



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 1:30 p.m. on
Tuesday, July 6th 2021.

Members: Katie Rosenberg (President), Dawn Herbst, Jim Force, Joe Gehin, John Robinson

AGENDA

1. Approve Minutes of June 1st, 2021 Meeting.
2. Director's Report on Utility Operations
 - Update on Priority Based Budgeting (PBB).
 - DWTF (Drinking Water Treatment Facility) Update.
 - T-Mobile/Sprint Tower Agreement.
 - Update on LSL (Lead Service Line) Replacements.
 - City Leak Detection Survey Scheduled.
 - Annual Clarifier Switch Performed at the Plant.
 - Lead and Copper Sampling (2021 was NOT Mandated)
 - Update on Rain Barrels.
 - Update on CW3 and Removal from Water Supply.
 - Update on Meter Change out Schedule.
 - WWTF (Waste Water Treatment Facility) Update Donohue Report Attached.
 - Wastewater Treatment Plant Permit Limits.
 - New Sewer Maintainer Hired and Re-Post of Plant Maintenance Mechanic Position.
 - Manhole Rehab Specs and Tentative Smoke Testing.
 - Discharge Permit Being Reviewed by WDNR for Phosphorus Discharge at Wastewater Plant.
3. Discussion and Possible Action on A Utility Owned Solar Array or Partnership with WPS.
4. Discussion and Possible Action on LSL Replacement Program.
5. Discussion and Possible Action on the Sole Source Purchase Request for the Rehabilitation and Retrofit of the 2.5 MG Prestressed Concrete Tank, Elm St. Reservoir.

Adjourn.

**Next meeting scheduled for August 3, 2021 at 1:30 P.M.*

THIS NOTICE POSTED AT CITY HALL AND EMAILED TO CITY PAGES AND DAILY HERALD: July 1, 2021 at 10:30 a.m.

Due to the COVID-19 pandemic, this meeting is being held in person and via teleconference. Members of the media and the public may attend in person, subject to the social distancing rules of maintaining at least 6 feet apart from other individuals, or by calling 1-408-418-9388. The Access Code is 1878 67 1862 and the password is vPvpMRvY562. Individuals appearing in person will either be seated in the Council Chambers or an overflow room, subject to the social distancing rules. Space available will be on a first come, first served basis. All public participants' phones will be muted during the meeting. Members of the public who do not wish to appear in person may view the meeting live over the internet at <https://tinyurl.com/wausaucitycouncil> on the City of Wausau's YouTube Channel https://www.youtube.com/channel/UC-Nigpdco_i8sq5FbbJD_aw and live by cable TV, Channel 981. Any person wishing to offer public comment who does not appear in person to do so, may e-mail michelle.weasler@ci.wausau.wi.us 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) 261-6590 or ADAServices@ci.wausau.wi.us 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 June 1, 2021

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on Tuesday, June 1st, 2021. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on May 27th, 2021.

Members Present: President Rosenberg, Commissioners Robinson, Herbst, Force, Gehin.
Others Present: Eric Lindman, Scott Boers, Dave Erickson, Tonia Westphal/Clark- Dietz, Dave Schneider/ WPS- Lisa Zahrt/ Clark-Dietz- Via Webex- Chris Collins/Sunvest, Aaron Cassidy/WPS/WEC, Toni Vanderboom, Kelly Zagrzebski/WPS/WEC, Jeff Klarer/ WPS/WEC, Deb Ryan.

1) Approve Minutes of May 5, 2021 Meeting.

Move to approve minutes by Herbst, Seconded by Gehin.

Motion to approve the minutes as presented, motion carried 5-0, passes unanimously.

2) Director's Report on Utility Operations.

Lindman asked if there were any questions on the Director's report.

Force questioned what the digger's tickets were primarily for as we already had 1221 in May.

Lindman replied they were mainly TDS as they have 6-8 crews in the City and the permits are managed up in engineering.

Force thought they were the City's and didn't know.

Robinson questioned if the City was getting advanced notice to where they were planning to go.

Lindman replied they were not getting their detailed work schedule but they have dozens of permits in the City and each permit is for an area of the city.

Robinson asked if the City did an annual planning meeting with all utilities and with others where they give you their work.

Lindman replied it's based on project by project, like WPS would have small projects so they come in and get permits from us but this year has been unusual because TDS is working in the entire City so engineering has been having a weekly call with them for the past 9-12 months as far as what work they're doing and where it's going. We have buckled down on them starting last year with issuing permits so as they close out a permit the city will issue another one. There were issues with not just the original locates but they'll call in locates for blocks and then they won't get to work timely so they'll have to call in a relocate.

Gehin questioned the staffing at the Wastewater Plant as he sees there is going to be the need to re-advertise the position and asked when the last time that position was advertised.

Erickson replied that the plant mechanic position had interviews with four qualified candidates and some initially accepted but then eventually cancelled, so we were not able to retain anyone.

Gehin states we need to get those filled as we are approaching the expected startup of the majority of the Wastewater Plant.

Erickson replied that it is set to be completely done in three years so in 2023 and we have to have guys ready if things start to go online and especially since there will be a lot of new equipment and new things to do so we do need to be staffed up.

Gehin agrees and says he fully concurs so getting this re-advertised is crucial.

Erickson says we got to get it filled, it's been a year since the positions were approved and many things have happened and now a year later, we haven't been able to fill the position.

Robinson questioned if Erickson had done any interviews post turndown as to why they didn't take the job.

Erickson replied stating he was hoping HR would do that as he hasn't felt encouraged to talk to candidates other than through the HR Department.

Robinson questioned it because it would be helpful to know if it's salary or duties because if you had zero for four or two taking and turning down, it would be a good idea to know why.

Erickson replied yes there's a collection of things but personally thinks salary is a big part but would have to defer that to our HR Department.

Robinson asked if salary was an issue, do we do periodic salary surveys for these position.

Lindman replied that we are on the City schedule for the wage studies and have had some discussion about the utilities breaking off and doing their own wage studies and preparing something for the commission at some point on that. We hired one plant mechanic that came for a week or two but he didn't like the environment and we have had people turn down the position because of the salary offer.

Force asked Dave if he was interested in the position, would he interview with the City's HR Department and not face to face with the people he would be working with.

Erikson replied we do the employment interview but HR may be doing the post.

Rosenberg states it's something we can work with Toni on.

Lindman says he is not sure it was something they have been doing but they might have some information that we could bring back.

Robinson suggested that he would prefer us to do that so we don't run into the same situation going forward as it makes sense to evaluate it in today's economy.

Herbst commented that the pictures in the packet were great.

3) Discussion and Possible Action with Updates from Clark Dietz on the Ownership/ Partnership with WPS Related to Solar.

Tonia Westphal from Clark-Dietz presented. Please refer to packet for the presentation slides. The city owns the property now as it's been purchased (1010 Bugbee Ave), so one of the next steps is the geotechnical investigation, then zoning and setbacks. This array spans across two separate properties. Site access is another item we will be looking at. The plant is off to the west of the site, there's an open area west of the array inside of the fence if the city opt to own this array themselves and go forward with that direction that area would have some electrical equipment and the site could be accessed from the west through the plant site. If WPS owns this and the city opts for that option, connection would come from the south or east off of the public roads. The last thing on the list was the landscaping buffer.

Right now there's 60 to 70 feet from the pavement back to the array, the plan is to put something in there as far as the landscaping, there's some very mature pine trees that provide some screening but are not the most attractive because the bottom of the tree does not provide a lot of screening but the underbrush provides the screening. Designing a buffer/screening that would be suitable for this project and the right height to not shade the array is a better option than using the existing vegetation, you'll end up with a more aesthetically pleasing array. Our next step is a public information meeting that has not been scheduled yet but it's to share information with the public and people in this district so it's important in what you decide in this next month or so. A project collaborating with Sunvest on the UW park side was also pictured. Pollinator habitat is also an option. Driven piles for the racking picture was also shown as per previous presentation given in the past. The next step is the racking. A picture of the inverter is shown next which goes on the back side of the panels. The last slide has been updated. The first line didn't change, the 3,000,000kWh is the anticipated demand of the new plant. The next one changed because we've gotten the topographic survey back and some of the limitations on setbacks and where we wanted a little bit of landscaping buffer, the array, and its layout has become a little bit tighter, this is not the final yet but it's pretty close to what you would see in terms of output. This facility based on the layout that's in front of you would produce 59% of your estimated consumption at the new plant as well as the new estimated costs. Cost comparison slide was shared with the parameters.

Lindman continues with the four different options we looked at. The first being that we don't do anything with the 3,000,000kWh annually being used, that over a 20 year period, the present value if we just stayed where we are at considering that there will be no significant changes in the power costs or additional taxes but with the 1.5% annual escalator. The second option being that the water utility constructed/owned the array and using 3,000,000kWh annually along with the capital cost. You'll see the large costs for the first 10 years and then it will drop and this is for 20 years. The third option using the Naturewise program where WPS constructs the facility and we purchase 2,000,000kWh annually from them, so there's a premium on the costs which would be slightly more than if we owned it. I'm 80-85% good with the numbers that we're running right now. If we really move forward and take a dive into how we use power at our current facility, what we expect, I think we can tune these in a little bit more. We don't have any capital costs on this one but we have the premium that we're going to pay for Naturewise with the 2,000,000kWh per year, assuming that we're going to be using 3,000,000kWh. The last option is, rather than purchasing 2,000,000kWh, we purchase 1,500,000 annually from Naturewise. There would be an agreement with WPS which would include the minimum Naturewise power they would require us to purchase. Lindman asked if we put an escalator on the cost to the Naturewise program.

Westphal replied they didn't on this last scenario.

Lindman asked if it was the same premium for 20 years.

Westphal consulted with Lisa Zahrt and replies it was left flat.

Lindman says in talking with WPS, they anticipate that the Naturewise Program premiums will go down overtime.

Klarer replies its 2.4 per kWh.

Lindman says above what we are paying now. The demand is that they generate more because they're building more arrays so there would be more stuff and the premiums would go down but that's not guaranteed, so this is something to consider. This doesn't include additional cost to the power we are using now, so if they could come up with some sort of carbon tax or something to push municipalities or larger users to use alternative energies, we don't know if that would come sooner or later.

Force asked what would happen to the property if we were to do nothing.

Lindman replied we could keep it or sell it for re-development because the utility now owns the property.

Force asked if the cost was \$120k.

Lindman replied \$125k and says we could wait and just hang on to it and do this down the road or see what the different possibilities may be down the road.

Gehin asked what we paid for kWh right now not under the Naturewise program.

Klarer replied right now you're averaging just under 8 cents per kWh.

Gehin asked if the 2.4 is added on to that.

Westphal replies, when we first looked at this with the numbers we used last time, it was 7.7 cents, since then we have gotten some information from WPS in terms of how the power gets used at your plant now, so not everything is on at the same time. In a 24 hour period, things can change but it turns out, it doesn't change a lot for your operations, however, when you use the power or when WPS provides the power, the cost changes. This model takes into effect the variation in your rates across a 24 hour period. It's going to change once you really start up but that brought these numbers down a little in terms of going with Naturewise versus not.

Robinson asked what the life expectancy of the system is in years.

Westphal replied saying the design life is 20 years and the agreement with WPS is 20 years.

Klarer replied to Westphal saying it would be between 20 to 40 years.

Westphal continues saying because there's not a lot of mechanical equipment, the actual life of the system tends to be longer.

Robinson asked if we do the performance based on a 25 to 30 year period where the utility owned system would be much more favorable because your front loading capital investments over the first 10 years. If you don't have costs beyond that 10th year, your costs are significantly lower in the subsequent years beyond the longer the life expectancy of that system, the more favorable the utility ownership is.

Westphal replied that is correct.

Robinson asked if could we see some performance that would be modeled on a 25 to 30 year basis, not only the design expectancy but the expected life is that the period of the time and potentially you may have some incremental capital cost in those 25 to 30 year area but let's look at the life cycle if we're not only in the design cycle. If they are lasting 25, 30, 40 years, let's try to do that comparison.

Westphal replied saying they could do that but there won't be any linear savings, you will have an increased O&M cost and you're going to have some maintenance cost. In terms of designing practical engineering design life, for us to say that it will last 40 years is not a wise move because there isn't data that shows these will last that long and produce what they need to but for the sake of "what if" we put a little bit of our own money into it to maintain it, I think what you are saying is correct and just with the caveat that there's some things we don't know. The longer you put the life out there and how it'll behave.

Force asked if we know of any facilities that have been operating for 20 years and it's a relatively new technology.

Westphal replied they didn't have first-hand data information on that themselves and the other part is that if an array was put in 20 years ago will have very different panels than today. They may still be there but maybe they would've changed out the panels to something much more efficient.

Gehin asked if the model or project reflect if we don't make the investment.

Westphal replied instead of you putting this capital cost, you pay a premium on your use and WPS takes on the capital cost and the risk that goes with it, so essentially, you're kind of

paying them back to some degree for the capital construction and the O&M. Somewhere in your agreement you'll have to look at the decommissioning and the demolition of it and what happens at the end of your time frame. Part of this would be what your interconnection agreement looks like with WPS if you go that route.

