



Minutes of June 20th, 2022

A meeting of the Wausau Water Works Commission was called to order at 1:34 p.m. in City Hall on Monday, June 20th, 2022. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on June 16, 2022.

Members Present: President Rosenberg, Commissioners Robinson, Dawn Herbst, Joe Gehin
Others Present: Eric Lindman, Scott Boers, Anne Jacobson, Susan Wojtkiewicz/Donohue
Via WebEx: Brian Roemer/Ehlers, Jon Cameron/Ehlers, Phil Cosson/Ehlers, Mike Gerbitz/Donohue, Andrew Dow/Donohue, Evan Thomas/Wood, Eric Broce/Wood, Jack De Klerk/Wood, Hannah Albertus-Benham/Wood, Matthew Patterson/Becher-Hoppe

1) Discussion and Possible Action on Funding Strategies for Managing PFAS in Wausau's Drinking Water.

Roemer presented slides included in the packet.

Gehin questioned what the expected interest rate may be on an interim portion and the final carrying of the debt?

Roemer replied the interim financing is a movable target dependent on the type of financing and features and setting objectives. Revenue anticipation with Bond Buyer Index this week is about 3½ percent on a 20-year basis. There may be continued interest rate climbs and we could be looking at 3 ½- 4%. It's about a year and half to reach that maturity for the interim financing expectation. The Safe Drinking Water Fund Loan rate is set quarterly, all eligible projects will be at 55% of that market rate. You can get a 20-year rate and you can amortize that less than 20 years but they won't give you a smaller rate. We are anticipating a 20-year life cycle as discussed with the Engineers. Late 2023 may change quite a bit from now, we are currently at about 3% market rate, if the interest rates climb over the next year and half, it would be what the market rate would be at that time.

Wojtkiewicz stated there will be several Communities competing for the Emerging Contaminate Fund- there's \$12.8 million available each year for the next 5 years. With the regular Safe Drinking Water Loan Program- there's a large influx of money going into the program so we don't expect them to run out of money. DNR is trying to figure out how to spend the money for 2023. Per conversation with the DNR Staff- they will be sending out a survey asking for readiness and how to spend and maximize amount of funds available for the Communities.

Robinson questioned funding and timing with the new EPA's recommended Health Advisory. Last month we had \$16.5 million for Granular Activated Carbon (GAC) high towers and if you minus the congressionally designated funding, it takes it down to \$11.5 million. If we are successful in getting Emerging Contaminant Funding we will be at \$6.5 million. We were hoping to have discussion on each level and what it would do for our rates in addition to what operating expenses are beyond that. If the new standards are implemented, there will be higher demand and everyone will be running to get those dollars at a local treatment level. If

we are moving from 20parts per trillion (ppt) to 0.02ppt or 0.004ppt, we need to start discussing what our policy is as a utility, the timing on that and then approach financing options.

Rosenberg stated when we do turn the key the end of summer at the new Drinking Water Facility, it will be down to the 15ppt- that was our goal as a policy body when we first found out about PFAS, I'm not sure the funding on how quickly we can get down to the EPA's Health Advisory level but we can start with item#2 on the agenda.

No Action Taken.

2) Discussion on Revised USEPA Health Advisory Levels for PFAS in Drinking Water.

Lindman stated that the Environmental Protection Agency (EPA) revised their health Advisory Levels to interim Health Advisory Levels (iHA) for Perfluorooctanoic Acid (PFOA) and Perfluorooctane Sulfonic Acid (PFOS). The new iHA's and are still under review with the EPA Science Board. The new iHA's for PFOA is .004 ppt and PFOS is at 0.02 ppt. What this means is that we cannot test to these low levels. Currently certified labs can test accurately down to 2.0 ppt so these two iHA's are below detectable levels from labs used throughout the nation. These iHA's are subject to change and based on the EPA Science Board review. The EPA stated they are on track to release recommended standards before year end with a federal Maximum Contaminant Levels (MCL). There are other instances where the drinking water Health Advisory Levels are established below what the standards would be. The reasoning is to ensure that when a contaminant is detected, communities and Drinking Water Advisories are able to be established for public notification. There is also a lot of information being researched regarding human health impacts over time and they don't have all that information as it is evolving, so as information comes forward, we will continue to update the Governing Body, Municipalities, and the Residents as we know more information.

Rosenberg asked with our phased approach, if we would get to the level of non-detect as our current plan is in place?

Lindman stated with the presentation Donahue gave with the idea of the large GAC, we would have a complete and redundant lead/lag system which would get Wausau to the non-detect level. We could take one of the legs out of service while the other one operated and change out the media and we could still maintain the non-detect level. Reading EPA's information, they felt GAC designs could reach these low levels but they did not release any detail on how they made that determination, but it is in writing, at the 4 parts per quadrillion.

Robinson questioned if we could stop the treatability study and just move to the GAC system. He questioned how the interim vs 12 feet large vessels would differ in looking at the lead/lag on a permanent basis and if we could accelerate the GAC system?

