SPECIAL COUNCIL MEETING
CITY OF CROSSLAKE
THURSDAY, JULY 30, 2020
9:00 A.M. – CITY HALL

1. Call to Order

2. Crosslake Emergency Services Center – Moisture Damage Review

    a. Email dated July 24, 2020 from League of MN Cities
    b. Report dated July 23, 2020 from Encompass Engineering Consultants Forensic Analysis
    c. Email dated July 28, 2020 from League of MN Cities
    d. Letter dated July 28, 2020 from League of MN Cities

3. Crosslake Water Quality Improvements

    a. Letter dated July 21, 2020 from Widseth to DeChantal Excavating Re: Request for Progress Plan
    b. Email dated July 24, 2020 from Widseth and DeChantal Excavating Re: Request for Extension

4. Adjourn

2. a.

City of Crosslake

From: Geiger, Carol <cgeiger@lmc.org>
Sent: Friday, July 24, 2020 3:15 PM
To: Mike Lyonais
Subject: Emergency Service Center Report
Attachments: 20-7584-000 Cross Lake Emergency Response Center - REV 7 23 2020.pdf

Mike,

Attached is the report that we received regarding the building from Encompass.

As we discussed, I will get a disclaimer letter out to the City regarding the issues that are not covered under the Covenant. The letter will have language from the Covenant in it as well for your review regarding the items that are not covered. The letter needs to go through claims management review before it is sent out, so I hope to have it to you before then end of next week.

In short as we discussed, the Covenant does not provide coverage for faulty workmanship, construction, or design. Additionally, it does not cover damages caused by rust, decay, deterioration, mold to name a few. Additionally, an occurrence is an event that causes direct physical damage during a 72-hour period. Some of the areas on the building have been damaged that appear to be from the time of the original construction.

If you or others have any questions regarding the report from Encompass, please let me know and I can obtain additional information from Mark Blazevic for you. The disclaimer letter that I will send out will help understand the coverage as they relate to the damages to the building.

The two areas that can be considered for coverage are as follows:

1. Ice damage to the western dormer trim. This repairs to this can be covered subject to the $250.00 deductible.
2. Minor water damages to the drywall in the closet in the day room located on the back wall to the slop/sink room of the fire hall. This is possibly due to the overflow of water from the sink that migrated on the floor into the closet. The drywall repair would also be subject to the $250.00 deductible.

The above two claims would not be grouped together, as they would not be considered once occurrence and have separate cause of loss. Please let me know if you have any questions regarding the above and if you would like to pursue these two separate claims. If you would like to, I will have the two additional claims set up for these.

Thank you for your time this afternoon to review this all and have a great weekend.

Carol Geiger | Senior Claims Adjuster
Mobile: (612) 270-0606 | Fax: (866) 293-4942
cgeiger@lmc.org

League of Minnesota Cities | 145 University Ave. West | St. Paul, MN 55103
www.lmc.org | Facebook | Twitter | Podcast

July 23, 2020

Encompass
engineering consultants
forensic analysis

Carol Geiger
League of Minnesota Cities.
145 University Ave
St. Paul, MN 55103

Re: Crosslake Emergency Services Center – Moisture Damage Review
37028 So Rd 66
Crosslake, MN
Enc. Project No.: 20-7584

Dear Ms. Geiger:

At your request, Encompass has performed a review of reported moisture damage to the Crosslake Emergency Services Center. This assessment is limited in scope to specific locations of moisture damage as reported by City representatives. This report provides a summary of our findings and recommendations for repair.

1. Introduction/Background

1.1. The scope of this assessment consisted of reviewing select locations of the exterior envelope relative to reported moisture intrusion and ice dam formation. The Emergency Services building is a one-story, wood-framed structure constructed between 1993-94 and an addition added in 1996. We understand a standing seam metal roof and covered soffit were added around 2004. Based on onsite discussions, we understand that the City has engaged a contractor to perform remodeling and renovation work and during construction encountered various water damage to exterior envelope components.

1.2. On July 13, 2020, Mark Blazevic, P.E. of Encompass, Inc. visited the site. Observations were recorded via notes and photographs. At the time of our visit the contractor had removed various locations of exterior siding and interior wall board to facilitate viewing.

2. Observations & Analysis

2.1. <u>South Elevation</u>

2.1.1. The City reported finding rusted file cabinets that were placed along the south wall of the building. During the renovations, workers removed sections of wall board and discovered water damaged sheathing (Photos #3-4). Mold-like growth was present on the interior side of the sheathing. Water damaged and deteriorated studs were present, as was damaged sheathing along the wall base.

5435 Feltl Rd
Minnetonka, Minnesota 55343
Phone 952-854-4511 fax 952-854-3126

The damage was sporadic throughout the wall but was most severe near the SW corner.

2.1.2. The exterior of the South wall is clad with brick for the lower 12 feet and then transitions to cedar siding at the gable above (Photo #2). Various efflorescence staining is present on the base of the brick masonry, in patterns consistent with overspray from a previous sprinkler system. No through-wall flashing is present along the base of the wall.

2.1.3. At the transition from brick to wood siding, an "L" shaped metal flashing is present (Photo #5). The flashing is installed with little or no slope and in some locations is back-sloped to the building. Deteriorated sealant is present below the flashing. Gaps and openings are present at the SW corner, aligning with the most severe interior damage (Photo #6).

2.1.4. Tyvek weather barrier is present behind the siding, which was visible through gaps in the siding, and extends behind the brick. The Tyvek does not lap over the vertical leg of the metal flashing, but rather extends behind. Where interior sheathing was deteriorated, Tyvek was visible behind the brick, little or no air space was present between the brick and wall sheathing.

2.1.5. It is our opinion that the damage to wall sheathing and corrosion of metal cabinets placed adjacent to the wall is the result of the following original construction related deficiencies:

- Metal flashing atop the brick that does not drain water away, combined with holes in the flashing. These conditions allow water to bypass the flashing and migrate behind the brick.

