



Minutes of February 7, 2023

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on Tuesday, February 7th, 2023. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on February 3, 2023.

Members Present: President Rosenberg, Commissioners Herbst, Gehin, Robinson, Force 1:33pm
Others Present: Eric Lindman, Scott Boers, Ben Brooks, James Henderson, Valerie Swanborg, Tonia Westphal/ClarkDietz, Joe Kafczynski/ Becher-Hoppe
Via WebEx: Susan Wojtkiewicz/Donohue

1) Approve Minutes of January 9th 2023 Meeting.

Herbst motioned to approve minutes. Seconded by Robinson.

Boers clarified that he misspoke on utility operations for the director's report, referring to our PFOA/PFAS that said non-detects. We did have some detects but they are below the method reporting limits which is a number that is non-quantifiable, so it's not a non-detected but below the reporting limit.

Robinson questioned the level quantification or detection.

Boers replied the level below quantification result was 2.18 and for PFOA/PFAS was less than .41 parts per trillion. We received our results from samples sent last month, we are at a combined level of 8.9 and 9.9 for those results.

Motion carried 4-0.

2) Director's Report on Utility Operations.

Brooks stated we are getting closer to being on track with Class A production. The sludge management program was submitted to Department of Natural Resources (DNR) last week in January and they reviewed that and gave us insight on additional information they would like.

Robinson questioned if we were concerned about the anion exchange breakthrough resin tracking as the bench scale seemed like 120-150 days, how would we address the 8.9 and 9.9 PFOA/PFAS combined.

Boers replied we have just started tracking and referring back to the pilot study with the varying numbers off the results dependent upon the backwash cycles and trying to put that information together. We are not required to test for PFOA/PFAS till next quarter but that would be a question to ask the Commissioners on their thoughts as far as consistency or timeframe in between testing that they would be comfortable with, the tests are about \$500 a piece.

Robinson questioned the volumes over the resin in terms of its life. Estimated so many gallons therefore so many days?

Boers replied in terms of life the resin in each vessel we don't have that calculated. We are looking at the pilot study that showed about 9 months. I expect we would be a little less than that, we are 2 regens into each vessel which is about 50 million gallons. We do have time left but can try to bring back more accurate numbers. We've only been operating for a month so we won't

have much for trending. We don't have a good understanding of total run time because running the vats was only intermittent between equipment being on/off and Scada system wasn't completely set up yet but we could make estimates.

Robinson replied if we could bring back that number to help us determine the frequency of the sampling. Perhaps in future meeting if we could revisit those bench scale studies, breakthrough period, where we are, then make decision on frequency of monitoring.

Gehin questioned if we tested for PFAS at the Wastewater Treatment Plant?

Brooks replied the DNR took one sample in 2020.

Robinson questioned if we had plans going forward with the growing concern among farmers on spreading the biosolids and potential impact to agricultural lands, looking at effluent? I know it would be additional workload but if it's in the biosolids then we not only have liability at the plant but in the fields as well.

Brooks replied we may see some of that as I submit the application for our discharge permit in July this year and will await the draft to see what requirements DNR set forth for us to follow for PFAS testing on biosolids and effluent.

Lindman stated he would caution the Commission on getting ahead of the regulations and requirements of the DNR. They will be directing us as we move forward with our new discharge permit and will provide us information and direction if detection is made as well. Right now, we are trying to manage PFAS in our drinking water. It is important that we consider what the DNR would be proposing and keep an eye to see if they are recommending anything ahead of time on the Wastewater side and will bring that back to the Commission for review.

Robinson stated a word of caution as he's spent a portion of his career doing cost allocation for people and thought they were complying with rules and subsequently didn't. There were also third-party lawsuits popping up all over and it's something we have to factor into our discussion as we look not only at the WPDES permit requirements but what the trends and nature of the third-party actions that are modifying behavior, so it's not just the regulations that drive but the concern of what others perceive as our responsibility to keep them out of the wave stream.

Lindman replied regulation is what we follow and would be happy to look at other options.
Director's Report Placed on File.

3) Public Hearing: Discussion and Possible Action on Proposed Sewer Rate Increases for Calendar Years 2023 and 2024.