Lindman stated the continuation of the study is to determine how long the media lasts. The longer the pilot study the better we would understand when to change the media out or how many times we need to change it out, which impacts operational costs. We have been testing the anion exchange media that we put at the facility now. The anion regenerable media currently designed in the new facility will reduce PFAS to average levels of around 12-15ppt. We've looked at the type of funding and no matter how we look at it, it's about 18-24 months from design to construction completion. Based on funding criteria, contract requirements and bidding project requirements the process is long. This project does not warrant any sort of emergency so we can't bypass the criteria we need to accept Federal Funding. The funding we are pursuing has potential Forgivable Loan Programs coming through the DNR through the Safe Drinking Water Loan Program.

Wojtkiewicz stated the Safe Drinking Water Loan Program operates with the State Fiscal Year. Currently applications received through June 30th would be for State Fiscal Year 2023

but the DNR has not issued guidance on State Fiscal Year 2023 for Emerging Contaminant Funding. DNR is looking to reach out to Communities to understand the number of requests for 2023 funds through the Safe Drinking Water Loan Program and Environmental Fund. This project is one of the furthest along, there could be a strategy where some funding could be in 2023 and some in 2024. The problem is timing, we have to design it, get approved, bid, contracted, procurement and construction of vessels and all those take time.

Robinson stated that's the traditional approach, are we able to push the limits and not sure if we would be eligible in different funding cycles. We are moving into uncharted territory and how do we manage a system where we don't know a plan, where DNR is and we have an obligation to the Community.

Lindman stated it is a challenge, we need to start providing decisions but we do not have all the information to go by in light of the fact that some of these things will continue to evolve and change over the next 6-8 months. If you were to ask staff, with the new advisory levels that came out, our recommendation would be to move ahead with GAC utilizing the large vessels because it provides us non detectable levels on a consistent basis and is redundant, but it's the most expensive. Staff applied for special Congressional Project spending out of Baldwin's office- We initially applied for \$20 million, then the Senator's office asked us to reduce the ask to between \$500,000 and \$5,000,000. We revised our request to \$5 million, last week they asked if we would take anything less than \$5 million, our response was anything that you would provide but to recognize it is almost a \$20 million project, so we would take what congressional spending you could obligate to Wausau to address this situation.

Rosenberg stated we won't know what we are getting until those bills are signed, this year they were signed in March for the year we are in now.

Robinson stated it's in everyone's interest to move with the GAC system understanding there are potential funding sources but there is no plan for those funding sources but maybe advance concept of instituting GAC system as soon as possible and direct staff to move ahead and authorize other parties to work on appropriate funding mechanisms to implement that understanding nuances of whether we get a loan, a grant, emerging contaminant funds from state, congressional designated preparation.

No Action Taken.

3) Discussion and Possible Action on a Local Policy for Setting a Goal for PFAS Removal.

Rosenberg stated that moves us to Agenda Item#3.

Robinson moved to adopt a policy to implement GAC Filtration System at the earliest possible timeline and develop a financial plan based on potential/interim financing funding sources. Seconded by Herbst

Gehin stated another approach was to look at a possible new well locations, will talk to staff on what an option may be to get ahead of this problem and questioned the intent to apply for the Safe Drinking Water Funding.

Rosenberg stated when voting, considering that GAC seems to get us to that non detectable level as quickly as possible.

Wojtkiewicz replied to Gehin's question stating the intent to apply would be due October 31st. If there is an ability to get into the State Fiscal Year 2023, we would work with DNR to get a variance on intent to apply that would have been due last October 31st. They have not set an application deadline for the Emerging Contaminants Program for State Fiscal Year 2023 and that's where they were going to set the surveys and where funding each project fits best.

Lindman recaps that starting down this path, City Council and this Commission set a goal and the mission was to reduce the PFAS below 20ppt as soon as possible. We looked at doing that with the Pilot Study and research. We are able to do this and it is the initial phased approach which is the interim solution. When the new Plant does go online, it would reduce PFAS by half which is 12-15ppt on average. We would not get down to the new non detect level until the new GAC treatment is online. It is good news that we are able to reduce those levels with the technology we have in place but the 18-24 months is what we are anticipating right now in working with our Engineers and the regulatory Authorities, otherwise, we will try to reduce that schedule as much as possible for the Public and will keep the Commission well informed of how that's going through designs as well as the loan programs.

Rosenberg reiterates the motion to adopt a policy that implements Granular Activated Carbon (GAC) at our earliest possible timeline and develop that financial planning that includes the interim financing plan (this motion covers/includes Agenda Item#1 regarding the funding strategies for managing PFAS in Wausau's Drinking Water).

Motion carried 4-0.

4) Adjourn.

Rosenberg reminded the Commission that our next meeting has been rescheduled from the week of the 4th to July 12th.

Motion to adjourn by Herbst. Seconded by Gehin.

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

Gina Vang, Recording Secretary

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