- We understand that original construction at the top of the gable included a cedar cap rather than the current metal cap. The wood cap construction would have likely been prone to moisture intrusion and may have contributed to the observed deterioration.

- Incorrect installation of Tyvek that does not lap over the vertical leg of the metal flashing. This condition allows water that enters behind the wood siding to bypass the metal flashing and migrate behind the brick.

- The lack of an air space and wall base through-wall flashing. These conditions allow for an accumulation of moisture behind the brick that can diffuse

through the Tyvek and/or migrate though fastener holes and onto the wall sheathing.

- Prolonged moisture in the wall likely seeped onto the floor and into the carpet where it came in contact with the metal cabinets.

2.2. East and West Elevation Garage Openings

2.2.1. Moisture damaged and deteriorated siding was observed above garage doors on the east and west elevations. Siding was removed to evaluate underlying conditions.

2.2.2. Water damaged siding was present immediately above the garage doors and below decorative trim located several feet above the doors (Photos #7-9). At the trim, diagonal metal flashing converged and directed water behind the siding and trim to the door below. At the head of the door, a flat oriented 2x6 is present that restricted water from draining out from behind the siding. Deterioration of sheathing, siding and trim, and wood headers is present at each of the doors.

2.2.3. Deterioration is attributed to original construction detailing that directed water behind the siding and then restricted its exiting. It is our opinion that this damage has been occurring slowly since original siding installation.

2.3. East and West Elevation Canopy Roofs

2.3.1. Moisture damaged and deteriorated siding was observed at the base of canopy roof walls. We understand these roofs were added to address sliding snow concerns from the main roof. Siding was removed to evaluate underlying conditions (Photo #11).

2.3.2. Water damaged siding and 2x6 trim was present at the base of the side walls. Deterioration is attributed to original construction detailing that directed water against the siding. It is our opinion that this damage has been occurring slowly since original siding installation. Furthermore, no weather barrier or counter flashing was present.

2.4. Main Roof Soffit/Attic and Ice Dams

2.4.1. Employees reported water dripping from the large east and west soffits during periods of cold weather. The soffit is approximately 10 feet wide and is constructed of tongue and groove pine affixed to roof framing. A 2" wide strip vent is present against the building wall (Photos #12-13). The eave vents were

partially clogged with debris. Dried water stains are present along the outer edge of the soffit along both elevations.

2.4.2. Employees reported ice dam buildup and damage from sliding snow during winter months. Metal roofing was bent and damaged at one west facing dormer.

2.4.3. Review of the attic noted that the wood truss spaces were filled with approximately 12" of blown fiberglass. Air chutes are present along the eaves; however, the chutes are displaced, compressed, and are not the full width of the truss space (Photos #13-14). A continuous ridge vent is present.

2.4.4. Ice dams are attributed to the following:

- Air chutes that are incomplete, compressed, and displaced. This condition restricts the flow of fresh air into the attic.

- Soffit vents that are blocked with debris and not placed along the outer edge of the soffit. The current placement results in the truss space between the eave and existing soffit vent to be unventilated and prone to condensation.

2.5. Interior Conditions

2.5.1. Employees reported light moisture staining on a metal cabinet that was located in an office near the SW building corner, not on an exterior wall. The reason for this cabinet condition is not known, however that staining may be the result of vapor below the floor as no vapor barrier was specified on original drawings.

2.5.2. Mold-like growth on walls of the water storage tank room (Photo #15). Discoloration was present on the gypsum walls. Moisture was present on the floor and water pipes were sweating. It is our opinion that the growth is the result of water exposure and high humidity in the room over a prolonged period.

2.5.3. Mold-like growth on the ceiling of the compressor room. A small area of growth was present on the ceiling. The area aligns below a vacant storage area above. Minor old water stains are present on the storage area floor above, however the specific age and source of the stains is unclear. A small, mold-like growth was also present on the base of the west wall, adjoining the slop-sink room. The source of this is unclear, though this may be attributed to poor air circulation and equipment being placed against the wall as well as moisture from the sink area adjacent to this wall (Photo #16).

2.5.4. Storage Closet Adjacent (South of) to Slop Sink Room. Moisture staining was present on the base of the wall in a storage closet (Photo #17). This moisture is

attributed to residual moisture from the sink area that pools and runs under the floor plate into the closet area.

3. Recommendations

3.1. The following are general recommendations and are intended to address moisture intrusion concerns as reported by onsite persons.

3.2. Remove and replace all lap siding. The existing underlying details and moisture management is prone to moisture intrusion and deterioration. In order to address moisture leaks and underlying damage, it is recommended that all siding, flashing, and weather barriers be replaced.

3.3. Remove and replace brick cladding at South elevation. Replacement of the brick is necessary to address underlying sheathing damage. New brick should have wall base through-wall flashing, a continuous weather barrier, and have cap flashing that is sloped and integrated with the weather barrier behind the new siding above.

3.4. Replace Attic Ventilation – Remove and replace all air chutes in the attic with new, full width chutes in each truss space. Remove and replace tongue and grove soffits with metal perforated soffits. Supplement attic insulation to current code requirements, ensure that all ceiling penetrations/bypasses are sealed to the vapor barrier.

3.5. Install FRP board on walls in the water storage tank room

3.6. Abate organic growth on the ceiling in the janitorial space.

3.7. Abate organic growth on wall base in compressor room, install FRP board.

3.8. Abate organic growth on wall below the slop sink and the closet to the south.

STANDARD OF CARE

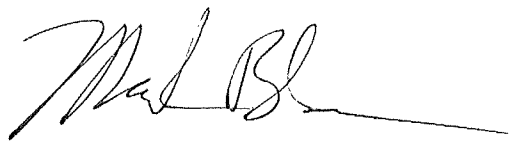
This report is prepared based on observations and review of the material available as of this date. The conclusions and recommendations contained herein represent our professional opinions. These opinions were arrived in accordance with accepted engineering practices at this time and location. Our opinions may be revised based on the availability of additional data.

The services performed by Encompass, Inc. were conducted in a manner consistent with the level of skill and care ordinarily exercised by members of the profession that are currently practicing in this area and under similar fee, scope, and schedule requirements.