Lindman began in 2020 we had a rate case before the construction of our new facilities for both our Drinking and the update to our Wastewater Facility. At that time, we knew we had to complete another rate case study which Ehlers's prepared and presented in November on their recommendations not only for the remaining cost of upgrades on the drinking water side but proposed capital projects as well as increased operational costs we've seen over the last 2-3 years. The Wisconsin Public Service Commission (PSC) regulates the drinking water rates and that rate case was submitted in December to the PSC who are reviewing. The Sewer rates are regulated locally. The last rate increase, stepped in over time, for Sewer was in 2020, the Commission established a policy/procedure that a public hearing be held for proposed increase on Sewer rates. Based on Ehlers proposal in your packet, they are proposing a 5% increase for 2023 and 10% for 2024.

Rosenberg stated we are opening the public hearing and as a reminder, no one on this body can respond to you, but we will be listening. You'll just need to give your name and address for the record and you will have 3 minutes. Anyone here is welcome to approach the podium. Called on citizens present a 2nd time to approach the podium. Called on citizens present a 3rd time to approach the podium. One comment was available via email and could be found in the packet. With no one presenting at the podium, we are now closing the public hearing.

No Action Taken.

4) Discussion and Possible Action on Proposed Sewer Rate Increases for Calendar Years 2023 and 2024.

Robinson questioned if the rates factored the proposed table of the organizational chart and if there were any projected increase/impact on the budget for those positions, or if there were any opportunities for the bipartisan infrastructure law or others to minimize that capital costs that could favorably impact rates?

Lindman replied Ehlers rate increases did not include Baker Tilly's study as they were not available at that time. The spreadsheet provides some estimates on some of those costs as we add new full time employees over time but those are just estimates, positions haven't been classified and not fully vetted yet. It may still be a full year but hopefully we can get the first round in 2024 budgets. We've applied for a dozen projects for State Fiscal year 2024 on both the Water and Wastewater side for project funding. In hopes of principal forgiveness but we won't know until June or July this year if any of those projects would be funded and to what amount. Most of our street capital projects on the utility side were approved through Council using ARPA funding for 2022 and 2023. It's Ehlers recommendation but you could do one at a time and approve the 5% this year and hold another public hearing and analysis towards the end of the year to see if that 10% still holds or what's changed. We've had discussions that we could relook at the operational costs after a full year of operation to see where we are at in late 2024.

Force questioned if we were able to anticipate this 5% and 10% increase or if it came with other implementations over the last 5-6 years.

Lindman replied that when the project started there were 3 rate increases for Wastewater that were stepped in over time. Ehlers suggested rates be reviewed based on actual cost of the projects once completed. This considered what projects have been proposed, what we've seen for cost increases, and is based on moving forward with proposed projects and operations needed to continue.

Robinson questioned the compensation levels relative to inability to fill positions, and if we've addressed that issue and where we were relative to the wage study?

Henderson replied we had an initial meeting with Gallagher who would be doing our wage study. We've spoken about needing true comparable, not with Madison or Milwaukee because those are not truly comparable. We wanted like communities, like population and operations and are at the beginning stages. In March, Gallagher will get input from our directors.

Robinson questioned if we needed to define the comparable if we already established a baseline with Baker Tilly's Study?

Henderson replied that Gallagher's study would be closer as Baker Tilly is more a recruitment firm. The whole city was not involved with Baker Tilly's study so Gallagher would be for the entire city employees.

Robinson motioned he was comfortable with approving the 2023 rate but concerned about 2024 without clarifications of the unknown without this study. We should reserve time to discuss rates in the future and other opportunities for funding that would drive down capital side. We should divide and deal with 2023 and discuss 2024 later.

Rosenberg reiterated that the motion is to go ahead with the 2023 rate and hold off on 2024 rate increase.

Force stated maybe we won't need a 10% down the road so I would support Robinson's motion. Seconded by Force.

Lindman replied that is a smart decision as there are a lot of projects, corrosion control, lead service lines and solar that we are hoping would shake out through 2023 but I can't guarantee that because things have been changing and a lot happening, but from month to month as we get

items through Director's report or Agenda items we will bring forth for more information or consideration. Especially on projects we know need to be completed but we don't have clarification on fiscal impacts, so we will bring those back.

