OFFICIAL NOTICE AND AGENDA
of a meeting of a City Board, Commission, Department Committee, Agency, Corporation, Quasi-Municipal Corporation, or Sub-unit thereof.

A Meeting of **Wausau Water Works Commission** will be held in the **Council Chambers, 1st Floor City Hall, Wausau, WI 54403** at **11:00 a.m.** on **Tuesday, February 4, 2025.**

Members: Doug Diny (President), Sarah Watson, Jim Force, Joe Gehin, John Robinson

AGENDA

1. Approve Minutes of January 7, 2025 Meeting.
2. Director's Report on Utility Operations
   - Update on Lead Service Line (LSL) Replacement
   - Drinking Water- Granular Activated Carbon (GAC) Plant Construction Update
   - Drinking Water- Cold Weather Challenges
   - Drinking Water Interviews- Update
   - Wastewater Interviews- Update
   - Wastewater Collection System Technician Update
   - Wastewater- Leachate Update
3. Discussion and Update of the GAC Plant.
4. Discussion and Possible Action Approving Sole Source Request for the Purchase of Aluminum Sulfate Solution from Affinity Chemical, LLC.
5. Discussion and Possible Action on Budget Modification to Carry Over Unused 2024 Wastewater Capital Funds for Sewer Sliplining and H2S Repairs to 2025.

Adjourn.

Next meeting scheduled for **March 4th 2025 @ 11:00 AM.*

Signed by: /s/ Doug Diny, Mayor
Presiding Officer or Designee

THIS NOTICE POSTED AT CITY HALL AND EMAILED TO CITY PAGES AND DAILY HERALD: January 30th, 2025 at 1:45 p.m.

This meeting is being held in person. Members of the public who do not wish to appear in person may view the meeting live over the internet, cable TV, Channel 981, and a video is available in its entirety and can be accessed at https://tinyurl.com/wausaucitycouncil. Any person wishing to offer public comment not appearing in person may e-mail gina.vang@wausauwi.gov with "Water Commission Public Comment" in the subject line prior to the meeting start. All public comment, either by email or in person, will be limited to items on the agenda at this time. The messages related to agenda items received prior to the start of the meeting will be provided to the Chair.

In accordance with the requirements of Title II of the Americans with Disabilities Act of 1990 (ADA), the City of Wausau will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs or activities. If you need assistance or reasonable accommodations in participating in this meeting or event due to a disability as defined under the ADA, please call the ADA Coordinator at (715) 261-6622 or ADAServices@wausauwisconsin.gov to discuss your accessibility needs. We ask your request be provided a minimum of 72 hours before the scheduled event or meeting. If a request is made less than 72 hours before the event the City of Wausau will make a good faith effort to accommodate your request.

Minutes of January 7, 2025

A meeting of the Wausau Water Works Commission was called to order at 11:05 a.m. in City Hall on Tuesday, January 7, 2025. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on January 6, 2025.

Members Present: President Diny, Commissioners Robinson, Gehin, Force, Watson
Others Present: Eric Lindman, Scott Boers, Ben Brooks, MaryAnne Groat, Anne Jacobson, Dave Hagenbucher/Director Marathon County Solid Waste Dept, Joe Kafczynski/BecherHoppe

1) Approve Minutes of December 3, 2024 Meetings.

Gehin motioned to approve minutes. Seconded by Robinson.

Gehin questioned if the 1973 meter removed was dead, initially thought it was a deduct meter that we didn't own but timewise wouldn't be true and was curious.

Force questioned if we were getting the full run down of the GAC system?

Boers replied we chased it because it was either blue sheet/not working or zero use but it was more than likely not reading and the GAC report would be February.

Motion carried 5-0.

2) Director's Report on Utility Operations.

Force questioned the Lead Service Line (LSL) funding of $6.1 million and $8.9 million with where the interest cost is, how's it covered, if its' through ratepayers, city budget, other source or if there's any clarification on that and what the likelihood of these financial commitments for the 2025 LSL's falling on the ratepayers and term?

Diny replied there are 2 pieces here but referring to 2025 piece, of that $8.9 million is principal forgiveness for private (customer) side. The $6.1 million is low interest loan for the City's side of the LSL. There's ongoing analysis, last year the portion of loans were all customer's side that had to be General Obligation (GO) piece. This piece for next year includes the City's side so it could be a combination of GO, utility as revenue bond or form of TID. We plan to bring recommendations and options to finance committee at the upcoming January 28th meeting. The likelihood is high for that $6.1 million falling on the ratepayers, it's allowable. The principal forgiveness is the customer's side, they won't have any special assessments but on the public side, its allowable and yet to be determined with many factors involved. Groat will be working through some options with Bond Council and Ehlers to strategize this, it's unfortunate, we don't have a crystal ball but will be hammered out soon. That plan would be put together to present through Finance to Council and its a 20-year term.

Lindman replied the interest rate is 0.25%.

Gehin questioned number of expected service lines on private side because we've changed out a lot of service lines on our side and if we've been replacing public service lines utilizing ratepayers up to this point in the street when we reconstruct.

Lindman replied 1900-2000 total lead service lines replacements proposed. In the census track, there's quite a few we haven't replaced on our side in those areas and that's what we are focusing on for 2025. Yes, during our street reconstruction project and as we get leaks, the utility has some money budgeted to replace.

Robinson summarized the issue of allocating the $6.1 million in terms of funding source, whether it's a revenue bond directly associated with the fees, general obligation bond backed by the faith and credit of the city or funded through the tax increment financing within the various tax incremental districts. The criticism has been that the city has been under reporting in the media in those articles its total general obligation debt and that's what the finance committee and council are trying to reconcile going forward. Would we have the ability going forward and into future years to have more of the principal forgiveness to go on the public side? My understanding if we go to market with those bonds, would have different ramifications relative to classifications in terms of the rate we would pay but we're locked in at 0.25%, its more, how does this apply against our total GO limit for the community but there's not material difference between classification of revenue bond versus GO bond for this purpose outside of the statutory cap.

Lindman replied only what's allocated, this year for 2025, its just over a million dollars of principal forgiveness that DNR allocated in principal forgiveness on the public side, the rest was for the private side and had to be paid on the private side.

Diny stated Quarles & Brady has been invited as our bond counsel to give a presentation to council for better understanding of what portion and how they're allocated as the $6.1 million could be GO, utility or revenue bond and classified as one over the other depending on whether it counts towards our debt and will explain that so we could make a more informed decision moving forward. It's how it's calculated toward the debt total, it's under the same but its how they're being obligated, so they'll be here as experts in bond counsel.

Director's Report Placed on File.

3) Discussion and Possible Action Approving Sole Source Request, Associated Budget Modification and Contract with Asterra to Perform Leak Detection Satellite Imagery and Leak Detection.

Lindman summarized other municipalities in Wisconsin have been utilizing this and have been very happy, it created efficiencies on detecting leaks and where they focus their time. This was brought last month but there was no proposal available from Asterra but its in the packet. There are associated costs and savings because Schofield, Rib Mountain and Weston have their own contracts with Asterra and walking through the approval process on their end, its not 100% if they are going to all budget for this or not but for us with the size of our system and being able to focus in on certain areas rather than the entire system would be beneficial.

Robinson questioned if it was for the entire service area, a 1- or 2-year contract for $82,000, what sort of work product in time commitment would there be associated with providing all GIS information relative to current lines if that were a significant workload, if we'd be able to access the data at termination and import all the information they've collected during the terms of the contract?

Lindma replied it would be entire service area including Weston, Rib Mountain and Schofield at this point. They use satellite to take the imagery and analyze data and determine areas to focus on where they see potential leaks. This is a 2-year contract, with paying ½ the 1st year and paying ½ the 2nd year. We have that information we could provide through Dan up at GIS that would probably be an hour for him to put that information together to provide the line data and we'll have all the data information in our system post contract.

Robinson moved to approve the sole source contract with Asterra. Seconded by Gehin.

Motion carried 5-0.

Gehin questioned if the derailment of the railroad at industrial park impacted the water main on the south side of the tracks because it was marked but there was no reason.

Boers replied staff marked it upon request but we wouldn't have followed up on it.

Force questioned history of leak detection surveys in the past and if satellite approach was an improvement over listening to hydrants?

