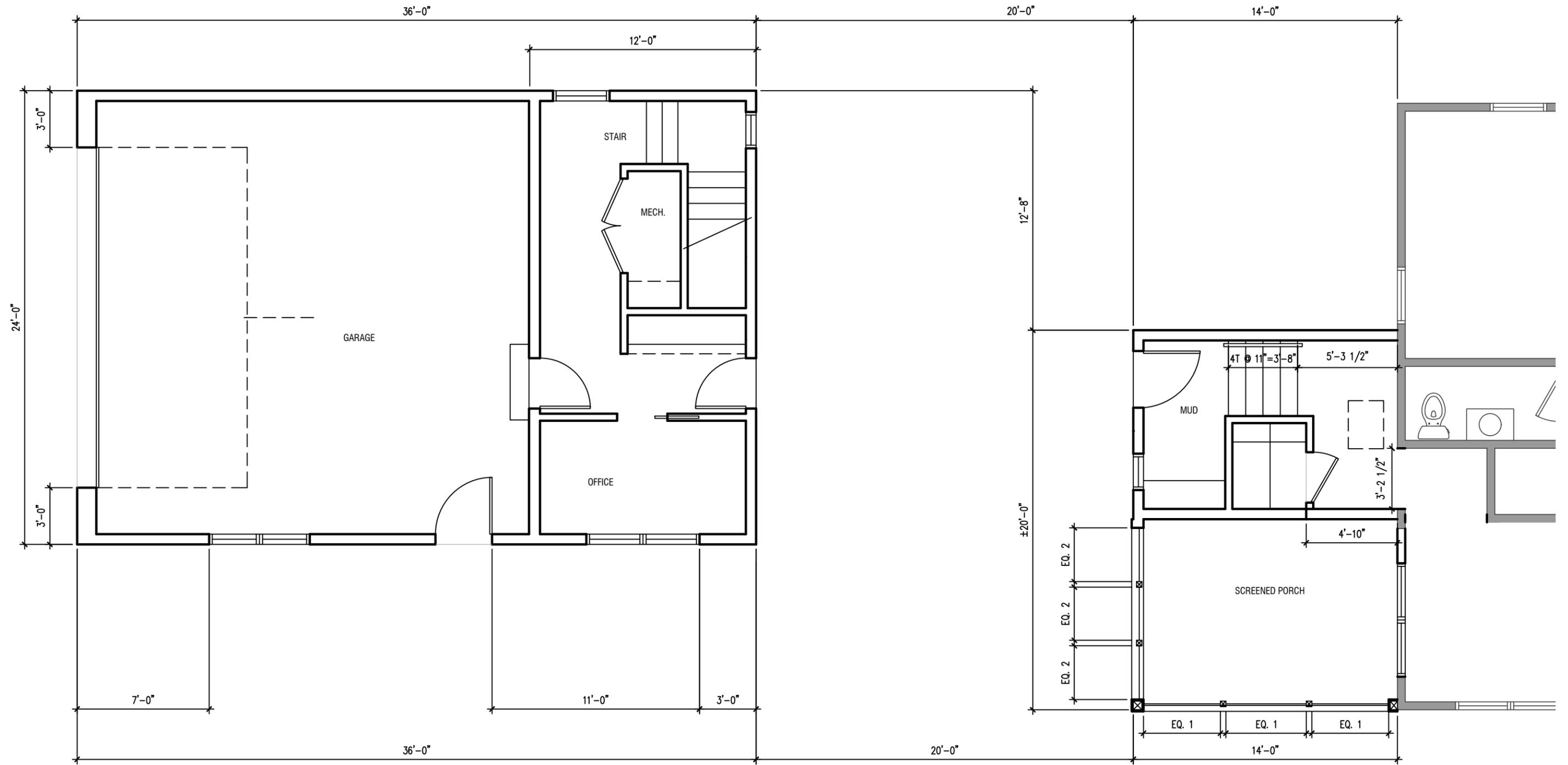
We retained Michael Huber Architects to consider various designs, and after exploring several options, including an addition to the current house, we decided that a detached carriage house would be the best way to add new home-offices and a garage while preserving and enhancing the historic character of the property and the neighborhood. Huber designed the carriage house to match the lines and appearance of the existing English Tudor house (see photographs), while making sure that the size was such that the new carriage house was clearly subordinate to the original house (see drawings). However, while we were able to meet City requirements for the overall building size and the required property offsets for an accessory building, the building height as designed is 23 ft 9.5 in, which exceeds the City’s 20 ft limit for detached accessory buildings. As shown

on the drawings, Huber used a 14:12 pitch for the main carriage house roof so that its roofline would match the pitch of the existing house in keeping with its classic Tudor design and character. We considered options for reducing the height, but these changes detracted from the design. For example, if we changed the pitch to 12:12, we could reduce the building height to 21 ft 10 in. Or, if the roof was even flatter, we could meet the 20 ft limit. However, these flatter roofs would not be in keeping with the existing steep-roofed Tudor design, so instead, we are requesting that the City approve a CUP for a detached “carriage house” accessory building with a 14:12 roof pitch and a 23 ft 9.5 in height, as shown on the included drawings.

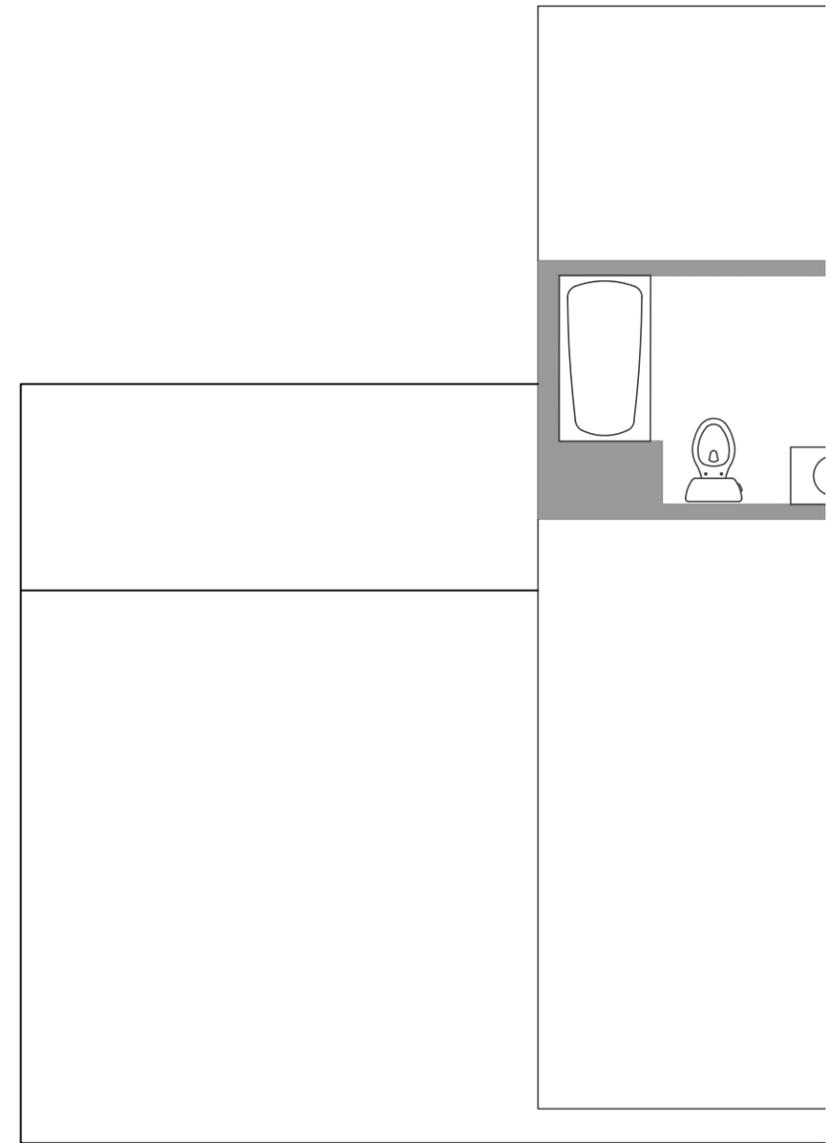
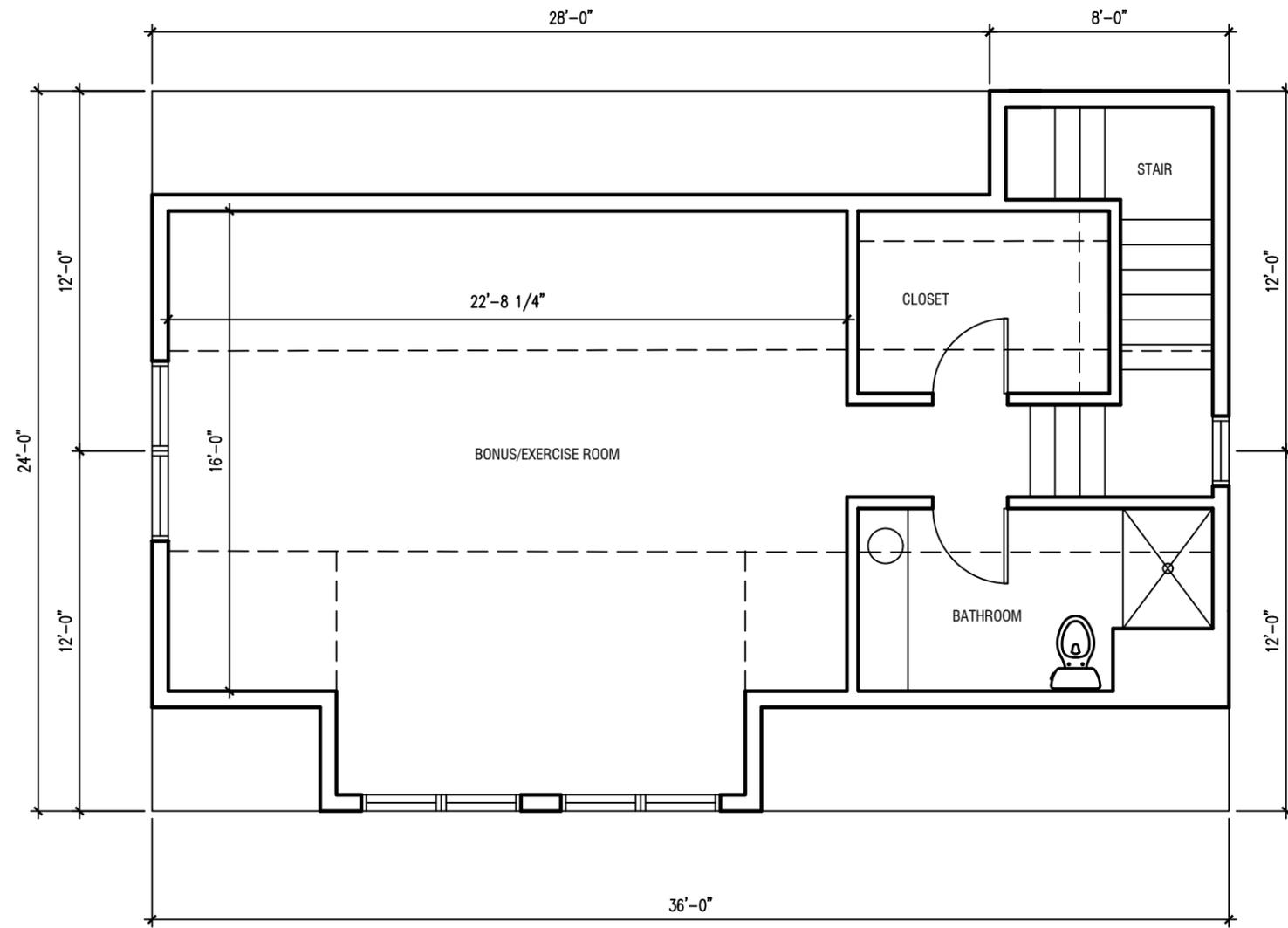
Detached 1.5-story carriage houses are common on 3rd Street, and this carriage house would fit the historic feel of the street and the neighborhood. The proposed building height of 23 ft 9 in would be similar to other carriage houses on the street and in the broader downtown neighborhood. Our adjacent neighbor, for example, has a carriage house that is 22 ft 2 in tall. As such, we hope that the City will approve this CUP for construction.



1 SITE DIAGRAM – BASED ON SURVEY BY AUTH CONSULTING/ASSOCIATES 8/8/11
 3/32"=1'-0"



1 MAIN LEVEL PROPOSED PLAN
3/16"=1'-0"



1

UPPER LEVEL PROPOSED PLAN

3/16"=1'-0"

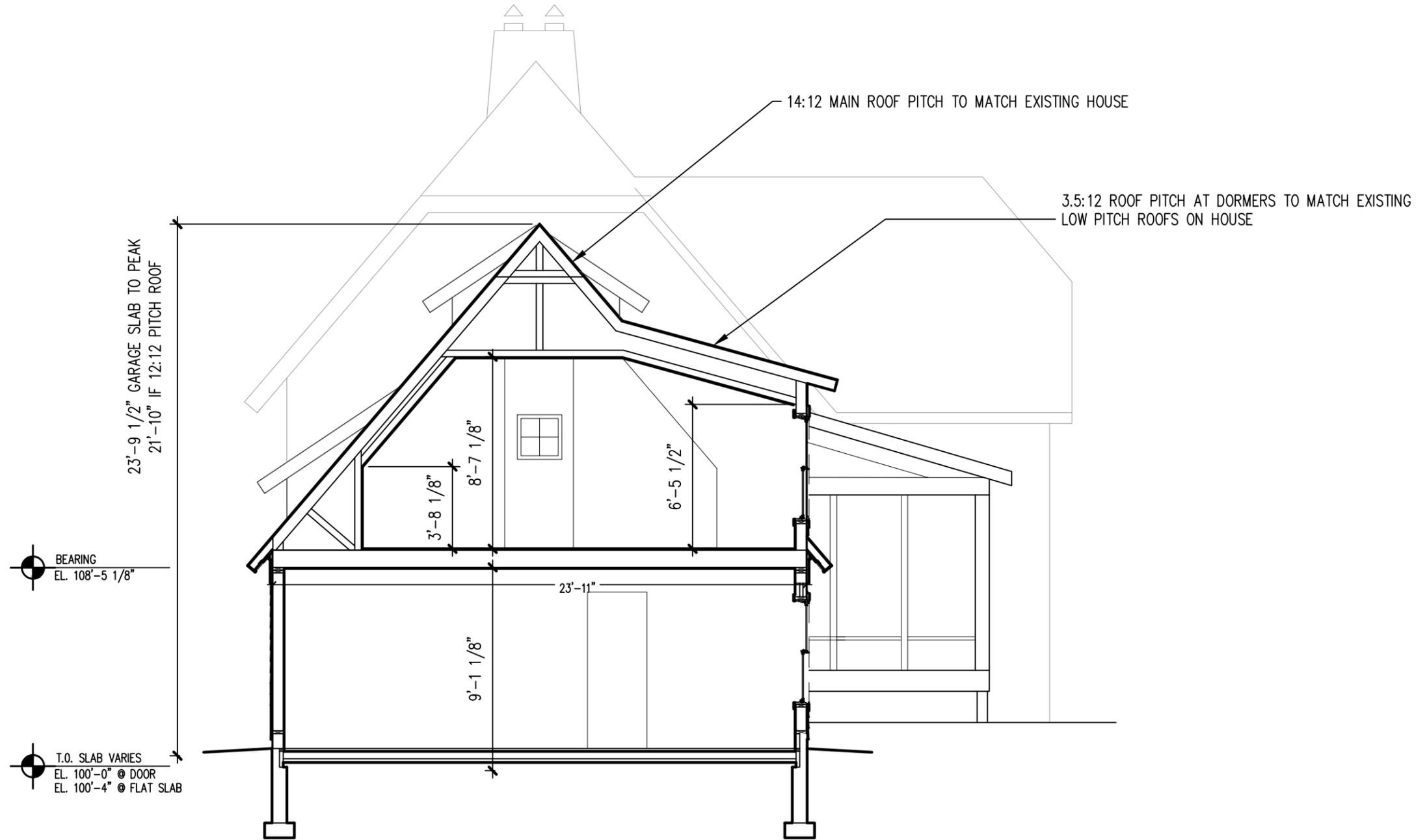
CUP Submittal

Hanson Carriage House
809 3rd Street
Hudson, Wisconsin 54016

UPPER LEVEL PLAN

Project No.: 20-14.0 | Date: 11.23.2020 | Revisions: x.x.x

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1

BUILDING SECTION @ GARAGE & BONUS ROOM

3/16"=1'-0"

CUP Submittal

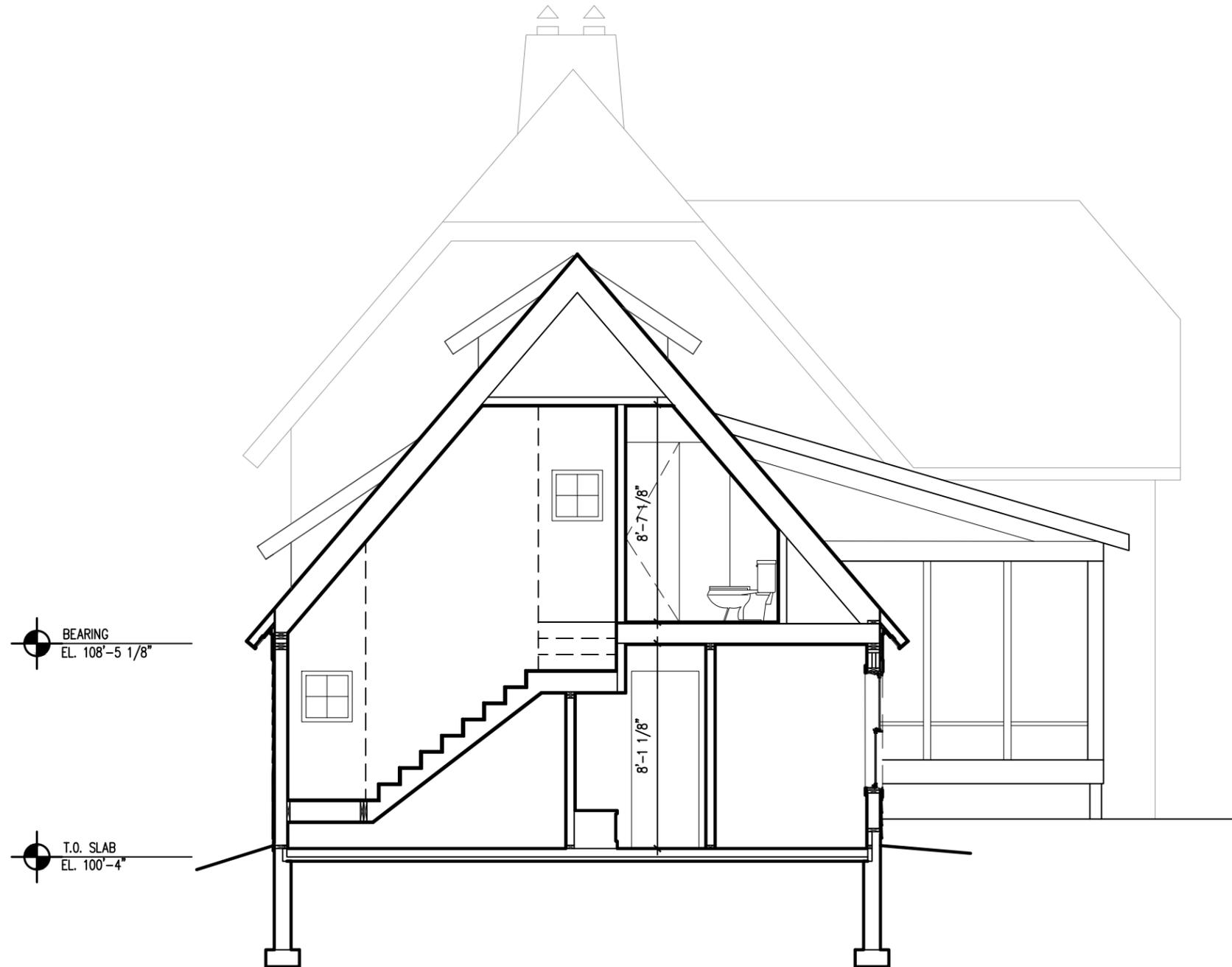
Hanson Carriage House
809 3rd Street
Hudson, Wisconsin 54016

BUILDING SECTIONS

Project No.: 20-14.0 | Date: 11.23.2020 | Revisions: x.x.x

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A4



1

BUILDING SECTION @ STAIR, MUDROOM & OFFICE

3/16"=1'-0"

CUP Submittal

Hanson Carriage House
809 3rd Street
Hudson, Wisconsin 54016

BUILDING SECTIONS

Project No.: 20-14.0

Date:

11.23.2020

Revisions:

x.x.x

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A5

Report Attachment #1.



CUP Submittal

Hanson Carriage House
 809 3rd Street
 Hudson, Wisconsin 54016

MASSING CONCEPT

Project No.: 20-14.0 | Date: 11.23.2020 | Revisions: x.x.x

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existing garage to be removed/replaced

CUP Submittal

Hanson Carriage House
 809 3rd Street
 Hudson, Wisconsin 54016

EXISTING SITE PHOTOS

Project No.: 20-14.0 | Date: 11.23.2020 | Revisions: x.x.x

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Minutes of Neighborhood Meeting for Conditional Use Permit Application

Project: Hanson Carriage House
Robert and Wendy Hanson
809 3rd Street
ph: 913-709-7566

Organizer: Robert Hanson

Attendees: John Clymer
829 3rd Street
clymerja@comcast.net

Michael Schendel
808 2nd Street

City monitor: Emily Boles

Meeting Minutes

This neighborhood meeting was held as a Zoom meeting at 5:00 pm on Dec 17, 2020. After Mike and John logged in, I read the City's required statement. Then, I used PowerPoint slides to present 3-D views and a footprint view of the proposed design of the Carriage House. I explained that it was a 1.5 story detached accessory building that would include a garage and an office on the main level, and a office/bonus-room and a bathroom on the second level. I further explained that the Carriage House was intended as part of the primary residence, and not as a rental unit or a second residence.

Regarding the compliance of the proposed building with City requirements, I noted that the building met the requirements for the minimum setbacks of 3 ft from the side boundary and 10 ft from the alley boundary (garage facing alley), and also the required minimum 10 ft gap between the Carriage House and the primary residence. However, the height of the proposed building is 23 ft 9 inches, which exceeds the City specification for a 20 ft maximum height for a detached accessory building, thus necessitating the application for a Conditional Use Permit.

Regarding the height, I explained that we had hired a local architect, Michael Huber, to design a building that would be in keeping with the English Tudor architecture of the existing house, and also the historic feel of the neighborhood. We wanted the Carriage House to look like it belonged to the property and the neighborhood. In the proposed design, then, Huber used a steep 14:12 roof pitch to match the roof pitch of the house, but this resulted in 23' 9" peak height. I further explained that we also had Huber draw up a prototype design for us that used a flatter roof pitch that would have met the 20 ft height restriction, but the flatter roof design was rather unsightly and not in keeping with the architectural design of the house or the historical appearance of other carriage houses in the neighborhood. John Clymer noted that he had seen an accessory building nearby that had been built with a flatter roof to reduce its height, and concurred that the building was unappealing with the flatter roof design.

Following are my notes on the discussion with John Clymer and Mike Schendel:

Discussion: John Clymer

(John and his wife, Janet, are long-time Hudson residents that live three doors down from us in a restored historic 3rd Street house on a corner lot.)

John asked if our commitment to not using the Carriage House as a rental property or a second residence was a City requirement or just a personal commitment. I said we would be using the Carriage House as part of the primary residence only, but I was unsure if it was also a City requirement that it only be used as part of the primary residence. If it was not a City requirement, I would be agreeable to including this commitment as a part of the Conditional Use Permit.

John said that he and Janet were extremely supportive of this project, and they were happy to see us investing in our property and the neighborhood. He appreciated us hiring an architect to design a building that fit the architecture of the property and the neighborhood, and had no objection to the additional height that was required to make that happen.

Discussion: Mike Schendel

(Mike is a long-time Hudson resident who is our backyard-alley neighbor. Mike lives on 2nd St, and the back of his house faces our garage across the alley).

Mike was very supportive of the project. He thought that the new building would actually enhance his view to have an architect-designed Carriage House facing his house instead of an ordinary garage. He did not object to the additional height necessary to make the architecture of the Carriage House work, and noted the added height of the building did not block any views.

809 Third Street – Garage Height over 20 ft Conditional Use Permit

Call received by staff from Jim Eulberg, owner of 819 Third Street on December 9, 2020. Mr. Eulberg stated he had no problems or concerns about the proposed garage replacement project.

From: [Bob Hanson](#)
To: [Emily Boles](#)
Subject: Fw: Garage Project - special use permit
Date: Friday, December 18, 2020 8:26:02 AM

Hi Emily,

I am writing up the minutes from our meeting last night.

I received this e-mail from John and Janet Clymer earlier this month. Will you add this e-mail to my file?

Thank you!!

Bob

Robert Hanson
HansonTech LLC
809 Third Street
Hudson, WI 54016
USA
ph: 913-709-7566

----- Forwarded Message -----

From: John Clymer - Comcast <clymerja@comcast.net>
To: "bob.hanson@hansontech.net" <bob.hanson@hansontech.net>
Sent: Saturday, December 5, 2020, 10:01:01 AM CST
Subject: Garage Project - special use permit

Wendy and Bob - we received the notice of the meeting on December 17th and hope to be on Zoom to listen. We could not be more supportive of your plan and your desire to invest in the neighborhood. A couple of the neighbors for various reasons are not able to keep their properties as they may like, but the example you're setting might be infectious.

It'll be fun watching your project take shape

Janet and John Clymer

From: [Bob Hanson](#)
To: [Emily Boles](#)
Subject: Fw: Carriage house
Date: Friday, December 18, 2020 2:20:41 PM

Hi Emily,

Here is another support email for the file.

Nancy and David Christensen live at 821 4th Street, but also own the duplex next door to me at 803 3rd St.

Thank you!!

Bob

Robert Hanson
HansonTech LLC
809 Third Street
Hudson, WI 54016
USA
ph: 913-709-7566

----- Forwarded Message -----

From: Nancy <nanchris2@comcast.net>
To: Bob Hanson <bob.hanson@hansontech.net>
Sent: Wednesday, December 16, 2020, 07:40:10 PM CST
Subject: Re: Carriage house

We did, we're fine with it!

Thank you
Nancy Christensen
Vocational Consultant
612-669-8484

On Dec 16, 2020, at 7:37 PM, Bob Hanson <bob.hanson@hansontech.net> wrote:

We applied for a conditional use permit for the carriage house that we want to build. The City requires us to have an info meeting with all of the neighbors in a two block radius. Did you get a letter?

You should have. I can send you a Zoom invite if you want to come.

Robert Hanson
HansonTech LLC
809 Third St
Hudson, WI. 54016
ph: 913-709-7566



Michael Mroz
Public Works & Parks Director
505 Third Street
Hudson, Wisconsin 54016
mmroz@hudsonwi.gov
ph: 715-716-5746

TO: Common Council

FROM: Michael Mroz; Parks & Public Works Director
Park Board

DATE: January 13, 2021

SUBJECT: Approval of the Hudson Library's proposal for a 2021 Solar System Walk

BACKGROUND:

Chris Mick, Hudson Library Assistant, presented a Spring "SOLAR SYSTEM WALK" for Lakefront Park. The walk would begin near the Library, and go south on 1st Street, and end near the Boat Launch.

- The plan includes 9 circular floor graphics, like the "I Heart Hudson" graphics currently located throughout our downtown. The graphics for the Solar System will represent the Sun and the 8 planets and will be a scale representation of the distance between the planets. Each graphic will feature a different planet, facts about the planet and the Hudson Library logo.
- The graphics would be removed by July 2021. Photos of the placement and examples are included with the slides.

RECOMMENDATION: MOTION by Deziel, second by Kennedy to approve the Hudson Library's install of the 2021 Solar System Walk as presented. MOTION CARRIED

Solar System Walk

Christopher Mick - Hudson Area Library
cmick@hudsonpubliclibrary.org

The Challenge

To come up with some outdoor activities for library patrons/families

Due to no on-site programming for the rest of 2020.

Looking to make use of Lakefront Park and/or Dike Rd.

“The Earth as a Peppercorn” from the National Science Foundation

noao.edu



20 graphics would be produced at 3' diameter in an outdoor material rated for high-traffic. 10 graphics are for fall placement, removed in November and reapplied in spring.

Each graphic would include a QR code that visitors could scan with their phone to get additional information.

FPO mockup is shown near stairway for scale reference only.



Current Graphic

Lessons learned:

QR Code

Dike Rd. issues

fliers/map

Revised walk was reduced to the

“Inner solar system” Sun - Mars



The Scale of This Solar System

Sun-any ball, diameter 8.00 inches

Mercury-a pinhead, diameter 0.03 inch

Venus-a peppercorn, diameter 0.08 inch

Earth-a second peppercorn

Mars-a second pinhead

Jupiter-a chestnut or a pecan, diameter 0.90 inch

Saturn-a hazelnut or an acorn, diameter 0.70 inch

Uranus-a peanut or coffeebean, diameter 0.30 inch

Neptune-a second peanut or coffeebean

The Details

10 round floor graphics would be installed
8 planets, the Sun, and an introduction

These are the same type as the “I Heart Hudson” floor graphics
already installed around downtown Hudson.

Install in Spring 2021 (set of 10 graphics)

Removal in July 2021

Proposed starting location for “Introduction Circle”

New Proposed layout would start at the

Sidewalk in front of the Hudson Area Library



Current, I Heart Hudson

Walk would lead down from the library

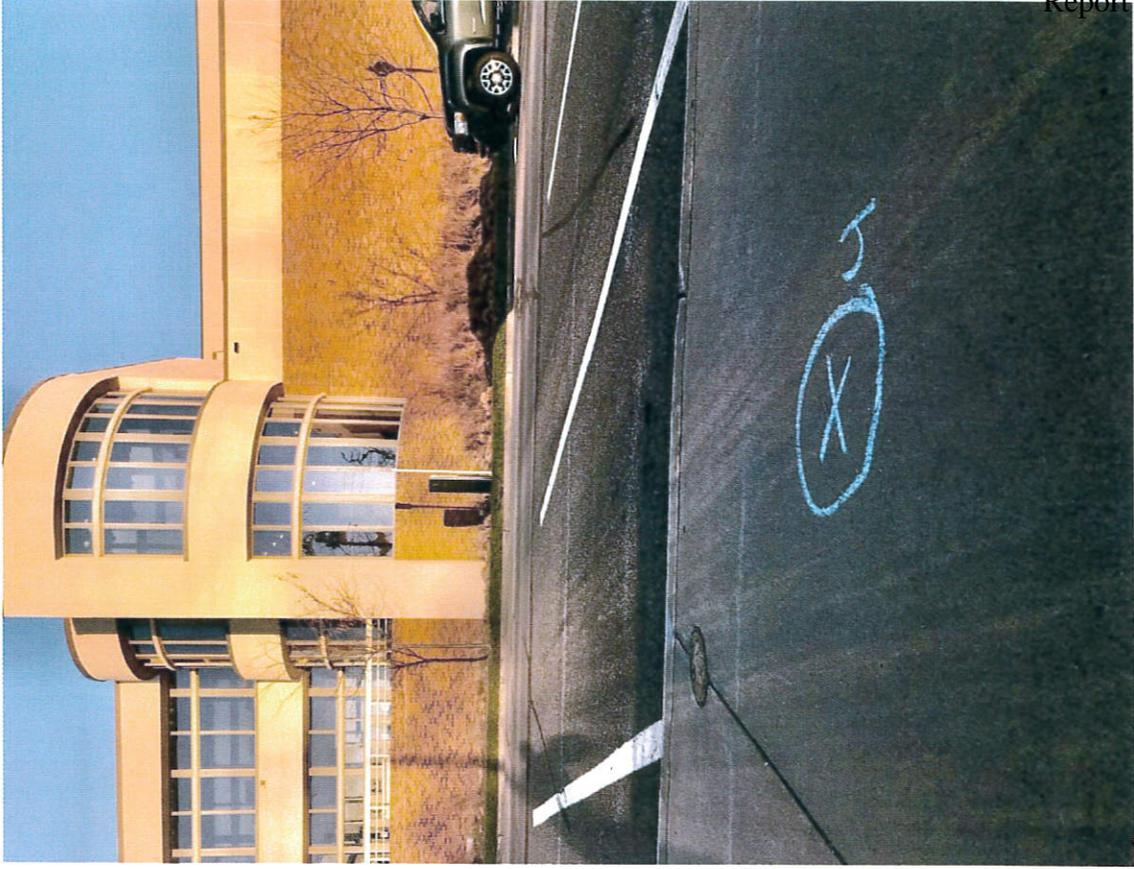
And go down along 1st street



Jupiter across from the Phipps

Maps will be featured on the back side of the QR code flier.

map/flier available at the library



Walk Ends Near Boat Launch

Thank you

questions?





Michael Mroz
Public Works & Parks Director
505 Third Street
Hudson, Wisconsin 54016
mmroz@ci.hudson.wi.us
ph: 715-716-5746
www.ci.hudson.wi.us

TO: Common Council

FROM: Michael Mroz; Parks & Public Works Director

DATE: January 13, 2021

SUBJECT: Approve the concessions agreement with the Hudson Boosters for the operation of concessions at Grandview Park

BACKGROUND:

Hudson Boosters submitted a request to operate concessions at Grandview Park for 2021. Attached is the Agreement for use of the concessions.

- The Agreement states the Concessionaire will pay to the City 6% of all gross revenues of all sales on a monthly basis. NOTE: The collection of concessions will be placed in a non-lapsing account designated for Grandview Park maintenance and improvements.

FUNDING SOURCE: N/A

STAFF RECOMMENDATION: MOTION by Deziel, second by Brokaw to approve the Grandview Park Concessions Agreement with the Hudson Boosters. MOTION CARRIED.

2021 GRANDVIEW PARK CONCESSION AGREEMENT

This Concession Agreement entered into this ___ day of _____, between the City of Hudson with its offices at 505 Third Street, Hudson, Wisconsin 54016, herein designated "**CITY**," and Hudson Boosters Inc. a non-profit corporation, hereinafter designated "**CONCESSIONAIRE**." For and in consideration of the mutual covenants and conditions hereafter set forth, the City does hereby grant unto the Concessionaire the right and privilege to operate the concession stand building in Grandview Park for the 2021 concession year, upon the terms, conditions and covenants herein contained.

1. DESCRIPTION OF PREMISES. For purposes of this concession agreement, the concession stand to be occupied by the Concessionaire located at 1100 Carmichael Road, Hudson Wisconsin, and used for the purposes as provided for in this agreement is set forth on the building drawing attached hereto and incorporated herein by reference as Exhibit "A".

2. TERM. The term of this agreement shall be for the period commencing May 1, 2021 to October 31, 2021. In the event that the Concessionaire desires to extend this agreement for an additional term, the Concessionaire shall request such an extension on or before April 1, 2022. Thereafter, the parties shall negotiate the terms of any renewal agreement. The City may, but is not obligated to, grant an extension or renewal of this agreement. The Concessionaire shall not be delinquent in payment of any debt owed to the city, including personal property taxes or any other debt to the City. Any such delinquency shall be a breach of this agreement.

3. HOURS OF OPERATION. The concession stand may be open only during any scheduled games or tournaments at Grandview Park.

4. PAYMENT. For and in consideration of the privileges granted herein, the Concessionaire shall pay to the City 6 % of the gross revenues of all sales. The Concessionaire shall provide to the City a monthly financial sales report and payment within five (5) days after the end of the months of, June, July, August, September and October. Failure to provide monthly sales reports shall be considered a breach of the agreement and subject to termination as outlined in paragraph 26 of this agreement. A final payment and report shall be due on November 15, 2021. Payments under this paragraph shall be in addition to the user fees paid to the City by the Hudson Boosters for use of the Grandview Park facility. The City shall bill the Hudson Boosters separately for the user fees and any other services.

The City's share of concession revenues received under this section shall be placed in a non-lapsing account designated for Grandview Park maintenance and improvements.

5. SECURITY DEPOSIT. Prior to commencement of any sales, the Concessionaire shall deposit with the City the sum of \$250.00, to be held as a security deposit. The

Concessionaire shall be returned the security deposit providing there are no other charges due and owing from the Concessionaire to the City.

6. INDEMNIFICATION. The Concessionaire agree to indemnify and save harmless the City against any cause of action, claim, damage, costs or expense, including reasonable attorney fees, arising out of its management and operation of the concession stand or from any breach or default by the Concessionaire in the performance of this agreement or from any other negligence of the Concessionaire in its operation of the premises.

7. INSURANCE. The Concessionaire agrees that it will place and keep in effect during the terms of this agreement a comprehensive general liability policy covering the premises and providing insurance coverage with minimum limits of liability for bodily injury to one person in the amount of \$500,000.00 and bodily injury to any group of persons as a result of one accident in the amount of \$1,000,000.00. The Concessionaire agrees that the City shall be named as an additional insured on a primary and non-contributory basis and without cost or expense to the City. Concessionaire agrees that it will place and keep in effect during the term hereof a liability policy providing insurance coverage for damage to property in the amount of \$100,000.00.

All insurance requirements set forth in the preceding paragraph shall be placed with responsible insurance companies approved by the City, which approval shall not be unreasonably withheld, and authorized to do business in the State of Wisconsin and shall be in a form approved by the City. All such policies or certificates of insurance and related endorsements evidencing such coverage shall be deposited with the City and maintained during the term of this lease. Said insurance shall not be subject to cancellation except for thirty (30) days prior written notice to the City. ***The concession stand may not operate until city has been provided with certificate of insurance and related endorsements.***

8. UTILITIES. The City shall provide and pay for all electrical, water and sanitary sewer charges and expenses for the building.

9. NO PARTNERSHIP. Any intention to create a joint venture, partnership or agency relationship between the City and Concessionaire is hereby expressly disclaimed.

10. INDEPENDENT CONTRACTOR. The status of the Concessionaires is that of independent contractors. The Concessionaires further agree that Concessionaires shall not:

- A. Create any lien or security interest on any property owned by the City.
- B. Make any agreement or bill any work, product or services to the City.

C. Represent Concessionaire as a representative, agent or employee of the City.

11. WORKER COMPENSATION INSURANCE. If required by Wisconsin law, the Concessionaire shall provide Worker Compensation insurance for its employees or members exercising employee functions under the terms of this agreement and if wages are provided such individuals. Concessionaire shall comply with all federal and state rules regarding social security and withholding of income taxes.

12. NONDISCRIMINATION. The Concessionaire agree not to discriminate against any employee, applicant for employment, or patron because of age, race, religion, color, disability, sex, physical condition, developmental disability, sexual orientation, conviction record, national origin, or any other basis prohibited by state or federal law.

13. PERSONAL PROPERTY. The Concessionaire shall furnish all personal property necessary for the operation of the concession-stand. The Concessionaire may remove this property at any time during the lease, and upon termination of the lease within a reasonable time as required by the City. The Concessionaire shall not at any time remove any fixture or property of the City. Any personal property or other fixture installed by the Concessionaire on the premises which the City determines cannot be removed without damage to the premises shall not be removed and shall become the property of the City at no cost to the City. The Concessionaire shall notify the City ten (10) days prior to any such planned removal. All sink, window fixtures, receptacles, lights or other attached fixtures installed by the City shall remain on the premises.

14. CLEANING AND MAINTENANCE. The Concessionaire shall be responsible for the cleaning of the concession stand building including the concession area and storage area. The following items would be included in this section:

- A. The concession area shall be cleaned and sanitized by the Concessionaire when sales have stopped and prior to leaving for the day such that they are cleaned and sanitized for the next day's usage. Tasks included in this item, but not limited to, cleaning and rinsing of floors, sanitizing of counters, and floor sweeping.
- B. The building interior and immediate area around the concession building shall be kept free of refuse and litter by the Concessionaire. This includes refuse and litter in dugout or player areas. Concessionaire will also be responsible for emptying trash receptacles in this area each day after activity is complete and placing bags in dumpsters within park boundaries. All refuse will be bagged. City will provide refuse receptacles and recycling receptacles. In the event refuse and litter is not picked up, trash receptacles not emptied, and/or recycling receptacles not emptied, and/or not transported to the parks dumpsters the Concessionaire shall be billed for the cleanup work at the

City's of Hudson's annual service charge rates. Payment for cleanup work shall be paid within 14 days of billing. Failure to pay such billings will constitute a breach of the agreement and remedies will be sought as outlined in paragraph 26.

C. The City shall supply the following items and services for maintenance of the concession stand and building restrooms:

1. Hand soap dispensers, soap, towels, toilet paper, urinal blocks and all other restroom facility supplies
2. Light bulbs for building/restroom lights
3. Mop, pail, bucket for floor cleaning

D. At the end of Concessionaire's activity each day, the Concessionaire shall be responsible for locking and securing the park building. The rest rooms shall be opened daily by City staff for daily park activities.

15. SIGNAGE AND ADVERTISING. The erection of signs and advertising or display material will be prohibited on the building exterior or park grounds unless approved by the City. All signs, advertising, and display materials shall be restricted to the interior of the concession stand.

16. ALTERATIONS. The Concessionaire shall not make any alterations, improvements, additions, or changes to the premises without the express written consent of the City. Repairs to City owned items in the concession stand area shall be done by the City within a reasonable period of time.

17. GRANDVIEW PARK COMPLEX. The development, management, and administration of Grandview Park shall remain exclusively under the jurisdiction of the City, and the Concessionaire shall manage only the premises designated for the concession stand, and operation of league play and tournaments occurring at Grandview Park.

18. RIGHT OF ENTRY. The City shall have the right to enter the premises at any reasonable time, upon reasonable notice, and for the purpose of inspection or making repairs or improvements, which the City deems necessary.

In the event of emergency, the City may order the closing of the concession stand on a temporary basis.

19. USE BY OTHERS. The City retains the right to allow other tournaments by other than the Hudson Boosters if the facility is available. The Concessionaire shall cooperate with the City on the operation of the concession stand and building for these events.

20. DESTRUCTION OF PREMISES. In the event that Grandview Park, or a part thereof, is damaged or destroyed by fire, wind, flood, or other unavoidable casualty so as to render it wholly unfit for operation, this agreement shall terminate; and the City shall refund any prepaid fees paid hereunder. The City shall not have any obligation to replace, restore, rebuild, or substantially repair the damaged premises.

21. NO WASTE OR NUISANCE. The Concessionaire shall not cause or allow any waste or nuisance upon the premises. No refuse shall be left in the building overnight. The Concessionaire shall not permit any disorderly conduct or behavior in the immediate area of the concession stand or playing fields. Any radio, stereo, or public address system played in the concession stand or playing field area shall be at a reasonable level of volume. The City may order the use of any of these devices to be discontinued if it creates a nuisance for the surrounding area.

The Concessionaire shall maintain all properties that are subject to this agreement in their present condition; ordinary wear and tear excepted and shall maintain high standards of cleanliness and sanitation. Garbage must be placed in specific receptacles and shall not be allowed to collect in the facility.

The City and Concessionaire encourage recycling of refuse materials. All recyclable materials generated by concession stand operations shall be properly sorted and deposited in the recycling dumpster which shall be located on park grounds. Park visitors and users will be encouraged to recycle through signage and placement of labeled refuse containers for recyclable materials. The Concessionaire has first right to recyclable materials provided they are removed from park premises on a daily basis. The City will furnish a minimum of two (2) containers for aluminum cans at the concession stand.

22. FIRE EXTINGUISHER. The City shall provide one (1) fire extinguisher for the premises, which will be located in the concession area. The extinguisher will remain the property of the City, and all service work and refilling of the extinguisher shall be done by the City, unless the extinguisher is used in an improper manner by the Concessionaire or person involved in Hudson Boosters activities.

23. CONCESSION SALES.

A. The following items MAY NOT be sold by the Concessionaire:

1. Any type of fireworks
 2. Any other item dangerous, offensive, or inappropriate to a proper and safe park environment
 3. Any food items which require the use and installation of an overhead exhaust fan system.
 4. Alcohol Beverages.
- B. All other food and concession items shall be allowed.
- C. A list of items and purchase prices shall be submitted to the City Parks Department for approval before the start of operation. Prices shall be similar to those charged at other retail establishments in the area.

24. PLAYING FIELD AND PARK MAINTENANCE RESPONSIBILITIES:

- A. The City shall:
1. Cut the grass, provide weed control and trimming.
 2. Fertilize the outfields at a minimum of two (2) times per year and roll them one (1) time.
 3. Water the grass when necessary.
 4. Provide and apply infield dirt when necessary.
- B. The Concessionaires shall:
1. Remove refuse from dugouts (player areas) and infields after Concessionaires activity.

It is the intention of the Concessionaire and Hudson Parks Department that a cooperative attitude exists between the parties with the common goal of providing an aesthetic and well-maintained facility.

25. SIGNAGE. All regulatory signage will be provided and placed by the City. Banners and other signs announcing tournament registration and information must follow the City Sign Ordinance shall be allowed on the property.

26. REMEDIES OF CITY. In the event during the term of this agreement:

- A. The Concessionaire has failed to pay a fee installment, with such breach having continued after five (5) day written notice, or,
- B. Concessionaire has failed to comply with any other provision of this agreement and shall not have cured such failure within five (5) days after City, by written notice, has informed Concessionaires of such non-compliance; or,
- C. Concessionaire ceases to conduct its normal business operations in the concession area or has vacated or abandoned the premises; or,
- D. Concessionaire does or permits to be done anything which creates a lien upon the premises of the City.
- E. Violates any provision of the Hudson Municipal Code or Chapter 125 of Wisconsin Statutes.
- F. Fails to provide monthly sales reports, as outlined in paragraph 4, shall be considered a breach, with the agreement being subject to cancellation.

The City, upon five (5) days written notice to Concessionaire, may elect to cancel and terminate this agreement. The Concessionaire shall forfeit Concessionaires' security deposit and the City may re-enter into possession and may operate the concession stand itself or enter a new agreement with another party for the remainder of the term.

No right or remedy herein conferred upon or reserved to the City is intended to be exclusive of any other right or remedy given herein or now or hereafter existing at law or in equity or by statute.

27. PARK BOARD. The Concessionaire shall meet with the Park Board to discuss the concession stand operation and this agreement on an annual basis.

28. SURRENDER. Within one (1) week of the end of operations herein defined, the Concessionaire shall peaceably surrender the premises and shall remove all of Concessionaire's property; and the City shall conduct a final inspection and shall provide Concessionaire with a written report for any deductions from the security deposit and the balance thereof shall be returned to the Concessionaire with such written report.

29. AMENDMENTS. Any amendment to this agreement shall be in writing and shall be signed by both parties.

IN WITNESS THEREOF, the said parties have executed this agreement this
__ day of _____, 2021.

CITY OF HUDSON

**CONCESSIONAIRE/REPRESENTATIVE
Hudson Boosters**

Richard O'Connor, Mayor

Name- Contact Person - Signature

Printed Name of Contact Person

Phone Number

Email Address

Signatures authenticated this ____ day of _____, 2021

CONCESSIONAIRE/REPRESENTATIVE – CONTACT INFORMATION

1. CONTACT PERSON NAME	PHONE	EMAIL
2. CONTACT PERSON NAME	PHONE	EMAIL



Michael Mroz
Public Works & Parks Director
505 Third Street
Hudson, Wisconsin 54016
ph: 715-716-5746 5 fx: (715)386-3385

TO: Finance/Common Council

FROM: Michael Mroz; Public Works Director

DATE: January 13, 2021

SUBJECT: Approve the LOE from Bolton & Menk in the amount of \$20,600 for the 2021 Stormwater Utility Improvement Project

BACKGROUND:

Each year, city staff identifies maintenance needs of the City's storm sewer system, which is publicly bid out. Examples of corrective repairs are:

- A) Replacement of broken pipe
- B) Replacement of deteriorated structures (catch basins, end walls, manholes)
- C) Adjustment/replacement of catch basin castings and rings
- D) Surface drainage corrections
- E) Post Construction Pond Maintenance

Enclosed, the Public Works Committee will find the repair projects identified for the 2021 season.

Furthermore, enclosed is a Letter of Engagement (L.O.E.) with Bolton & Menk to provide engineering services on the proposed project in the amount of \$20,600.

FUNDING SOURCE:

Funding for engineering services will be paid for out of the storm water utility budget, 640.48.53442. Annually, there is \$200,000 budgeted for storm water maintenance expenses.

COMMITTEE RECOMMENDATION:

MOTION by Deziel, SECONDED by Webber to Approve the Letter of Engagement with Bolton & Menk, Inc. in the amount of \$20,600. MOTIONED CARRIED

Enclosure: List of 2021 storm sewer repairs; LOE with Bolton & Menk

**CITY OF HUDSON
LETTER OF ENGAGEMENT**

Project Name: 2021 Storm Sewer Repairs

Project Number: _____

This Letter of Engagement is entered into this ____ day of _____, 2021, by and between the City of Hudson, 505 Third Street, Hudson, WI, 54016 (hereinafter the "City") and

Bolton & Menk, Inc.

Name of Consultant

2035 County Road D East, Maplewood, MN 55109

Address of Consultant

(Hereinafter the "Consultant").

RECITALS

WHEREAS, the City and the Consultant entered into an Engineering Master Consulting Agreement on the 24th day of November 2014; and

WHEREAS, the Master Consulting Agreement provides that the City would engage the Consultant from time to time to assist in providing engineering services for projects and studies designated by the City and as described through separate Letters of Engagement attached as Exhibits to the Master Consulting Agreement; and

WHEREAS, The City wishes to retain the services of an engineering consultant to assist with the following described project:

2021 Storm Sewer Repairs

(hereinafter the "Project"); and

WHEREAS, this Letter of Engagement outlines the services to be performed by the Consultant; the approved cost of the Project; and the Project schedule.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and intending to be legally bound hereby, the City and the Consultant hereby agree as follows:

Article 1. Services to be performed by the Consultant

The City hereby retains Consultant for the purposes of advising and consulting the City for the services described in Exhibit One attached hereto and made a part hereof.

Article 2. Schedule of Performance

The Consultant shall perform the services for the Project on the basis of the schedule attached hereto as Exhibit One and made a part hereof by reference. The schedule may be adjusted by mutual consent as the services proceed. The term limits established by the schedule and approved by the City shall not be exceeded by the Consultant or the City, except for reasonable cause agreed to by the City.

Article 3. Consultant's Compensation

The City shall pay the Consultant for services furnished and the Consultant shall accept as full payment the sums described on Exhibit One as Fees Hourly NTE (NTE meaning Not to Exceed). Payment to the Consultant for fees described on Exhibit One as "hourly estimated" shall be based on actual hours Consultant worked on the specified task. Exhibit One is attached hereto and incorporated herein by reference.

IN WITNESS THEREOF, the parties hereto have executed this Engagement letter as of the date first written above.

IN WITNESS WHEREOF, the parties hereto set their hands and seals dated this _____ day of _____, 2021.

Bolton & Menk, Inc.

City of Hudson, Wisconsin

By: _____

By: _____

Name: Michael S. Nill, P.E.

Aaron Reeves, City Administrator

Title: Principal Engineer

By: _____

Rich O'Connor, Mayor

Attest: _____

Becky Eggen, City Clerk

EXHIBIT 1

2021 Storm Sewer Repairs

Construction improvements consist of miscellaneous storm sewer repairs at various locations throughout the City.