Rosenberg recapped the motion was to approve the proposed sewer rate increase for calendar year 2023 and hold off for more information for 2024.

Motion carried 5-0.

5) Discussion and Possible Action for Additional Funding Available Through the DNR Principal Forgiveness Loan for Fiscal Year 2022.

Lindman began over the last several years DNR had a principal forgiveness loan program for private side lead service line replacement. We have been working under that program and every year we get a few hundred thousand dollars to replace private side lead service lines. 2022 was the last year that they will provide funding in that manner. We ran out of money with the requests that we had for 2022 and asked City Council to approve \$200,000 from ARPA to help cover those private side lead services we could replace during the 2022 construction season with the thought that if the DNR received money back at the end of 2022, they would allocate those funds to help us cover those costs, and that happened. The DNR is providing us an additional \$270,000 from the 2022 allocation and that is what this item is for to approve that resolution of accepting the additional \$270,000 of principal forgiveness loan for 2022.

Herbst motioned to approve the additional funding available through the DNR principal forgiveness loan for fiscal year 2022. Seconded by Gehin

Robinson motioned to amend and insert fiscal year 2022 on the 2nd and 3rd Whereas clause for tracking purposes. Seconded by Gehin.

Motion carried 5-0.

6) Discussion and Possible Action on the Private Side Lead Service Line Plan Implementation Beginning 2024.

Lindman began that staff would like to start working on the plan this year as it would take a full year to get organized, there are more things evolving as we move forward that need to be considered. We requested \$3.5 million from the BIL for State fiscal year 2024 and for the next fiscal year we will apply for more as it becomes available. We are finalizing the plan with CDM Smith and Clark-Dietz and will bring it back to the Commissioners for review and we'll continue to work on inventory as we move forward. There's another item on the agenda too for additional technical assistance. If commission is ok with this plan implemented in 2024 as pieces of the plan need to be approved by the commission, we will bring those back to you for decisions.

Force stated he wanted to put to test the communication program with residents in that area on how to communicate the need for lead service line replacement and obtain their buy in so there wouldn't be a pushback. The pilot program would teach us some lessons on how to handle situations so he was disappointed that we were not going to do the pilot.

Lindman stated if you'd like to, we can, but if there is no incentive, the citizens would most likely not want to do it. I don't want to not do it if it's the commission wish to move ahead with something but I would need to know what that is.

Robinson stated he shared some concerns of rolling it out but in looking at success rates, the pilot gives you the opportunity to begin working on collaboration and had concerns about the staff but to control the message in a timely manner so we don't get the unintended push back. I would be open to delaying but there needs to be a strong communication strategy going forward to be prepared. We could defer the pilot but develop a communication policy and education with the community.

Lindman replied that is one of the key pieces with the lead service line replacement plan that is not fully complete. That's where there is concern, the timeline. The construction projects

begin in April/ May. We are not ready to begin this communication and we won't have funding or know till Summer. As we finalize that plan, we could begin to work with the health department to get the message out for all areas within the city.

Herbst agreed that we need to research everything we need to do.

Robinson questioned if there were any technical resources that we could leverage from EPA or DNR that could help in our messaging and ability to adopt best management practices to getting the message out.

Rosenberg stated there will be technical expertise available to us in the acceleration of the lead service line program. We don't know what it looks like yet but we are excited to get this going. We want to make sure we are communicating in the language that people use and make sure we have professional communicators. We hope to have more information but we must wait.

Force reiterated that we need a communication plan and he would be wary of communicators implementing a plan without the input of the citizens.

Herbst motioned to approve private side lead service line implementation beginning in 2024. Seconded by Gehin.

Robinson questioned the time frame.

Lindman replied possibly at the April meeting.

Motion carried 5-0.

7) Discussion and Possible Action Requesting Public Service Commission (PSC) Permission to use User Rates for Private Side Lead Service Line Replacements.

Lindman began we need formal approval by the PSC to use user rates for the lead service line replacements on the private side. If you get this approval, it doesn't mean you have to use this for the replacements but leaves this open as a potential funding source. There are other communities doing this allowing you to pay up to 50% with user rates without this approval you can't use the user rates.

Gehin motioned to make an application with PSC to use user rate funds for possible support of the private side lead service line replacements. Seconded by Herbst.