Boers replied we have a 6-year contract for every other year with a company that listens to our hydrants. One time takes them a week to run through and we're paying a little over $9,500 for that week, so every other year is $9,500 for that survey. This is new technology, with our water loss being high, it'd be worth trying this to see where we stand and if we had any major leaks which we probably don't but this morning we're chasing one that's probably 2500 galloons a minute but its' on the low-pressure zone, we aren't able to find it yet and it hasn't surfaced so have most of our staff trying to chase it down as we speak.

Diny stated, last year we were at 17% water loss and we can't necessarily pin it 100% on meters so I think there's some value to this.

4) Update on Operating and Capital Borrowing Financials for the Water and Sewer Utility.

Groat referenced page 32 and 33 in packet, as requested prior actuals were added to give you an idea of where trending was. The budgeting wasn't always accurate with no good picture of what's being spent but if you look at prior year actuals and current year actuals. We are trending identically to last year, our charges for the public services are up compared to prior year, last year at $8.4 million, this year were at $10.8 million mainly due to the rate increase. The state grants and proceeds from debt both reflect the activity this year for various projects we have going on, primarily the GAC project and street projects. On expense side, the main area- some fluctuations are professional services reflective of engineering work related to projects. In our debt redemption, we are reflecting the payoff of the interim financing of $17 million to People's State Bank that was borrowed upfront for the GAC project with the state process, we drew the fund so we didn't replace that with another $17 million, those project costs came in under our preliminary estimates so borrowed we borrowed less, there was a major component in the grant versus our loan forgiveness vs loan so that's why there's a difference there. The increase in the capital project this year for the water utility is not seeing huge changes from the prior year except for payment in lieu of taxes last year in November. Council made the determination of what they were going to allocate or forgive, this year that didn't happen until December so you'll see that transaction in December. For Sewer we're seeing a little dip in public charges and the proceeds from long-term debt reflects the projects taking place on the sewer side last year compared to this year. We have projects coming up that didn't start in 2024 as we thought, such as screening improvements and some of the lift stations so that's the reduction in proceeds from the expense side. We see little higher expense for salaries. Chemicals are down because we're expensing it when we're purchasing it. Capital outlay is similar to last year. We're focusing on getting the month of December closed with the loan closing for clean water and safe drinking water in the first quarter of 2025. We're going to continue looking at how we're going to fund these lead service line replacement initiative and look at revenue. PSC allows water utility to absorb cost on city side but not the resident's side. 2025 we'll be relying on grants from the state/feds to accomplish that and make sure the water utility could afford its share of those programs and we're focusing on getting that date to Ehlers, our financial advisors to evaluate how that fits into the rate structure.

No Action Taken.

5) Discussion and Possible Action Approving Budget Modification for Replacement of Water Main Under Railroad Bridge at Grand and Thomas.

Diny began pictures show condition of that line exposed under the bridge with a band clamp that's stopping a leak.

Lindman stated I was waiting on pricing from engineering estimating $80,000- $90,000 from a budget standpoint but nothing specific written up yet. A concern was if we had to dig back beyond the abutments of the bridge, engineering looked and it doesn't look like we have to because it's cast-iron pipe through the abutments so we would just be replacing the pipe that's hanging under the bridge at this point and tie back into the cast iron.

Gehin questioned if it were C900 and if we'd be putting in steel pipe or what's the intent and if would we be replacing that pipe throughout Grand Ave under the projects eventually?

Boers replied it's PVC not quite C900, it's the earlier version of the C900 wrapped with UV tape. There's no expansion joint on that pipe and under the Scott Street bridge, it's the same kind of pipe, it doesn't get the UV but still gets riddled and gets that snake expansion when it expands and contracts with warm and cold. The intent is to put in HDPE. Grand Ave is scheduled to be reconstructed in the next 10 years or so, hopefully, that HDPE would last until we could redo the whole piping configuration. It's a state bridge so we can't just go in on the approaches, we'd have to take out and replace the entire approach which would drive up cost on the project.

Lindman noted we'd propose replacing it with an 8" pipe because we don't use 6" pipe for mainlines anymore, it's the minimum and we'll need to replace the hangers as well.

Boers stated we'll look at 6" for temporary which would keep our velocities up because that pipe is not insulated so there's enough velocity to keep it from freezing, if we upsized the pipe, we might slow the water down that may have issues so we'll just keep the same put a new pipe in, then work on a full replacement in the 10 year time span.

Robinson questioned how we'll be paying for this and what funding it would come from.

Lindman replied it would have to come out of our capital budget so we might have to defer some projects unless we find we have additional revenue coming in as we get into this new year where we could afford it, but that's why this is here because it's a project that we didn't anticipate and would like approval to move this forward.

Diny stated it's an internal utility budget modification and we don't have the exact numbers but we could entertain a motion.

Lindman replied he'd like a budget about $90,000, if it comes over that, he'd bring it back. We're replacing it with PE pipe and don't have to go into the abutments, anticipation would be less than that but we'd still need to have expansion joints on each side and new brackets to hang the pipe.

Gehin motioned to approve this work project out of reallocating some of the other capital projects for the $90,000. Seconded by Robinson.

Motion carried 5-0.

Lindman noted he anticipates bringing the capital improvement plan back in March for any adjustments needed, we should have some estimates and bids on our projects for 2025, so we should be able to update and bring that back to you.

6) Discussion and Possible Action Approving Amendment#1 to the Master Partnership Agreement with Community Infrastructure Partners.

Lindman stated the original agreement was approved/signed by both the Wausau Waterworks Commission and City Council, it's coming back as an amendment because the DNR had an issue with some of the language on how the agreement was written on cost plus fixed base contract, this amendment establishes a fixed price not to exceed contract, the funding hasn't changed, cost to CIP has not changed, just the wording in the contract. The Key Performance Indicators (KPIs) were removed, Community Infrastructure Partners (CIP) is still held to those KPIs, with a workforce development plan in draft form, all KPI's were met for 2024. This will go to finance next week then to council January 28th.

Gehin motioned to approve amendment. Seconded by Watson.

Motion carried 5-0.

Force questioned if CIP was able to access other sources of funding.

Lindman replied they applied for other funding sources one being a HUD grant which the city recently accepted and we're working with Community Development because it was for finding lead inspections within homes, part of that funding covered the cost of the inspections in the home for the lead service lines, we haven't tapped into that funding with community development, I'm not sure where that project is at this point but that's a partnership with the County. We'll be requesting Money through Community Development Block Grant (CDBG) as well, the program with the city, some infrastructure that might be ongoing but they continue to look at other potential funding sources. They looked at Johnson & Johnson but no additional funding has come to fruition.

7) Discussion and Possible Action on Leachate Acceptance Pilot Project.

Brooks summarized the memo enclosed that included discussions with Marathon County Landfill and engineering firm Tetra Tech to figure a schedule moving forward with leachate acceptance, all parties involved thought it'd be a great idea to have the DNR involved with this decision and provide comment to seek solution, strategies moving forward as far as implications or any punitive damages that city may incur if we accepted. This meeting between DNR, landfill and Tetra Tech on December 11th concluded that DNR wasn't ready to offer any solutions to accepting the leachate and if we accepted it, we were liable for meeting compliance with our discharge permit. We were dumbfounded that DNR wasn't willing to offer any solution or work with us as a team. After that discussion, we had a follow up with the landfill and agreed the city would continue to work on a schedule for leachate acceptance and schedule for PFAS testing. Our DNR basin engineer, Nicholas Lindstrom, offered recommendations for reasonable potential and pollution minimization plan that may work and suggested holding off on leachate acceptance pending our discharge permit to be received in June. Nick stated within the first 2 years, we are going to be required to do PFAS testing on our effluent, not sure on biosolids yet, so we'll wait to see how it looks when we receive the discharge permit. The reasoning is that our numbers are looking good with PFAS, we know where we're at, if we accept leachate prior to required PFAS testing, the chances of contamination within the plant will be piping, tanks and digestors and am not sure how that will result in our testing during the first 2 years. Recommendation would be to do 1st year without leachate and the 2nd year with so there's 2 years of compiled data to be used for a P99 study where the DNR will calculate limits and define any reasonable potential to exceed those limits. If there is a potential to exceed, the pollutant minimization plan goes into effect right away where we'll start looking at source reduction. If we accept leachate prior to testing, we won't know if there's any sources of PFAS from our commercial, industrial, or regular customers that would identify it within the first year to take action on source reduction without the leachate first. Staff recommendation is to accept the recommendation by Nick and approve negotiations with the Marathon County Solid Waste after the 1st year of the PFAS testing, with careful planning, we can manage the project in a way that benefits both Wausau Water Works and Landfill.

