



Minutes of June 6, 2023

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on Tuesday, June 6th, 2023. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on June 1st, 2023.

Members Present: President Rosenberg, Commissioners Herbst, Robinson, Force
Others Present: Eric Lindman, Scott Boers, Ben Brooks, Anne Jacobson, Valerie Swanborg, James Henderson, MaryAnne Groat, Tonia Westphal/ Clark-Dietz, Joe Kafczynski/ BecherHoppe.
Via WebEx: Susan Wojtkiewicz/Donohue

1) Approve Minutes of May 1st 2023 Meeting.

Herbst motioned to approve minutes. Seconded by Force.
Motion carried 4-0.

2) Director's Report on Utility Operations.

Lindman began with the staffing needs assessment. This was previously brought forward to the commission to work with MEUW to get a training program established with them. There were some issues with the contract through legal that were unable to be resolved, so we're back to square one. CVMIC was contacted by HR and do have the ability to assist us. So, we will be working through CVMIC hopefully, to get a program established. One of the nice things is that we did get an assessment done through MEUW which they provided to us for water, wastewater and the streets division giving us a basis to start and work with CVMIC.

Force asked what CVMIC stands for. Lindman replied it's the insurance company for the city.

Lindman provided an update for the lead service line replacement pilot plan. We are out to bid now on the city side. We've done outreach, both door to door and mailings, and partnered with Clark Dietz to do that; city staff was present for door to door contacts. .

Robinson advised they talked about reaching out to the local elected officials in advance because he and Alder Diny were not notified. It would be helpful in the future as people come to them with questions. Lindman responded that we will do that.

Force asked about the LSL outreach and the chart in the packet. The numbers look ironically familiar to the numbers we've seen before on lead service lines regarding acceptance by homeowners, we're at less than 50%. Does that mean that these other homes are not going to participate? Are we looking to bring that number of opt-in's up and if so, how do we do that? Lindman explained that on the chart, there were 99 dwellings. 9 of those homes did not need work, so we're working with 90 properties. The ones that have opted in have signed the Right of Entry form. We are waiting on 40 to opt-in, so there are 20 that we do not have confirmation of participation on. Force asked so the waiting to opt-in means they've opted in to participate but just haven't signed the paperwork. Lindman confirmed that is correct. Force stated we're batting 69

out of 90. Lindman confirmed that's correct. It's much better than before and we are continuing to reach out. We will have door hangers, there are some people that work into the evenings. They have shown interest, but we need to work with them to get the paperwork signed. He believes that number of 20 will go down. We are compiling information as we work through this. There's been a lot of interest in the replacement of the sanitary sewer so that will be included in our communication moving forward. That will be solely on the homeowner to do that portion of the work. Force asked if they must have the sewer line replaced. Lindman replied that they don't have to, that is their choice. Lindman explained that in the contract that is out for bid right now, it is requiring the plumber to video the sanitary line before and after the work is done, unless that line is being replaced. Force asked if we know how many of these 69 lines are going to be trenchless as opposed to open pit? Lindman advised we don't, we are leaving that up to the contractor with their conversations with the homeowner.

Lindman stated that he attended the Regulatory Affairs Seminar. He was part of a panel of 3 other communities that answered questions of the group and gave their stories as it relates to PFAS and the impact that Wausau has had. Before that, there was a full day of different information from different entities and federal/state governmental agencies. There was a lot of good information as far as what we can predict, what's coming down the road and what's in the works right now. Robinson asked about the regulatory compliance requirements and how we're proposing to address the monitoring and tracking of grant administration, expenses, and other things. How are we going to ensure regulatory compliance or grant compliance? Lindman stated that we work heavily with finance to make sure that we are meeting the requirements for all the different grants that we potentially apply for. Whether that's through the bidding, the application process, etc. Most of this money is coming through the state, so the state is providing us the documentation. One of the challenges that we have as staff is that because the funding doesn't come directly to us, it's a painstaking process to apply. DNR is one of them which requires full application, plans, everything. City Council had approved an amount of carryover funds for us to hire consultants to help us out with the application process to ensure that they're timely and all of the information is there. Depending on which projects they are and which consultants we are working with, we have contracts established with them on a time and materials basis. With the reimbursement resolutions that you'll see today too, those costs may be reimbursed if those projects are approved through the state. Those are costs that we may get back.