Motion carried 5-0.

8) Discussion and Possible Action Participating in the United States Environmental Protection Agency (USEPA) Lead Service Line Replacement Accelerators Community Initiative.

Lindman began that DNR didn't have a lot of details but the understanding is that the environmental protection agency is going to hire a technical assistance firm to certain number of communities within Wisconsin. There are 4 States participating in this. The DNR reached out to ones that have been proactive in lead service line replacements and we were one of them. Wausau was one of their recommendations to use this program. There will be no financial impact to us, this is technical assistance funded by the EPA.

Force motioned to approve we accept this participation in the USEPA Lead service line replacement accelerators community initiative. Seconded by Robinson.

Motion carried 5-0.

9) Discussion on the 5-Year Capital Improvement Project Plan and User Rates.

Lindman began the attached shows the breakdown of what is included in the proposed rate increases and what was not included in those projected rate increases. We will work with Ehlers later on this year with revenue and usage and if there is anything proposed for 2024. Was there

something else you would like to see?

Robinson questioned if the corrosion control implementation was there?

Lindman replied it is down below, we had some CCT engineering that we are doing right now but we didn't have costs for lead service line loops, testing and engineering. The plant is now online. The lead service line loop skids are \$150,000 but we don't have a testing plan established with the DNR yet so I don't know what those costs may be.

Robinson questioned if there was any way to guesstimate those costs going forward. In relative to the Granular Activated Carbon (GAC), we have some funding from EPA but was there some offsets in terms of potential grant funding from Bipartisan Infrastructure Law (BIL) or American Rescue Plan Act (ARPA) dollars through States or Federal government that may help offset those costs for the net impacts on rates.

Lindman replied he could look at some guesstimates and bring that back. Rate increase does not consider any grant funding as we do not have those funds committed.

Force questioned why the rate increase proposal would not be adequate to cover expected additional costs and clarification on when we should expect a response from those applications of the various funding sources.

Lindman replied we are anticipating worst case scenario on the anticipated rate increase. Anticipating that we are going to borrow \$17 million for the GAC but we've applied for other funding, for principal forgiveness loan for both state fiscal year 2023 and 2024, emerging contaminant funds but we don't know if we are getting them. If we do receive some of this funding, we may not need another rate increase in future years. When Ehlers prepared that rate increase in December and submitted it to PSC, the projects down below and costs were not included in that water rate increase. We are anticipating that the Safe Drinking Water Loan Program would come out with their decision around June. Emerging Contaminants through the DNR may come out earlier or not sure if it's the same time frame but anticipating late Spring early Summer. The only one we've had verification on was Senator Baldwin's office on that special project with the \$1.6 million.

No Action Taken.

10) Discussion and Possible Action on Revisions to the Proposed Organizational Chart for the Utility.

Lindman began the organization chart was prepared based on Baker Tilly's recommendations. This is a draft but would be beneficial to see how that would impact the utility on both the water and wastewater side. If the commission has no objections this would be our starting point that would be a multiyear implementation. Will work with HR and Henderson and get recommendations. I wanted to bring this forward more of a consensus for the start of further discussions to come.

Robinson stated a rough idea of implementation plan with cost and ballpark the numbers so that they could help us understand the needs and wants and looking at a context of 5 year plan.

Lindman replied some of those are drafted and with finance but those items will come as we move forward. Cost impact estimates over the next five years are included on the spreadsheet we discussed earlier in the meeting.

Force reiterated the struggle of finding employees to work for us.

Lindman replied as we work through these, we will try to find some solutions and options for that and bring those forward as well.

Gehin questioned if the motion on item 4 had to go through Council?

Rosenberg replied only if there were any opposition.

Lindman stated ordinance is delegated to the commission to set rates. In the past, it went through Council because the ordinance carried the rates, so there was an ordinance change or amendment every time. If the city council wants to make any changes it would go through them but it doesn't have to go through resolution to council. The goal was by April.

Force expressed appreciation for the public comment received via email.

No Action Taken.

11) Adjourn.

Herbst motioned to adjourn. Seconded by Gehin.

Motion carried 5-0.

Link to view meeting in its entirety: <https://tinyurl.com/wausaucitycouncil>

Gina Vang, Recording Secretary

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