Robinson requested deferral of any action on this for another month. We've got a systemic problem, PFAS in the waste stream ends up at landfills, therefore, leachate that comes here, the city wastewater treatment plant gets it in their influent into the plant, then discharged into the river through WPDES permit or attaches to the biosolids, we need to look at this wholistically. I'll put a call into the DNR, to set up meeting for better discussion on a systemic approach. Does the county say no on handling of the biosolids should there need to be reason to dispose of the biosolids at the landfill if we say no to the leachate, that's my concern? We need to approach this kind of holistically and get DNR management involved because we don't have biosolid standards, we have surface water or effluent standards, but we don't have the permits to carry those out. There are minimization plans required if you exceed the standards but there are many unknowns as there are knowns, it would be helpful to continue discussions with DNR and get a little guide if there are any opportunities for clean water funding for either plant or landfill or using innovation funds to work on joint approach on new dollars through the state. I request we delay this and give people a chance to talk through it a little more.

Force agreed with Robinson, we don't know much about PFAS in biosolids other than our biosolids seems to be free of that issue. Reading the environmental press regularly, there's an issue or growing concern about PFAS in biosolids but only Michigan and Maine have taken any action but I expect there'll be more attention so a cautious measure approach is appropriate.

Diny questioned if we were under any timeline.

Brooks replied we have time since we won't be receiving our WPDES permit until June adding that State of Wisconsin is anxiously awaiting the risk assessment release from the EPA on biosolids and effluent that may change the outlook as far as how the DNR is going to proceed with their PFAS rulings.

Diny replied without a motion or any objection, we'll put this off until February if anyone else had any comments.

Gehin questioned where the leachate from the landfill was going now?

Hagenbucher replied 4 loads to Plover, 2 to Steven's Point daily. Plover is 1 million gallon per day plant, to date, their numbers are looking ok, but they have some concerns as well so trying to balance that. He thanked Lindman and Brooks who've been collaborative over the last 6 months with numerous meetings and focused on finding a community solution. We're all being pulled different ways and it's been challenging working in silos not understanding the different possible implications these decisions are making. We're starting to see state level attention as I sit on Wisconsin DNR's External Advisory Committee for PFAS representing the solid waste industry and evaluating possible funding opportunities for some sort of pretreatment. We want to be able to keep the door open on accepting biosolids based on volumes, we believe we'll be able to handle the volumes produced by the treatment plant, if we have a relationship there, we'd like to keep that. Lastly, we are cutting costs and developed a plan to try and get it into Wausau, if DNR is wanting to test, maybe it is taking it right now so we could understand what's the worst-case scenario and if that would put us over that limit/level.

Diny replied it's a community solution driven by the DNR with different entities fighting in their own silos might not result in the right solution but we've got time.

No Action Taken.

8) Adjourn.

Next meeting is February 4th at 11am. Gehin motioned to adjourn. Seconded by Robinson. Motion carried 5-0.

Link to view meeting in its entirety: *https://tinyurl.com/wausaucitycouncil*
Gina Vang, Recording Secretary
S:\WaterWorks\Common\WaterCommission\2025\February\WWWC_20250107_Minutes.doc.

MEMORANDUM

TO: President Diny
Commissioner Watson
Commissioner Force
Commissioner Gehin
Commissioner Robinson

FROM: Eric Lindman, P.E.
Director of Public Works & Utilities

SUBJECT: Director's Report – February 2025

Update LSL Replacement:

- First Amendment to the City/CIP Master Partnership Agreement for the 2024 AND 2025 LSL Replacement Project has been approved by the DNR AND approved by City Council. This project is moving forward and construction is expected to begin April 2025.

- The proposed debt service is being considered to be paid by any or all of the following: TID, GO, utility. Options for the debt service payment will be considered at upcoming meetings of Finance and Council and decisions should be in place over the next 4-6 weeks.

- 2025 LSL Replacement planning is well underway. Inventory is being verified, public outreach is ongoing, construction scheduling is being discussed with the contractor/city staff and the start of construction is expected in April 2025.

- Loan closing for both 2024 and 2025 funding is expected to be set for March/April 2025.

- City staff and Mayor had a discussion with the PSC on using TID funds for repayment of the loans and this is acceptable. The PSC has provided a recent decision on Sheboygan's request for the utility to administer a financial assistance plan for private side LSL replacement. (ATTACHED) Our partners at the Municipal Environmental Group (MEG) are proposing new legislation based on PSC's recent decision.

WATER DIVISION

1. Granular Activated Carbon (GAC) Plant Construction Update. (See Attached)

2. The cold weather last month had been challenging for the water department. In January staff fixed 9 main breaks, 2 service leaks and responded to 32 “no water” calls. All while being down several staff and maintaining regular responsibilities and meter appointments.

3. We conducted interviews for an open Water Distribution Maintainer Position the week of January 20th. We received 11 applications. Of which we requested interviews of 4 candidates. Of the 4 candidates, 2 responded and were interviewed. The position was posted again on the 28th.

WASTEWATER DIVISION

1. Interviews for the one additional staff to the Wastewater team update. After readvertising for this position, three candidates will be interviewed on January 31, 2025. We are hopeful to make a job offer after interviews have been completed.

2. Collections System Technician update. After readvertising for this position and interviewing candidates, a job offer was made and was accepted. Awaiting on an official start date from Human Resources.

3. Leachate update: Discussions with Marathon County Solid Waste, WDNR and the City are on-going.

SERVICE DATE
Jan 24, 2025

Public Service Commission of Wisconsin
RECEIVED: 1/24/2025 10:05:00 AM

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of the City of Sheboygan, as a Public Water Utility, for Authority to Implement a Financial Assistance Program for Customer-Side Lead Service Line Replacement, in the City of Sheboygan, Sheboygan County, Wisconsin	5370-LS-101

FINAL DECISION

This is the Final Decision by the Public Service Commission (Commission) on the application of Sheboygan Water Utility (applicant or SWU), pursuant to Wis. Stat. § 196.372, for authority to implement a financial assistance program for property owners in replacing customer-side water service lines containing lead. The applicant's request for authority to implement a financial assistance program is DENIED.

Introduction

On June 21, 2024, the applicant, as the water public utility of the City of Sheboygan (City), filed an application seeking Commission approval to update its existing Commission-approved financial assistance program for replacing lead service lines (LSLs) owned by its retail customers. (PSC REF#: 506005.) On July 31, 2024, Commission staff issued a data request. (PSC REF#: 510657). On August 1, 2024, the Commission determined the application to be complete in accordance with Wis. Stat. § 196.372(3)(am). (PSC REF#: 511154.) The applicant submitted supplemental materials on August 5, 2024. (PSC REF#: 511551 and PSC REF#: 511552.) The Commission issued a Notice of Investigation on August 15, 2024. (PSC REF#: 513581.)

No party requested intervention in this docket, and no hearing was required or held. Wisconsin Stat. § 196.372(3)(d) provides that:

> [i]f a hearing is not held on an application, the commission shall take final action on the application within 90 days after the application is determined to be complete. The chairperson of the commission may extend the time period for an additional 90 days for good cause. If the commission fails to take final action within the initial 90-day period, or the extended 90-day time period, the commission is considered to have granted its approval.

In this docket, the initial 90-day deadline for Commission action with an additional 90-day extension that was granted by the Chairperson of the Commission, is January 28, 2025. (PSC REF#: 521279)

Prior to this application, the Commission considered the approval of financial assistance programs for several other utilities. In its April 13, 2023 Final Decision for Edgerton Municipal Water Utility's LSL financial assistance program, the Commission delegated the authority for LSL financial assistance programs to the Administrator of the Division of Water Utility Regulation and Analysis. (PSC REF#: 464176.)

Findings of Fact

1. The applicant is a public utility as defined under Wis. Stat. § 196.01(5)(a) and provides water service to approximately 18,990 customers in Sheboygan County.

2. The financial assistance program requires Commission review and approval under Wis. Stat. § 196.372(2)(c).

3. Wisconsin Stat. § 196.372(2) allows for a water public utility to provide financial assistance to the owner of a property for the purpose of replacing customer-side LSLs.

4. Wisconsin Stat. § 196.37(6) allows a water public utility to fund all or a portion of the costs of replacing customer-side LSLs using revenue collected from charges applied to retail customers.

5. Wisconsin Stat. § 196.372(1)(b) defines financial assistance as a grant, loan, or combination thereof.

6. The applicant has been granted the authority in a municipal ordinance to provide utility customers financial assistance for the purpose of replacing service lines containing lead, pursuant to Wis. Stat. § 196.372(2)(a), related to their existing financial assistance program which the Commission approved on July 23, 2020.