Services to be performed:

Design Phase:

- Preliminary Investigations
- Preliminary Survey
- Prepare plans and specifications
- Prepare estimate of probable construction costs
- Prepare advertisement for bid and send to official newspaper
- Tabulate bids received
- Prepare contracts

Construction Phase:

- Organize Preconstruction Meeting
- Provide construction staking and observation as requested by City

Schedule of Performance:

- Public Works authorizes LOE.....January 11, 2021
- Council authorizes LOE.....January 18, 2021
- Council approves Plans and Specifications and authorizes Ad-for-Bid.....May 17, 2021
- Ad for Bid published.....May 20 & 27, 2021
- Open Bids.....June 10, 2021
- Council awards contract.....June 21, 2021
- Construction.....July 2021 – Sept 2021

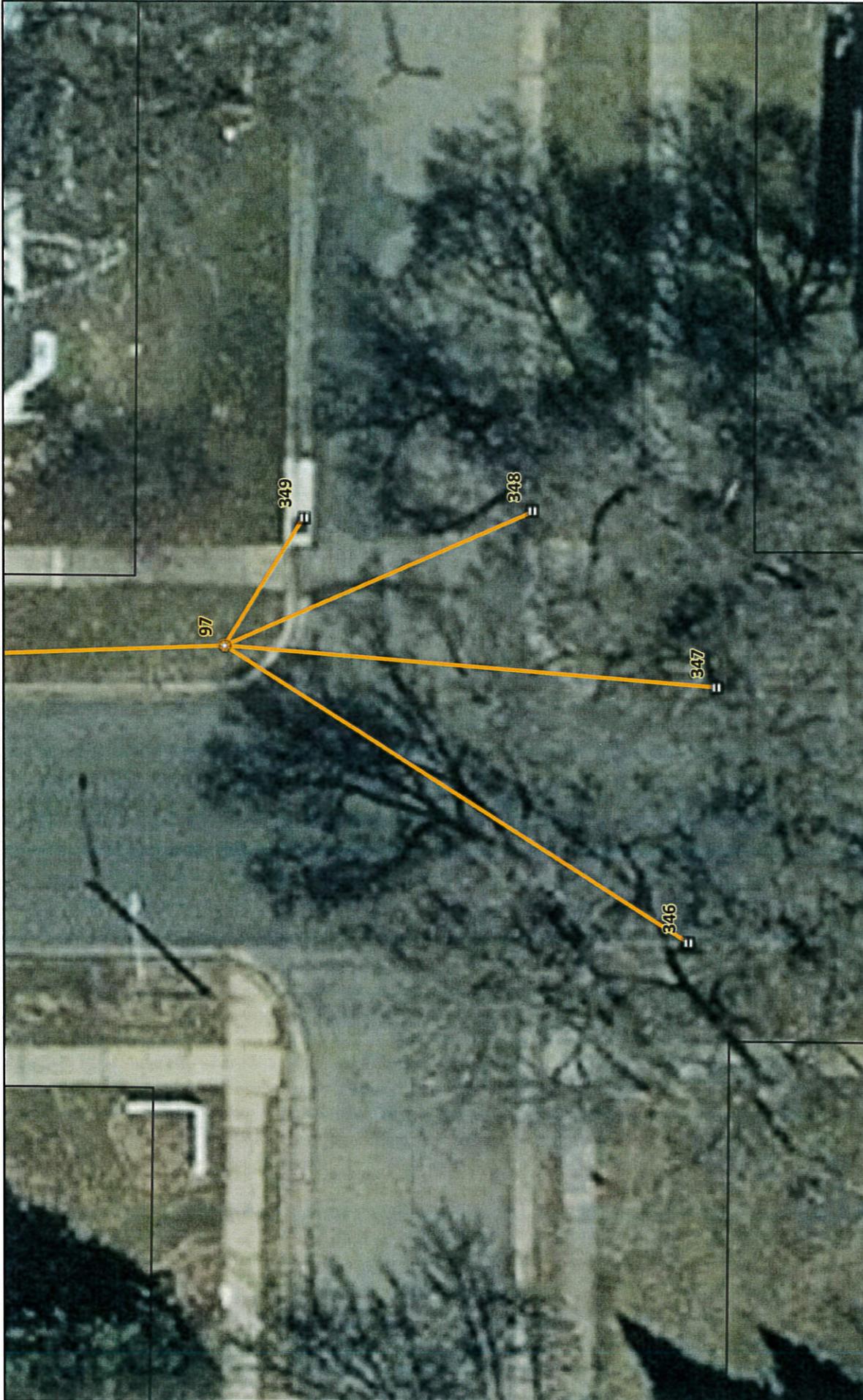
Compensation:

1. Preliminary Survey: estimated 25 hours, not to exceed	\$3,900
2. Plan Phase: estimated 71 hours, not to exceed	\$11,000
3. Construction Phase: estimated 45 hours, estimated	\$5,700
Total Estimated Engineering Cost:	\$20,600

2021 Storm Sewer Maintenance

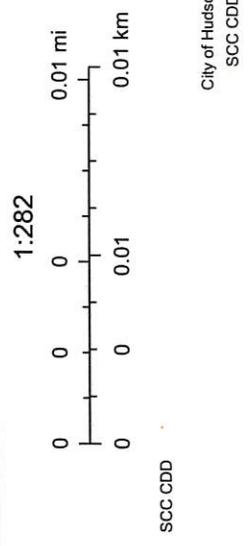
Structure I.D. Number	Repairs Needed
MH 97	New Structure
CB 349	New 3x5 casting
CB 348	New 3x5 casting
CB 347	Eliminate
CB 346	New 3x5 casting
MH1056	New Structure
CB 1056B	Add new catch basin

ArcGIS Web Map

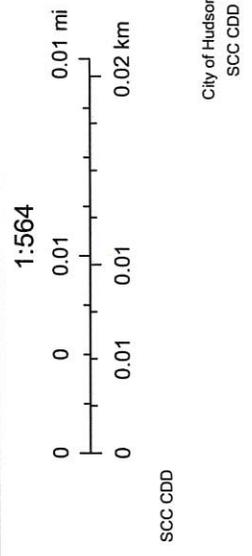
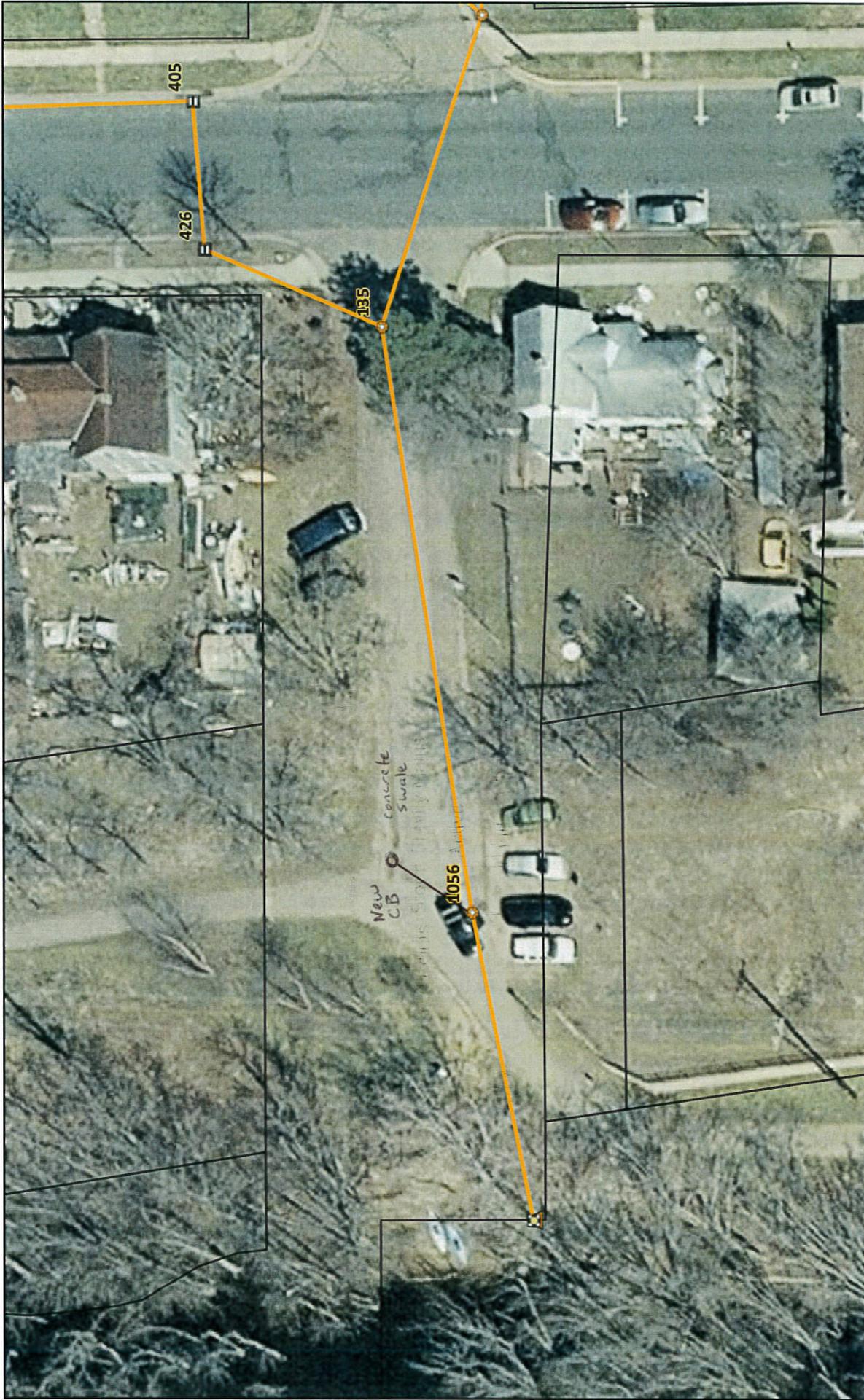


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- Storm Inlets
- Storm Gravity Mains
- Storm Manholes
- Hudson Parcels
- Active



ArcGIS Web Map



- 1/17/2021, 10:45:52 AM
- Page 68 of 287
- Storm Inlets
- Storm Manholes
- Storm Discharge Points
- Storm Gravity Mains
- Storm Outfalls
- Active
- Priority
- Hudson Parcels
- City of Hudson
- SCC CDD |

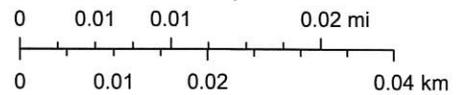
ArcGIS Web Map



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-  Storm Inlets
-  Storm Gravity Mains
-  Storm Manholes
-  Hudson Parcels
-  Active



SCC CDD

1



SUBMITTED TO: Common Council
DATE: January 12, 2021
SUBMITTED BY: Public Safety/ Chief Geoff Willems
REGARDING: Approve the Hudson Hot Air Affair event to be held on February 5-7, 2021 and to designate as a community event

BACKGROUND: The Hot Air Affair will host their annual event on February 5-7, 2021.

The Public Safety Committee met on January 7, 2021 to review the proposal that included the various events planned for the weekend. It was recommended the event be designated as a Community Event.

Included in the packet:

- Designation of a Community Event form
- Certificate of Insurance 1/15/21 to 1/15/22
- Vendors List
- Summary of the Event
- COVID Mitigation Plan
- Pilot Safety Protocol
- Traffic Plan – Glow Event, February 6, 2021
- Fat Tire Race – Sunday, February 7, 2021 – Coordination with PW/Parks Director

For a full schedule of the events: www.hudsonhotairaffair.com

COMMITTEE RECOMMENDATION: MOTION by Hall, SECOND by Morrissette to designate the Hudson Hot Air Affair as a Community Event. MOTION CARRIED.



CITY OF HUDSON
REGISTRATION APPLICATION FOR CHARITABLE ORGANIZATIONS TO SELL AT COMMUNITY
EVENT OR CELEBRATION APPROVED BY THE COMMON COUNCIL
 (pursuant to Chapter 124-5 (l) of Hudson Municipal Code)

NAME OF COMMUNITY EVENT: Hudson Hot Air Affair

NAME OF GROUP SPONSERING EVENT: _____

DATES OF SALES: February 1, 6 - 10, 2011

LOCATION OF SALES: 2351 Cowlee Rd, Hudson

*****REGISTRATION*****

NAME OF CHARITABLE ORGANIZATION: Hudson Hot Air Affair

PERMANENT ADDRESS: P.O. Box 744, Hudson
WI 54016

TELEPHONE # OF ORGANIZATION OR CONTACT PERSON: Michelle Webb
612-423-0177

FEIN # _____

Product for sale and a brief description:
Popcorn & Pretzels

COMMON COUNCIL APPROVED COMMUNITY EVENT - DIRECT SELLERS
 Name of Organization Approved for Community Event: Hudson Hot Air Affair

Date of event: 2/6/2021

(Please return your list of approved sellers to the Clerk's Office 24 hours prior to the event.)

NAME	BUSINESS NAME	ADDRESS	ITEMS TO BE SOLD
1 Woodley Merley	two Rivers Kettle Korn	Dresser WI	Kettle Korn & Pop Corn
2 Steve Beck	MSP Pretzel	woodbury MN	Pretzels
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			

Please PRINT the names of persons who are authorized to sell for your organization at this event.

Steve Beck / MSP Pretzel

Woodey Merley / two Rivers Kettle Korn

I declare that the information on this form is true and correct to the best of my knowledge and belief. The organization accepts responsibility for the sellers listed above, and I am authorized to sign this form.

Print name Michelle Webb

Signature Michelle Webb

Phone: 612-423-0177

Date: 1/12/2021

I, the undersigned, have reviewed the application and hereby
 Approve Deny said Applicant Date: _____

Signature Chief of Police or
Authorized Officer

COUNCIL ACTION: _____

Registration number assigned: _____

Hudson, WI City Council Meeting—January 19, 2021

Hudson Hot Air Affair—February 5-7, 2021 in Hudson, WI.

- Pop-Up Hot Air Balloon launches—20 hot air balloons will launch at approximately 8:00 am Saturday and Sunday mornings from various unpublicized locations throughout the community. Multiple pre-approved sites will be chosen based upon wind direction (all launches are weather dependent). No launch sites will be announced and no spectators will be allowed near the balloons.
 1. HHAA requests use of Hudson city parks for potential pop-up balloon launches as wind direction and wind speed dictate. Size, physical obstacles and weather conditions will dictate which parks might be usable the mornings of February 6 and 7, 2021.
- Drive-Thru Balloon and Candlestick Glow Event—Saturday night, February 6, 2021 at the St. Croix Business Park
 - Map attached
 - Close O'Neil, Enloe and Rock so 1-way traffic thru park (entrance Hanley to O'Neil south, to Enloe east, Rock north to exit back to Hanley)
 - Police officers requested to direct traffic at Hanley/O'Neil & Rock/Hanley intersections
 - Individual property owners are hosting participants—inflated hot air balloons, candlesticks and light displays (Valley Companies, Cardinal Health, Uline, etc.)
 - All business owner notification with employee and truck traffic considerations
 - Map detailing plan being developed with Hudson Police Department
 - Signage—directional and instructions—confirm with Police Department
 - Golf carts on the streets in the Business Park from 2:00 to 9:00 pm for committee and safety personnel use
 - Fire truck and EMS positioned in the Business Park
 - Drone surveillance of Business Park to monitor traffic incoming and leaving park
 - Rented commercial grade radios and cell phone plan in place for staff and police communication
- Pop In, Donate, Pop Out Drive-Thru Food Truck and Food Shelf Collection—former Family Fresh parking lot on Coulee Road—Saturday 9:00 am to 8:00 pm. Two food trucks and charity food collection in partnership with the Hudson Food Shelf. Vendor list (2 vendors) will be provided to the City of Hudson.
- In-Person events coordinated by the St. Croix County Historical Society (walking tour, house tours and marketplace), Hudson Lions Club (corn hole tournament at Hop & Barrel) and charity fat bike race (fundraiser for the Hudson Fire Department). All live events are observing COVID-19 safety protocols (physical distancing, masks, hand sanitize, etc.).
- Insurance—policy cover sheet naming City of Hudson as additional insured and all details attached. Policy year start date: January 15, 2021.
- Contact tracing—Hudson Hot Air Affair will collect and maintain information on all pilots, crew, volunteers and support staff participating in the balloon pop-up launches and moon glow event.
- Traditional Hot Air Affair in-person events which will **NOT** be held as live events in 2021 due to COVID-19 public safety considerations: E.P. Rock School balloon mass ascensions, moon glow, marketplace, smooch boarding and entertainment; Torchlight Parade in downtown Hudson; Fireworks in downtown Hudson; school programs; pancake breakfast; ice carving; bingo; chili cook-off; kids' ice fishing contest.

- Traditional Hot Air Affair events which have changed to a virtual format: 5K race/walk, painting class, family crafts at The Phipps Center for the Arts and pet costume contest.
- Virtual programming will be aired on Hot Air Affair web site and Facebook plus River Channel UTube: smooch boarding, pilot interviews, nature program, ballooning segments.

Hudson Hot Air Affair event contacts:

Michelle Webb, President	612-423-0177	michelle.webb679@gmail.com
Ruth Peterson, Logistics Coordinator	651-271-1305	r45peterson@aol.com
Marv Wenzel, Fueling Coordinator	651-829-0201	marvinwenzil@centurytel.net
Carla Timmerman, Pilot Coordinator	715-220-9550	cjtimmerman@sbcglobal.net
Molly Johnson, Pilot Coordinator	651-253-3620	molly_j2016@comcast.net

Hudson Hot Air Affair Covid-19 mitigation guidelines for 2021 January 19, 2020 Hudson City Council

Hudson Hot Air Affair (HHAA) events held in person will be following current CDC, state and local health guidelines. We will be promoting best practices, such as:

- Stay home if you are experiencing any symptoms of COVID-19.
- Wash your hands frequently with soap and water, or use hand sanitizer with at least 60% alcohol if soap and water are unavailable.
- Avoid touching your eyes, nose, and mouth with unwashed hands.
- Cover your cough or sneeze with a tissue, then throw the tissue in the trash and wash or sanitize your hands.
- If you are able to do so safely, wear a face covering.
- Avoid physical interaction or direct contact with, and maintain at least 6 feet of physical distance between yourself and others who don't live with you.
- Clean and disinfect frequently touched objects and surfaces.

Specific protocols for Hudson Hot Air Affair in-person events:

- Pop up Balloon launches: no public spectators are allowed near the balloons at any of the launch sites. The HHAA has all contact information for pilots, crew, volunteers and committee on file.
- Drive-thru moon glow and candlestick event: all spectators will remain in their vehicles at all times during the drive thru. HHAA has all contact information for pilots, crew, volunteers and committee on file.
- Pop In, Donate, Pop Out will be an outdoor event with physical distancing required. Food trucks will be spaced adequately apart to ensure customers can stand in line 6 feet from each other. Hand sanitizer will be available. Signage will direct traffic to the entrance and exit.
- St. Croix County Historical Society Octagon House self guided walking tours will provide maps for spectators to take a self guided walking tour of Hudson. Local vendors (spaced out in each room of the house) will be located at the Octagon House. While shopping at the marketplace, visitors will be observing COVID-19 safety protocol of physical distancing. Masks and hand sanitizer will be available.
- Lions Club Cornhole Tournament at Hop and Barrel Brewing Company. Pre-registration for all teams. Participants will be observing COVID-19 safety protocol of physical distancing. Masks and hand sanitizer will be available.
- Fat bike race organizers anticipate 50 riders for the Fat Bike Race. Plans call for single riders to ride as a Time Trial with start times at 30 second intervals. The course will be

marked and is set to span the entire Lakefront Park with the course deviated away from the holiday lights to reduce safety concerns. There will be no space to officially gather, social distancing and masks will be encouraged and podium ceremonies will be virtual. Course Marshalls and volunteers will be present at high traffic pedestrian intersections.

Hudson Hot Air Affair 2021 Pilot Safety Protocol

Pilots will be asked to follow current CDC, state and local COVID-19 safety recommendations.

Pilot participation capped at 20 pilots

Hudson House Grand Hotel—Headquarters and pilot lodging

Friday, February 5, 2021

7am – Media Opportunity

Balloon inflations and pilot interviews. No passenger flights

3pm – Pilot Check In – Limited to pilot and check in staff

Hand sanitizer and masks available, if needed

Collect crew contact information

No parade

No pilot reception

Saturday February 6, 2021

Pilot Briefing – pilot and crew chief to attend by Zoom or outside location

Pop Up launches – No launch sites will be announced to the public

Moon Glow/Field of Fire changed to Drive-Thru Moon Glow/Candlestick Event

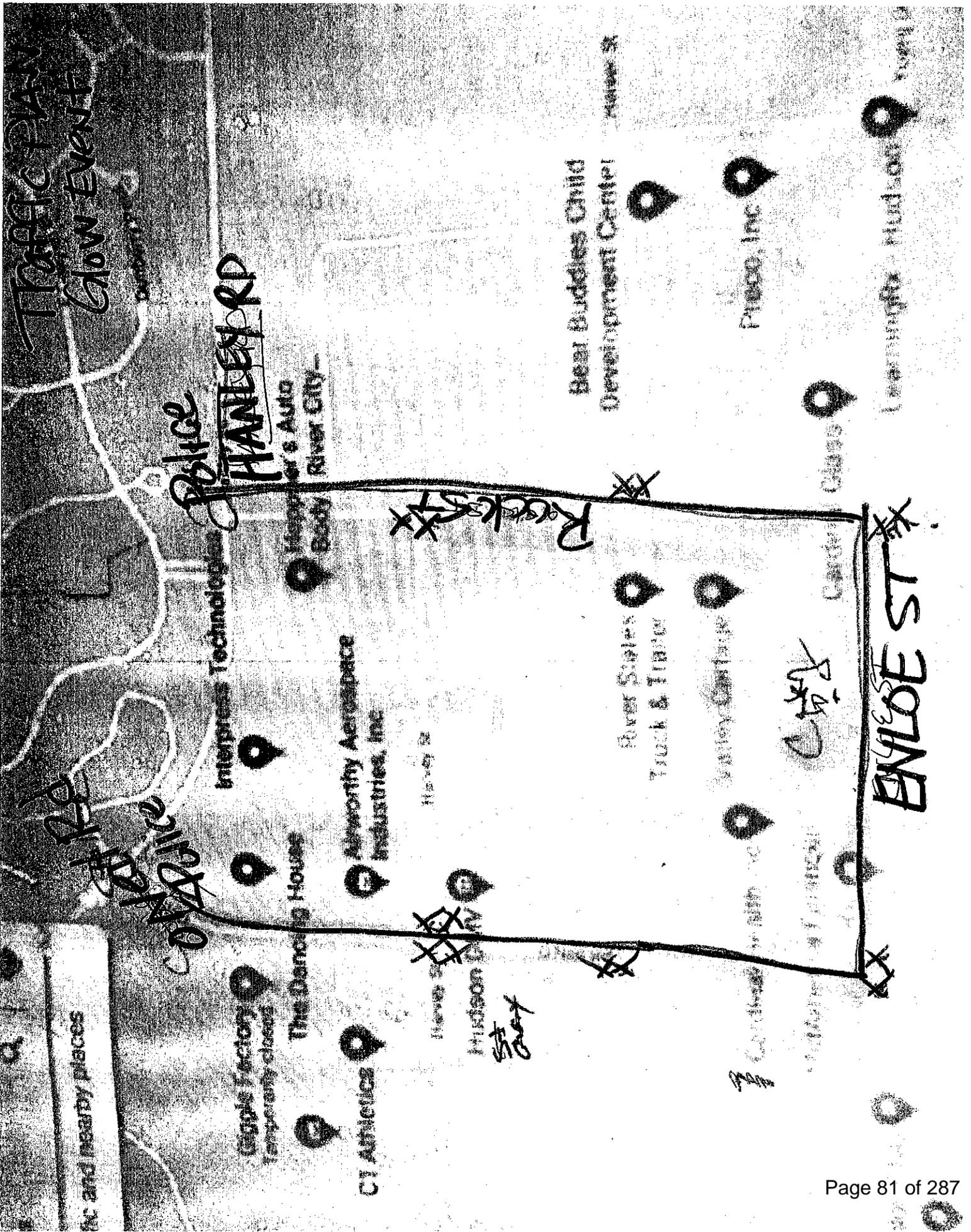
Public to stay in vehicles

Sunday February 7, 2021

Pilot Briefing – pilot and crew chief to attend by Zoom or outside location

Pop Up launches – No launch sites will be announced to the public

No pilot brunch and awards gathering



FAT TIRE RACE
2021
LAKEFRONT PARK





Michael Mroz
Public Works & Parks Director
505 Third Street
Hudson, Wisconsin 54016
ph: 715-716-5746 5 fx: (715)386-3385

TO: Finance Committee/Common Council

FROM: Michael Mroz; Public Works Director

DATE: January 13, 2021

SUBJECT: Approve the quote received from Zappa Brothers, INC. in the amount of \$4,590.00 to abandon the well at 1421 2nd St. (West Public Works Facility)

BACKGROUND:

In October of 2020, the well at the west garage stopped working and the cost for repairs was the same as hooking into the City water service so staff chose to run city water into the building instead of trying to repair a 40+ year old well. Now that this is complete, we need to abandon the well per state and local codes.

Enclosed is a quote from Zappa Brothers, INC. to perform the work and abandon the well in the amount of \$4,590.00.

FUNDING SOURCE:

Funding for the well abandonment is recommended to be taken from Council Contingency.

STAFF RECOMMENDATION:

Staff recommends approval of the quote received from Zappa Brothers, INC. in the amount of \$4,590.00 to abandon the well at 1421 2nd St. (West Public Works Facility), designating the funds come from Council Contingency.

ZB Proposal

ZAPPA BROTHERS, INC.

715 Sixth St. N., Hudson, WI. 54016-1074
 715-386-2850 Office / 715-386-0323 Fax
 Email: zappabrothers@sbcglobal.net

PROPOSAL SUBMITTED TO: City of Hudson, Attn: Mike Mroz		PHONE: 715-716-5746	EMAIL: mmroz @ hudsonwi.gov	DATE: 01/07/2021
ADDRESS: 505 Third Street, Hudson, WI 54016		JOB NAME: Well Abandonment Project		
ARCHITECT / ENGINEER: N.A.	PLAN DATE: N.A.	JOB PHONE: N.A.	LOCATION: 1421 Second Street, Hudson, WI	

We hereby submit specifications and estimates for:

Page 1 of 1

To abandon existing 6" diameter water well, to consist of the following:

1. Well abandonment as per Wisconsin Department of Natural Resources, RN112.21 requirements.
2. Abandonment report to be filed with the State of Wisconsin and the City of Hudson.
3. Removal and disposal of well pump and components, due to the type of well, the abandonment requires excavation to a depth of approximately 8.50 V.F. to allow for access to well casing and pump housing for pump and components removal, well casing to be cut off at approximately 8.00 V.F. below existing grade.
4. Existing abandoned well water service line to be capped, with existing yard hydrant and accessory removal and disposal.
5. Well abandonment excavation to be backfilled with compaction, using existing excavated material only.
6. Final grading with existing excavated material only.

We Propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of: **(\$ 4,590.00)**

DOLLARS

Payment to be made as follows: IN FULL UPON COMPLETION OF EACH PHASE OF CONSTRUCTION

<p>All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.</p>	<p>Authorized Signature </p> <p><small>*Note: This proposal may be withdrawn by us if not accepted within 30 days.</small></p>
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The following notice is hereby given as required by Wisconsin Statutes Section 779.02(2)(a):

"As required by the Wisconsin construction lien law, builder hereby notifies owner that persons or companies furnishing labor or materials for the construction on owner's land may have lien rights on owner's land and buildings if not paid. Those entitled to lien rights, in addition to the undersigned builder, are those who contract directly with the owner or those who give the owner notice within 60 days after they first furnish labor or materials for the construction. Accordingly, owner probably will receive notices from those who furnish labor or materials for the construction, and should give a copy of each notice received to the mortgage lender, if any. Builder agrees to cooperate with the owner and the owner's lender, if any, to see that all potential lien claimants are duly paid".

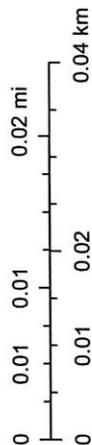
Please return SIGNED COPY back to Zappa Brothers Inc.

Acceptance of Proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above with Terms of: Net 30 days following date of invoice. Unpaid balance will be subject to Finance Charge of 1.83% per month (22% annual rate).

Signature: _____ Date: _____ Signature: _____ Date: _____



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SCC CDD

ArcGIS Web AppBuilder
SCC CDD |



SUBMITTED TO: Mayor and Common Council

DATE: January 19, 2021

SUBMITTED BY: Aaron S. Reeves, City Administrator ^{AR}

REGARDING: Public Safety State of Emergency

BACKGROUND:

The City enacted Ordinance 1-21 declaring a public safety state of emergency and implementing restrictions on January 4, 2021 and it is set to expire on January 19, 2021 unless extended. At the meeting staff will provide an update on the public safety crime statistics during the emergency order. Minnesota has begun allowing inside dining at 50% but has also set a 10pm closing time.

STAFF RECOMMENDATION:

Discuss if reinstating the order is necessary.

ORDINANCE NO. 1-21

AMENDING ORDINANCE NO. 19-20

Emergency Declaration and Order

WHEREAS, The City Of Hudson has experienced a significant increase in the number of people coming across the Minnesota/Wisconsin border into the City of Hudson as a result of the restrictions on bars and restaurants in the State of Minnesota which restrictions are expected to be in place through January 11, 2021;

WHEREAS, this influx of people from Minnesota has caused a significant increase in traffic and crime in the City of Hudson, especially on the week-ends ;

WHEREAS, at approximately 1 a.m., on Sunday, December 6th, 2020, three people were stabbed in downtown Hudson, resulting in one person being killed in the stabbing;

WHEREAS, the crime has occurred in the later evening/early morning hours around the time of bar closing and appears to be directly related to over-service of alcohol beverages;

WHEREAS, this influx of people into the City of Hudson and the resulting increase in crime, including violent crime, has over-loaded the City's transportation and public safety systems, including police protection, emergency medical services and systems, safety of vehicular and pedestrian traffic, and the public safety systems of surrounding municipalities due to increased calls for mutual aid, thus jeopardizing public safety in the City of Hudson and surrounding areas.

NOW THEREFORE, pursuant to Wis. Stat. §323.11, the City of Hudson Common Council hereby declares that a state of emergency exists with respect to the City's ability to protect public safety while the restrictions on Minnesota bars and restaurants are in effect.

NOW THEREFORE, as a result of this state of emergency, and to protect public safety in the City of Hudson and surrounding area, pursuant to the authority conferred in Wis. Stat. 323.14 (4) the Common Council hereby ordains as follows:

1. Beginning on January 4, 2021 through January 19, 2021, all establishments in the City of Hudson that hold Class B Beer, Class B Intoxicating Liquor, and/or Class C wine licenses for on-premises consumption of beer, intoxicating liquor and/or wine shall close for business no later than 10:30 p.m. on Fridays and Saturdays.
2. This ordinance does not extend the closing time for any alcohol beverage licensed establishment holding a beer, wine, or intoxicating liquor license that is required under state law or city ordinance to close before 10:30 p.m. Such licensed establishments are required to close at the earlier closing time required under state law or city ordinance, whichever applies.
3. Violation of this ordinance and emergency declaration order may result in suspension or revocation of the establishment's alcohol beverage license following the procedures established in Wis. Stat. 125.12.
4. Persons holding private invitation only events such as a wedding or other similar private invitation only event which may be affected by this Emergency Declaration

and Order may apply to the City for an exception to this Emergency Declaration and Order for that private invitation only event.

5. This order shall be effective beginning on January 4, 2021 through January 19, 2021, for the days specified in paragraph 1.

Adopted by the Common Council this 4th day of January 2021.

APPROVED:

Rich O'Connor, Mayor

Becky Eggen, City Clerk



SUBMITTED TO: Honorable Mayor and City Council

DATE: January 19, 2021

SUBMITTED BY: Aaron S. Reeves, City Administrator ^{AR}

REGARDING: Diversity & Law Enforcement Listening Session Follow-up

BACKGROUND:

The Council attended the Diversity & Law Enforcement Listening Session on September 14th. A number of items were brought up by the speakers and Council Members provided their direction at the November 9, 2020 meeting on issues to continue work on. Below are the issues identified and follow-up information.

- CM Hall - Social Media Training for City staff – The City is looking at multiple companies to provide this training to all staff and expect to have the training begin soon.
- CM’s Hall & Atkins Hoggatt – More transparency with the Police Department – Staff feels that we do our best to be as transparent as possible in all areas of City operations. As COVID subsides we will begin more in person community outreach such as National Night Out, Traffic Tamers, Neighborhood Watch, and Coffee with a Cop.
- CM Hall – Provide secondary trauma support to our officers – The City has a very robust Employee Assistance Program that provides this type of service and referral to other specialists.
- CM Hall – What does the Police Department need from the Council – At this time continued public support of the Police Department is essential. Our Police Officers have been under considerable stress this year and the Council’s support is important for morale. In addition, continued funding support including the discussion on the need for additional Officers. The number of people visiting our City increases the need for adequate law enforcement numbers especially during COVID when there are almost always Officers quarantining due to exposure.
- CM Hall – Is the City encouraging applications from diverse backgrounds – The City attempts to advertise open positions in a broad a manner as possible to reach all possible interested applicants.
- CM Deziel – Establish a Diversity Task Force – The City researched similar task forces in other communities and here are some examples that were shared earlier with the Council. This needs to be a larger Council discussion on the desire to establish a task force, its objectives, make up, etc.
 - o <https://www.red-wing.org/DocumentCenter/View/3601/Policies-Task-Force-Application-Form-PDF?bidId=>
 - o <https://www.diversitycouncil.org/about-us>

- Report Attachment #b.
- <https://www.slocity.org/government/advisory-bodies/agendas-and-min/task-force>
 - <https://www.co.marathon.wi.us/Government/CountyBoard/BoardsCommittees/DiversityAffairsCommission.aspx>
 - <https://www.happyvalleyor.gov/diversity-equity-and-inclusion-committee/>
- CM Atkins Hoggatt – Diversity Training for all City staff – Staff is looking at using the Police Department online Diversity and Cultural Competency training for all staff. If this is not a viable option we are also discussing other training opportunities through the League of WI Municipalities, ICMA, and other organizations. We expect that we will have this mandatory training ready for all staff soon.

STAFF RECOMMENDATION:

Discuss and provide further direction if needed.

CITY OF HUDSON - 2021 FEE SCHEDULE

FEES AND REVENUES	FEES	DEPOSITS
BOAT LAUNCHING (§ 181-12.E.)		
City Resident		\$8
Non City Resident		\$12
Season Pass-City Resident		\$80
Season Pass-Non City Resident		\$120
SAILBOAT MOORING [§ 181-14.D.(3)]		
Annual Mooring Fee		\$560
PARKS		
See Park User fee schedule attached.		
PUBLIC WORKS		
WI DOT Equipment Rates; 2021 DOT rates	On file in Clerks Office	
Snow Removal Fee (Non-Compliance) Commercial		\$137.76/hour
Snow Removal Fee (Non-Compliance) Residential		\$85.50/hour
Snowplow Exemption		\$25
Dumpster Permit Fee		\$25
Breaking Permit Fee		\$50
FIRE DEPARTMENT		
Sprinkler/Alarm System - Plan Review & Inspection over \$1500		\$125
Sprinkler/Alarm System - Plan Review & Inspection under \$1500		\$65
Reinspection/Special Inspections (§ 106-7.B. & C.)		\$60
Foster Group Home Inspection		\$35
BUILDING/ZONING		
	FEES	DEPOSITS
Open Space/Dwelling Unit Residential (§181-22 A & D)		\$822
Comm/Industrial per development (§181-22 A.&D.)		
Under 9,999 sq. ft		\$1,050
10,000 to 24,999 sq. ft		\$1,575
Over 25,000 sq. ft.		\$2,100
Permit to Start Construction (§ 106-7.D.)		\$60
Permit - New/Additions/Alterations (§ 106-7.A.)	Per Schedule Attached	
Reinspection/Special Inspections (§ 106-7.B. & C.)		\$60
Demolition Permit		\$100
Start Prior to Issuance of Permit (§ 106.35.A.): Double for first violation; Triple for subsequent violations		
Certified Survey Map (§ 254-10.E.)		\$200 + \$100/lot
Pre-preliminary Plat review (§ 254-10.B.)		\$500
Preliminary Plat review (§ 254-10.C.)		\$750 + \$50/lot
Reapplication (§ 254-10.C.)		\$50/lot
Final Plat Review (§ 254-10.D.)		\$750 + \$50/lot
Reapplication (§ 254-10.D.)		\$50/lot
Planned Development (PRD, PCD, PID) (§ 255.85.A.)		\$2,200
Multiple Family Residence Dev Plan Review (§ 255-85.A.)		\$1,250
Commercial Plan Review (§ 255-85.A.)		\$1,250
Industrial Plan Review (§ 255-85.A.)		\$1,250
Downtown Overlay District Dev Plan Review		\$1,250
Certificate of Zoning Compliance (§ 255-77.D.)		\$200
Certificate of Zoning Compliance - Home Occupation (§ 255-77.D. § 255-54)		\$200
Conditional Use Permit (§ 255-76.C.)		\$400
Grading Permit (§ 106-20.G.)		
One- and Two-Family Residential		\$150
Multiple Family, Commercial and Industrial		---
less than 5 acres		\$250
5 acres +		\$500
Land Management Plan (§ 176-5.D.)		\$35
Rezoning Request - Filing (§ 255-84.C.)		\$500
BUILDING/ZONING (Cont)		
	FEES	DEPOSITS
Street/Alley Vacations - Filing (§ 212-10.)		\$500

CITY OF HUDSON - 2021 FEE SCHEDULE

Zoning Bd. Of Appeals - Hearing/Filing (§ 255-91.B.)	\$300	
Annexation (§ 9-7.)	\$1,000	\$5000+
Nonconforming Use Change (§255-7)	\$200	\$200
Impact Fees (§ 254-12.D.)	Per Schedule	
Zoning Verification Letter Request	\$50/Lot	
Development Information Meeting Mailing (§ 255-86.1)	\$1/mailling address	
City Engineer Development Charge Back	\$100/hour	
SEWER CONNECTION CHARGE (§ 198-10.E.1)		
Per Table Per Equivalency	See Table Ordinance	
REFUSE/RECYCLABLE COLLECTION FEES (§ 207-9.)		
Refuse/Recyclable Collection Fees	Per Schedule	
IMPACT FEES See CODE 254-12		
Water		
Per Meter Size	Per Schedule	
Storm Sewer		
Trunk Storm Sewer - Per Land Use and Acreage	Per Schedule	
LICENSES		
AMUSEMENT DEVICES (§ 96-1.)		
Amusement Device Registration per year/per devise	\$10	
Amusement Owner's License per year	\$25	
BOWLING ALLEY (§ 96-3.)		
Bowling Alley per lane	\$5	
BEER AND LIQUOR LICENSES (§ 145-7.)		
Class "A" Beer	\$50	
"Class A" Liquor	\$500	
Class "B" Beer	\$100	
"Class B" Liquor	\$500	
Class "B" Wine Only (Winery)	\$500	
"Class C" Wine	\$100	
Picnic Beer/Wine	\$10	
Provisional License Class "A" Beer, "Class A" Liquor, Class "B" Beer, "Class B" Liquor, "Class C" Wine	\$15	
Reserve Liquor License	\$10,000	
Agent Change	\$10	
Background Check (each)	\$10	
Publication Fee	\$15	
Group Publication Fee	\$5	
Transfer of License Location	\$10	
OPERATOR'S LICENSE (§.145-17.)		
Bartender (2 years) (Includes Background Check)	\$35	
Provisional Operator's License (60 days) (Includes Background Check)	\$15	
Temporary Operator's License (14 days) (Includes Background Check)	\$20	
Background Check/Licensee (Required)	\$10	
Duplicate License	\$10	
PEDAL TOUR QUAD. LICENSE (§222)		
Pedal Tour Quad License (Includes 1st Cab)	\$100	
Each additional cab	\$25	
LICENSES (Cont)		
PEDALCAB LICENSE (§221-2)		

CITY OF HUDSON - 2021 FEE SCHEDULE

Pedal Cab License (Includes 1st cab)		\$100	
Each additional cab		\$25	
PEDAL CAB DRIVER'S LICENSE (§221-2)			
Pedal Cab Driver's License		\$10	
Background Check/Driver (Required)		\$10	
CIGARETTE-TOBACCO LICENSE (§ 225-6.)			
Cigarette - Tobacco License (Annual)		\$100	
DIRECT SELLER/TRANSIENT MERCHANT/ (§ 124-6.C.)			
Direct Seller/Transient Merchant		\$100	
Investigation Fee (Included in Cost)		\$40	
Registration Fee (Included in Cost)		\$60	
DOGS (§ 99-4.)			
Spayed/neutered	per year	\$10	
Un-spayed/un-neutered	per year	\$20	
CHICKENS			
First year		\$50	
Yearly renewal		\$20	
GOATS			
30 day license		\$25	
BEEKEEPING (§ 99-23)			
First year		\$40	
Yearly renewal		\$20	
SHORT TERM HOME RENTAL LICENSE (§ 141-6)			
Short Term Home Rental License per year		\$250	
REFUSE HAULER LICENSE			
Refuse Hauler License		\$100	
SEWER CLEANER LICENSE (§ 198-9.C.)			
Sewer Cleaner License		\$50	
SEPTIC TANK HAULER LICENSE (§ 198-9.C.)			
Septic Tank Hauler License		\$50	
TAXICAB (§ 220-5.)			
Taxicab License (first vehicle)		\$100	
each additional vehicle		\$25	
Taxicab Driver's License (§ 220-10.)		\$10	
Background Check/Driver		\$10	
SPECIAL EVENT PERMIT			
Special Event Permit		\$100	\$250 NEW ONLY
SECONDHAND JEWELRY, ARTICLE			
PAWNBROKER, MALL OR FLEA MARKET (§ 184-11.)			
Secondhand Jewelry Dealer's License		\$30	
Secondhand Article Dealer's License		\$28	
Secondhand Article Dealer Mall or Flea Market License (2 yrs.)		\$165	
Pawnbroker's License		\$210	
PERMITS			
FENCE (§ 106-16.B.)		FEES	DEPOSITS

Fence permit request		\$30	
Fences requiring an easement agreement		\$90	
DUMPSTER [§ 212-6.D.(3)]			
Dumpster per week		\$25	
TENT AND AIR SUPPORTED STRUCTURE (§ 255-74.E.)			
Tent and Air Supported Structure		\$25	
BARRICADE-BLOCK PARTY			
Barricade-Block Party (1-4 barricades delivered) \$5/every additional		\$25	
BREAKING STREET, SIDEWALK, CURB & GUTTER (§ 212.2)			
Breaking Street, Sidewalk, Curb & Gutter		\$50	
SIGN-NEW/TEMP/RE-FACED EXISTING /BANNER/BALLOON (§202.9)			
Sign-New/Temp/Re-faced existing/Banner/Balloon		\$30	
SATELLITE TV DISH (§ 255-44.B.)			
Satellite TV Dish		\$10	
JUNKED VEHICLE STORAGE (§ 237-3.)			
Junked Vehicle Storage		\$25	
FIREWORKS PARAPHERNALIA (§ 132-3.A.)			
Fireworks Paraphernalia		\$300	
PARKING (§ 235-35.C.)			
Monthly (Tax included)		\$10	
Yearly passes (Tax included)		\$100	
Parking Meter/per day (Tax Included)		\$5	
Downtown Employee Permits *		\$10/month or \$100 annually	
* (Must provide proof of occupancy with a downtown employer)			
Other downtown permits not for employees		\$20/month or \$200 annually	
Parking per hour (one-hour minimum)		\$0.50	
OVERPARKED, PARKING METER OR PAY STATION SPACE			
First Violation in 24 hours		\$15	
* Fees double when no paid within the first 10 days of the date of infraction			
* Fees double again when not paid within 30 days of the date of infraction			
OTHER PARKING VIOLATIONS			
Double Parked vehicle		\$20	
Parked at fire plug		\$50	
Fire Lane parking		\$50	
Blocking Driveway		\$20	
Prohibited by official signs		\$20	
Improper parking		\$20	
Yellow line		\$20	
Boat Launch parking violation		\$30	
24 Hour Parking violation		\$25	
Handicap Parking		\$100	
RECREATIONAL WATER EQUIPMENT VEHICLE PARKING			
Parking an empty trailer for boats, jet skis, kayaks, canoes or other types of recreational water equipment/vehicles		\$50 + towing fees & applicable court costs	
SNOW PLOW EVENTS			
First Violation		\$25	
Second Violation		\$50 - Car is Towed	
PARKING LOT RENTAL (Daily fee-Tax included) See attached rates			
(Park parking lots excluded unless permitted with Special Event Permit)		\$25	\$100
PERMITS (Cont)		FEES	DEPOSITS
SNOW PLOW EVENT PARKING EXEMPTION PERMIT			

CITY OF HUDSON - 2021 FEE SCHEDULE

Snow Plow Event Parking Exemption Permit	\$25	Non-refundable
Non-Compliant Sidewalk Snow Removal - Minimum Hourly Fee	\$ 102.56	
COPIES and Mailing Costs (Amounts are plus tax unless noted otherwise)		
Records request copies-Per page (Tax exempt)	\$ 0.25	
Copy Machine - Per page (2 sided=2 pages)	\$ 0.25	
Copy Machine - Per page (large size)	\$2	
Utility Customer & computer printouts-Per page	\$ 0.25	
Election/Voter Reports (Tax exempt)	Per GAB rates	
Chapter 255 Zoning Code Copy (+ tax)	\$12	
Zoning Map (+ tax) black & white/color	\$ 20/40	
Comprehensive Plan - Bound (+ tax)	\$20	
Comprehensive Plan - Copied (+ tax)	\$17	
Municipal Code (entire)	\$150	
Code update per page	\$1	
City Base Map	\$4	
DVD duplication	\$15	
Technical Specs for Pub. Works and/or Water (plus tax & postage)	\$35	
SPECIAL ASSESSMENT SEARCH		
Special Assessment Search	\$25	
CITY HALL MEETING ROOM RENTALS		
Council Chambers (4 hour minimum; a full day is 8 hrs)	\$25 1/2 day-\$50 full day	
Room 211	\$25 1/2 day-\$50 full day	
Room 303 (3rd floor conference room)	\$25 1/2 day-\$50 full day	
EMPLOYEE EXPENSES		
MEAL EXPENSE GUIDELINE		
Daily Meal Expense:		
Breakfast	\$7	
Lunch	\$8	
Dinner	\$16	
TOTAL/DAY	\$31	
STORM WATER UTILITY (§ 241-7.A-C)		
Residential Equivalency Unit(REU) Charge	\$12/quarter	
See Attached Schedule for REU Calculation		
VEHICLE ALLOWANCE		
Per mile beginning 1/1/21	Per IRS Guidelines	



2021 REFUSE & RECYCLING RATES CITY OF HUDSON RESIDENTIAL

CONTAINER SIZE	35 GAL.	65 GAL.	95 GAL.
Residential Unit Per Household	\$10.07	\$11.36	\$13.12
RECYCLING FEE (EOW 64 GAL CART)	\$4.65	\$4.65	\$4.65
TOTAL RESIDENTIAL MONTHLY RATE	\$14.72	\$16.01	\$17.77
RESIDENTIAL UNIT QUARTERLY BILLING	\$44.16	\$48.03	\$53.31
YARD WASTE STICKER PROGRAM \$3.00 (Available at City Hall and County Market – billed out on quarterly invoices)	/	/	/
YARD WASTE SUBSCRIPTION PROGRAM \$120.00/ANNUALLY	/	/	/

For all Questions related to billing, new service, changes to your program, yard waste, etc. please contact:

Advanced Disposal at www.advanceddisposal.com

Phone: 651-487-8546

HOURLY & DAILY RENTAL FEES FOR CITY OWNED PARKING LOTS & PARKING SPACES

LOCATION	PARKING SPACES	HOURLY RATE PER SPACE	MAX HOURLY/Day
Beach House Parking Lot (1st & Vine)	102 spaces	\$.50/hour	\$50.00/hour \$400 max/day
Library Parking Lot (1st & Vine)	39 spaces	\$.50/hour	@20.00/hour \$160 max/day
North Lot (Wells Fargo)	63 spaces	\$.50/hour	\$32.00/hour \$256 max/day
North Lot Plaza (east/west alley between Locust & Vine)	11 spaces	\$.50/hour	\$6.00/hour \$48 max/day
Phipps Lot (1st & Locust)	57 spaces	\$.50/hour	\$29.00/hour \$456 max/day
City Hall (505 Third Street)	32 spaces	\$.50/hour	\$16.00/hour \$128 max/day
Williams Lot Large	47 spaces	\$.50/hour	\$31.00/hour \$192 max/day
Williams Lot Large	14 spaces	\$.50/hour	\$7.00/ hour \$56.00 max/day
Boat Launch Lot (1 st & Buckeye Street)	40 spaces	\$.50/hour	\$20.00/hour \$80 max/day
Special Events and use by Non-Profit organizations	Parking Lot	N/A	\$25.00/day \$100.00/deposit
Single spaces	1-each		\$5 per day Fee for markers may be applied

PW Committee 12-9-2019 approval

City of Hudson Grandview/Burton User Fees

Facility use rental requests may be directed to:

Deb Andrews dandrews@hudsonwi.gov

	Priority 1	Priority 2	Priority 3	Priority 4	Priority 5	Priority 6	Priority 7
Grandview per field	\$10.00/hr	\$10.00/hr	\$10.00/hr	\$10.00/hr	\$10.00/hr	\$20.00/hr	\$30.00/hr
Grandview Scoreboards per field	N/C	N/C	N/C	N/C	N/C	\$10.00/hr	\$10.00/hr
Grandview Lights per field	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Grandview Field Marking per Field	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00
Burton Per Field	\$5.00/hr	\$5.00/hr	\$5.00/hr	\$5.00/hr	\$5.00/hr	\$15.00/hr	\$15.00/hr
Burton Field Marking per Field	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00	\$50.00

Field Prep and Marking: Additional fees added for field striping, lining, or other prep work. The cost for striping is \$50.00 per field. Users may chalk and/or strip grass fields but must be approved by Public Works staff.

Organizations will be invoiced at the end of each season based on scheduled times. Any discrepancies between the calendar and actual filed use may be challenged during the invoice period.

***The fields are open for public use if they are not reserved or have been prepped for future use.**

Priority Classes

Highest priority is 1, lowest priority is 7.

Priority 1

Hudson Adult Softball Association

Priority 2

Hudson School District Athletic Director Scheduled Event(s)

Priority 3

Hudson Boosters

Priority 4

Other local non-profit youth sports organizations serving groups with 85% Hudson child/youth participation

Priority 5

Documented non-profit groups or organizations that reside in the City of Hudson.

Priority 6

Documented non-profit groups or organizations with mailing address outside the City of Hudson.

Priority 7

For-profit or commercial groups or organizations.

2021
CITY OF HUDSON PARKS & RECREATION DEPARTMENT
-GENERAL PARK FEE INFORMATION-

LAKEFRONT PARK BANDSHELL:

Hudson non-profit	Per Day Fee	\$150.00	(with tax exempt form)
		\$150.00	Security deposit
Hudson for profit	½ Day Fee (1-3 hours)	\$250.00	
	Single Day Use	\$450.00	
	Multi-Day Use (up to 4 days)	\$650.00	
		\$375.00	Security deposit

NOTE: Large events may require a special event permit application, this is separate from the Park User fees.

Volleyball Court	\$10.00
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BOAT LAUNCH PARKING (Fees regulated by Wisconsin DNR – tax included)

Daily Fee:	WI Resident	\$8.00
	Non-WI Resident	\$12.00
Season Pass:	WI Resident	\$80.00
	Non-WI Resident	\$120.00

SAILBOAT MOORING FEE:

Per Season	\$560.00
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ALL SMALL PAVILIONS

City Resident		\$25.00
Non-City Resident		\$35.00
Tax Exempt	With certificate	\$20.00
Additional Tables		\$10.00

2021
CITY OF HUDSON PARKS & RECREATION DEPARTMENT
-GENERAL PARK FEE INFORMATION-

PROSPECT PARK:

Large pavilion:	City Resident	\$100.00
	Non-City Resident	\$225.00
	Tax Exempt (with certificate)	\$90.00
Small Pavilion:	(See "All Small Pavilions")	
Both Pavilions:	City Resident	\$110.00
	Non-City Resident	\$250.00
	Tax Exempt (with certificate)	\$100.00

WEITKAMP PAVILION

Large pavilion:	City Resident	\$125.00
	Non-City Resident	\$250.00
	Tax Exempt (with certificate)	\$115.00
Small Pavilion:	(See "All Small Pavilions")	
Both Pavilions:	City Resident	\$135.00
	Non-City Resident	\$275.00
	Tax Exempt (with certificate)	\$125.00

BIRKMOSE PARK & PROSPECT OVERLOOK WEDDINGS

City Resident		\$75.00
Non-City Resident		\$125.00
Tax Exempt	With certificate, non-wedding	\$70.00
Rehearsal Fee (per hour)		\$35.00

LAKEFRONT PARK BANDSHELL WEDDINGS:

City Resident		\$200.00
Non-City Resident		\$400.00
Security Deposit		\$350.00
Rehearsal Fee (per hour)		\$50.00

OTHER FEES:

Cancellation Fees	(lg pavilions & wedding areas only)	\$40.00
Special Service Charge	Extra costs for additional tables, cans, locates, etc.	\$25.00



505 Third Street
 Hudson, Wisconsin 54016
 ph: (715)-386-4765 fx: (715)386-3385
 www.ci.hudson.wi.us

TO: Common Council

FROM: Dean Chamberlain – City Engineer

DATE: January 13, 2021 (for January 18, 2021 meeting)

SUBJECT: **8B** – Discussion and Possible Action on Adoption of the City of Hudson Retaining Wall Policy

BACKGROUND:

The City of Hudson does not currently have a Retaining Wall policy adopted, and current ordinances do not adequately address requirements for construction, maintenance, and cost participation of retaining walls. There are several retaining walls in poor condition in the City of Hudson and must be replaced for the safety of adjacent pedestrians.

The City Engineer will present information related to the proposed policy at the meeting. The proposed Retaining Wall policy is attached to this agenda item as well.

The Retaining Wall policy should be adopted prior to the 2021 reconstruction of Highway 35/2nd Street. Many failing retaining walls are located along 2nd Street, and WisDOT staff has notified City staff that they are concerned that some of these walls may not survive the adjacent construction activities.

In order to effectively adopt the Retaining Wall policy, provide for proper enforcement, and establish the special assessment procedures, a number of ordinance changes will be needed. These ordinance changes will be presented at a future meeting.

FUNDING:

Development of this policy has been undertaken with in-house staff and thus does not require funding.

Capital funds will be needed to fund the City's obligation of retaining wall construction and maintenance costs per the proposed plan. Those funding needs will be identified on a project-specific basis.

RECOMMENDED ACTION:

If Council does not have any objections to the proposed policy, staff recommends adoption of the proposed policy contingent on the passage of associated ordinance changes to be made at a future Council meeting. If Council has objections, questions, concerns, or comments that require revisions to the proposed policy, staff recommends

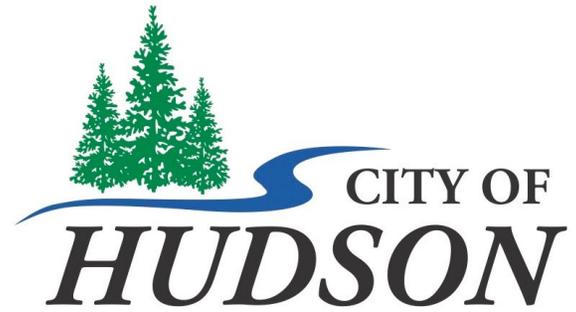


505 Third Street
Hudson, Wisconsin 54016
ph: (715)-386-4765 fx: (715)386-3385
www.ci.hudson.wi.us

the Council directs staff to make the necessary changes and present the revised policy to Council at the next Council meeting.

Prepared by: Dean Chamberlain, PE - City Engineer

Attachments: Presentation materials
Proposed Retaining Wall Policy



Retaining Wall Policy

Dean Chamberlain, PE – City Engineer

January 18, 2021

Why have a Retaining Wall Policy?

- Retaining walls are high-cost, potentially high hazard pieces of infrastructure



Adjacent to business/parking lot

Image via Google Earth



Adjacent to sidewalk/trail

Why have a Retaining Wall Policy?