No other warranty is implied or intended.

Should you have any questions, please call.

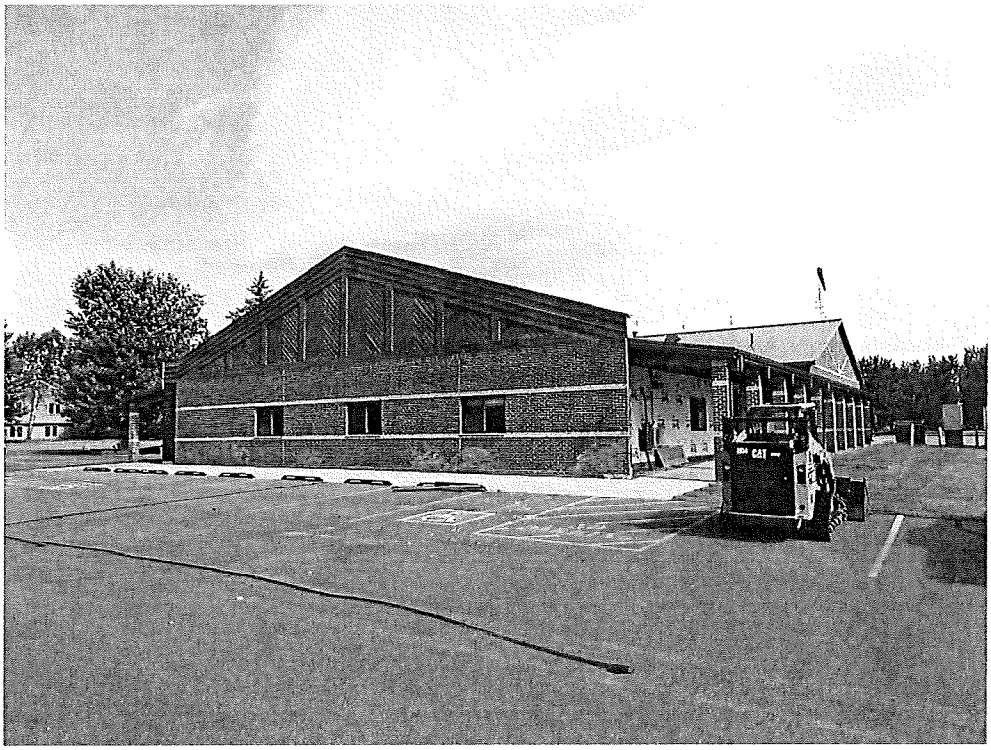
Sincerely,



Mark Blazevic, P.E.