7. The applicant proposes to modify its existing utility financial assistance program by using customer rates to administer a municipal financial assistance program that consists of grant and loan funding from the Safe Drinking Water Loan Program (SDWLP). The applicant proposes administrative costs of $650,000.

8. The applicant proposes to modify its existing utility financial assistance program by using customer rates to pay for interest costs related to loan funding from the SDWLP. The applicant proposes interest costs of $336,650.

9. SDWLP grant and loan funding that is used for customer-side LSL replacement is considered municipal funding.

10. Pursuant to Wis. Admin 196.372, it is unreasonable for a utility financial assistance program to use customer rates to administer a municipal financial assistance program.

11. Pursuant to Wis. Admin 196.372, it is unfairly discriminatory and unreasonable for a utility financial assistance program to use customer rates to pay interest costs for a loan covered by municipal funding.

12. There are no potential environmental effects associated with the strictly financial action at issue in this docket. Therefore, the docket does not require the preparation of an

environmental impact statement (EIS) under Wis. Stat. § 1.11 nor an environmental assessment (EA).

Conclusions of Law

1. The Commission has authority under Wis. Stat. §§ 1.11, 44.40, 196.02, 196.025, 196.395, and 196.372 to issue a Final Decision authorizing the applicant to implement a program to provide financial assistance to owners of property in replacing customer-side service lines containing lead.

2. The Commission has authority under Wis. Stat. § 15.02(4) to delegate to the Administrator of the Division of Water Utility Regulation and Analysis those functions vested by law as enumerated above. It has delegated the authority to the Administrator of the Division of Water Utility Regulation and Analysis to issue a Final Decision and Certificate for the proposed financial assistance program.

3. It is reasonable to conclude that the applicant's proposed program to provide financial assistance to property owners replacing customer-side water service lines containing lead does not meet the requirements in Wis. Stat. § 196.372(3).

4. The Commission may impose any term, condition, or requirement necessary to protect the public interest pursuant to Wis. Stat. §§ 196.02, and 196.395.

5. The application contemplates a utility financial assistance program, a financial action that does not have the potential to significantly affect the quality of the human environment under Wis. Admin. Code § PSC 4.10 or Wis. Stat. § 1.11(2)(c) and requires neither an EIS nor an EA.

Opinion

Project Description and Purpose

The applicant is a Wisconsin water public utility that provides drinking water to approximately 18,990 retail customers in Sheboygan County. In 2023, the applicant's revenue from water sales totaled $10,423,636. On July 23, 2020, the Commission authorized the applicant to provide financial assistance to property owners to replace customer-side water service lines constructed of lead or galvanized materials. (PSC REF#: 394126)[1].

The applicant filed its current application with the Commission on June 21, 2024 and a revised application on August 5, 2024 and seeks authority, pursuant to Wis. Stat. § 196.372, to update its existing Commission-approved financial assistance program for customer-side LSL replacement.

Financial Assistance Program Description

The applicant proposed to update its existing financial assistance program to support the replacement of approximately 6,733 customer-side LSLs that currently remain in the distribution system through 2033. Based on its application, the applicant proposed to treat galvanized service lines as lead-containing galvanized service lines and therefore included them in the total 6,733 customer-side LSLs. The estimate represents approximately 35 percent of the system's customer-side service lines.

[1] The applicant's existing program consists of using customer rates to provide a grant of up to 50 percent of the total customer-side LSL replacement cost, up to a maximum of $2,500, and an interest-free loan for the remainder of the property owner's replacement costs. Customers are required to pay the loan portion of the assistance in equal installments of up to 72 months on either the property owner's monthly or quarterly utility bill, or a separate bill prepared and sent by SWU. The existing program also estimated approximately $20,000 per year in administrative costs.

The applicant stated that since the Commission approved SWU's original application for authority to implement a financial assistance program for property owners replacing customer-side water service lines containing lead, the Wisconsin Department of Natural Resources (DNR), in collaboration with the Wisconsin Department of Administration, has established a private lead service line replacement program through the SDWLP. An unprecedented amount of funding from the federal Bipartisan Infrastructure Law is now available for distribution through this DNR program. (PSC REF#: 511552 at 3.) The applicant explained that the City qualifies for principal forgiveness funding from SDWLP that will be provided to customers through a municipal program. SWU stated that these funds are awarded directly to the municipality and do not rely on utility funds. *Id*. Given this new municipal funding, SWU proposed to modify its existing financial assistance program by eliminating the grant component of its existing program and instead solely offering a customer loan for the full amount of the property owner's replacement costs not covered by other municipal funding (specifically SDWLP principal forgiveness funding). The applicant proposed to offer eligible customers an interest-free loan to pay for up to 100 percent of the cost to replace the customer-side LSL that is not eligible for SDWLP principal forgiveness funding (i.e. municipal program). Like its existing program, the customer would repay the loan in equal installments of up to 72 months on either the property owner's monthly or quarterly utility bill, or a separate bill that the applicant will prepare and send.

In its application, SWU explained that "DNR SDWLP principal forgiveness and loan funds would cover all known lead and galvanized for the entire program over 10 years of replacements at an average (customer) cost of $8,000." Estimating a replacement need for 6,733 customer-side LSLs, SWU calculated a total cost of $53,864,000 that was comprised of $40,398,000 in SDWLP principal forgiveness funding and $13,466,000 in a SDWLP loan.

However, SWU also noted that customers would repay their individual customer loan amount and thus cover the principal of the SDWLP loan, so that there would be no utility cost for the SDWLP principal forgiveness or customer loans principal.

There are two components to SWU's proposed utility program. First, the applicant proposed to distribute the SDWLP loan awarded to the City as interest free customer loans by using customer rates to pay the 0.25 percent interest portion of the SDWLP loan. *Id*. at 5. SWU would use customer rates to pay for a portion of the municipal program so that customers would pay no interest. The applicant estimated the cost of the interest would be $336,650 over 10 years.

Second, the applicant also proposed using customer rates to cover administrative costs of $650,000 over a 10-year period. Unique to this application, SWU proposed a utility financial assistance program that would administer the SDWLP grant and loan funds, or a municipal financial assistance program. The applicant proposed to use the administrative costs to administer the SDWLP principal forgiveness as grants to customers, and the SDWLP loan as customer loans. The proposed administrative costs would include consultant fees to review and assist with federal regulation compliance; attorneys fees for SDWLP review and closing; financial advisory fees; fees to record and release liens on properties with a LSL loan; and customer/contractor relations and communications. In sum, the applicant proposed to use customer rates to pay for interest costs for and the administrative activities of a municipal financial assistance program, for a total cost of $986,650 over 10 years. *Id.* at 8.

Estimated Program Costs

The applicant estimated an approximate total cost of $986,650, which will fund $650,000 in administrative costs and $336,650 in interest costs through 2033. The applicant noted that the

City intends to apply for SDWLP principal forgiveness and loan funding each year until all LSLs are replaced. In the event that SDWLP funding is no longer available, the applicant would use cash on hand. The applicant proposed that customers would repay individual loans, while the applicant would use customer rates to cover administrative costs and interest fees on SDWLP loan funding.

Environmental Review

The Commission is reviewing a utility financial assistance program only, not the water service line replacements themselves. Because there are no potential environmental effects associated with the strictly financial action at issue in this docket, the docket does not require the preparation of an EIS under Wis. Stat. § 1.11 or an EA.

Prior Commission Approvals

Historically, utilities across the state of Wisconsin have used a variety of funding sources to provide financial assistance to customers in replacing private-side LSLs. Over the past decade, many utilities including Sheboygan have taken advantage of SDWLP principal forgiveness funding to provide such assistance. The Commission has considered such funding from the SDWLP to be municipal funding, and not part of a utility financial assistance program that is based on customer rates. As such, utilities did not need Commission approval for such municipal programs. In particular, the SDWLP often awarded principal forgiveness funding that would cover 100 percent of a utility's annual LSL replacement costs for customers. Treating SDWLP funding as municipal avoided Commission consideration of such funding and allowed municipalities the freedom to offer grant funding above the 50 percent limit that exists in Wis. Stat. § 196.372. Over the years, the Commission has maintained a bright line (distinction) between municipal programs using municipal funding that do not require Commission approval, and utility programs using customer rates that do require Commission approval and would fall under the requirements of Wis. Stat. § 196.372.