Lindman said there was an update request as far as the solar project. There have been 2 solar task force meetings, the next one is June 21st. The task force has asked for some additional information. We will be compiling that in a meeting packet for them. Henke is chairing that, has been great to work with and focusing to get goals set so that project can move forward with public outreach which we're hoping can get going yet this summer.

Lindman advised one of the items that has come up since Workday has been in place is how staff is being paid overtime. In the past it has come up too, in streets and other divisions within the department. He will be working with HR and if any changes are needed, they will come through HR and the HR Committee, we are working with Henderson on that.

Force remembers a couple meetings ago they approved an increased rate of PFAS testing but he hasn't heard anything about that. Rosenberg responded that it was approved to start the increased testing in June. Boers added that we are doing that, we just received our bottles.

Herbst indicated that as she was reading the report from Boers regarding the employees. She is hoping Lindman does work with Henderson on this because the morale is horrible and the fact that steps 1 and 2 have been skipped, the pay matrix is not right at this point. Employees feel that new people coming on board are making more than they are. Further down in the memo it says that we may be training employees so they can move up in the ranks, do you have anybody that would be ready to be able to do that now? Lindman responded, he thinks that we do. It has

been challenging to advance people. One of the things we're looking to prepare and that he has spoken to Henderson about as well is looking at our job descriptions for our labor force and allowing those positions to be hired with a lot less competencies. As we train them, allowing them to advance. We are going to be drafting up those job descriptions for the 2024 budget which will go through Henderson. The challenges we have with the pay schedule is that all of our positions are stacked tight so there isn't a lot of room for people to advance unless they get promoted into these other positions. As we move forward through the next 2 to 3 months and we get into the operating budget and start bringing these forward, he'll have to rely on Henderson and figure out how all of that is going to work. It is very challenging with our staff right now because there is no advancement. There are no incentives for additional training. Herbst explained what a reward it would be to see employees move up the ladder and what a confidence builder that would be, she thinks we would also be able to retain those employees much longer. Henderson wanted to address a couple things that were brought up. The reason steps 1 and 2 were suspended is because we weren't hiring at those rates anyway, so we started hiring at step 3. That really has no bearing on tenured employees because that was just something for recruiting and has nothing to do with how one is progressed through their steps. He spoke with Gallagher this morning on the study that we're having done. They have some preliminary numbers and the preliminary numbers that they have says that the City of Wausau right now are right in line with what salaries should be. We keep hearing, we're underpaid by \$50/hour, but the science says we are right where we need to be. That information is not public right now, but he did speak with them and did ask their permission to share that information today. Force stated if we are right where we need to be then he would assume competing agencies around us in our geographical area, are above where they need to be because we seem to be losing people to other agencies who are paying more. Henderson responded that people leave jobs for a lot of reasons. Pay is one of them but it's not all of them. They may not like the field they are in, they may not like their supervisors, they may not like the training they are getting but when we compare the pay to everyone around us, we are right in the ballpark. Now, we are talking about market, and we strive to be in market. We aren't trying to lead the market, but we don't want to lag the market either.

Force posed a question to Boers and Brooks. Water and wastewater utility staff usually advance through certification such as level 1, level 2, grade A, grade B and he's assuming there are pay raises associated with that. Maybe that's wrong but are our people receiving training to improve their certifications and move up that scale? Boers responded that there are no incentives for certifications. Some job descriptions right now require it but there is no step-by-step incentive for employees to pursue that on their own or for us to have them do it. I disagree with Henderson in saying that it doesn't have an impact on tenured employees. We have 4-year employees that are training 2-year employees whose hourly wage, depending on what time they were hired, is higher. So, you're training an employee that is making more money than you are. Our scale is not implemented for this very well. We're going to lose employees. Some of our employees live in Merrill, drive through Merrill to get here. Merrill pays more, they have Fridays off, vacation schedule is similar, they get paid for incentives and get raises for certifications. Schofield and Weston are the same way. We're going to lose people; we'll be a training facility. We don't have the people to keep up now and we have a rotational door of training. We're just going to keep slipping, fall further back and start having issues. Robinson wanted to urge some caution as we approach this because in his 17 years with the DNR he stayed in the same position. When he was hired, he was near the top and when he retired, he was way at the bottom. They could hire people at a higher rate than they could advance people in their career. I think that's the concern and would hope that any evaluation and process to factor in the issue of competencies, longevity, and other things relative to that. We need to periodically adjust based upon where the market is for the person coming in but also relative to the people that we've retained for a longer period. I would