Senior Project Engineer

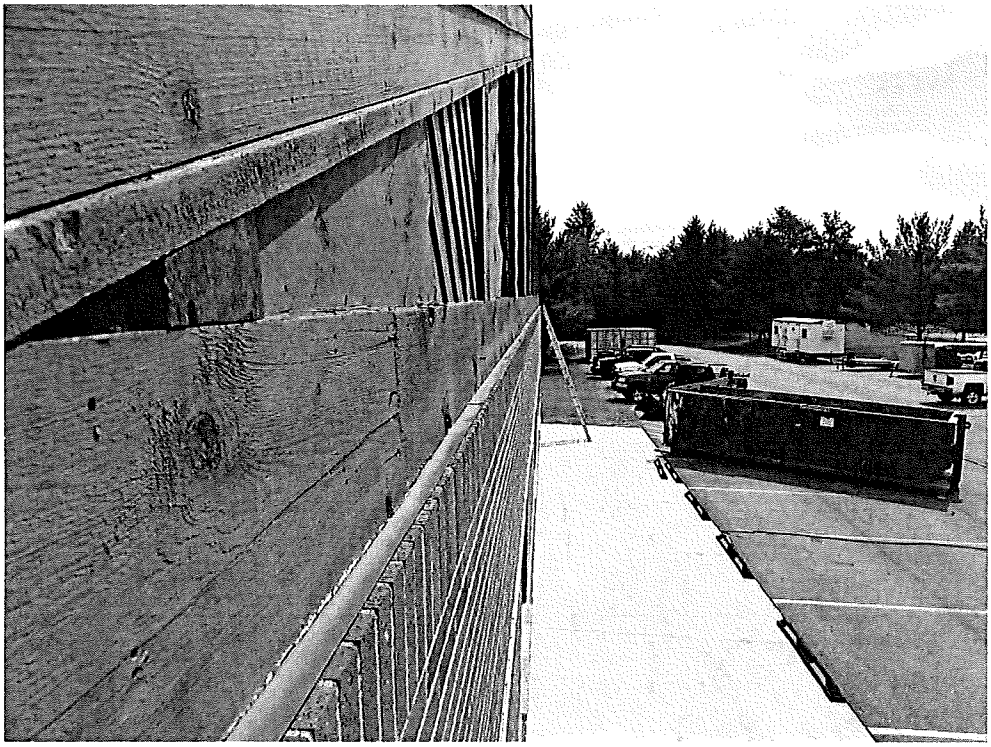
Photograph 1: East Elevation



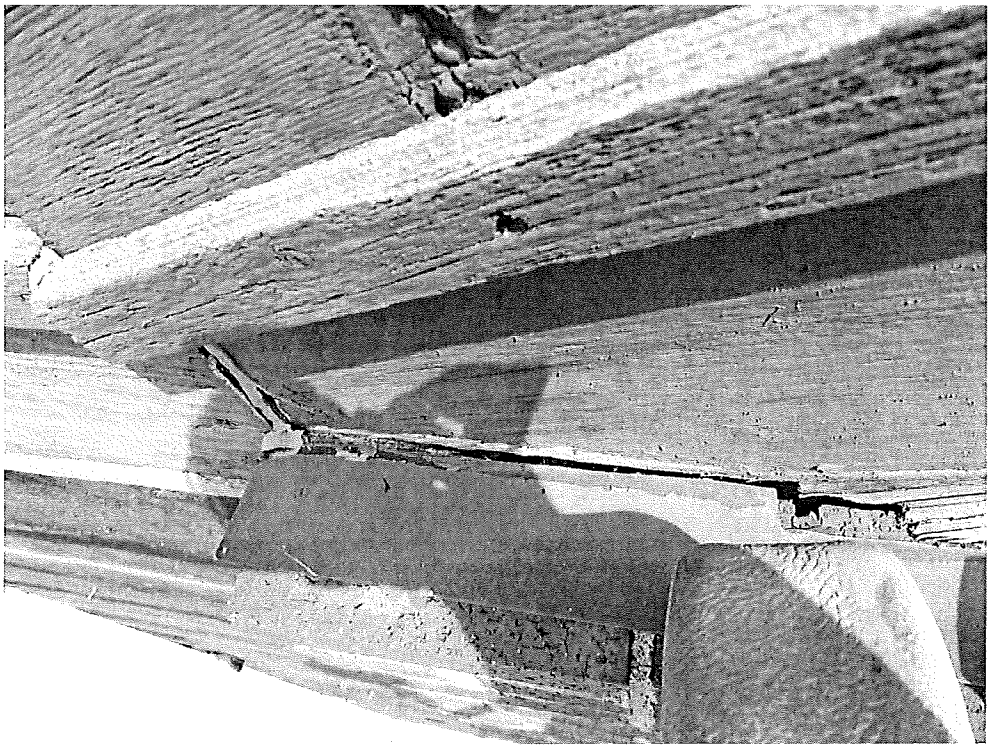
Photograph 2: South Elevation

Photograph 3: South Wall

Photograph 4: South Wall at West corner

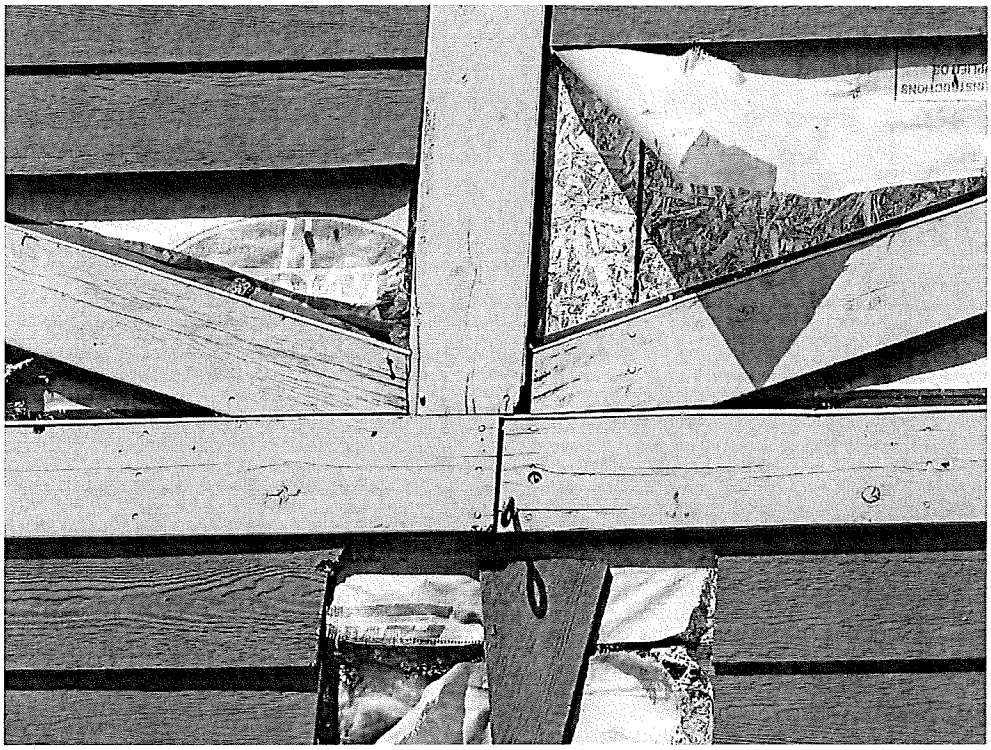


Photograph 5: Flashing atop brick at South Elevation

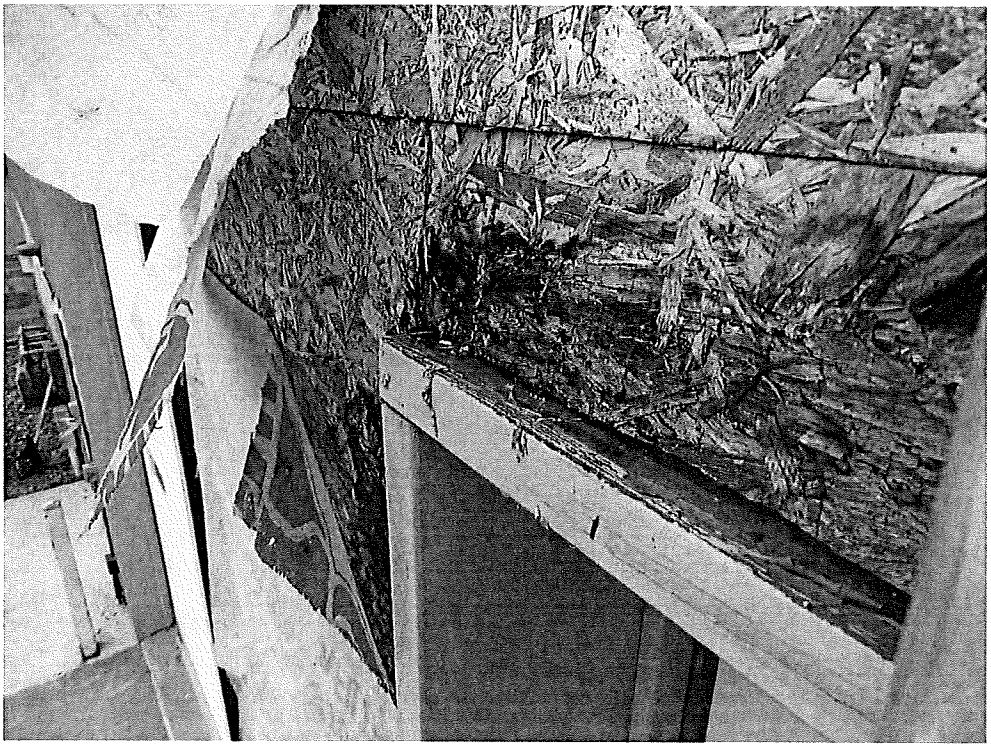


Photograph 6: Flashing atop brick at South Elevation (SW Corner)