More recently, the funding available from the SDWLP has changed in two important ways. First, principal forgiveness funding is now often limited to disadvantaged census tracts. Providing assistance to only some of the customers in a customer class creates the risk for unfair discrimination in the distribution of customer rates that is expressly prohibited in Wis. Stat. § 196.372(3)(e)(1). Second, SDWLP funding assistance now also includes loans to municipalities for distribution to customers replacing private-side LSLs. Consistent with prior decisions related to SDWLP funding, the Commission also considers SDWLP loan dollars as municipal funding.

In its first approval of a utility customer-side LSL replacement program for Kenosha (docket 2820-LS-100), the Commission described the many public health concerns regarding the presence of lead in drinking water utility infrastructure and noted that the most effective way to reduce the risks associated with lead in drinking water is to eliminate LSLs. The Commission has been supportive of utilities' efforts to adopt best practices to remove lead, and it notes that many Wisconsin utilities have used ratepayer funds to replace utility-side lead mains and LSLs.

Prior to the passage of Wis. Stat. § 196.372, utilities could not use utility funds to pay for replacement of customer-side LSLs. Wisconsin Stat. § 196.372 provided a process for water public utilities to apply to the Commission for authorization to provide financial assistance to the owner of a property to which water utility service is provided for the purpose of assisting the owner in replacing customer-side LSLs. Since its enactment in 2018, the Commission has approved 12 utility financial assistance programs and remains committed to the consideration of additional applications. However, Wis. Stat. § 196.372 provides specific criteria for a utility financial assistance program. Relevant to this proceeding, the application fails to meet the requirement of Wis. Stat. § 196.372.

Compliance with Wis. Stat. § 196.372(3)(e)1.

In order to approve an application, the Commission must find that the overall program meets the requirements of Wis. Stat. § 196.372, and in particular that the program is not unjust, unreasonable, or unfairly discriminatory. Wis. Stat. § 196.372(3)(e)1. The Commission finds that the applicant's proposed update to its existing financial assistance program does not meet the requirements of Wis. Stat. § 196.372, and in particular the proposed program is unreasonable and creates the risk of undue discrimination under Wis. Stat. § 196.372(3)(e)1.

In this case, the applicant does not propose to use utility dollars as financial assistance to customers with LSLs, but rather to use utility dollars to administer a municipal program, or more specifically municipal funding. Wisconsin Stat. § 196.372 allows a water public utility to provide financial assistance to the owner of a property for the purpose of assisting the owner in replacing its customer-side LSL. Wis. Stat. § 196.372(1) defines financial assistance as a grant, loan, or combination thereof.

The applicant proposed to use customer rates to pay for the interest fees of its SDWLP loan in order to provide interest free customer loans to those customers replacing their LSLs. Interest fees on a municipal loan would also be considered municipal funding and the Commission considers such funding to be outside of a utility-based financial assistance program. Similarly, if loan funding were to be applied in a discriminatory manner, then the proposed use of customer rates for the interest fees could be discriminatory as well. As such, the Commission finds that the applicant's proposed update to its existing financial assistance program related to interest fees is unreasonable and creates the risk of undue discrimination as the interest paid to a municipal lender is considered municipal funding and not allowed to be paid for by customer rates and may impact customer classes in a discriminatory manner.

Finally, Wis. Stat. § 196.372 does not currently provide authorization for the use of customer rates to administer a non-utility financial assistance program, or non-utility funds. Providing such authorization may expose the use of SDWLP funding to the statutory prohibition related to discrimination and thus become a barrier to its use in a municipal program. The Commission find it reasonable to conclude that the application fails to comply with Wis. Stat. § 196.372, in particular Wis. Stat. § 196.372(3)(e)1., as interest fees on SDWLP loans are considered to be municipal funding and not eligible for repayment by customer rates, and utility rates cannot be used to administer a municipal program. Therefore, the Commission denies the applicant's proposed update to its existing financial assistance program as it is unreasonable and creates the risk of undue discrimination.

Conclusion

Sheboygan Water Utility, as a water public utility, is not authorized to update its existing financial assistance program for replacement of customer-side water service lines containing lead as proposed in its revised August 5, 2024 application.

Order

1. The applicant's application for authority to update its existing financial assistance program to replace customer-side water service lines containing lead is denied.

2. It is reasonable to determine that the application does not meet the requirements of Wis. Stat. § 196.372.

3. This Final Decision takes effect one day after the date of service.

4. Jurisdiction is retained.

Dated at Madison, Wisconsin, this 24th day of January, 2025.

For the Commission:

Andrew P. Galvin
Administrator
Division of Water Utility Regulation and Analysis

APG:TAK:kle:jlt:rgs DL:02028765

Attachment: Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
4822 Madison Yards Way
P.O. Box 7854
Madison, Wisconsin 53707-7854

NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE PARTY TO BE NAMED AS RESPONDENT

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.[2] The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

[2] *See Currier v. Wisconsin Dep't of Revenue,* 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.

Invoice Status Report

PFAS Response

City of Wausau, Wisconsin

Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

Activities This Period

- Supported City as needed with communications and information.
- Conducted Internal Coordination Meetings as needed and provided Monthly Status Report.
- Responded to Requests for Information and clarification of construction documents.
- Reviewed Pay Application 15 and submitted to Board of Public Works for payment.
- Prepared Change Order 5 and submitted for City approval and WDNR review. Requested modification of change order based on WDNR comments and provided followup and comments to Contractor.
- Reviewed Contractor requests for facility shutdown as needed.
- Provided on-site observation of construction, with Resident Project Representative (RPR) at site while Contractor and Subcontractors performing major construction activities including facility shutdowns, delivering and installation of equipment and piping and RPR staff on site to observe Contractor progress and answer Contractor questions.
- Reviewed submittals for operation and maintenance manuals, training and warranties.
- Attended biweekly construction progress meeting and on site meetings with Contractor as necessary.
- Continue support of funding activities including Safe Drinking Water Loan including submitting biannual report for Emerging Contaminants funding.
- Provided Applications Engineering Services as needed including programming, support of startup with onsite checkout of controls equipment, adjustment of control strategies and pumping strategies.
- Continued development of punch list, review with Contractor personnel and City staff
- Supported startup up activities by Contractor including monitoring pH for GAC rinsing and bacti testing and coordination meetings prior to and during systems demonstration.
- Supported Contractor with sodium hydroxide soak and neutralization to facilitate safe bacti test for one PFAS vessel.
- Provided Designer Review Site Visits for instrumentation and controls.
- Reviewed test results and supported Contractor's followup PFAS testing as required for seven day system demonstration.
- Developed RFPs for Structure 100 Filtered Water Flow Metering, Coating of Concrete Floor, Structure 100 Overhead Door Threshold and Retaining Wall Bollard.
- Reviewed and requested revisions to RFP for Structure 120 Power Panel SPD.
- Revision of RFP for Coagulant and Polymer Modifications.
- Prepared Work Change Directive for Process Waste Tank Liner Repair.

Activities Next Period

- Support City as needed with communications and information.
- Conduct internal Weekly Coordination Meetings as needed and provide Monthly Status Report.
- Provide construction related services including on-site observation, review of submittals, consideration of requests for information, processing change orders and pay applications.

