



Minutes of June 4, 2024

A meeting of the Wausau Water Works Commission was called to order at 1:31 p.m. in City Hall on Tuesday, June 4, 2024. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on May 31, 2024.

Members Present: President Diny, Commissioners Robinson, Watson

Members Excused: Gehin, Force

Others Present: Eric Lindman, Scott Boers, Anne Jacobson, James Henderson, Joe Kafcysnki/ Becher Hoppe, Tonia Westphal/Clark Dietz

1) Approve Minutes of May 7, 2024 Meetings.

Robinson motioned to approve minutes. Seconded by Watson.

Motion Carried 3-0.

2) Director's Report on Utility Operations.

Lindman updated the construction of the Granular Activated Carbon (GAC) and pointed out the loan approval for the principal forgiveness. The loan is going to city Council next week and closing will happen 3rd week of June so we could pay off the interim financing before the deadline of July. The Solar Array project was discussed in the Finance Committee and they had additional questions that will be discussed at their meeting next week. In the packet also included updates on staffing and wastewater construction.

Robinson asked what type of questions the Finance Committee were asking?

Lindman replied they were looking if it were \$1.2 million or \$1.4 million in loan and if there were other potential funding sources, debt/cost in next 10 years, whether it was budget neutral?

Watson questioned if grants were still available for the solar array?

Lindman replied they are available but didn't include them in the cost because not sure if we'd get them. One of them is through the Department of Energy. There's additional tax credit that could be 20% of project but will need full design, site design before we apply for those.

Robinson commented that if it's American made, we could get additional credits through the federal tax credits.

Director's Report Placed on File.

3) Discussion and Possible Action Approving the Updated 2025-2029 Capital Budget for the Water and Sewer Utility.

Lindman advised this information was in data form last month and was broken down in graphical form specific to drinking water. I don't have that information for Wastewater yet and the draft watermark was taken off. Comments from commissioners were to have a better understanding of what revenues we have available for future capital projects and how that was going to affect us as we start accruing debt. One of the biggest impacts to our debt was if the water utility picked up the private side cost for the lead service line replacements. It would have a heavy impact on the drinking water's ability for other capital projects. If the utility were

to pick up 100% of the costs, that far exceeds our availability of rate revenues. Last graph shows if we get Public Service Commission (PSC's) approval to use 50% on the private side, it limits our other capital projects on the drinking water side. I wanted to update the commission, this is a static look in today's dollars, it doesn't show any revenue increase or debt that we currently have and when it will pay back. Some of the debts we have would be paid off over the next 4 to 5 years which would give us more capacity on the drinking water side and this information is intended to help provide information leading into what Ehler's would be presenting in detail in August on both the capital and operating budgets.

Robinson questioned where the \$1.6 million was coming from, if that were with the current rate structure generated over project, current debt, and operating expenses? What are our experiences relative to inflationary pressures on our expenses and debt in terms of water utilization rates? This is illustrative but not informative. Hopefully Ehlers' could look at structure timing and designing of the issues so we could have a steady debt management, staffing issues and look at what's available for debt. It would be helpful to have a true cashflow looking at where our debt payments are and capture that decrease and slide that in going forward.

Lindman replied the \$1.6 million is coming from Ehler's and that's stagnant in today's dollars. When you look at the blue lines, the \$1.6 million stays straight across. Staffing is included in this as an expense. I agree this is not quite comprehensive but one of the biggest questions was looking at the lead service line replacements and how to fund the loan portion of that project moving forward and if the utility has the capability to do it. We may be able to at some level, but we have to pay for our portion of those services in the street. Ehler's would be completing that comprehensive analysis in August.

Robinson questioned if we've seen any utilization changes due to increase in the rates as it would be helpful for Ehler's to have, if we were projecting 4.8 million gallons a day and down to 4.4 million gallons a day, it would be materially different.

Boers replied we haven't seen anything with the issues we have with workday and rolling our new water meter system, there's some crossover so we don't have that data yet.

Diny replied that was one of the reasons for the postponed lead ordinance, its complex.
No Action Taken.

4) Discussion and Possible Action on Demolition of the old Water Plant at 1801 N River Drive.

Diny stated we've had some vandalism there and have some interest in what we are going to do with the North Riverfront Development. It's time to look at what that looks like in the overall scheme and have some discussion going forward.

Lindman wanted to let the commission know, we've had 4-5 different break-ins at that building and will begin having discussions on the fate of that building. We've already walked through the building with Community Development to see if the building had any viability or if we should send out an RFP to solicit proposals for reuse but with the different elevations and how the building was set up, there wasn't any benefit to keeping the building. Discussions on timing and fate of the building will begin with the city council for possible future demolition to prevent further squatting and vandalism.

Robinson questioned that we look into State or Federal Brownfield grants before we get too far in the demolition, given that it was part of the Wausau-well Superfund site with potential redevelopment and some vapor intrusion issues to build into the project costs.

Lindman replied we're under discussions with that and looking into the EPA Brownfield. One of the challenges with that was the EPA wanting to know what the end use would be to score well on those project requests. We ran into the same thing with other sites in the city like 1300 Cleveland but depending on the discussion in the next couple of months, those

applications are due end of October and it's intensive so we have to determine what is feasible and determine when to get started.

Robinson questioned from a cashflow perspective, we've got an asset that is a liability but has potential value as the building goes down, where do the proceeds from the sale go and if we needed a motion?

Lindman replied, we are not that far in the process of whether the City decides to purchase that property and take it from there. PSC has been silent on this, but that facility was purchased using rate revenue so they would probably like to see that the property or assets are not given up for free.

Diny stated another option could be that the city could purchase it from the utility and develop it from there.

Lindman stated he wanted the commission to understand that this would be for further discussion for the city council. Force brought this up a couple of times and wanted to give an update, we are not that far along in the process but over the next few months in the budget process, we will be talking about it.

No Action Taken.

5) Discussion and Possible Action Approving the Wastewater 2023 Compliance Maintenance Annual Report (CMAR) and Resolution.

Lindman advised we are well below our limits and drying our bio solids are going well. We are still trying to optimize some of our operations but as the weeks go by, we are improving. There's a lot of information in here, Brooks is not here but I have reviewed it and can answer any questions.

Robinson stated it's an excellent report and questioned if we had any issues relative to spreading of the biosolids.

Lindman replied we've had no real robust issues or concerns from property owners as far as land application at this point. There's a draft resolution included in the packet that will go to the City Council.

Robinson motioned to accept the Wastewater CMAR and resolution move it forward to council for adoption. Seconded by Watson.

Motion Carried 3-0.

6) Discussion on Scheduling the July 2nd Meeting to Tuesday, June 25th.

Diny questioned if 10:30am worked better or 1:30pm.

Robinson replied either time works. Watson had a WCDA Board at noon that day and wasn't sure if the meeting would be done. She questioned if future meetings could be in the morning or later after work. She normally teaches at 1:00 on Tuesdays.

Diny replied we looked at potentially morning or over lunch hour. Lindman stated we could put that on the next meeting, June 25th to discuss.

No Action Taken.

7) Adjourn.

Watson motioned to adjourn. Seconded by Robinson.

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

Gina Vang, Recording Secretary

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