- Direction for future installations
- Establish responsibility for maintenance and reconstruction of existing and future walls
- Establish standards for construction for long-lasting retaining walls
 - Different levels of standards for private property vs. adjacent to City right of way

Types of Retaining Walls

Cast-In-Place Concrete Retaining Walls



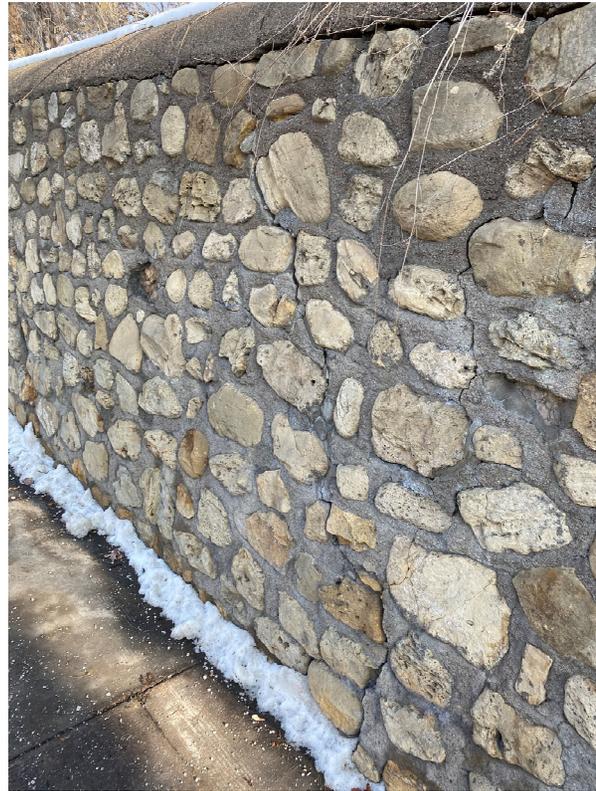
Types of Retaining Walls

Precast Concrete Modular Block Retaining Walls



Types of Retaining Walls

Stone/Boulder Retaining Walls



Types of Retaining Walls

Wood/Timber Retaining Walls



Images via Google

Types of Retaining Walls

Gabion Baskets



Image via Google

Types of Retaining Walls

Where each type are proposed to be allowed:

Where Allowed *	Cast-In-Place Concrete Walls	Gabion Baskets	Precast Concrete Modular Block Walls	Stone or Boulder Walls	Wood/Timber Walls	Other Wall Types
Allowed Wholly Within Private Property	X	X	X	X	X	X
Allowed Parallel to Lot Lines of Private Properties	X	X	X	X	X	X
Allowed Fronting City Right of Way or City Property	X	X	X			
Allowed Wholly Within City Property	X	X	X			

* Gabion baskets not allowed where visible to general public

Example Construction Standards

- Walls 3 feet tall and over at maximum height:
 - Require permit for construction and major maintenance activities
 - Require engineered plans
 - Require fall protection
 - Must be inspected at time of construction
- Walls cannot straddle property lines (must be wholly on one side or the other of the line)

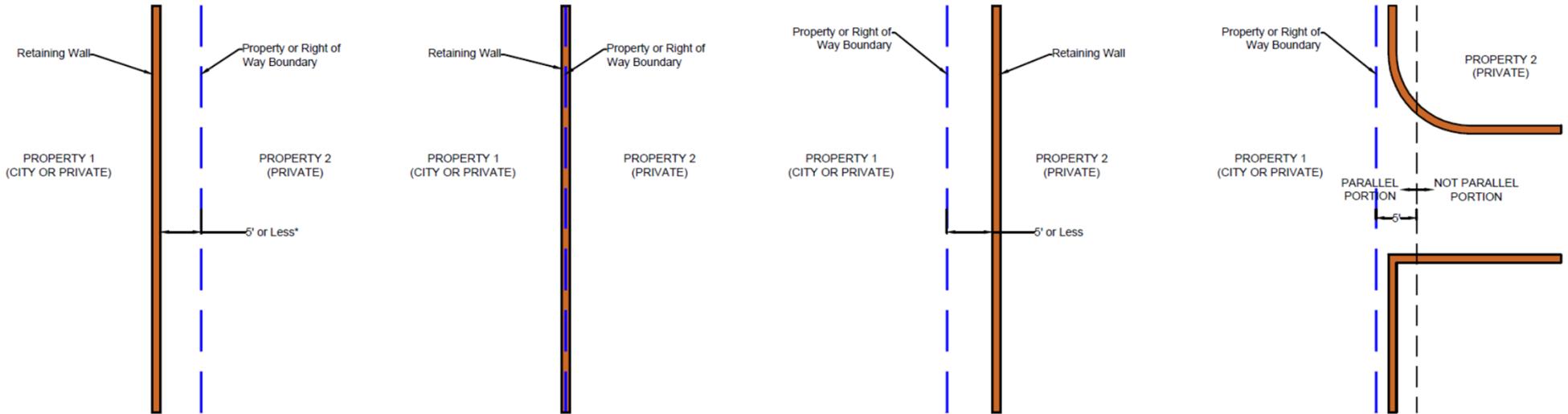
Cost Responsibility

- Walls wholly on private property: 100% cost to private property owner (not eligible for special assessments)
- Walls parallel to City right of way:
 - New construction/reconstruction of retaining walls due to a change in elevation or cross-section of City right of way (e.g., construction of sidewalk, expansion of road): 100% City cost
 - New construction/reconstruction of retaining walls due to a change in elevation or cross-section of private property (e.g., levelling out a sloped yard): 100% private property owner cost
 - Reconstruction of retaining walls during adjacent street reconstruction: 100% cost to property being held up by the wall
- Walls wholly on City property: 100% cost to City

Applicability of Special Assessments

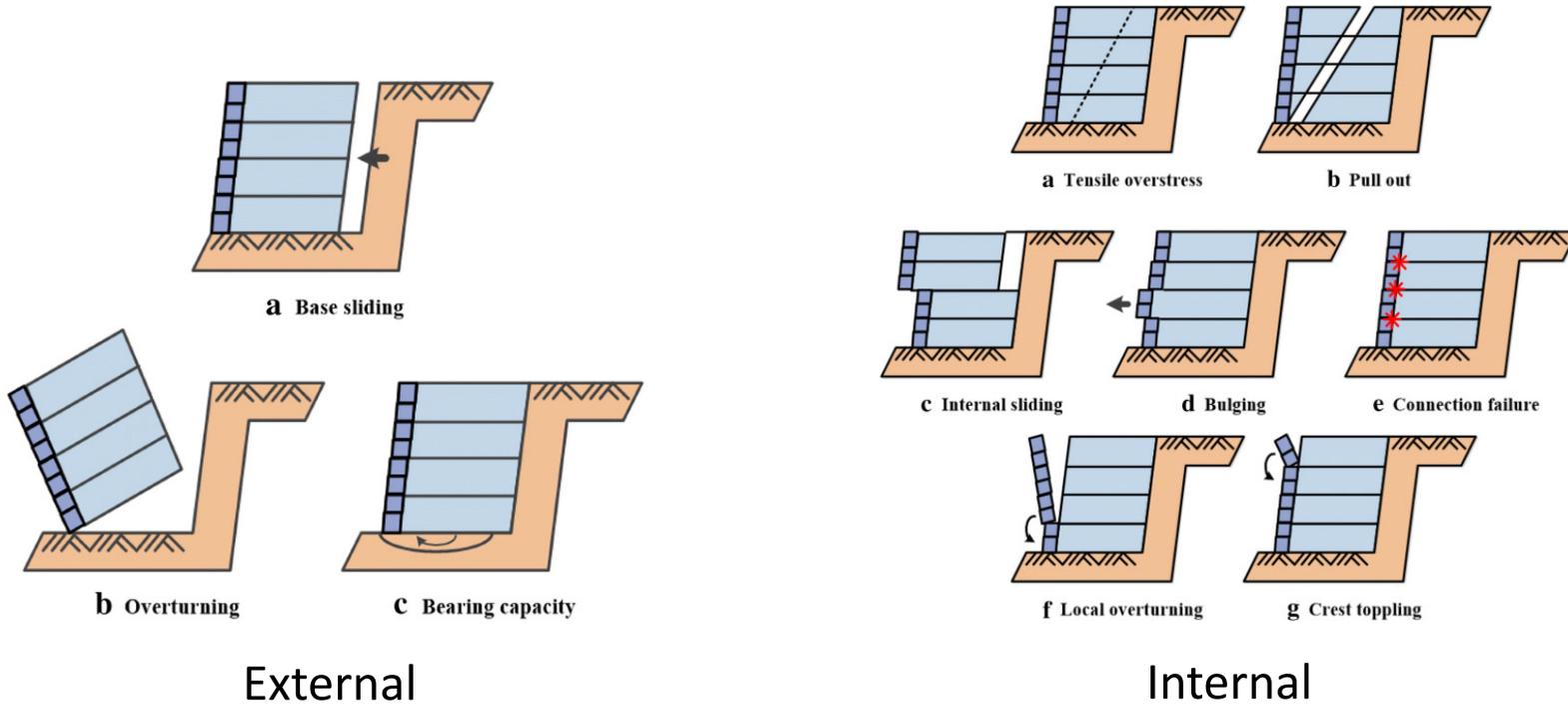
- Costs for maintenance and reconstruction of retaining walls parallel to City Right of Way or City Property are eligible for special assessments if elected by the property owner responsible for the cost of the activity.
- Costs for retaining walls wholly on private property not eligible for special assessments unless approved by the Common Council.
 - Property owners can lobby council for the ability to cover private retaining wall costs on special assessments
 - Staff would not be supportive of widespread allowance of special assessments for private retaining walls

Examples of Walls Parallel to City Right of Way or City Property



Identifying Failing Retaining Walls

Factors that cause retaining wall failure:



Images from International Journal of Geo-Engineering

Identifying Failing Retaining Walls

Leaning or bowing of at least 1 inch horizontally per vertical foot

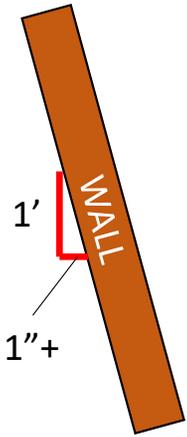


Image via Google

Identifying Failing Retaining Walls

Cracks which have horizontally separated one section of cast-in-place wall from another section by more than 1 inch



Identifying Failing Retaining Walls

Apparent movement in the wall which has caused modular materials to no longer be installed level



Identifying Failing Retaining Walls

Evidence of retained earth no longer effectively retained by the wall

Significant parts of the retaining wall are able to be moved without use of mechanical equipment

Identifying Failing Retaining Walls

Failing walls must be replaced within 30 days of notification by the City.

If the party responsible for replacement cost does not replace the retaining wall in the 30 day timeframe, the City will hire a contractor to do so and bill the property owner.

Identifying Retaining Walls Requiring Major Maintenance

Leaning or bowing of >0 and <1 inch horizontally per vertical foot of wall

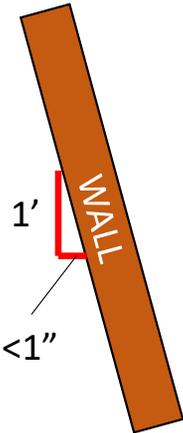


Image via Google

Identifying Retaining Walls Requiring Major Maintenance

Loss of, spalling, or significant cracking in 5% or more of blocks, bricks, stones, or other modular materials



Identifying Retaining Walls Requiring Major Maintenance

Cracks in retaining wall which have horizontally separated by >0 and <1 inch



Identifying Retaining Walls Requiring Major Maintenance

Degradation of mortar materials that is not able to be fixed by tuckpointing or similar maintenance



Image via Google

Identifying Retaining Walls Requiring Major Maintenance

Retaining walls requiring major maintenance shall be replaced with an adjacent street reconstruction project.

Exceptions allowed for special cases.

Permitting Process

Where permits are needed, a professional engineer shall prepare plans, specifications, etc. for the retaining wall construction.

Staff reviews plans for compliance with requirements.

Staff can refuse permit issuance for walls adjacent to City right of way if it is in the public good to not have the wall there (e.g., if the City has plans to expand the road or add a sidewalk).

Engineering will handle inspections.

Other Requirements or Details

Specific written agreements may supersede cost and maintenance responsibilities.

Property owner responsible for additional costs for upsizing or upscaling retaining walls for which the City is generally responsible for maintenance and construction costs.

Special cases not covered in the policy shall be determined by the Common Council.

Questions, Concerns, Changes to Make?



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City of Hudson Department of Public Works Retaining Wall Policy

1. Purpose

The purpose of this policy is to state the criteria for maintenance of existing retaining walls and construction of new retaining walls. This policy applies to retaining walls wholly within private property, walls on or parallel to lot lines between private properties, walls on or parallel to public right of way or City property boundaries, walls wholly within City right of way not parallel to right of way boundaries, and walls wholly within City property not parallel to property boundaries. Retaining walls existing at the time of adoption of this policy shall not be grandfathered in unless written agreements are in place between applicable parties prior to the adoption of this policy.

2. Background

In the City of Hudson, homeowners, developers, and contractors have built many retaining walls along sidewalks, alleys, and between private property to create means of access and develop property for construction. Eventually, even well-built retaining walls need maintenance. When maintenance is needed, some types of repairs are very expensive and require engineered documents and skilled craftsmanship. With the span of years between initial construction and the time when repairs to retaining walls are necessary, the property owner and the City of Hudson are often faced with the need to determine the ownership of the walls and maintenance responsibilities.

3. Summary of Allowable Wall Types and Cost/Maintenance Responsibilities

The following tables summarize some of the major items contained in this policy for ease of understanding. Information provided in the summary tables do not supersede the information in the remainder of this policy document, and the information in the remainder of the document shall resolve any potential discrepancies.

Table 1: Summary of Allowed Retaining Wall Types by Location

Where Allowed *	Cast-In-Place Concrete Walls	Gabion Baskets	Precast Concrete Modular Block Walls	Stone or Boulder Walls	Wood/Timber Walls	Other Wall Types
Allowed Wholly Within Private Property	X	X	X	X	X	X
Allowed Parallel to Lot Lines of Private Properties	X	X	X	X	X	X
Allowed Fronting City Right of Way or City Property	X	X	X			
Allowed Wholly Within City Property	X	X	X			

* Assumes all proper permitting, engineering, and other applicable details in this policy are followed

Table 2: Summary of Cost Share Responsibility for Retaining Walls Parallel to City Right of Way or City Property

Type of Activity	Cause of Activity	City Cost Share *	Private Owner Cost Share *
New Retaining Wall Construction	Changes in City's Fronting Street	100%	0%
	Changes in Private Property	0%	100%
Reconstruction of Existing Retaining Wall	Replacement of Utility Service	0%	100% **
	All Others	100% to property being held up by the retaining wall ***	
Maintenance of Existing Retaining Walls	All	100% to property being held up by the retaining wall ***	
Removal of Existing Retaining Wall and Regrading Earth Behind Old Wall	All	50%	50%

* A written agreement between parties will supersede the cost share percentages shown

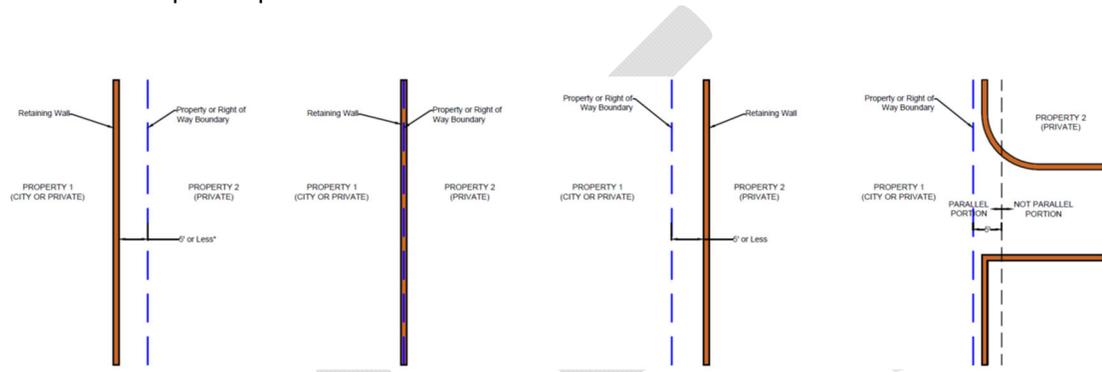
** 100% to property replacing utility service

*** For retaining walls built by private property owners but on City right of way or City property, 100% cost to private property owner

4. Definitions

- A. Cast-In-Place Concrete Retaining Walls: Retaining walls that are formed and concrete poured on-site to retain earth above the wall, including any incidental materials and construction activities. Cast-In-Place Concrete Retaining Walls shall use air-entrained concrete.
- B. Gabion Baskets: Wire baskets filled with rocks that are used to retain earth, including any incidental materials and construction activities.

- C. Maintenance: Maintenance of retaining walls consists of preventative maintenance (keeping walls that are in good condition in that condition) and reactive maintenance (bringing walls in marginal or poor condition to good condition). Since retaining walls can be a safety hazard when in poor shape, retaining walls should be kept in good shape as much as feasible for the welfare of the general public.
- D. Parallel: Generally following the same direction as an adjacent property line or meandering slightly along the property line, as determined by the City Engineer. Any part of the wall, including blocks or other wall materials, foundations, tiebacks, and other permanent structures, must be within 5 feet of the property line, except as described in Section 5.C.1 for retaining walls constructed on City right of way or City property by private property owners. Examples of parallel walls are as follows:



* See Section 5.C.1 for walls constructed on City right of way or City property by private property owners.

- E. Precast Concrete Modular Block Retaining Walls: Retaining walls made using precast or “manufactured” concrete blocks arranged in rows to retain earth above the wall, including any incidental materials and construction activities. These walls may utilize tie-back systems or anchors, or they may be designed as “gravity” walls not needing tie-backs or anchors. Installation of precast concrete modular block retaining walls must follow all installation requirements from the manufacturer.
- F. Stone or Boulder Retaining Walls: Retaining walls made using stones or boulders arranged to retain earth above the wall, including any incidental materials and construction activities.
- G. Wood/Timber Retaining Walls: Retaining walls made using wood or timber planks or logs arranged in rows to retain earth above the wall, including any incidental materials and construction activities.

5. Standards, Maintenance, and Cost Responsibility Requirements for Retaining Walls

This section details the various construction and maintenance standards for retaining walls, the maintenance responsibility for such walls, and the cost responsibility requirements for such walls.

A written agreement, such as an easement, between affected property owner(s) and/or the City, as applicable, shall supersede the cost and maintenance responsibilities detailed in this policy. Construction standards may not be superseded by a written agreement.

Construction of new retaining walls and replacement of existing retaining walls shall follow all applicable City Ordinances as well as the standards contained in this policy.

A. Retaining Walls Wholly Within Private Property

1) General

Section 5.A applies to all retaining walls within private property and not along a property line (either between two private properties or between one private property and City right of way or City property). For walls running generally parallel to or straddling a property line, see Section 5.B or 5.C as appropriate.

Retaining walls being newly constructed or reconstructed on property parallel to areas to be dedicated as City right of way or City property shall follow Section 5.C. Retaining walls being newly constructed or reconstructed on property wholly within areas to be dedicated as City right of way or City property shall follow Section 5.D.

A property boundary survey may be required to determine whether a wall in question applies to this section.

2) Construction Standards

Where a retaining wall is wholly within private property, the retaining wall shall be of any type of material or design as determined by the design engineer (if needed for necessary permits) and the property owner.

Stone or Boulder Retaining Walls shall be grouted so that any voids are filled with concrete to avoid future erosion through the void spaces.

Wood or Timber Retaining Walls shall not exceed 4 feet in height.

Weep holes, drain tile, and associated bedding and other materials shall be provided where determined by the design engineer (if necessary for permitting).

All areas adjacent to the top and bottom of any retaining wall shall be established with vegetation or impervious surfaces to minimize the potential for erosion and to control stormwater runoff.

In new developments and redevelopments, any existing retaining walls shall be replaced at the time of development or redevelopment unless otherwise allowed by the City Engineer.

Fall protection is required on top of all retaining walls three feet in height or higher and may be provided for retaining walls of any height.

Construction of all retaining walls shall require the applicant to construct the retaining wall to meet the requirements of any applicable approved plans, specifications, permit conditions, policy requirements, and all other applicable requirements. All retaining walls not built according to the approved plans, specifications, permit conditions, policy requirements, and all other applicable requirements shall be removed and replaced to meet such requirements at the expense of the applicant.

Any turf disturbed by the new construction of a retaining wall, reconstruction of a retaining wall, or any maintenance activity related to a retaining wall shall be restored as soon as possible to minimize the potential for erosion.

3) Maintenance

Maintenance of retaining walls wholly on private property shall be the responsibility of the property owner on whose property the wall is located.

4) Cost and Assessment Policies

The costs for all construction, reconstruction, maintenance, surveying, and removal of retaining walls wholly on private property shall be the responsibility of the property owner on whose property the wall is located. These costs are not eligible for special assessments unless otherwise approved by the Common Council of the City of Hudson.

5) Permit Needed

New construction, reconstruction, and major maintenance of retaining walls wholly on private property that are three feet or more in height at its maximum height shall require a permit. Major maintenance consists of activities that involve impacts to the structural capacity of the wall. Minor maintenance to retaining walls, such as tuck pointing and grouting, do not require a permit. The City Engineer shall determine whether a maintenance activity is considered major or minor. Property owners wishing to provide maintenance to a retaining wall are required to contact the City Engineer to determine whether a permit is needed for the proposed maintenance work.

When a permit is needed, see Section 6 for additional information on permitting requirements.

B. Retaining Walls Parallel to Boundary Between Two Private Properties

1) General

Section 5.B applies to all retaining walls running generally parallel to (as defined in Section 4) or on a property boundary between two private properties.

Disputes regarding property boundaries and the ownership of retaining walls between two properties shall be settled by the property owners involved in the property boundary dispute. The City suggests that property owners settle all property disputes amicably and that the property owners hire a land surveyor licensed in the State of Wisconsin to perform a boundary survey in order to determine ownership. As a last resort, property owners may settle property boundary disputes in the applicable court as a civil case. The City will not be involved in property boundary disputes between two property owners.

The requirements of Section 5.B, except for the construction standards in Section 5.B.2, may be superseded by a written agreement between the owners of the subject properties.

2) Construction Standards

Stone or Boulder Retaining Walls shall be grouted so that any voids are filled with concrete to avoid future erosion through the void spaces.

Wood or Timber Retaining Walls shall not exceed 4 feet in height.

Weep holes, drain tile, and associated bedding and other materials shall be provided where determined by the design engineer (if necessary for permitting).

All areas adjacent to the top and bottom of any retaining wall shall be established with vegetation or impervious surfaces to minimize the potential for erosion and to control stormwater runoff.

In new developments and redevelopments, any existing retaining walls shall be replaced at the time of development or redevelopment unless otherwise allowed by the City Engineer.

Fall protection is required on top of all retaining walls three feet in height or higher and may be provided for retaining walls of any height.

Construction of all retaining walls shall require the applicant to construct the retaining wall to meet the requirements of any applicable approved plans, specifications, permit conditions, policy requirements, and all other applicable requirements. All retaining walls not built according to the approved plans, specifications, permit conditions, policy requirements, and all other applicable requirements shall be removed and replaced to meet such requirements at the expense of the applicant.

The location of a newly constructed retaining wall or reconstructed retaining wall shall not straddle the border of two private properties. Unless superseded by a written agreement between the applicable property owners, all parts of the retaining wall, including any tie-backs and drainage systems located behind the wall, shall be located solely on the property owned by the property owner installing the retaining wall.

Unless otherwise superseded by a written agreement between the subject property owners, where a retaining wall is parallel to or on the boundary between two private properties the retaining wall shall be of any type of material or design as determined by the design engineer (if needed for necessary permits) and the property owner installing the retaining wall.

Removal of an existing retaining wall and sloping the ground to create a maintainable slope is encouraged wherever possible to minimize future maintenance and reconstruction efforts. Unless otherwise superseded by a written agreement between the subject property owners, where a retaining wall is parallel to or on the boundary between two private properties removal of a retaining wall and sloping the ground shall be the responsibility of the property owner responsible for maintenance of the retaining wall per Section 5.B.3. Regrading and sloping activities must be contained to the property whose owner is removing the retaining wall unless otherwise agreed to in

writing between the applicable property owners. The turf on the newly sloped ground must be restored as soon as possible to minimize the potential for erosion.

3) Maintenance

Maintenance of a retaining wall on or parallel to a lot line shall be determined by the applicable property owners.

The City strongly suggests that property owners record a written agreement between the applicable property owners establishing cost responsibility for maintenance of retaining walls to avoid future disputes. Such an agreement will be required for all new developments and redevelopments constructing or reconstructing retaining walls.

4) Cost and Assessment Policies

The costs contained in this section are not eligible for special assessments unless otherwise approved by the Common Council of the City of Hudson.

All costs for new construction, reconstruction, or removal of retaining walls parallel to the property boundary between two properties shall be determined through an agreement between the applicable property owners.

The City strongly suggests that property owners record a written agreement between the applicable property owners establishing cost responsibility for new construction, reconstruction, or removal of retaining walls to avoid future disputes. Such an agreement will be required for all new developments and redevelopments constructing or reconstructing retaining walls.

5) Permit Needed

New construction, reconstruction, and major maintenance of retaining walls parallel to a boundary between two private properties that are three feet or more in height at its maximum height shall require a permit. Major maintenance consists of activities that involve impacts to the structural capacity of the wall. Minor maintenance to retaining walls, such as tuck pointing and grouting, do not require a permit. The City Engineer shall determine whether a maintenance activity is considered major or minor. Property owners wishing to provide maintenance to a retaining wall are required to contact the City Engineer to determine whether a permit is needed for the proposed maintenance work.

The property owner responsible per Section 5.B.4 for the costs of the new construction, reconstruction, or major maintenance activity shall be responsible for acquiring and following any needed permit.

When a permit is needed, see Section 6 for additional information on permitting requirements.

C. Retaining Walls Parallel to City Right of Way or City Property

1) General

Section 5.C applies to all retaining walls running generally parallel to (as defined in Section 4) or on a property boundary between a private property and City right of way or City property.

Unless otherwise agreed upon in a written agreement between the City and the property owner, retaining walls built entirely on City right of way or City property by a private property owner shall be considered as parallel to City right of way or City property. Where the original constructor of the retaining wall cannot be determined, it shall be assumed that the private property owner constructed the wall.

A property boundary survey will be required to determine whether a wall in question applies to this section unless undisturbed property corner irons are able to be located at each change in the property boundary (such as property corners, angle points in the property boundary, and the beginning or end of an arc in the property boundary).

The City Engineer will resolve any disputes on whether a retaining wall is subject to this subsection upon completion of the property boundary survey.

2) Construction Standards

Construction of retaining walls parallel to City right of way or City property boundaries shall meet all City aesthetic, functional, and other requirements in this policy. Retaining walls constructed parallel to City right of way or City property boundaries shall be made of one of the following materials unless otherwise allowed by the City Engineer due to site constraints:

- Precast Concrete Modular Block (gravity or anchored/tied back)
- Cast-In-Place Concrete
- Gabion Baskets

Precast concrete modular block walls shall be made of materials that are resistant to road salt in areas parallel to public or private streets or alleys. The design shall be aesthetically pleasing as determined by the Community Development Director or his/her designee where any portion of the retaining wall is visible to the general public.

In places where any portion of a cast-in-place concrete wall is visible to the general public, cast-in-place concrete walls shall be faced with aesthetically pleasing materials, such as brick, blocks, or stone, or formed and colored in such a way as to mimic a block wall, brick wall, stone wall, or other type of wall as approved by the Community Development Director or his/her designee.

Gabion baskets are only allowed in areas that are not visible to the general public.

Retaining walls constructed parallel to City right of way or City property must be installed completely within private property and not encroach onto City property.

Fall protection shall be of an aesthetically pleasing design, such as a split-rail fence, decorative guard or handrail, or other protection as approved by the Community Development Director or his/her designee.

The City Engineer, Building Inspector, and Public Works Director shall have the authority to determine the suitability of any proposed design, fall protection, plans, specifications, calculations, computations, or anything else submitted in regards to the retaining wall.

Weep holes, drain tile, and associated bedding and other materials shall be provided where determined by the design engineer (if necessary for permitting).

All areas adjacent to the top and bottom of any retaining wall shall be established with vegetation or impervious surfaces to minimize the potential for erosion and to control stormwater runoff.

In new developments and redevelopments, any existing retaining walls shall be replaced at the time of development or redevelopment unless otherwise allowed by the City Engineer.

Fall protection is required on top of all retaining walls three feet in height or higher and may be provided for retaining walls of any height.

Construction of all retaining walls shall require the applicant to construct the retaining wall to meet the requirements of any applicable approved plans, specifications, permit conditions, policy requirements, and all other applicable requirements. All retaining walls not built according to the approved plans, specifications, permit conditions, policy requirements, and all other applicable requirements shall be removed and replaced to meet such requirements at the expense of the applicant.

Removal of an existing retaining wall and sloping the ground to create a maintainable slope is encouraged wherever possible to minimize future maintenance and reconstruction efforts. Regrading and sloping activities must be contained to the private property side of the retaining wall unless otherwise agreed to in writing between the City and property owner. The turf on the newly sloped ground must be restored as soon as possible to minimize the potential for erosion.

The location of a newly constructed retaining wall or reconstructed retaining wall shall not straddle the border of two properties. Unless superseded by a written agreement between the City and the property owner, all parts of the retaining wall, including any tie-backs and drainage systems located behind the wall, shall be located solely on the property being held up by the retaining wall.

New retaining walls and reconstruction of existing retaining walls shall be at least 1.5 feet from the closest edge of an adjacent sidewalk or trail.

3) Maintenance

The following maintenance responsibilities apply unless otherwise agreed upon in writing by the City and the applicable property owner(s).

Maintenance of a retaining wall on or parallel to City right of way or City property shall be the responsibility of the party whose property is being held up by the wall.

The City will periodically check retaining walls parallel to its right of way and properties for needed maintenance. The City shall contact the property owners with property adjacent to any retaining walls parallel to City right of way and City property identified as needing maintenance and arrange for the required maintenance to be done within a time determined by the City Engineer based on the severity of the needed maintenance and the time of year.

4) Cost and Assessment Policies

The cost for reconstruction of existing retaining walls (including any necessary boundary surveys) and removal of existing retaining walls and sloping the ground are eligible for special assessments following the City's special assessment policy.

Unless otherwise superseded by a written agreement between the applicable property owners, this paragraph shall determine the responsibility for costs associated with boundary surveying. Boundary surveying costs for new retaining wall construction shall be as follows:

- For new construction of retaining walls due to a change in the elevation or cross section of the City right of way or City property: 100% City cost
- For new construction of retaining walls due to a change in the elevation or cross section of the private property: 100% private property owner cost
- For reconstruction of retaining walls due to a change in the elevation or cross section of the City right of way or City property: 100% City cost
- For reconstruction of retaining walls due to a change in the elevation or cross section of the private property: 100% private property owner cost
- For reconstruction of retaining walls required by Section 7 for failing walls or an adjacent street reconstruction project: 100% cost to property owner whose property is being held up by the wall
- All other cases: 100% cost to property owner whose property is being held up by the wall

Unless otherwise superseded by a written agreement between the applicable property owners, this paragraph shall determine the responsibility for costs associated with new construction of a retaining wall. Costs associated with the new construction of a retaining wall, including any applicable design, permitting, and other associated costs, shall be the responsibility of the City if the new retaining wall is necessitated by a change to the elevation or cross section of the City street or City property. Costs associated with the new construction of a retaining wall, including any applicable design, permitting, and other associated costs, shall be the responsibility of the appropriate private property owner if the new retaining wall is necessitated by a change to the elevation or cross section of private property.

Unless otherwise superseded by a written agreement between the applicable property owners, this paragraph shall determine the responsibility for costs associated with reconstruction of an existing retaining wall. The responsibility of costs associated with the reconstruction of an existing retaining wall, including any applicable design, permitting, and other associated costs, shall be 100% to the property that is being held

up by the wall. In cases where the retaining wall was constructed by the adjacent private property owner but is completely within City right of way or City property without a written agreement between the City and the adjacent property owner, the reconstruction cost shall be 100% to the property adjacent to the City right of way or property boundary that is adjacent to the retaining wall. Reconstruction costs of a retaining wall due to the replacement of a water, sanitary sewer, or storm sewer service shall be the responsibility of the property owner replacing the utility service.

Unless otherwise superseded by a written agreement between the applicable property owners, this paragraph shall determine the responsibility for costs associated with maintenance of an existing retaining wall. Costs associated with the maintenance of an existing retaining wall shall be the responsibility of the property owner responsible for maintenance of the retaining wall per Section 5.C.3.

Unless otherwise superseded by a written agreement between the applicable property owners, this paragraph shall determine the responsibility for costs associated with removal of an existing retaining wall and sloping the ground. Costs associated with the removal of an existing retaining wall and sloping the ground shall be split 50% to the City and 50% to the private property owner.

5) Permit Needed

Where private property owners are responsible for the costs associated with new construction, reconstruction, and major maintenance of retaining walls parallel to City right of way or City property, such activities shall require a permit. Major maintenance consists of activities that involve impacts to the structural capacity of the wall. Minor maintenance to retaining walls, such as tuck pointing and grouting, do not require a permit. The City Engineer shall determine whether a maintenance activity is considered major or minor. Property owners wishing to provide maintenance to a retaining wall are required to contact the City Engineer to determine whether a permit is needed for the proposed maintenance work.

The property owner responsible per Section 5.C.4 for the costs of the new construction, reconstruction, or major maintenance activity shall be responsible for acquiring and following any needed permit.

See Section 6 for additional information on permitting requirements.

D. Retaining Walls Wholly Within City Right of Way or City Property

1) General

Section 5.D applies to all retaining walls wholly contained within City right of way or City property that are not covered by Section 5.C. Section 5.D does not apply to retaining walls constructed by private property owners on City property (see Section 5.C).

2) Construction Standards

Construction standards for retaining walls applicable to Section 5.D shall be subject to all applicable standards of Section 5.C.2.

All retaining walls applicable to Section 5.D shall be designed by a professional engineer licensed in the State of Wisconsin (the “design engineer”). Plans, specifications, calculations, computations, and all else used to determine the design of the retaining wall shall be submitted to the City Engineer by the design engineer at the time of development of the project and shall be accepted by the City Engineer prior to construction.

All retaining walls requiring a permit shall be inspected by the City during construction. No construction activities shall occur on such walls without a City inspector present unless specific activities are allowed by the City inspector without inspection. The City reserves the right to hire a consultant to inspect such work rather than utilize City staff.

3) Maintenance

Maintenance of retaining walls applicable to Section 5.D shall be the responsibility of the City of Hudson.

4) Cost and Assessment Policies

All costs associated with retaining walls applicable to Section 5.D shall be the responsibility of the City of Hudson.

5) Permit Required

No permits are required for retaining walls applicable to Section 5.D.

6. Permit Needed

Retaining walls requiring permits as described in Section 5 shall be subject to Section 6.

The City Engineer shall require preparation of plans and specifications by a professional engineer licensed in the State of Wisconsin (the “design engineer”). Plans, specifications, calculations, computations, and all else used to determine the design of the retaining wall shall be submitted to the City Engineer at the time of application or prior to issuance of the permit for construction of the retaining wall. The City Engineer reserves the right to request any additional information from the applicant prior to issuance of the permit. The City Engineer and Building Inspector or their designee(s) shall review all proposed walls for structural integrity. Any necessary engineering fees incurred by the City in review of the application shall be split according to the Section 8 of this policy for retaining walls, and any property owner responsibility for those costs may be rolled into the special assessment amount for the construction of the retaining wall.

When the City Engineer has received all applicable information for the design of the retaining wall, the City Engineer will meet with the Building Inspector, Public Works Director, and Community Development Director, or each respective designee, to determine whether the proposed retaining wall meets the requirements of this policy.

For proposed retaining walls requiring a permit that are not parallel to City right of way or City property, a permit will be issued for such construction if the proposed retaining wall design meets the requirements of this policy.

For proposed retaining walls parallel to City right of way or City property, the City Engineer reserves the right to refuse issuance of a permit for construction of a retaining wall if, upon consultation with the Building Inspector, Public Works Director, Community Development Director, or their designees, such a retaining wall is not deemed to be in the best interest of the City. Reasons for such a decision include, but are not limited to, future roadway widening, future sidewalk or trail construction, potential redevelopment of the property, or other reasons not otherwise listed. If City staff determines that the wall construction is in the best interest of the City and the proposed retaining wall design meets the requirements of this policy, a permit will be issued for such construction.

Construction of a retaining wall may not begin until a permit is issued for such work. Failure to comply with this section shall incur penalties as proscribed in City Ordinances or under any applicable local, state, or federal law.

All retaining walls requiring a permit shall be inspected by the City during construction. No construction activities shall occur on such walls without a City inspector present unless specific activities are allowed by the City inspector without inspection. The City reserves the right to hire a consultant to inspect such work rather than utilize City staff.

7. Standards for Requiring Replacement or Maintenance of a Retaining Wall

A. Determination of a failing retaining wall

The City of Hudson considers a retaining wall to be failing and an imminent safety hazard if any of the following conditions are met as determined by the City Engineer:

- Lean or bowing of at least 1 inch horizontally per foot of wall height away from the weight load
- Cracks in the retaining wall which have horizontally separated one section of a cast-in-place wall from another section by more than 1 inch
- Apparent movement in the wall that has caused modular materials to no longer be installed level
- Evidence of retained earth no longer being effectively retained by the wall (such as sinkholes present on the top of the retaining wall)
- Significant parts of the retaining wall are able to be moved without use of mechanical equipment
- Other imminent safety hazards not otherwise listed as determined by the City Engineer

B. Determination of retaining walls requiring major maintenance

Retaining walls requiring major maintenance are walls which exhibit any of the following conditions:

- Lean or bowing of greater than zero and less than 1 inch horizontally per foot of wall height away from the weight load
- Loss of, spalling, or significant cracking in 5% or more of blocks, bricks, stones, or other modular block materials

- Cracks in the retaining wall which have horizontally separated one section of a cast-in-place wall from another section by 1 inch or less
- Degradation of mortar materials that is not able to be fixed by tuckpointing or similar maintenance activity
- Other degradation not otherwise listed but deemed necessary for continued structural integrity and not deemed an immediate safety hazard as determined by the City Engineer

C. Requiring reconstruction of retaining wall during adjacent street reconstruction project

Retaining walls parallel to City right of way or City property that meet the standard of a failing retaining wall or a wall requiring major maintenance according to this section shall be replaced during an adjacent street reconstruction project.

Exceptions may be allowed by the City Engineer if requested in advance of the adjacent reconstruction project and may be subject to additional terms as deemed in the best interest to the City by the City Engineer. Such terms may include, but are not limited to, necessitating that any imminently needed structural improvements are made at the time of the adjacent project and/or requiring that the wall be reconstructed within 5 years after the conclusion of the adjacent reconstruction project. The City Engineer is under no obligation to grant exceptions to the requirement of reconstruction during an adjacent street reconstruction project. Any exceptions must be recorded in an official recorded agreement between the City and property owner. Exceptions for retaining walls wholly or partially under the maintenance responsibility of the City shall be granted by the Common Council of the City of Hudson.

8. Assessment Policies

Where allowed in Section 5.C.4 or when otherwise approved by the Common Council of the City of Hudson, property owners may elect to have the costs added to their property taxes via a Special Assessment or billed directly upon completion of the project. The costs for Special Assessments for retaining walls shall be computed per this policy, and the terms, interest rate, administrative rates, and other details of the Special Assessment shall follow the applicable sections of the current version of City of Hudson Special Assessment policy, except as noted in Section 9.

9. Enforcement of Retaining Wall Policies

The City of Hudson will periodically inspect any retaining walls that the City is partially or fully responsible to replace or maintain per the requirements of this policy as well as any retaining walls parallel to City right of way or City property. The City will not enter private property to enforce retaining wall policy unless invited to do so by the owner of said property. The City will not intervene in disputes between private property owners in regards to retaining wall issues except to issue advice to interested parties and in cases of identifying failing retaining walls causing imminent safety hazards (see Section 7.A). Disputes between private property owners are advised to be resolved amicably between such owners or, as a last resort, as a civil case in an applicable court.

Any retaining wall deemed an imminent safety hazard per Section 7.A must be scheduled for replacement within 30 days of notification of the property owner by the City. Replacement of

such walls shall be undertaken as promptly as possible based on the timeframe given by the contractor carrying out the work. Deficiencies in scheduling or executing replacement of failing retaining walls as determined by the City Engineer may result in the emergency replacement of such retaining wall by the City or its contractor with replacement and administration costs billed to the property owner. If the City replaces the retaining wall by its contractor due to failure of the property owner to promptly schedule such work, the work will be billed to the property owner immediately upon completion. If the property owner fails to pay the bill within the specified timeframe, the City may pursue any legal action available pursuant to Wisconsin State Statutes and City Ordinances to recover such costs.

For retaining walls parallel to City right of way or City property requiring replacement or maintenance work and that are partially or wholly the cost responsibility of a property owner, the property owner may contract with City or a City-hired consultant and/or contractor to provide the necessary design, inspection, and/or construction services.

10. Other Considerations and Miscellaneous Requirements

Property owners should consider removal of retaining walls instead of extensive maintenance and repairs where applicable. Removal of retaining walls and regrading of slopes will in most cases result in fewer continued maintenance expenses.

Occasionally, City-owned retaining walls may be on private property by easement agreement or other recorded agreement. The agreement shall determine maintenance and reconstruction cost responsibilities in this case.

Where the City is responsible for the cost of new construction or reconstruction of a retaining wall, the City will select the lowest cost wall (construction cost and/or maintenance cost) that will suitably carry the loads sustained by the wall. If the adjacent property owner wishes to “upsized” or “upgrade” the wall to a different height or type above and beyond the type the City is intending to construct, that property owner is responsible for the additional construction cost and will be responsible for maintenance of the retaining wall.

Where a private property owner is responsible for the replacement of a retaining wall during an adjacent street reconstruction project and the City also chooses to either lower the elevation of the adjacent street, sidewalk, or trail or change the cross section of the City right of way or property in a way that would make the reconstructed retaining wall taller than its existing height, the private property owner is responsible for the costs associated as if the existing retaining wall is replaced at its current height and location, and the City is responsible for any additional costs incurred by the change to the City right of way or property.

Any material and debris from a retaining wall that falls onto City right of way or City property shall be removed and cleaned up as soon as possible by the party responsible for maintenance of the retaining wall.

Any special cases not otherwise identified in this policy shall be determined by the Common Council of the City of Hudson with input from the City Engineer and City Attorney.



SUBMITTED TO: Honorable Mayor and City Council

DATE: January 19, 2021

SUBMITTED BY: Aaron S. Reeves, City Administrator ^{AR}

REGARDING: City Hall Improvements and Construction Manager Approval

BACKGROUND:

Staff included \$500,000 in the 2021-22 CIP for repairs to City Hall (and some work at the PD/Library). A list of the work needed is attached. Because of the wide variety of work needed it does not make sense to try and bid this as one project. Staff put out an RFP for Construction Management services and received a large number of responses. After review of the proposals staff recommends the approval of Market & Johnson as Construction Manager for a fee of 4.7% of the total project cost of \$500,000 or \$23,500. If approved they will begin preparing bid documents as soon as possible for work to begin this summer.

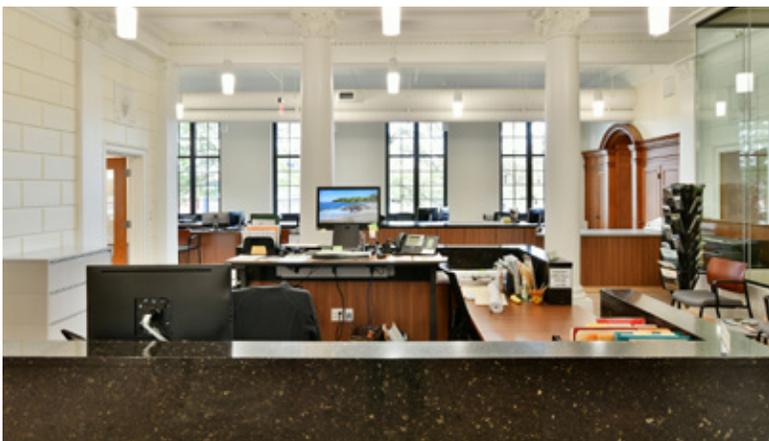
STAFF RECOMMENDATION:

Review the proposed work to be done at City Hall and approve Market & Johnson as Construction Managers for the project.

Priority	Project Description	Subcategory	Unit	# of Units	Cost /Unit	Total Estimated Cost	Notes
	Replace Carpet						
		Stair Allowance	EA	4	1000	\$ 4,000.00	\$30/yd Material, \$6/yd install, \$5.50/yd demo including dumpster
		1st Floor Vestibule/Foyer	SF	1000	6	\$ 6,000.00	
		2nd Floor	SF	4800	6	\$ 28,800.00	
		3rd Floor	SF	6000	6	\$ 36,000.00	
	Remove Cupola to Eliminate Water Leak		EA	1	\$ 7,500.00	\$ 7,500.00	Received a rough quote from Braden Construction of \$6,000 in winter of 2020 to remove cupola and roof over opening.
	Paint						Walls = \$1.25/SF - Ceilings = \$2.00/SF
		Exterior Allowance	EA	1	500	\$ 500.00	
		Stairwells Walls	EA	3000	2	\$ 6,000.00	
		3rd Floor Ceiling	SF	6000	2	\$ 12,000.00	
		2nd Floor Ceiling	SF	2800	2	\$ 5,600.00	
		1st Floor	SF	1000	1.25	\$ 1,250.00	Elevator Lobby and Vestibule Only
		2nd Floor	SF	12000	1.25	\$ 15,000.00	
		3rd Floor	SF	9000	1.25	\$ 11,250.00	
	ADA Front Entry		EA				
	ADA Door Hardware Upgrade						\$125 ea + \$75/ea install
		Exterior	EA			\$ -	Included with Security Upgrade
		1st Floor	EA	4	200	\$ 800.00	
		2nd Floor	EA	18	200	\$ 3,600.00	
		3rd Floor	EA	15	200	\$ 3,000.00	
	Bathroom Upgrades						
	Touchless Items						
	Faucets	All	EA	6	300	\$ 1,800.00	
	Hand Towel Dispensers	All	EA	4	200	\$ 800.00	
	Plumbing Fixtures						Nothing Included for First Floor
	Toilets / Urinals	2nd Floor	EA	4	600	\$ 2,400.00	
		3rd Floor	EA	2	600	\$ 1,200.00	
	LED Retrofit						
		Exterior	EA	14	200	\$ 2,800.00	
		1st Floor	EA	150	200	\$ 30,000.00	
		2nd Floor	EA	151	200	\$ 30,200.00	
		3rd Floor	EA	153	200	\$ 30,600.00	
	Council Chambers					\$ 80,000.00	
		Design					
		Technology					
		Desks					
	Reception Desk					\$ 15,000.00	
		Design					
		Permanent Plexi					
		Cabinetry					
	3rd Floor Reception Removal		EA				
	HVAC - Misc Improvements						
		Ceiling Diffusers	EA	4	200	\$ 800.00	
		Return Grilles	EA	2	150	\$ 300.00	
		Destratification Fans	EA	2	800	\$ 1,600.00	
	Roof Repairs - Police Dept.	West Side - 1st Floor				\$ 10,000.00	
	Tuckpointing / Exterior Repairs						
	City Hall Exterior Brick						
	City Hall 3rd St. Entry Stair Repair						
	Library Vine St. Stair Repair					\$ 50,000.00	
	Exterior						
		Landscaping	EA			\$ 3,000.00	
		Tree Removal	EA			\$ -	
	Door Security Upgrade					\$ 26,000.00	Proposal
	IT Rewire					\$ 30,000.00	Proposal
	1st floor IT Conversion						
	Contractor Fee					\$ 23,500.00	Per RFP
	SUBTOTAL					\$481,300.00	
	Contingencies (10%)					\$ 48,130.00	
	TOTAL					\$529,430	

CITY OF HUDSON

A project partner you can trust!



PROPOSAL FOR CONSTRUCTION MANAGEMENT SERVICES

Monday, January 4, 2021



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EAU CLAIRE CITY HALL • EAU CLAIRE, WI

1. LETTER OF INTRODUCTION



January 4, 2021

Hudson Request for Construction Management Services Solicitation – Response Submitted Via Email to Aaron Reeves, City Administrator – areeves@hudsonwi.gov

MINNESOTA OFFICE

7300 Hudson Blvd
Suite 165
Oakdale, MN 55128
Phone: 651-340-6146

EAU CLAIRE OFFICE

P.O. Box 630
2350 Galloway Street
Eau Claire, WI 54703
Phone: 715-834-1213

LA CROSSE OFFICE

1652 Lakeshore Drive
La Crosse, WI 54602
Phone: 608-784-5000

PRIMARY CONTACT

Randy LaFaive
Division Manager
Phone: (651) 478-4536
rlafaive@market-johnson.com

WWW.MARKET-JOHNSON.COM

Mr. Reeves:

Market & Johnson is pleased to submit a response to the City's Request for Proposal to provide Construction Management Services for the improvements to the Hudson City Hall and the Hudson Public Library. As a local firm with over seventy years of construction management experience, we are firmly committed to providing the highest quality construction management solutions to the City of Hudson for this project. Our mission statement, Adding Value to Everything We Do is the guiding policy that influences all our services. When you are engaged with the Market & Johnson project management team, you will find a group of professionals that will lead you through every step of the construction process. Our team will provide the highest quality services from start to finish, and we believe we are a perfect fit for this project based on the following:

Company Profile and Capability of Firm:

- With over seventy-two years of construction management expertise and three office locations, we have a depth of experience to support you throughout the project
- Demonstrated ability to provide high quality construction management for the City of Hudson through recent previous renovation projects for other western Wisconsin municipalities
- Over 90% of our \$340 million in construction volume is performed through construction management
- On average, 85% of our projects annually are with repeat customers, demonstrating our commitment to lasting relationships through quality construction management

Project Approach:

- Flexibility with and capacity to provide Construction Management solutions
- Highly effective project planning from conceptual design through turnover
- Ability to provide highly accurate budgeting throughout the design process
- Capacity to provide constructability analysis, quality assurance/quality control reviews and budget compliance reviews
- Experienced in providing quality value engineering options and cost controls throughout the process
- Effective communication systems to ensure key stakeholders are always up to date on the project
- Advanced internal processes that provide accurate project scheduling
- Demonstrated experience with tax exempt procurement for municipal projects
- Provide highly effective construction management and contract administration throughout the construction process all the way to the 11 month walk through

Qualifications and References of Firm:

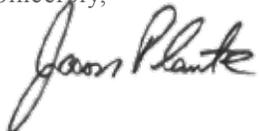
- Experience providing Construction Management Services for over thirty other municipalities in eastern Minnesota and western Wisconsin
- Direct and relevant experience with city hall and library facilities, including recent city hall renovation experiences
- Successful completion of the City of Hudson's new fire station
- Extensive remodeling, interior and exterior maintenance and improvements experience
- References from previous projects who can attest to Market & Johnson's commitment to quality project management

Experience, Qualifications and References of Staff Assigned:

- Division Manager with direct and relevant experience in delivering municipal projects, with previous experience delivering projects for the City of Hudson
- Project Manager with recent renovation experience
- Working Project Superintendent with recent and relevant remodeling experience and complex project experience
- Lead Estimator with over thirty-five years of preconstruction experience, with substantial experience providing preconstruction services for municipal projects
- High quality safety program and a demonstrated track record of maintaining safe job sites in downtown environments
- Over 350 construction experts on staff to provide additional depth as required

As you review our qualifications, I hope you find that our team is uniquely qualified. Market & Johnson is committed to being a high-quality project partner from pre-construction through project completion and well beyond. We will utilize our expertise and experience to make sure this project is a tremendous success. I am thankful for the opportunity to submit our firm for consideration and I know that our services will be a great match for this project.

Sincerely,



Jason Plante

Vice President

Market & Johnson

P (715) 577-1801

E jjplante@market-johnson.com



LACROSSE COUNTY ADMINISTRATIVE CENTER • LACROSSE, WI

2. COMPANY SUMMARY



COMPANY HISTORY

Providing construction solutions since 1948, Market & Johnson has evolved to become one of the Midwest’s leading construction management and general contracting companies. We take pride in providing our clients with innovative and cost-saving construction solutions that go well beyond traditional bricks and mortar.

Market & Johnson operated as a family business until early 2001 when Dan Market began offering ownership opportunities to key employees. The new ownership team continues to maintain our small-town family atmosphere where our business philosophy is simple—we are in the business of building relationships. These relationships are based on trust, honesty, commitment to excellence, and a sincere desire to satisfy every one of our client’s needs. We work together as a team with the owner and architect to ensure every project exceeds our expectations.

Market & Johnson operates offices in three locations—Eau Claire and La Crosse, Wisconsin, and Oakdale, Minnesota, and employs approximately 400 employees, most of which is our highly-trained field workforce. We provide flexible preconstruction and construction services to the following markets: civic/municipal, commercial, education, food processing, healthcare, industrial, manufacturing, student housing/multi-unit housing, senior living, and religious.

OFFICE LOCATIONS

Project Office

7300 Hudson Blvd., Suite 165
Oakdale, MN 55128
P 651.340.6146

Corporate Office

2350 Galloway Street
P.O. Box 630
Eau Claire, WI 54703
P 715.834.1213

Branch Office

1652 Lakeshore Drive
La Crosse, WI 54603
P 608.784.5000

COMPANY STATISTICS



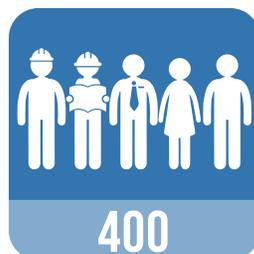
FOUNDED

by Juel Market and Milt Johnson in Eau Claire, WI



OFFICE LOCATIONS

*Eau Claire, WI
La Crosse, WI
Oakdale, MN*



EMPLOYEES

most of which is our highly-trained field workforce.



ANNUAL VOLUME

Our firm is #283 on the ENR’s 400 Largest Construction Firms in the United States



COMMUNITY

organizations have benefited from EIF in the past 4 years



3. PROJECT APPROACH

3A. PROJECT SCOPE SUMMARY

Market & Johnson reviewed the project scope and walked through the facilities with City Staff to gain a better understanding of the project scope and approach. The summary below outlines each of the project scope items included in the Request for Proposals and outlines Market & Johnson’s overall approach and tasks. Upon notification of selection as your construction manager, our project team will meet with City Staff to review and approve a project timeline and project schedule. The staff assigned to support the project approach and tasks is included in the next section.

THE SUMMARY BELOW OUTLINES EACH OF THE PROJECT SCOPE ITEMS INCLUDED IN THE REQUEST FOR PROPOSALS AND OUTLINES MARKET & JOHNSON’S OVERALL APPROACH AND TASKS.