hope our study with Gallagher and others, would look at not only where are we at entry but where people are based on years of experience and stay current with those rates and move them to market. Lindman stated when you look across the board, across the country, with AWWA, a lot of these positions are categorized for example, Distribution Maintainer 1, 2,3 and even 4. They come in and may not have any skills or competencies. As they get them, they advance to 2. We do not have that. We bring people in, and they stay at that same pay scale unless a position above them opens and they are promoted, they just stay in that same scale. That is just not typical when it comes to utilities for water and wastewater. We need to change where we are at from an organizational standpoint and get in line to this type of structure within the organization. As we move forward, he thinks that is going to help our retention, recruiting and our competencies overall to maintain our system and all our mandatory requirements. Herbst relayed her concerns with the latest water maintainer of 2 years leaving for more money elsewhere and we need to do something ASAP. Force asked if we do exit interviews, and do we have information about why they are leaving. Henderson stated that they do perform exit interviews however, they are not mandatory. He's unable to provide the reasons but can check on that. Brooks thinks that having incentive pay for certification levels also promotes a strong succession plan. Right now, there is no incentive for employees to retain any certification and it helps create a strong succession plan. At the wastewater treatment plant, we have 2 operators that have certifications, and it brings a stronger morale environment and gives them more reason to do their jobs well and to retain them longer. Receiving pay for obtaining these certifications, it's in the city's best interest at this point. Force agreed and those that having these certifications, they're proud of that. If you ask someone what their title is, they will usually include that certification right with their position because they've earned it. If we aren't doing that, he thinks that we're missing the boat. He's sympathetic to what Boers said, this is a serious issue, and it needs addressing.

Director's Report Placed on File.

3) Discussion and Possible Action Approving Staff to Prepare a Request for Qualifications (RFQ) Utilizing Performance Contracting for Lead Service Line Replacement in 2024.

Lindman advised we've had presentations from the Community Infrastructure Partners and have had information provided to the commission with regards to Johnson Controls, as far as energy projects. Both of those were related to performance contracting and something the city hasn't stepped into before. If the commission would like to move forward with a contract for lead service line replacement moving forward into 2024, do it on a shorter timeline, like the 5-year timeline to maximize the amount of funding that's available city staff would not be able to manage that on their own. We would need a private partner to be a lead on that with us because we would not be able to manage that type of work alone from a contract standpoint. Performance contracting has not been used with lead service line replacement before, so this will be a first. The intent would be to establish a request for qualifications for firms to submit us proposals of their qualifications to do this work. Once a decision is made on who to go with, if the city still wanted to move forward with that, we would establish a scope of work and begin moving down that path beginning in 2023 so we could be prepared for potential 2024 funding.

Robinson asked if we have the order right. From his understanding we are asking for qualifications without knowing what the work is so how do you evaluate the qualifications based upon an ill-find project? What I'd like to have a better understanding of is what are the plus and minus' of this pay per performance and what's the likely cost going to be before we begin that process of embarking on it. Is it something that will save us money, cost us money, what are the benefits. We had the presentation but I'm not sure that I'm in a position to necessarily jump in with both feet asking for qualifications without knowing what that scope is. Lindman explained that the qualifications-based decision making is asking for their qualifications, history of what