Force asked if there was any value with the Naturewise program in that you're dealing with a large electrical provider who has experience and has other installations like this project.

Westphal replied that the biggest value is that you will have a customer to buy the power back but either way you aren't getting paid for that 2.7 cents of bulk rate for power you don't use that goes back to the grid. They take on that risk and use it where it needs to go and predicting how much you really will use and the extra available at any given time is a little more difficult since this is brand new plant. You'll have some that you probably don't use that would get wasted if you didn't interconnect and you'll have some because you'll interconnect that you only get 2.7 cents for at this point.

Force asked because his concern was for O&M, if they own the system, they're operating it versus we owning it and perhaps Sunvest or whoever provided the panels of the mechanism is up to doing the O&M on it but is the risk greater one way or the other.

Westphal replied that it's pretty low as far as the O&M cost, it would be different if we didn't have people experienced in the electrical side of things, you have licensed electricians on staff and I don't know how the equipment agreement would be with WPS in terms of transformers and the bigger equipment, I would assume you guys would want a maintenance piece but that is more highly involved equipment.

Zahrt adds that WPS will take care of all of that. If you own it and you have some sort of failure that would be your responsibility.

Lindman states depending on how the agreement is written, working with WPS, there's an advantage there. If panels get burned out or not operational, they're responsible for those replacements and those types of things rather than us internally trying to figure out if we need to hire out. When you look at the costs, they are very similar over time, I think there's a lot of advantage into doing this because I think that technology is moving in this direction, so there's a better chance than not that those premiums will go down. It does diversify where we're getting our energy and if they do end up doing some sort of tax on general power we are using. There are some unknowns but considering and drafting an agreement with WPS moving forward might be worthwhile for us. We can work with them to know how much they are requiring us to purchase out of the Naturewise program and how much the lease is going to be based on the land and what we are going to get and to try to finalize those numbers.

Force asked if the city is engaged in renewable energy projects anywhere else.

Lindman replied this is the first one.

Erickson states Wastewater is using bio gas.

Westphal states they were surprised because there wasn't a big difference when running the numbers. Because there are some unknowns here you have to really review what the numbers look like and get feedback on if it make sense for you to pursue the Naturewise option. You need to decide if there are some benefits from a city perspective that we are not seeing.

Force asked if we were to go ahead and own this ourselves and spend the two point plus million, would this come out of our rate payers and would that be reflected in the rate increase.

Lindman replies most likely yes, it would have to go through the PSC and we are anticipating another rate study with the PSC this year and this cost would be included in the study.

Robinson asked what the expected outcome today was.

Lindman replies saying he wants us to have some kind of direction to bring this all together and to work with WPS on an agreement over the next month to finalize some of those details

and as far as what the lease would be and the requirements from WEC. How much power we have to purchase in that agreement and the length of the agreement. We could take a look at running out 25 or 30 years but at least continue moving forward with the design and work both options, utility owned or working with WPS so the commission can make a well-informed decision maybe come July on whether it's going to be utility owned or shared with WPS partnership.

Robinson asked if there were any other vendors. There were people looking at windfarm out in Brighton in Green Valley last year that were trying to tap into EDP. Are there other vendors that might be interested that could be the potential developer as long as we're exploring options, we have responsibility to rate the payors to be prudent both in context of the cost and options available. If we were to put out the proposals, are there any other vendors that might be willing to propose a solar array and provide these services to us bringing competitive pressures to play.

Lindman states we've been looking at solar probably going on about four years now. We had some vendors come in and look at third party owned arrays and selling the power back to us, they build it and then sell us the facility after 6, 8, 10 years whenever they get the tax credits but that too did not pencil out because of the fact that we had to buy the power at the rate they would sell it back to us so that's why we ended up moving towards building our own and then that's the direction that we really focused on until WPS approached us about a partnership. The tax credit, the third party owned was looked at. We worked with North Wind, Blue Stem out of Nebraska, then tried another in California and it didn't work out either.

Gehin asked if Public Service had any other sites under Naturewise.

Klarer responded they do not, this will be the first one in the State of Wisconsin.

Gehin asked if other utilities have done something similar to this in other parts of the country.

Schneider responded that he couldn't comment on other utilities. You asked about the old rate you used to be on at the Waste Water plant and that was our Direct Load control program and as of January 1st 2020, that program has been eliminated. We do have a program that's a little bit different that you guys can potentially be eligible for. The CG20 response rewards program. The way that works is we call 300 peak pricing hours a year and you have the option of getting off of using utility power at that time by either running your backup generators or just getting off because the price bumps up to 40 cents kWh during those 300 peak pricing hours, but if you were able to respond during those 300 peak pricing hours, you could potentially see a 30% savings in your annual electrical costs per year so that may be an option going forward. I say maybe because I looked at the tariff and it's limited to I think either 25 or 50 customers company-wide so we'd have to discuss that with upper management to see if that's something that would work for you guys keeping in mind that when the price jumps to 40 cents a kWh, it's pretty expensive.

Westphal also answers and says WE energy also has this program called solar now from the pictures you've seen. The parent company WEC is the parent of WPS so there's some institutional experience doing similar projects that they could rely on some of their internal staff.

Lindman asked if the Commission is supportive with working with WPS and bringing back an agreement along with some additional numbers in July to make a final decision.

Gehin states he is supportive.

Force states he is also supportive in pursuing more information on the Naturewise program.

Rosenberg says she just wants to be clear that the stuff negotiable on the city side is the lease of the land, the premium, is that negotiable.

Schneider replies the premium is not negotiable it is on their tariff.

Rosenberg asked if there were any other questions.

4) Discussion and Possible Action on the LSL Replacement Program.

Lindman states in last month's discussion, he was asked to bring back a couple of different options based on a 15 year program. This was based on conversation with other staff and what is feasible because there are so many lead services still in the ground. To try to get replacement in 15 years is an expensive proposition. We've been contracting out the private side replacements and assuming that we could find enough plumbers to replace as many as we would need, at least 600 annually, it would be about \$4 million a year over 15 years. So it would be about \$60 million dollar price tag in today's dollars and then if we were to hire employees to replace 600 services a year, we would basically hire enough for three crews to work day in and day out during the construction season and that total came up to about \$4.7 million annually with salaries, benefits, as well as costs for replacement, equipment. The program that we are doing right now, relying on the homeowners to take initiative, we're lucky to get a hundred a year, so if we wanted to do something different where the utility would set up contracts with plumbers, the hinge point there is that the homeowner's on the private side are not required to do it. In order for us to get and assure replacement, the commission needs to consider a mandatory replacement ordinance be put in place. So if we replace our side, the private owner would have to replace theirs. We could set up low interest, no interest loans for the homeowner over a certain number of years, just like what we do with the replacements now if they exceed the amount of the grant. We do know there's grant remaining for 2022. We don't know beyond that but these are kind of the options we were looking at. I looked into the Green Bay Program and they had considerable less replacements than we do, so they were able to get through that program and it took them five years.

Robinson asked if Green Bay was able to complete the Public side for \$3100 with their crews and our cost is significantly higher and on top of that you're building in the cost, did Green Bay's estimates include their labor cost.

Lindman says by \$3100 he would assume they did.

Robinson states so we have a million dollars for staffing plus the public side so are we double counting.

Lindman replies, we could be a little bit but on the public side we have the street, curb, sidewalk, everything that has to get replaced. We contract out the pavement and concrete so these are expenses we incur.

Boers adds that our public side numbers vary depending on where the lateral is. If it's in somebody's driveway, it's going to cost probably twice as much as a typical one where we go through the sidewalk. We have costs that vary depending on size of the hole and the kind of material we have that varies from sand to clay, to clay and rock, so all sorts of different materials. We also have the river so this is a variation because we have elevations up higher so we go from sand rock too. We can do some in two hours with a trench box and have a minimal impact at the home, when you get up in the rock, it could take a day and larger hole, larger asphalt. Typically our patches cost more than our labor to do the replacements on our side. We are blessed with a very good crew as they work great together as a team and are doing these just as fast if not faster than any place in the state. If you hire on new people, it's going to take probably 4 to 6 years to get to that kind of cohesiveness within the team and get that kind of production out of them. There were a lot of numbers taken into consideration here and this is our best estimate of what we're going to be able to start working with.

Robinson questioned if we got \$1,000,000 dollars for labor and the cost for public side, so the public side is this inclusive of labor then is there double counting. Are we allocating our labor costs each of the projects of the private/public side?

Lindman replies that the average is still going to be around \$5,000 and could be a little less. Some of them could be coming from across the street and some we have a lot more asphalt and a lot more concrete curb, I think it could be a high average of \$5,000 each.

Robinson states you've got the \$1,000,000 above the line so are those million dollars allocated to each of the projects, each of the line replacements.

Lindman replies from what I'm understanding, your question is if I'm taking into account the million dollars for the labor and then I'm also counting labor for the five thousand dollars each on the public side right now. As mentioned by Boers, some are going to cost more than that and some are going to cost less, it may be on the high average side but I think it's a good budget number to use for our side for what it will cost above our labor.

Robinson asked to help him understand as in option two, we've got staffing at 12 employees at a million dollars and we're adding that into the total cost but is that million dollars also reflected in the public side in the \$500,000, therefore, the cost truly is \$4.7mil or should it be \$3.73mil.

Lindman replies, it shouldn't be \$3.73mil our cost right now on average is going to cost us in materials, replacement concrete work and everything else, a high average of about \$5,000.

Robinson states which is what your \$5,000 times the 250 would be \$1,250,000 correct. So the difference I'm trying to compare option one to option two, for option one you don't have the staff in there and you don't have the equipment and you're at a cost of \$3.9mil. One would think that if the city crews were there we'd be able to realize some economies scale because the profit margin isn't there should our cost be \$3.7mil versus the \$4.7mil.

Lindman replies, if you dove into it, it may drop a little but you're not going to be down another million dollars because we have contracted costs that a private contractor does.

Robinson asked why it would cost us \$800,000 - \$780,000 more to do it ourselves than to have a contractor?

Lindman replied all the blacktop, concrete is being done by contractors and not in house.

Robinson asked if we still contract that out.

Lindman replies yes, the things these guys would do is the dig and replace the line and do the backfill. If we did it in house, the \$5,000 that \$1.2 million annually may come down a little bit because we would be putting in the line and doing the dig. It's really hard because some of those lines may cost us \$12 grand and some \$3k. Just the same as the private side, if we have contractors do it. We've been getting them under the \$3,500 and then we've also been getting some excessively high, \$8, \$10, \$12 thousand.

Force asked if there are either option here for the individual homeowner/ property owner having the opportunity to hire somebody to do it if they qualify for funding or would they then be obligated to use the contracted services or the city workers.

Lindman replied we would have to choose one or the other.

Robinson asked from a perspective, most of these replacements are in the older part of town with the lower income that our census tracks so the financial burden would be much higher in terms of overall household income. Are there opportunities for us to secure additional funding given the fact that their older homes and lower income to assist with this.

Lindman replies that the obstacle is we have to request grant funding from the DNR. We may focus on LMI areas to begin with when requesting funds and it may look more favorable. The current obstacle is that resource wise, we've only been able to replace a hundred a year with the method we are doing now. Right now, we pre-qualify plumbers and hand off the list to the homeowners and we leave it up them to hire their own and that hasn't done real well. When we asked for \$450k for 2021, the DNR questioned us pretty hard on whether we were going to be able to spend that just based on our past history.

Robinson asked how Green Bay got to such a slow and low number. Did they have a

mandatory replacement?

Lindman replied he didn't know if they had a mandatory replacement.

Boers answered they did have one.

Force asked another question regarding the staffing cost under option two, the annual cost of a million, is there any training covered in that expense.

Lindman replied that was just salaries and benefits. As Boers mentioned it would take time to train them up and be efficient, which would be more than just a year.

Ryan introduced herself from 702 Elm, wanted to give perspective on the homeowner's side. Advocating for 8 years for this to get the word out in the West side and encouraged a number of neighbors to do that. She states she was able to do her lead service line replacement last fall as her house is 101 years old. I have a concrete open porch, so the shutoff is at the street, it looked like I'd have to go underneath my porch and I had a number of plumbers come out, some on the lists, the plumbers saying they didn't do it any further or they couldn't get in to excavate, so there were like maybe four or five people or businesses that went ahead and said no. Luckily, I called, Judith Miller over on Kickbusch and Chellis had done research with her street construction and I went by her suggestions and met three different ones. For me being on Elm Street, when Cedar was being done, it was just come by when you're in the neighborhood. I have a two car driveway that's asphalt that started falling apart. The Plumbers I got from Wausau completely filled up my driveway with plywood and then all the dirt so they could dig the trench and go into my stone basement, part of the issue I guess I'd like you to be aware of in regard to looking at the city or plumbers that are contracted is that they did some kind of compacting the dirt, but my dirt dropped over a foot and I plan on doing a French drain so I'm not dealing with it right now, but if you have the city doing this, you could have a lot more concerns, liabilities, and issues if you have the city employees doing it and higher expectations. I was up to par and when I bought the home, I just wanted to make sure I had a 200 amp service and then I had copper plumbing and luckily I did but for some other people, they have a lot more issues or plumbing to deal with. For me, it could have easily, if they didn't put the plywood down, put the dirt on top and then they had a number of staff that were putting dirt back and cleaning off my driveway, picking up the plywood, which I don't think was necessarily all plumbing related, my driveway could've been totaled and then you're talking about another four to seven thousand dollars more depending on how the work was being done. I would like to encourage other people to do it but at this point, I don't know how you're doing things and I'd rather not encourage people and those finding out I can't find people or the city is telling us to back out as now we don't have the funding but I also want you to be aware that there could be a lot more liability issues if it's all done on the city side.