PROJECT SCOPE TASK	SERVICES AND ACTIVITIES PROVIDED BY MARKET & JOHNSON
Council Chambers Redesign, Construction and Installation of Raised Desks with Integrated Technology and Presentation Lectern (ADA Compliant)	<ol style="list-style-type: none"> 1. M&J to solicit for Architect to aid in redesign of the Council Chambers layout & furniture. 2. Focused attention on eliminating exposed cords, electronics, trip hazards, and podium changes. 3. Coordinate design and integrate technology scope with City IT contractor. 4. Evaluate design options and establish budget. 5. Create bid package for subcontractor solicitation, award and manage to completion. ** Coordination with Security and IT Contractors as required **
Reception Desk Redesign, Construction, and Installation (ADA Compliant)	<ol style="list-style-type: none"> 1. M&J to solicit for Architect to aid in redesign of the main level Reception desk. 2. Focused attention to ADA requirements and security. 3. Evaluate design options and establish budget. 4. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate carpentry, casework, glazing, electrical and drywall/painting (as required) ** ** Coordination with Security and IT Contractors as required **
Retrofit LED Lighting and Controls Throughout City Hall	<ol style="list-style-type: none"> 1. M&J to work with lighting consultant (or contractor) to identify lighting and lighting control options, create light fixture package. 2. M&J to provide cost analysis of prioritized lighting and lighting controls, focus on key areas. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate electrical and drywall/painting (as required) **
Exterior Brick Tuckpointing and Tuckpointing of Stone Adjacent to Third St. Entrance and the Stairwell Entrance to the Hudson Library off Vine Street.	<ol style="list-style-type: none"> 1. M&J to solicit for envelope consultant to establish 'building wide' tuckpointing/caulking concerns. 2. Evaluate report and establish budget, focus on immediate needs, and assign potential for 2022 work. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate masonry restoration, potentially caulking and concrete subcontractor for stairs **
Minor HVAC Improvements for the Council Chambers	<ol style="list-style-type: none"> 1. M&J to solicit mechanical consultant (or contractor) to assist in evaluating the current system and identifying solutions. 2. M&J to provide cost analysis of Council Chamber HVAC solutions. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate HVAC, electrical and drywall/painting (as required) **
Interior Wall & Ceiling Repainting	<ol style="list-style-type: none"> 1. M&J to solicit for Architect to aid in establishing color scheme, material selection and areas of focus. 2. M&J to provide cost analysis and itemized items and areas of work. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate painting subcontractor **

PROJECT SCOPE TASK	SERVICES AND ACTIVITIES PROVIDED BY MARKET & JOHNSON
Carpet Removal & Replacement	<ol style="list-style-type: none"> 1. M&J to solicit for Architect to aid in establishing color scheme, material selection and areas of focus. 2. M&J to provide cost analysis and itemized items and areas of work. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate flooring contractors **
Cupola Removal or Repair and Associated Water Damage Repair	<ol style="list-style-type: none"> 1. M&J to solicit for envelope consultant to review re-occurring issues, develop remedy report. 2. Evaluate report and establish budget for various items associated with fixing areas in need. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate masonry restoration, caulking, potentially cleaning up interior finishes **
Bathroom Upgrades to Include New Toilets, Touchless Faucets, & Hand Towel Dispensers	<ol style="list-style-type: none"> 1. M&J to solicit for Architect to aid in establishing color scheme and material selection. 2. M&J to work with Mechanical contractor to establish plumbing fixture selections. 3. M&J to provide cost analysis and itemized items. 4. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate carpentry, plumbing, electrical and finishes (as required) **
Supply and Installation of ADA Door Hardware Throughout Public Spaces	<ol style="list-style-type: none"> 1. M&J to solicit aid from hardware supplier in establishing proper compatible hardware. 2. M&J to provide cost analysis and itemized items and areas of work. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate carpentry and door/hardware suppliers ** ** Coordination with Security Contractor as required **
Coordination with the City's Security Upgrade Contractor	M&J to coordinate with Security Contractor as required for Council Chambers, Reception Desk and any door hardware changes.
Coordinate with City's I.T. Upgrade Contractor	M&J to coordinate with IT Contractor as required for Council Chambers and Reception Desk work.
Rubber Membrane Roof Repair at the Hudson Public Library	<ol style="list-style-type: none"> 1. M&J to solicit for envelope consultant to review re-occurring issues, develop remedy report of balcony roofs. May require input from Architect if handrail changes/penetrations are required. 2. Evaluate report and establish budget for various items associated with fixing areas in need. 3. Create bid package for subcontractor solicitation, award and manage to completion. ** Anticipate roofing contractors **
Obtain Design Assistance from an Architect or Engineer to Produce Plans and Specifications to Deliver Project to Owner's Satisfaction	<ol style="list-style-type: none"> 1. M&J to engage consultants as required for each specific task. Most of the tasks will not require extensive design input however some color/material selections will be helpful. 2. Create solicitation process for Architect and other consultants as required.
Provide Necessary Supervision, Coordination, Dumpsters, Insurance, and Safety Protocols Necessary for a Successful & Timely Project Completion	M&J to provide preconstruction during the discovery and evaluation phase. Once into construction, M&J to provide onsite supervision (when required) to ensure prompt completion of projects as well as project management to manage costs, schedule, and coordination with City of Hudson staff.

3B. PROJECT PERSONNEL

To ensure the success of your project, we have selected key members from our professional project management team to ensure your project’s goals and expectations are not only met, but exceeded. Market & Johnson has the history and track record to understand the value of what each team member can bring to the table, and we are confident we built the right team to set your project up for success.



PROPOSED TEAM PROJECT COLLABORATION



POLK COUNTY HIGHWAY MAINTENANCE FACILITY	ST. PAUL PUBLIC SAFETY TRAINING FAC.	PIERCE COUNTY JAIL/ SHERIFF DEPARTMENT	OSCEOLA DISCOVERY CENTER	ST. CROIX COUNTY HEALTH CENTER	UW-RIVER FALLS RODLI HALL
Randy LaFaive Denny Kelly Dean Griffith	Randy LaFaive Dean Griffith	Randy LaFaive Dean Griffith	Denny Kelly Dean Griffith	Randy LaFaive Denny Kelly Dean Griffith	Randy LaFaive Denny Kelly Dean Griffith



RANDY LAFAIVE **DIVISION MANAGER**

As Division Manager, Randy will be responsible for coordinating the Market & Johnson team. He will be actively engaged in project communications, scheduling, coordination and project administration.

QUALIFICATIONS

- 23 years of construction experience
- 4 years with Market & Johnson, 17 years with Knutson Construction
- UW–Stout – Menomonie, WI
B.S. Degree Construction Management
- Arizona State University – Tempe, AZ
Performance Information Procurement System Best Value/Project Management
- Northwest Technical Institute– 1993
Associates of Science Architectural Drafting
- Board of Directors – Minnesota Builders Exchange
- Board of Directors – Hudson Hospital Foundation
- Serving on the Hudson Lion’s Club
- Served on St. Paul Builders Exchange Board of Directors (2010–2012)
- 2018 MN Construction Summit
- AGC Advanced Management Program
- CPR/AED and First Aid Certified

MARKET & JOHNSON SELECTED PROJECT EXPERIENCE

Hudson Fire Department – Hudson, WI

\$5.7M 26,785 sq. ft. new facility

St. Paul Public Safety Training Facility – St. Paul, MN

\$10M 40,000 sq. ft. police training facility

Polk County – Balsam Lake, WI

\$9.6M 60,000 sq. ft. County highway maintenance facility

Pierce County – Ellsworth, WI

\$18M 57,000 sq. ft. jail and sheriff department facility

St. Croix County Health Center – New Richmond, WI

\$18M 120,000 sq. ft. remodel current 72–bed facility to a 50–bed facility on the existing building’s first floor

St. Croix County – Hudson, WI

\$261,756 700 sq. ft. huber visitation center remodel

University of Wisconsin River Falls – River Falls, WI

\$11.5M Rodli Hall renovation

Stillwater High School – Stillwater, MN

\$2M 136,000 sq. ft. addition – concrete work only

Marshfield Clinic – Eau Claire, WI

\$10M 34,514 sq. ft. healing and rehab center addition

Amery Hospital & Clinic – Luck Clinic – Luck, WI

\$560,000 5,000 sq. ft. new clinic

3M – Cottage Grove, MN

\$3.2M 1,800 sq. ft. power distribution upgrade

KNUTSON CONSTRUCTION SELECTED PROJECT EXPERIENCE

Children’s Hospital & Clinics – Minneapolis, MN

\$47M Special Care Center 5–story medical office building, 778–car parking ramp, LEED Gold Certified



BRAXTYN MEYER **PROJECT MANAGER**

As project manager, Braxtyn will estimate, manage, and coordinate project services. He is experienced in all project activities, including budgeting, systems analysis, value engineering, project scheduling, and project administration.

QUALIFICATIONS

- 3 years with Market & Johnson
- UW–Stout – Menomonie, WI
B.S. Degree Construction Management
- Legal Aspects of Construction Class
- Concrete Mix Designs Class
- Exterior Wall Systems and Applications Class
- Masonry Design & Construction Training
- Winter Heat & Ground Thaw Training
- CPR/AED and First Aid Certified

SELECTED PROJECT EXPERIENCE

Pablo Center at the Confluence – Eau Claire

\$50M 144,000 sq. ft. performing arts center

Pierce County - Ellsworth, WI

\$500K 5,000 sq. ft. Annex Building remodel

Jacob Leinenkugel Brewing Company – Chippewa Falls, WI

Facility upgrade projects and miscellaneous maintenance

Associated Bank – Multiple Locations

Facility upgrade projects and miscellaneous maintenance

Commonweal Development Corp. – Multiple Locations

Facility upgrade projects and miscellaneous maintenance

Bloomer School District – Bloomer, WI

Dugout concrete work & Secured Front Entrance

Stillwater Area Public Schools - Stillwater, MN

\$1.4M 2020 district renovations

Grace Lutheran Communities – Altoona, WI

Attic Ventilation corrections and facility repairs

Andersen Corporation – Menomonie, WI

Break Room Renovations, Facility upgrade projects and miscellaneous maintenance

University of Wisconsin Stout – Menomonie, WI

Facility upgrade projects and miscellaneous maintenance

Park View Home – Woodville, WI

Facility Repairs

TTM Technologies – Chippewa Falls, WI

Facility Upgrade Projects

Positive Alternatives – Menomonie & River Falls, WI

Office Renovation & Facility Repairs

United Health Group – Wausau & Eau Claire,

Office Renovations

National Guard Armory – Eau Claire, WI

Indoor Firing Range Encapsulation

Mabel Tainter Center for the Arts– Menomonie, WI

Facility repairs



DENNY KELLY PROJECT SUPERINTENDENT

Denny will provide on site leadership, quality control, enforce project safety programs, manage subcontractors, maintain schedules, and provide the owner with day to day on site contact.

QUALIFICATIONS

- 27 years of construction experience
- 4 years with Market & Johnson, 10 years with Ryan Companies
- OSHA 10 Hour Training
- OSHA 30 Hour Training
- Rigging and Signaling Training
- Forklift Training
- HVAC Training
- Respirable Silica

SELECTED PROJECT EXPERIENCE

St. Croix County Health Center – New Richmond, WI

\$18M 120,000 sq. ft. remodel current 72–bed facility to a 50–bed facility on the existing building’s first floor

Osceola Fire Station – Osceola, WI

\$1M 20,000 sq. ft. renovation and building works

Osceola Discovery Center – Osceola, WI

\$6M 34,000 sq. ft. new village hall, police department and library

Eagan Fire Station – Eagan, MN

\$488K 1,800 sq. ft. dorm remodel

Polk County – Balsam Lake, WI

\$9.6M 60,000 sq. ft. County highway maintenance facility

University of Wisconsin River Falls – River Falls, WI

\$11.5M Rodli Hall renovation

Phillips Medisize – New Richmond, WI

\$4M 10,000 sq. ft. PDS Building A & E , \$153K Northwest and East parking lot expansions, \$410K secured semi–parking, \$150K class 8 cleanroom humidity upgrades, \$462K 3,456 sq. ft. kong storage expansion

Webster Health Center – Webster, WI

\$5.6M 24,600 sq. ft. new facility

Kwik Trip – Duluth, MN

\$3.7M 9,156 sq. ft. new facility and \$476K 1,900 sq. ft. new car wash

St. Croix Regional Medical Center – St. Croix Falls, WI

\$150K 1,500 sq. ft. diagnostic imaging remodel

Kwik Trip – Hermantown, MN

\$3M 7,300 sq. ft. new facility and \$1.2M 2,275 sq. ft. car wash

WESTconsin Credit Union – Ellsworth, WI

\$574K 2,500 sq. ft. branch remodeling



DEAN GRIFFITH LEAD ESTIMATOR

Dean Griffith has been involved in leadership roles throughout his career with Market & Johnson. He led the process of developing our current estimating system and has provided total project management services on numerous projects within our company. He has been responsible for the estimating of projects, crew and project scheduling as well as providing the contract administration on many projects.

QUALIFICATIONS

- 36 years of construction experience
- UW–Stout – Menomonie WI
B.S. Degree Industrial Technology Concentration Building Construction
Minor Business Administration
- AGC Training – Building to LEED–NC, Neg. Skills for Project Managers
- Lead Estimator: 5 years
- Project Manager: 5 years
- Journeyman Mason: 14 years
- Mason Superintendent: 8 years
- Certified Lead Safe Renovator
- Maxwell Users Conferences – Las Vegas, NV and Orlando, FL
- Mastering Microsoft Excel – Eau Claire, WI

SELECTED PROJECT EXPERIENCE

Eau Claire Fire Station #10 – Eau Claire, WI

\$4.2M 18,000 sq. ft. replacement facility

Hudson Fire Department – Hudson, WI

\$5.7M 26,785 sq. ft. new facility

Eau Claire County Law Enforcement – Eau Claire, WI

\$31M 254,762 sq. ft. new jail, garage, and courthouse

Pierce County – Ellsworth, WI

\$18M 57,000 sq. ft. jail and sheriff department facility

Trempealeau County Healthcare Center – Whitehall, WI

\$24.5M 120,500 sq. ft. replacement nursing home and IMD rehabilitation facility

Jackson County – Black River Falls, WI

\$3.2M 8,000 sq. ft. courthouse addition and remodel

Mayo Clinic Health System – Luther – Eau Claire, WI

Parking ramp masonry

Forrest Street Elementary – Black River Falls, WI

Masonry restoration of exterior of the school

Jackson Electric Cooperative – Black River Falls, WI

30,000 sq. ft. new facility

Marshfield Clinic – Eau Claire, WI

Flatwork

Charter Bank – Eau Claire, WI

Concrete work, foundations and flatwork

Florian Gardens – Eau Claire, WI

21,000 sq. ft. convention and banquet facility

Harmony Centre – Menomonie, WI

Ban Tara Retail Center – Hudson, WI

10,000 sq. ft. multi tenant retail complex

Barron County Justice Center – Barron, WI

111,000 sq. ft. new facility (mason superintendent & masonry estimator)



MARK LARSON **SAFETY MANAGER**

As the Safety Manager for Market & Johnson, Mark is responsible for overseeing job site safety, safety planning, and safety training.

QUALIFICATIONS

- 11 plus years with Market & Johnson
- MSHA Trainer
- OSHA Outreach Trainer
- WHEA Healthcare Certificate– Level 1 and 2
- Forklift Operator Training
- Aerial, Scissors, and Boom Lifts Training
- Rigging and Signaling Training
- Hydromobile Scaffold Training
- CPR/AED and First Aid Certified

EMPLOYMENT EXPERIENCE

Safety Manager, Market & Johnson, Inc.

January 2015 – Current

Responsible for overseeing job site safety, safety planning, safety training as well as being a safety resource for Market & Johnson leaders.

Safety Consultant, Safewatch

September 2014 – January 2015

Responsible for job site safety supervision, development of safety programs, employee training and safety administration.

Carpenter Market & Johnson, Inc.

February 2008 – September 2014

- On-Site Safety Manager – 2 plus years
- Carpenter Superintendent – 3 plus years
- Carpenter

Miron Construction

May 2005 – February 2008

- Carpenter Foreman/Carpenter

Larson's Home Improvement – LHI

May 2000 – May 2005

- Carpenter Self Employed



3C. PRE-CONSTRUCTION SERVICES

Over 90% of our workload is comprised of projects where the owner incorporates our services very early in the process. That's because the most impact that we can have on a project in terms of cost and schedule occurs during the design phase. Our hybrid Integrated Project Delivery Model, called the Market Method, is our platform for providing high quality, consistent, and impactful project services.

One of the keys to our preconstruction services focuses around two concepts. The first is aligning of strengths and the second is communication. We feel every team member brings knowledge and expertise to the project and those skills should be capitalized on during the process.

Our role is to not only be your construction expert during this time but also to facilitate everyone's skills and to balance that within your project. In doing that, communication becomes a key component. As your construction manager, we will not only bring the construction skills to impact your project, but we will listen to other team members, balance their ideas and concepts, and proactively solicit ideas. We will manage the entire project while keeping the budget, schedule, and quality as the overarching goals. One of the most important areas our team is challenged with is balancing the wants and needs of the client.

Market & Johnson's key skills during the preconstruction phase:

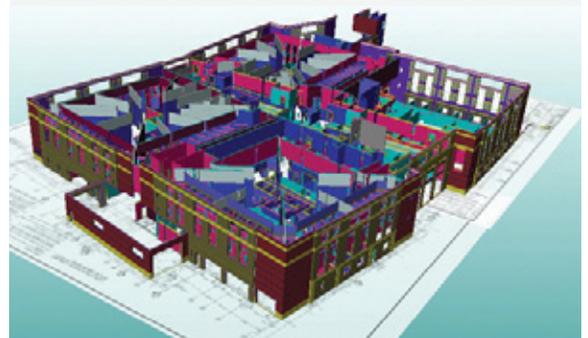
- Continual Project Budgeting
- Systems Review–Life Cycle Costing
- Value Engineering
- Project Scheduling–phasing
- Governmental and Regulatory Compliance Review
- Beginning of Infection Control Planning
- Building Information Modeling (BIM)
- LEED/Green Concept integration

BUILDING INFORMATION MODELING (BIM)

Our firm has been utilizing 3–dimensional estimating and take–off software for several years. This additional depth of 3–dimensional viewing is especially effective with our masonry professionals. This estimating tool allows for instant access to block types, how changes impact design, as well as a excellent visualization tool.

Our team is willing to provide this 3–dimensional tool at no additional fee. We have used BIM on several projects and have found it to be a useful tool during the planning and design as well as during construction.

We lead the coordination efforts with our architectural, mechanical, electrical, plumbing and fire protection partners in an effort to enhance the design and minimize changes.



BUDGETING PROCESS



CONCEPTUAL DESIGN BUDGETS

The very first step in our estimating approach is to develop a very preliminary design, floor plan and potential exterior elevation and then utilize our historic cost database to develop a preliminary square foot budget. This provides a baseline as to owners' expectations and the preliminary design and allows the team to begin evaluating the most cost effective manner to design and build the project.



SCHEMATIC DESIGN BUDGETS

As the design becomes more detailed, our ability to budget does as well. During this phase, our budgets will begin to show the divisions of work and will become more detailed and broken down into specific areas. We can start to budget specific material and can begin to evaluate some of the systems options that may be available for the project (HVAC, Electrical and Plumbing needs).



DESIGN DEVELOPMENT BUDGETS

Our team is now able to provide very detailed budgets. The estimates are based on actual quantity take offs and actual product costs. The budgets become very accurate at this point so the detailed process of value engineering, material evaluation and systems analysis can occur. All of these can have a tremendous impact on the overall project costs.



FINAL CONSTRUCTION BUDGETS

At this point the drawings are complete and our budgets have been fine tuned to a point that the project is ready for the bidding process. Our firm will solicit bids on the work and will be able to determine a Guaranteed Maximum Price during this phase. You will have the ability to review all the bids received and will have the flexibility to select the contractors that you want to work with. Our team will evaluate all the bids so you can feel confident in the subcontractor team and the overall project costs.



VALUE ENGINEERING

Over 90% of our work is negotiated where we are involved throughout the design and work closely with the team in developing cost options. So virtually every project we do, our team provides the preconstruction services including value engineering to assist the owner and designer with balancing wants and needs with the budget.

Specific examples of value engineering would range from the over \$4 million worth of options we developed on the new Crossing Rivers Hospital in Prairie du Chien, to the roofing/structural options we developed at the Hayward Hospital that created enough project savings to add a new entrance to the hospital. We developed over \$100K in opportunities on the Sacred Heart Emergency Department project as well as over \$250,000 worth of options for the new Trempealeau County Healthcare Center.

When it comes to value engineering, our team is not looking for ways to cheapen the project, but instead looks for alternatives to enhance the project while developing cost saving opportunities.



See our Value Engineering Suggestions Chart example below:

VALUE ENGINEERING SUGGESTIONS									
Area	Item	Description	Cost Savings	Revised Cost Savings	SFMS Option 1 Savings	SFMS Option 2 Savings	PdCMH Selected Savings	M-J/SFMS Savings	Notes
Sitework	1	Eliminate Covered Vehicle Canopy or use fur raising dollars.	\$289,000	\$289,000	\$289,000	\$289,000	\$289,000	\$289,000	Kalwall Panels are extremely expensive. Cost range from \$65 to \$70 installed. Possibly look into different form of construction if Canopy is to remain. Could bid as an alternate. M-J to provide cost for steel column/perkins, standing seam roof.
	2	Seed area in lieu of Sod along pedestrian walk path	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	Without irrigation of this area it will be difficult to establish sod.
	3	Native Area- Change to Low Mow seed mix	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500	Native seed is much more expensive than the Low Mow seed or select a less expensive mix for native grasses.
	4	Reduce Shade Tress by 50%	\$21,200	\$21,200	\$21,200	\$21,200	\$21,200	\$21,200	Eliminate 80 units
	5	Limestone Walls Reduce Quantity by 50%	\$13,950	\$13,950	\$13,950	\$13,950	\$13,950	\$13,950	Eliminate 465 sf of walls; they are decorative have no function.Keep most in front
	6	Change Islands on 260.2LP to large landscape gravel/rock	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	\$27,000	Simplify the islands. Make them low-maintenance.
	6a	Consider elimination of some islands	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	Would make snow removal/mtoe easier. Eliminate all in back/couple in front
	6b	Eliminate island to south of Ambulance Garage	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	WAG
	7	Evergreen Trees Reduce by 50%	\$6,525	\$6,525	\$6,525	\$6,525	\$6,525	\$6,525	Eliminate 30 Units
	8	Reduce Quantity of Walking Path or Construction Type	\$161,720	\$161,720	\$161,720	\$161,720	\$161,720	\$161,720	The budget includes \$161,720 in for 6220 lineal feet of path. Keep all the paths as shown but change to mowed grass path instead of asphalt.
	9	Regular Concrete in lieu of Stamped Concrete	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	Eliminate Stamped Concrete at Entries. Consider a "textured" concrete instead of stamped. Base bid will be colored concrete with stamping as an "add-alternate"
	10	Turn Lanes at main entry	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000	Assumes saving \$350K out of \$375K budget. WDOT has said we are not required to have turn signals. We can use our turn lanes. Will be some work to cut into road and make connections.
	11	TIF Funds to pay for part of service road	\$0	\$0	\$0	\$0	\$0	\$0	Get commitment from city to pay for service road. Or get donot to name/pay for road
	11a	Have fund raising pay for development/surfacing of this road	\$0	\$0	\$0	\$0	\$0	\$0	Donor would pay \$300K for all service road costs
	12	Eliminate lower outdoor dining area - keep upper area	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	Outdoor dining could still be very expandable. Add lower level as an alternate
	13	Reduce irrigation at 50% of locations	\$40,000	\$40,000	\$40,000	\$0	\$20,000	\$20,000	Have \$40K for total budget. Could eliminate later
	14	Reduce 3500 LF of curb & gutter on site	\$49,000	\$49,000	\$49,000	\$49,000	\$49,000	\$49,000	Will improve snow removal. Remove curb at south and west sides of building
15	Eliminate Concrete Retainer Wall at Mtce Building	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	Eliminate the Retainer Wall and the berm. Use landscape features to hide the Mtce Building	
16	Replace Equipment Yard Retainer Wall with Slat Fence	\$35,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	Eliminate the Retainer Wall and the berm. Use slat fence to hide the equipment yard at each side. Keep the sliding gate.	
17	Change eave height outbuilding to 12ft.	\$0	\$0	\$0	\$0	\$0	\$0	Budget was likely inadequate for the outbuilding as planned. Hold to 3000SF and hold the current budget number.	
Architectural /Structural	1	Reduce Quantity of Stone interior on Exterior to SD volume or select a less expensive stone product	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	\$140,000	SD budget included 7,700 SF of stone DD budget includes 14,200 SF of stone at the following locations. No locations have been eliminated at this time.Reduce quantity of stone and use a less expensive product
	2	Reduce thickness of concrete roof at hospital ar change MOB roof to bar joist/metal deck roof	\$48,222	\$48,222	\$48,222	\$48,222	\$48,222	\$48,222	DD Budget includes 7.5 overall thickness of concrete at roof. The roofs steel construction is nearly identical to that shown on first floor. The steel cost is approximately \$9.25/SF and the concrete topping costs come in at \$3.94/SF.
	2a	Reduce MOB Roof to 2inch thick for structural	\$20,666	\$20,666	\$20,666	\$20,666	\$20,666	\$20,666	Suggest placing a 3.5" concrete roof deck and eliminate the parapet that would have been added. Same cost savings.
	3	Reduce Quantity of Vegetated Roof to SD level	\$42,223	\$42,223	\$42,223	\$42,223	\$42,223	\$42,223	Currently the DD set includes 7100 S of Vegetated Roof @ \$15.74. Ballasted Roofing is \$6.45/SF. Only put vegetative roof at OB
	4	Remove cover board @ Ballasted Roofing	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	Spec calls for a cover board to be put over the insulation, with a ballasted roof this has to be a wood fiber type product (can't put a gyp. product as the top layer of a ballasted assembly), but its not really needed anyway for warranty.
5	Change Canopy Construction	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000	\$96,000	Kalwall Panels range from\$65- \$70 SF installed. Look at changing construction of roof or reducing quantity of Kalwall panels. Can we find a material that can be installed for \$35/SF	

ESTIMATING AND COST MANAGEMENT

All projects, large or small, operate within a finite budget. Compromise, creativity, cost-cutting, and value judgements are a normal part of the design process. Finding the balance between creative design, quality appearance, durable construction, and value comes with experience and practice. Helping our clients make value judgements starts at the programming phase and endures until the building’s grand opening day or beyond.

Budget management and control have become a major challenge for most owners. We approach budget control by providing as much information as possible to you so that good decisions can be made. This information is based on experience and input from architects, contractors, and consultants.

The needs, wants and opportunities will make budget a key design criteria throughout the project. Scope, quality and provisions for future opportunities will be evaluated at each phase and resolved before proceeding to the next phase. It is never easy to “take things out” of a project — but if revisions or reductions are based on the project’s clearly articulated objectives, strategy and vision, then every decision has a standard evaluation process.

Estimating is a continual process. Individual systems are compared to alternatives, and each finish selected by comparing several manufacturers. The level of detail continues to be refined as the documents are completed. We will provide estimates at the completion of each phase and will continually update and price alternates throughout the process.

ESTIMATING ACCURACY AND PROJECT SAVINGS

Our team has the unique ability to provide accurate preliminary estimates, backed up by a proven track record of creating project efficiencies resulting in real cost savings. Our team is the only one that can combine all the above critical components to this process. With many of our recent projects, our summary reports have shown savings in various areas, which has allowed the owner the ability to enhance the project in other areas.

Results:

Our firm is proud of our proven track record of delivering projects within budget and often times under budget.

Below is a partial list of project savings recently returned to our clients.

VERNON MEMORIAL PHASE 1	\$3,032,080	\$100,000
JACKSON COUNTY LEC ADDITION	\$3,111,683	\$73,416
CHEQUAMEGON TELEPHONE	\$3,695,840	\$80,000
EAU CLAIRE FIRE STATION #10	\$4,024,219	\$20,000
BANGOR ELEMENTARY	\$4,248,566	\$47,896
SPOONER MIDDLE SCHOOL	\$5,000,000	\$20,000
TTM TECHNOLOGY	\$5,475,254	\$50,000
BURNETT MEDICAL CENTER	\$10,575,130	\$206,733
POLK COUNTY HIGHWAY MAINT FAC	\$10,636,871	\$276,465
EAU CLAIRE MEMORIAL HIGH SCHOOL	\$14,930,994	\$98,355
LA CROSSE COUNTY LEC/HHS/NAC	\$15,381,406	\$74,520
VERNON MEMORIAL MOB	\$17,740,000	\$250,000
PIERCE COUNTY JAIL	\$19,100,000	\$230,000
SPOONER HIGH SCHOOL	\$25,000,000	\$980,000
LUTHER EMERGENCY DEPARTMENT	\$30,000,000	\$450,000
LA CROSSE COUNTY COURTHOUSE/LEC	\$30,300,150	\$185,000

Detailed Cost Estimating:

As drawings and specifications are developed, the schematic design estimate is refined and updated. Using information regarding quantity surveys, previous cost data, current market pricing and features unique to the project, a realistic construction estimate is developed. An actual takeoff will be performed and will provide a very accurate cost estimate. In our opinion, a detailed cost estimate should be completed when the construction documents are at the 50% complete point and again at the 80% complete point.

3D. CONSTRUCTION SERVICES

PROJECT COST CONTROLS

Controlling project costs is always an owner's major concern. Our team is always on top of cost controls by performing weekly and monthly reports to compare the budgeted costs to the actual costs. This process acts as a proactive means to red flag any potential problem areas. Our main reporting systems include:

Weekly Labor Cost Reports

Every week our field supervisors will receive a report that indicates the estimated hours, actual hours used and projected hours to complete for the literally hundreds of work phases on the project. This is the first line of defense in not allowing a project's labor costs to get out of control. This report is used if we self perform the work with M&J employees.

Weekly Job Costs Reports

Our project managers will have weekly reports that indicate not only where the labor hours are, but also the status of material costs, equipment costs, and indirect costs. Our project managers will monitor your project on a weekly basis and react to those areas that show signs of concern.

Weekly & Monthly Summary Report

As owner, you can receive weekly or monthly reports that summarize the entire project indicating the estimated costs, actual costs and projected costs. With many of our recent projects, these reports have shown savings in various areas, which has allowed the owner the ability to enhance the project in other areas.

Executive Summary Report

This communication tool is a high-level review of all major components of your project.



OUR PROJECT MANAGERS HAVE WEEKLY REPORTS THAT INDICATE NOT ONLY WHERE THE LABOR HOURS ARE, BUT THE STATUS OF MATERIAL COSTS, EQUIPMENT COSTS, AND INDIRECT COSTS.

PROJECT SCHEDULING AND PHASING

Primary Milestone Project Scheduling

After consulting with the team, a preliminary project schedule is submitted indicating major milestone dates for design, bidding, construction, occupancy, and other key items. This schedule will direct the entire project team towards answering questions regarding potential phasing or the need to pre-order long lead time items.

Project Phasing

If phasing appears to be required, the project team will develop a strategy to concentrate on the construction documents and specifications to price out and potentially begin the physical construction of various portions of the project. For example, creating an early site preparation bid package can typically save several weeks of on-site construction. If there are any long lead time item concerns, the project team will develop the product specification and quantity take-off of those items for early bidding and product procurement.

Master Project Scheduling

As the design proceeds and building parameters are identified, the earlier primary milestone project schedule is expanded with a detailed critical path method (CPM) schedule for design and construction. This CPM schedule analyzes the time required for each activity and refines time requirements for each team member and trade contractor.

Long-lead material and equipment purchase recommendations and deliveries will be identified. Once subcontractor bids are received, the schedule will be reviewed with the major subcontractors to assure the allotted time will be adequate. If need be, refinements can be made at this early point to produce a project that can be completed on time.

Recently **Lean Construction** scheduling processes have been utilized to coordinate delivery of materials and equipment to optimize the use of on-site labor. Market & Johnson is committed to utilizing this type of scheduling process to maintain a smooth project flow while at the same time maximizing labor cost savings.

Five-Week Focused Schedule

Market & Johnson utilizes a written five-week look ahead schedule in addition to our overall plan. Created by our site supervisors, the five-week look ahead schedule is utilized by the field crews to identify in detail the flow of the project and the expected progress of the work they are currently involved in. It also supports contingency planning in case delays arise, and forces all trades involved with the project to continually evaluate and reforecast their work. This very detailed schedule is used in the weekly progress meetings and identifies all of the little things that must be completed and by when. Along with the weekly labor hour report, this is the first line of defense for keeping the project on schedule.

Weekly Project Coordination Meetings

Once construction begins, weekly coordination meetings are scheduled. Attendees for these meetings include representatives from the owner, the architectural/engineering team, the construction manager, subcontractors active on the project, and any needed equipment and material supplier representatives. These meetings will be the backbone for monitoring all project issues as they relate to RFI responses, project scheduling, project change status, cost control issues, and quality issues. Meeting minutes are available within a day of each meeting on our collaboration software.

WE ARE PROACTIVE IN MANAGING THE BUDGET, SCHEDULE, AND QUALITY. IF THERE ARE POTENTIAL ISSUES, WE ADDRESS THEM AND HAVE THE RESOURCES AND LEVERAGE TO DEAL WITH THEM.

Market & Johnson
Adding Value to Everything We Do

NEXT WEEK LOOK AHEAD

July 2020
Job Name: Eau Claire County Jail Courthouse
Project Leader: Curt Williams
Project Mgr: Kevin Bremer

WEEK OF: 7/20-22

WORK ELEMENTS	Mon		Tue		Wed		Thurs		Fri		30/75/15	Est. Comp. Date	Tools/Equip. Mat'l Needed to Complete 100 Hour Notepad
	A	V	A	V	A	V	A	V	A	V			
POUR PATCH AT ELEVATOR		1										3-13	
DEMOL EXISTING TERRAZZO	1											3-13	
REMOVE DUST WALL	2											3-13	
ALUMINUM BEVELS & ROCK			2										
DOORS & HARDWARE					2								
COUNTY BOARD BOFITS							2						
MISC.	1	1	1	1	1	1	1	1	1	1			
FRAME/ROCK/BENCHES @ JAIL	2	1	2	2	2	2	2	2	2	2			
CLEANING			2	2	2	2	2	2	2	2			
DAILY CREW TOTAL SIZE													
Alternate Work (Plan #)													
CEILING GENERATOR ROOM													
SHORING LOADING DOCK													

Subcontractors/Information Needed: PAUL APPEL, RAGAN AMERICAN RESTORATION, WES EPA, PIPELINE BENEDICT'S, S&B, GRAZZINI VALLEY BUILDERS/LMTCO, ESSER, SANKTORS

Notes: NEED 1 FINISHER ON MONDAY

Reviewed with Crew Yes No Reviewed with Project Mgr Yes No Submit to Office by Thursday Noon
 Possible Crew Changes Call Lister Email: chery@marketandjohnson.com or Fax: 715-834-2331
 Contact Fm (M: Coordinator, Project Manager and Operations Manager)

Market & Johnson
Adding Value to Everything We Do

SHORT INTERVAL SCHEDULE

PROJECT: OAKLEAF DATE: 7-16-13
PROJECT SUPT: CURT WILLIAMS PREPARED BY: CURT WILLIAMS

ITEMS OF WORK	7-22		7-26		7-29		8-2		8-5		8-9		8-12		8-16		8-19		8-23					
	M	T	W	T	F	S	M	T	W	T	F	S	M	T	W	T	F	S	M	T	W	T	F	S
PROOF SHEETING	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ROOFING AREA A	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MASONRY BRICK	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
NORTH RETAINING WALL	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
CHILLER EXCAVATION					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WALL FRAMING AND TOPPING 2 ND FL	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FRAME BATTERED WALLS	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
FIRE SPRAY	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
ROOFING AREA C					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
BOILER ROOM DELIVERY					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
JHU 1.3.4 DELIVERY					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
SPRINKLER IN PENTHOUSE	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
MECH. HANGERS IN HOPO					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
WINDOW FRAMES 2 ND FLOOR			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
RIPS					X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
SAW CUT REVISION 2 HOPO			X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X



BID AND AWARD PROCESS

Our philosophy is to assure you that all capable subcontractors, equipment providers, and material suppliers are knowledgeable of your project and invited to bid on their respective divisions of work. We utilize the various Builders Exchanges, Dodge Reporting Service, Market & Johnson's own in-house "Bid Notification Software," and direct phone contacts.

As design nears completion, an appropriate list of bidders is identified, prequalified, and recommended. To ensure competitive bidding and accurate pricing, our team formulates a list of qualified vendors and subcontractors.

Selection from this list will be determined by the following criteria:

- Relevant project experience
- Previous experience with the team
- Ability to staff the project and maintain schedules
- Financial strength
- Safety record
- Minority business enterprise considerations
- Owner approval
- Local experience

CONSTRUCTION SUPERVISION & PROJECT MANAGEMENT

Once construction begins, Market & Johnson initiates our quality project management services. Our leaders will direct and manage the communication process necessary to successfully complete every project.

Our management skills and tools are two of our firm's strongest assets and allow the project management team to deliver a cost-effective, high quality, and safe project.

Our project management services include:

- On-Site Management
- Project Scheduling
- Budget Control
- Quality Assurance
- Subcontractor Management
- Project Communication
- Project Safety Plan



SAFETY PRACTICES

Project safety cannot be emphasized too much. It is our responsibility to make certain that all persons—construction trades people, your employees, and visitors are all exposed to a safe and friendly construction environment. It is critical for both our reputations. In the construction industry safety is a critical component of every project. Market & Johnson places a tremendous value on safety in many different aspects. From our employees to subcontractor and from our client’s employees to the general public that may come in contact with your building project—Market & Johnson makes safety our number one priority. Our goal on every project is to have everyone that project touches go home safely at night. Our full time safety director leads a very proactive safety program that produces positive results and creates safe

OUR SAFETY PROGRAM IS BASED ON CONTINUAL TRAINING, ON-SITE EVALUATION, SITE SPECIFIC PLANS AND A MOTIVATIONAL INCENTIVE PLAN.

projects. Our safety program is based on continual training, on-site evaluation, site specific plans and a motivational incentive plan. Preplanning is also a major component of our program. By proper planning we are able to create plans for those activities that possess a safety risk. We then can develop a specific training for that activity ahead of time.

Over the past 10 years, Market & Johnson has received numerous safety awards from the Associated General Contractors of Wisconsin.

Market & Johnson Safety Program:

- Project Specific Program for City of Hudson
- Sub Contractor Management
- Pre Planning Each Day

EMR RATING – EXPERIENCE MODIFICATION RATE

2020	2019	2018	2017	2016	2015
.70	.68	.71	.73	.59	.63

COMMUNICATION METHODS

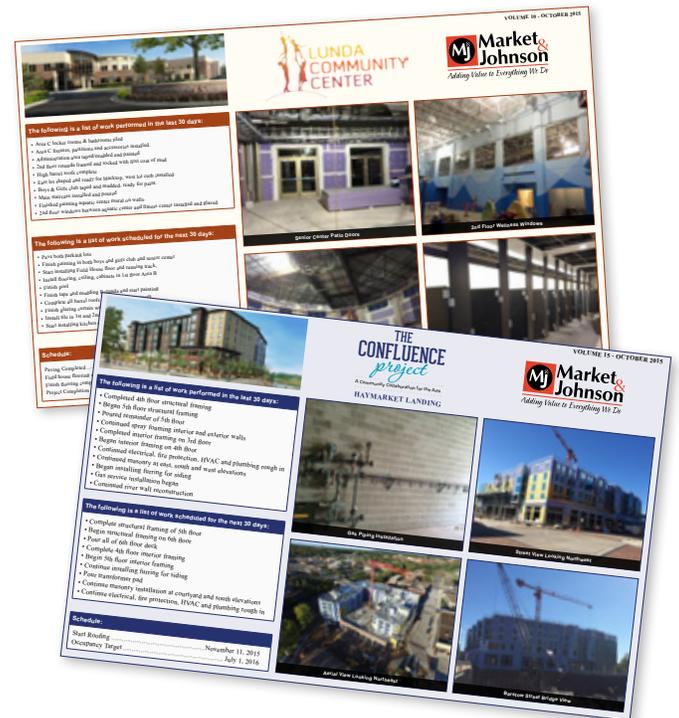
24/7 Procore Communication

Market & Johnson’s Procore Communication program is an online tool that provides our clients with a totally customizable tool to meet all their communication needs. This online tool allows our clients 24-hour a day access to the information that they want to see. Through secured access on our website, you will have the ability to view all the project information you want to see. From drawings and budgets to schedules and RFI’s—you will have access to it all.



Executive Monthly Report

Each month an Executive Monthly Report is created to keep the project team updated with the project’s progress. The report is then emailed or printed for distribution to the project team. Report highlights include what has happened in the last 30 days, what will happen in the next 30 days, key project schedule dates and pictures of the project’s progress.



Drone Footage

One new form of communication Market & Johnson has invested in is unmanned aerial vehicles (UAVs), more commonly known as drones. Our drones are used to take aerial photos and videos of projects to show clients the progress of their project. These images and videos allow stakeholders to keep track of the progress visually without ever setting foot on the property.

OUR DRONES ARE REGISTERED WITH THE FEDERAL AVIATION ADMINISTRATION (FAA), AND OUR DRONE OPERATORS ARE ALL CERTIFIED WITH THE FAA. SHOWN HERE HUDSON FIRE DEPARTMENT IN HUDSON, WISCONSIN





PROJECT CLOSE-OUT

The items targeted in the *project close-out phase* may seem rather small when compared to the scope of your entire project, but we feel very strongly that they are vitally important to bringing a project to a satisfactory completion.

Our team will work diligently to accomplish these items.

System Start-Up and Testing

It is recommended that the owner's facilities and maintenance personnel join the project team to observe the trade contractor's check-out of operational systems and equipment evaluation for readiness while assisting in their initial start-up and testing. Videotaping will take place as requested and be furnished for future training and reference purposes.

Punch List

All subcontractors are required to self administer punch lists of their work as they near completion. The progress of these items is monitored during the weekly meetings. We have experienced that a quality subcontractor can eliminate nearly all of the typical punch list items.

As the work nears completion, the Owner, Market & Johnson, the architect and the engineering consultants will determine the appropriate time to inspect each area for contract compliance. Our team will publish a list to correct items that are not in compliance with the drawings and specifications, and then be responsible for correcting all non-compliant items. This work is typically completed right after substantial completion.

Certification of Substantial and Final Completion

As the work approaches completion, a list of incomplete items and a completion schedule is prepared. Progress is monitored and preparations are made for final inspection and issuance of the Architect's Certificate of Final Completion.

Required guarantees, affidavits, releases, bonds and waivers are completed and delivered. Additional items that will be delivered to the Owner include all keys, manuals, record drawings and additional material stock.

Post-Construction

We also believe it is important for the people operating systems to be assisted by engineers and suppliers during the first year's seasonal transitions. Collaboration between our team and the facilities personnel during the first year will help the key systems changeover events run smoothly. All team members will be available to help with any issues that may arise. Our relationships are of utmost importance to us and we will make sure that you are satisfied.

Eleventh Month Inspection

As an added precaution, an Eleventh Month Inspection is completed. Our team will review the entire project, looking for anything that may fall within the minimum one-year warranty period. Our team will also meet with the owner's representatives to review any concerns you may have with any feature of your building and its systems. This time frame allows us the opportunity to make any needed corrections and have them fall within the minimum one-year warranty period.

Special Projects Division

Market & Johnson has a Special Projects Division that provides comprehensive maintenance and small project services to our clients. This team of dedicated professionals are committed exclusively to smaller projects, including operations maintenance, warranty work and smaller remodeling projects. Our commitment to your project does not end with the warranty period and includes a comprehensive service that the Owner can access for years to come. We are the only Construction Management in the region that provides a dedicated service to meet your Special Project needs.

QUALITY CONTROL PROGRAM

Market & Johnson Quality Policy

It is the policy of Market & Johnson to construct all building projects of such quality that they reliably perform their intent to the standards that Market & Johnson is recognized for within the construction industry. All contractual agreements, local, state, and federal regulations, and Market & Johnson's quality standards will direct all projects.

In pursuit of this policy, it is the intent of Market & Johnson that:

- All building projects are regulated by any applicable laws and regulations quality control standards.
- All building projects exceed the client's expectations and thereby contribute positively to Market & Johnson's construction quality reputation.
- All subcontractors will be held to the same quality assurance standards and regulations to assist in maintaining or exceeding Market & Johnson's quality reputation. These standards are enforced regardless of project size, the material used, or location.

Responsibility and Authority

- Market & Johnson utilizes a team approach in compliance with our quality assurance program. The Vice President of Operations is responsible for the design and implementation of all quality control and safety procedures. Project Managers are held accountable for the implementation of these programs on each job site, and the Project Superintendent monitors and enforces these procedures.
- Any employee who finds a nonconforming process or procedure can initiate a change request. These procedures will then be evaluated immediately by a Market & Johnson management member.
- All conditions adverse to quality assurance and safety that are not resolved are reported to Market & Johnson's Executive Committee to resolve the issue before it affects the project quality.

Resources

- Our firm utilizes several resources to ensure quality. These resources are responsible for inspections, testing, and training.
- To ensure proper quality control checks, Market & Johnson uses an independent testing agency to test several processes. These processes include but are not limited to: concrete slump and strength, soil testing, and steel strength, welds, and tension on bolts.
- Market & Johnson's employees are extensively trained to uphold our quality standards. Our internal training program focuses on proper techniques, safety, and quality standards. The training program focuses on concrete crack controlling, studs and drywall techniques, masonry procedures for flashing and cracking, and other relevant procedures.
- In compliance with our quality standards, Market & Johnson also rely on several external training resources to properly train all personnel. Our employees go through an extensive OSHA 10-hour training program, Supervisory Training Program through AGC (Association of General Contractors), and periodic seminars on specific issues.
- Quality and Safety audits are performed and evaluated periodically. Weekly progress meetings focus on quality assurance, safety compliance, and overall progress. Personnel conducting the audits are properly trained to assess that specific process.

Procedures

- We designed this Quality Assurance program to offer employees and clients the means to understand our position on quality. Market & Johnson strives to consistently maintain the highest level of quality and safety on all projects.

Our quality control procedures include but are not limited to the following:

- Contract Review
- Control of subcontractor
- Control of inspection & testing equipment
- Control of Quality Records
- Limited Design Control
- Corrective and Preventive Action
- Inspection and Testing Status
- Internal Audits
- Management weekly Review
- Product Identification and Handling
- Quality Control Training
- Safety Training



EAU CLAIRE CITY HALL • EAU CLAIRE, WI

4. QUALIFICATIONS & REFERENCES



4A. FIRM DESCRIPTION

Market & Johnson operates offices in three locations—Eau Claire and La Crosse, Wisconsin and Oakdale, Minnesota. We employ approximately 400 employees, most of which is comprised of our highly trained field workforce. Today, our firm is one of Wisconsin's largest construction firms providing over \$340 M in construction services in eastern Minnesota and western Wisconsin.

Please see below a summary of our qualifications for your project:

- Over 90% of our work is construction management
- Direct and relevant experience providing construction management for multiple public entities
- Recent experience providing construction management to renovate a municipal city hall
- Recent experience providing construction solutions to the City of Hudson's new fire station
- Local project management with employees living in the City of Hudson and the surrounding area
- Over 400 employees
- Extensive management tools to assist in scheduling, budgeting, and project communications
- Employ a structural engineer and four LEED Accredited professionals
- Emergency Response Division

AVAILABILITY TO PROJECT LOCATION

Our project office is located in Oakdale, Minnesota, at the I-94/I-494 & I-694 interchange. We are conveniently located to provide high-quality construction management services for your Hudson project. Our project team also resides in close proximity to Hudson, ensuring that our project team will be readily available when it matters most.

Market & Johnson has recently completed three successful local projects shown at right: Hudson Fire Department, Phillips Medisize, and MPSC headquarters.



4B. PROJECT EXPERIENCE

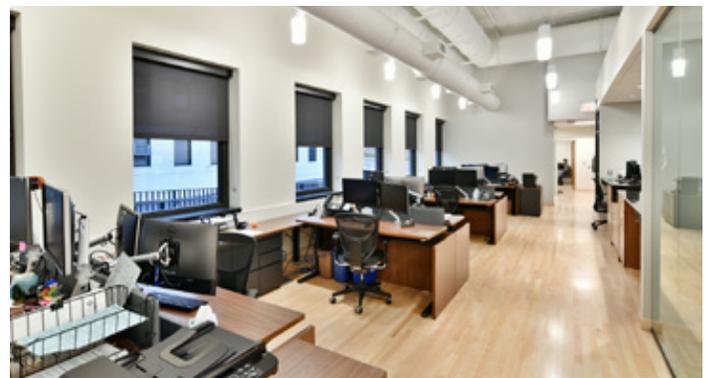


EAU CLAIRE CITY HALL EAU CLAIRE, WI

The 100-year-old Eau Claire City Hall underwent an extensive renovation. The project included significant improvements to its workspaces, conference rooms, heating, ventilation and air conditioning, plumbing, electrical and data systems. The renovations also called for restoring the building's historical features.

The employees had to be relocated to temporary office spaces at the former Eau Claire 3M building while the building was under construction.

OWNER: City of Eau Claire, Eau Claire, WI
ARCHITECT: JLG Architects, Minneapolis, MN
SERVICES PROVIDED: Construction Manager
 General Building Contractor
SIZE: 32,000 SF
START DATE: October 2018
COMPLETION DATE: June 2019



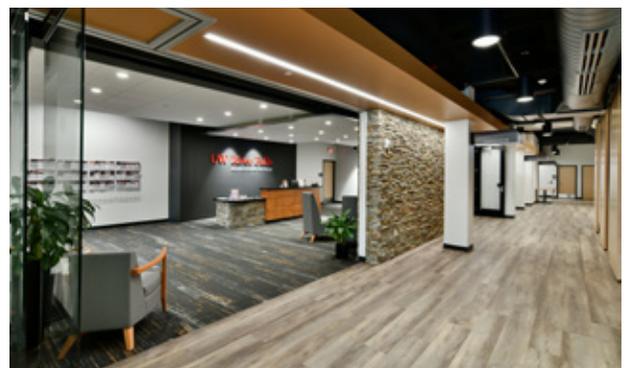
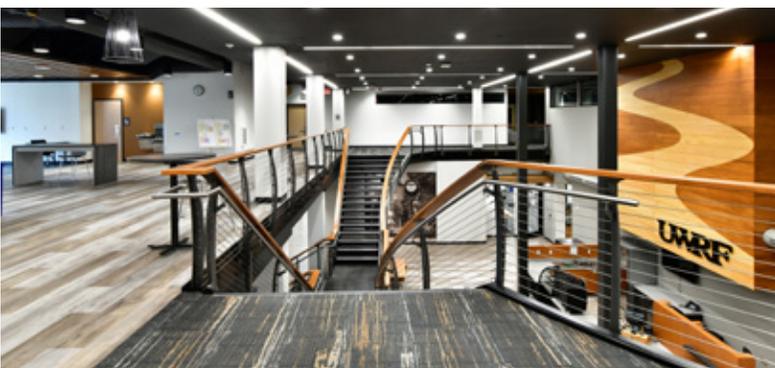
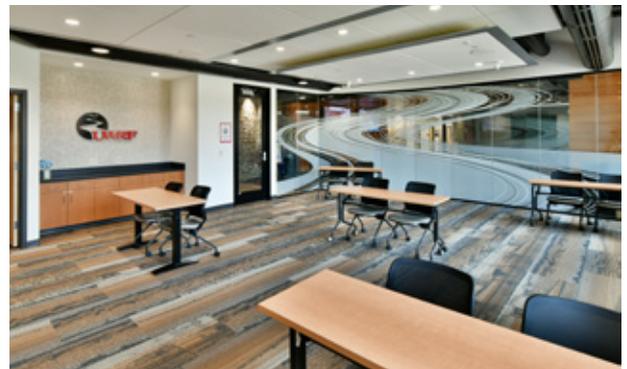


UW-RIVER FALLS RODLI HALL RIVER FALLS, WI

Our team was the General Building Contractor on the remodeling of the 50,000 square feet of the two-story Rodli Hall located on the University of Wisconsin River Falls campus.

The renovated space now houses UWRF's student-centered services and includes space for 14 departments that were previously scattered throughout the campus. Additional spaces brought in to the improved facility include a food service area with a coffee shop, open areas for studying, presentation rooms, and fireplaces and kitchenettes on both floors.

OWNER: UW-River Falls, River Falls, WI
ARCHITECT: Somerville Architects, Green Bay, WI
SERVICES PROVIDED: General Building Contractor
SIZE: 50,000 SF
START DATE: September 2018
ESTIMATED COMPLETION DATE: October 2019



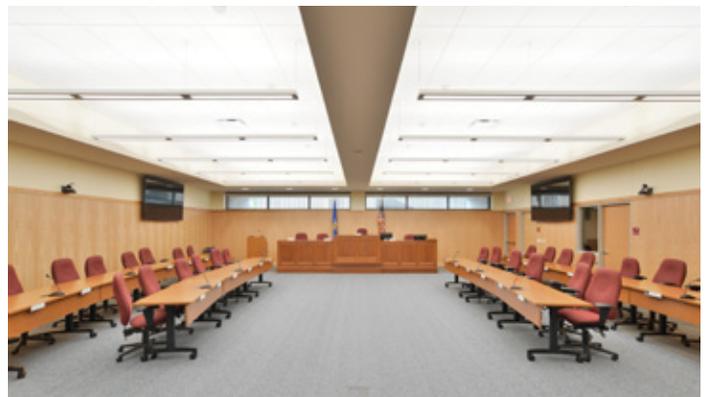


LA CROSSE COUNTY ADMINISTRATIVE BUILDING LA CROSSE, WI

The LaCrosse County Administrative Building project was a phased remodel and addition to an existing bank facility. To accommodate office areas for multiple La Crosse County departments, 47,000 square feet of the two-story building was renovated, and a 6,500 square foot addition was added.

The project included ADA bathrooms, workspaces, and reception desks throughout the facility. Also included in the project were LED lighting upgrades and a new chiller/mechanical system that was designed to be sustainable. The project qualifies for Focus on Energy grants.

Market & Johnson completed two additional projects for the county at the same time, including an addition to the Health and Human Services building and a build-out in the Law Enforcement Center.



OWNER: La Crosse County, La Crosse, WI

ARCHITECT: River Architects, La Crosse, WI

SERVICES PROVIDED: Construction Manager
General Building Contractor

SIZE: 53,500 SF

START DATE: September 2015

COMPLETION DATE: December 2016



“I’D HIGHLY RECOMMEND MARKET & JOHNSON AS A CONSTRUCTION MANAGER AND WOULD HIRE THEM AGAIN ON A SEPARATE PROJECT. I LOOK FORWARD TO WORKING WITH THEM AGAIN.”