Invoice Status Report

PFAS Response

City of Wausau, Wisconsin

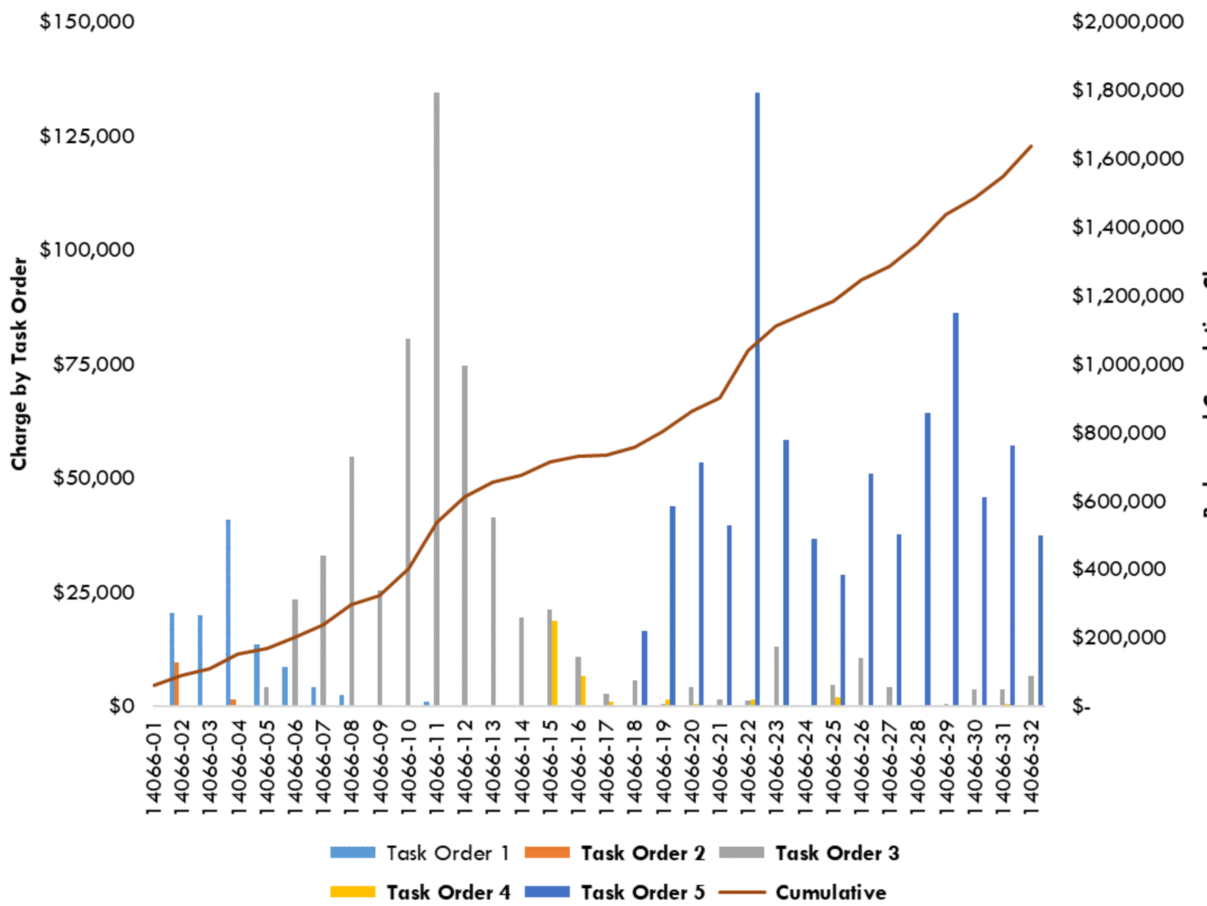
Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

- Continue review of RFPs as needed and develop RFPs as needed.
- Prepare SDWLP disbursement requests and track budget.
- Develop Standard Operating Procedures and guides for system startup processes.
- Facilitate Congressionally Directed Spending funding.

Budget Status

Engineering Budget



Invoice Status Report

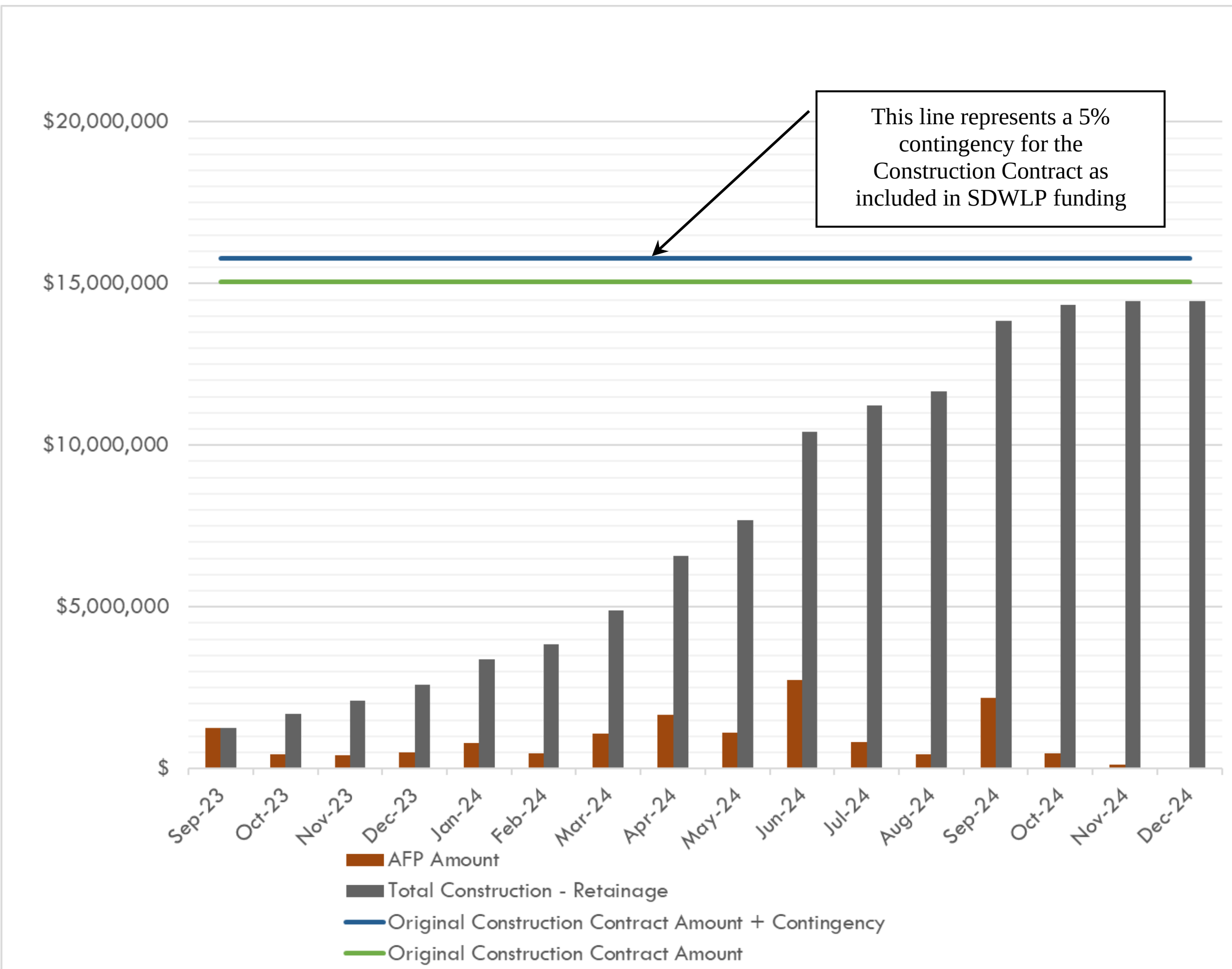
PFAS Response

City of Wausau, Wisconsin

Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

Construction Budget



Invoice Status Report

PFAS Response

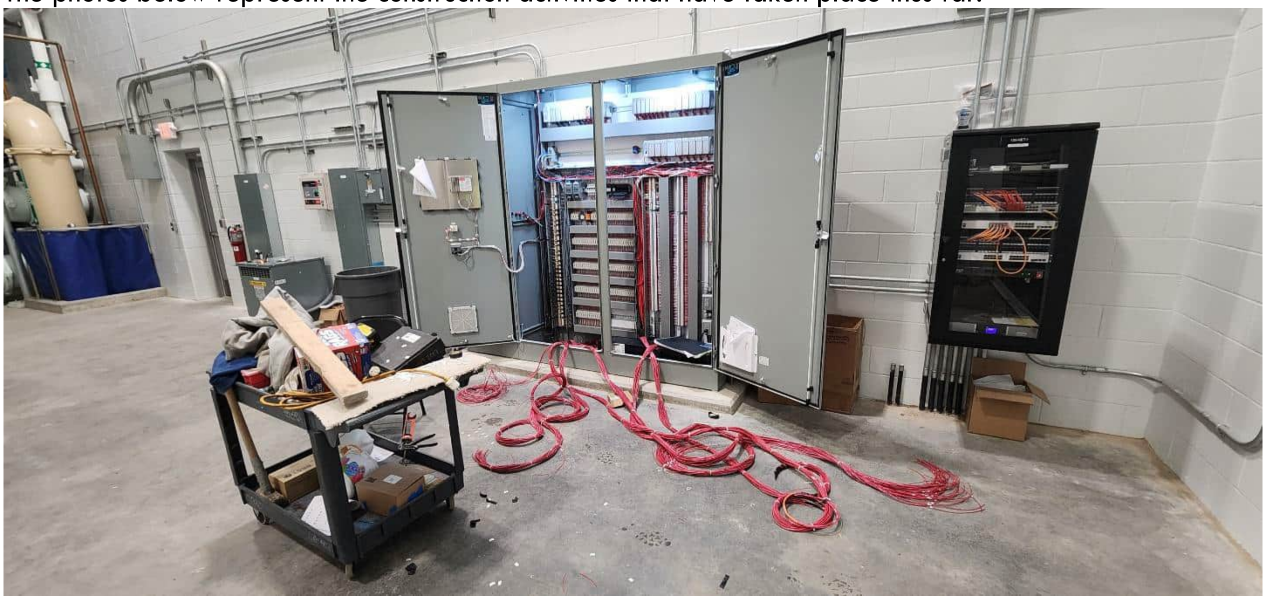
City of Wausau, Wisconsin

Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

Construction Photo Log

The photos below represent the construction activities that have taken place thus far.