Lindman states we are going to be applying again for grant funding in 2022, during that timeline, I don't know if it's open yet but I think that if we want to change how the program is going to go, we as staff will kind of need to know that because we'll have to start working with contractors and we'll have to try to find two or three different plumbing outfits that are willing to contract with us on an annual or biannual, tri-annual basis with renewable contract every year and maybe try to get many services taken care of on an annual basis. We need to try to take advantage of this available funding while it's here.

Robinson asked if it would be possible to get a presentation from Green Bay on what their steps were and how they went about it. What sort of learning curve, training curve they had.

Lindman replied he can try to get it but that they were driven by some corrosion issues when they tested, it exceeded their 90th percentile on the lead testing. It prompted the corrosion study they went through at the same time and then the removal of the lead. There's an article in one of the journals and I can send that out to anybody who'd like to read it.

Force asked Lindman if he needed direction from the Committee at this point because we

are being asked to come up with a plan in order to qualify for any funds. I'm certainly in favor of option one and I don't know how the others on the panel feel. I would make a motion that we move to adopt option one and instruct the city to move in that direction.

Rosenberg states she doesn't think that precludes us continuing the investigation into option two. Motion was seconded by Herbst. We could still figure out moving forward if it's hard to find plumbers to work with, we could continue to talk to Green Bay.

Lindman replied he'd be happy to do that and to dive into some of the exact costs on some of these facilities that we've been doing.

Rosenberg replied, we want to get rid of the lead.

Lindman states yes, and that one thing hanging out there is an ordinance for mandatory replacement. We can bring some examples back from other municipalities and utilities that have those in place for consideration and with some recommendations and comments on those as well and how they've been working.

Robinson states he would support that but would also suggest we get in front of the issue and develop our talking points as to why from a public health perspective, it is a reasonable thing to do. I would like to have our communication plan in place.

Lindman states ok.

Rosenberg asked if this body at some point make a request of the city, when it comes to American Rescue Funds because these kinds of projects would qualify and help us move a little bit more quickly or just cover at least some of the costs over the next four years. Any more discussion? There being no more discussion. All those in favor of pursuing option one for the contracted services for lead service line replacements can signify by saying Aye.

All Committee members replied Aye.

Robinson asked if there was a separate motion to direct staff to begin working on development of program for low to moderate income individuals utilizing the American Recovery Plan and bring that back within 60 days.

Rosenberg states, we have a motion to start developing a plan. Seconded by Gehin. All those in favor of pursuing a plan for low moderate income using American Rescue Funds in the next 60 days for us to look at. Passes unanimously 5-0.

5) Discussion and Possible Action on the 2022-2026 Capital Budget.

Lindman presents that last year, there was a request to break out the borrowing side versus what we'd use out of the operating budget so that's what you see here. The first sheet on each is what's planned to be borrowed, at least currently. The second page for each would be what's planned to come out of the budget based on some projections that Swanborg and finance. Every year our borrowing on our street projects is significant. A couple items to note on the water side, we had a couple projects for the water main replacement over on 17th Avenue, then we had a 14" water main extension up on Bugbee Campus related to the improvements on the distribution system.

Gehin questioned the Sewer side on the lift stations, if there was anything resolved on the Evergreen lift station force main replacement because there was no number there.

Lindman replies we haven't gotten that investigated yet so I didn't have any specifics. We will be doing investigation and we might be able to repair it out of the operating budget and not having to replace the whole thing.

Gehin moved to accept staff's recommendation and report on the capital project budget.

Rosenberg states we have a motion to accept the CIP. Robinson seconded.

Force questioned the issue of Emergency generators. A few meetings back, Erickson and

Force had a discussion about that and it didn't seem like we were adequately covered in the area. I think you said it would cost about \$35,000 for an Emergency generator and I was wondering if any consideration was put into the equipment side of the budget for perhaps the purchase of one or two more. Again that is in case we get a severe storm of some kind and those are unpredictable and occur anywhere and anytime and could really lay a utility flat on its back.

Erickson replied that he couldn't recall the conversation but states we do have two fairly up to date emergency generators. One can run all of our lift stations individually. The other could run most of them. I want to get another smaller generator that would pick up the smallest loads and those three I think we'd have the generators kind of covered. We've talked about getting a trash pump for bypassing when that's necessary if it's just a matter of electrical power but I think we have that in our operating budget so we've got some money to cover some additional equipment there. If we can get those things in place, we'd be in pretty good shape.

Rosenberg states all those in favor of accepting the CIP plan as presented can signify by saying aye, with no opposition, passes unanimously.

Lindman added that in the past we've been doing this with spreadsheets and the City is moving towards a priority- based budgeting very similar to what the County already has in place, once this is in place it might change what you see moving forward as we get into next year. We are just starting to go through those presentations and ideas and getting to know the software. I'm still looking for a specific definition of what priority based budgeting will mean especially for the utilities, I will keep everybody updated on what will change.

Rosenberg says one of the cool things that we'll see from this is its programmatic. You can analyze based on the program instead of just the line item and it might help us for instance with like the lead service lines replacement program we can see what kind of an effect its making. She states she really enjoyed it at the county and it's a very visual tool. I know not everyone was into the technology of it.

Robinson added there's an old saying garbage in garbage out. So if your data going in doesn't have integrity, you don't have integrity of the product coming out. So spend the time up front developing the data.

Rosenberg states that's why we don't have data for you to look at yet.

6) Update on Rain Barrels.

Lindman states we had an email from Lynn with Rain Barrels Solutions and asked if we got any other updates. 231 rain barrels sold. She is putting a wait list on the website, so if she does get inquiries she's keeping tabs on those for us. There has been a pickup date decided on June 26th from 9:00am-12:00pm. And the website's been updated and Lynn will give an update to everyone who purchased and gave an email address.

Force questioned who was going to load those barrels in the car. Is it the City Staff?

Lindman replies yes, he will try to be there. We want to set up a one-way drive thru in combination over to Wausau Chemical and anybody that wants to come help, absolutely. It's a Saturday.

Force states as an old publicist in this community, he thought we could have gotten a little

more press on this and knows we certainly tried. This pickup day would be a great opportunity for some tv coverage of our rain barrel program so I would hope we could get seven or nine or both out there for some video shoots during that pickup period on the 26th. I don't know how the city does that but I think some local media covering the rain barrels stuff would be nice.

Rosenberg states we can let them know when the pickup will be.

7) Discussion and Possible Action Regarding the Wastewater Compliance Maintenance Annual Report (CMAR).

Erickson starts by saying the CMAR Report is something we have to send in every year with some of it being cut and dry. The major issue here was under the staffing and preventative maintenance section. It's kind of an all or nothing rating for this section, either we say we've done it and then we get full points and get an A or we say we haven't done it and then we take 40 points off and we get an F. In the past we've kind of scraped by some years but we were on the borderline. At this point with our new plant upgrades we've got a lot of new equipment coming and we don't have any software in the project for asset management and maintenance. At this point I'm saying we're not meeting their intent and so we dropped from 100 points to 60 points and scored an F in that section now that the preventive maintenance program is something that we need and that we will get so I'm confident we'll get it up and running along with the new plant so we will have a plan to work our way out of this; but this is acknowledging from staff point of view that this is an essential item we have to do. It also addressed staffing shortages and we've already talked about the hiring needed. Otherwise are there any questions on this report?

Lindman states this does go to the full city council for final acceptance.

Force compliments on getting an A in all the other categories. Dave, being candid about the staffing issue, I think you should be commended on that.

Erickson replied thanks and says there's no point in shooting ourselves in the foot by claiming we're doing better than we're doing. It's supposed to be a planning tool and so facing it openly is the way to do it.

Rosenberg asked if there were any other questions or if anyone has a motion

Gehin moved to approve the compliance maintenance annual report and have city council act on it.

Rosenberg states we have a motion to approve the report, seconded by Herbst. Any more discussion or questions? All those in favor of approving the wastewater compliance maintenance annual report can signify by saying aye, aye, any opposition all right that carries thank you.

Motion approved 5-0.

8) Discussion of PFOS Sampling of Drinking Water, Wastewater Influent, Effluent and Bio Solids.

Lindman states Robinson gave a presentation at the last meeting and there was a request to have a discussion and follow-up on that.

Force states he was just wondering if we had any plans in the works to do anything based on Robinson's excellent presentation with all the discussions we are seeing in the industry about PFOS.

Lindman agrees and appreciates Robinson's Presentation. The DNR did come out and have given some guidelines for testing bio-solids. Some of those questions as far as when to test, we would have to have a conversation with the DNR and how we move forward with that for one, the testing method to make sure we're using the method the majority of people are using and

what the implications are as far as what the results are. They've set some guidelines fairly low in the parts per trillion, anything below 16 parts per trillion you don't have to do anything. From a Staff perspective, I'd like to get the DNR involved to set up a plan on how we're going to find out what their recommendations are. I don't know of any other Wastewater facilities that are doing it right now, there could be others in the state I'm not sure.

Erickson states he thinks Madison is kind of ahead of everybody but part of what the DNR was pushing with this interim strategy was addressing any sources of it, so we may need to look at how we would identify those and approach it.

Lindman says then we'd work with Marathon County landfill because we are taking their leachate and I'm not sure where they are at either as far as any testing that's been going on. The DNR did come in and test our Influent but none of the results have been released.

Force states, there was a bill that's been proposed by two republican senators regarding the coal tower sealants in a reading this week that was discovered, if the commission knew anything about it. This is the issue of toxic material and sealants going onto the asphalt and pavement surfaces and runoff into the streams. I would urge us to keep an eye on that and I would support legislation restricting coal tar sealants at the state level if they were willing to pass that. I'm also aware of some communities, I think Milwaukee that is restricting that or prohibiting that. There are alternatives that are just cost effective and are not toxic, so it's just an issue to be aware of.

Robinson says that bill has been around for a long time and isn't going anywhere since the 80s. It's been introduced in several sessions without much success.

Robinson state the DNR was sampling the wastewater influent but due to a settlement with WMC after a challenge to their authority, it was agreed that they would collect the samples but not release the results because WMC argued there were no standards. Last week the natural resources board approved doing a scoping statement for additional drinking water standards which is a start of a lengthy process. There will be a hearing on that scoping statement this Friday. The drinking groundwater standards had 16 PFOS related compounds so we'll want to take a look at this information. From a liability perspective, the concern is wastewater bio-solids we're spreading on fields, because we may be incurring unintended liability if standards come down in the future regulating PFOS that are in there. I think it's important to know what our influent is coming in so we can work with those industries to make sure we can do some pre-treatment to try to remove those. I think the challenges for us as a utility is to get a better understanding of it. It could be 30 months before we see any rules effectively in place unless the EPA begins to act. I think due to challenges from WMC, a lot of the regulatory framework will be driven by what the feds do going forward so we'll want to pay careful attention to where the EPA is and then develop the process.

9) Discussion and Possible Action on the Date of our Next Water Works Commission Meeting.

Rosenberg states, looks like we are scheduled for the 13th. Do we need action on that or are we set.

Lindman states, it's supposed to be the fifth or so.

Vang states it's always been on the first Tuesday, but for that weekend, it falls on the 4th of July and we are not sure if people will be out of town or not, but we could go back to July 6th.

Robinson states there is a standing metropolitan planning organization meeting on the second Tuesday at two and a Technical Advisory Committee at one which involves Eric and Katie and I at two, so there's a conflict on the second Tuesday.

Force states he's in favor of keeping it the first Tuesday, same day and time.

Rosenberg states on the 5th.

Force states the first Tuesday, it would be the 6th.

Rosenberg states it works for her.

Force says he sees we are observing Monday the fifth even though we could observe it on Sunday the 4th.

Rosenberg asked if there were any opposition on keeping it the 6th.

Lindman states, we could keep that, he is proposed to be out that week but can call in. So we'll get everything prepared and keep it on the 6th.

10) Adjourn.

There being no further business to discuss, the meeting is adjourned with motion by Robinson and Seconded by Force.