MO NORBY, HIGHWAY COMMISSIONER, POLK COUNTY HIGHWAY FACILITY

4C. REFERENCES



CITY OF EAU CLAIRE
DAVID A. SOLBERG, PE
 Engineering Director -City Engineer
 203 S Farwell Street
 Eau Claire, Wisconsin 54703
P 715.839.4934
E Dave.Solberg@eauclairewi.gov



Pierce County
 Jason Matthys
 Administrative Coordinator
 555 West Overlook Drive
 Ellsworth, WI 54010
P 715.273.5051
E jmatthys@co.pierce.wi.us



CITY OF HUDSON - HUDSON FIRE DEPARTMENT
SCOTT ST. MARTIN
 Fire Chief/Fire Marshal
 222 Walnut Street
 Hudson, WI
P 715.386-4270
E sstmartin@hudsonwi.gov



CITY OF MENOMONIE
RANDY D EIDE, P.E.
 Director of Public Works
 800 Wilson Avenue
 Menomonie WI 54751
P 715-232-2221 (ext. 1020)
E eide@menomonie-wi.gov

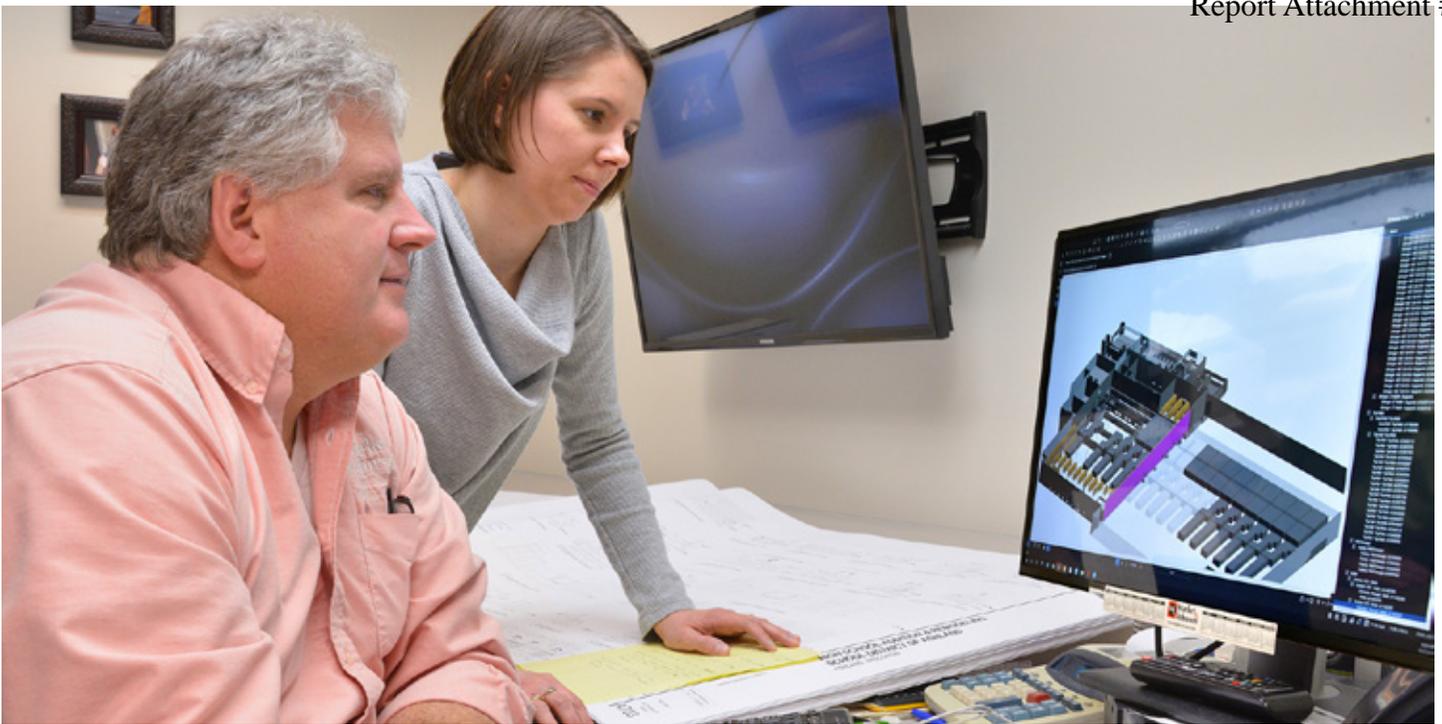


POLK COUNTY
EMIL (MO) NORBY
 Highway Commissioner
 518 Main Street
 Balsam Lake, WI 54810
P 715.557.0320
E emil.norby@co.polk.wi.us



EAU CLAIRE CITY HALL • EAU CLAIRE, WI

5. PROJECT FEE



As your construction partner, we understand the importance of providing value throughout the project and most specifically, making certain that your project is exceptionally cost-effective. Our firm is proud of our track record of being one of the most efficient groups in the state by focusing on a couple of key areas.

First, we focus our attention within a 75-mile radius of our offices; this allows us to eliminate expensive travel, trucking, subsistence. At the same time, it lets us leverage our buying power with area subcontractors and material suppliers. Second, we operate on a completely open book process, so you see all costs-any and all project savings, and you are always informed of project costs. Finally, we maximize bidding opportunities for area contractors. In doing this not only do we receive the best pricing, but we create more opportunities for local firms to earn portions of your work.

In addition to our cost-efficient philosophy, we realize that we have an obligation to work closely with the project team to develop a project between now and ground breaking that not only meets your operational needs but also meets your financial objectives. For that reason, our firm is completely at risk with you during that time and will not ask for any compensation during this time-period. If for any reason, our team can't develop solutions that work for you, you have no obligations to Market & Johnson. This approach creates additional motivation for our professionals to develop and create options that are the most cost-effective solutions to meet your needs now and in the future.

PRECONSTRUCTION SERVICES FEE

On a per project basis, we will provide cost estimating, high level construction schedule, and assist with constructability issues during the Schematic Design and Design Development phases.

Preconstruction Services Fee.....No Fee

FEE PROPOSAL

Our fee is a percentage of the estimated Cost of Work, with construction costs to be \$500,000.

Construction Management Fee..... 4.7 %

What's included in cost of work and project fee?

The best way to describe what is included in the fee and what is a project cost is everything that occurs on the project site is Cost of Work; everything that occurs off site is part of the Project Fee.

<i>Cost of Work</i>	<i>Project Fee</i>
• On Site Supervision	• Corporate Overhead
• On Site Labor	• Accounting
• Materials	• Project Administration
• Equipment	• Principal in Charge
• Subcontractors	• Corporate Profit



OFFICE LOCATIONS

MINNESOTA OFFICE

7300 Hudson Blvd., Suite 165
Oakdale, MN 55128
Phone: (651) 340.6146

EAU CLAIRE OFFICE

2350 Galloway Street
Eau Claire, WI 54703
Phone: (715) 834.1213

LA CROSSE OFFICE

1652 Lakeshore Drive
La Crosse, WI 54603
Phone: (608) 784.5000

www.market-johnson.com



SUBMITTED TO: Honorable Mayor and City Council

DATE: October 19, 2020

SUBMITTED BY: Aaron S. Reeves, City Administrator ^{AR}

REGARDING: 2021-22 CIP

BACKGROUND:

The City usually has a 5-year rolling CIP and does bonding every other year for the next 2 years projects. This year we are only doing a 2-year CIP to coincide with our 2021-22 bonding. With all the uncertainty with COVID and our finances it is best to focus on our immediate needs. We will go back to longer range planning once we know how our 2022 budget looks. The proposed '21-'22 bonding cycle will coincide with older debt being retired so we will be able to keep our debt levy stable in the coming years. Staff will be on hand to discuss the proposed projects and answer any Finance Committee questions.

STAFF RECOMMENDATION:

Discuss proposed 2021-22 CIP and provide direction to staff.

CITY OF HUDSON
CAPITAL PROJECTS 2021-2022
PROJECTS BY PROJECT TYPE & FUNDING SOURCES

	2021	2022
Project Type		
Buildings	\$ 370,000	\$ 250,000
IT	35,000	15,000
Equipment	665,000	147,000
Streets & Road Improve. Projects	2,390,000	1,205,000
Parks & Park Improvements	1,975,000	80,000
Utilities	1,900,000	-
Total by Project Type	<u>\$ 7,335,000</u>	<u>\$ 1,697,000</u>
Funding Summary		
General Fund Undes. Fund Balance	-	-
State LRIP Funds		-
Park Dedication Funds	-	-
TID - Boat Launch	1,900,000	-
Funding TBD for Heggen St. Bridge	325,000	-
Mooring Funds	-	-
Sales of existing Equipment	-	-
Existing Capital Project Notes	-	-
Existing Capital Project Bonds	-	-
Utility Funds	1,900,000	-
Loan with DNR	-	-
Future Bonds and Notes	3,210,000	1,697,000
Total by Funding Summary	<u>\$ 7,335,000</u>	<u>\$ 1,697,000</u>

CITY OF HUDSON
CAPITAL PROJECTS

2021 Projects

Projects	Project #	Cost	Other Funding	Bonds& Notes	Description
BUILDINGS					
Misc. Building Upgrades		250,000		250,000	City Hall Improvements
Library/PD Building		120,000		120,000	Chiller
Total Buildings		370,000	-	370,000	
INFORMATION TECHNOLOGY					
Back-Up Server		35,000	-	35,000	
Total Information Technology		35,000	-	35,000	
EQUIPMENT					
Fire					
Fire Boat	EQ-1	150,000		150,000	New
Total Fire Equipment		150,000	-	150,000	
Police					
Upgrade Records Management System	EQ-5	50,000		50,000	
Replace body & squad cameras	EQ-7	165,000		165,000	
Total Police Equipment		215,000	-	215,000	
Public Works Equipment					
Spray Patch Unit		300,000		300,000	
Total Public Works Equipment		300,000	-	300,000	
STREET AND INFRASTRUCTURE					
2nd Street (I-94 to Vine Street)		800,000		800,000	Bump Outs, Medians, Parking Lanes
Street Maintenance Program		350,000		350,000	Crackfilling, Sealcoating, Flex Patch
Sidewalk Curb&Gutter Program		125,000		125,000	Replacement & repairs-City-wide
Resurfacing of alleys-residential		40,000		40,000	
Trail Maintenance		50,000		50,000	Crackfill, sealcoat, spray patch
Ornamental Lighting		625,000		625,000	Lighting upgrades as part of Highway 35 project
Hanley and Center on Carmichael		75,000		75,000	
Heggen St. Bridge Repairs/Slip Ramp		325,000		325,000	Bridge Repair Engineering Costs
Total Streets and Infrastructure		2,390,000	-	2,390,000	
PARKS					
ANDERSON PARK Resurface BBall Court		15,000		15,000	
ANDERSON PARK Resurface Tennis Courts		10,000		10,000	
LAKEFRONT PARK Orange St. Parking/Storm Imp.		20,000		20,000	
LAKEFRONT PARK Boat Launch Ramp Ext.&Parking		1,500,000	1,500,000	-	Permitting, design, construction
LAKEFRONT PARK Canoe/Kayak/Paddle Board Access		30,000		30,000	
LAKEFRONT PARK Floating Recreational Docks		400,000	400,000	-	
Total Parks		1,975,000	1,900,000	75,000	
UTILITIES					
Water					
Highway 35/2nd Street	UT-2	700,000		700,000	Repair & replacement of water mains & services
Sewer					
Highway 35/2nd Street	UT-5	1,200,000		1,200,000	Sanitary sewer replacement & repairs
Total Utilities		1,900,000	-	1,900,000	

\$ 7,335,000	\$ 1,900,000	\$ 5,435,000
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CITY OF HUDSON
CAPITAL PROJECTS

2022 Projects

Projects	Project #	Cost	Other Funding	Bonds& Notes	Description
BUILDINGS					
Misc. Building Upgrades		250,000		250,000	City Hall Improvements
Total Buildings		250,000	-	250,000	
INFORMATION TECHNOLOGY					
Infrastructure Upgrades		15,000	-	15,000	
Total Information Technology		15,000	-	15,000	
EQUIPMENT					
Police					
Replace police sidearms	EQ-6	10,000		10,000	-
Total Police Equipment		10,000	-	10,000	
Public Works Equipment					
Motor Grader		120,000		120,000	-
Mower 72" Zero Turn		17,000		17,000	Sell/trade 2014 Scag 72" Mower
Total Public Works Equipment		137,000	-	137,000	
STREET AND INFRASTRUCTURE					
3rd St. (Walnut to Blakeman)		495,000		495,000	Full depth reclamation & spot curb replacement
High Ridge Drive		80,000		80,000	M&O with Spot repairs for Curb & Gutter
Street Maintenance Program		490,000		490,000	Crackfilling, Sealcoating, Flex Patch
Sidewalk Curb&Gutter Program		50,000		50,000	Replacement & repairs-City-wide
Resurfacing of alleys-downtown		-			-
Resurfacing of alleys-residential		40,000		40,000	-
Trail Maintenance		50,000		50,000	Crackfill, sealcoat, spray patch
	0	-			-
Total Streets and Infrastructure		1,205,000	-	1,205,000	
PARKS					
GRANDVIEW Pickleball		40,000		40,000	
PROSPECT PARK Asphalt Point Trail		20,000		20,000	
PROSPECT PARK Concrete Pad on Overlook		10,000		10,000	
MISC PARK ITEMS Tables, Grill, Cans		10,000		10,000	Various parks-ADA tables, etc..
Total Parks		80,000	-	80,000	
UTILITIES					
Water					
					-
Sewer					
					-
Total Utilities		-	-	-	

\$	1,697,000	\$	-	\$	1,697,000
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505 Third Street
Hudson, Wisconsin 54016-1694
FAX: (715)386-3385
www.hudsonwi.gov

Resolution 2-21

Support for Outdoor Recreation Assistance to Improve Riverfront Recreational Opportunities at Lakefront Park

WHEREAS the City of Hudson hereby requests assistance for the renovation of the public boat launch facility on the east bank of the St. Croix River;

THEREFORE, BE IT RESOLVED, that the City of Hudson has budgeted a sum sufficient to complete the project, and **HEREBY AUTHORIZES** Michael Mroz, Director of Public Works & Parks, to act on behalf of the City of Hudson to:

- Submit applications to the Department of Natural Resources for financial assistance;
- Sign documents; and
- Take necessary action to undertake, direct and complete the approved project.

BE IT FURTHER RESOLVED that the City of Hudson will comply with state and federal rules for the programs; may perform force account work; will maintain the completed project in an attractive, inviting, and safe manner; will keep the facilities open to the general public during reasonable hours consistent with the type of facility; and will obtain approval from the Wisconsin Department of Natural Resources before any change is made in the use of the project site (if applicable).

Adopted this _____ day of _____, 2021.

Rich O' Connor
Mayor

Becky Eggen
City Clerk



HUDSON PUBLIC UTILITIES ISSUE SHEET

DATE: January 12, 2021
SUBMITTED TO: PUC and Common Council
SUBMITTED BY: Utility Director Peters
REGARDING: Updating of 2020 Sewer Rate Study and Connection Fee Study/ Ordinance 198-10

ISSUE: The 2020 Sewer Rate and Connection Fee study was adopted by Common Council on July 6, 2020. Since then, there has been the need to make some slight changes to the adopted document. Rates that were adopted on July 6, 2020 have not changed with the proposed changes.

Included changes are an amendment to the report to provide documentation of how much is included in the rates for the WWTP and general capital and how much is for the City and Village collection system accounts. More information on the funding sources for capital costs.

Amendments to Chapter 198 of the Municipal Code are highlighted on the attached sheets.

FUNDING SOURCE:

STAFF RECOMMENDATION:

COMMITTEE RECOMMENDATION: On January 12, 2021 the PUC approved the changes to the 2020 Sewer Rate and Connection Fee Study along with the recommended changes to Ordinance 198-10 and forward to the Common Council for approval.

ORDINANCE 3-21

CITY OF HUDSON, WISCONSIN

**AN ORDINANCE AMENDING CHAPTER 198 OF THE MUNICIPAL CODE OF THE CITY OF HUDSON
TO REVISE SEWER SERVICE CHARGES AND CONNECTION FEES**

WHEREAS, the City of Hudson caused a Sewer Rate Study and a Connection Fee Study for Sanitary Sewer Facilities to be prepared; and

WHEREAS, these studies recommended changes to the City's sewer rates and sewer connection fees;

THE COMMON COUNCIL OF THE CITY OF HUDSON HEREBY ORDAINS AS FOLLOWS:

SECTION 1. Section 198-10 of the Municipal Code is amended to read as follows:

§ 198-10. Sewer service charges and connection fees.

- A. A quarterly sewer service charge and meter charge are hereby imposed and shall be paid by the owner or occupants of each lot, parcel of land, building or premises served by the wastewater treatment works or otherwise discharging wastewater (including industrial waste) into the wastewater treatment works. It shall be the policy of the City to establish sewer service charges in such amount as to obtain sufficient revenues to pay operation and maintenance costs including contributions to a replacement fund, debt service, including any debt service reserves and coverage requirements, and annual capital outlay. Those aspects of sewer service charges relating to operation, maintenance and replacement fund shall be in accord with any relevant and applicable requirements imposed by the Wisconsin Department of Natural Resources or by federal law. The sewer service charge and meter charge shall be paid as herein provided in an amount determined as follows:
- (1) A sewer service charge is hereby imposed to recover the component of total operation, maintenance, and capital costs of the sewer system which relates to sewage flow attributable to users of the system. The sewer service charge shall be based on the cost of conveying and treating flow, BOD and suspended solids at the strength of domestic wastewater. The sewer service charge shall consist of a volumetric charge in terms of dollars per hundred cubic feet (\$/ccf). The sewer service charge for any parcel of land, building or premises served by the wastewater treatment works shall be based upon the quantity of water used as measured by the water meter in use.
 - (2) Quarterly meter charge.
 - (a) A quarterly meter charge will be imposed to cover customer costs, including billing and the maintenance cost of the meters. The meter charge will be imposed as a flat fee per meter based on meter size.

- (b) The minimum sewer meter charge will be based on the quarterly meter charge (prorated for new and closed accounts or for those with meter removals).
- (3) Measurement by meter; determination by Utility Director.
- (c) When a lot, parcel of land, building or premises discharging wastewater (including industrial waste) into the wastewater treatment works is a user of water not supplied by the City, the amount of water used shall be measured by a meter.
- (d) When it is impossible or impracticable to measure the amount of water being used, the Utility Director shall determine, in such manner as he finds practicable, the sewer service charge under Subsection A(1). Such determination may be appealed to the Council. In such cases, the Utility Director may, after approval by the Council, establish a flat rate for sewage services or authorize the installation, at the owner's expense, of a sewage meter.
- (4) Whenever the Utility Director determines that any lot, parcel of land, building or premises is discharging wastes of unusual volume, concentration or character or of greatly variable volume, a special rate shall be adopted for such user. The special rate is to ensure that all users pay their proportionate share of wastewater treatment cost.
- (a) The special rate shall be determined by the formula:

$$C_u = (V_c \times V_u) + (B_c \times B_u) + (S_c \times S_u) + (P_c \times P_u)$$

Where:

- C_u = User charge in dollars per year.
- V_c = Cost of the wastewater treatment works attributed to 100 cubic feet of wastewater volume.
- V_u = Volume of wastewater from the user per year measured in hundreds of cubic feet.
- B_c = Cost of the wastewater treatment works attributed to 100 pounds of BOD.
- B_u = Amount of BOD from the user per year measured in hundreds of pounds.
- S_c = Cost of the wastewater treatment works attributed to 100 pounds of suspended solids.
- S_u = Amount of suspended solids from the user per year measured in hundreds of pounds.

Pc = Cost of the wastewater treatment works attributed to any unit of any pollutant.

Pu = Amount of any pollutant from the user per year.

- (b) The minimum service charge rate shall be equal to the rate set under Subsection A(1).
 - (c) "Domestic waste" shall be defined as follows: "normal domestic strength wastewater" shall mean wastewater with concentrations of BOD and suspended solids no greater than 300 milligrams per liter respectively. Discharges in excess of either of these concentrations shall be surcharged at the rate per pound determined by the formula contained in Subsection A(4)(a) through (c).
 - (5) Wastewater contributions from users shall be reviewed at least biannually, and the sewer services charges shall be adjusted as required to recover actual costs.
 - (6) Proportionate distribution of operation, maintenance, replacement, and capital costs shall be maintained among wastewater treatment work users.
 - (7) Sufficient revenues to pay for total operation and maintenance costs including contributions to a replacement fund, debt service, including any debt service reserves and coverage requirements, and annual capital outlay shall be generated by the sewer service charge system.
 - (8) Operation and maintenance costs may include an allowance for North Hudson sewer collection system costs to the extent payment of such costs is required by contract.
 - (9) Sewer service charge rates, meter charge rates, special rates, and a North Hudson sewer collection system allowance, if applicable, shall be established by resolution of the Common Council.
- B. Payment.
- (1) The sewage service charge shall be payable to the Clerk within 20 days of the billing date.
 - (2) A late payment charge of 1% shall be added to all sewer bills not paid within 20 days from the billing date. Thereafter, a late penalty charge of 1% per month shall be added each month upon the unpaid balance. If any bill is not paid within 60 days from the billing date, the customer may be notified, in writing, that unless payment or satisfactory arrangement for payment is made within the next five days, the water services to the premises may be turned off. After such period, service may be discontinued and may not be restored until full payment of all sewer service charges and penalties due thereon.
 - (3) Unpaid utility bills will be transferred to the tax roll pursuant to W.S.A. § 66.0809.
- C. Disposition of revenue. The amounts received from the charges authorized by this section shall be credited to a separate account which shall show all receipts and expenditures to the wastewater treatment works. The credits to such account shall be available for payment of:
- (1) Principal and interest of bonds which may be issued to provide funds for wastewater treatment works.
 - (2) Cash funded capital outlay.

- (3) Any required cash reserve account payment.
- (4) Operation and maintenance of the wastewater treatment works, including a separate replacement fund. The replacement fund shall be a cash account to be used for future expenditures for obtaining or installing equipment, accessories or appurtenances which are necessary to maintain the capacity and performance of the wastewater treatment works through the service of life for which such works were designed and constructed.
- (5) North Hudson sewer collection system allowance.
- D. Sewer service charges as a lien. All charges established hereunder shall be a lien upon the property served pursuant to W.S.A. § 66.076(7) and shall be collected in the manner therein provided.
- E. Sewer connection charge.
 - (1) Sewer connection charges for buildings not presently connected to the wastewater treatment works, or for buildings that have a change in use that requires a larger water meter, shall be based on equivalent residential meters based on the following schedule. For buildings with a change in use the charge would be the difference between the amount for the existing meter size and the amount for the proposed meter size. Buildings connecting directly to the City's collection system will be charged both the conveyance and treatment connection charges. Buildings connecting to the wastewater treatment works via a collection system outside of the City will be charged the treatment connection charge only.

Meter Size	Conveyance Charge	Treatment Charge	Total Charge
5/8 – inch	\$2,380	\$1,479	\$3,859
3/4 – inch	\$2,380	\$1,479	\$3,859
1 – inch	\$5,951	\$3,697	\$9,648
1 ½ - inch	\$11,902	\$7,395	\$19,297
2 – inch	\$19,043	\$11,832	\$30,875
3 – inch	\$35,705	\$22,184	\$57,889
4 – inch	\$59,509	\$36,974	\$96,483
6 – inch	\$119,018	\$73,948	\$192,966
8 – inch	\$190,429	\$118,317	\$308,746
10 – inch	\$285,644	\$177,476	\$463,120
12 – inch	\$380,858	\$236,634	\$617,492

- (2) The sewer connection charge shall automatically increase effective each January 1 by a percentage equal to the percentage increase in the 20-City Construction Cost Index published by the Engineering News Record over the most recent 12-month period, unless the City, by resolution, limits the fee increase to a lesser percentage rate.
- F. Other charges may be imposed when a customer requests special services such as a special billing or meter reading outside of the normal schedule. Rates for special

services will be the same as the rates ordered by the Public Service Commission for the water utility for Other Charges as shown on Schedule OC-1 of the Rate File.

SECTION 2. SEVERABILITY. If a court of competent jurisdiction determines any section, clause, provision or portion of this ordinance to be unconstitutional or invalid for any reason, the remainder of this ordinance shall not be affected thereby.

SECTION 3. EFFECTIVE DATE. This ordinance shall become effective upon adoption by the Common Council and publication as provided by law.

Adopted this _____ day of _____, 2021.

APPROVED:

Rich O' Connor, Mayor

ATTEST:

Becky Eggen, City Clerk

First Reading: _____

Date Adopted: _____

Date Published: _____

Sewer Rate Study

Prepared for the

City of Hudson

by Trilogy Consulting, LLC

November 2020

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INTRODUCTION

The City of Hudson owns and operates a wastewater collection system and Wastewater Treatment Facility that provides wastewater service to just over 7,600 customers within the City of Hudson and the Village of North Hudson. The City serves the Village on a retail basis and covers the costs of limited operation and maintenance of the Village's collection system, but the Village is responsible for major repairs, rehabilitation, and replacement for its collection mains and lift stations. About 16 percent of billable wastewater flows over the past five years have been from the Village of North Hudson, and approximately 84 percent were from the customers within the City of Hudson, on average. The City is required to treat at its wastewater treatment plant: organic pollutants (BOD), suspended solids (TSS), phosphorus and ammonia (NH-3). The City last increased wastewater rates in January of 2019.

IMPETUS FOR STUDY

The sewer utility is planning on significant capital investment in upgrades to the Wastewater Treatment Facility in the amount of \$12,700,000, equipment replacement, and ongoing replacement of sewer infrastructure as needed. For these reasons, the City hired Trilogy Consulting to conduct a formal Sewer User Rate Study. The study consisted of determining recommended user rates based on a detailed cost of service study for 2020, and cash flow projections, including future rate increases. A 25-year projection of user rates and cash flows was prepared to develop a plan to complete all necessary capital improvement projects and meet all debt requirements while maintaining the financial health of the Utility.

STUDY METHODOLOGY

The study is generally organized into three sections:

1. An analysis of historical conditions including historical revenues, expenses, and usage.
2. Projections for the next twenty-five years, including billed wastewater usage projections, and projections of future operating and maintenance expenses. The analysis took into consideration the City's 5-year capital improvement needs, as well as estimates of capital improvements for years 6-25 based on prior years' investments and scheduled annual debt service payments for existing utility debt. Utility capital funding in future years includes connection fees, revenues generated from annual rates, new debt issuances and utility reserves.
3. Allocation of costs and detailed rate calculations for the 'test year' or target year for the immediate rate increase(s). In this study, 2022 was used as the year when the full amount of debt service payments for the Wastewater Treatment Facility upgrades will be in place.

The user rates were calculated using a cash-based method. The cash-based method calculates rates to recover the cost of operating and maintenance expenses, administrative expenses, annual debt service and any debt coverage requirements, annual capital outlay expenses, transfers to the City collection system replacement fund and to the Village for collection system costs, and deposits into reserve funds, if necessary.

SEWER RATE STUDY

SUMMARY

The purpose of this study was to recommend rates that will collect adequate revenues for the City of Hudson Wastewater Utility to fulfill all its current and upcoming obligations. Specifically, revenues need to be adequate to recover operation and maintenance expenses, debt service, transfers to the City collection system replacement fund and to the Village for collection system costs, and annual capital improvements. These current revenues will be combined with the reserves in the wastewater fund to fund the capital improvement plan.

The results of the study indicate a significant rate increase of about 47 percent by 2022. This overall level of rate increases is recommended to fund the utility's ongoing operating expenses and \$17.3 million capital improvement program for 2020 through 2024 and to maintain an adequate level of reserve funds available to cover ongoing equipment replacements, unexpected replacement and rehabilitation needs, or unexpected fluctuations in revenues or expenses. Significant capital improvements in this plan include Wastewater Treatment Facility (WWTF) improvements estimated at \$12.7 million, the Hwy 35/2nd Street sewer replacement project estimated at \$1.69 million, a new jet truck at \$450,000, and approximately \$550,000 per year of miscellaneous replacements and rehabilitation projects at the Wastewater Treatment Plant for 2022-2024, based on past history.

Of the \$17.1 million in capital projects included in the projections, \$12.7 million would be funded through debt using the State Clean Water Fund program, \$1.0 million from the City's sewer collection system replacement fund, \$1.5 million from general utility reserves paid in by past customers and the remaining \$1.9 million through annual revenues generated through user charges, connection charges, interest income and other revenues.

Currently, the City's wastewater rates are some of the lowest in Hudson's geographic region. Following this recommendation would increase rates significantly, yet rates would remain below average in the region, not considering any increases to wastewater rates that other communities may also implement in the interim.

Following implementation of the rates for 2020 through 2022, a plan for additional inflationary cost-of-living type rate increases is recommended for consideration by the City Council. These increases should be evaluated on an annual basis and adjusted for changing conditions, such as an increase in sales or unexpected capital needs. The recommended rate increases for 2020 through 2022 would increase the utility's user charge revenues by a total of about \$1.03 million per year by 2022.

HISTORICAL AND FORECAST CUSTOMER DEMANDS

The following table shows the analysis of historical trends in total wastewater treated at the wastewater treatment plant, as well as number of customers, customer volume of wastewater and estimated loadings (BOD, TSS, phosphorus and NH-3) for domestic strength customers. The Utility does not currently serve any known high-strength sewer customers at this time but may in the future. However, it does receive a small amount of leachate from a local landfill; currently, there is no charge for accepting this waste.

City of Hudson
2020 Sewer Rate Study

Table 1 - Historical Flows and Trends

	2015	2016	2017	2018	Last 12 Months	5-Year Trend
	(Gallons)	(Gallons)	(Gallons)	(Gallons)	(Gallons)	(Gallons)
WWTP Influent						
Total Annual Inflow	554,699,400	545,828,600	538,910,700	547,665,200	559,053,000	552,394,520
Total Billable Flow	405,324,870	442,895,200	415,254,680	456,951,040	403,052,413	427,548,918
Billable Flow as % of Inflow	73.1%	81.1%	77.1%	83.4%	72.1%	77.4%
Inflow/Infiltration	149,374,530	102,933,400	123,656,020	90,714,160	156,000,587	124,845,602
I/I as % of Inflow	26.9%	18.9%	22.9%	16.6%	27.9%	22.6%
Maximum Monthly Flow per Day						
Average Day Flow	1,519,724	1,491,335	1,476,468	1,500,453	1,531,652	1,513,410
Max Day/Average Day Ratio	-	-	-	-	-	-
BOD (mg/l)	252	245	232	205	224	203
TSS (mg/l)	-	-	-	-	-	-
P (mg/l)	-	-	-	-	-	-
NH3 (mg/l)	-	-	-	-	-	-
BOD (lbs)	1,166,802	1,113,724	1,041,328	937,790	1,043,575	933,927
TSS (lbs)	-	-	-	-	-	-
P (lbs)	-	-	-	-	-	-
NH3 (lbs)	-	-	-	-	-	-
Customer Demand						
Residential Sewer Usage	259,473,810	277,850,490	256,150,740	281,259,470	236,898,257	249,803,916
Residential Customers	6,211	6,300	6,400	6,550	6,629	6,744
Usage / Customer	41,776	44,103	40,024	42,940	35,737	37,042
Multi-Family Sewer Usage	35,290,100	40,371,680	38,935,320	44,931,000	42,024,570	45,719,012
Multi-Family Customers	55	60	62	65	69	72
Usage / Customer	641,638	672,861	627,989	691,246	609,052	634,106
Commercial Sewer Usage	92,840,360	105,372,910	101,686,780	112,599,480	105,635,081	113,471,726
Commercial Customers	470	480	490	500	522	530
Usage / Customer	197,533	219,527	207,524	225,199	202,366	214,259
Industrial Sewer Usage	4,871,310	5,325,380	4,517,320	3,361,300	2,935,032	2,451,078
Industrial Customers	22	23	24	25	25	26
Usage / Customer	221,423	231,538	188,222	134,452	117,401	93,553
Public Authority Sewer Usage	12,849,290	13,974,740	13,964,520	14,799,790	15,337,209	15,925,376
Public Authority Customers	32	33	34	35	35	36
Usage / Customer	401,540	423,477	410,721	422,851	438,206	439,928
Total Domestic Strength Usage	Strength (mg/l)					
Estimated BOD (lbs.)	300	1,014,123	1,108,124	1,038,967	1,143,292	1,007,881
Estimated TSS (lbs.)	300	1,014,123	1,108,124	1,038,967	1,143,292	1,007,881
Estimated Phos. (lbs.)	8	27,043	29,550	27,706	30,488	26,877
Estimated NH-3 (lbs.)	40	135,216	147,750	138,529	152,439	134,384
Landfill Leachate	Strength (mg/l)					
Estimated BOD (lbs.)	100	-	-	-	-	222,264
Estimated TSS (lbs.)	300	-	-	-	-	177,811
Total			415,254,680	456,951,040	403,052,413	427,548,918
Estimated BOD (lbs.)			1,038,967	1,143,292	1,008,066	1,069,431
Estimated TSS (lbs.)			1,038,967	1,143,292	1,008,437	1,069,727
Estimated Phos. (lbs.)			27,706	30,488	26,877	28,514
Estimated NH-3 (lbs.)			138,529	152,439	134,384	142,571

Wastewater Treatment Plant Influent

The total volume of wastewater treated at the plant has fluctuated some over the past several years, with a dip in 2017 and an increase in 2019. However, the 'billable' flow, or wastewater generated by customers, has fluctuated more during the same time, with 2019 flows being down compared to prior years. The remaining volume is clearwater infiltration and inflow, water that seeps into the system via cracks in wastewater mains or customer service laterals, or through sewer manholes. At certain times of year, such as periods of high precipitation, infiltration and inflow (I/I) may be the majority of water volume arriving at the treatment plant. Wastewater entering the plant is sampled daily for wastestrengths, so the total pounds of BOD entering the plant per year can be estimated. Total pounds of these constituents have seen a steady decline in the last several years, before an uptick during 2019. To make sure the all customers are charged fairly, surcharge rates were calculated as a part of this study in case the Utility samples customers that should be charged for high-strength flows for any of the constituent loadings in the future.

Forecast flows for 2020 through 2022 follow trends over the previous five years, as shown in the next table. It should be noted that at the time this study was being completed, the City was in the midst of the global COVID-19 pandemic, with effects on billed water and sewer demand unknown as of yet. This was not factored into the long-term projections, as it is assumed that any impacts will be temporary, but revenues during the pandemic may be higher or lower than expected during a normal year. In addition, the assumptions used in this study should be reviewed post-pandemic to determine whether any impacts on water and sewer use were temporary or if longer-term structural changes resulted.

**City of Hudson
2020 Sewer Rate Study**

Table 2 - Projected Flows and Demand

			Current Year		Test Year	
	Last 12 Months	5-Year Trend	2020	2021	2022	
<u>WWTP Influent</u>	(Gallons)	(Gallons)	(Gallons)	(Gallons)	(Gallons)	
Total Annual Inflow	559,053,000	552,394,520	552,352,476	563,657,338	577,118,157	
Total Billable Flow	403,052,413	427,548,918	427,516,377	440,923,457	448,087,068	
Billable Flow as % of Inflow	72.1%	77.4%	77.4%	78.2%	77.6%	
Inflow/Infiltration	156,000,587	124,845,602	124,836,099	122,733,881	129,031,089	
I/I as % of Inflow	27.9%	22.6%	22.6%	21.8%	22.4%	
Maximum Monthly Flow per Day			1,815,953	1,853,120	1,897,375	
Average Day Flow	1,531,652	1,513,410	1,513,294	1,544,267	1,581,146	
Max Day/Average Day Ratio	-	-	1.20	1.20	1.20	
BOD (mg/l)	224	203	232	235	233	
TSS (mg/l)	-	-	232	235	233	
P (mg/l)	-	-	6	6	6	
NH3 (mg/l)	-	-	31	31	31	
BOD (lbs)	1,043,575	933,927	1,069,090	1,102,634	1,120,558	
TSS (lbs)		-	1,069,090	1,102,634	1,120,558	
P (lbs)		-	28,509	29,404	29,882	
NH3 (lbs)		-	142,545	147,018	149,408	
<u>Customer Demand</u>						
Residential Sewer Usage	236,898,257	249,803,916	249,811,324	256,827,148	258,105,858	
Residential Customers	6,629	6,744	6,744	6,852	6,961	
Usage / Customer	35,737	37,042	37,042	37,482	37,079	
Multi-Family Sewer Usage	42,024,570	45,719,012	45,655,601	47,795,528	50,243,885	
Multi-Family Customers	69	72	72	75	79	
Usage / Customer	609,052	634,106	634,106	637,274	635,999	
Commercial Sewer Usage	105,635,081	113,471,726	113,557,429	117,155,646	120,218,932	
Commercial Customers	522	530	530	542	554	
Usage / Customer	202,366	214,259	214,259	216,154	217,002	
Industrial Sewer Usage	2,935,032	2,451,078	2,432,367	2,659,475	2,489,373	
Industrial Customers	25	26	26	26	26	
Usage / Customer	117,401	93,553	93,553	102,288	95,745	
Public Authority Sewer Usage	15,337,209	15,925,376	15,837,391	16,263,395	16,806,757	
Public Authority Customers	35	36	36	37	38	
Usage / Customer	438,206	439,928	439,928	439,551	442,283	
Total Domestic Strength Usage	Strength (mg/l)	402,830,149	427,371,107	427,294,113	440,701,193	447,864,804
Estimated BOD (lbs.)	300	1,007,881	1,069,283	1,069,090	1,102,634	1,120,558
Estimated TSS (lbs.)	300	1,007,881	1,069,283	1,069,090	1,102,634	1,120,558
Estimated Phos. (lbs.)	8	26,877	28,514	28,509	29,404	29,882
Estimated NH-3 (lbs.)	40	134,384	142,571	142,545	147,018	149,408
Landfill Leachate	Strength (mg/l)	222,264	177,811	222,264	222,264	222,264
Estimated BOD (lbs.)	100	185	148	185	185	185
Estimated TSS (lbs.)	300	556	445	556	556	556
Total		403,052,413	427,548,918	427,516,377	440,923,457	448,087,068
Estimated BOD (lbs.)		1,008,066	1,069,431	1,069,275	1,102,820	1,120,743
Estimated TSS (lbs.)		1,008,437	1,069,727	1,069,646	1,103,190	1,121,114
Estimated Phos. (lbs.)		26,877	28,514	28,509	29,404	29,882
Estimated NH-3 (lbs.)		134,384	142,571	142,545	147,018	149,408

Customer Demand

The Wastewater Utility mostly serves domestic sewage customers (residential, multi-family, commercial, industrial and public authority, i.e. government); it does not have any high strength customers currently and the only hauled waste is a small amount of leachate from a local landfill, which is not currently charged. However, if any increase in monitoring indicates that there could be high strength customers that the Utility is unaware of, or if a new customer is known to discharge high-strength waste, then they may be charged surcharges for higher than domestic strength pollutant loadings.

Domestic Waste

The volume of domestic strength waste has fluctuated over the last three years, resulting from changes within all customer classes. The estimates of pounds of pollutant loadings for domestic strength waste are based on current domestic strength assumptions of 300 mg/l for BOD, 300 mg/l for TSS, 8 mg/l for phosphorus, and 40 mg/l for NH-3. A comparison of total pounds being treated at the plant versus estimated pounds from domestic strength sewage indicated that those assumptions are reasonable. Additional sampling at the treatment plant in the future may result in a need for those assumptions to be adjusted, but there is no need to do so at present.

Forecast Revenues at Present Rates

The table below shows the forecast revenues at present rates for the test year, based on the forecast number of customers and volume of sewer usage. The City currently charges the following user charges:

- Sewer Usage Charge of \$3.00 per hundred cubic feet of wastewater (estimated based on metered water use) for all users. This rate is comprised of \$2.88 per hundred cubic feet for collection system operation and maintenance and WWTP operation, maintenance, and capital, and a trunk line and lift station replacement charge of \$0.12 per hundred cubic feet. Revenues from the trunk line and lift station replacement charge are transferred to the Village of North Hudson and to the City's sewer collection system replacement fund based on the amount of billable flows from each municipality. For 2015 through 2019, approximately 16 percent of these revenues, or \$11,000 per year, were transferred to the Village, and 84 percent, or \$58,000 per year, to the City's replacement fund.
- Flat Charge based on the size of customer's water meter

City of Hudson
2020 Sewer Rate Study

Forecast user charge revenues of \$2,031,586 for the test year of 2022 are higher than 2018 user charge revenues of \$1,900,341 due to projected growth in the number of customers and billed usage through 2022.

Table 3 - Test Year Revenues at Present Rates

YEAR: 2022		Residential	Multi-Family	Commercial	Industrial	Public Authority	Total
Sewer Usage Charges							
Usage	CCF	345,061	67,171	160,720	3,328	22,469	598,750
Revenues	\$2.88	\$993,777	\$193,452	\$462,875	\$9,585	\$64,711	\$1,724,399
Collection System Replacement Charges							
Usage	CCF	345,061	67,171	160,720	3,328	22,469	598,750
Revenues	\$0.12	\$41,407	\$8,061	\$19,286	\$399	\$2,696	\$71,850
Fixed Charges							
Meter Size		6,961	79	554	26	38	7,658
5/8"	\$7.60	6,706	11	322	10	15	7,064
3/4"	\$7.60	248	7	37	2	-	294
1"	\$8.45	6	17	98	7	7	135
1 1/4"	\$9.50						
1 1/2"	\$10.35	1	18	66	5	7	97
2"	\$11.15	-	19	28	-	4	51
2 1/2"	\$11.70						
3"	\$12.50	-	6	3	2	5	16
4"		-	-	-	-	-	-
6"		-	1	-	-	-	1
Revenues		\$211,646	\$3,014	\$18,357	\$908	\$1,411	\$235,337
Total Metered Customers		\$1,246,830	\$204,527	\$500,519	\$10,893	\$68,818	\$2,031,586
Pinkys Landfill Leachate							
		Units	Rates	Revenues			
Holding Tank (CCF)		297.14	\$0.00	\$0			\$0
No. of Loads		70	\$0.00	\$0			\$0
Subtotal				\$0			\$0
						Total	\$2,031,586

HISTORICAL AND FORECAST OPERATION AND MAINTENANCE EXPENSE

The following table shows the actual O&M expenses for 2015 through 2018, budgeted 2019 and 2020 expenses, a 4-year trend analysis and forecast expenses for 2020 through 2022. Some categories of expenses that fluctuate substantially from year to year were normalized to reflect historical average expenses or the 4-year trend analysis. Electricity, chemicals, and biosolids costs were forecast based on the forecast wastewater influent. These adjustments were done to reflect a typical year so that the O&M expenses can be projected for future years. As shown the

projected O&M expense for 2020 used for cash flow forecasting purposes was \$1,841,589, or approximately 2.0 percent higher than actual 2018 expenses. Future years' O&M expenses are forecast to increase by 2.0 percent per year.

**City of Hudson
2020 Sewer Rate Study**

Table 4 - Historical and Forecast O&M Expenses

Account Description	2016	2017	2018	Budget 2019	4-Year Trend	Budget 2020	Current Year 2020	2021	Test Year 2022
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
WASTEWATER TREATMENT & DISPOSAL									
Salaries and Wages	217,503	230,697	231,426	216,455	223,417	211,367	211,367	215,594	219,906
FICA	15,624	16,086	16,775	16,560	17,136	16,170	16,170	15,650	15,963
Retirement	14,246	14,967	15,496	13,785	14,410	13,452	13,452	14,073	14,355
Health Insurance	72,956	82,808	93,023	90,060	100,094	76,064	76,064	81,526	83,156
Utilities - Electricity	105,858	108,978	102,390	108,000	106,266	108,000	108,000	107,991	111,675
Utilities - Gas	12,304	12,080	14,078	13,000	13,887	13,000	13,887	14,026	14,166
Contractual Services	280,892	78,662	124,313	73,900	(4,390)	79,500	139,442	140,836	142,245
Chemicals	26,120	27,406	73,794	25,000	48,837	25,000	27,261	28,097	29,056
Supplies	30,082	49,182	46,062	49,000	56,990	48,300	56,990	57,560	58,135
Biosolids Charges	300,810	340,154	335,654	335,000	352,422	335,000	390,138	406,403	417,139
Other Services & Charges	13,036								
SUBTOTAL WASTEWATER TREATMENT & DISPOSAL	1,089,431	961,020	1,053,011	940,760	929,068	925,853	1,052,771	1,081,756	1,105,796
LIFT STATIONS & PUMPING EQUIPMENT									
Salaries and Wages	28,946	23,953	26,411	22,960	21,693	26,467	26,467	26,996	27,536
GASB 68	22,289	29,144	13,357				21,597	22,029	22,469
FICA	2,133	1,710	1,916	1,760	1,652	2,025	1,946	1,985	2,024
Retirement	1,948	1,629	1,769	1,500	1,411	1,472	1,772	1,807	1,843
Health Insurance	8,585	8,206	9,262	8,620	8,959	7,281	8,973	9,153	9,336
Utilities - Electricity	18,845	19,827	18,901	19,900	19,928	19,500	20,854	21,723	22,297
Utilities - Gas	1,286	327	344	400	(71)	400	357	361	364
Contractual Services	5,940	20,314	5,150	6,500	6,105	9,500	6,105	6,166	6,228
Supplies	912	1,428	332	5,000	4,710	5,000	891	900	909
Other Services & Charges									
SUBTOTAL LIFT STATIONS & PUMPING EQUIPMENT	90,884	106,538	77,442	66,640	64,385	71,645	88,961	91,119	93,006
WASTEWATER COLLECTION SYSTEM									
Salaries and Wages	35,930	28,312	24,609	30,010	24,350	88,239	88,239	90,004	91,804
FICA	2,576	1,996	1,770	2,300	1,897	6,750	6,750	6,544	6,675
Retirement	2,375	1,925	1,649	1,970	1,607	5,780	5,780	5,996	6,116
Health Insurance	9,117	9,593	9,363	12,820	12,943	39,861	39,861	30,965	31,584
Contractual Services	35,408	19,675	118,626	50,250	91,859	54,300	55,990	56,550	57,115
Supplies	3,918	2,348	1,656	5,000	3,869	10,600	3,869	3,908	3,947
Other Services & Charges									
SUBTOTAL WASTEWATER COLLECTION SYSTEM	89,324	63,849	157,673	102,350	136,525	205,530	200,489	193,966	197,241
DAMS									
Salaries and Wages	3,496	3,615	3,870	2,580	2,767	3,032	2,767	2,822	2,879
FICA	259	262	281	200	211	232	204	209	213
Retirement	235	245	259	170	182	199	185	189	193
Health Insurance	1,363	1,428	1,635	845	981	713	1,076	1,097	1,119
Contractual Services	1,362	0	3,222	3,000	3,930	4,000	1,896	1,915	1,934
Utilities - Electricity	516	534	1,098	1,000	1,291	100	787	795	803
Supplies				100					
SUBTOTAL DAMS	7,231	6,084	10,365	7,895	9,362	8,276	6,915	7,027	7,140
GENERAL AND ADMINISTRATIVE EXPENSES									
Salaries and Wages	171,758	180,328	170,009	124,638	123,764	130,430	130,430	133,039	135,699
GASB 68		29,144					21,080	21,501	21,931
FICA	12,405	13,089	12,347	9,539	9,510	10,278	10,278	9,746	9,941
Retirement	11,482	12,258	11,374	8,162	8,108	8,735	8,735	8,902	9,080
Health Insurance	56,037	62,877	58,995	37,900	39,379	36,905	36,905	44,394	45,282
Contractual Services	18,677	30,666	27,404	31,900	36,264	30,200	27,162	27,433	27,708
Supplies	3,895	3,650	2,240	7,250	6,423	7,775	4,259	4,301	4,344
Insurance	44,072	74,227	48,530	63,560	65,789	54,688	54,688	55,235	55,787
Other Services & Charges									
SUBTOTAL GENERAL & ADMINISTRATIVE EXPENSES	318,326	406,239	330,899	282,949	289,236	279,011	293,536	304,552	309,773
METER READING									
Salaries and Wages	12,085	12,403	6,766	11,040	8,381	10,760	10,760	10,975	11,195
FICA	821	841	500	845	685	823	823	780	796
Retirement	728	771	453	725	588	705	705	695	709
Health Insurance	2,625	3,190	2,073	4,950	4,674	4,181	4,181	3,331	3,398
Contractual Services	338	698	1,016	500	839	500	839	847	856
Supplies	6,113	6,203	5,337	6,700	6,312	6,600	6,312	6,375	6,439
Meter Use Charge Paid to Water Utility	161,611	173,998	162,205	175,000	175,297	180,000	175,297	180,556	185,973
SUBTOTAL METER READING EXPENSES	184,321	198,104	178,350	199,760	196,775	203,569	198,917	203,560	209,365
TOTAL OPERATION & MAINTENANCE EXPENSES	1,779,517	1,741,834	1,807,740	1,600,354	1,625,350	1,693,884	1,841,589	1,881,980	1,922,322

HISTORICAL AND FORECAST CAPITAL IMPROVEMENTS

Between 2015 and 2019, the Utility invested almost \$2.0 million, or an average of just under \$400,000 per year, in capital improvements and equipment replacement. Most of this amount was for WWTP improvements and communications, vehicles, and other general equipment.

The Utility's forecast capital improvements for 2020 through 2024 includes \$17.1 million of capital improvements and equipment. Of this amount, \$1.69 million is for the Hwy 35/2nd Street trunk sewer replacement project. The rest is for improvements and upgrades to the WWTP, as well as vehicles and other general equipment.

Of this amount, \$12.7 million for major upgrades to the WWTP in 2020 and 2021 is planned to be borrowed through the Wisconsin Clean Water Fund program. The Hwy 35/2nd Street trunk sewer replacement will be funded in part with funds from the City's sewer collection system replacement fund and in part with utility reserves. Other capital expenditures will be funded in part with current revenues and in part with reserves. In total, the Utility plans to issue \$12.7 million in debt, use \$1.5 million of sewer utility reserves and \$1.0 million of sewer collection system replacement reserves, and fund the remaining \$1.9 million with current revenues.

With the borrowing for the WWTP upgrades, annual debt service is projected to increase from no debt service currently to just over \$784,000 per year by 2022.

Table 5 - Forecast Capital Improvements

Account Description	Current Year	Test Year			
	2020	2021	2022	2023	2024
Land and land rights	\$0				
Structures and improvements	\$0				
Service connections, traps and access	\$0				
Collecting mains	\$0				
Interceptor mains	\$0	\$1,690,000			
Force mains	\$0				
Other collecting system equip	\$0				
Land and land rights	\$0				
Pumping structures and improvements	\$0				
Receiving wells	\$0				
Electric pumping equipment	\$0				
Other power pumping equip	\$0				
Misc. pumping equipment	\$0				
Land and land rights	\$0				
Treatment plant structures and improvements	\$6,195,600		\$530,450	\$546,364	\$562,754
Preliminary treatment equip	\$1,395,200				
Primary treatment equip	\$0				
Secondary treatment equip	\$881,200				
Advanced treatment equip	\$1,851,600				
Chlorination equipment	\$0				
Sludge treatment and disposal equip	\$1,214,000				
Plant site piping	\$419,500				
Flow metering equipment	\$0				
Outfall sewer pipes	\$0				
Other treatment and disposal plant equip	\$296,000				
Structures and improvements	\$819,800				
Office furniture and equipment	\$0				
Computers	\$68,300				
Transportation equipment	\$0		\$450,000		
Communication equipment	\$153,800				
Other general equipment	\$0				
Laboratory equipment	\$0				
Total Cost	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754

CASH FLOW FORECASTS

To estimate the overall level of immediate and future rate increases, a 25-year cash flow forecast was prepared. Multiple cash flow forecasts were prepared for various scenarios of the level and timing of immediate and future rate increases. Each forecast was evaluated with the same criteria:

- Generating positive cash flow;
- Providing sufficient debt coverage for future debt;

- Maintaining the utility’s reserves above recommended levels – Recommended reserve levels include operating reserves to manage cash flow or fluctuations in revenues or expenses, any restricted debt reserves, and capital reserves for unplanned capital costs. Wastewater utilities that have a loan through the state’s Clean Water Fund Program are also required to maintain an equipment replacement fund to pay for replacement of mechanical and other equipment;
- Avoiding or mitigating the need for issuance of new debt for routine wastewater main and equipment replacement; and
- Percentage of debt financing versus equity.

As of December 31, 2018, the wastewater utility had total reserve funds totaling \$6,321,807. About \$1.95 million of this total was held in a restricted account for equipment replacement, meaning it cannot be used for any other use than the designated use, such as operating losses or ongoing capital improvements. The remaining \$4.37 million was unrestricted, meaning it can be used for any purpose, including capital improvements, operating expenses, or debt service payments. Additionally, the City maintains a Sewer Collection System Replacement Fund within its general funds, which had a balance of \$1,076,512. This fund is to be used for replacement of sewer main throughout the City.

The cash flow analysis developed a recommended minimum amount of reserves the Utility should keep on hand, for those purposes and as a rate stabilizer. This amount was determined to be \$3.7 million to \$3.8 million for the next several years, comfortably below the Utility’s actual reserve levels as of the end of 2018.

All the alternative cash flow scenarios were based on the following common assumptions:

- Inflation of approximately two percent per year in operation and maintenance expenses;
- Continuation of a similar level of other operating revenues and non-operating revenues as contained in the 2020 budget;
- Any debt issuance for the treatment plant would be for 20 years at the current interest rate of 1.65% through the Clean Water Fund loan program; any future debt issuances would be for 20 years at 3.50% interest with level annual payments;
- Recommended reserve levels include the following:
 - Operating reserve equal to 3 months of annual operating expenses;
 - Debt service reserve equal to current year’s debt service payments;
 - Equipment replacement fund equal to the estimated year-end 2019 level of \$2,044,440 – this fund currently has a larger balance than necessary, but may need to be adjusted based on final costs of the Wastewater Treatment Facility upgrades;

- Depreciation/Capital reserve equal to \$500,000 for emergency replacement of critical infrastructure.

The following charts show the five cash flow alternatives that were prepared: one with zero increase to rates (do-nothing alternative), one showing all of the increase occurring at the beginning of 2021, and three alternatives for phasing the increase in over two increases, one at the beginning of 2021 and a second increase at the beginning of 2022. All the rate increase scenarios also include future rate increases of 2.0 percent every other year. The three options that were explored for phasing the rate increase were as follows:

- An increase in user charge revenues of approximately 38.0 percent in 2021 and 11.0 percent in 2022. The rate increase of 38.0 percent would provide revenues sufficient to pay debt service on the Clean Water Fund (CWF) loan for the WWTF project plus the required 10 percent debt coverage. The second rate increase is recommended to allow the Utility to cash fund capital improvements other than the WWTF project without significant negative cash flow.
- An increase of 11.0 percent in 2021 and another increase of 38.0 percent in 2022. Since the Utility will not have to make full principal and interest payments on the CWF loan until 2022, the full rate increase needed to provide debt coverage could be delayed until 2022. The smaller increase in 2021, could however, result in the need for larger or more frequent rate increases in future years.
- A third option was to implement the rate increase in equal steps in 2021 and 2022. To achieve the overall target of a 46.5 percent rate increase by 2022, two increases of approximately 23.7 percent could be implemented.