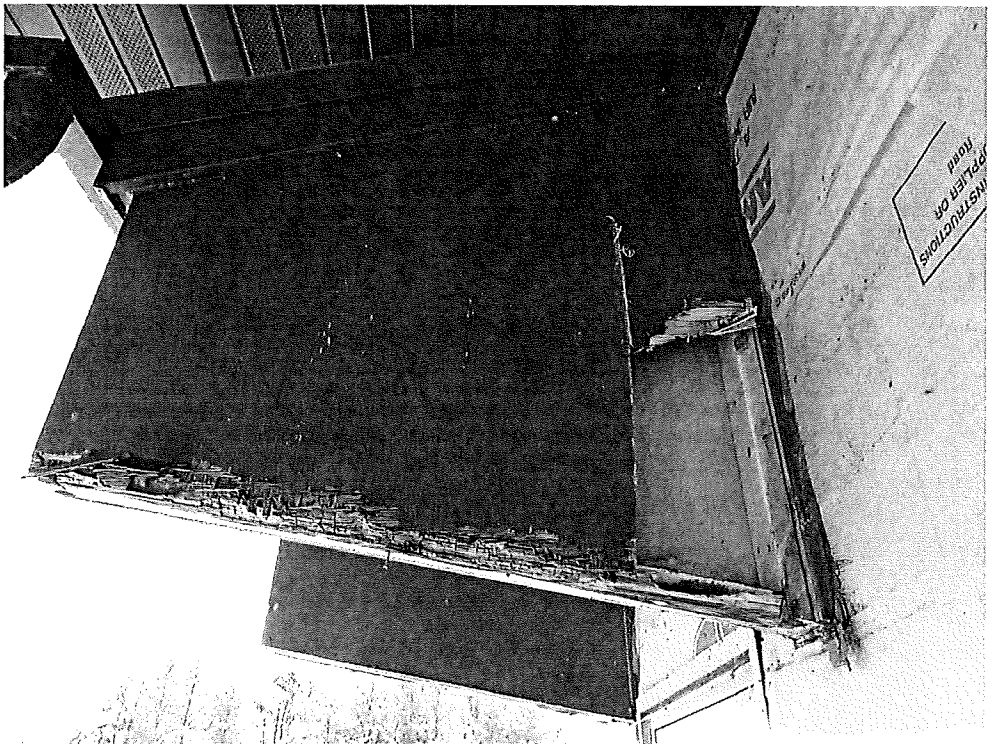
Photograph 7: East Elevation Garage



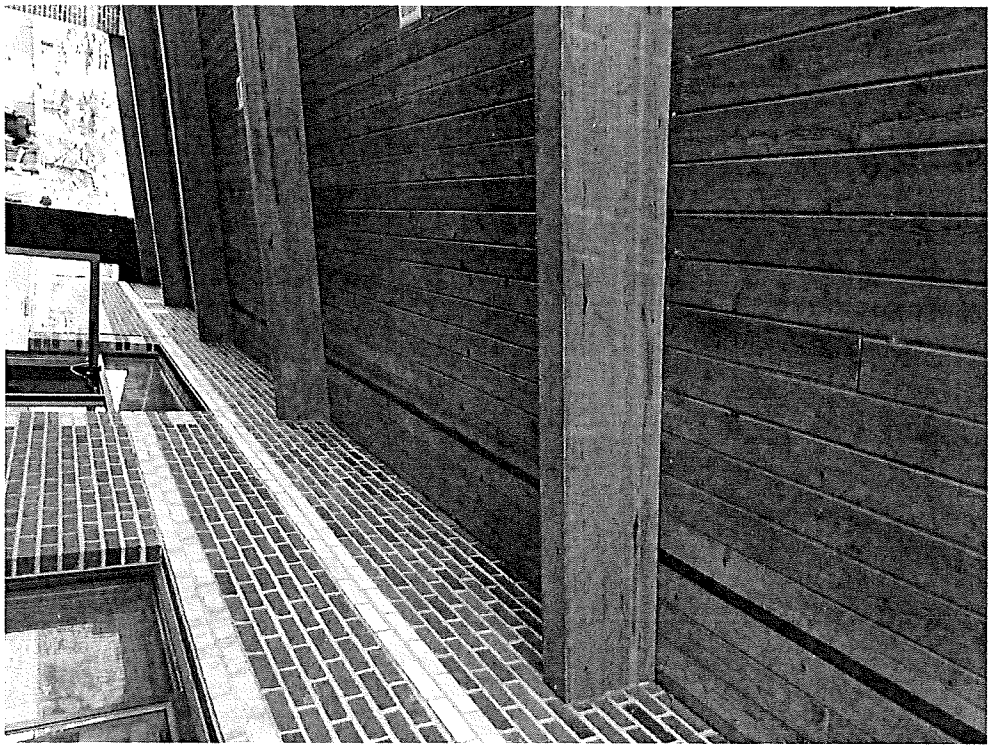
Photograph 8: East Elevation Garage – Trim Intersection