MEMORANDUM

TO: President Rosenberg
Commissioner Herbst
Commissioner Force
Commissioner Gehin
Commissioner Robinson

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

SUBJECT: Director's Report – June 2021

Update on Priority Based Budgeting (PBB)

- Staff has been working with ResourceX to establish Programs in the PBB software. Department wide this has proven to be challenging and time consuming as we move forward setting up our accounts. The next steps will be actually allocating our budgeted costs to actual expenditures within each program, we will also do this with our revenues. Then we will be allocating each employees time to appropriate budget items for the year as well. Staff will be working towards populating this over the next several months.

WATER DIVISION

1. Drinking Water Treatment Plant Update.
2. Staff will be working with T-Mobile/Sprint on a new tower agreement for their equipment located on the W. Wausau Tower. The current agreement with Sprint expired January 1st of this year.
3. Private LSL Update, 346 letters sent, 88 customers have notified us with interest, 44 have been verified lead and submitted estimates for replacement. As of 6/29/21, 21 replacements have been completed for a total of \$77,774.74, leaving \$372,225.26 available. About another \$108,000.00 worth of projects are currently permitted, and \$23,000.00 in process.

4. A city wide leak detection survey is scheduled for July 6th. The Survey will be conducted by Westrum Leak Detection.
5. Staff has performed the annual clarifier switch at the plant, no major issues have been yet encountered.
6. WDNR has suspended our lead and copper sampling this year. We are waiting for further guidance from DNR on how we will proceed. (see attached email)
 - o We did ask customers if they would like to have sampling done on an investigative basis, being arrangements for sampling had been made prior to WDNR notice. 8 investigative customer requested samples for lead were taken. Results ranged from below the LOQ (Limit of Quantitation) to 4.9 ug/l.
7. Update on Rain Barrels. (See Attached)
8. Update on CW3 and removal from water supply.
 - o Staff and Becher Hoppe had a virtual call with GHD Services, City's Environmental Consultant, to discuss EPA's response to removing CW3 from the City's water supply and discharging to river. The USEPA and the WDNR do not feel there is any reason we cannot take this well offline from our drinking water supply. CW3 will need to continue to be pumped as it is part of the Superfund site but the water will be discharged to surface. GHD is currently gathering all of the data and sample information we have over the past few decades to provide to the USEPA as well as other requested information. We will continue to work with the USEPA and we are hopeful we may be able to move forward with taking CW3 offline in late 2022 or 2023. Once this is done it is anticipated we will be required to perform more frequent sampling for a period of time to provide assurance there are no exceedances and our results remain consistent with our current sampling results. This is good news and positive progress related to CW3.
9. Update on Meter change out schedule.
 - o Starting in July the utility will be back to our typical schedule for meter scheduling and change out. During this process we are also inventorying service lines for our LSL inventory. Since spring of 2020 the utility has been on a modified replacement schedule and only changing meters that were either failed or if homeowners volunteered to have their meter changed, not mandating change outs.

WASTEWATER DIVISION

1. The Wastewater Plant is on track to meet permit limits for June
2. We have a new Sewer Maintainer starting on July 6th. We have reposted the Plant Maintenance Mechanic position.
3. The Wastewater Plant upgrade project is moving along rapidly. The most recent Donohue project status report is attached.
4. We have been working with Strand Associates to develop manhole rehab specs and to provide inspection services for the southwest interceptor rehab. Strand has also tentatively scheduled the smoke testing as a follow up to our Inflow and infiltrations study for July 12th.
5. The WDNR is reviewing our discharge permit with regard to our phosphorus discharge limits. We have discussed also modifying the permit to include producing Class A sludge.

Wausau Drinking Water Treatment Facility - Project Status

June 25, 2021

Drinking Water Treatment Facility

Treatment process piping and equipment continue to be installed with process pumps being delivered to site. Epoxy coatings and painting continue in the grade level areas with plans to transition to lower level process piping and equipment paint starting in July. The fire suppression and HVAC systems are ongoing as coated/painted areas are completed. Electrical work is ongoing with installation of conduit, wiring and permanent light fixtures, motor control centers, and variable frequency drives.

The precast roof panels installed over the upper level in May has the rubber portion of the roof installed. The precast roof sections over the filters will be installed the last week of June. The Masonry contractor has completed approximately three-quarters of the exterior split face block. The air strippers steel framing is ongoing with the strippers scheduled to be installed in July.

Precast panels and the base slabs for the 500,000-gallon storage tanks have been poured. The contractor has now started to erect the precast tank panels on the slabs. Construction of the tanks will continue throughout the summer and is scheduled to be completed in September.

Site utility piping is ongoing with the storm and sanitary sewer being the largest remaining portion. Installation of this piping will take place over the next month.

Administration Building and Garage

The masonry contractor has started to erect the masonry walls for the administration portion of the building. Portions of the steel frame for the garage area have been erected and will continue once the masonry walls are up.



Overall Site Looking Southwest



Overall Site Looking North



Overall Site Looking East



Filter Troughs and Wier Installed



Maintenance Area 1 in the Process Building with HVAC, Electrical, Fire Suppression, and Coatings Installed



Lower Level Process Piping and Equipment



Electrical Room

Gina Vang

From: Gina Vang
Sent: Tuesday, June 29, 2021 10:22 AM
To: Gina Vang
Subject: Monitoring for Lead & Copper NOT Required in 2021- Wausau Waterworks

From: Wunderlich, Cathrine M - DNR [<mailto:Cathrine.Wunderlich@wisconsin.gov>]
Sent: Tuesday, June 1, 2021 3:11 PM
To: Scott Boers <Scott.Boers@ci.wausau.wi.us>; ryounger1979@yahoo.com; mesalks@charter.net; Dave Erickson <Dave.Erickson@ci.wausau.wi.us>; frstkg@netzero.net; jr_wildlife_09@yahoo.com; truepurpose2008@hotmail.com; rickdornjr@yahoo.com; leslie.kremer@cl.wausau.wi.us; Scott Boers <Scott.Boers@ci.wausau.wi.us>
Cc: Larson, Corey D - DNR <Corey.Larson@wisconsin.gov>; Stapelmann, Troy L - DNR <Troy.Stapelmann@wisconsin.gov>
Subject: [EXTERNAL] Monitoring for Lead & Copper NOT Required in 2021- Wausau Waterworks

Good afternoon,

This email is to serve as an official notification that your water system is not required to conduct Lead and Copper Rule (LCR) compliance monitoring for the 2021 LCR monitoring season or until further notice. This change comes as a result of an evaluation of your distribution system materials inventory, water quality parameters and historical LCR monitoring results.

During this evaluation there were one or more items that the department has identified in which we would like to work closer with you over the next 1-2 years to understand further. A follow up letter will be forthcoming in the next month, providing more detail and the next LCR compliance requirements specific to your system.

If you have any specific questions, please don't hesitate to contact me.

Sincerely,

Cathy

We are committed to service excellence.

Visit our survey at <http://dnr.wi.gov/customersurvey> to evaluate how I did.

Cathrine Wunderlich, PE

Chief, Public Water Engineering Section- Drinking Water and Groundwater Program
Wisconsin Department of Natural Resources
101 S. Webster St, PO Box 7921
Madison, WI 53707
Cell Phone: (608) 886-0864
Cathrine.wunderlich@wisconsin.gov



dnr.wi.gov

Rain Barrels!



Rain Barrel Pickup Event was held on Saturday, June 26 from 9am to 12pm at 1701 N. River Drive Wausau, WI 54403.

- Total Pre-Ordered Rain Barrels (sold): 286
- Rain Water Solutions Shipped In: 297

- 268 Picked up their Rain Barrels on pick up day.
- 18 Barrels not picked up yet. (Lynn from Rain Barrels Solutions has given Michelle and Gina's direct contact number to arrange for pickup for those who didn't make it to the pick-up event).

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

Engineer Activities This Period

- Construction administration services related to technical review of contractor shop drawings, responding to contract interpretation questions (RFIs), initiating requests for proposals (RFPs), attending weekly and monthly construction progress meetings, processing work change directives to the contract, and contractor monthly payment requests.
- Prepared and submitted Clean Water Fund disbursement request and provided CWF administration.
- Provided full time Resident Project Representative (RPR).
- Provided part time on-site observation of selected work by Becher-Hoppe.
- Becher-Hoppe also provides input into appropriate shop drawing reviews, RFI responses, and RFP requests.
- Prepared Work Change Directives to address unforeseen work that needed to be expedited to allow the Contractor to maintain their construction scheduled progress.
- Weekly coordination calls to facilitate contractor startup of the various systems that are being scheduled for near-future startup, discussions pertaining to system commissioning and how all systems tie together to provide further detail to the construction schedule.
- The Engineer's application engineering staff are working on the various systems programming that will need to be completed as the new unit process systems are brought into operation. Remove VPN access now available to select remove users.
- Continued coordination with WPS on new electrical service route and installation.
- Administration Building (Structure 120, Lab to be completed mid-May with a separate walk thru.
- Participating in Start-up coordination meetings with Contractor.

Engineer Near-Term Activities

- As the project proceeds, the engineer will continue to provide construction administration services including the technical review of shop drawings, responding to RFIs, preparing RFPs, attending weekly and monthly construction progress meetings, processing change orders, reviewing contractor payment requests, and providing full-time on-site resident engineering services.
- Preparation of Change Order 7.
- Application Engineering programming.
- The Contractor and subcontractors are in the process of addressing the "administrative" portion and garage of Administration Building (Structure 120) punchlist items identified by the Design Team.

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

Contractor Progress to Date

- The Notice to Proceed with Construction was issued to the Contractor on June 18, 2020 and established the final completion date as June 3, 2023.
- Construction on the improvements to the Wastewater Treatment Facility (WWTF) began on July 6, 2020.
- Structure 100 (Main Building):
 - Masonry work around the structure is almost complete with only minor items yet to be finished.
 - Painters have continued painting the generator, electrical and gas compressor areas. Demo work has commenced in the old administration area of the structure.
 - Doors and frames are being installed along the southern exterior.
 - Van Ert Electric continues with running of conduit, busways and the pulling of electrical wiring for the main switchgear, generators and lighting. Main switchgear and switchboards have been set in the electrical room.
 - August Winter & Sons continues to complete the placement of duct work, unit heaters and piping. Exhaust fans and louvers are being installed.
 - Transformer blast walls have been completed at the west side and south sides (west side of Structure 105, Fuel Storage) of the structure.
- Structure 120 (Administration Building):
 - Exterior grading, sidewalks, garage aprons and protection pipe bollards have been placed.
 - Punchlist items for the interior of the structure are ongoing.
 - Access ladder between roof levels is installed.
 - Wastewater personnel have completed their move from the former administration building, Structure 100 (Main Building), to the new facilities.
 - Work on the laboratory has been ongoing with final finishes, plumbing and electrical to the new lab benches and cabinets.
 - The exterior lettering, numbering and signage has been placed.
- Structure 200 (Grit Building):
 - Demolition work has continued around the structure.
 - Concrete formwork has begun along the east side of the structure.
 - New building extension footings on the west side of building are in process.

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

- West side building extension footings and slab work have been completed.
 - Masons have begun to prep for concrete masonry work on the west side of the structure, to allow for the new raw wastewater piping area to be enclosed.
 - Helical piers and Duct Bank K have been completed.
- Structures 310, 320, 330 and 340 (Primary Clarifiers 1, 2, 3, and 4) along with Structure 350 (Primary Effluent Channel) have been idle except for minor backfilling around Primary Effluent Channel 350 for access to the clarifiers and Structure 200 (Grit Building).
- Structure 400 (Activated Sludge Building):
 - Window removal, ductwork/louvres and saw cutting openings for new doorways and equipment is completed.
 - Demolition of damaged tile and old equipment pads is ongoing.
 - Mason
 - Masons have continued with some of the infill work on the interior and east exterior wall.
 - Conduit runs for the new blowers, switchboard and other electrical equipment has continued.
 - Installation of the lower level access hatch and the steel structure for the new monorail are completed.
- Structure 406 (Mixing Tank): Excavation has been completed, helical piers have been set and demo/saw cutting of concrete that is in the way for the new mixing tank channel has started.
- Structure 410 (Activated Sludge Basins): Basins 4, 5 and 6 have been shut down, with the cleaning out of the basins started, to prepare for the demolition of the existing aeration equipment and associated piping. This will allow for the concrete infill of the walkways between the basins and the removal of the old grating in this area.
- Structure 420 (Mixed Liquor Channel) and Structure 500 (Secondary Splitter):
 - Concrete work is completed at Structure 420 (Mixed Liquor Channel) but eventually some saw cutting of the east wall of Structure 410 (Activated Sludge Basins) to the new discharge channel will be necessary as well as placement of grating along the channel.
 - Structure 500 (Secondary Splitter) has all the mechanical gates installed and grouted. Remaining pipe connections to Structure 500 Splitter Box are the Mixed Liquor lines along the south side.