work they have done, performance contracting type of work, what work they have managed, what municipalities they have worked with, all those things. We aren't even going to know how much funding we have until later this year. A lot of the questions that you want answered, we are not going to have until after work begins. A decision either needs to be made to move forward or we go back to our proposed 15-year lead service replacement, and possibly even longer. Without a private partner to step into this with and manage this work, we're not going to be able to do it and certainly not in 5 years. We would hire someone based on qualifications without knowing the cost. The cost will be based on our amount of funding that we spend on an annual basis. In the city it is year by year, so depending on how much principal forgiveness we get, the city and utility will have to determine how much debt service it can take on from year to year to move this forward. Robinson stated he is just troubled by the process and not in a position to support it. Lindman advised if we don't start it, we won't be ready for 2024. Robinson asked if we could go through with a request for qualifications, look at what firms are capable for providing this service satisfactory to the city, then define and have a common scope on which they would propose to get a better understanding of cost. You could have \$500k and they could spend \$500k on 50 hookups or 100 hookups. He feels much more comfortable understanding what we're going to get for our money. He's not sure we are going to bring competitive pressures through the RFQ process as outlined. Lindman agreed he may be right but then we will not be ready for 2024 because this will take a long time if he wants to do an RFQ first, then break that down and do an RFP process, then we're not going to establish a scope of services until sometime this fall. Then we'll try to do public outreach. If we're going to do this based on the pilot we are doing right now, we need to get this started before the end of summer. The process Robinson is laying out is going to take 5-6 months. That's why this was brought forward, to have the discussion on whether we're going to move forward with this. We've already applied for the lead service line funding for next year, we don't know how much we're going to get, we don't know how much is principal forgiveness. There is no way that he could write an RFP for this type of work.

Herbst stated that although there are a lot of unknowns, she would like to motion to approve moving forward with this. Seconded by Rosenberg.

Force asked by moving forward with the process, what does that mean? Moving forward with the contracting process? Lindman explained that he would prepare a request for qualifications and get that out for advertisement so we could have firms provide us proposals on their qualifications. We can then review those firms and determine which one of those firms would best fit for Wausau to move forward. This is not a commitment for funding, paying them or any of that. That comes when we establish a scope of work with the firm that's selected. We have done RFQ's in the city for complicated projects through DOT real estate services where we don't know how much things are going to cost. Then the scope of services is established after the qualifications are determined. Force asked if he were to respond to our RFQ and was selected, I wouldn't know what the full scope of work or payment arrangements will be at that time. Lindman advised that is correct. Force stated that the city is also not committed to a certain timeframe or certain amount of money. Lindman confirmed that's correct. Force asked if he thinks we could successfully get firms to apply through a process like that. Lindman responded that he does, yes.

Robinson brought up concerns about competitiveness based on cost. Lindman advised with professional services, costs are not necessarily the top priority. When we do RFP's and weight the criteria, typically costs are down around 10-20%. It's more based on what the capability for the professional services are. Robinson thought in this case we were doing pay per performance for not only the design work but the actual work. Lindman advised that the firm itself would be managing public outreach, hiring a firm to do the planning, design, putting the bid package together. We would be administering their work and they would be paid based on the

amount of work that is completed. Typically, they would guarantee us a certain amount of savings on an annual basis based on the project. That savings would go to pay for any debt service that we would have or just go directly to the city. In this case there is no basis to get money back. The idea would be that they would establish a guarantee that the cost per service would not exceed for example, \$5K. Anything above that, they will take the cost for. Their fees would be based on the amount of funding that comes in and the amount of the project on an annual basis. The scope of work would also be written in a way that on an annual basis, the city reserves a right to not move forward at any time. The challenge that we have is that we don't know how much funding that is going to be available, but we also know that trying to get 600 services line replaced next year, we're going to have to start planning this year. Rosenberg stated that other organizations that she's talked, that provide these types of things said they will apply for the grants and oversee some of this. She's interested enough to look at this for at least a year and see how it goes. If we decide we can do it better in house and it's not worth it, we still have that opportunity. Force asked how we control this contract as a city. Lindman stated we would control it by the cost per service line. Force asked if that happens before or after they've been awarded the contract. Lindman responded after we determine who we would like to work with to establish that scope of work, those details would be included in that scope of work. The firm will determine what they feel the maximum cost for service line they can guarantee for us. Robinson asked why we don't ask for a request for proposals and in that ask for qualifications, that way we have a better understanding of what the cost might be. At least then we have the ability for a comparison instead of making a decision based on qualifications without knowing what the bottom line is. Lindman said we have to get away from this whole low bid mentality. There is so much more that goes into these professional services than just low bid. We need a partner with us that is going to work for Wausau. Lindman stated he is not comfortable putting together a full RFP for this work. Robinson indicated that an RFP could bring different items to the table and negotiate it with other firms in context of approach. He is uncertain with the process of an RFQ based on the financial condition of the utility. Lindman said he does not think that will work and we will not be able to compare services properly. We need to compare it based on qualifications. Rosenberg stated that since this is new and we have some things we're not sure of yet, would this body be interested in reviewing the request for qualification respondents? We can then ask questions and talk through some of the unknowns. Lindman advised we could have the firms that respond present to the commission as well.