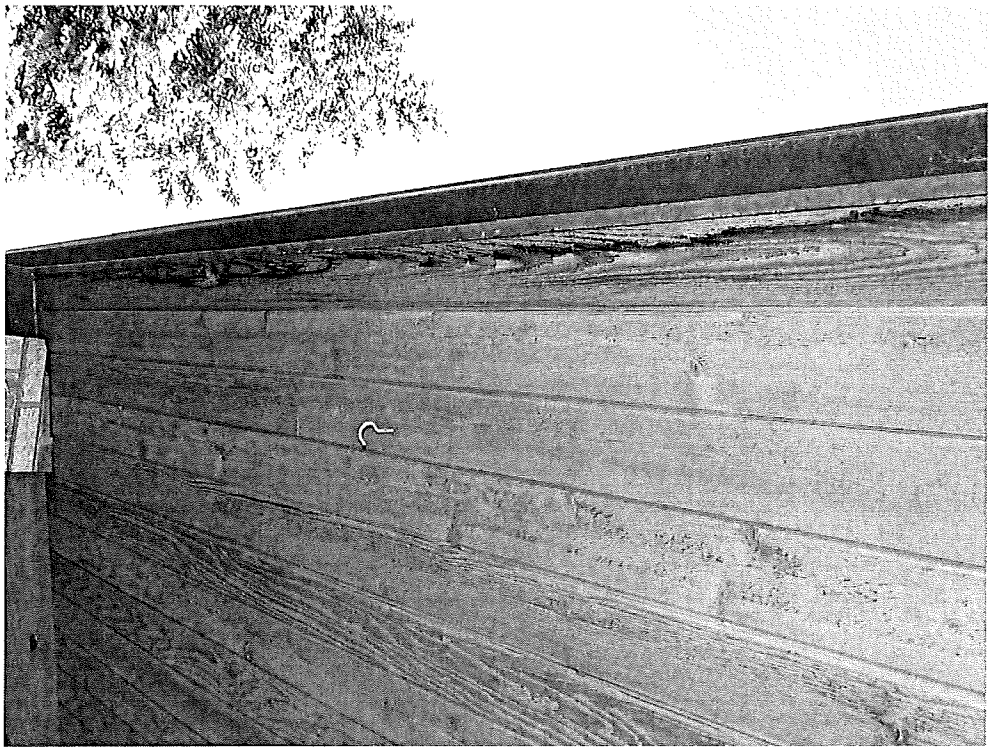
Photograph 9: East Elevation Garage – Door Head