Figure 1 - Projected Cash Flow with Zero Increase

City of Hudson
2020 Sewer Rate Study

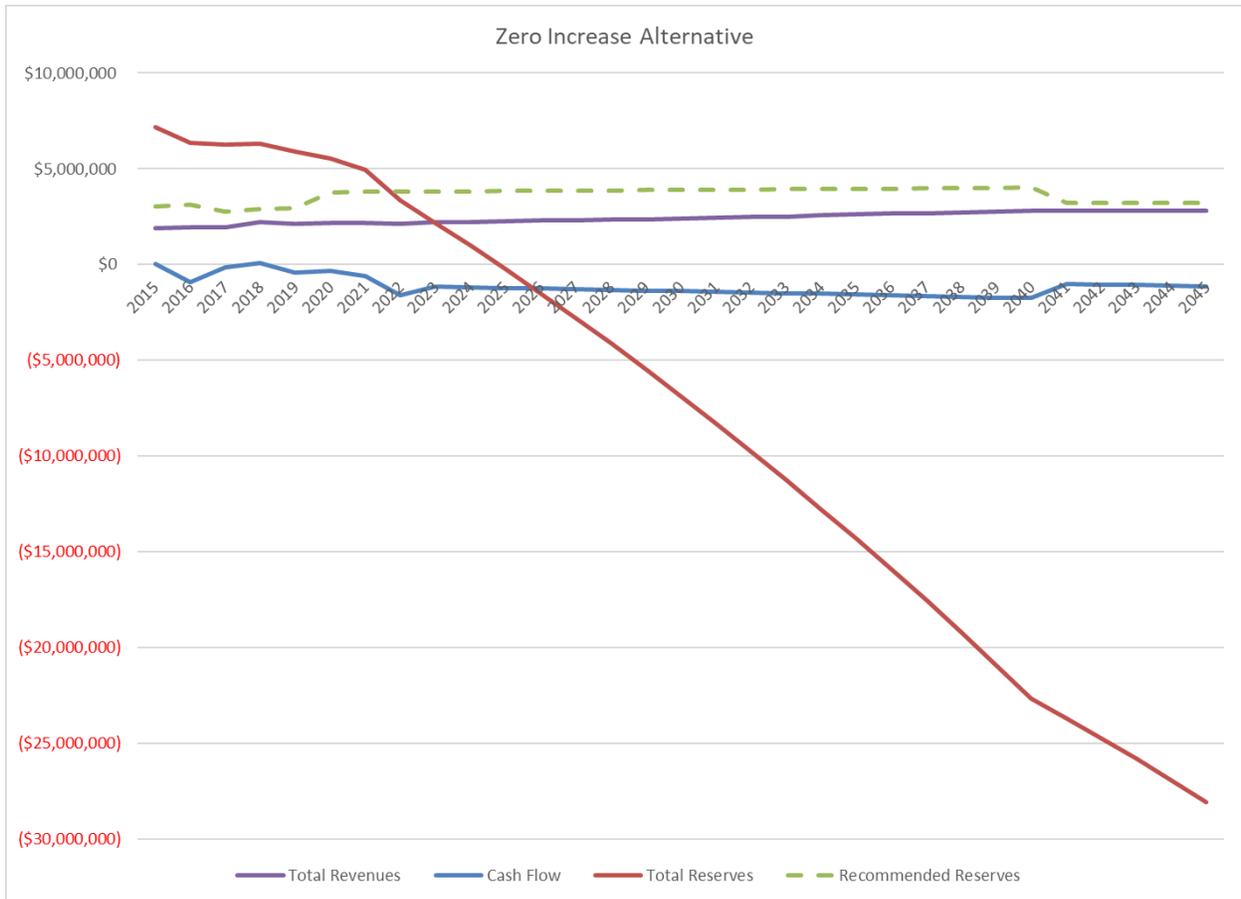


Figure 2 - Projected Cash Flow with 2021 Increase

**City of Hudson
2020 Sewer Rate Study**

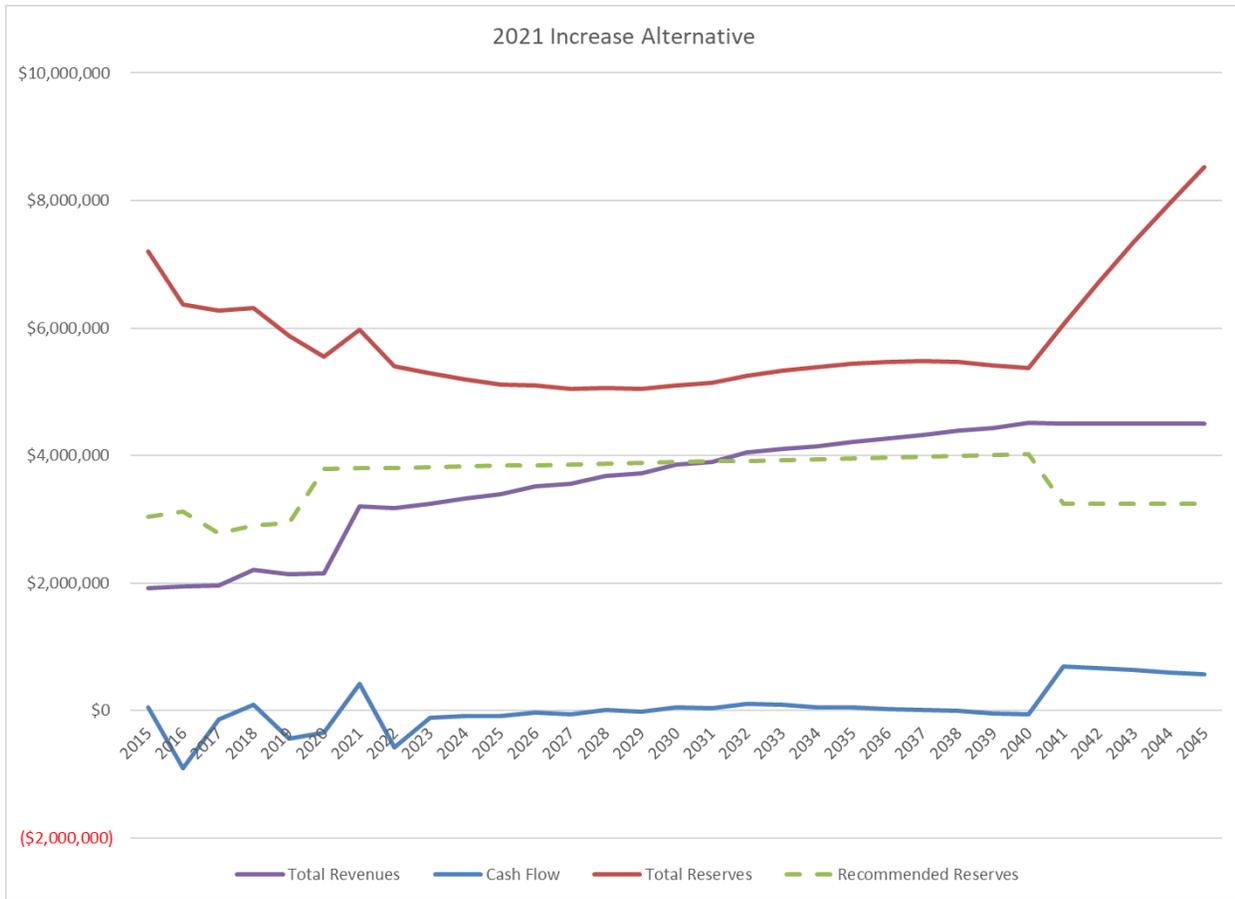


Figure 3 - Projected Cash Flow with Phased-In Increase: 38 Percent in 2021, 11 Percent in 2022

City of Hudson
2020 Sewer Rate Study



Figure 4 - Projected Cash Flow with Phased-In Increase: 11 Percent in 2021, 38 Percent in 2022

City of Hudson
2020 Sewer Rate Study

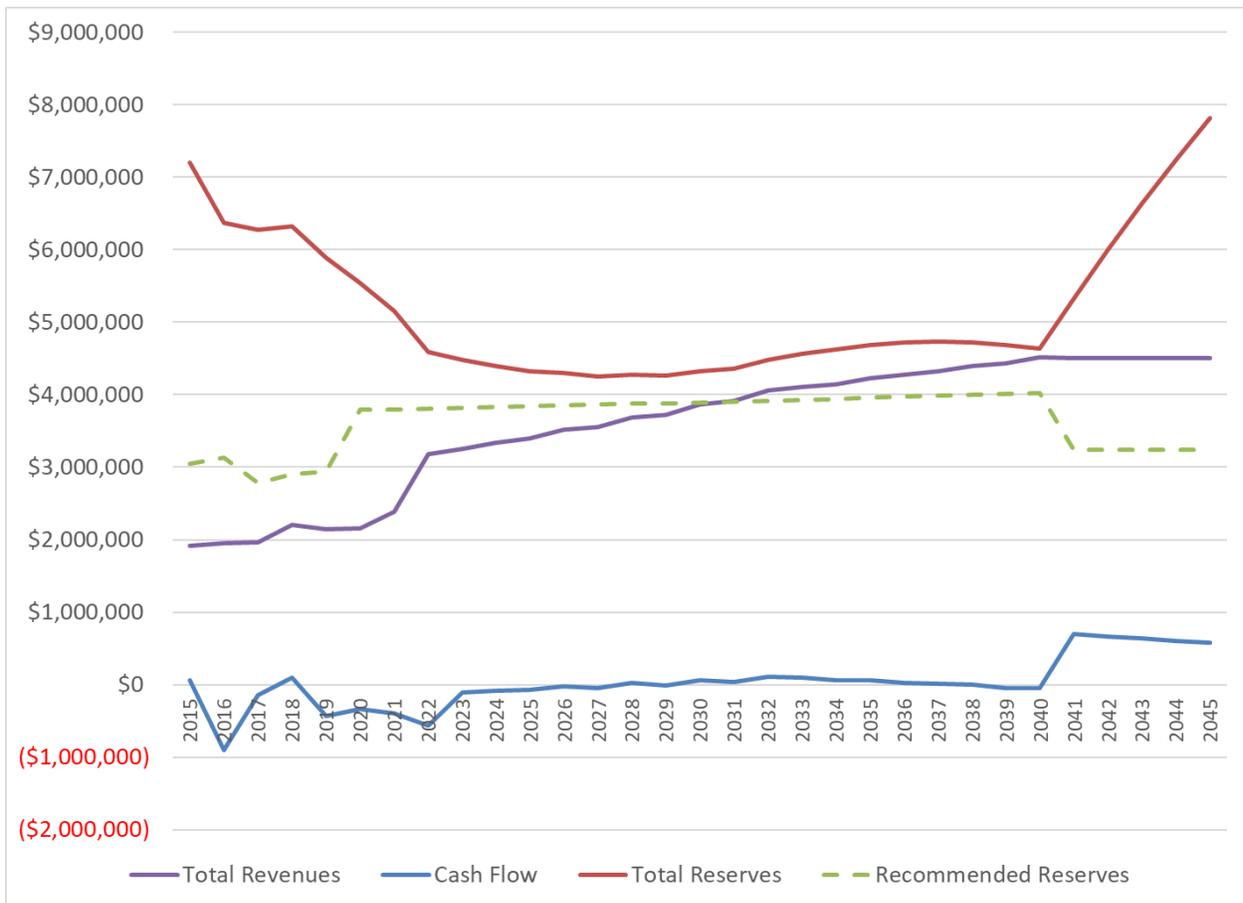
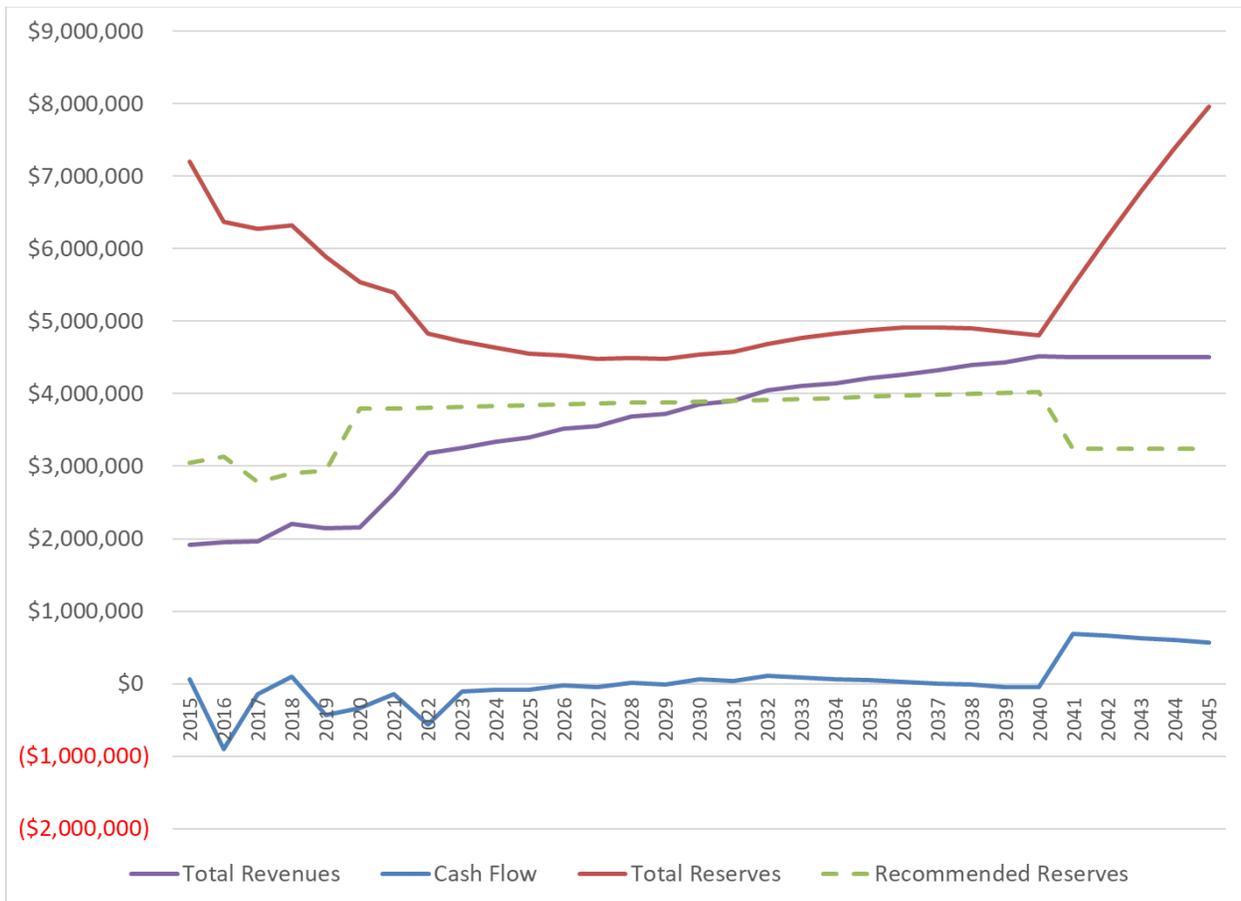


Figure 5 - Projected Cash Flow with Phased-In Rate Increase: 23.7 Percent in 2021, 23.7 Percent in 2022

City of Hudson
2020 Sewer Rate Study



Key findings and recommendations regarding the utility’s financial condition are as follows:

- The utility has had fluctuating cash flow for several years but had negative cash flow in 2019, with most of the capital additions being funded through reserves.
- Utility reserve levels are above the minimum recommended amount. However, without an increase, reserves are expected to drop below the recommended minimum in 2021 and be completely depleted by 2024 or 2025, due to the debt service on the treatment plant upgrades.
- The utility is currently free of debt.
- The utility has utility-financed capital improvements totaling \$17.1 million, or an average of \$3.4 million per year, planned for the period 2020-2024, with 12.7 million of that for the 2020/2021 upgrades at the treatment plant.
- An increase in user charge revenues of approximately 46.5 percent is recommended to generate sufficient revenues to fund the expected level of expenses, the capital improvement program, and projected debt service while maintaining the cash reserves

at the recommended level. A rate increase of 38.0 percent is required to provide revenues sufficient to pay debt service on the Clean Water Fund loan for the WWTF project plus the required 10 percent debt coverage. The remainder of the increase is recommended to allow the Utility to cash fund routine capital improvements to the WWTF and additions and replacements to vehicles, communication equipment and other general equipment without significant negative cash flow.

- Additional future rate increases may be warranted, depending on actual sales and expenses. The projected cash flows include 2.0 percent increases every other year, in 2024, 2026 and 2028. With the rate increases and the use of reserves, it is expected that the utility will not need to issue debt for any other planned capital projects anticipated during the next five years and may not need to issue debt for a longer period of time.
- Under the recommended plan, approximately \$1.5 million of the Utility's cash reserves would be used to fund a portion of the capital improvement program, with an additional \$1.0 million from the City Sewer Collection System Replacement fund used for the Hwy 35 / 2nd Street reconstruction.
- In total, with the recommended plan, the Utility's cash reserves are projected to decrease from \$5.9 million to \$4.4 million in the Wastewater Utility fund, and from \$1.15 million to \$453,000 in the Sewer Collection System Fund between 2019 and 2024.

The following tables show the forecast cash flows with the three options for phasing in the recommended rate increase. It should be noted that these future projections of cash flow are for planning purposes only. The City and the Utility should continue to assess the financial, physical, and operational conditions of the utility on an annual basis to respond to changing conditions and make decisions regarding which capital improvement projects to undertake, how those projects should be financed and the appropriate rate increase that may be needed to meet future revenue requirements.

Table 6 - Forecast Cash Flows: 38 Percent Increase in 2021, 11 Percent Increase in 2022

City of Hudson
2020 Sewer Rate Study

	Current Year		Test Year									
	2019	2020	2020	2021	2022	2023	2024	2025	2026	2027	2028	
Projected Demand Change				3.1%	1.6%	1.6%	1.4%	1.7%	1.6%	1.5%	1.7%	
Customer Growth		6.1%	128	124	126	127	123	127	125	125	127	
Projected Average Expense Change		15.1%	2.2%	2.1%	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	2.1%	
Projected Rate Increase		0.0%	38.0%	11.0%	0.0%	0.0%	2.0%	0.0%	2.0%	0.0%	2.0%	
Revenues												
Subtotal User Charge Revenues	\$1,944,250	\$1,944,250	\$2,683,065	\$2,978,202	\$3,025,398	\$3,130,037	\$3,184,300	\$3,298,628	\$3,349,688	\$3,475,389		
Less: Charges for City/Village Collection Systems ⁽¹⁾	(\$71,000)	(\$68,580)	(\$70,731)	(\$71,880)	(\$73,019)	(\$74,064)	(\$75,348)	(\$76,522)	(\$77,707)	(\$79,042)		
Subtotal Other Operating Revenues	\$42,560	\$61,245	\$63,212	\$41,823	\$46,309	\$51,030	\$52,724	\$51,020	\$48,581	\$49,933		
Subtotal Non-Operating Revenues	\$226,800	\$222,746	\$231,768	\$238,025	\$256,213	\$227,653	\$241,121	\$246,402	\$236,043	\$242,362		
Total Cash In	\$2,142,610	\$2,159,661	\$2,907,314	\$3,186,171	\$3,254,902	\$3,334,656	\$3,402,797	\$3,519,527	\$3,556,605	\$3,688,643		
Expenses												
Subtotal O&M	\$1,600,354	\$1,841,589	\$1,881,980	\$1,922,322	\$1,962,088	\$2,004,233	\$2,045,203	\$2,087,767	\$2,131,553	\$2,177,285		
Debt Service	\$0	\$0	\$136,429	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117		
Capital Outlay	\$916,750	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385		
Less: New Borrowing		\$12,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Transfer to General Fund per Intermunicipal Contract	\$62,000	\$63,788	\$65,331	\$66,091	\$67,666	\$69,065	\$70,255	\$71,528	\$72,961	\$74,211		
Less: Transfer from Sewer Collection Replacement Fund ⁽²⁾		\$1,000,000										
Total Cash Out	\$2,579,104	\$2,500,377	\$2,773,741	\$3,752,979	\$3,360,234	\$3,420,169	\$3,479,211	\$3,540,438	\$3,603,567	\$3,668,997		
Net Cash Flow	(\$436,494)	(\$340,716)	\$133,574	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645		
Sewer Utility Reserves												
Beginning Balance	\$6,321,807	\$5,885,313	\$5,544,597	\$5,678,171	\$5,111,362	\$5,006,030	\$4,920,517	\$4,844,103	\$4,823,192	\$4,776,230		
Net Cash Flow	(\$436,494)	(\$340,716)	\$133,574	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645		
Ending Balance	\$5,885,313	\$5,544,597	\$5,678,171	\$5,111,362	\$5,006,030	\$4,920,517	\$4,844,103	\$4,823,192	\$4,776,230	\$4,795,876		
Unrestricted Reserves	\$3,840,873	\$2,716,040	\$2,849,614	\$2,282,805	\$2,177,473	\$2,091,960	\$2,015,546	\$1,994,635	\$1,947,674	\$1,967,319		
Restricted Reserves	\$2,044,440	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557		
Total Reserves	\$5,885,313	\$5,544,597	\$5,678,171	\$5,111,362	\$5,006,030	\$4,920,517	\$4,844,103	\$4,823,192	\$4,776,230	\$4,795,876		
Recommended Reserves												
Unrestricted Reserves	\$400,089	\$460,397	\$470,495	\$480,581	\$490,522	\$501,058	\$511,301	\$521,942	\$532,888	\$544,321		
Operating Reserve	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000		
Capital Reserve	\$0	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117		
Restricted Reserves	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440		
Debt Service	\$2,944,529	\$3,788,954	\$3,799,052	\$3,809,137	\$3,819,079	\$3,829,615	\$3,839,857	\$3,850,498	\$3,861,445	\$3,872,878		
DNR Grant Replacement Account												
Total	\$1,076,512	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095		
Sewer Collection System Replacement Fund												
Beginning Balance	\$59,640	\$57,608	\$59,414	\$60,379	\$61,336	\$62,213	\$63,292	\$64,279	\$65,274	\$66,395		
Transfer from Sewer Utility		\$0	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Expenditures ⁽²⁾		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Ending Balance	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095	\$712,491		

Notes:
(1) Funds transferred to the City and Village for collection system costs.
(2) Funds to be used for the Hwy 35 / 2nd Street trunk sewer replacement project in 2021.



Table 7 - Forecast Cash Flows: 11 Percent Increase in 2021, 38 Percent Increase in 2022

City of Hudson
2020 Sewer Rate Study

	Current Year					Test Year				
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Projected Demand Change		6.1%	3.1%	1.6%	1.6%	1.4%	1.7%	1.6%	1.5%	1.7%
Customer Growth		128	124	126	127	123	127	125	125	127
Projected Average Expense Change		15.1%	2.2%	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	2.1%
Projected Rate Increase		0.0%	11.0%	38.0%	0.0%	2.0%	0.0%	2.0%	0.0%	2.0%
Revenues										
Subtotal User Charge Revenues	\$1,944,250	\$1,944,250	\$2,158,118	\$2,978,202	\$3,025,398	\$3,130,037	\$3,184,300	\$3,298,628	\$3,349,688	\$3,475,389
Less: Charges for City/Village Collection Systems ⁽¹⁾	(\$71,000)	(\$68,580)	(\$70,731)	(\$71,880)	(\$73,019)	(\$74,064)	(\$75,348)	(\$76,522)	(\$77,707)	(\$79,042)
Subtotal Other Operating Revenues	\$42,560	\$61,245	\$63,212	\$41,823	\$46,309	\$51,030	\$52,724	\$51,020	\$48,581	\$49,933
Subtotal Non-Operating Revenues	\$226,800	\$222,746	\$231,768	\$238,025	\$256,213	\$227,653	\$241,121	\$246,402	\$236,043	\$242,362
Total Cash In	\$2,147,610	\$2,159,661	\$2,382,367	\$3,186,171	\$3,254,902	\$3,334,656	\$3,402,797	\$3,519,527	\$3,556,605	\$3,688,643
Expenses										
Subtotal O&M	\$1,600,354	\$1,841,589	\$1,881,980	\$1,922,322	\$1,962,088	\$2,004,233	\$2,045,203	\$2,087,767	\$2,131,553	\$2,177,285
Debt Service	\$0	\$0	\$136,429	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117
Capital Outlay	\$916,750	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385
Less: New Borrowing	\$12,700,000	\$12,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to General Fund per Intermunicipal Contract	\$62,000	\$63,788	\$65,331	\$66,091	\$67,666	\$69,065	\$70,255	\$71,528	\$72,961	\$74,211
Less: Transfer from Sewer Collection Replacement Fund ⁽²⁾			\$1,000,000							
Total Cash Out	\$2,579,104	\$2,500,377	\$2,773,741	\$3,752,979	\$3,360,234	\$3,420,169	\$3,479,211	\$3,540,438	\$3,603,567	\$3,668,997
Net Cash Flow	(\$436,494)	(\$340,716)	(\$391,374)	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645
Sewer Utility Reserves										
Beginning Balance	\$6,321,807	\$5,885,313	\$5,544,597	\$5,153,223	\$4,586,414	\$4,481,082	\$4,395,569	\$4,319,155	\$4,298,244	\$4,251,283
Net Cash Flow	(\$436,494)	(\$340,716)	(\$391,374)	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645
Ending Balance	\$5,885,313	\$5,544,597	\$5,153,223	\$4,586,414	\$4,481,082	\$4,395,569	\$4,319,155	\$4,298,244	\$4,251,283	\$4,270,928
Unrestricted Reserves	\$3,840,873	\$2,716,040	\$2,324,667	\$1,757,858	\$1,652,526	\$1,567,013	\$1,490,599	\$1,469,688	\$1,422,726	\$1,442,372
Restricted Reserves	\$2,044,440	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557
Total Reserves	\$5,885,313	\$5,544,597	\$5,153,223	\$4,586,414	\$4,481,082	\$4,395,569	\$4,319,155	\$4,298,244	\$4,251,283	\$4,270,928
Recommended Reserves										
Unrestricted Reserves	\$400,089	\$460,397	\$470,495	\$480,581	\$490,522	\$501,058	\$511,301	\$521,942	\$532,888	\$544,321
Operating Reserve	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Capital Reserve										
Restricted Reserves	\$0	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117
DNR Grant Replacement Account	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440
Total	\$2,944,529	\$3,788,954	\$3,799,052	\$3,809,137	\$3,819,079	\$3,829,615	\$3,839,857	\$3,850,498	\$3,861,445	\$3,872,878
Sewer Collection System Replacement Fund										
Beginning Balance	\$1,076,512	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095
Transfer from Sewer Utility	\$59,640	\$57,608	\$59,414	\$60,379	\$61,336	\$62,213	\$63,292	\$64,279	\$65,274	\$66,395
Expenditures ⁽²⁾	\$0	\$0	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095	\$712,491

Notes:

(1) Funds transferred to the City and Village for collection system costs.

(2) Funds to be used for the Hwy 35 / 2nd Street trunk sewer replacement project in 2021.

Table 8 - Forecast Cash Flows: 23.7 Percent Increase in 2021, 23.7 Percent Increase in 2022

City of Hudson
2020 Sewer Rate Study

	Current Year		Test Year									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		
Projected Demand Change		6.1%	3.1%	1.6%	1.6%	1.4%	1.7%	1.6%	1.5%	1.7%		
Customer Growth		128	124	126	127	123	127	125	125	127		
Projected Average Expense Change		15.1%	2.2%	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	2.1%		
Projected Rate Increase		0.0%	23.7%	23.7%	0.0%	2.0%	0.0%	2.0%	0.0%	2.0%		
Revenues												
Subtotal User Charge Revenues	\$1,944,250	\$1,944,250	\$2,405,037	\$2,975,031	\$3,022,177	\$3,126,705	\$3,180,909	\$3,295,115	\$3,346,122	\$3,471,689		
Less: Charges for City/Village Collection Systems ⁽¹⁾	(\$71,000)	(\$68,580)	(\$70,731)	(\$71,880)	(\$73,019)	(\$74,064)	(\$75,348)	(\$76,522)	(\$77,707)	(\$79,042)		
Subtotal Other Operating Revenues	\$42,560	\$61,245	\$63,212	\$41,823	\$46,309	\$51,030	\$52,724	\$51,020	\$48,581	\$49,933		
Subtotal Non-Operating Revenues	\$226,800	\$222,746	\$233,768	\$238,025	\$256,213	\$227,653	\$241,121	\$246,402	\$236,043	\$242,362		
Total Cash In	\$2,142,610	\$2,159,661	\$2,629,287	\$3,183,000	\$3,251,680	\$3,331,324	\$3,399,407	\$3,516,015	\$3,553,039	\$3,684,942		
Expenses												
Subtotal O&M	\$1,600,354	\$1,841,589	\$1,881,980	\$1,922,322	\$1,962,088	\$2,004,233	\$2,045,203	\$2,087,767	\$2,131,553	\$2,177,285		
Debt Service	\$0	\$0	\$136,429	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117		
Capital Outlay	\$916,750	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385		
Less: New Borrowing	\$12,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Transfer to General Fund per Intermunicipal Contract	\$62,000	\$63,788	\$65,331	\$66,091	\$67,666	\$69,065	\$70,255	\$71,528	\$72,961	\$74,211		
Less: Transfer from Sewer Collection Replacement Fund ⁽²⁾		\$1,000,000										
Total Cash Out	\$2,579,104	\$2,500,377	\$2,773,741	\$3,752,979	\$3,360,234	\$3,420,169	\$3,479,211	\$3,540,438	\$3,603,567	\$3,668,997		
Net Cash Flow	(\$436,494)	(\$340,716)	(\$144,454)	(\$569,980)	(\$108,553)	(\$88,846)	(\$79,805)	(\$24,423)	(\$50,528)	(\$15,945)		
Sewer Utility Reserves												
Beginning Balance	\$6,321,807	\$5,885,313	\$5,544,597	\$5,400,143	\$4,830,163	\$4,721,610	\$4,632,764	\$4,552,959	\$4,528,536	\$4,478,008		
Net Cash Flow	(\$436,494)	(\$340,716)	(\$144,454)	(\$569,980)	(\$108,553)	(\$88,846)	(\$79,805)	(\$24,423)	(\$50,528)	(\$15,945)		
Ending Balance	\$5,885,313	\$5,544,597	\$5,400,143	\$4,830,163	\$4,721,610	\$4,632,764	\$4,552,959	\$4,528,536	\$4,478,008	\$4,493,953		
Unrestricted Reserves	\$3,840,873	\$2,716,040	\$2,571,586	\$2,001,606	\$1,893,053	\$1,804,207	\$1,724,403	\$1,699,980	\$1,649,451	\$1,665,396		
Restricted Reserves	\$2,044,440	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557		
Total Reserves	\$5,885,313	\$5,544,597	\$5,400,143	\$4,830,163	\$4,721,610	\$4,632,764	\$4,552,959	\$4,528,536	\$4,478,008	\$4,493,953		
Recommended Reserves												
Unrestricted Reserves	\$400,089	\$460,397	\$470,495	\$480,581	\$490,522	\$501,058	\$511,301	\$521,942	\$532,888	\$544,321		
Operating Reserve	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000		
Capital Reserve	\$0	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117		
Restricted Reserves	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440		
DNR Grant Replacement Account	\$2,944,529	\$3,788,954	\$3,799,052	\$3,809,137	\$3,819,079	\$3,829,615	\$3,839,857	\$3,850,498	\$3,861,445	\$3,872,878		
Total	\$1,076,512	\$1,152,300	\$1,209,907	\$1,269,321	\$1,329,701	\$1,391,037	\$1,453,251	\$1,516,543	\$1,580,822	\$1,646,095		
Sewer Collection System Replacement Fund	\$59,640	\$57,608	\$59,414	\$60,379	\$61,336	\$62,213	\$63,292	\$64,279	\$65,274	\$66,395		
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Transfer from Sewer Utility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Expenditures ⁽²⁾	\$1,152,300	\$1,209,907	\$1,269,321	\$1,329,701	\$1,391,037	\$1,453,251	\$1,516,543	\$1,580,822	\$1,646,095	\$1,712,491		
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		

Notes:
 (1) Funds transferred to the Village and the City for collection system costs.
 (2) Funds to be used for the Hwy 35 / 2nd Street trunk sewer replacement project in 2021.

REVENUE REQUIREMENTS AND COST-OF-SERVICE ANALYSIS

The tables attached to this report as an appendix show the detailed revenue requirements and the cost of service analysis based on projected 2022 revenue requirements. The cost of service analysis allocates the utility's revenue requirements first to utility functions and then to each customer class. Rates were calculated to recover the costs for 2022, and then stepped-in rates for 2021 were developed to phase in the rate increase. Finally, the estimated revenues at the proposed rates for 2020 through 2022 were calculated. Utility revenue requirements include operation and maintenance expense, debt service, and capital improvements.

Costs were first allocated to the functions served by the utility. Each of the utility's costs was split between costs to provide collector sewer conveyance, wastewater treatment for average daily volume, costs to provide peak (maximum day) treatment capacity, costs to treat pollutant loadings (BOD, TSS, phosphorus and NH-3), and customer costs that are relatively fixed per customer or meter.

Costs were then allocated to each customer class (residential, multi-family, commercial, industrial, public authority) based on the demand characteristics of each customer class. A portion of the conveyance system, average day and peak day flow costs were allocated to infiltration and inflow (I/I) based on forecast percentage of I/I on an average and peak day basis. Costs allocated to I/I are proposed to be recovered through the flat charge, as the amount of I/I in the system is related more closely to the number of customers, size of sewer laterals and feet of sewer main rather than the volume of wastewater generated by each customer.

PROPOSED RATE SCHEDULE

The targeted overall increase in user charge revenues by 2022 is approximately 46.5 percent. The following tables show the specific schedule of rates for 2021 and 2022 under each of the three options for phasing in the rate increase. Rate increases for specific types of charges vary from the overall rate increase.

**City of Hudson
2020 Sewer Rate Study**

Table 9 - Proposed Phased-In Rate Schedule – Increase of 38 Percent in 2021 and 11 Percent in 2022

Flat Charge

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$11.53	52%	\$12.80	11%
3/4	\$7.60	\$7.60	0%	\$11.53	52%	\$12.80	11%
1	\$8.45	\$8.45	0%	\$21.71	157%	\$24.10	11%
1 1/4	\$9.50	\$9.50	0%	\$30.72	223%	\$34.10	11%
1 1/2	\$10.35	\$10.35	0%	\$39.73	284%	\$44.10	11%
2	\$11.15	\$11.15	0%	\$62.16	458%	\$69.00	11%
2 1/2	\$11.70	\$11.70	0%	\$87.84	651%	\$97.50	11%
3	\$12.50	\$12.50	0%	\$107.66	761%	\$119.50	11%
4	\$0.00	\$0.00	NA	\$170.54	NA	\$189.30	11%
6	\$0.00	\$0.00	NA	\$319.91	NA	\$355.10	11%
8	\$0.00	\$0.00	NA	\$498.11	NA	\$552.90	11%
10	\$0.00	\$0.00	NA	\$734.05	NA	\$814.80	11%
12	\$0.00	\$0.00	NA	\$969.91	NA	\$1,076.60	11%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.83	28%	\$4.25	11%
Landfill Leachate	\$/CCF	\$0.00	\$2.00	NA	\$2.77	38%	\$3.07	11%
	\$/1,000 gals	\$0.00	\$2.68	NA	\$3.70	38%	\$4.11	11%
	per load	\$0.00	\$0.44	NA	\$0.61	38%	\$0.68	11%
Surcharge Rates								
BOD	\$/pound	\$0.00	\$0.50	NA	\$0.68	38%	\$0.76	11%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.65	38%	\$0.72	11%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$5.77	38%	\$6.41	11%
TKN	\$/pound	\$0.00	\$0.80	NA	\$1.10	38%	\$1.22	11%

**City of Hudson
2020 Sewer Rate Study**

Table 10 - Proposed Phased-In Rate Schedule – Increase of 11 Percent in 2021 and 38 Percent in 2022

Flat Charge

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$9.28	22%	\$12.80	38%
3/4	\$7.60	\$7.60	0%	\$9.28	22%	\$12.80	38%
1	\$8.45	\$8.45	0%	\$17.46	107%	\$24.10	38%
1 1/4	\$9.50	\$9.50	0%	\$24.71	160%	\$34.10	38%
1 1/2	\$10.35	\$10.35	0%	\$31.96	209%	\$44.10	38%
2	\$11.15	\$11.15	0%	\$50.00	348%	\$69.00	38%
2 1/2	\$11.70	\$11.70	0%	\$70.65	504%	\$97.50	38%
3	\$12.50	\$12.50	0%	\$86.59	593%	\$119.50	38%
4	\$0.00	\$0.00	NA	\$137.10	NA	\$189.20	38%
6	\$0.00	\$0.00	NA	\$257.25	NA	\$355.00	38%
8	\$0.00	\$0.00	NA	\$400.65	NA	\$552.90	38%
10	\$0.00	\$0.00	NA	\$590.36	NA	\$814.70	38%
12	\$0.00	\$0.00	NA	\$780.14	NA	\$1,076.60	38%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.08	3%	\$4.25	38%
Landfill Leachate	\$/CCF	\$0.00	\$2.01	NA	\$2.23	11%	\$3.08	38%
	\$/1,000 gals	\$0.00	\$2.68	NA	\$2.98	11%	\$4.11	38%
	per load	\$0.00	\$0.44	NA	\$0.49	11%	\$0.68	38%
Surcharge Rates								
BOD	\$/pound	\$0.00	\$0.50	NA	\$0.55	11%	\$0.76	38%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.52	11%	\$0.72	38%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$4.64	11%	\$6.40	38%
TKN	\$/pound	\$0.00	\$0.79	NA	\$0.88	11%	\$1.21	38%

Table 11 - Proposed Phased-In Rate Schedule – Increase of 23.7 Percent in 2021 and 23.7 Percent in 2022**Flat Charge**

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$10.35	36%	\$12.80	24%
3/4	\$7.60	\$7.60	0%	\$10.35	36%	\$12.80	24%
1	\$8.45	\$8.45	0%	\$19.48	131%	\$24.10	24%
1 1/4	\$9.50	\$9.50	0%	\$27.57	190%	\$34.10	24%
1 1/2	\$10.35	\$10.35	0%	\$35.65	244%	\$44.10	24%
2	\$11.15	\$11.15	0%	\$55.78	400%	\$69.00	24%
2 1/2	\$11.70	\$11.70	0%	\$78.74	573%	\$97.40	24%
3	\$12.50	\$12.50	0%	\$96.60	673%	\$119.50	24%
4	\$0.00	\$0.00	NA	\$152.95	NA	\$189.20	24%
6	\$0.00	\$0.00	NA	\$286.98	NA	\$355.00	24%
8	\$0.00	\$0.00	NA	\$446.89	NA	\$552.80	24%
10	\$0.00	\$0.00	NA	\$658.61	NA	\$814.70	24%
12	\$0.00	\$0.00	NA	\$870.25	NA	\$1,076.50	24%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.44	15%	\$4.25	24%
Landfill Leachate	\$/CCF	\$0.00	\$2.01	NA	\$2.48	24%	\$3.07	24%
	\$/1,000 gals	\$0.00	\$2.69	NA	\$3.32	24%	\$4.11	24%
	per load	\$0.00	\$0.44	NA	\$0.55	24%	\$0.68	24%
Surcharge Rates								
BOD	\$/pound	\$0.00	\$0.50	NA	\$0.61	24%	\$0.76	24%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.58	24%	\$0.72	24%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$5.17	24%	\$6.39	24%
TKN	\$/pound	\$0.00	\$0.79	NA	\$0.98	24%	\$1.21	24%

COMMUNITY RATE COMPARISON

To provide context for the proposed rates for Hudson, a comparison with the sewer user rates charged by other communities in the region was prepared. The two communities in Minnesota included in the comparison were chosen because they have their own wastewater treatment plant and are comparable to Hudson. The basis of the charges, and the estimated total annual bill for a residential customer for each community are shown in the following table. As shown, for a customer using 4,850 cubic feet or 36,278 gallons of water per year, the estimated annual sewer bill under current Hudson rates would be \$175.90 per year. Under the proposed rates for 2022, this would increase to \$257.33, or a total increase of \$20.36 per quarter. Even with the

City of Hudson
2020 Sewer Rate Study

increase, the average bill would remain significantly below the average or median bill for the other regional communities.

Table 12 - Regional Comparison of Average Residential Bills

Community	Fixed Charge	Bills per Year	Volume Rate	Annual Usage	Units	Annual Bill
Roberts	\$81.50	4	\$17.74	36,278	gallons	\$969.57
Hammond	\$14.75	12	\$13.39	36,278	gallons	\$662.76
Star Prairie	\$50.00	12	\$0.00	36,278	gallons	\$600.00
Wyoming, MN	\$30.06	4	\$12.80	36,278	gallons	\$584.60
Osceola	\$35.00	4	\$9.00	4,850	ft ³	\$576.50
Somerset	\$8.92	12	\$11.14	36,278	gallons	\$511.18
Ashland	\$15.92	12	\$6.21	4,850	ft ³	\$492.23
River Falls	\$16.50	12	\$7.04	36,278	gallons	\$453.40
Lindstrom, MN	\$32.00	4	\$8.86	36,278	gallons	\$449.26
Amery	\$42.27	4	\$5.33	36,278	gallons	\$362.44
New Richmond	\$8.50	12	\$6.68	36,278	gallons	\$344.34
Baldwin	\$27.30	4	\$5.28	36,278	gallons	\$300.75
Hudson (proposed 2022)	\$12.80	4	\$4.25	4,850	ft³	\$257.33
Chippewa Falls	\$17.01	4	\$2.85	4,850	ft ³	\$206.27
Menomonie	\$18.00	4	\$2.70	4,850	ft ³	\$202.95
Glenwood City	\$29.00	4	\$2.32	36,278	gallons	\$200.16
Hudson (current)	\$7.60	4	\$3.00	4,850	ft³	\$175.90
Rice Lake	\$4.40	12	\$3.08	36,278	gallons	\$164.54
Average w/o Hudson						\$442.56
Median w/o Hudson						\$451.33

A similar comparison was prepared for an average non-residential customer in Hudson using 28,700 cubic feet, or 214,676 gallons per year, with a 3/4" meter. Under current rates, this customer would receive an annual bill of \$894.80. Under the proposed increase for 2022, the annual bill would increase to \$1,316.15, or an increase of \$105.34 per quarter. Again, this would keep the average non-residential bill well below the median for the region.

City of Hudson
2020 Sewer Rate Study

Table 13 - Regional Comparison of Average Non-Residential Bills

Community	Fixed Charge	Bills per Year	Volume Rate	Annual Usage	Units	Annual Bill
Roberts	\$81.50	4	\$17.74	214,676	gallons	\$4,134.35
Hammond	\$14.75	12	\$13.39	214,676	gallons	\$3,051.51
Wyoming, MN	\$30.06	4	\$12.80	214,676	gallons	\$2,868.09
Osceola	\$35.00	4	\$9.00	28,700	ft ³	\$2,723.00
Somerset	\$22.71	12	\$11.14	214,676	gallons	\$2,664.01
Ashland	\$36.00	12	\$6.21	28,700	ft ³	\$2,214.27
Lindstrom, MN	\$32.00	4	\$9.28	214,676	gallons	\$2,119.30
River Falls	\$22.50	12	\$7.04	214,676	gallons	\$1,781.32
New Richmond	\$12.90	4	\$6.68	214,676	gallons	\$1,485.64
Amery	\$55.79	4	\$5.33	214,676	gallons	\$1,367.38
Hudson (proposed 2022)	\$24.10	4	\$4.25	28,700	ft³	\$1,316.15
Baldwin	\$36.07	4	\$5.28	214,676	gallons	\$1,277.77
Hudson (current)	\$8.45	4	\$3.00	28,700	ft³	\$894.80
Chippewa Falls	\$17.01	4	\$2.85	28,700	ft ³	\$885.99
Menomonie	\$18.00	4	\$2.70	28,700	ft ³	\$846.90
Rice Lake	\$4.40	12	\$3.08	214,676	gallons	\$714.00
Glenwood City	\$29.00	4	\$2.32	214,676	gallons	\$614.05
Star Prairie	\$50.00	12	\$0.00	214,676	gallons	\$600.00
Average w/o Hudson						\$1,834.22
Median w/o Hudson						\$1,633.48

RECOMMENDATIONS

It is recommended that the City phase in the rate increase according to one of the schedules shown in Tables 8-10 and continue to monitor the financial health of the utility for the necessity of additional future rate increases as presented in the cash flow forecasts. This will allow the Wastewater Utility to generate the revenue needed to provide adequate funding for the utility's operation and maintenance expenses and capital improvement program while maintaining the utility's reserve funds at the recommended levels.

**APPENDIX A – SEWER UTILITY COST OF SERVICE STUDY AND PROPOSED RATE
DESIGN**

Sewer Rate Study

Prepared for the

City of Hudson

by Trilogy Consulting, LLC

January 2021

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INTRODUCTION

The City of Hudson owns and operates a wastewater collection system and Wastewater Treatment Facility that provides wastewater service to just over 7,600 customers within the City of Hudson and the Village of North Hudson. The City serves the Village on a retail basis and covers the costs of limited operation and maintenance of the Village's collection system, but the Village is responsible for major repairs, rehabilitation, and replacement for its collection mains and lift stations. About 16 percent of billable wastewater flows over the past five years have been from the Village of North Hudson, and approximately 84 percent were from the customers within the City of Hudson, on average. The City is required to treat at its wastewater treatment plant: organic pollutants (BOD), suspended solids (TSS), phosphorus and ammonia (NH-3). The City last increased wastewater rates in January of 2019.

IMPETUS FOR STUDY

The sewer utility is planning on significant capital investment in upgrades to the Wastewater Treatment Facility in the amount of \$12,700,000, equipment replacement, and ongoing replacement of sewer infrastructure as needed. For these reasons, the City hired Trilogy Consulting to conduct a formal Sewer User Rate Study. The study consisted of determining recommended user rates based on a detailed cost of service study for 2020, and cash flow projections, including future rate increases. A 25-year projection of user rates and cash flows was prepared to develop a plan to complete all necessary capital improvement projects and meet all debt requirements while maintaining the financial health of the Utility.

STUDY METHODOLOGY

The study is generally organized into three sections:

1. An analysis of historical conditions including historical revenues, expenses, and usage.
2. Projections for the next twenty-five years, including billed wastewater usage projections, and projections of future operating and maintenance expenses. The analysis took into consideration the City's 5-year capital improvement needs, as well as estimates of capital improvements for years 6-25 based on prior years' investments and scheduled annual debt service payments for existing utility debt. Utility capital funding in future years includes connection fees, revenues generated from annual rates, new debt issuances and utility reserves.
3. Allocation of costs and detailed rate calculations for the 'test year' or target year for the immediate rate increase(s). In this study, 2022 was used as the year when the full amount of debt service payments for the Wastewater Treatment Facility upgrades will be in place.

The user rates were calculated using a cash-based method. The cash-based method calculates rates to recover the cost of operating and maintenance expenses, administrative expenses, annual debt service and any debt coverage requirements, annual capital outlay expenses, transfers to the City collection system replacement fund and to the Village for collection system costs, and deposits into reserve funds, if necessary.

SEWER RATE STUDY

SUMMARY

The purpose of this study was to recommend rates that will collect adequate revenues for the City of Hudson Wastewater Utility to fulfill all its current and upcoming obligations. Specifically, revenues need to be adequate to recover operation and maintenance expenses, debt service, transfers to the City collection system replacement fund and to the Village for collection system costs, and annual capital improvements. These current revenues will be combined with the reserves in the wastewater fund to fund the capital improvement plan.

The results of the study indicate a significant rate increase of about 47 percent by 2022. This overall level of rate increases is recommended to fund the utility's ongoing operating expenses and \$17.3 million capital improvement program for 2020 through 2024 and to maintain an adequate level of reserve funds available to cover ongoing equipment replacements, unexpected replacement and rehabilitation needs, or unexpected fluctuations in revenues or expenses. Significant capital improvements in this plan include Wastewater Treatment Facility (WWTF) improvements estimated at \$12.7 million, the Hwy 35/2nd Street sewer replacement project estimated at \$1.69 million, a new jet truck at \$450,000, and approximately \$550,000 per year of miscellaneous replacements and rehabilitation projects at the Wastewater Treatment Plant for 2022-2024, based on past history.

Of the \$17.1 million in capital projects included in the projections, \$12.7 million would be funded through debt using the State Clean Water Fund program, \$1.0 million from the City's sewer collection system replacement fund, \$1.5 million from general utility reserves paid in by past customers and the remaining \$1.9 million through annual revenues generated through user charges, connection charges, interest income and other revenues.

Currently, the City's wastewater rates are some of the lowest in Hudson's geographic region. Following this recommendation would increase rates significantly, yet rates would remain below average in the region, not considering any increases to wastewater rates that other communities may also implement in the interim.

Following implementation of the rates for 2020 through 2022, a plan for additional inflationary cost-of-living type rate increases is recommended for consideration by the City Council. These increases should be evaluated on an annual basis and adjusted for changing conditions, such as an increase in sales or unexpected capital needs. The recommended rate increases for 2020 through 2022 would increase the utility's user charge revenues by a total of about \$1.03 million per year by 2022.

HISTORICAL AND FORECAST CUSTOMER DEMANDS

The following table shows the analysis of historical trends in total wastewater treated at the wastewater treatment plant, as well as number of customers, customer volume of wastewater and estimated loadings (BOD, TSS, phosphorus and NH-3) for domestic strength customers. The Utility does not currently serve any known high-strength sewer customers at this time but may in the future. However, it does receive a small amount of leachate from a local landfill; currently, there is no charge for accepting this waste.

City of Hudson
2021 Sewer Rate Study

Table 1 - Historical Flows and Trends

	2015	2016	2017	2018	Last 12 Months	5-Year Trend	
	(Gallons)	(Gallons)	(Gallons)	(Gallons)	(Gallons)	(Gallons)	
WWTP Influent							
Total Annual Inflow	554,699,400	545,828,600	538,910,700	547,665,200	559,053,000	552,394,520	
Total Billable Flow	405,324,870	442,895,200	415,254,680	456,951,040	403,052,413	427,548,918	
Billable Flow as % of Inflow	73.1%	81.1%	77.1%	83.4%	72.1%	77.4%	
Inflow/Infiltration	149,374,530	102,933,400	123,656,020	90,714,160	156,000,587	124,845,602	
I/I as % of Inflow	26.9%	18.9%	22.9%	16.6%	27.9%	22.6%	
Maximum Monthly Flow per Day							
Average Day Flow	1,519,724	1,491,335	1,476,468	1,500,453	1,531,652	1,513,410	
Max Day/Average Day Ratio	-	-	-	-	-	-	
BOD (mg/l)	252	245	232	205	224	203	
TSS (mg/l)	-	-	-	-	-	-	
P (mg/l)	-	-	-	-	-	-	
NH3 (mg/l)	-	-	-	-	-	-	
BOD (lbs)	1,166,802	1,113,724	1,041,328	937,790	1,043,575	933,927	
TSS (lbs)	-	-	-	-	-	-	
P (lbs)	-	-	-	-	-	-	
NH3 (lbs)	-	-	-	-	-	-	
Customer Demand							
Residential Sewer Usage	259,473,810	277,850,490	256,150,740	281,259,470	236,898,257	249,803,916	
Residential Customers	6,211	6,300	6,400	6,550	6,629	6,744	
Usage / Customer	41,776	44,103	40,024	42,940	35,737	37,042	
Multi-Family Sewer Usage	35,290,100	40,371,680	38,935,320	44,931,000	42,024,570	45,719,012	
Multi-Family Customers	55	60	62	65	69	72	
Usage / Customer	641,638	672,861	627,989	691,246	609,052	634,106	
Commercial Sewer Usage	92,840,360	105,372,910	101,686,780	112,599,480	105,635,081	113,471,726	
Commercial Customers	470	480	490	500	522	530	
Usage / Customer	197,533	219,527	207,524	225,199	202,366	214,259	
Industrial Sewer Usage	4,871,310	5,325,380	4,517,320	3,361,300	2,935,032	2,451,078	
Industrial Customers	22	23	24	25	25	26	
Usage / Customer	221,423	231,538	188,222	134,452	117,401	93,553	
Public Authority Sewer Usage	12,849,290	13,974,740	13,964,520	14,799,790	15,337,209	15,925,376	
Public Authority Customers	32	33	34	35	35	36	
Usage / Customer	401,540	423,477	410,721	422,851	438,206	439,928	
Total Domestic Strength Usage	Strength (mg/l)	405,324,870	442,895,200	415,254,680	456,951,040	402,830,149	427,371,107
Estimated BOD (lbs.)	300	1,014,123	1,108,124	1,038,967	1,143,292	1,007,881	1,069,283
Estimated TSS (lbs.)	300	1,014,123	1,108,124	1,038,967	1,143,292	1,007,881	1,069,283
Estimated Phos. (lbs.)	8	27,043	29,550	27,706	30,488	26,877	28,514
Estimated NH-3 (lbs.)	40	135,216	147,750	138,529	152,439	134,384	142,571
Landfill Leachate	Strength (mg/l)	-	-	-	-	222,264	177,811
Estimated BOD (lbs.)	100	-	-	-	-	185	148
Estimated TSS (lbs.)	300	-	-	-	-	556	445
Total			415,254,680	456,951,040	403,052,413	427,548,918	
Estimated BOD (lbs.)			1,038,967	1,143,292	1,008,066	1,069,431	
Estimated TSS (lbs.)			1,038,967	1,143,292	1,008,437	1,069,727	
Estimated Phos. (lbs.)			27,706	30,488	26,877	28,514	
Estimated NH-3 (lbs.)			138,529	152,439	134,384	142,571	

Wastewater Treatment Plant Influent

The total volume of wastewater treated at the plant has fluctuated some over the past several years, with a dip in 2017 and an increase in 2019. However, the 'billable' flow, or wastewater generated by customers, has fluctuated more during the same time, with 2019 flows being down compared to prior years. The remaining volume is clearwater infiltration and inflow, water that seeps into the system via cracks in wastewater mains or customer service laterals, or through sewer manholes. At certain times of year, such as periods of high precipitation, infiltration and inflow (I/I) may be the majority of water volume arriving at the treatment plant. Wastewater entering the plant is sampled daily for wastestrengths, so the total pounds of BOD entering the plant per year can be estimated. Total pounds of these constituents have seen a steady decline in the last several years, before an uptick during 2019. To make sure the all customers are charged fairly, surcharge rates were calculated as a part of this study in case the Utility samples customers that should be charged for high-strength flows for any of the constituent loadings in the future.

Forecast flows for 2020 through 2022 follow trends over the previous five years, as shown in the next table. It should be noted that at the time this study was being completed, the City was in the midst of the global COVID-19 pandemic, with effects on billed water and sewer demand unknown as of yet. This was not factored into the long-term projections, as it is assumed that any impacts will be temporary, but revenues during the pandemic may be higher or lower than expected during a normal year. In addition, the assumptions used in this study should be reviewed post-pandemic to determine whether any impacts on water and sewer use were temporary or if longer-term structural changes resulted.