Force indicated that we've had CIP come in and talk to us about this, are there other companies that would be interested? Lindman replied that the only one he's aware of is Johnson Controls, but he does know there are other firms that do this type of procurement.

Force asked if we don't do this, we would have the 15-year timeline and using our own funding and user rates to pay for this? Lindman confirmed that's correct. Also, these other potential funding sources that come up, that is something these firms will also provide to us. Rosenberg stated there are a variety of other funding sources that could take more than one person just to research and apply for.

Robinson asked if this a hybrid RFQ that would include a detailed description of their approach to providing lead service line replacement in the area. Lindman stated that he would be requesting their qualifications based on the type of work the city is getting into, including the financing through grants, state loans, etc. We would also base it on their experience in doing projects like this. Robinson asked if we could include what their approach and cost would be for this project and avoiding writing out a blank check. Rosenberg said from her understanding with talking to organizations who do this, they take a percentage. If they're saving money and doing a great job, that would be part of it. It is not an upfront payment. Lindman stated the firms could give examples of their approach on other projects so we can have a basis and he could include that

in the RFQ. Robinson would like to see how they will approach this project for Wausau.

Taking into consideration this debate, Motion carried 4-0.

4) Discussion and Possible Action Approving Travel Outside the Lower 48 States for the National/International AWWA 2023 Conference in Toronto, Canada.

Lindman advised that apparently, we have a policy that if staff travels outside of the lower 48 states, there needs to be official approval. AWWA has become international over the past 5-6 years. The national conference is in Toronto.

Motion by Force to approve. Seconded by Herbst.

Robinson asked that this policy be changed. This is not a policy and should be left up to management to make this decision.

Motion carried 4-0.

5) Discussion on Bids Opened June 5, 2023, for the Construction of the Granulated Activated Carbon (GAC) Treatment Process.

Lindman was hoping to have the bids but there was an addendum last week, so the bid opening is now June 9th. There are 2 bidders as of now, CDM Smith and Mid-City. These will go to the Board of Public works for the opening, and he will keep everyone informed.

6) Discussion and Possible Action Approving Reimbursement Resolutions for the Safe Drinking Water and Clean Water Revolving Loan Program for the Following Project Applications:

For the SDW

- Replace Watermains on Eau Claire Blvd
- BIL SFY24 LSL Program
- Construct Watermain on Stettin Dr to Stewart Park
- Construct Watermain Looping on the West Side

For the CWL

- Stewart Ave Forcemain
- Replace Sanitary Sewer – Eau Claire Blvd
- Replace Sanitary Sewer – Washington Street
- Cherry and Crocker Street Lift Station Rehabilitation

Lindman advised these are the typical projects for water and wastewater that we are applying for through the Safe Drinking Water and Clean Water Fund Loans. These resolutions will go to council. They will allow us to reimburse expenses for work that is conducted prior to funding being available. Robinson questioned the resolution for Stettin Dr to Stewart Park. It was determined this should be Brockmeyer Park.

Motion carried 4-0.

7) Discussion and Possible Action Approving the 2022 Wastewater Compliance Maintenance Annual Report (CMAR) and Resolution.

Rosenberg pointed out that some parts of the resolution may say 2020 in some areas and that will be updated so it is correct.

Motion by Robinson to approve. Seconded by Herbst.

Motion carried 4-0.

8) Adjourn.

Rosenberg stated our next scheduled meeting is for July 10th.

Herbst motioned to adjourn. Seconded by Robinson.

Motion carried 4-0.

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

Michelle Weasler, Recording Secretary

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