Econ trimming spare wires in 120-PLC for ease of use in future

August Winters completed new sodium hydroxide (NaOH) solution chemical pump connection in Structure 100 (Process Building) Brine Room.

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

Ellis completed the grouting of the Structure 100 (Process Building) Filtered Water Pump 0911 and discharge pipe elbow.

Econ completed the trimming of excess spare wiring in Structure 120 PFAS Vessel Air Valve Control Panels

Invoice Status Report

PFAS Response

City of Wausau, Wisconsin

Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025


William Reed onsite to complete Structure 100 FW Pump 0911 motor and pump alignment prior to pump start up


Old smaller Structure 100 (Process Building) Filtered Water Pumps being removed from site

Invoice Status Report

PFAS Response

City of Wausau, Wisconsin

Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

Job Trailers beginning to be removed from site

Checking southside trench drain in Structure 120 for any damage from acid spill used during Caustic Rinse of PFAS Vessel 5A

Invoice Status Report

PFAS Response

City of Wausau, Wisconsin

Donohue Project Number 14066

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025


Existing louvre reinstalled and caulked on the northside of Structure 100 (Process Building).


Howard Grote personnel painting new pipe bollard on east side of Structure 100 placed for protecting landscape wall and drain

Invoice 14066-31
Period |December 1, 2024 – January 4, 2025

Existing northside garage doors in Structure 100, now functional with power, limits set and safety sensors

INVOICE

DONOHUE

3311 Weeden Creek Road
Sheboygan, WI 53081
Phone: 920-208-0296
www.donohue-associates.com

Invoice To:		***Invoice Date:***	January 9, 2025
		Donohue Project No.:	14066
City of Wausau		***Invoice No:***	14066-32
Attn: Eric Lindman		***Project Manager:***	Susan Wojtkiewicz
407 Grant Street		***Terms:***	Net 30 Days
Wausau, WI 54403		***Billing Period:***	12/01/24 - 01/04/25

Project Description: Continuing Services Agreement

Your Authorization:
Continuing Professional Services Agreement, Signed 03/17/22
Task Order No. 1, Signed 03/17/22
Task Order No. 2, Signed 03/18/22
Task Order No. 3, Signed 07/21/22
Task Order No. 4, Signed 05/16/23
Task Order No. 5, Signed 08/09/23

Compensation:

Task Order No. 1 - Time and Expense Not-to-Exceed	$	155,375.00
Task Order No. 2 - Time and Expense Not-to-Exceed	$	30,000.00
Task Order No. 3 - Time and Expense Not-to-Exceed	$	658,695.00
Task Order No. 4 - Time and Expense Not-to-Exceed	$	44,920.00
Task Order No. 5 - Time and Expense Not-to-Exceed	$	1,083,284.00
Total	$	1,972,274.00

Billing Summary:

Total Charges to Date	$	1,592,559.46
Charges Previously Billed	$	1,548,526.97
Current Charges	$	44,032.49
Task Order No. 1	**$**	**155,375.00**
Total Charges to Date	$	152,354.26
Charges Previously Billed	$	152,354.26
Labor (hours)	$	-
Reimbursable Expenses	$	-
Subconsultants	$	-
Total	$	-
Task Order No. 2	**$**	**30,000.00**
Total Charges to Date	$	30,000.00
Charges Previously Billed	$	30,000.00
Task Order No. 3	**$**	**658,695.00**
Total Charges to Date	$	586,297.59
Charges Previously Billed	$	579,744.09
Labor (28.5 hours)	$	5,842.50
Reimbursable Expenses	$	201.00
Permit Fees	$	-
Subconsultants	$	510.00
Total	$	6,553.50

Task Order No. 4	**$**	**44,920.00**
Total Charges to Date	$	32,760.00
Charges Previously Billed	$	32,760.00
Labor (3.0 hours)	$	-
Reimbursable Expenses	$	-
Subconsultants	$	-
Total	$	-
Task Order No. 5	**$**	**1,083,284.00**
Total Charges to Date	$	791,147.61
Charges Previously Billed	$	753,668.62
Labor (190.5 hours)	$	36,217.50
Reimbursable Expenses	$	1,261.49
Subconsultants	$	-
Total	$	37,478.99
Current Charges Due	**$**	**44,032.49**

Please Remit to:

Donohue & Associates, Inc.
3311 Weeden Creek Road
Sheboygan, WI 53081
Phone: 920-208-0296
Fax: 920-208-0402

Aged Receivables

Current	31 - 60 Days	61 - 90 Days	91 - 120 days	>120 days
$44,032.49	$0.00	$0.00	$0.00	$0.00

To: Wausau Water Works Commission

From: Scott Boers, Water Operations Superintendent

Date: 1/28/2025

Subject: GAC Plant Update

All,

The Granular Activated Carbon (GAC) Plant was substantially complete November 22, 2024. All samples taken for PFAS during plant start-up and since then have all been non-detect.

Some questions have been asked regarding operational costs, operational issues, and maintenance concerns. Due to the short amount of time the plant has been operational, it would be difficult to put exact numbers to these items. I will do the best I can with the information we have so far.

Operational Costs:

1. Increased electrical, our filtered water pumps have been upsized from 70 to 200 HP. The increased motor size will contribute to additional electrical costs which haven't been normalized yet. We also have added a backwash pump for the GAC Tanks, although not planned to be used often, this pump could have a bearing on costs.
2. Heating costs will increase slightly.
3. Sampling costs will increase. We have not yet finalized a sampling plan. Until we have a good idea of how PFAS will move through the vessels, sampling will need to occur more regularly than what is required.
4. Carbon replacement and disposal will be the largest operational cost. It is anticipated that it will be necessary to replace 6 vessels of carbon one to two times a year. Carbon replacement costs have been estimated to be between 800K and 1.4 million dollars a year. Carbon costs will vary depending on several factors, including but not limited to, type used, supply/demand, regulations.

Operational Issues:

1. Irregular and sometimes overwhelming flow though the processes. We are adding an additional flow meter to the project to better control flow through the IX and GAC systems.

2. Limited capacity in the process waste tank and sanitary system can slow carbon changeouts. This item is being evaluated.

Maintenance Concerns:

1. 100+ valves to exercise and maintain.
2. The carbon changeout process, time, resources, and staff required to perform it. Additional concerns with bacteriologically unsafe vessels and the caustic soak process.
3. Additional sampling and monitoring.
4. Another building to maintain.

Generally, these items are typical to our operations and wouldn't present any major issues. The largest challenge we will face is having the staff and resources available to address these above-mentioned issues and concerns. As was approved by the Commission in 2024, two additional staff will be added. One on the distribution side and one on the treatment facility side. We are currently looking to fill these positions and as new staff comes online and we determine the level of increased maintenance at the entire new facility will determine if additional staff will be required. 2025 will be the first year all operations will be online and will give us a very good baseline of costs/expenses moving into future years.

To: Wausau Waterworks Commission

From: Ben Brooks, Wausau Waterworks-Wastewater Superintendent

Date: February 4, 2025

Subject: Sole Sourcing of Affinity Chemical LLC for the purchase of Alum.

Dear Commissioners,

Affinity Chemical LLC has extended its 2022 pricing of Alum delivered at $369/ton (dry basis) through December 31, 2025, meaning there hasn't been a price increase for three years.

It would be my recommendation to accept Affinity Chemicals extended pricing for Alum and approve the sole sourcing of Affinity Chemical.