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

- **Structure 540 (Secondary Clarifier 4):**
 - Dewatering of the tank and the area around the tank has been restarted to allow for the Secondary Clarifier internal equipment to be installed.
 - Concrete finish work has been started and is ongoing along the upper portions of the tank and in the launder trough.
- **Structure 610 (Chemical Building):**
 - Minor mechanical, electrical and plumbing work continues on the interior.
 - Painters are in the process of completing the chemical containment area coating.
 - Insulators have been insulating piping in the Mechanical and Chemical rooms.
 - Chemical feed skids for the SHC (Sodium HypoChlorite), MHS (Magnesium Hydroxide Solution) and PRC (Phosphorus Reduction Chemical) chemicals are placed and being piped to.
 - Door stoops and west concrete walk/apron are complete.
- **Structure 700 (Digester Building) and Structures 710, 720, 730 and 740 (Digesters 1, 2, 3 and 4):**
 - Heating glycol supply and return piping installation ongoing with insulation and jacketing of pipe.
 - Digester mixing pump 4 is installed and pump 2 is relocated; associated piping revisions to these pumps are nearly complete.
 - Masons have completed the concrete masonry walls for the lower level Gas Handling Equipment Maintenance Space and the associated access stairwell.
 - The Digester Gas Boilers are set and piping to and from the units has been started.
- **Structure 770 (Solids Building):**
 - Grout infill at the bottom of precast panels continues.
 - Doors, frames and windows being placed.
 - Mechanical, electrical and plumbing work has commenced in lower level and has been ongoing in grade and upper levels.
 - Sprinkler system piping is installed in thermal fluid area.
 - Painters have started painting the sprinkler piping in all areas.
 - Concrete equipment pads in the lower level have been ongoing for pumps and polymer feed systems.
 - Chemical room containment areas have been rubbed and coated.
 - HVAC ductwork, heaters and equipment being placed in all areas.
 - Piping and insulation in the Chemical Area has been ongoing. Caulking of wall, door and window joints interior and exterior is ongoing.

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

- Rooftop access dog house construction ongoing.
 - Roofing contractor has begun placing gutters and downspouts.
 - Dryer equipment has been set and is being readied for installation.
 - All areas have unit heaters and associated piping placed.
 - Work on with in the electrical room has continued.
 - The Control Room, Lab and Locker Room area work has started, including electrical, plumbing, have, steel stud walls, drywall, floor prep and final installation of metal stairway.
- Tunnel 900: August Winter & Sons has begun to install racking and piping along both the east and west walls of the tunnel, which includes temporary relocation of live piping systems and the demolition of old piping.
- Tunnel 910: Insulators have been onsite to insulate piping on racks in tunnel and water lines along the west wall.
- Site Work:
 - W3 water piping, air and chemical feed lines along the east roadway of the site and the tie ins to Structure 770 (Solids Building) are complete.
 - Precision Grading has completed some additional grading south of Structure 100 (Main Building), around Structure 350 (Primary Effluent Channel), Structures 420 (Mixed Liquor Channel), 500 (Secondary Splitter) and 540 (Secondary Clarifier 4), as well as Structure 770 (Solids Building) and Structure 775 (PSD Thickener).
 - Van Ert Electric has started the work on Duct Bank O and completed Duct Bank R between Structure 770 (Solids Building) and Structure 775 (PSD Thickener).
- Construction progress photographs are located at the end of this progress report.

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

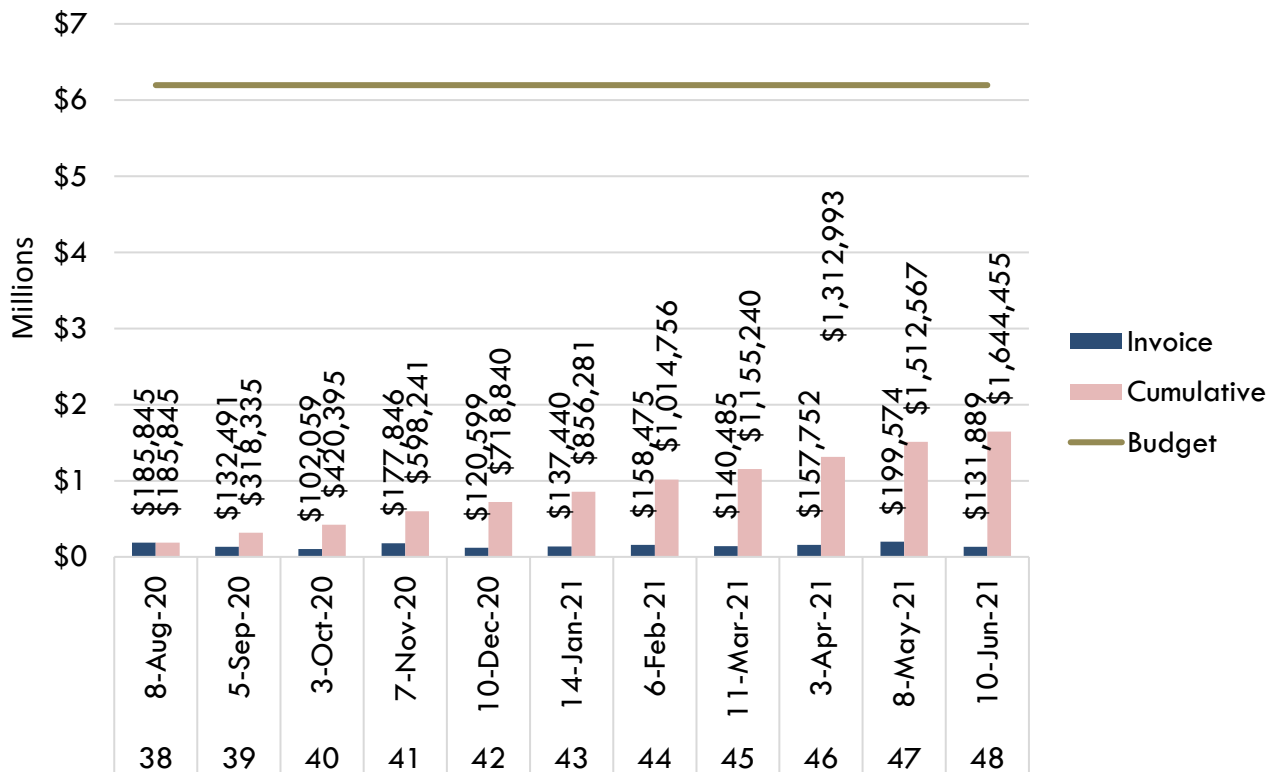
Invoice 48

Construction Schedule

- The Contractor has developed a detailed construction schedule that defines a timeline for the orderly completion of the work and a breakdown by structure of the work to be done in the various work areas. We continue to review the timeline and work tasks against the various constraints identified in the project manual to confirm that the contractor has adequately addressed them and accounted for shutdown time limits as their work proceeds.

Project Related Budget Snapshot

Construction Engineering Budget



Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

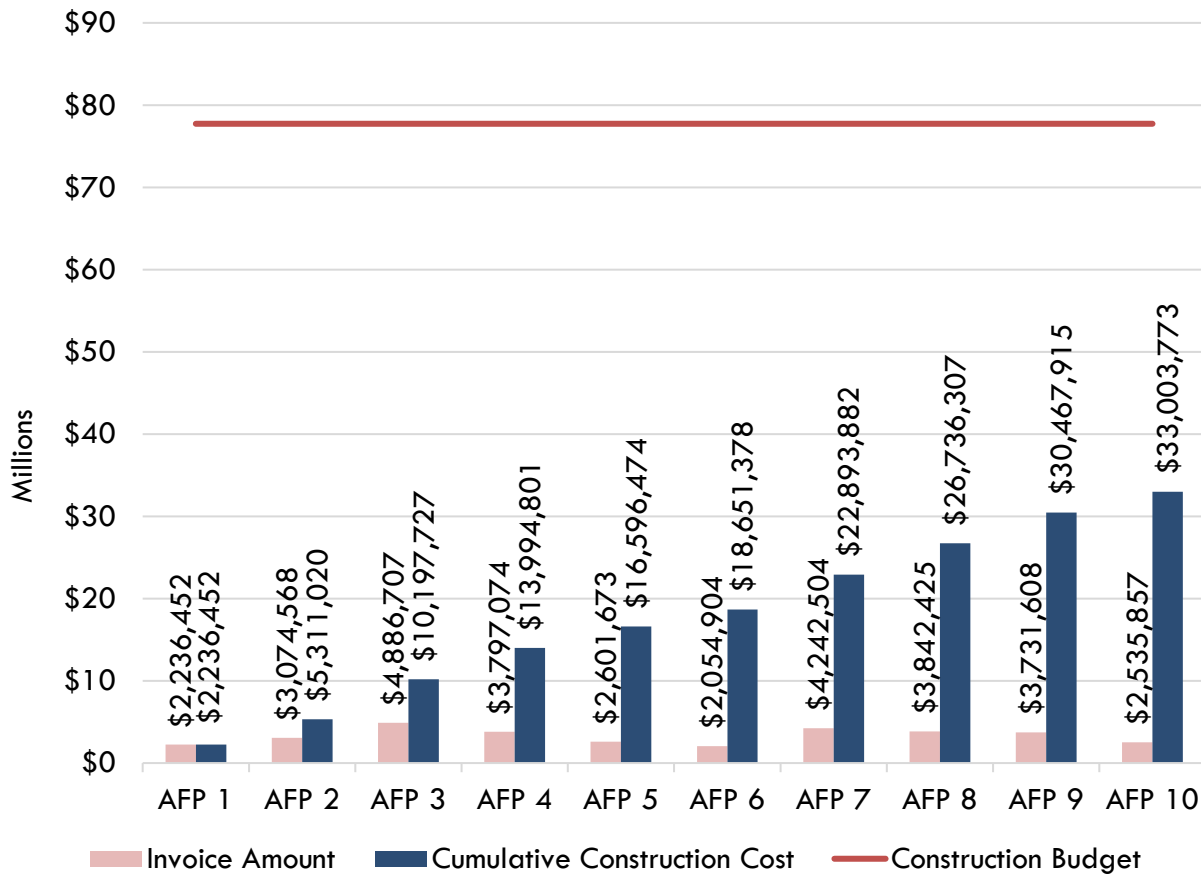
City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

Construction Budget: Pay Applications Approved by Engineer



Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

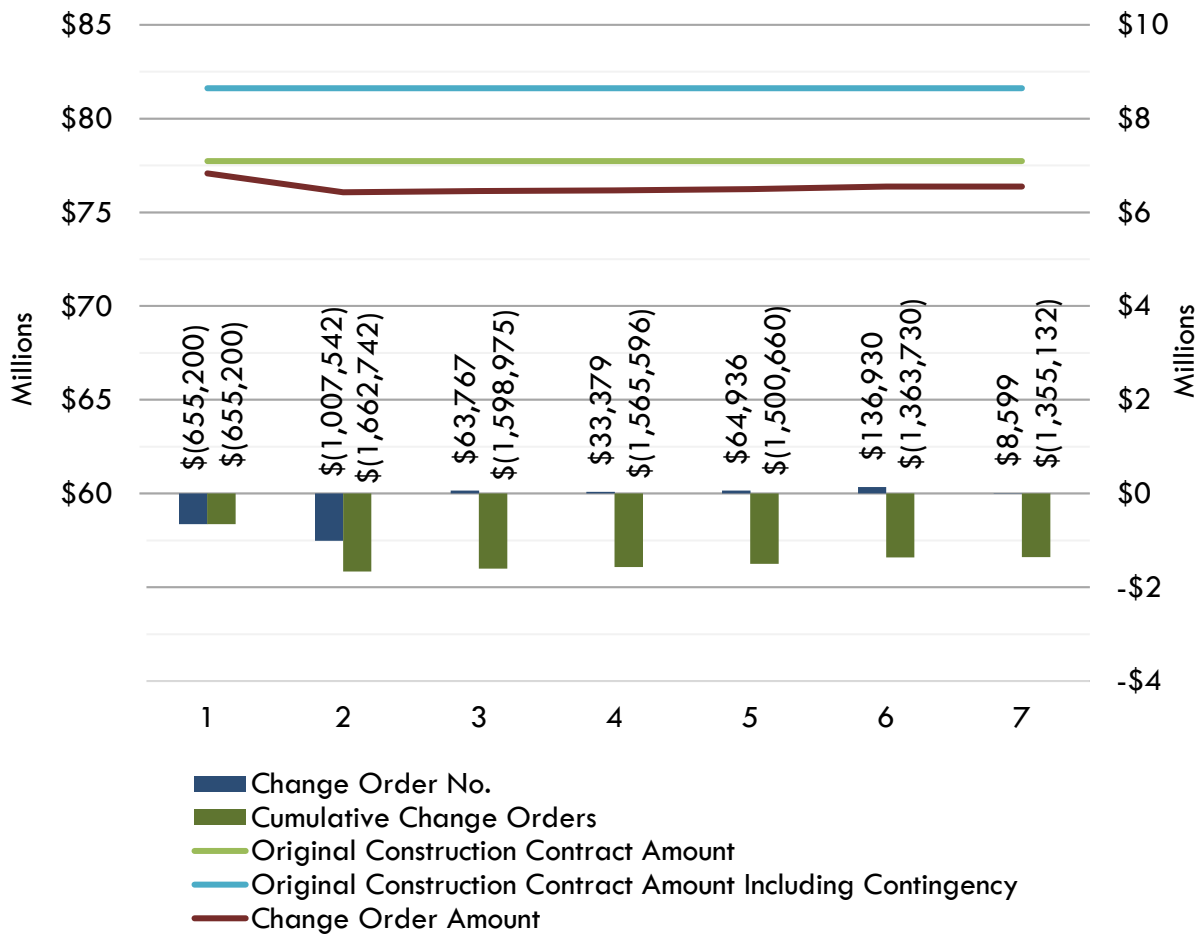
City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

Overall Project Budget



Budget Notes:

1. No budget issues at this time.

Remarks

1. None.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

Construction Photographs



Fill and grade work between Structure 200 (Grit Building) and the west side of the Structure 350 (Primary Effluent Channel).