Photograph 10: Canopy at service door



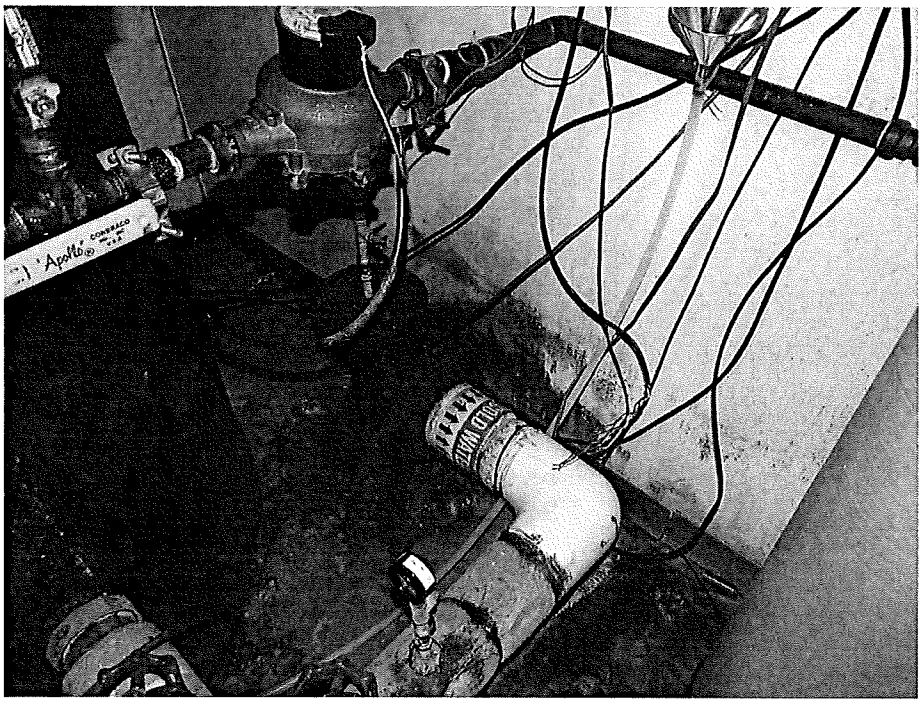
Photograph 11: West Soffit



Photograph 12: West Soffit at Eave

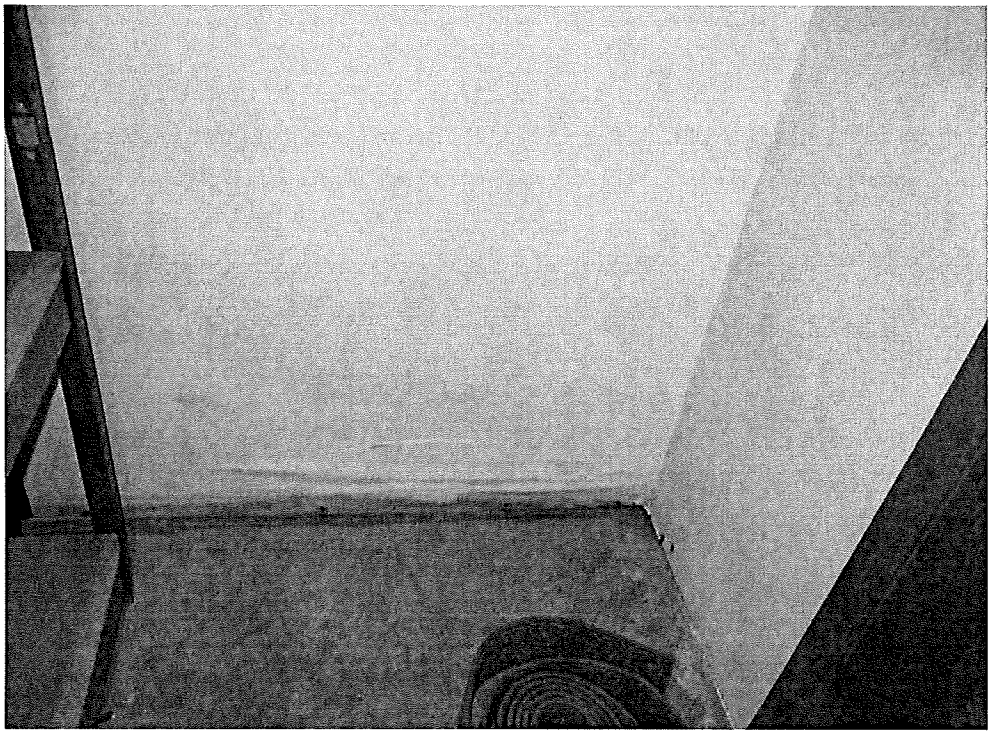
Photograph 13: Partial Air Chute

Photograph 14: Partial Air Chute



Photograph 15: Water Storage Tank Room

Photograph 16: Compressor Room



Photograph 17: Storage Area South of Slop Sink

2. c.

City of Crosslake

From: Geiger, Carol <cgeiger@lmc.org>
Sent: Tuesday, July 28, 2020 7:40 AM
To: mlyonais@crosslake.net
Subject: Emergency Service Center Disclaimer Letter
Attachments: Crosslake Partial Disclaimer.pdf

Mike,

Attached you will find our partial disclaimer letter that outlines the damages that are not covered, as well as, the language in the Covenant regarding this. I have also placed a copy of the letter to you in the US Mail.

Additionally, as outlined in my email on Friday, July 24th, if the City would like to submit claims for the ice damage to the dormer and/or the water damage to the day room storage closet please let me know. Below is what was in that email:

"The two areas that can be considered for coverage are as follows:

1. Ice damage to the western dormer trim. This repairs to this can be covered subject to the $250.00 deductible.
2. Minor water damages to the drywall in the closet in the day room located on the back wall to the slop/sink room of the fire hall. This is possibly due to the overflow of water from the sink that migrated on the floor into the closet. The drywall repair would also be subject to the $250.00 deductible.

The above two claims would not be grouped together, as they would not be considered once occurrence and have separate cause of loss. Please let me know if you have any questions regarding the above and if you would like to pursue these two separate claims. If you would like to, I will have the two additional claims set up for these."

Please let me know if you have any questions or concerns regarding this claim.

Carol Geiger | Senior Claims Adjuster
Mobile: (612) 270-0606 | Fax: (866) 293-4942
cgeiger@lmc.org

League of Minnesota Cities | 145 University Ave. West | St. Paul, MN 55103
www.lmc.org | Facebook | Twitter | Podcast

2. d.

LMC LEAGUE of MINNESOTA CITIES

July 28, 2020

Mr. Mike Lyonais
City Administrator
City of Crosslake
13888 Daggett Bay Road
Crosslake, MN 56442

RE:		
	Trust Member:	City of Crosslake
	Claim Number:	CP 105356
	Location:	Emergency Service Center
	Date of Report:	June 22, 2020

Dear Mr. Lyonais:

This correspondence is related to the condition of the Emergency Service Center and follows our conversation on Friday, July 24, 2020. I have reviewed the coverage for the City, and unfortunately, there is no coverage for most of the damage found under the Municipal Property Coverage form.

The City has reported moisture intrusion that has resulted in rusted filing cabinets and exterior/interior damages to building materials. To assist me in determining the cause of the damages, we have retained the services of Mark Blazevic with Encompass Engineering. I provided a copy of his report to you on Friday, July 24, 2020.

The following areas of concern were pointed out to us:

- South elevation wall: interior, exterior damages, as well as, rusted file cabinets
- Exterior siding and sheathing at various areas of building
- Water tank storage room walls
- Compressor room ceiling and wall
- Storage closet in Day Room: drywall
- Dormer trim on west elevation

The report details the cause of the water intrusion to be related to original construction defects that resulted in prolonged moisture intrusion. The moisture intrusion resulted in the rust, rot, deterioration, and mold-like growth to areas of the south elevation wall, file cabinets, exterior siding and sheathing to various areas of the building.

LEAGUE OF MINNESOTA CITIES
INSURANCE TRUST
CLAIMS DEPARTMENT

145 University Avenue West
St. Paul, Minnesota 55103

PH: (651) 281-1200
TF: (800) 925-1122

FX: (651) 281-1297
www.lmc.org

The water tank storage room that has mold-like growth on the walls is attributed to sweating of the pipes and humidity in the room.

The mold-like growth in the compressor room ceiling appears to be related to something that was leaking in the storage room above it. Additionally, it is believed that the small area affected along the vinyl base is a result of items stored too close to the wall which didn't allow for proper airflow.

Day Room storage closet drywall damage is the result of water that has pooled under the sink and flowed under the floor plate into the closet.

Metal trim on the west dormer is the result of ice dams that formed on the roof in the winter months.

Please be advised that at this time, on behalf of the League of Minnesota Cities Insurance Trust (LMCIT), I am writing to provide to you a Partial Disclaimer of Coverage, and to advise you the LMCIT will not completely indemnify you for this loss. This Disclaimer is being written pursuant to Covenant Number 1002203, effective April 1, 2020 through April 1, 2021.

I have reviewed the coverage as follows:

The **MUNICIPAL PROPERTY COVERAGE, PART ONE** reads:

SECTION I – PROPERTY COVERAGE

1. COVERAGE AGREEMENT

We will pay for direct physical loss of or damage to your covered property unless the cause of loss or damage is not covered, as described under SECTION III - CAUSES OF LOSS AND DAMAGES NOT COVERED. ...

SECTION III - CAUSES OF LOSS AND DAMAGES NOT COVERED

2. DAMAGES NOT COVERED

We will not pay for the following damages:

e. The cost to repair or replace faulty workmanship, materials, construction or design.

g. Damages caused by:

(1) Rust, corrosion, decay, deterioration, disease, or *organic pathogen,* hidden or latent defect, or any quality in property that causes it to damage or destroy itself;

(2) Mold or other fungus or fungi, fungal spores, or fungal fragments or metabolites, such as mycotoxins or volatile organic components;

(4) Wear and tear.