Best regards,

Ben Brooks

Wausau Waterworks – Wastewater, Superintendent

407 GRANT STREET * WAUSAU, WI 54403-4783 * 715 261-6530 * FAX 715 261-6535

Jan 21, 2025

Wausau Waterworks - Wastewater
Attn: Ben Brooks
430 Adrian Street
Wausau, WI 54401

Subject: **Wausau Waterworks - Extended Alum price**

Dear Mr. Brooks,

Affinity Chemical extends pricing at $369/TN (dry basis) delivered of Aluminum Sulfate to Wausau WW through 12/31/2025.

Thank You.

Catherine Johnson

Catherine Johnson
Marketing Manager
Affinity Chemical LLC
972-571-8095
cjohnson@affinitychemical.com

CITY OF WAUSAU

SOLE SOURCE PURCHASE JUSTIFICATION

REQUIRED FORM PURCHASE OF GOODS OR SERVICES EXCEEDING $10,000

Purchase of goods or services for no more than $25,000 may be made without competition when it is agreed ***in advance*** between the Department Head and the Finance Director. Sole source purchasing allows for the procurement of goods and services from a single source without soliciting quotes or bids from multiple sources. Sole source procurement cannot be used to avoid competition, rather it is used in certain situations when it can be documented that a vendor or contractor holds a unique set of skills or expertise, that the services are highly specialized or unique in character or when alternate products are unavailable or unsuitable from any other source. Sole source purchasing should be avoided unless it is clearly necessary and justifiable. The justification must withstand public and legislative scrutiny. The Department Head is responsible for providing written documentation justifying the valid reason to purchase from one source or that only one source is available. Sole source purchasing criteria include: urgency due to public safety, serious injury financial or other, other unusual and compelling reasons, goods or service is available from only one source and no other good or service will satisfy the City's requirements, legal services provided by an attorney, lack of acceptable bids or quotes, an alternate product or manufacturer would not be compatible with current products resulting in additional operating or maintenance costs, standardization of a specific product or manufacturer will result in a more efficient or economical operation or aesthetics, or compatibility is an overriding consideration, the purchase is from another governmental body, continuity is achieved in a phased project, the supplier or service demonstrates a unique capability not found elsewhere, the purchase is more economical to the city on the basis of time and money of proposal development.

1. Sole source purchase under $10,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of $10,001 to $25,000 a formal written justification shall be forwarded to the Finance Director who will concur with the sole source or assist in locating additional competitive sources.
3. Sole source purchase exceeding $25,000 must be approved by the Finance Committee.

☒ **Ongoing Sole Source – 365 days** ☐ **One Time Sole Source Request**

1. Provide a detailed explanation of the good or service to be purchased and vendor.

   Product: Aluminum Sulfate (ALUM)

   Vendor: Affinity Chemical

2. Provide a brief description of the intended application for the service or goods to be purchased.

Alum addition is a necessary chemical used for chemical phosphorus removal at the Wastewater Treatment Facility.

3. State why other products or services that compete in the market will not or do not meet your needs or comply with your specifications.

The Alum purchased from Affinity Chemical meets all required specifications of the WWTF and there has not been a price increase in the last three years.

4. Describe your efforts to identify other vendors to furnish the product or services.

Affinity Chemical is a distributor to other vendors and by the City purchasing directly from the supplier eliminates additional vendor cost.

5. How did you determine that the sole source vendor's price was reasonable?

Affinity Chemical has extended 2023 pricing and there hasn't been a price increase in the past three years.

6. Which of the following best describes this sole source procurement? Select all that apply.

- ☐ Product or vendor is uniquely qualified with capability not found elsewhere.
- ☐ Urgency due to public safety, serious financial injury or other. (explain)
- ☒ The procurement is of such a specialized nature that by virtue of experience, expertise, proximity or ownership of intellectual property.
- ☐ Lack of acceptable quotes or bids.
- ☒ Product compatibility or the standardization of a product.
- ☐ Continuation of a phased project.
- ☐ Proposal development is uneconomical.

Department: Wausau Waterworks - Wastewater

Preparer: Ben Brooks

Vendor Name: Affinity Chemical

Expected amount of purchase or contract: $240,900.00

Department Head Signature: ***Date:***

Finance Director Signature: ***Date:***

Department of Public Works & Utilities

Eric Lindman, P.E.
Director of Public Works and Utilities

TO: Wausau Waterworks Commission

FROM: Eric Lindman, P.E.
Director of Public Works & Utilities

DATE: February 4, 2025

SUBJECT: 2024 Carryover Funds – Sliplining & Hydrogen Sulfide (H2S) Repairs

---

In 2024 the sewer utility budgeted $500,000 for Sliplining Repairs and $500,000 for H2S repairs. This funding was not spent in 2024. Staff has prepared areas of the city to have this work done and the cost of the work on the large diameter sewer was significant, $800,000. Combining the total funding of FY2024 and FY2025 will allow for a larger project with sufficient funding to address significant issues with our large diameter interceptor sewer.

In 2024 the sewer utility also ran a small pilot study to determine ways to reduce H2S degradation of our concrete sewer infrastructure. The pilot study introduced Magnesium Hydroxide upstream of an area with significant corrosion of concrete due to H2S. This pilot study proved this would decrease H2S levels in sanitary sewer. Staff continues to look for solutions to increase the life of our infrastructure.

Staff is requesting approval of a budget modification to carry over the 2024 sliplining and H2S repair funding and use the funds in 2025.

WAUSAU WATER WORKS - WASTEWATER DIVISION 5/1/2024

CAPITAL PLAN - OPERATING 2023-2029

5/1/2024

IMPROVEMENTS/PROJECTS	COST EST 2023-2029	FUND SOURCE	2023	2024	2025	2026	2027	2028	2029	Comments
SOFTWARE & STUDIES										
Staffing Level Analysis/Study	-	OP FUNDS								
SUBTOTAL	-		-	-	-	-	-	-		
SEWER TREATMENT PLANT										
Asset/O&M Management (SW share)	100,000	OP FUNDS		100,000						
SUBTOTAL	100,000		-	100,000	-	-	-	-		
SEWER LIFT STATIONS										
	-	OP FUNDS								
Subtotal	-		-	-	-	-	-	-		
TRANSPORTATION/EQUIPMENT										
Safety support vehicle,Jet Truck,Tanker Truck	60,000	OP FUNDS		60,000						2024 to 2025. Purchase DPW sign truck for this application
SUBTOTAL	60,000		-	60,000	-	-	-	-		
COLLECTION INFRASTRUCTURE										
Street Projects										
Emerson Street, Eau Calaire Blvd to Kent	30,000	OP FUNDS		30,000						04/20/21 CISM pushed project to future year, 2024
Mount View Blvd, Eau Claire Blvd to Kent	25,000	OP FUNDS		25,000						04/20/21 CISM pushed project to future year, 2024
4th St (McClellan St - Scott St)	-	OP FUNDS								
SUBTOTAL	55,000		-	55,000	-	-	-	-		
Proposed Developments/Extensions										
	-	OP FUNDS								
Subtotal	-		-	-	-	-	-	-		
Sewer Collection System Projects										
Slipline Sewers (Cured in Place); I&I Repairs	3,125,000	ARPA or IIJA	525,000	500,000	525,000	525,000	525,000	525,000		Move 2024 Funds to 2025; Total $1,025,000
Forcemain Pigging and Cleaning	360,000	OP FUNDS	120,000		120,000		120,000			
Intercepter Line H2S Rprs	1,500,000	OP FUNDS		500,000		500,000		500,000		Move 2024 Funds to 2025; Total $500,000
SUBTOTAL	**4,985,000**		**645,000**	**1,000,000**	**645,000**	**1,025,000**	**645,000**	**1,025,000**		
TOTAL PLANNED CAPITAL EXPENDITURES	**5,200,000**		**645,000**	**1,215,000**	**645,000**	**1,025,000**	**645,000**	**1,025,000**		
TOTAL PLANT & COLLECTION ONLY	5,085,000		645,000	1,100,000	645,000	1,025,000	645,000	1,025,000		
CUMULATIVE FULL UPGRADE			645,000	1,860,000	2,505,000	3,530,000	4,175,000	5,200,000		

SEWER CIP FUNDING

	2023	2024	2025	2026	2027	2028	2029
OP FUNDS	$120,000	$715,000	$120,000	$500,000	$120,000	$500,000	
POSSIBLE ARPA or IIJA	$525,000	$500,000	$525,000	$525,000	$525,000	$525,000	
ARPA	$0	$0	$0	$0	$0	$0	
BORROW	$0	$0	$0	$0	$0	$0	
FUNDS TOTA	$645,000	$1,215,000	$645,000	$1,025,000	$645,000	$1,025,000	