Duct Bank O being placed along the east side of Structure 420 (Mixed Liquor Channel).

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Demolition work within the old offices, lunch room, bathroom area.



South transformer blastwall hiding Structure 105 (Standby Fuel Tank).

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Southside of Structure 100 (Main Building), new door frames and generator louvers.



New switchgear and switchboard in electrical room.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Exhaust hoods and new lab benches and cabinets.



West extension of Structure 200 (Grit Building), new concrete masonry unit wall with the start of brickwork.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



East side of Structure 200 (Grit Building), showing new concrete work around influent gates and new grade floor for electrical room.



Tile work around new blower and new hatch.

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Pouring channel slab foundation walls at Structure 406 (Mixing Tank).



Aeration basin 6, cleaned, aeration header piping demolished and infill walkway (left) filled and being prepped for concrete walkway.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Aeration basin 5, pumped down, waiting to be cleaned for piping demo work.



Backfill and grading along the east side of the Structure 420 (Mixed Liquor Channel).

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

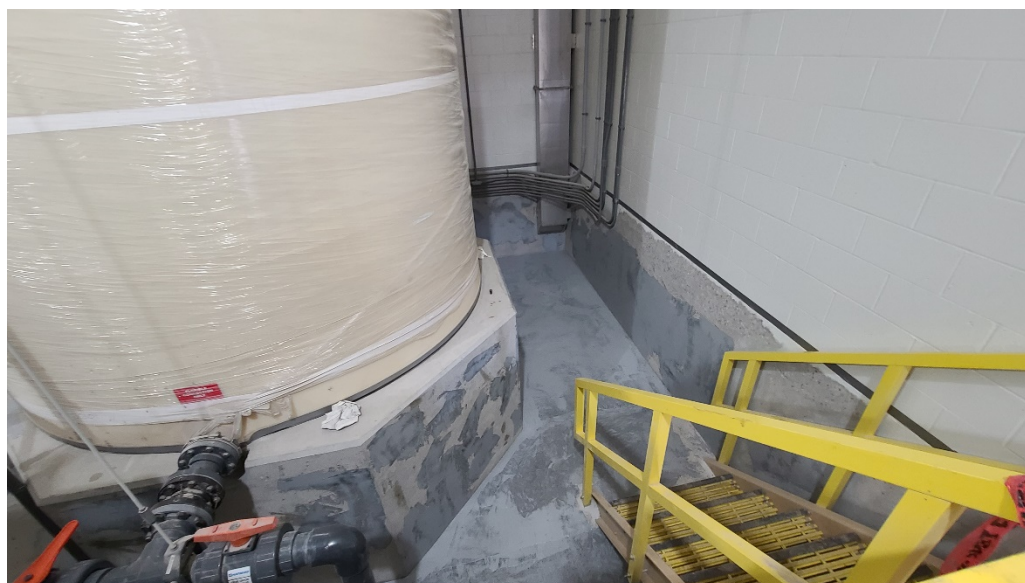
Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Concrete finish work on Structure 540 (Secondary Clarifier 4) launder.



Chemical containment area being prepared for coating.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Chemical feed skids set and piping from skids being installed.



New boilers and piping.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Electrical Room Structure 770 (Solids Building, showing the newly set Dryer LCP to the left of the ladder).



New dryer components set on pad, catwalk to Mechanical Room in the Dryer Room of Structure 770 (Solids Building).

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Looking down the stairway from Structure 770 (Solids Building) roof doghouse to the dryer room catwalk.

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Belt presses, gravity belt thickeners and TWAS hopper set in Structure 770 (Solids Building).



New gutters, roof trim and downspouts on north side of Structure 770 (Solids Building).

Project Status Report

Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48



Looking north, new pipe racks and piping being placed along west wall (left side of photo) of Tunnel 900.
Demolition of existing piping along the east wall (right side of photo).



Looking north and east at south end of tunnel, starting piping tie-ins.

Project Status Report



Wastewater Treatment Facility Improvements Project – Engineer During Construction

City of Wausau, Wisconsin

Donohue Project Number 13229

Period | May 9, 2021 – June 5, 2021

Invoice 48

Parting Shots – View from the top...of 770 that is.



Looking south.

INVOICE



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

Invoice To:	Invoice Date:	June 10, 2021
	Donohue Project No.:	13229
City of Wausau	Invoice No:	13229-48
Attn: Dave Erickson	Project Manager:	Mike Gerbitz
407 Grant Street	Terms:	Net 30 Days
Wausau, WI 54403	Billing Period:	05/09/21 - 06/05/21

Project Description: Wastewater Facilities Plan & Design

Your Authorization: Engineering Services Agreement, Signed 03/29/17
Amendment No. 1, Signed 06/28/18
Amendment No. 2, Signed 03/05/19
Amendment No. 3, Signed 01/27/20
Amendment No. 4, Signed 05/07/20
Permit Review Fees Payment Request, 02/27/20

Compensation:	Time and Expense	\$	129,220.00
	Time and Expense	\$	984,565.00
	Time and Expense	\$	3,323,900.00
	Time and Expense	\$	4,351,831.00
	Time and Expense	\$	1,843,325.00
	Permit Review Fees	\$	12,534.50
	Total	\$	10,645,375.50

Billing Summary:	Total Charges to Date	\$	6,094,690.99
	Charges Previously Billed	\$	5,962,802.32
	Current Charges	\$	131,888.67

Summary of Current Charges

Labor (838.0 hours)	\$	119,410.00
Reimbursable Expenses	\$	3,015.67
Permit Review Fees	\$	-
Subconsultants	\$	9,463.00
Total	\$	131,888.67

Current Charges Due	\$	131,888.67
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Please Remit to: Donohue & Associates, Inc.
3311 Weeden Creek Road
Sheboygan, WI 53081
Phone: 920-208-0296
Fax: 920-208-0402

Aged Receivables

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 days</u>	<u>>120 days</u>
\$131,888.67	\$199,574.16	\$0.00	\$0.00	\$0.00



TO: Wausau Waterworks Commission

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

DATE: July 6, 2021

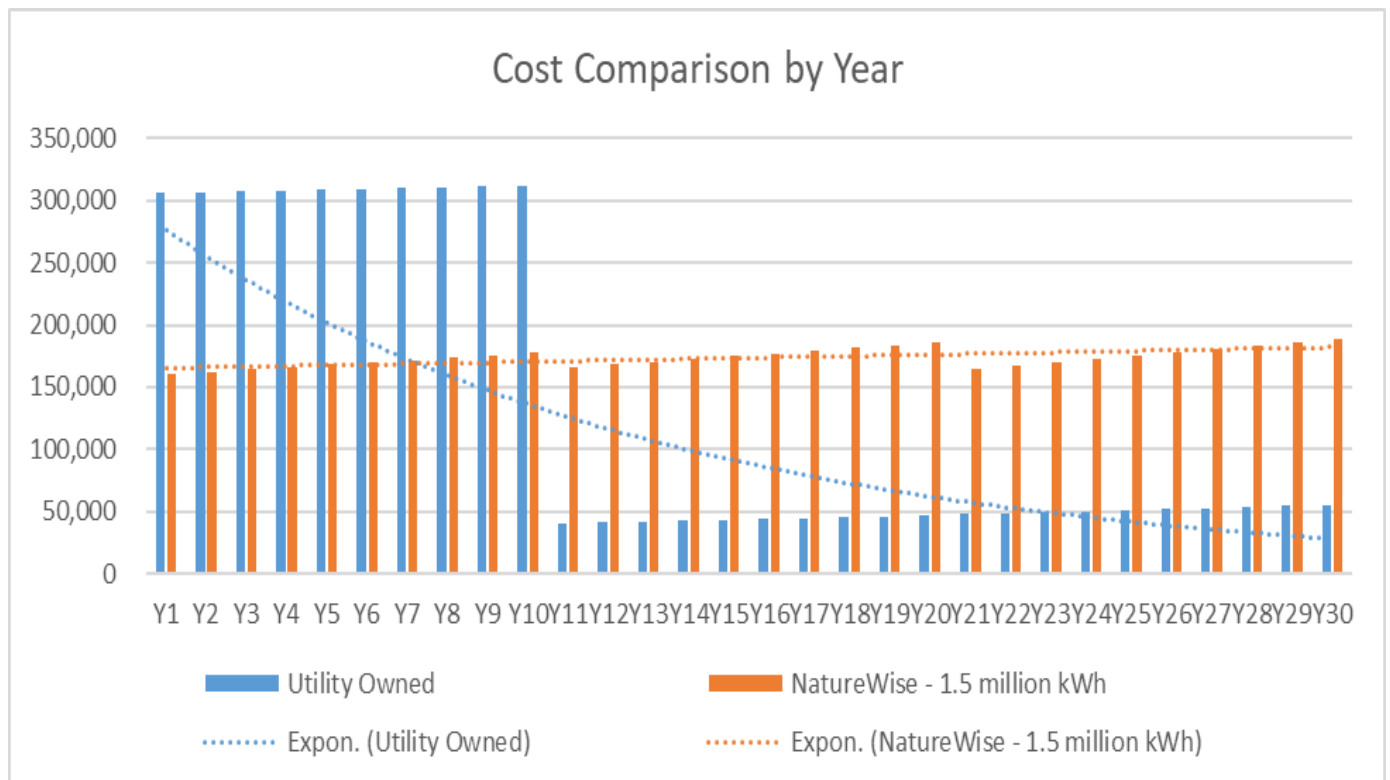
SUBJECT: Solar – Utility Owned vs. WPS Owned

Over the past 2-months the utility has been considering two options for constructing a solar array to offset electrical costs at the new facility; partnering with WPS or building the array on our own. Staff has been looking at costs and comparing each option to determine what would be best for the utility and the rate payers. We have had meetings with WPS related to their NatureWise program and what these potential costs would be for the utility moving forward. The NatureWise program through WPS would require the utility to enter into a long term lease with WPS, buy power from their NatureWise program (2.4 cents per kWh over our current rate) and WPS would construct, own and operate a solar array on utility owned land. WPS would pay the utility a negotiated lease fee for use of the land.

Clark Dietz has been looking at the proposed utility power usage at the new facility and comparing the NatureWise Program with a utility owned solar facility. Below is a graph which represents a comparison of costs between the NatureWise Program and a utility owned solar array. The following assumptions are made as it relates to the comparison of costs over a 30 year time frame:

1. City sells back estimated excess power at 2.7 cents/kWh
2. Assume a 1.5% annual increase in electrical rate
3. Purchase 1,500,000kWh per year of NatureWise power at 2.4 cents/kWh premium
4. NatureWise premium remains flat for 30 yrs
5. O&M costs (utility owned solar) includes \$6,000 plus \$4,410 inverter reserve per year
6. Assume the utility will use 1,500,000 kWh per year

The graph below also shows a trend line for each data set. You will notice that over time the cost of a utility owned facility drops significantly after about 8 years while the NatureWise program fee stays flat/constant over the entire lifetime.



The premium costs of the NatureWise electric pricing make this option more costly for the utility and rate payers. Based on the price and cost information used in this analysis and comparison it is recommended the utility move ahead with building and owning their own facility. Economically this is the best choice for the utility and it provides us the opportunity to use all the power generated and sell any excess power back to the utility.



TO: Wausau Waterworks Commission

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

DATE: July 6, 2021

SUBJECT: Organizational Structure Options 3 – Removal of LSL’s City Wide

Based on last month’s discussion I have updated some of the costs as well as some of the information relative to moving ahead with a plan to remove all lead service lines within the City under a 15 year time frame.

The USEPA Lead/Copper Rule (LCR) will be requiring the following:

1. The Utility is required to submit a goal-based replacement plan within 3-years of the LCR publication. This plan is to include an inventory and procedures to conduct a Full Lead Service Line Replacement (FLSLR); meaning both public and private side.

The 2022 WDNR LSL forgivable loan application window is currently open. The deadline for requesting is November 15, 2021. I have attached the WDNR SDWLP intended use plan, starting on page 6 I have highlighted a couple key items related to the LSL forgivable loan program.

We are currently comparing 2-concepts for the commission’s consideration.

1. **Utility established annual contract with outside contractors.**
2. **Utility performed Work in-house.**

The following are two options that may meet the requested deadline by the Commission of 15-years.