**City of Hudson
2021 Sewer Rate Study**

Table 2 - Projected Flows and Demand

			Current Year		Test Year	
	Last 12 Months	5-Year Trend	2020	2021	2022	
<u>WWTP Influent</u>	(Gallons)	(Gallons)	(Gallons)	(Gallons)	(Gallons)	
Total Annual Inflow	559,053,000	552,394,520	552,352,476	563,657,338	577,118,157	
Total Billable Flow	403,052,413	427,548,918	427,516,377	440,923,457	448,087,068	
Billable Flow as % of Inflow	72.1%	77.4%	77.4%	78.2%	77.6%	
Inflow/Infiltration	156,000,587	124,845,602	124,836,099	122,733,881	129,031,089	
I/I as % of Inflow	27.9%	22.6%	22.6%	21.8%	22.4%	
Maximum Monthly Flow per Day			1,815,953	1,853,120	1,897,375	
Average Day Flow	1,531,652	1,513,410	1,513,294	1,544,267	1,581,146	
Max Day/Average Day Ratio	-	-	1.20	1.20	1.20	
BOD (mg/l)	224	203	232	235	233	
TSS (mg/l)	-	-	232	235	233	
P (mg/l)	-	-	6	6	6	
NH3 (mg/l)	-	-	31	31	31	
BOD (lbs)	1,043,575	933,927	1,069,090	1,102,634	1,120,558	
TSS (lbs)		-	1,069,090	1,102,634	1,120,558	
P (lbs)		-	28,509	29,404	29,882	
NH3 (lbs)		-	142,545	147,018	149,408	
<u>Customer Demand</u>						
Residential Sewer Usage	236,898,257	249,803,916	249,811,324	256,827,148	258,105,858	
Residential Customers	6,629	6,744	6,744	6,852	6,961	
Usage / Customer	35,737	37,042	37,042	37,482	37,079	
Multi-Family Sewer Usage	42,024,570	45,719,012	45,655,601	47,795,528	50,243,885	
Multi-Family Customers	69	72	72	75	79	
Usage / Customer	609,052	634,106	634,106	637,274	635,999	
Commercial Sewer Usage	105,635,081	113,471,726	113,557,429	117,155,646	120,218,932	
Commercial Customers	522	530	530	542	554	
Usage / Customer	202,366	214,259	214,259	216,154	217,002	
Industrial Sewer Usage	2,935,032	2,451,078	2,432,367	2,659,475	2,489,373	
Industrial Customers	25	26	26	26	26	
Usage / Customer	117,401	93,553	93,553	102,288	95,745	
Public Authority Sewer Usage	15,337,209	15,925,376	15,837,391	16,263,395	16,806,757	
Public Authority Customers	35	36	36	37	38	
Usage / Customer	438,206	439,928	439,928	439,551	442,283	
Total Domestic Strength Usage	Strength (mg/l)	402,830,149	427,371,107	427,294,113	440,701,193	447,864,804
Estimated BOD (lbs.)	300	1,007,881	1,069,283	1,069,090	1,102,634	1,120,558
Estimated TSS (lbs.)	300	1,007,881	1,069,283	1,069,090	1,102,634	1,120,558
Estimated Phos. (lbs.)	8	26,877	28,514	28,509	29,404	29,882
Estimated NH-3 (lbs.)	40	134,384	142,571	142,545	147,018	149,408
Landfill Leachate	Strength (mg/l)	222,264	177,811	222,264	222,264	222,264
Estimated BOD (lbs.)	100	185	148	185	185	185
Estimated TSS (lbs.)	300	556	445	556	556	556
Total		403,052,413	427,548,918	427,516,377	440,923,457	448,087,068
Estimated BOD (lbs.)		1,008,066	1,069,431	1,069,275	1,102,820	1,120,743
Estimated TSS (lbs.)		1,008,437	1,069,727	1,069,646	1,103,190	1,121,114
Estimated Phos. (lbs.)		26,877	28,514	28,509	29,404	29,882
Estimated NH-3 (lbs.)		134,384	142,571	142,545	147,018	149,408

Customer Demand

The Wastewater Utility mostly serves domestic sewage customers (residential, multi-family, commercial, industrial and public authority, i.e. government); it does not have any high strength customers currently and the only hauled waste is a small amount of leachate from a local landfill, which is not currently charged. However, if any increase in monitoring indicates that there could be high strength customers that the Utility is unaware of, or if a new customer is known to discharge high-strength waste, then they may be charged surcharges for higher than domestic strength pollutant loadings.

Domestic Waste

The volume of domestic strength waste has fluctuated over the last three years, resulting from changes within all customer classes. The estimates of pounds of pollutant loadings for domestic strength waste are based on current domestic strength assumptions of 300 mg/l for BOD, 300 mg/l for TSS, 8 mg/l for phosphorus, and 40 mg/l for NH-3. A comparison of total pounds being treated at the plant versus estimated pounds from domestic strength sewage indicated that those assumptions are reasonable. Additional sampling at the treatment plant in the future may result in a need for those assumptions to be adjusted, but there is no need to do so at present.

Forecast Revenues at Present Rates

The table below shows the forecast revenues at present rates for the test year, based on the forecast number of customers and volume of sewer usage. The City currently charges the following user charges:

- Sewer Usage Charge of \$3.00 per hundred cubic feet of wastewater (estimated based on metered water use) for all users. This rate is comprised of \$2.88 per hundred cubic feet for collection system operation and maintenance and WWTP operation, maintenance, and capital, and a trunk line and lift station replacement charge of \$0.12 per hundred cubic feet. Revenues from the trunk line and lift station replacement charge are transferred to the Village of North Hudson and to the City's sewer collection system replacement fund based on the amount of billable flows from each municipality. For 2015 through 2019, approximately 16 percent of these revenues, or \$11,000 per year, were transferred to the Village, and 84 percent, or \$58,000 per year, to the City's replacement fund.
- Flat Charge based on the size of customer's water meter

City of Hudson
2021 Sewer Rate Study

Forecast user charge revenues of \$2,031,586 for the test year of 2022 are higher than 2018 user charge revenues of \$1,900,341 due to projected growth in the number of customers and billed usage through 2022.

Table 3 - Test Year Revenues at Present Rates

YEAR: 2022		Residential	Multi-Family	Commercial	Industrial	Public Authority	Total
Sewer Usage Charges							
Usage	CCF	345,061	67,171	160,720	3,328	22,469	598,750
Revenues	\$2.88	\$993,777	\$193,452	\$462,875	\$9,585	\$64,711	\$1,724,399
Collection System Replacement Charges							
Usage	CCF	345,061	67,171	160,720	3,328	22,469	598,750
Revenues	\$0.12	\$41,407	\$8,061	\$19,286	\$399	\$2,696	\$71,850
Fixed Charges							
Meter Size		6,961	79	554	26	38	7,658
5/8"	\$7.60	6,706	11	322	10	15	7,064
3/4"	\$7.60	248	7	37	2	-	294
1"	\$8.45	6	17	98	7	7	135
1 1/4"	\$9.50						
1 1/2"	\$10.35	1	18	66	5	7	97
2"	\$11.15	-	19	28	-	4	51
2 1/2"	\$11.70						
3"	\$12.50	-	6	3	2	5	16
4"		-	-	-	-	-	-
6"		-	1	-	-	-	1
Revenues		\$211,646	\$3,014	\$18,357	\$908	\$1,411	\$235,337
Total Metered Customers		\$1,246,830	\$204,527	\$500,519	\$10,893	\$68,818	\$2,031,586
Pinkys Landfill Leachate							
		Units	Rates	Revenues			
Holding Tank (CCF)		297.14	\$0.00	\$0			\$0
No. of Loads		70	\$0.00	\$0			\$0
Subtotal				\$0			\$0
						Total	\$2,031,586

HISTORICAL AND FORECAST OPERATION AND MAINTENANCE EXPENSE

The following table shows the actual O&M expenses for 2015 through 2018, budgeted 2019 and 2020 expenses, a 4-year trend analysis and forecast expenses for 2020 through 2022. Some categories of expenses that fluctuate substantially from year to year were normalized to reflect historical average expenses or the 4-year trend analysis. Electricity, chemicals, and biosolids costs were forecast based on the forecast wastewater influent. These adjustments were done to reflect a typical year so that the O&M expenses can be projected for future years. As shown the

projected O&M expense for 2020 used for cash flow forecasting purposes was \$1,841,589, or approximately 2.0 percent higher than actual 2018 expenses. Future years' O&M expenses are forecast to increase by 2.0 percent per year.

City of Hudson
2021 Sewer Rate Study

Table 4 - Historical and Forecast O&M Expenses

Account Description	2016	2017	2018	Budget 2019	4-Year Trend	Budget 2020	Current Year 2020	Test Year 2021	Test Year 2022
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
WASTEWATER TREATMENT & DISPOSAL									
Salaries and Wages	217,503	230,697	231,426	216,455	223,417	211,367	211,367	215,594	219,906
FICA	15,624	16,086	16,775	16,560	17,136	16,170	16,170	15,650	15,963
Retirement	14,246	14,967	15,496	13,785	14,410	13,452	13,452	14,073	14,355
Health Insurance	72,956	82,808	93,023	90,060	100,094	76,064	76,064	81,526	83,156
Utilities - Electricity	105,858	108,978	102,390	108,000	106,266	108,000	108,000	107,991	111,675
Utilities - Gas	12,304	12,080	14,078	13,000	13,887	13,000	13,887	14,026	14,166
Contractual Services	280,892	78,662	124,313	73,900	(4,390)	79,500	139,442	140,836	142,245
Chemicals	26,120	27,406	73,794	25,000	48,837	25,000	27,261	28,097	29,056
Supplies	30,082	49,182	46,062	49,000	56,990	48,300	56,990	57,560	58,135
Biosolids Charges	300,810	340,154	335,654	335,000	352,422	335,000	390,138	406,403	417,139
Other Services & Charges	13,036								
SUBTOTAL WASTEWATER TREATMENT & DISPOSAL	1,089,431	961,020	1,053,011	940,760	929,068	925,853	1,052,771	1,081,756	1,105,796
LIFT STATIONS & PUMPING EQUIPMENT									
Salaries and Wages	28,946	23,953	26,411	22,960	21,693	26,467	26,467	26,996	27,536
GASB 68	22,289	29,144	13,357				21,597	22,029	22,469
FICA	2,133	1,710	1,916	1,760	1,652	2,025	1,946	1,985	2,024
Retirement	1,948	1,629	1,769	1,500	1,411	1,472	1,772	1,807	1,843
Health Insurance	8,585	8,206	9,262	8,620	8,959	7,281	8,973	9,153	9,336
Utilities - Electricity	18,845	19,827	18,901	19,900	19,928	19,500	20,854	21,723	22,297
Utilities - Gas	1,286	327	344	400	(71)	400	357	361	364
Contractual Services	5,940	20,314	5,150	6,500	6,105	9,500	6,105	6,166	6,228
Supplies	912	1,428	332	5,000	4,710	5,000	891	900	909
Other Services & Charges									
SUBTOTAL LIFT STATIONS & PUMPING EQUIPMENT	90,884	106,538	77,442	66,640	64,385	71,645	88,961	91,119	93,006
WASTEWATER COLLECTION SYSTEM									
Salaries and Wages	35,930	28,312	24,609	30,010	24,350	88,239	88,239	90,004	91,804
FICA	2,576	1,996	1,770	2,300	1,897	6,750	6,750	6,544	6,675
Retirement	2,375	1,925	1,649	1,970	1,607	5,780	5,780	5,996	6,116
Health Insurance	9,117	9,593	9,363	12,820	12,943	39,861	39,861	30,965	31,584
Contractual Services	35,408	19,675	118,626	50,250	91,859	54,300	55,990	56,550	57,115
Supplies	3,918	2,348	1,656	5,000	3,869	10,600	3,869	3,908	3,947
Other Services & Charges									
SUBTOTAL WASTEWATER COLLECTION SYSTEM	89,324	63,849	157,673	102,350	136,525	205,530	200,489	193,966	197,241
DAMS									
Salaries and Wages	3,496	3,615	3,870	2,580	2,767	3,032	2,767	2,822	2,879
FICA	259	262	281	200	211	232	204	209	213
Retirement	235	245	259	170	182	199	185	189	193
Health Insurance	1,363	1,428	1,635	845	981	713	1,076	1,097	1,119
Contractual Services	1,362	0	3,222	3,000	3,930	4,000	1,896	1,915	1,934
Utilities - Electricity	516	534	1,098	1,000	1,291	100	787	795	803
Supplies				100					
SUBTOTAL DAMS	7,231	6,084	10,365	7,895	9,362	8,276	6,915	7,027	7,140
GENERAL AND ADMINISTRATIVE EXPENSES									
Salaries and Wages	171,758	180,328	170,009	124,638	123,764	130,430	130,430	133,039	135,699
GASB 68		29,144					21,080	21,501	21,931
FICA	12,405	13,089	12,347	9,539	9,510	10,278	10,278	9,746	9,941
Retirement	11,482	12,258	11,374	8,162	8,108	8,735	8,735	8,902	9,080
Health Insurance	56,037	62,877	58,995	37,900	39,379	36,905	36,905	44,394	45,282
Contractual Services	18,677	30,666	27,404	31,900	36,264	30,200	27,162	27,433	27,708
Supplies	3,895	3,650	2,240	7,250	6,423	7,775	4,259	4,301	4,344
Insurance	44,072	74,227	48,530	63,560	65,789	54,688	54,688	55,235	55,787
Other Services & Charges									
SUBTOTAL GENERAL & ADMINISTRATIVE EXPENSES	318,326	406,239	330,899	282,949	289,236	279,011	293,536	304,552	309,773
METER READING									
Salaries and Wages	12,085	12,403	6,766	11,040	8,381	10,760	10,760	10,975	11,195
FICA	821	841	500	845	685	823	823	780	796
Retirement	728	771	453	725	588	705	705	695	709
Health Insurance	2,625	3,190	2,073	4,950	4,674	4,181	4,181	3,331	3,398
Contractual Services	338	698	1,016	500	839	500	839	847	856
Supplies	6,113	6,203	5,337	6,700	6,312	6,600	6,312	6,375	6,439
Meter Use Charge Paid to Water Utility	161,611	173,998	162,205	175,000	175,297	180,000	175,297	180,556	185,973
SUBTOTAL METER READING EXPENSES	184,321	198,104	178,350	199,760	196,775	203,569	198,917	203,560	209,365
TOTAL OPERATION & MAINTENANCE EXPENSES	1,779,517	1,741,834	1,807,740	1,600,354	1,625,350	1,693,884	1,841,589	1,881,980	1,922,322

HISTORICAL AND FORECAST CAPITAL IMPROVEMENTS

Between 2015 and 2019, the Utility invested almost \$2.0 million, or an average of just under \$400,000 per year, in capital improvements and equipment replacement. Most of this amount was for WWTP improvements and communications, vehicles, and other general equipment.

The Utility's forecast capital improvements for 2020 through 2024 includes \$17.1 million of capital improvements and equipment. Of this amount, \$1.69 million is for the Hwy 35/2nd Street trunk sewer replacement project. The rest is for improvements and upgrades to the WWTP, as well as vehicles and other general equipment.

Of this amount, \$12.7 million for major upgrades to the WWTP in 2020 and 2021 is planned to be borrowed through the Wisconsin Clean Water Fund program. The Hwy 35/2nd Street trunk sewer replacement will be funded in part with funds from the City's sewer collection system replacement fund and in part with utility reserves. Other capital expenditures will be funded in part with current revenues and in part with reserves. In total, the Utility plans to issue \$12.7 million in debt, use \$1.5 million of sewer utility reserves and \$1.0 million of sewer collection system replacement reserves, and fund the remaining \$1.9 million with current revenues.

With the borrowing for the WWTP upgrades, annual debt service is projected to increase from no debt service currently to just over \$784,000 per year by 2022.

Table 5 - Forecast Capital Improvements

Account Description	Current Year	Test Year			
	2020	2021	2022	2023	2024
Land and land rights	\$0				
Structures and improvements	\$0				
Service connections, traps and access	\$0				
Collecting mains	\$0				
Interceptor mains	\$0	\$1,690,000			
Force mains	\$0				
Other collecting system equip	\$0				
Land and land rights	\$0				
Pumping structures and improvements	\$0				
Receiving wells	\$0				
Electric pumping equipment	\$0				
Other power pumping equip	\$0				
Misc. pumping equipment	\$0				
Land and land rights	\$0				
Treatment plant structures and improvements	\$6,195,600		\$530,450	\$546,364	\$562,754
Preliminary treatment equip	\$1,395,200				
Primary treatment equip	\$0				
Secondary treatment equip	\$881,200				
Advanced treatment equip	\$1,851,600				
Chlorination equipment	\$0				
Sludge treatment and disposal equip	\$1,214,000				
Plant site piping	\$419,500				
Flow metering equipment	\$0				
Outfall sewer pipes	\$0				
Other treatment and disposal plant equip	\$296,000				
Structures and improvements	\$819,800				
Office furniture and equipment	\$0				
Computers	\$68,300				
Transportation equipment	\$0		\$450,000		
Communication equipment	\$153,800				
Other general equipment	\$0				
Laboratory equipment	\$0				
Total Cost	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754

CASH FLOW FORECASTS

To estimate the overall level of immediate and future rate increases, a 25-year cash flow forecast was prepared. Multiple cash flow forecasts were prepared for various scenarios of the level and timing of immediate and future rate increases. Each forecast was evaluated with the same criteria:

- Generating positive cash flow;
- Providing sufficient debt coverage for future debt;

- Maintaining the utility's reserves above recommended levels – Recommended reserve levels include operating reserves to manage cash flow or fluctuations in revenues or expenses, any restricted debt reserves, and capital reserves for unplanned capital costs. Wastewater utilities that have a loan through the state's Clean Water Fund Program are also required to maintain an equipment replacement fund to pay for replacement of mechanical and other equipment;
- Avoiding or mitigating the need for issuance of new debt for routine wastewater main and equipment replacement; and
- Percentage of debt financing versus equity.

As of December 31, 2018, the wastewater utility had total reserve funds totaling \$6,321,807. About \$1.95 million of this total was held in a restricted account for equipment replacement, meaning it cannot be used for any other use than the designated use, such as operating losses or ongoing capital improvements. The remaining \$4.37 million was unrestricted, meaning it can be used for any purpose, including capital improvements, operating expenses, or debt service payments. Additionally, the City maintains a Sewer Collection System Replacement Fund within its general funds, which had a balance of \$1,076,512. This fund is to be used for replacement of sewer main throughout the City.

The cash flow analysis developed a recommended minimum amount of reserves the Utility should keep on hand, for those purposes and as a rate stabilizer. This amount was determined to be \$3.7 million to \$3.8 million for the next several years, comfortably below the Utility's actual reserve levels as of the end of 2018.

All the alternative cash flow scenarios were based on the following common assumptions:

- Inflation of approximately two percent per year in operation and maintenance expenses;
- Continuation of a similar level of other operating revenues and non-operating revenues as contained in the 2020 budget;
- Any debt issuance for the treatment plant would be for 20 years at the current interest rate of 1.65% through the Clean Water Fund loan program; any future debt issuances would be for 20 years at 3.50% interest with level annual payments;
- Recommended reserve levels include the following:
 - Operating reserve equal to 3 months of annual operating expenses;
 - Debt service reserve equal to current year's debt service payments;
 - Equipment replacement fund equal to the estimated year-end 2019 level of \$2,044,440 – this fund currently has a larger balance than necessary, but may need to be adjusted based on final costs of the Wastewater Treatment Facility upgrades;

- Depreciation/Capital reserve equal to \$500,000 for emergency replacement of critical infrastructure.

The following charts show the five cash flow alternatives that were prepared: one with zero increase to rates (do-nothing alternative), one showing all of the increase occurring at the beginning of 2021, and three alternatives for phasing the increase in over two increases, one at the beginning of 2021 and a second increase at the beginning of 2022. All the rate increase scenarios also include future rate increases of 2.0 percent every other year. The three options that were explored for phasing the rate increase were as follows:

- An increase in user charge revenues of approximately 38.0 percent in 2021 and 11.0 percent in 2022. The rate increase of 38.0 percent would provide revenues sufficient to pay debt service on the Clean Water Fund (CWF) loan for the WWTF project plus the required 10 percent debt coverage. The second rate increase is recommended to allow the Utility to cash fund capital improvements other than the WWTF project without significant negative cash flow.
- An increase of 11.0 percent in 2021 and another increase of 38.0 percent in 2022. Since the Utility will not have to make full principal and interest payments on the CWF loan until 2022, the full rate increase needed to provide debt coverage could be delayed until 2022. The smaller increase in 2021, could however, result in the need for larger or more frequent rate increases in future years.
- A third option was to implement the rate increase in equal steps in 2021 and 2022. To achieve the overall target of a 46.5 percent rate increase by 2022, two increases of approximately 23.7 percent could be implemented.

Figure 1 - Projected Cash Flow with Zero Increase

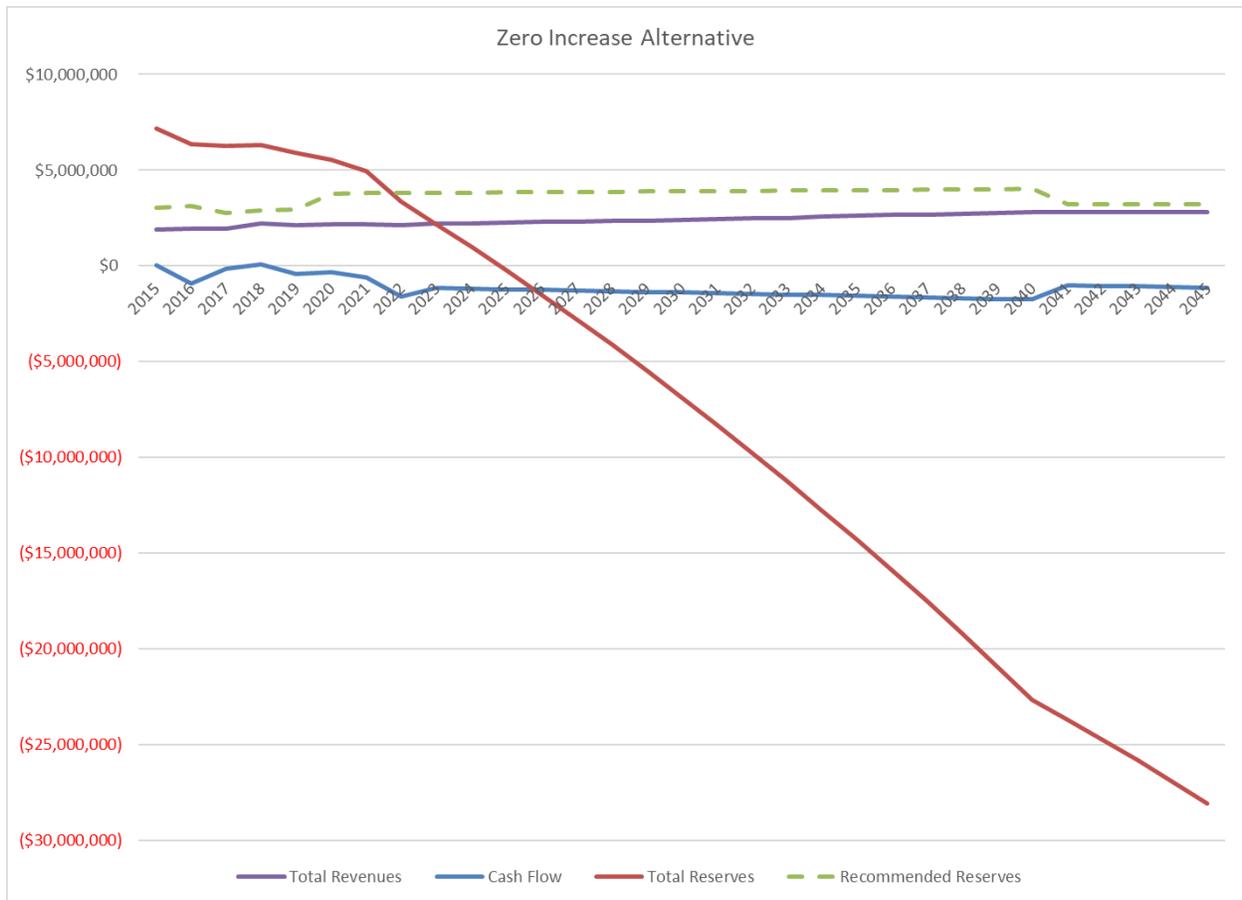


Figure 2 - Projected Cash Flow with 2021 Increase

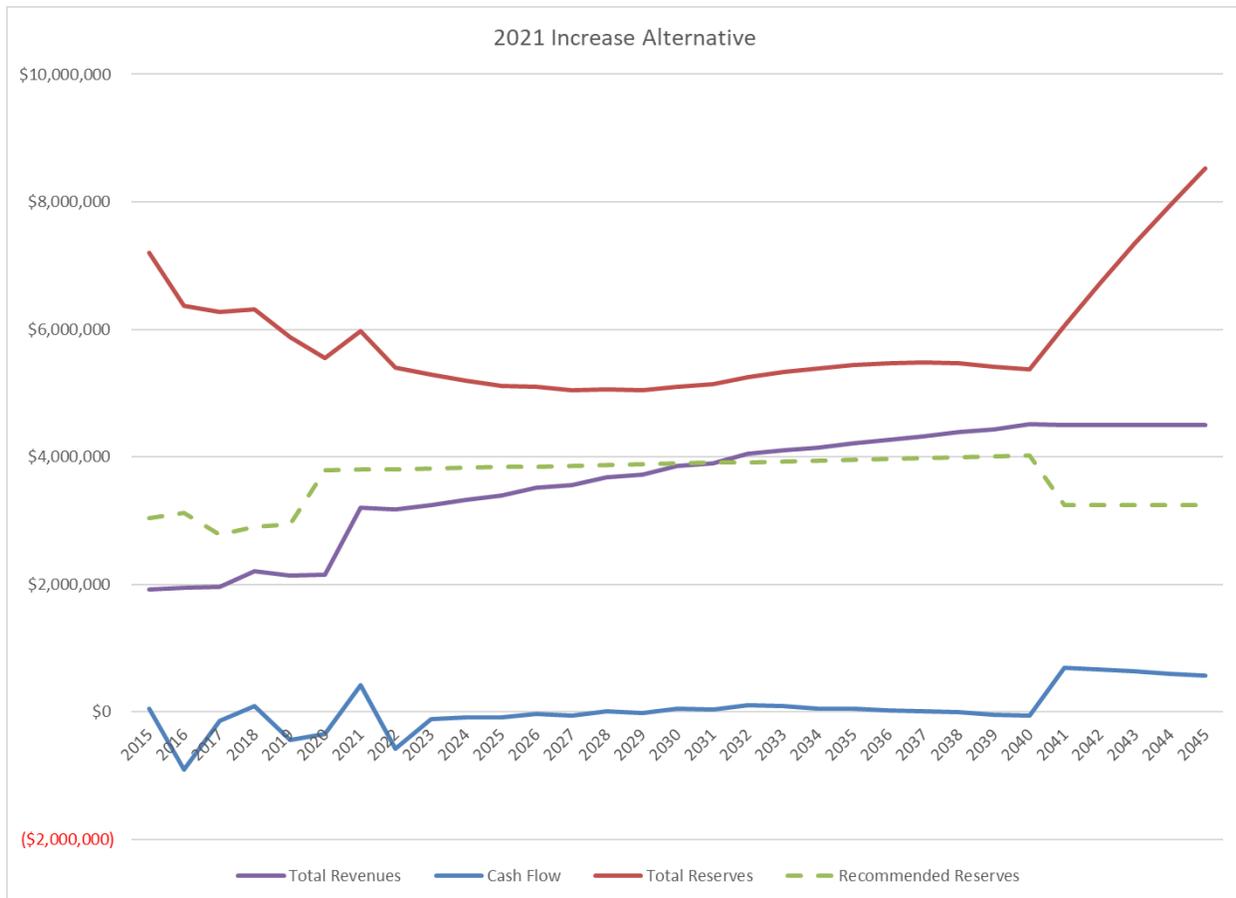


Figure 3 - Projected Cash Flow with Phased-In Increase: 38 Percent in 2021, 11 Percent in 2022

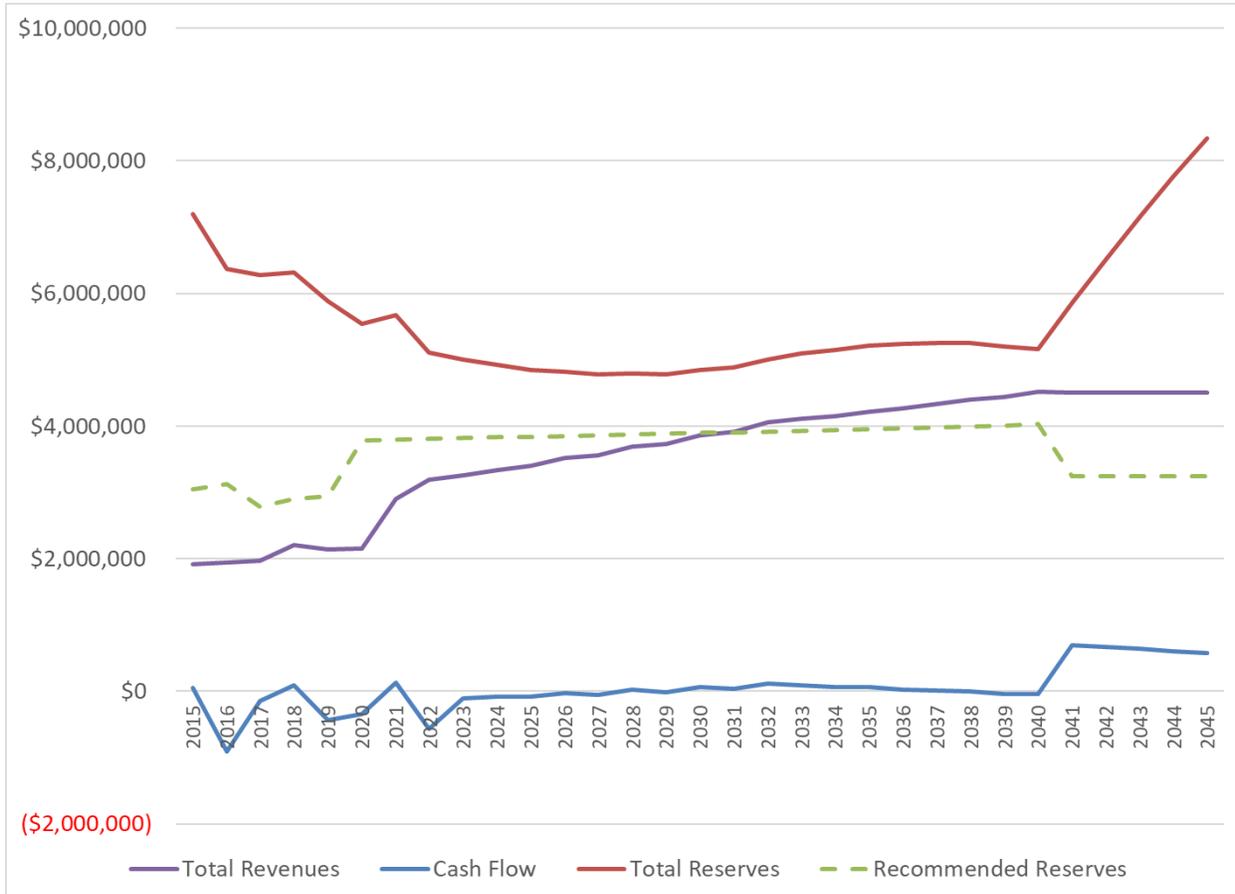


Figure 4 - Projected Cash Flow with Phased-In Increase: 11 Percent in 2021, 38 Percent in 2022

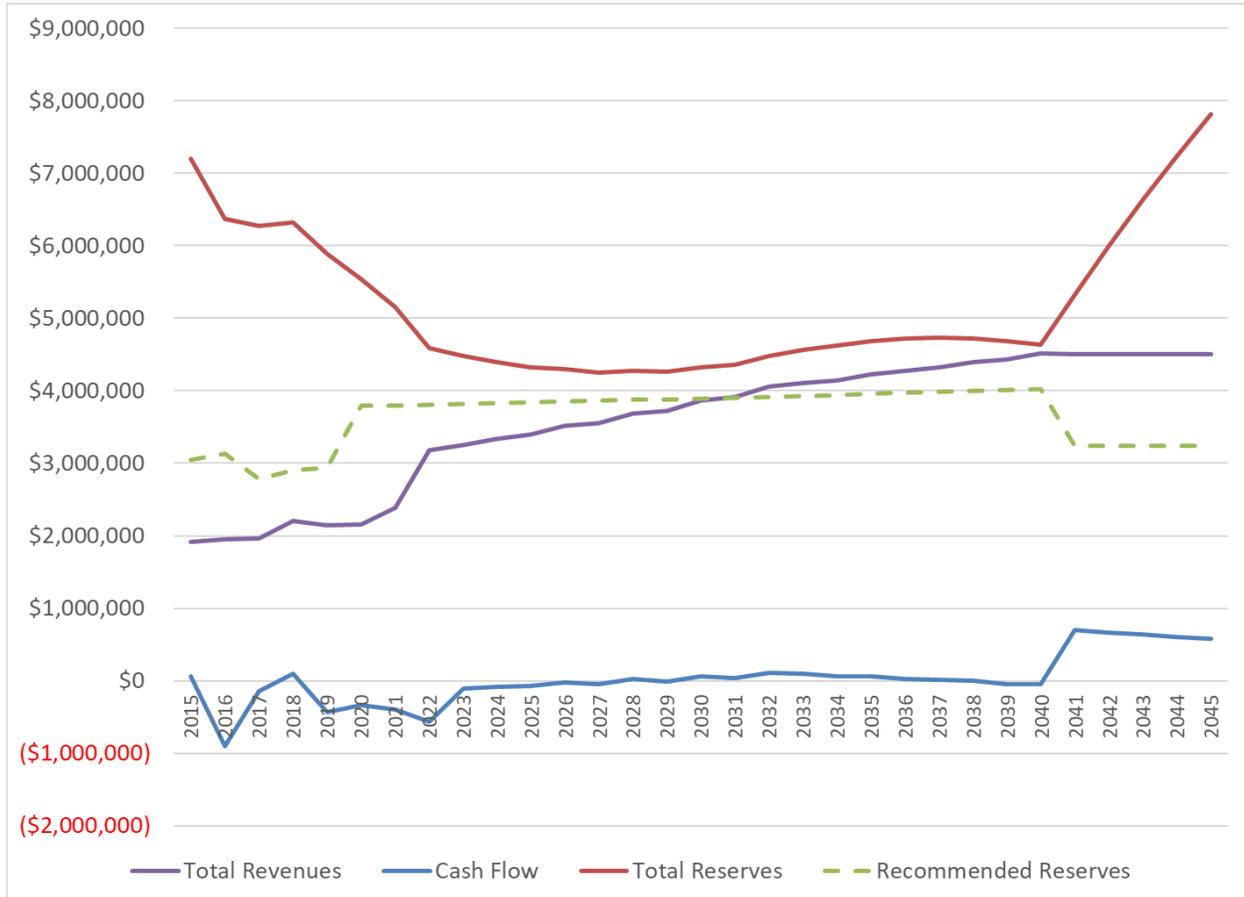
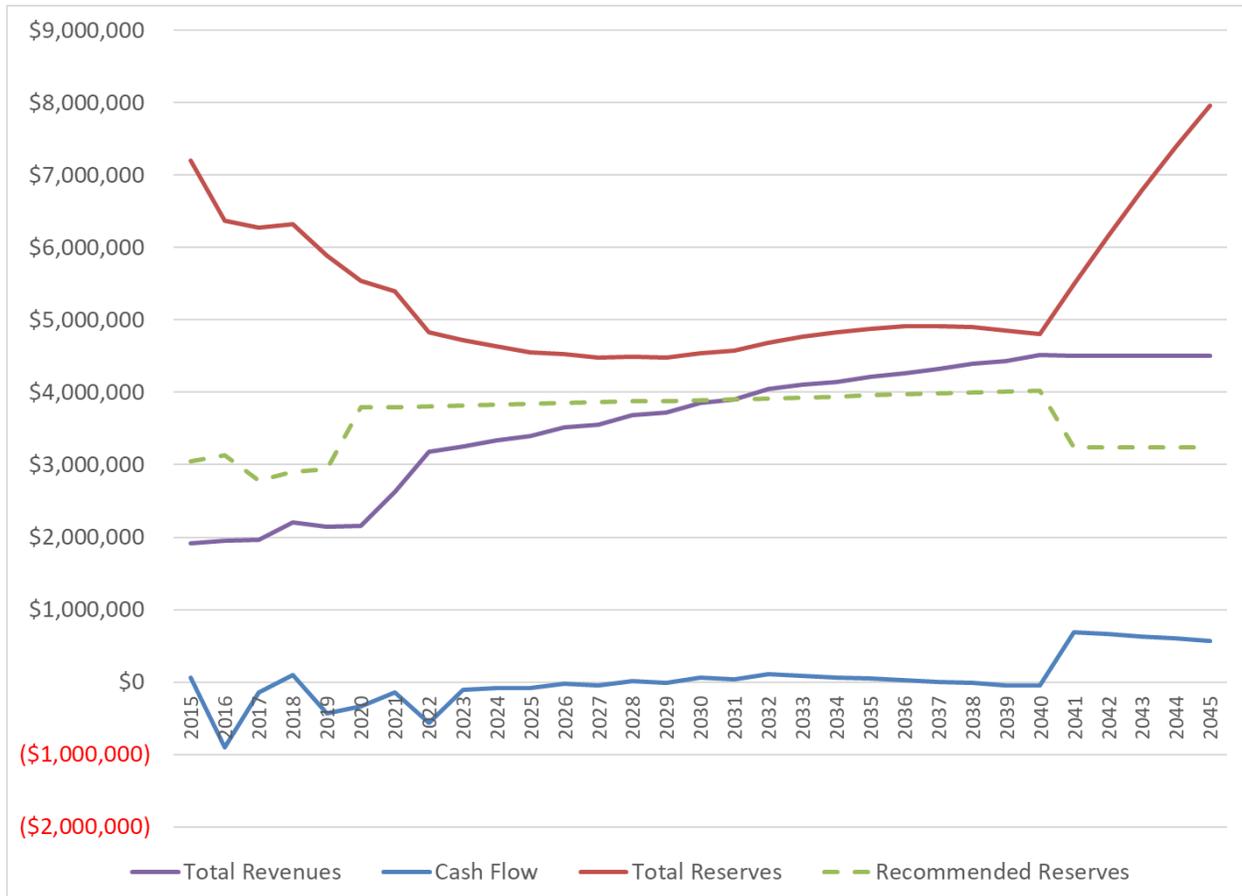


Figure 5 - Projected Cash Flow with Phased-In Rate Increase: 23.7 Percent in 2021, 23.7 Percent in 2022



Key findings and recommendations regarding the utility’s financial condition are as follows:

- The utility has had fluctuating cash flow for several years but had negative cash flow in 2019, with most of the capital additions being funded through reserves.
- Utility reserve levels are above the minimum recommended amount. However, without an increase, reserves are expected to drop below the recommended minimum in 2021 and be completely depleted by 2024 or 2025, due to the debt service on the treatment plant upgrades.
- The utility is currently free of debt.
- The utility has utility-financed capital improvements totaling \$17.1 million, or an average of \$3.4 million per year, planned for the period 2020-2024, with 12.7 million of that for the 2020/2021 upgrades at the treatment plant.

- An increase in user charge revenues of approximately 46.5 percent is recommended to generate sufficient revenues to fund the expected level of expenses, the capital improvement program, and projected debt service while maintaining the cash reserves at the recommended level. A rate increase of 38.0 percent is required to provide revenues sufficient to pay debt service on the Clean Water Fund loan for the WWTF project plus the required 10 percent debt coverage. The remainder of the increase is recommended to allow the Utility to cash fund routine capital improvements to the WWTF and additions and replacements to vehicles, communication equipment and other general equipment without significant negative cash flow.
- Additional future rate increases may be warranted, depending on actual sales and expenses. The projected cash flows include 2.0 percent increases every other year, in 2024, 2026 and 2028. With the rate increases and the use of reserves, it is expected that the utility will not need to issue debt for any other planned capital projects anticipated during the next five years and may not need to issue debt for a longer period of time.
- Under the recommended plan, approximately \$1.5 million of the Utility's cash reserves would be used to fund a portion of the capital improvement program, with an additional \$1.0 million from the City Sewer Collection System Replacement fund used for the Hwy 35 / 2nd Street reconstruction.
- In total, with the recommended plan, the Utility's cash reserves are projected to decrease from \$5.9 million to \$4.4 million in the Wastewater Utility fund, and from \$1.15 million to \$453,000 in the Sewer Collection System Fund between 2019 and 2024.

The following tables show the forecast cash flows with the three options for phasing in the recommended rate increase. It should be noted that these future projections of cash flow are for planning purposes only. The City and the Utility should continue to assess the financial, physical, and operational conditions of the utility on an annual basis to respond to changing conditions and make decisions regarding which capital improvement projects to undertake, how those projects should be financed and the appropriate rate increase that may be needed to meet future revenue requirements.

City of Hudson
2021 Sewer Rate Study

Table 6 - Forecast Cash Flows: 38 Percent Increase in 2021, 11 Percent Increase in 2022

	Test Year									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Projected Demand Change			3.1%	1.6%	1.6%	1.4%	1.7%	1.6%	1.5%	1.7%
Customer Growth		6.1%	128	126	127	123	127	125	125	127
Projected Average Expense Change		15.1%	2.2%	2.1%	2.1%	2.0%	2.0%	2.1%	2.1%	2.1%
Projected Rate Increase		0.0%	38.0%	11.0%	0.0%	2.0%	0.0%	2.0%	0.0%	2.0%
Revenues										
Subtotal User Charge Revenues	\$1,944,250	\$1,944,250	\$2,683,065	\$2,978,202	\$3,025,398	\$3,130,037	\$3,184,300	\$3,298,628	\$3,349,688	\$3,475,389
Less: Charges for City/Village Collection Systems ⁽¹⁾	(\$71,000)	(\$68,580)	(\$70,731)	(\$71,880)	(\$73,019)	(\$74,064)	(\$75,348)	(\$76,522)	(\$77,707)	(\$79,042)
Subtotal Other Operating Revenues	\$42,560	\$61,245	\$63,212	\$41,823	\$46,309	\$51,030	\$52,724	\$51,020	\$48,581	\$49,933
Subtotal Non-Operating Revenues	\$226,800	\$227,746	\$231,768	\$238,025	\$256,213	\$227,653	\$241,121	\$246,402	\$236,043	\$242,362
Total Cash In	\$2,142,610	\$2,159,661	\$2,907,314	\$3,186,171	\$3,254,902	\$3,334,656	\$3,402,797	\$3,519,527	\$3,556,605	\$3,688,643
Expenses										
Subtotal O&M	\$1,600,354	\$1,841,589	\$1,881,980	\$1,922,322	\$1,962,088	\$2,004,233	\$2,045,203	\$2,087,767	\$2,131,553	\$2,177,285
Debt Service	\$0	\$0	\$136,429	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117
Capital Outlay	\$916,750	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385
Less: New Borrowing		\$12,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to General Fund per Intermunicipal Contract	\$62,000	\$63,788	\$65,331	\$66,091	\$67,666	\$69,065	\$70,255	\$71,528	\$72,961	\$74,211
Less: Transfer from Sewer Collection Replacement Fund ⁽²⁾			\$1,000,000							
Total Cash Out	\$2,579,104	\$2,500,377	\$2,773,741	\$3,752,979	\$3,360,234	\$3,420,169	\$3,479,211	\$3,540,438	\$3,603,567	\$3,668,997
Net Cash Flow	(\$436,494)	(\$340,716)	\$133,574	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645
Sewer Utility Reserves										
Beginning Balance	\$6,321,807	\$5,885,313	\$5,544,597	\$5,678,171	\$5,111,362	\$5,006,030	\$4,920,517	\$4,844,103	\$4,823,192	\$4,776,230
Net Cash Flow	(\$436,494)	(\$340,716)	\$133,574	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645
Ending Balance	\$5,885,313	\$5,544,597	\$5,678,171	\$5,111,362	\$5,006,030	\$4,920,517	\$4,844,103	\$4,823,192	\$4,776,230	\$4,795,876
Unrestricted Reserves	\$3,840,873	\$2,716,040	\$2,849,614	\$2,282,805	\$2,177,473	\$2,091,960	\$2,015,546	\$1,994,635	\$1,947,674	\$1,967,319
Restricted Reserves	\$2,044,440	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557
Total Reserves	\$5,885,313	\$5,544,597	\$5,678,171	\$5,111,362	\$5,006,030	\$4,920,517	\$4,844,103	\$4,823,192	\$4,776,230	\$4,795,876
Recommended Reserves										
Unrestricted Reserves	\$400,089	\$460,397	\$470,495	\$480,581	\$490,522	\$501,058	\$511,301	\$521,942	\$532,888	\$544,321
Operating Reserve	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Capital Reserve										
Restricted Reserves	\$0	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117
DNR Grant Replacement Account	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440
Total	\$2,944,529	\$3,788,954	\$3,799,052	\$3,809,137	\$3,819,079	\$3,829,615	\$3,839,857	\$3,850,498	\$3,861,445	\$3,872,878
Sewer Collection System Replacement Fund										
Beginning Balance	\$1,076,512	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095
Transfer from Sewer Utility	\$59,640	\$57,608	\$59,414	\$60,379	\$61,336	\$62,213	\$63,292	\$64,279	\$65,274	\$66,395
Expenditures ⁽²⁾		\$0	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Balance	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095	\$712,491

Notes:
 (1) Funds transferred to the City and Village for collection system costs.
 (2) Funds to be used for the Hwy 35 / 2nd Street trunk sewer replacement project in 2021.



City of Hudson
2021 Sewer Rate Study

Table 7 - Forecast Cash Flows: 11 Percent Increase in 2021, 38 Percent Increase in 2022

	Current Year		Test Year							
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Projected Demand Change		6.1%	3.1%	1.6%	1.6%	1.4%	1.7%	1.6%	1.5%	1.7%
Customer Growth		128	124	126	127	123	127	125	125	127
Projected Average Expense Change		15.1%	2.2%	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	2.1%
Projected Rate Increase		0.0%	11.0%	38.0%	0.0%	2.0%	0.0%	2.0%	0.0%	2.0%
Revenues										
Subtotal User Charge Revenues	\$1,944,250	\$1,944,250	\$2,158,118	\$2,978,202	\$3,025,398	\$3,130,037	\$3,184,300	\$3,298,628	\$3,349,688	\$3,475,389
Less: Charges for City/Village Collection Systems ⁽¹⁾	(\$71,000)	(\$68,580)	(\$70,731)	(\$71,880)	(\$73,019)	(\$74,064)	(\$75,348)	(\$76,522)	(\$77,707)	(\$79,042)
Subtotal Other Operating Revenues	\$42,560	\$61,245	\$63,212	\$41,823	\$46,309	\$51,030	\$52,724	\$51,020	\$48,581	\$49,933
Subtotal Non-Operating Revenues	\$226,800	\$222,746	\$231,768	\$238,025	\$256,213	\$227,653	\$241,121	\$246,402	\$236,043	\$242,362
Total Cash In	\$2,142,610	\$2,159,661	\$2,382,367	\$3,186,171	\$3,254,902	\$3,334,656	\$3,402,797	\$3,519,527	\$3,556,605	\$3,688,643
Expenses										
Subtotal O&M	\$1,600,354	\$1,841,589	\$1,881,980	\$1,922,322	\$1,962,088	\$2,004,233	\$2,045,203	\$2,087,767	\$2,131,553	\$2,177,285
Debt Service	\$0	\$0	\$136,429	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117
Capital Outlay	\$916,750	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385
Less: New Borrowing		\$12,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer to General Fund per Intermunicipal Contract	\$62,000	\$63,788	\$65,331	\$66,091	\$67,666	\$69,065	\$70,255	\$71,528	\$72,961	\$74,211
Less: Transfer from Sewer Collection Replacement Fund ⁽²⁾		\$1,000,000	\$1,000,000							
Total Cash Out	\$2,579,104	\$2,500,377	\$2,773,741	\$3,752,979	\$3,360,234	\$3,420,169	\$3,479,211	\$3,540,438	\$3,603,567	\$3,668,997
Net Cash Flow	(\$436,494)	(\$340,716)	(\$391,374)	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645
Sewer Utility Reserves										
Beginning Balance	\$6,321,807	\$5,885,313	\$5,544,597	\$5,153,223	\$4,586,414	\$4,481,082	\$4,395,569	\$4,319,155	\$4,298,244	\$4,251,283
Net Cash Flow	(\$436,494)	(\$340,716)	(\$391,374)	(\$566,809)	(\$105,332)	(\$85,513)	(\$76,414)	(\$20,911)	(\$46,962)	\$19,645
Ending Balance	\$5,885,313	\$5,544,597	\$5,153,223	\$4,586,414	\$4,481,082	\$4,395,569	\$4,319,155	\$4,298,244	\$4,251,283	\$4,270,928
Unrestricted Reserves	\$3,840,873	\$2,716,040	\$2,324,667	\$1,757,858	\$1,652,526	\$1,567,013	\$1,490,599	\$1,469,688	\$1,422,726	\$1,442,372
Restricted Reserves	\$2,044,440	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557
Total Reserves	\$5,885,313	\$5,544,597	\$5,153,223	\$4,586,414	\$4,481,082	\$4,395,569	\$4,319,155	\$4,298,244	\$4,251,283	\$4,270,928
Recommended Reserves										
Unrestricted Reserves	\$400,089	\$460,397	\$470,495	\$480,581	\$490,522	\$501,058	\$511,301	\$521,942	\$532,888	\$544,321
Operating Reserve	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Capital Reserve	\$0	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117
Restricted Reserves	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440
Debt Service	\$2,944,529	\$3,788,954	\$3,799,052	\$3,809,137	\$3,819,079	\$3,829,615	\$3,839,857	\$3,850,498	\$3,861,445	\$3,872,878
DNR Grant Replacement Account										
Total	\$1,076,512	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095
Sewer Collection System Replacement Fund	\$59,640	\$57,608	\$59,414	\$60,379	\$61,336	\$62,213	\$63,292	\$64,279	\$65,274	\$66,395
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Transfer from Sewer Utility	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures ⁽²⁾	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095	\$712,491
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Notes:
 (1) Funds transferred to the City and Village for collection system costs.
 (2) Funds to be used for the Hwy 35 / 2nd Street trunk sewer replacement project in 2021.



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Table 8 - Forecast Cash Flows: 23.7 Percent Increase in 2021, 23.7 Percent Increase in 2022

	Current Year		Test Year									
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028		
Projected Demand Change												
Customer Growth		6.1%	3.1%	1.6%	1.6%	1.4%	1.7%	1.6%	1.5%	1.7%		
Projected Average Expense Change		128	124	126	127	123	127	125	125	127		
Projected Rate Increase		15.1%	2.2%	2.1%	2.1%	2.1%	2.0%	2.1%	2.1%	2.1%		
Revenues		0.0%	23.7%	23.7%	0.0%	2.0%	0.0%	2.0%	0.0%	2.0%		
Subtotal User Charge Revenues	\$1,944,250	\$1,944,250	\$2,405,037	\$2,975,031	\$3,022,177	\$3,126,705	\$3,180,909	\$3,295,115	\$3,346,122	\$3,471,689		
Less: Charges for City/Village Collection Systems ⁽¹⁾	(\$71,000)	(\$68,580)	(\$70,731)	(\$71,880)	(\$73,019)	(\$74,064)	(\$75,348)	(\$76,522)	(\$77,707)	(\$79,042)		
Subtotal Other Operating Revenues	\$42,560	\$61,245	\$63,212	\$41,823	\$46,309	\$51,020	\$52,724	\$51,020	\$48,581	\$49,933		
Subtotal Non-Operating Revenues	\$226,800	\$222,746	\$221,768	\$238,025	\$256,213	\$227,653	\$241,121	\$246,402	\$236,043	\$242,362		
Total Cash In	\$2,142,610	\$2,159,661	\$2,629,287	\$3,183,000	\$3,251,680	\$3,331,324	\$3,399,407	\$3,516,015	\$3,553,039	\$3,684,942		
Expenses												
Subtotal O&M	\$1,600,354	\$1,841,589	\$1,881,980	\$1,922,322	\$1,962,088	\$2,004,233	\$2,045,203	\$2,087,767	\$2,131,553	\$2,177,285		
Debt Service	\$0	\$0	\$136,429	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117		
Capital Outlay	\$916,750	\$13,295,000	\$1,690,000	\$980,450	\$546,364	\$562,754	\$579,637	\$597,026	\$614,937	\$633,385		
Less: New Borrowing	\$12,700,000	\$12,700,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Transfer to General Fund per Intermunicipal Contract	\$62,000	\$63,788	\$65,331	\$66,091	\$67,666	\$69,065	\$70,255	\$71,528	\$72,961	\$74,211		
Less: Transfer from Sewer Collection Replacement Fund ⁽²⁾		\$1,000,000										
Total Cash Out	\$2,579,104	\$2,500,377	\$2,773,741	\$3,752,979	\$3,360,234	\$3,420,169	\$3,479,211	\$3,540,438	\$3,603,567	\$3,668,997		
Net Cash Flow	(\$436,494)	(\$340,716)	(\$144,454)	(\$569,980)	(\$108,553)	(\$88,846)	(\$79,805)	(\$24,423)	(\$50,528)	(\$15,945)		
Sewer Utility Reserves												
Beginning Balance	\$6,321,807	\$5,885,313	\$5,544,597	\$5,400,143	\$4,830,163	\$4,721,610	\$4,632,764	\$4,552,959	\$4,528,536	\$4,478,008		
Net Cash Flow	(\$436,494)	(\$340,716)	(\$144,454)	(\$569,980)	(\$108,553)	(\$88,846)	(\$79,805)	(\$24,423)	(\$50,528)	(\$15,945)		
Ending Balance	\$5,885,313	\$5,544,597	\$5,400,143	\$4,830,163	\$4,721,610	\$4,632,764	\$4,552,959	\$4,528,536	\$4,478,008	\$4,493,953		
Unrestricted Reserves	\$3,840,873	\$2,716,040	\$2,571,586	\$2,001,606	\$1,893,053	\$1,804,207	\$1,724,403	\$1,699,980	\$1,649,451	\$1,665,396		
Restricted Reserves	\$2,044,440	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557	\$2,828,557		
Total Reserves	\$5,885,313	\$5,544,597	\$5,400,143	\$4,830,163	\$4,721,610	\$4,632,764	\$4,552,959	\$4,528,536	\$4,478,008	\$4,493,953		
Recommended Reserves												
Unrestricted Reserves	\$400,089	\$460,397	\$470,495	\$480,581	\$490,522	\$501,058	\$511,301	\$521,942	\$532,888	\$544,321		
Capital Reserve	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000		
Restricted Reserves	\$0	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117	\$784,117		
DNR Grant Replacement Account	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440	\$2,044,440		
Total	\$2,944,529	\$3,788,954	\$3,799,052	\$3,809,137	\$3,819,079	\$3,829,615	\$3,839,857	\$3,850,498	\$3,861,445	\$3,872,878		
Sewer Collection System Replacement Fund												
Beginning Balance	\$1,076,512	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095		
Transfer from Sewer Utility	\$59,640	\$57,608	\$59,414	\$60,379	\$61,336	\$62,213	\$63,292	\$64,279	\$65,274	\$66,395		
Expenditures ⁽²⁾	\$0	\$0	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Ending Balance	\$1,152,300	\$1,209,907	\$269,321	\$329,701	\$391,037	\$453,251	\$516,543	\$580,822	\$646,095	\$712,491		

Notes:

- (1) Funds transferred to the Village and the City for collection system costs.
- (2) Funds to be used for the Hwy 35 / 2nd Street trunk sewer replacement project in 2021.



REVENUE REQUIREMENTS AND COST-OF-SERVICE ANALYSIS

The tables attached to this report as an appendix show the detailed revenue requirements and the cost of service analysis based on projected 2022 revenue requirements. The cost of service analysis allocates the utility's revenue requirements first to utility functions and then to each customer class. Rates were calculated to recover the costs for 2022, and then stepped-in rates for 2021 were developed to phase in the rate increase. Finally, the estimated revenues at the proposed rates for 2020 through 2022 were calculated. Utility revenue requirements include operation and maintenance expense, debt service, and capital improvements.