This exclusion does not apply if the above damage results from a *specified cause of loss.*

Next, I reviewed the following definitions:

SECTION VII – DEFINITIONS

28. ***Occurrence*** **means an accident or event that causes a direct physical loss or damage to covered property. Any continuous accident or event that causes more than one direct physical loss or damage to covered property during a 72 hour period constitutes an accident or event as a single occurrence.**

41. ***Specified causes of loss*** **means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; arson; criminal acts other than vandalism or arson; leakage or discharge from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weigh of snow, ice or sleet; or water damage:**

c. Water damage means accidental discharge or leakage of water or steam from any part of a system or appliance containing water or steam.

It is the LMCIT's position that the damages for the southern wall elevation, file cabinets, exterior siding and sheathing, water tank storage wall, compressor room and ceiling are not covered under the Municipal Property Coverage due to these being a result of construction related defects, prolonged moisture intrusion, rust, decay, deterioration, mold, and wear and tear.

The damages that you have reported to the areas of the western dormer metal roof trim, and the Day Room storage closet drywall can be reviewed as separate claims if the City would like to file claims for these two separate events. Each loss is subject to the $250.00 occurrence deductible. Please let me know if you would like a new claim opened for these separate losses.

In addition to the above-mentioned coverage issues which I have cited, there may be further coverage defenses or exclusions which apply as further investigation into this matter develops. Accordingly, I hereby reserve the rights of the LMCIT to raise these further coverage defenses or exclusions as may be applicable.

If you have any questions or concerns regarding your claim, please do not hesitate to contact me directly at 612-270-0606.

Sincerely,

Carol Geiger

Carol Geiger, AIC
Senior Claims Adjuster
League of Minnesota Cities Insurance Trust

C: Crosslake Insurance Agency

3.a.

WIDSETH

Brainerd/Baxter
7804 Industrial Park Road
PO Box 2720
Baxter MN 56425-2720

218.829.5117
Baxter@Widseth.com
Widseth.com

July 21, 2020

Attn: Al DeChantal
DeChantal Excavating, Inc.
12209 State Hwy 18
Brainerd, MN 56401

U.S. Mail and Email

RE: Crosslake Water Quality Improvements
Request for Progress Plan

Dear Mr. DeChantal:

The Notice to Proceed for the above contract was issued effective May 4, 2020. The Substantial Completion date for the contract is July 31, 2020. To date, storm sewer pipe and precast manholes have been delivered to the project site and some preparatory excavations have been made; however, no appreciable construction progress has been documented. You stated in previous progress meetings that dewatering was not anticipated, and your current dewatering efforts have not been successful in lowering groundwater levels to allow for construction to begin.

Dewatering was anticipated for the project based on the Geotechnical Evaluation Report prepared by Braun Intertec, dated December 19, 2019. This report was included with the bidding documents and Contract documents and is a payment item for which you submitted a unit price. Dewatering equipment was installed and began operation the week of July 6, 2020. The current approach being used to dewater does not appear to be enough to lower groundwater levels for construction to begin or to reach the contract completion date. The City and County have concerns with the open excavations that have been left idle with no progress being made toward completion.

This letter serves as notice the City intends to enforce liquidated damages if progress is not made and the Substantial Completion date is not met. You are requested to address the dewatering issue in order to move construction forward, monitor and support the excavations you have made in accordance with the contract to prevent damage from occurring to utility and public roadways and submit a plan and schedule for completion to the City by July 24, 2020.

Regards,

WIDSETH SMITH NOLTING AND ASSOCIATES

Tony Pohl, PE
Project Engineer

Cc: Charlene Nelson, City Clerk
Rob Hall, Crow Wing County Highway Department

3.b.

City of Crosslake

From: Tony Pohl <Tony.Pohl@widseth.com>
Sent: Friday, July 24, 2020 11:41 AM
To: cityclerk@crosslake.net; mlyonais@crosslake.net; Rob.Hall@co.crow-wing.mn.us; publicwk@crosslake.net; Melissa Barrick
Subject: FW: 2020 Crosslake Water Quality Improvements
Attachments: Construction Schedule.xlsx

Good afternoon all,

Please see the below time extension request from Al, and revised schedule showing completion of the various work items. Per the schedule, the structures are proposed to be installed next Thursday.

Please review and if you would like to discuss lets talk Monday.

Have a great weekend!

Tony Pohl, PE
Civil Engineer
218-316-3640
7804 Industrial Park Road
Baxter, MN 56425-2720

WIDSETH

Widseth.com
File Transfer | Click here to transfer large files

WIDSETH was recognized by Prairie Business Magazine as one of the 50 Best Places to Work in 2019!

From: Al DeChantal <adechantal@gmail.com>
Sent: Friday, July 24, 2020 10:55 AM
To: Tony Pohl <Tony.Pohl@widseth.com>; Dave Reese <Dave.Reese@widseth.com>
Subject: 2020 Crosslake Water Quality Improvements

To Whom It May Concern:

DeChantal Excavating, LLC respectfully requests a revised substantial completion date of August 31st, 2020 with a final completion date of September 18, 2020 due to extreme challenges in dewatering of the site.

On 7/23/20, Blake Drilling, our dewatering subcontractor, did their own independent soil borings on site. 3 borings were done to a 25 foot depth. one at HS200 Location, one at HS 103 location and one midway between the two. It was determined, in their opinion, the soils are not dewaterable. It is Blake Drilling's findings that their soil borings do not match the soil borings provided within the bid documents. DeChantal Excavating, LLC will be proceeding with pumping water, with the use of large sump pumps, within the shoring structures, to install the HS structures. We will now also need to sump pump the pond construction area, to the best ability we can, to construct the pond.

Time extension request based on attached proposed schedule and revised approach to dewatering the site.

Thank You

--
Al DeChantal
DeChantal Excavating, LLC
218-828-4636