1. **Utility established annual contract – Contracted Services.** This would be a 3 or 5 year renewable contract with at least two separate plumbing businesses. It is expected we would be able to perform up to 600 private LSL replacements annually. This would be 100 related to annual street projects and 500 LSL replacements based on an annual contract with private plumbers through the utility. This would be a replacement timeline of about 15 years once work began.

OPTION 1 - Contracted Services (15-years)

Location	# Services (Annually)	Cost per service	Capital Cost	Annual Cost
Staffing (12 employees)				
Equipment				
^{1,2} Public Side LSL	250	\$7,000		\$1,750,000
^{1,2} Private Side LSL	600	\$4,500		\$2,700,000
		Total =	\$0.00	\$4,450,000

¹Costs are for contracted services by private contractor

²Estimates are based on actual costs

2. **Utility performed Work.** In order to meet the 15-year timeline the utility would need to hire 12-new employees and their sole responsibility would be LSL replacement. There would be three crews dedicated to LSL replacement. They would dig 7 to 8-months of the year, they would need to complete at least 2-service replacements per day. With 3 dedicated crews to replacement it is anticipated there would be 600 LSL replacements per year; 500 by internal crews and 100 through street reconstruction projects. This puts full replacement at about 15 years. The costs below include capital costs for equipment, materials and tools; the costs do not include annual maintenance costs for additional equipment or replacement of tools/equipment. The city would hire a plumber to complete the majority of the private side replacement and connection in the home, city would provide materials.

OPTION 2 - Utility Performed Work (15-years)

Location	# Services (Annually)	Cost per service	Capital Cost	Annual Cost
Staffing (12 employees)				\$1,000,000.00
Equipment			\$1,200,000.00	\$80,000.00
Public Side LSL	250	\$4,600		\$1,150,000
**Private Side LSL	600	\$3,600		\$2,160,000
Total =			\$1,200,000.00	\$4,390,000.00

**Does not include equipment costs or labor costs. Includes contracting out house connection, concrete, blacktop and landscaping.

Currently we are estimating about 8,500 private side LSL's and about 4,500 public side LSL's. Based on these estimated numbers it would be required to replace a minimum of 600 LSL's annually to meet a 15-year replacement.

I have attached a copy of the AWWA Journal write up on the Green Bay program for your information.

Scott and I had a virtual meeting with CD Smith, a nationwide engineering firm that has assisted many municipalities with LSL replacement programs. All municipalities they have worked with throughout the country have contracted out the private side service line replacement as well as the public side line replacement. Some of the municipalities, in particular in New Jersey, had annual contracts with up to 6-separate plumbing firms in order to replace the required number of services within their jurisdiction annually. CD Smith also walked us through what would be required to establish a LSL program that would be successful and it is very extensive. All municipalities they have worked with had to establish a mandatory replacement ordinance for their program objectives to be met. Some utilities helped offset the costs of the replacement, some did not. All utilities that we discussed had some sort of rate adjustment in order to complete this work.

Staff recommends using outside contractors to replace both the private and public side LSL.

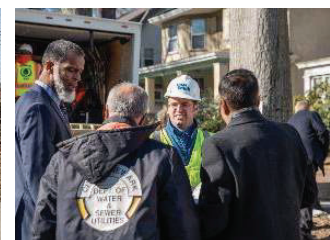
As part of any LSL replacement program the Commission will need to consider creating a mandatory replacement ordinance for the private side. Even with the grant funding available the private side response and commitment has been much lower than expected. In order to meet such an aggressive LSL replacement schedule it would be necessary to have an ordinance in place.

As has been stated in earlier memo's the following are the utilities priorities related to the LSL issue moving forward, the item in bold has been added:

1. Complete and categorize inventory, public and private side
 - a. This is our first priority. We are proposing to establish interns to help complete this work or hire interns from private engineering firms.
2. Request/maintain grant funding and expenditures of grants timely
 - a. This has been ongoing since 2016, a robust program would allow us to request additional funds annually.
3. **Establish a communication plan to users related to the city wide LSL replacement program, possible rate increases associated with the work and information about a mandatory replacement ordinance.**
4. Establish mandatory LSL replacement ordinance
 - a. Staff would like to present some examples to the commission for their consideration over the next couple of months. To implement an ordinance such as this will take time and the implementation of the ordinance needs to be carefully thought out to make sure the utility is equipped financially and with resources to be effective.
5. Formally prepare a FLCLR Plan
 - a. Once we have an idea of a plan to put in place we will begin meetings with the DNR about requesting additional funds annually through the forgivable loan program.

Lead Service Line Replacement Program

Ordinances/ Legislation	Funding	Develop Inventory
Verifications & Prioritization Plan	Outreach	Design & Bidding
Right of Entry Agreements	Program & Data Tracking	Replacements
Filters & Flushing	Restoration & Paving	Post- Replacement Sampling



**STATE OF WISCONSIN
SAFE DRINKING WATER LOAN PROGRAM
INTENDED USE PLAN
FOR FFY 2021 FUNDS
FOR THE SFY 2022 FUNDING CYCLE**



draft May 2021

**ADMINISTERED BY
THE DEPARTMENT OF NATURAL RESOURCES
AND
THE DEPARTMENT OF ADMINISTRATION**

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	DESCRIPTION OF THE SAFE DRINKING WATER LOAN PROGRAM	1
III.	LEVERAGING OF THE SDWLP.....	3
IV.	SOURCES AND USES OF FUNDS.....	3
V.	BANKING OF SET-ASIDE AUTHORITY.....	4
VI.	TRANSFER OF FUNDS FROM CWSRF TO DWSRF.....	4
VII.	POLICY CHANGES IMPLEMENTED DURING SFY 2019.....	5
	A. Online Application Submittal and Elimination of Grace Period	5
	B. Elimination of Non-Core Costs.....	5
	C. Median Household Income Cut-Off Clarification	5
	D. PERF Scoring Process	5
	E. PERF Score Objections.....	5
	F. Potential Extra Points for Lead ALEs.....	5
VIII.	ONLINE TRAINING COURSES.....	6
IX.	REPLACEMENT OF LEAD SERVICE LINES	6
	A. PSC-Approved LSL Replacements	6
	B. Private LSL Replacements Funded with a GO Pledge	6
	C. NEW PF Funding for Private LSL Replacements	6
X.	SHORT- AND LONG-TERM GOALS	8
XI.	METHOD AND CRITERIA FOR DISTRIBUTION OF LOAN FUNDS	9
XII.	CHANGES TO PERF SCORING CRITERIA	9
XIII.	COMPLIANCE WITH FEDERAL REQUIREMENTS	10
	A. WIIN Act.....	10
	B. Consolidated Appropriations Act of 2021	11
	C. AWIA	11
	D. Green Project Reserve	11
	E. Federal Equivalency	12

XIV. DISADVANTAGED COMMUNITIES PROGRAM & PRINCIPAL FORGIVENESS (PF)	12
A. Affordability Criteria & Methodology for Distribution of PF Funds	13
B. Other Policies Regarding PF	14
C. PF From Previous Years	15
XV. APPLICATION DEADLINE & DRAFT FUNDING LISTS	15
XVI. SET-ASIDES	15
A. Small Systems Technical Assistance	15
B. Wellhead/Source Water Protection	16
C. Local Assistance as Part of State Capacity Development Strategy	17
D. State Program Management	17
XVII. PUBLIC PARTICIPATION PROCESS	20

**WISCONSIN DEPARTMENT OF NATURAL RESOURCES
SAFE DRINKING WATER LOAN PROGRAM INTENDED USE PLAN
Covering Funding During State Fiscal Year 2022
For Receipt of the EPA Federal Fiscal Year 2021 Capitalization Grant**

I. INTRODUCTION

The Safe Drinking Water Act (SDWA) Amendments of 1996 (Public Law 104-182) were signed into law on August 6, 1996. Section 1452 of this Act authorized the Administrator of the U.S. Environmental Protection Agency (EPA) to establish the Drinking Water State Revolving Fund (DWSRF) program. The DWSRF was established to assist public water systems with financing the costs of infrastructure needed to achieve and maintain compliance with the requirements of the SDWA and to protect public health.

Section 1452(b) of the SDWA requires that each state prepare an annual Intended Use Plan (IUP) that identifies the uses of the funds in the DWSRF and describes how those funds support the goals of the SDWA. This document, along with the draft Funding List that is anticipated to be published in August 2021, comprise the State of Wisconsin Intended Use Plan for Federal Fiscal Year (FFY) 2021 DWSRF Capitalization Grant funds and other monies available in the DWSRF. The IUP is a part of Wisconsin's capitalization grant agreement package for FFY 2021 and covers anticipated activity during State Fiscal Year (SFY) 2022. Assurances and specific proposals for meeting federal requirements are provided in the Operating Agreement between the State and EPA Region 5.

II. DESCRIPTION OF THE SAFE DRINKING WATER LOAN PROGRAM (SDWLP)

The SDWLP operates as a leveraged loan program. Proceeds from revenue bonds issued by the State of Wisconsin provide state match that equals 20% of the capitalization grant received from EPA. The SDWLP is jointly administered by the Wisconsin Department of Natural Resources (DNR) and the Department of Administration (DOA) as a program under the Environmental Improvement Fund (EIF).

Under ch. NR 166, Wis. Adm. Code, a local governmental unit may receive financial assistance for projects with the following purposes:

- 1) Address SDWA health standards that have been exceeded or to prevent future violations of health standards and regulations contained in ch. NR 809, Wis. Adm. Code. This includes projects to maintain compliance with existing regulations for contaminants with acute health effects and regulations for contaminants with chronic health effects.
- 2) Replace infrastructure if necessary to maintain compliance or further the public health protection goals of the SDWA. This includes projects with any of the following purposes:
 - a. To rehabilitate or develop sources, excluding reservoirs, dams, dam rehabilitation and water rights, to replace contaminated sources;
 - b. To install or upgrade treatment facilities if, in the DNR's opinion, the project would improve the quality of drinking water to comply with primary or secondary drinking water standards;
 - c. To install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the public water system;
 - d. To install or replace transmission and distribution pipes to prevent contamination caused by leaks or breaks in the pipe, or improve water pressure to safe levels.
- 3) Consolidate existing community water systems that have technical, financial or managerial difficulties. Projects for consolidating existing systems shall be limited in scope to the service area of the systems being consolidated.
- 4) Purchase a portion of another public water system's capacity if it is the most cost-effective solution.

- 5) Restructure a public water system that is in non-compliance with SDWA requirements or lacks the technical, managerial and financial capability to maintain the system if the assistance will ensure that the system will return to and maintain compliance with SDWA requirements.
- 6) Create a new community water system or expand an existing community water system that, upon completion, will address an existing public health threat from contaminated drinking water provided by individual wells or surface water sources. Projects to address existing public health threats associated with individual wells or surface water sources shall be limited in scope to the specific geographic area affected by contamination and shall be a cost-effective solution to resolve the problem threatening public health. These types of projects must meet all of the following criteria:
 - a. The municipality submits documentation, such as well sampling results, showing that the maximum contaminant limit (MCL) for a microbiological, nitrate or nitrite, or chronic contaminant is exceeded by 40% or more of the individual wells or surface water sources within the affected area; or other documentation that indicates contamination is imminent.
 - b. The DNR determines that a community water system is a necessary and appropriate response to the contamination.

Please see Section IX regarding eligibility of watermain replacements in the presence of lead service lines.

Subject to the applicable requirements of ss. 281.59 and 281.61, Wis. Stats., the SDWLP may provide the following types of assistance for an eligible project unless the project has been substantially complete for three years or longer or the applicant already has long-term outstanding debt for a completed or substantially completed project:

- 1) Purchase or refinance the debt obligation of a local governmental unit if the debt was incurred to finance the cost of constructing an eligible project that is located within the State of Wisconsin.
- 2) Guarantee, or purchase insurance for, municipal obligations for the construction of public water systems, if the guarantee or purchase would improve credit market access or reduce interest costs applicable to the obligation.
- 3) Make loans below the market interest rate.

The SDWLP offers loans at a subsidized interest rate of 55% of the state's market rate. Loans to disadvantaged communities with populations less than 10,000 and median household incomes (MHIs) less than or equal to 80% of the state's MHI are offered at 33% of the state's market rate. The state's market rate is the effective interest rate, as determined by DOA, that would have been paid if a fixed-rate revenue obligation had been issued on the date financial assistance is awarded. The market rate in effect, for loans amortized over 20 years, for April 1 through June 30, 2021, is 2.70%. This rate is subject to change quarterly, or more frequently if deemed necessary due to emergency situations.

Since the beginning of the SDWLP, loans had been required to mature no more than twenty years from the date of the Financial Assistance Agreement. Recent changes at both the state and federal level now allow loans to mature not later than thirty years from the expected date of project completion, or the useful life of the project, whichever is less. The award of loans with terms exceeding twenty years and not exceeding thirty years will be based on a case-by case review by DOA and engineers in the DNR's Drinking Water program.