Costs were first allocated to the functions served by the utility. Each of the utility's costs was split between costs to provide collector sewer conveyance, wastewater treatment for average daily volume, costs to provide peak (maximum day) treatment capacity, costs to treat pollutant loadings (BOD, TSS, phosphorus and NH-3), and customer costs that are relatively fixed per customer or meter.

Costs were then allocated to each customer class (residential, multi-family, commercial, industrial, public authority) based on the demand characteristics of each customer class. A portion of the conveyance system, average day and peak day flow costs were allocated to infiltration and inflow (I/I) based on forecast percentage of I/I on an average and peak day basis. Costs allocated to I/I are proposed to be recovered through the flat charge, as the amount of I/I in the system is related more closely to the number of customers, size of sewer laterals and feet of sewer main rather than the volume of wastewater generated by each customer.

PROPOSED RATE SCHEDULE

The targeted overall increase in user charge revenues by 2022 is approximately 46.5 percent. The following tables show the specific schedule of rates for 2021 and 2022 under each of the three options for phasing in the rate increase. Rate increases for specific types of charges vary from the overall rate increase.

**City of Hudson
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Table 9 - Proposed Phased-In Rate Schedule – Increase of 38 Percent in 2021 and 11 Percent in 2022

Flat Charge

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$11.53	52%	\$12.80	11%
3/4	\$7.60	\$7.60	0%	\$11.53	52%	\$12.80	11%
1	\$8.45	\$8.45	0%	\$21.71	157%	\$24.10	11%
1 1/4	\$9.50	\$9.50	0%	\$30.72	223%	\$34.10	11%
1 1/2	\$10.35	\$10.35	0%	\$39.73	284%	\$44.10	11%
2	\$11.15	\$11.15	0%	\$62.16	458%	\$69.00	11%
2 1/2	\$11.70	\$11.70	0%	\$87.84	651%	\$97.50	11%
3	\$12.50	\$12.50	0%	\$107.66	761%	\$119.50	11%
4	\$0.00	\$0.00	NA	\$170.54	NA	\$189.30	11%
6	\$0.00	\$0.00	NA	\$319.91	NA	\$355.10	11%
8	\$0.00	\$0.00	NA	\$498.11	NA	\$552.90	11%
10	\$0.00	\$0.00	NA	\$734.05	NA	\$814.80	11%
12	\$0.00	\$0.00	NA	\$969.91	NA	\$1,076.60	11%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.83	28%	\$4.25	11%
Landfill Leachate	\$/CCF	\$0.00	\$2.00	NA	\$2.77	38%	\$3.07	11%
	\$/1,000 gals	\$0.00	\$2.68	NA	\$3.70	38%	\$4.11	11%
	per load	\$0.00	\$0.44	NA	\$0.61	38%	\$0.68	11%
Surcharge Rates								
BOD	\$/pound	\$0.00	\$0.50	NA	\$0.68	38%	\$0.76	11%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.65	38%	\$0.72	11%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$5.77	38%	\$6.41	11%
TKN	\$/pound	\$0.00	\$0.80	NA	\$1.10	38%	\$1.22	11%

**City of Hudson
2021 Sewer Rate Study**

Table 10 - Proposed Phased-In Rate Schedule – Increase of 11 Percent in 2021 and 38 Percent in 2022

Flat Charge

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$9.28	22%	\$12.80	38%
3/4	\$7.60	\$7.60	0%	\$9.28	22%	\$12.80	38%
1	\$8.45	\$8.45	0%	\$17.46	107%	\$24.10	38%
1 1/4	\$9.50	\$9.50	0%	\$24.71	160%	\$34.10	38%
1 1/2	\$10.35	\$10.35	0%	\$31.96	209%	\$44.10	38%
2	\$11.15	\$11.15	0%	\$50.00	348%	\$69.00	38%
2 1/2	\$11.70	\$11.70	0%	\$70.65	504%	\$97.50	38%
3	\$12.50	\$12.50	0%	\$86.59	593%	\$119.50	38%
4	\$0.00	\$0.00	NA	\$137.10	NA	\$189.20	38%
6	\$0.00	\$0.00	NA	\$257.25	NA	\$355.00	38%
8	\$0.00	\$0.00	NA	\$400.65	NA	\$552.90	38%
10	\$0.00	\$0.00	NA	\$590.36	NA	\$814.70	38%
12	\$0.00	\$0.00	NA	\$780.14	NA	\$1,076.60	38%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.08	3%	\$4.25	38%
Landfill Leachate	\$/CCF	\$0.00	\$2.01	NA	\$2.23	11%	\$3.08	38%
	\$/1,000 gals	\$0.00	\$2.68	NA	\$2.98	11%	\$4.11	38%
	per load	\$0.00	\$0.44	NA	\$0.49	11%	\$0.68	38%
Surcharge Rates								
BOD	\$/pound	\$0.00	\$0.50	NA	\$0.55	11%	\$0.76	38%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.52	11%	\$0.72	38%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$4.64	11%	\$6.40	38%
TKN	\$/pound	\$0.00	\$0.79	NA	\$0.88	11%	\$1.21	38%

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Table 11 - Proposed Phased-In Rate Schedule – Increase of 23.7 Percent in 2021 and 23.7 Percent in 2022

Flat Charge

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$10.35	36%	\$12.80	24%
3/4	\$7.60	\$7.60	0%	\$10.35	36%	\$12.80	24%
1	\$8.45	\$8.45	0%	\$19.48	131%	\$24.10	24%
1 1/4	\$9.50	\$9.50	0%	\$27.57	190%	\$34.10	24%
1 1/2	\$10.35	\$10.35	0%	\$35.65	244%	\$44.10	24%
2	\$11.15	\$11.15	0%	\$55.78	400%	\$69.00	24%
2 1/2	\$11.70	\$11.70	0%	\$78.74	573%	\$97.40	24%
3	\$12.50	\$12.50	0%	\$96.60	673%	\$119.50	24%
4	\$0.00	\$0.00	NA	\$152.95	NA	\$189.20	24%
6	\$0.00	\$0.00	NA	\$286.98	NA	\$355.00	24%
8	\$0.00	\$0.00	NA	\$446.89	NA	\$552.80	24%
10	\$0.00	\$0.00	NA	\$658.61	NA	\$814.70	24%
12	\$0.00	\$0.00	NA	\$870.25	NA	\$1,076.50	24%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.44	15%	\$4.25	24%
Landfill Leachate	\$/CCF	\$0.00	\$2.01	NA	\$2.48	24%	\$3.07	24%
	\$/1,000 gals	\$0.00	\$2.69	NA	\$3.32	24%	\$4.11	24%
	per load	\$0.00	\$0.44	NA	\$0.55	24%	\$0.68	24%
Surcharge Rates								
BOD	\$/pound	\$0.00	\$0.50	NA	\$0.61	24%	\$0.76	24%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.58	24%	\$0.72	24%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$5.17	24%	\$6.39	24%
TKN	\$/pound	\$0.00	\$0.79	NA	\$0.98	24%	\$1.21	24%

COMMUNITY RATE COMPARISON

To provide context for the proposed rates for Hudson, a comparison with the sewer user rates charged by other communities in the region was prepared. The two communities in Minnesota included in the comparison were chosen because they have their own wastewater treatment plant and are comparable to Hudson. The basis of the charges, and the estimated total annual bill for a residential customer for each community are shown in the following table. As shown, for a customer using 4,850 cubic feet or 36,278 gallons of water per year, the estimated annual sewer bill under current Hudson rates would be \$175.90 per year. Under the proposed rates for 2022, this would increase to \$257.33, or a total increase of \$20.36 per quarter. Even with the

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increase, the average bill would remain significantly below the average or median bill for the other regional communities.

Table 12 - Regional Comparison of Average Residential Bills

Community	Fixed Charge	Bills per Year	Volume Rate	Annual Usage	Units	Annual Bill
Roberts	\$81.50	4	\$17.74	36,278	gallons	\$969.57
Hammond	\$14.75	12	\$13.39	36,278	gallons	\$662.76
Star Prairie	\$50.00	12	\$0.00	36,278	gallons	\$600.00
Wyoming, MN	\$30.06	4	\$12.80	36,278	gallons	\$584.60
Osceola	\$35.00	4	\$9.00	4,850	ft ³	\$576.50
Somerset	\$8.92	12	\$11.14	36,278	gallons	\$511.18
Ashland	\$15.92	12	\$6.21	4,850	ft ³	\$492.23
River Falls	\$16.50	12	\$7.04	36,278	gallons	\$453.40
Lindstrom, MN	\$32.00	4	\$8.86	36,278	gallons	\$449.26
Amery	\$42.27	4	\$5.33	36,278	gallons	\$362.44
New Richmond	\$8.50	12	\$6.68	36,278	gallons	\$344.34
Baldwin	\$27.30	4	\$5.28	36,278	gallons	\$300.75
Hudson (proposed 2022)	\$12.80	4	\$4.25	4,850	ft³	\$257.33
Chippewa Falls	\$17.01	4	\$2.85	4,850	ft ³	\$206.27
Menomonie	\$18.00	4	\$2.70	4,850	ft ³	\$202.95
Glenwood City	\$29.00	4	\$2.32	36,278	gallons	\$200.16
Hudson (current)	\$7.60	4	\$3.00	4,850	ft³	\$175.90
Rice Lake	\$4.40	12	\$3.08	36,278	gallons	\$164.54
Average w/o Hudson						\$442.56
Median w/o Hudson						\$451.33

A similar comparison was prepared for an average non-residential customer in Hudson using 28,700 cubic feet, or 214,676 gallons per year, with a 3/4" meter. Under current rates, this customer would receive an annual bill of \$894.80. Under the proposed increase for 2022, the annual bill would increase to \$1,316.15, or an increase of \$105.34 per quarter. Again, this would keep the average non-residential bill well below the median for the region.

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Table 13 - Regional Comparison of Average Non-Residential Bills

Community	Fixed Charge	Bills per Year	Volume Rate	Annual Usage	Units	Annual Bill
Roberts	\$81.50	4	\$17.74	214,676	gallons	\$4,134.35
Hammond	\$14.75	12	\$13.39	214,676	gallons	\$3,051.51
Wyoming, MN	\$30.06	4	\$12.80	214,676	gallons	\$2,868.09
Osceola	\$35.00	4	\$9.00	28,700	ft ³	\$2,723.00
Somerset	\$22.71	12	\$11.14	214,676	gallons	\$2,664.01
Ashland	\$36.00	12	\$6.21	28,700	ft ³	\$2,214.27
Lindstrom, MN	\$32.00	4	\$9.28	214,676	gallons	\$2,119.30
River Falls	\$22.50	12	\$7.04	214,676	gallons	\$1,781.32
New Richmond	\$12.90	4	\$6.68	214,676	gallons	\$1,485.64
Amery	\$55.79	4	\$5.33	214,676	gallons	\$1,367.38
Hudson (proposed 2022)	\$24.10	4	\$4.25	28,700	ft³	\$1,316.15
Baldwin	\$36.07	4	\$5.28	214,676	gallons	\$1,277.77
Hudson (current)	\$8.45	4	\$3.00	28,700	ft³	\$894.80
Chippewa Falls	\$17.01	4	\$2.85	28,700	ft ³	\$885.99
Menomonie	\$18.00	4	\$2.70	28,700	ft ³	\$846.90
Rice Lake	\$4.40	12	\$3.08	214,676	gallons	\$714.00
Glenwood City	\$29.00	4	\$2.32	214,676	gallons	\$614.05
Star Prairie	\$50.00	12	\$0.00	214,676	gallons	\$600.00
Average w/o Hudson						\$1,834.22
Median w/o Hudson						\$1,633.48

RECOMMENDATIONS

It is recommended that the City phase in the rate increase according to one of the schedules shown in Tables 8-10 and continue to monitor the financial health of the utility for the necessity of additional future rate increases as presented in the cash flow forecasts. This will allow the Wastewater Utility to generate the revenue needed to provide adequate funding for the utility's operation and maintenance expenses and capital improvement program while maintaining the utility's reserve funds at the recommended levels.

**APPENDIX A – SEWER UTILITY COST OF SERVICE STUDY AND PROPOSED RATE
DESIGN**

Allocation of Operation and Maintenance Expenses to Service Cost Functions

YEAR		2022												
Acct No.	Alloc No.	Account Description	Total (\$)	CONVEYANCE		FLOW		TREATMENT PLANT				CUSTOMER COSTS		
				Collection System (\$)	Interceptor System (\$)	Average (\$)	Peak (\$)	BOD (\$)	TSS (\$)	P (\$)	NH-3 (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)
WASTEWATER TREATMENT & DISPOSAL														
	5	Salaries and Wages	219,906			43,981	0	65,972	65,972	21,991	21,991			
	5	FICA	15,963			3,193	0	4,789	4,789	1,596	1,596			
	5	Retirement	14,355			2,871	0	4,306	4,306	1,435	1,435			
	5	Health Insurance	83,156			16,631	0	24,947	24,947	8,316	8,316			
	7	Utilities - Electricity	111,675			44,670	0	27,919	22,335	11,168	5,584			
	7	Utilities - Gas	14,166			5,666	0	3,542	2,833	1,417	708			
Propor.		Contractual Services	142,245	0	0	18,383	0	56,161	45,880	11,404	10,416	0	0	0
	8	Chemicals	29,056			0	0	17,433	0	5,811	5,811			
Propor.		Supplies	58,135	0	0	7,513	0	22,953	18,751	4,661	4,257	0	0	0
	6	Biosolids Charges	417,139			0	0	208,570	166,856	20,857	20,857			
Propor.		Other Services & Charges	0	0	0	0	0	0	0	0	0	0	0	0
LIFT STATIONS & PUMPING EQUIPMENT														
	1	Salaries and Wages	27,536			22,947	4,589	0	0	0	0			
	1	GASB 68	22,469			18,724	3,745	0	0	0	0			
	1	FICA	2,024			1,687	337	0	0	0	0			
	1	Retirement	1,843			1,536	307	0	0	0	0			
	1	Health Insurance	9,336			7,780	1,556	0	0	0	0			
	1	Utilities - Electricity	22,297			18,581	3,716	0	0	0	0			
	1	Utilities - Gas	364			303	61	0	0	0	0			
	1	Contractual Services	6,228			5,190	1,038	0	0	0	0			
	1	Supplies	909			757	151	0	0	0	0			
	1	Other Services & Charges	0			0	0	0	0	0	0			
WASTEWATER COLLECTION SYSTEM														
Coll		Salaries and Wages	91,804	91,804										
Coll		FICA	6,675	6,675										
Coll		Retirement	6,116	6,116										
Coll		Health Insurance	31,584	31,584										
Coll		Contractual Services	57,115	57,115										
Coll		Supplies	3,947	3,947										
Coll		Other Services & Charges	0	0										
DAMS														
Propor.		Salaries and Wages	2,879	407	0	455	32	900	735	183	167	0	0	0
Propor.		FICA	213	30	0	34	2	67	54	14	12	0	0	0
Propor.		Retirement	193	27	0	30	2	60	49	12	11	0	0	0
Propor.		Health Insurance	1,119	158	0	177	12	350	286	71	65	0	0	0
Propor.		Contractual Services	1,934	273	0	305	21	605	494	123	112	0	0	0
Propor.		Utilities - Electricity	803	113	0	127	9	251	205	51	47	0	0	0
Propor.		Supplies	0	0	0	0	0	0	0	0	0	0	0	0
METER READING														
Cust		Salaries and Wages	11,195									11,195		
Cust		FICA	796									796		

YEAR	2022
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Acct No.	Alloc No.	Account Description	Total	CONVEYANCE		FLOW		TREATMENT PLANT				CUSTOMER COSTS		
				Collection System	Interceptor System	Average	Peak	BOD	TSS	P	NH-3	Billing	Equivalent Meter	Equivalent Service
	Cust	Retirement	709									709		
	Cust	Health Insurance	3,398									3,398		
	Cust	Contractual Services	856									856		
	Propor.	Supplies	6,439									538	5,901	
	Meter	Meter Use Charge Paid to Water Utility	185,973										185,973	
		SUBTOTAL	1,612,549	198,250	0	221,542	15,580	438,825	358,494	89,109	81,385	17,491	191,874	0
		Subtotal for allocation of G & A expenses	1,612,549	198,250	0	221,542	15,580	438,825	358,494	89,109	81,385	17,491	191,874	0
		PERCENTAGE		12.29%	0.00%	13.74%	0.97%	27.21%	22.23%	5.53%	5.05%	1.08%	11.90%	0.00%
		GENERAL AND ADMINISTRATIVE EXPENSES												
	Gen	Salaries and Wages	135,699	16,683	0	18,643	1,311	36,928	30,168	7,499	6,849	1,472	16,147	0
	Gen	GASB 68	21,931	2,696	0	3,013	212	5,968	4,876	1,212	1,107	238	2,610	0
	Gen	FICA	9,941	1,222	0	1,366	96	2,705	2,210	549	502	108	1,183	0
	Gen	Retirement	9,080	1,116	0	1,248	88	2,471	2,019	502	458	98	1,080	0
	Gen	Health Insurance	45,282	5,567	0	6,221	438	12,323	10,067	2,502	2,285	491	5,388	0
	Gen	Contractual Services	27,708	3,406	0	3,807	268	7,540	6,160	1,531	1,398	301	3,297	0
	Gen	Supplies	4,344	534	0	597	42	1,182	966	240	219	47	517	0
	Gen	Insurance	55,787	6,859	0	7,664	539	15,181	12,402	3,083	2,816	605	6,638	0
	Gen	Other Services & Charges	0	0	0	0	0	0	0	0	0	0	0	0
		SUBTOTAL	309,773	38,084	0	42,559	2,993	84,299	68,867	17,118	15,634	3,360	36,859	0
		TOTAL	1,922,322	236,334	0	264,100	18,573	523,124	427,361	106,227	97,019	20,851	228,733	0

Allocation of Total Plant to Service Cost Functions

Acct No.	Alloc No.	Account Description	Average Balance (\$)	CONVEYANCE		FLOW		TREATMENT PLANT				CUSTOMER COSTS		
				Collection System (\$)	Interceptor System (\$)	Average (\$)	Peak (\$)	BOD (\$)	TSS (\$)	P (\$)	NH-3 (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)
		INTANGIBLE PROPERTY												
Cust		Misc. intangible property	0									0		
		COLLECTION SYSTEM												
Prop.		Land and land rights	0	0	0	0	0	0	0	0	0	0	0	0
Serv.		Service connections, traps and accessories	0											0
Coll		Collecting mains	680,920	680,920										
Int		Interceptor mains	0		0									
Int		Force mains	0		0									
Coll		Structures and improvements	0	0										
Coll		Receiving wells	0	0										
Coll		Electric pumping equipment	0	0										
Prop.		Other power pumping equipment	0	0	0	0	0	0	0	0	0	0	0	0
Prop.		Misc. pumping equipment	12,400	12,400	0	0	0	0	0	0	0	0	0	0
		TREATMENT AND DISPOSAL PLANT												
Prop.		Land and land rights	129,856			35,193	1,050	34,258	38,922	10,247	10,187			
5		Structures and improvements	10,547,988			2,109,598	0	3,164,396	3,164,396	1,054,799	1,054,799			
5		Electrical controls	804,635			160,927	0	241,391	241,391	80,464	80,464			
3		Preliminary treatment equipment	940,714			611,464	0	0	329,250	0	0			
2		Primary treatment equipment	207,974			103,987	0	20,797	83,189	0	0			
5		Secondary treatment equipment	1,253,173			250,635	0	375,952	375,952	125,317	125,317			
6		Advanced treatment equipment	925,800			0	0	462,900	370,320	46,290	46,290			
8		Chlorination equipment	83,276			0	0	49,966	0	16,655	16,655			
2		Sludge treatment and disposal equipment	1,006,547			503,274	0	100,655	402,619	0	0			
2		Biogas equipment	221,334			110,667	0	22,133	88,534	0	0			
1		Plant site piping	823,504			686,253	137,251	0	0	0	0			
7		Flow metering equipment	157,484			62,994	0	39,371	31,497	15,748	7,874			
1		Outfall sewer pipes	0			0	0	0	0	0	0			
Prop.		Other treatment and disposal plant equipment	645,902			175,050	5,223	170,398	193,596	50,967	50,668			
		SUBTOTAL TREATMENT AND DISPOSAL	17,748,187	0	0	4,810,040	143,524	4,682,217	5,319,665	1,400,487	1,392,253	0	0	0
		PERCENTAGE		0.00%	0.00%	27.10%	0.81%	26.38%	29.97%	7.89%	7.84%	0.00%	0.00%	0.00%
		SUBTOTAL COLLECTION, TREATMENT AND DISPOSAL	18,441,507	693,320	0	4,810,040	143,524	4,682,217	5,319,665	1,400,487	1,392,253	0	0	0
		PERCENTAGE		3.76%	0.00%	26.08%	0.78%	25.39%	28.85%	7.59%	7.55%	0.00%	0.00%	0.00%

Acct No.	Alloc No.	Account Description	CONVEYANCE		FLOW		TREATMENT PLANT				CUSTOMER COSTS			
			Average Balance	Collection System	Interceptor System	Average	Peak	BOD	TSS	P	NH-3	Billing	Equivalent Meter	Equivalent Service
GENERAL PLANT														
Gen		Structure and improvements	819,800	30,821	0	213,826	6,380	208,144	236,481	62,257	61,891	0	0	0
Gen		Office furniture and equipment	25,067	942	0	6,538	195	6,364	7,231	1,904	1,892	0	0	0
Gen		Computers	47,520	1,787	0	12,394	370	12,065	13,708	3,609	3,588	0	0	0
Gen		SCADA equipment	325,863	12,251	0	84,994	2,536	82,735	93,999	24,747	24,601	0	0	0
Gen		Transportation equipment	397,393	14,940	0	103,651	3,093	100,896	114,632	30,179	30,001	0	0	0
8		Laboratory and monitoring equipment	5,879			0	0	3,528	0	1,176	1,176			
Gen		Other general equipment	17,256	649	0	4,501	134	4,381	4,978	1,310	1,303	0	0	0
Gen		Communication equipment	83,805	3,151	0	21,859	652	21,278	24,175	6,364	6,327	0	0	0
			1,722,583	64,541	0	447,762	13,361	439,391	495,203	131,546	130,780	0	0	0
		TOTAL	20,164,091	757,861	0	5,257,803	156,884	5,121,608	5,814,868	1,532,033	1,523,033	0	0	0

Allocation of Debt to Service Cost Functions

Acct No.	Alloc No.	Account Description	Capital Financed through Debt (\$)	CONVEYANCE		FLOW		TREATMENT PLANT				CUSTOMER COSTS		
				Collection System (\$)	Interceptor System (\$)	Average (\$)	Peak (\$)	BOD (\$)	TSS (\$)	P (\$)	NH-3 (\$)	Billing (\$)	Equivalent Meter (\$)	Equivalent Service (\$)
INTANGIBLE PROPERTY														
Cust		Misc. intangible property	0									0		
COLLECTION SYSTEM														
Prop.		Land and land rights	0											
Serv.		Service connections, traps and accessories	0											0
Coll		Collecting mains	0	0										
Int		Interceptor mains	0		0									
Int		Force mains	0		0									
Coll		Structures and improvements	0	0										
Coll		Receiving wells	0	0										
Coll		Electric pumping equipment	0	0										
Prop.		Other power pumping equipment	0											
Prop.		Misc. pumping equipment	0											
TREATMENT AND DISPOSAL PLANT														
Prop.		Land and land rights	0			0	0	0	0	0	0			
5		Structures and improvements	5,855,900			1,171,180	0	1,756,770	1,756,770	585,590	585,590			
5		Electrical controls	0			0	0	0	0	0	0			
3		Preliminary treatment equipment	1,318,700			857,155	0	0	461,545	0	0			
2		Primary treatment equipment	0			0	0	0	0	0	0			
5		Secondary treatment equipment	832,900			166,580	0	249,870	249,870	83,290	83,290			
6		Advanced treatment equipment	1,750,000			0	0	875,000	700,000	87,500	87,500			
8		Chlorination equipment	0			0	0	0	0	0	0			
2		Sludge treatment and disposal equipment	1,147,400			573,700	0	114,740	458,960	0	0			
2		Biogas equipment	0			0	0	0	0	0	0			
1		Plant site piping	396,500			330,417	66,083	0	0	0	0			
7		Flow metering equipment	0			0	0	0	0	0	0			
1		Outfall sewer pipes	0			0	0	0	0	0	0			
Prop.		Other treatment and disposal plant equipment	279,700			76,698	1,636	74,158	89,769	18,720	18,720			
SUBTOTAL			11,581,100	0	0	3,175,730	67,719	3,070,538	3,716,914	775,100	775,100	0	0	0
PERCENTAGE				0.00%	0.00%	27.42%	0.58%	26.51%	32.09%	6.69%	6.69%	0.00%	0.00%	0.00%

Acct No.	Alloc No.	Account Description	Capital Financed through Debt	CONVEYANCE		FLOW		TREATMENT PLANT				CUSTOMER COSTS		
				Collection System	Interceptor System	Average	Peak	WASTE TREATMENT				Billing	Equivalent Meter	Equivalent Service
								BOD	TSS	P	NH-3			
GENERAL PLANT														
Gen		Structure and improvements	207,800	0	0	56,982	1,215	55,095	66,693	13,908	13,908	0	0	0
Gen		Office furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Gen		Computers	64,600	0	0	17,714	378	17,128	20,733	4,324	4,324	0	0	0
Gen		SCADA equipment	145,400	0	0	39,871	850	38,550	46,666	9,731	9,731	0	0	0
Gen		Transportation equipment	0	0	0	0	0	0	0	0	0	0	0	0
8		Laboratory and monitoring equipment	0	0	0	0	0	0	0	0	0	0	0	0
Gen		Other general equipment	0	0	0	0	0	0	0	0	0	0	0	0
Gen		Communication equipment	0	0	0	0	0	0	0	0	0	0	0	0
			417,800	0	0	114,568	2,443	110,773	134,091	27,963	27,963	0	0	0
		TOTAL	11,998,900	0	0	3,290,298	70,162	3,181,311	3,851,005	803,062	803,062	0	0	0

Summary of Allocation of Operating Costs to Service Cost Functions

YEAR		2022												
Retail Rate of Return		3.90%												
Net Asset Base		17,648,242												
Operating Cost	Total	CONVEYANCE			FLOW		TREATMENT PLANT				CUSTOMER COSTS			
		Collection System O&M	Interceptor System O&M	Collection System Replacement	Average	Peak	BOD	TSS	P	NH-3	Billing	Equivalent Meter	Equivalent Service	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Operation and Maintenance	1,922,322	236,334	0		264,100	18,573	523,124	427,361	106,227	97,019	20,851	228,733	0	
Debt Service	784,117	0	0		215,018	4,585	207,896	251,659	52,479	52,479	0	0	0	
City Sewer Collection System Replacement	60,379			60,379										
North Hudson Collection System Allowance	11,501			11,501										
Other Capital Improvements	253,207	0	0		68,623	2,048	66,800	75,894	19,980	19,863	0	0	0	
Total	3,031,526	236,334	0	71,880	547,741	25,206	797,819	754,914	178,686	169,361	20,851	228,733	0	

Wholesale Rate of Return		3.90%												
Net Asset Base		17,648,242												
Operating Cost	Total	CONVEYANCE			FLOW		TREATMENT PLANT				CUSTOMER COSTS			
		Collection System O&M	Interceptor System O&M	Collection System Replacement	Average	Peak	BOD	TSS	P	NH-3	Billing	Equivalent Meter	Equivalent Service	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Operation and Maintenance	1,922,322	236,334	0		264,100	18,573	523,124	427,361	106,227	97,019	20,851	228,733	0	
Debt Service	784,117	0	0		215,018	4,585	207,896	251,659	52,479	52,479	0	0	0	
City Sewer Collection System Replacement	60,379			60,379										
North Hudson Collection System Allowance	11,501			11,501										
Other Capital Improvements	253,207	0	0		68,623	2,048	66,800	75,894	19,980	19,863	0	0	0	
Total	3,031,526	236,334	0	71,880	547,741	25,206	797,819	754,914	178,686	169,361	20,851	228,733	0	

Overall Rate of Return		3.90%												
Net Asset Base		17,648,242												
Operating Cost	Total	CONVEYANCE			FLOW		TREATMENT PLANT				CUSTOMER COSTS			
		Collection System O&M	Interceptor System O&M	Other Collection System	Average	Peak	BOD	TSS	P	NH-3	Billing	Equivalent Meter	Equivalent Service	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	
Operation and Maintenance	1,922,322	236,334	0		264,100	18,573	523,124	427,361	106,227	97,019	20,851	228,733	0	
Debt Service	784,117	0	0		215,018	4,585	207,896	251,659	52,479	52,479	0	0	0	
City Sewer Collection System Replacement	60,379			60,379										
North Hudson Collection System Allowance	11,501			11,501										
Other Capital Improvements	253,207	0	0		68,623	2,048	66,800	75,894	19,980	19,863	0	0	0	
Total	3,031,526	236,334	0	71,880	547,741	25,206	797,819	754,914	178,686	169,361	20,851	228,733	0	

Customer Class Demand Allocation

YEAR		2022																							
Billing Units - CCF		BASE DEMAND					EXTRA-CAPACITY MAX DAY DEMAND						TREATMENT CATEGORIES												
Customer Class	Annual Volume	Average Day Volume	System Percent (%)	Collection Percent (%)	Collection System Replace. Percent (%)	Max Day / Average Day Ratio	Extra Capacity Ratio	Extra Capacity Volume Rate Per Day	Percent (%)	System Adjust. Percentage (%)	Coll. Adjust. Percentage (%)	Waste Strength (mg/l)	BOD		TSS		P		NH3						
													Loadings (lbs)	Percent (%)	Waste Strength (mg/l)	Loadings (lbs)	Percent (%)	Waste Strength (mg/l)	Loadings (lbs)	Percent (%)	Waste Strength (mg/l)	Loadings (lbs)	Percent (%)		
Residential	345,061	94,537	44.72%	44.74%	57.63%	1.20	0.20	18,907	57.59%	57.59%	57.63%	300	863,343	57.62%	300	863,343	57.60%	8.0	23,022	57.60%	40.0	115,112	57.60%		
Multi-Family	67,171	18,403	8.71%	8.71%	11.22%	1.20	0.20	3,681	11.21%	11.21%	11.22%	300	168,062	11.22%	300	168,062	11.21%	8.0	4,482	11.21%	40.0	22,408	11.21%		
Commercial	160,720	44,033	20.83%	20.84%	26.84%	1.20	0.20	8,807	26.82%	26.82%	26.84%	300	402,123	26.84%	300	402,123	26.83%	8.0	10,723	26.83%	40.0	53,616	26.83%		
Industrial	3,328	912	0.43%	0.43%	0.56%	1.20	0.20	182	0.56%	0.56%	0.56%	300	8,327	0.56%	300	8,327	0.56%	8.0	222	0.56%	40.0	1,110	0.56%		
Public Authority	22,469	6,156	2.91%	2.91%	3.75%	1.20	0.20	1,231	3.75%	3.75%	3.75%	300	56,217	3.75%	300	56,217	3.75%	8.0	1,499	3.75%	40.0	7,496	3.75%		
Landfill Leachate	297	81	0.04%	0.00%	0.00%	1.30	0.30	24	0.07%	0.07%	0.00%	100	248	0.02%	300	744	0.05%	8.0	20	0.05%	40.0	99	0.05%		
Inflow / Infiltration	172,501	47,261	22.36%	22.37%	0.00%	1.00	0.00	-	0.00%	0.00%	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%	-	-	0.00%		
Total	771,548	211,383	100.0%	100.0%	100.0%			32,833	100.0%	100.0%	100.0%		1,498,320	100.0%		1,498,816	100.0%		39,968	100.0%		199,842	100.0%		

Consumer Costs Allocation Factors

Customer Class	Number of Meters												Total Meters	Percent Total
	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12		
Residential	6,706	248	6		1								6,961	90.87%
Multi-Family	11	7	17		18	19	6		1				79	1.03%
Commercial	322	37	98		66	28	3	-					554	7.23%
Industrial	10	2	7		5		2						26	0.34%
Public Authority	15	-	7		7	4	5	2	-				40	0.52%
Total	7,064	294	135	0	97	51	16	2	1	0	0	0	7,660	

Equivalent Meters														
Allocation factor:	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12	Total Equiv. Meters	Percent Total
Meter Size (Inches):	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12		
Equiv. Meters Ratio:	1	1.0	2.5	3.7	5	8	15	25	50	80	120	160		

Customer Class	Equivalent Services												Total Equiv. Services	Percent Total
	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12		
Residential	6,706	248	15	-	5	-	-	-	-	-	-	-	6,974	78.11%
Multi-Family	11	7	43	-	90	152	90	-	50	-	-	-	443	4.96%
Commercial	322	37	245	-	330	224	45	-	-	-	-	-	1,203	13.47%
Industrial	10	2	18	-	25	-	30	-	-	-	-	-	85	0.95%
Public Authority	15	-	18	-	35	32	75	50	-	-	-	-	225	2.51%
Total	7,064	294	338	0	485	408	240	50	50	0	0	0	8,929	100.00%

Equivalent Services														
Allocation factor:	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12	Total Equiv. Services	Percent Total
Meter Size (Inches):	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12		
Equiv. Services Ratio:	1	1.0	1.3	1.7	2	3	4	5	6	7	8	9		

Customer Class	Equivalent Services												Total Equiv. Services	Percent Total
	5/8	3/4	1	1 1/4	1 1/2	2	3	4	6	8	10	12		
Residential	6,706	248	8	-	2	-	-	-	-	-	-	-	6,964	87.48%
Multi-Family	11	7	22	-	36	57	24	-	6	-	-	-	163	2.05%
Commercial	322	37	127	-	132	84	12	-	-	-	-	-	714	8.97%
Industrial	10	2	9	-	10	-	8	-	-	-	-	-	39	0.49%
Public Authority	15	-	9	-	14	12	20	10	-	-	-	-	80	1.01%
Total	7,064	294	176	0	194	153	64	10	6	0	0	0	7,961	100.00%

Allocation of Service Cost Functions to Customer Classes - Combined Retail and Wholesale ROI

TEST YEAR		2022						
CASH BASIS	Total	Residential	Multi-Family	Commercial	Industrial	Public Authority	Landfill Leachate	Infiltration / Inflow
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
CONVEYANCE COSTS:								
Collection O&M	236,334	105,737	20,583	49,249	1,020	6,885	0	52,860
Interceptor O&M	0	0	0	0	0	0	0	0
Other Collection System	71,880	41,425	8,064	19,295	400	2,697	0	0
FLOW COSTS:								
Average Flow	547,741	244,968	47,686	114,099	2,363	15,951	211	122,463
Peak Flow	25,206	14,515	2,826	6,761	140	945	19	0
TREATMENT COSTS:								
BOD	797,819	459,709	89,489	214,121	4,434	29,934	132	0
TSS	754,914	434,844	84,648	202,539	4,194	28,315	375	0
P	178,686	102,926	20,036	47,940	993	6,702	89	0
NH-3	169,361	97,555	18,990	45,439	941	6,352	84	0
CUSTOMER COSTS:								
Billing	20,851	18,948	215	1,508	71	109	0	
Equivalent Meters	228,733	178,662	11,336	30,819	2,165	5,751	0	
Equivalent Services	0	0	0	0	0	0	0	
SUBTOTAL COST before I/I	3,031,526	1,699,289	303,874	731,770	16,719	103,643	909	175,323
I/I Allocation %		70%	7%	19%	1%	3%	0%	
TOTAL COST after I/I	3,031,526	1,822,099	316,883	764,795	18,037	108,803	909	
LESS OTHER REVENUE	41,837	24,891	4,451	10,719	245	1,518	13	
		59%	11%	26%	1%	4%	0%	
COST OF SERVICES	2,989,690	1,797,208	312,432	754,077	17,792	107,285	896	
REVENUE AT PRESENT RATES	2,031,586	1,246,830	204,527	500,519	10,893	68,818	0	
DIFFERENCE	958,104	550,378	107,905	253,558	6,899	38,467	896	
PERCENT INCREASE/DECREASE	47.16%	44.14%	52.76%	50.66%	63.34%	55.90%	#DIV/0!	

General Service Charge Calculation

	Cost of Service	Allocated I/I	Units	Annual Billing Periods	Cost per Billing Cycle (\$/Unit)	Billing Cycle - Quarterly					
Billing Cost	\$20,851	\$0	7,660	4	\$0.68						
Equivalent Meters	\$228,733	\$0	8,929	4	\$6.40						
Equivalent Services	\$0	\$175,323	7,961	4	\$5.51						
	\$249,584	\$175,323									

Size of Connection	Billing Cost (\$/unit)	Equivalent Meter Ratio	Meter Cost (\$/unit)	Equivalent Service Ratio	Service Cost (\$/unit)	Calculated Charge (\$/unit)	Present Charge (\$/unit)	Proposed Service Charge (\$/unit)	No. Connections	Revenues at Present Rates	Revenues at Proposed Rates
5/8-inch	\$0.68	1.0	\$6.40	1.0	\$5.51	\$12.59	\$7.60	\$12.80	7,064	\$214,746	\$361,677
3/4-inch	\$0.68	1.0	\$6.40	1.0	\$5.51	\$12.59	\$7.60	\$12.80	294	\$8,938	\$15,053
1-inch	\$0.68	2.5	\$16.01	1.3	\$7.16	\$23.85	\$8.45	\$24.10	135	\$4,563	\$13,014
1 1/4-inch	\$0.68	3.7	\$23.70	1.7	\$9.36	\$33.74	\$9.50	\$34.10	-	\$0	\$0
1 1/2-inch	\$0.68	5.0	\$32.02	2.0	\$11.01	\$43.72	\$10.35	\$44.10	97	\$4,016	\$17,111
2-inch	\$0.68	8.0	\$51.24	3.0	\$16.52	\$68.44	\$11.15	\$69.00	51	\$2,275	\$14,076
2 1/2-inch	\$0.68	12.0	\$76.85	3.5	\$19.27	\$96.81	\$11.70	\$97.50	-	\$0	\$0
3-inch	\$0.68	15.0	\$96.07	4.0	\$22.02	\$118.77	\$12.50	\$119.50	16	\$800	\$7,648
4-inch	\$0.68	25.0	\$160.11	5.0	\$27.53	\$188.32		\$189.20	2	\$0	\$1,514
6-inch	\$0.68	50.0	\$320.23	6.0	\$33.04	\$353.95		\$355.00	1	\$0	\$1,420
8-inch	\$0.68	80.0	\$512.37	7.0	\$38.54	\$551.59		\$552.90	-	\$0	\$0
10-inch	\$0.68	120.0	\$768.55	8.0	\$44.05	\$813.28		\$814.70	-	\$0	\$0
12-inch	\$0.68	160.0	\$1,024.73	9.0	\$49.55	\$1,074.97		\$1,076.60	-	\$0	\$0
Total									7,660	\$235,337	\$431,512
Cost of Service											\$424,906
Percent of Cost											101.6%

Volumetric and Surcharge Rate Calculation

		Total	Residential	Multi-Family	Commercial	Industrial	Public Authority	Landfill Leachate
Allocated Cost - Volumetric		\$2,564,783	\$1,476,788	\$287,872	\$688,724	\$14,238	\$96,265	\$896
Billable Units	CCF	599,047	345,061	67,171	160,720	3,328	22,469	297
Calculated Rate	\$ / CCF		\$4.28	\$4.29	\$4.29	\$4.28	\$4.28	\$3.01
Proposed Rate	\$ / CCF		\$4.25	\$4.25	\$4.25	\$4.25	\$4.25	\$3.08
Allocated Cost - BOD		\$797,819					Billable Units - 1,000 Gallons	222
Billable Units	Pounds	1,069,090					Calculated Rate - 1,000 Gallons	\$4.03
Calculated Rate	\$ / lb.	\$0.746					Proposed Rate - 1,000 Gallons	\$4.11
Proposed Rate		\$0.76						
Allocated Cost - TSS		\$754,914						
Billable Units	Pounds	1,069,090						
Calculated Rate	\$ / lb.	\$0.706						
Proposed Rate		\$0.72						
Allocated Cost - Phosphorus		\$178,686						
Billable Units	Pounds	28,509						
Calculated Rate	\$ / lb.	\$6.268						
Proposed Rate		\$6.40						
Allocated Cost - NH-3		\$169,361						
Billable Units	Pounds	142,545						
Calculated Rate	\$ / lb.	\$1.188						
Proposed Rate		\$1.21						
Estimated Revenues		\$2,545,602	\$1,466,511	\$285,477	\$683,062	\$14,144	\$95,493	\$915

Comparison of Current and Proposed Rate Schedules

TEST YEAR 2022

**Billing Cycle - Quarterly
Billing Units - CCF**

Quarterly Flat Charge

Connection Size	Current Charge	2020	Percent Change	2021	Percent Change	2022	Percent Change
5/8	\$7.60	\$7.60	0%	\$9.28	22%	\$12.80	38%
3/4	\$7.60	\$7.60	0%	\$9.28	22%	\$12.80	38%
1	\$8.45	\$8.45	0%	\$17.46	107%	\$24.10	38%
1 1/4	\$9.50	\$9.50	0%	\$24.71	160%	\$34.10	38%
1 1/2	\$10.35	\$10.35	0%	\$31.96	209%	\$44.10	38%
2	\$11.15	\$11.15	0%	\$50.00	348%	\$69.00	38%
2 1/2	\$11.70	\$11.70	0%	\$70.65	504%	\$97.50	38%
3	\$12.50	\$12.50	0%	\$86.59	593%	\$119.50	38%
4	\$0.00	\$0.00	NA	\$137.10	NA	\$189.20	38%
6	\$0.00	\$0.00	NA	\$257.25	NA	\$355.00	38%
8	\$0.00	\$0.00	NA	\$400.65	NA	\$552.90	38%
10	\$0.00	\$0.00	NA	\$590.36	NA	\$814.70	38%
12	\$0.00	\$0.00	NA	\$780.14	NA	\$1,076.60	38%

Usage Charges

	Units	Current Rate	2020	Percent Change	2021	Percent Change	2022	Percent Change
Domestic Sewage	\$/CCF	\$3.00	\$3.00	0%	\$3.08	3%	\$4.25	38%
Landfill Leachate	\$/CCF	\$0.00	\$2.01	NA	\$2.23	11%	\$3.08	38%
	\$/1,000 gals	\$0.00	\$2.68	NA	\$2.98	11%	\$4.11	38%
	per load	\$0.00	\$0.44	NA	\$0.49	11%	\$0.68	38%

Surcharge Rates

BOD	\$/pound	\$0.00	\$0.50	NA	\$0.55	11%	\$0.76	38%
TSS	\$/pound	\$0.00	\$0.47	NA	\$0.52	11%	\$0.72	38%
Phosphorus	\$/pound	\$0.00	\$4.18	NA	\$4.64	11%	\$6.40	38%
TKN	\$/pound	\$0.00	\$0.79	NA	\$0.88	11%	\$1.21	38%

Comparison of Revenue at Present Rates, Cost-of-Service and Proposed Rates

Customer Class	Cost of Service			Proposed Rates		
	Revenue at Present Rates	Revenue Required	Increase Over Present Rates	Revenue	Increase Over Present Rates	Percent of Cost of Service
Domestic						
Residential	\$1,246,830	\$1,797,208	44.1%	\$1,823,310	46.2%	101.5%
Multi-Family	\$204,527	\$312,432	52.8%	\$300,744	47.0%	96.3%
Commercial	\$500,519	\$754,077	50.7%	\$731,695	46.2%	97.0%
Industrial	\$10,893	\$17,792	63.3%	\$17,271	58.6%	97.1%
Public Authority	\$68,818	\$107,285	55.9%	\$103,178	49.9%	96.2%
Subtotal Domestic Retail	\$2,031,586	\$2,988,794	47.1%	\$2,976,198	46.5%	99.6%
Landfill Leachate	\$0	\$896		\$963		107.5%
Subtotal Wholesale	\$0	\$896	#DIV/0!	\$963	#DIV/0!	107.5%
Total	\$2,031,586	\$2,989,690	47.2%	\$2,977,161	46.5%	99.6%
Volumetric Charges	\$1,724,399	\$2,563,887		\$2,544,686		
Fixed Customer Charges	\$235,337	\$424,906		\$431,512		
Hauled Waste	\$0	\$896		\$963		
% Volumetric Charges	84.9%	85.8%		85.5%		
% Fixed Customer Charges	11.6%	14.2%		14.5%		
% Hauled Waste	0.0%	0.0%		0.0%		



HUDSON PUBLIC UTILITIES ISSUE SHEET

DATE: January 12, 2021
SUBMITTED TO: PUC & Common Council
SUBMITTED BY: Utility Director Peters
REGARDING: Amending Ordinance 242-1 Section B

ISSUE: There is some unclarity between the current ordinance 242-1(B) and the 1983 Water Agreement that the City of Hudson and the Village of North Hudson operate under. This amendment is intended to clarify and establish a clear role for the appointed Village of North Hudson liaison on the Public Utility Commission.

-Under the 1983 Water Agreement section 14. Utility Management and Meetings, it states "The Village shall designate one or more people to serve as liaison with the utility. Such Village representatives shall be entitled to attend and be heard at Utility meetings but shall not have any voting rights."

-Current Ordinance 242-1(B) Appointment, it states "One member of the Utility Commission shall be a representative of the Village of North Hudson."

-Suggested Ordinance 242-1(B)(2) Appointment, Village of North Hudson Representative. The Village of North Hudson may designate one or more persons to serve as a representative of the Village of North Hudson and be a liaison between North Hudson and the Public Utility Commission. The North Hudson representative may attend and be heard at all public meetings of the Public Utility Commission, but shall not be a member of the Public Utility Commission and shall not have any voting rights.

FUNDING SOURCE:

STAFF RECOMMENDATION: Accept the proposed changes to Ordinance 242-1(B)(2) and forward to the Hudson City Council for approval.

COMMITTEE RECOMMENDATION:

1983 WATER AGREEMENT

The Village shall also furnish the Utility with projections and plans for Village growth over five (5), ten (10) and twenty (20) years, and updates thereof every five (5) years thereafter.

The above requirements for information to be furnished by the Village to the Utility are directory, not mandatory; failure of the Village to furnish same shall not be a breach of this Agreement unless the Village intentionally withholds or refuses to divulge such information upon written request from the Utility.

13. EXPANSION OF VILLAGE DISTRIBUTION SYSTEM. The Village shall require that all new water mains and water distribution appurtenances hereafter installed in the Village are consistent with the planned location and design of the Village's water system, as determined by the Village in consultation with the Utility from time to time, and that same comply with the design and construction standards, including hydrostatic testing, applied by the Utility in the City. The Utility shall furnish to the Village the current standards and all subsequent changes thereof, in writing.

The Village shall furnish to the Utility copies of all plans for water mains and appurtenances to be installed in the Village. The Utility shall advise the Village in writing, within thirty (30) days after submission of such plans to the Utility, as to the Utility's approval of objections thereto. If the Utility objects, it shall specify in writing the basis for its objections and the steps or changes it deems necessary to correct same. If the Utility timely objects as set forth herein, the water mains and appurtenances objected to shall not be installed until the objections have been mutually resolved; the parties agree to expedite consultations to resolve any objections. Failure of the Utility to return its written approval or detailed objection within thirty (30) days after submission of plans shall be deemed approval.

14. UTILITY MANAGEMENT AND MEETINGS. It is expressly understood that management and operation of the water utility and its facilities, exclusive of the distribution system owned and operated by the Village shall continue to be the responsibility of the Hudson Public Utilities Commission appointed by the Common Council of the City of Hudson. The Village shall designate one or more people to serve as liason with the Utility. Such Village representatives shall be entitled to attend and be heard at Utility meetings, but shall not have any voting rights. Notices of all Utility meetings shall be sent to the Village Clerk and to the person designated by the Village as its primary liason.

§ 242-1. Utility Commission. [Amended by Ord. No. 15-97; 5-1-2000 by Ord. No. 9-00; 8-1-2016 by Ord. No. 19-16]

- A. Creation. Pursuant to W.S.A. § 66.0805(6), there is hereby created a Utility Commission for the City, the members of which shall be selected upon a nonpartisan basis.
- B. Appointment. The Utility Commission shall consist of seven members appointed by the Mayor and subject to the approval of the governing body for three-year terms, with the terms so staggered that no more than two members are appointed each year. One member of the Common Council shall be appointed to the Utility Commission. The Common Council member of the Utility Commission shall resign his/her position on the Utility Commission if that member ceases to be a member of the Common Council. One member of the Utility Commission shall be a representative of the Village of North Hudson. The Village Board shall recommend its representative to the Common Council for appointment; however, the Village representative shall not be eligible to serve as an officer of the Utility Commission nor as a representative to the Plan Commission.
- C. Organization. As soon as possible after their appointment and annually thereafter, the members of the Utility Commission shall organize by choosing from among their members a Chairperson and a Vice Chairperson. All members of the Commission shall receive compensation as may be set by the Common Council.
- D. Eligibility. No person shall be eligible to be a member of the Utility Commission or to hold any office or position with such Commission who, directly or indirectly, has any pecuniary interest in any contract for furnishing heat, light, water or other public service to or for the City or the citizens thereof or who is a stockholder in any corporation which has any such contract. Any such office or position shall become vacant upon the acquiring of any such interest.
- E. Management of Utility. Subject to the general control and supervision of the Common Council, the Utility Commission shall take entire charge and management of the Utility of the City and shall supervise the operation of the utilities. General control and supervision by the Council shall include, but not be limited to, review and approval by the Common Council of:
- (1) The annual operating and capital budgets of the utilities;

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- (2) Capital expenditures, construction, extensions, and improvements that exceed the approved annual operating and capital budgets;
 - (3) Public improvement construction contracts, water tower land lease agreements and other similar capital or long term contracts; and
 - (4) Rate changes.
- F. Rules; employees. The Commission shall make rules for its own proceedings and for the government of its departments. It shall appoint a Utility Director, subject to Common Council approval and engage the necessary employees and fix their compensation within the limits established by the Common Council. The Public Utility Department shall be subject to the City's personnel policy, procurement policy, and other City policies of general application.
 - G. Use of City officers. The Commission, when necessary, may utilize the services of the City Engineer, City Attorney, City Clerk, City Finance Officer, Public Works Superintendent and other officials and employees of the City upon such basis as shall be mutually agreed to or as determined by the Common Council. In such case, the general fund of the City shall be reimbursed by the Commission for the pro rata cost of such services.
 - H. General powers. The Commission shall have such general powers in the construction, extension, improvement and operation of the utilities as shall be designated by the Common Council.
 - I. Books of account. The Utility Commission shall keep separate funds and separate books of account for the Wastewater Utility and the Water Utility. The books of account for the Water Utility shall be kept in the manner and form prescribed for water utilities of its class by the Public Service Commission. Such books of account shall be open to the public.
 - J. Utility funds. No funds of such utility shall be transferred to the Finance Officer for the use of the City, except in accordance with W.S.A. § 66.0811(3). Any excess funds accumulated by such utility, unless deposited pursuant to law, and all funds in depreciation of retirement reserves may be invested pursuant to W.S.A. §§ 66.0811(2) and 66.0603(1g), (1m), (2) and (3).
 - K. Expenditures. All expenditures of the utility shall be audited and approved by the Utility Commission. All expenditures must be authorized by the Chairperson and Vice Chairperson of the Utility

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Commission and, upon such approval, shall be paid by the
Finance Officer.

SUGGESTED ORDINANCE

ORDINANCE NO. _____

WHEREAS, The Hudson Public Utility Commission finds it necessary to clarify the role of the Village of North Hudson representative/liaison with respect to the Hudson Public Utility Commission;

WHEREAS, the Hudson Public Utility Commission has reviewed this Ordinance and recommended that the Common Council adopt the Ordinance to clarify the role of the Village of North Hudson representative with respect to the Utility Commission;

WHEREAS, the Common Council has reviewed the Ordinance and finds that it properly clarifies the role of the Village of North Hudson representative /liaison to the Hudson Public Utility Commission;

NOW THEREFORE, Common Council hereby ordains that Chapter 242 -1 Section B regarding the Public Utility Commission shall be amended to read as follows:

- I. Amendment of Chapter 242-1 Section B:
 - B. Appointment.
 - 1. Public Utility Commission Membership. The Public Utility Commission shall consist of seven members appointed by the Mayor and subject to the approval of the governing body for three-year terms, with the terms staggered so that no more than two members are appointed each year. All members of the Public Utility Commission shall be residents of the City of Hudson. One member of the Common Council shall be appointed to the Utility Commission. The Common Council member of the Utility Commission shall resign his/her position on the Utility Commission if that member ceases to be a member of the Common Council.
 - 2. Village of North Hudson Representative. The Village of North Hudson may designate one or more persons to serve as a representative of the Village of North Hudson and be a liaison between North Hudson and the Public Utility Commission. The North Hudson representative may attend and be heard at all public meetings of the Public Utility Commission, but shall not

be a member of the Public Utility Commission and shall not have any voting rights.

II. Effective Date. This Ordinance shall be effective upon adoption by the Common Council and publication as required by law.

Adopted this ___ day of _____, 2021.

CITY OF HUDSON

By: _____
Richard O'Connor, Mayor

Attest: _____
Becky Engen Clerk

First Reading: _____

Adopted: _____

Published: _____

ORDINANCE NO. 2-21

WHEREAS, The Hudson Public Utility Commission finds it necessary to clarify the role of the Village of North Hudson representative/liaison with respect to the Hudson Public Utility Commission;

WHEREAS, the Hudson Public Utility Commission has reviewed this Ordinance and recommended that the Common Council adopt the Ordinance to clarify the role of the Village of North Hudson representative with respect to the Utility Commission;

WHEREAS, the Common Council has reviewed the Ordinance and finds that it properly clarifies the role of the Village of North Hudson representative /liaison to the Hudson Public Utility Commission;

NOW THEREFORE, Common Council hereby ordains that Chapter 242 -1 Section B regarding the Public Utility Commission shall be amended to read as follows:

I. Amendment of Chapter 242-1 Section B:

B. Appointment.

1. Public Utility Commission Membership. The Public Utility Commission shall consist of seven members appointed by the Mayor and subject to the approval of the governing body for three-year terms, with the terms staggered so that no more than two members are appointed each year. All members of the Public Utility Commission shall be residents of the City of Hudson. One member of the Common Council shall be appointed to the Utility Commission. The Common Council member of the Utility Commission shall resign his/her position on the Utility Commission if that member ceases to be a member of the Common Council.
2. Village of North Hudson Representative. The Village of North Hudson may designate one or more persons to serve as a representative of the Village of North Hudson and be a liaison between North Hudson and the Public Utility Commission. The North Hudson representative may attend and be heard at all public meetings of the Public Utility Commission, but shall not

be a member of the Public Utility Commission and shall not have any voting rights.

- II. Effective Date. This Ordinance shall be effective upon adoption by the Common Council and publication as required by law.

Adopted this ___ day of _____, 2021.

CITY OF HUDSON

By: _____
Richard O'Connor, Mayor

Attest: _____
Becky Engen Clerk

First Reading: _____

Adopted: _____

Published: _____