Loan terms greater than 20 years will need to be supported by an asset cost-weighted analysis to demonstrate that the mean anticipated design life of work funded under the loan equals or exceeds the loan duration. Projects consisting solely of pipeline construction do not require such documentation and are eligible for a 30-year loan.

Under the analysis, costs for each asset or asset system (HVAC, process equipment, tanks, etc.) are multiplied by the design life of that asset, summed, and divided by the total project cost less any non-asset costs. The resulting number, truncated at the integer, provides the maximum loan duration, not to exceed 30 years. Land should not be included in this calculation.

The cost-weighted-average design life should be documented on the provided [design life calculation worksheet](#). Asset design life may not exceed the range provided on that sheet for the relevant category unless asset-specific documentation supports an exception. The “lifespans” table provides recommended asset design lives, but deviations are allowed from these values. The design life of assets should reflect site-specific conditions. For instance, support systems such as HVAC should not be listed with a design life that exceeds the remaining design life of the structure that they serve.

Non-asset costs such as demolition, engineering, and administration should not be included in the design life calculations. The effective life of those costs is determined by the assets’ lifespan. Loans for demolition-only projects will be evaluated on a case-by-case basis.

If a loan term greater than 20 years is desired, it is preferable that the design life calculation worksheet be submitted along with project plans and specifications, but an absolute requirement that the spreadsheet be submitted no later than 9 weeks prior to the anticipated loan closing date.

As with twenty-year loans, DOA determines the applicable market interest rate for the quarter in which the project will close, based on market conditions at that time. The market rate in effect, for loans amortized for greater than 20 years but less than or equal to 30 years, for April 1 through June 30, 2021, is 2.90%.

Interest payments are required semi-annually on May 1st and November 1st while principal payments are required annually on May 1st. No fees are currently assessed under the SDWLP.

III. LEVERAGING OF THE SDWLP

The 2019-2021 Biennial Budget included the authority to issue revenue bonds for the SDWLP. These revenue bonds are issued under the EIF Revenue Bond Program created by the State in 2015. At the time the EIF Revenue Bond Program was created, the State worked extensively with EPA to ensure the proposed EIF Revenue Bond Program addressed federal requirements for both the SDWLP and the Clean Water Fund Program (CWFP). The Program Resolution for the EIF Revenue Bond Program includes provisions for the issuance of SDWLP revenue bonds and the tracking of those proceeds and repayments.

Revenue bonds are issued for the required state match on the annual Capitalization Grant for the SDWLP and also result in the funding of additional SDWLP projects through the leveraging of assets within the SDWLP, similar to the current structure of the CWFP.

IV. SOURCES AND USES OF FUNDS

The State of Wisconsin is applying for the FFY 2021 Capitalization Grant in the amount of \$18,749,000. A 20% state match in the amount of \$3,749,800 is authorized under state law and will be generated from revenue bonds. All state matching funds for the FFY 2021 Capitalization Grant will be disbursed to loan recipients before the state makes the first draw of federal funds from the capitalization grant. Thereafter, all draws against the FFY 2021 grant will be made at a cash draw ratio of 100% federal funds.

The FFY 2021 appropriation for the DWSRF, Public Law (P.L.) 116-260, requires states to award 14% of the capitalization grant as additional subsidy. Based on a capitalization grant amount of \$18,749,000, P.L. 116-260 requires that \$2,624,860 be provided as additional subsidy. In addition, recent changes to the SDWA now require a minimum of 6% and up to 35% of the capitalization grant (\$1,124,940 - \$6,562,150) to be awarded as additional subsidy to disadvantaged communities. All additional subsidy will be provided in the form of principal forgiveness (PF).

In addition to the FFY 2021 capitalization grant, Wisconsin has applied for the state’s share of funds that were reallocated from the State of Wyoming’s FFY 2019 DWSRF capitalization grant. These funds, in the amount of \$173,000, will be awarded

as an amendment to Wisconsin's FFY 2019 DWSRF capitalization grant and require a state match of \$34,600. Additionally, a minimum of 26% (\$44,980) is required to be awarded as additional subsidy.

Wisconsin will make \$4,044,980 in new PF available for SFY 2022 plus \$251,576 in PF released from previous SFYs for a total of \$4,296,556 in PF available for traditional drinking water projects in SFY 2022.

Subsidized loans in the amount of \$130,000,000 will be available from the capitalization grant and state match, principal and interest repayments, interest and investment earnings, and revenue bond proceeds.

Drinking water programmatic and administrative set-asides in the following amounts will be funded by the capitalization grant.

Administration	\$925,233
Technical Assistance	\$242,133
Wellhead Protection	\$583,417
Local Assistance	\$1,336,292
State Program Management	<u>\$2,728,399</u>
Total Amount of Set-asides:	\$5,815,474

See Section V. for a discussion of set-aside banking and Section XVI. for discussions of the individual set-asides.

V. BANKING OF SET-ASIDE AUTHORITY

Federal regulations allow unutilized authority for some of the drinking water set-asides (Administrative, Small Systems Technical Assistance, and State Program Management) to be banked for designation from future capitalization grants. The State has previously banked the following set-aside amounts:

\$2,620,752	in Administrative funds,
\$7,256,959	in State Program Management funds, and
<u>\$991,850</u>	in Small Systems Technical Assistance for a total of
\$10,869,561	in banked set-aside funds.

The State requests to bank an additional \$132,847 in Small Systems Technical Assistance funds, and to draw \$853,499 of banked State Program Management funds and \$11,760 of banked Administrative funds under this IUP. In addition, we are correcting banked amounts from FFYs 2017 through 2020 to reflect calculations utilizing the 1/5% of total net position option of calculating allowable administrative costs (the numbers above reflect this correction). This brings total banked funds to \$10,137,132. These banked funds are available for possible designation from a future Capitalization Grant.

VI. TRANSFER OF FUNDS FROM CWSRF TO DWSRF

Federal regulations allow a transfer between the State Revolving Funds of up to 33% of the amount of the Drinking Water Capitalization Grants. The State transferred a total of \$23,596,056 in loan funds from the Clean Water Fund Program (CWFP) to the SDWLP prior to FFY 2002. The State is not considering additional transfers under this authority at this time.

In addition, the Water Infrastructure Financing Transfer Act (WIFTA), which was passed in October 2019, allowed a one-time transfer of funds, as principal forgiveness, from the CWFP to the SDWLP for the purpose of addressing a threat to public health as a result of heightened exposure to lead in drinking water. WIFTA allowed an amount equal to no more than 5% of the cumulative clean water revolving fund capitalization grants made to the state to be transferred for this purpose. Wisconsin transferred the full amount allowable of \$63,809,549 on October 1, 2020. More information on the transfer is in Section IX. C. below.

VII. POLICY CHANGES IMPLEMENTED DURING SFY 2019

A number of policy changes were implemented starting in SFY 2019. These changes are still in effect for SFY 2022. The changes are briefly described below.

A. Online Application Submittal and Elimination of Grace Period

All SDWLP applications are required to be submitted through the new online application system. Information on accessing and using the online application system is [available on our website](#).

Since the system includes prompts whenever attachments are required, there is no longer a grace period for missing items. **All required information must be included with the application, by the application deadline, in order for the project to be included on the funding list.** Any application that is incomplete as of the application deadline will be added to the list as a supplemental application once the missing information is received and will not be eligible to receive PF. There is no guarantee that funds will be available for supplemental applications. Please note that plans and specifications need to be submitted to the Bureau of Drinking Water and Groundwater in addition to being uploaded as part of the SDWLP application.

B. Elimination of Non-Core Costs

During SFYs 2016-2018, the SDWLP allowed applicants to request a limited amount of funding for items and activities that fell outside of the core scope of the project being funded. These costs were described as *non-core costs*. Administration of the non-core costs turned out to be administratively burdensome, so starting with SFY 2019, non-core costs were no longer allowed to be included in financial assistance applications. Note that costs for development of asset management plans are eligible to be included in SDWLP applications despite being system-related costs rather than project-related.

C. Median Household Income (MHI) Cutoff Clarification

The MHI cutoff for eligibility, interest rate, and point determinations is 80.0%. All MHI calculations will be rounded to the third place after the decimal. This policy is truer to language in sections of the CWFP and SDWLP statutes that read XX% or less. (e.g., 80.0001% would be equal to 80.000%; 80.0005% would be equal to 80.001% and considered greater than 80.000%.)

D. Priority Evaluation and Ranking Formula (PERF) Scoring Process

Potential loan applicants must prepare and submit their projects' Intent to Apply form (ITA) and PERF by October 31, 2021 using the online system. The DNR will evaluate ITAs and PERFs solely for project eligibility, and eligible projects will be listed on the Project Priority List reflecting the self-scores as submitted by potential loan applicants. The DNR will review, verify and/or modify the self-scores of eligible projects, as appropriate, for which complete applications are received by June 30, 2022.

E. PERF Score Objections

With streamlining the PERF scoring review process as described above, ss. NR 166.24 (7) and (8), Wis. Adm. Code, relating to objections to PERF score changes will no longer be relevant since scores will no longer be modified by the DNR at the time of ITA/PERF submittal. Instead, a loan applicant may request a score reevaluation no later than 45 days after the application deadline of June 30, per s. NR 166.24 (9), Wis. Adm. Code.

F. Potential Extra Points for Lead ALEs

Municipalities that experience a lead action level exceedance (ALE) and are required to replace lead service lines (LSLs) under the Lead and Copper Rule, may qualify for "Risk to Human Health" priority score points for inorganic contaminants (IOCs) under Section I, question HH1 d. in the SDWLP PERF. In order to receive points in water main replacement projects,

or portions of a project, at least 40% of the service lines being replaced must be lead. This also includes galvanized material that is downstream of lead goosenecks or services.

VIII. ONLINE TRAINING COURSES

The DNR's Bureau of Drinking Water and Groundwater contracted for the creation of three [online training courses](#), comprised of four modules. These online modules are management trainings intended for government bodies (village/town boards and city councils) as well as other utility governing boards (utility commissions) and professionals with decision authority as it pertains to drinking water utilities. The first two modules were available in January 2021, the third module will be ready for implementation by July 2021 and the final module will be ready for implementation by January 2022. These training modules are titled *Utility Management – Part A*; *Utility Management – Part B*; *Asset Management*; and *Financial Management*, respectively.

The overarching theme of all four training modules is to aid governing bodies in developing and maintaining technical, managerial and financial (TMF) capacity of a water utility - capacity development. The purpose of the training is to educate the governing bodies of water utilities on how to effectively manage their utility, their utility's assets, and their utility's finances. Although these trainings are specifically intended for governing bodies and other governmental professionals with decision authority, the content of all four modules is highly relevant to waterworks operators certified by the DNR. Therefore, certified waterworks (municipal) operators are eligible to enroll in all four modules and will earn one continuing-education credit for each successfully completed module.

There is no cost to take the trainings and they are not offered at specific dates and times but rather are self-paced and can be accessed for up to a year after registering. Each module should take approximately one hour to complete.

In order to incentivize this training, 10 points is being granted under Section IV (System and Consolidated System Capacity Points) of the PERF if at least 50 percent of the members of the water utility's governing body have taken all of the training modules available at the time of application. These points are available starting in SFY 2022. More information on this can be found in Section XII. of this IUP -- Changes to PERF Scoring Criteria.

IX. REPLACEMENT OF LEAD SERVICE LINES

Please note: The SDWLP will not provide funding for individual service line replacements that do not result in complete removal of all lead components of water service lines from the watermain to the water meter or other connection point inside each property. Galvanized service lines that are currently, or have previously been, downstream of lead components are also considered lead service lines under this policy. This policy reflects the fact that partial lead service line replacements, or watermain replacements where the entire or a portion of the lead service line is left intact, can result in elevated lead levels at the tap for extended periods of time, creating a public health hazard. If a lead service line is discovered during construction of a watermain replacement project, and the complete lead service line is not replaced from the watermain to the meter inside the building, the SDWLP will not provide funding for the public side of the service line.

When lead service lines are discovered during a watermain replacement project funded by the SDWLP, and the private side of a lead service line is not able to be replaced at the same time as the public side, it is recommended that the private side replacement occur within 45 days of the public side replacement but required that it occur within 90 days in order to be eligible for SDWLP funding. Funding disbursement should not be requested until the entire line has been replaced. The water utility is also required to provide the customer with point-of-use filtration during the time period between the public and private side replacements, and enough filters for three months of use following the private side LSL replacement. Filters should be models that have been tested and certified to NSF/ANSI 53 for the reduction of lead.

A. PSC-Approved Private Lead Service Line (LSL) Replacements

With the passage of 2017 *Wisconsin Act 137* (§ 196.372, Wis. Stats.), water utility ratepayer funds can now be used to pay for up to 50% of a customer-side (private) lead service line replacement. As such, municipalities can now use water revenues to secure a SDWLP loan for the replacement of private LSLs if their program has received Public Service Commission (PSC) construction authorization approval. PSC approval is required by the time of application submittal.

B. Private LSL Replacements Funded with a General Obligation Pledge

Loans for replacement of private LSLs can be secured by a general obligation pledge. If a general obligation pledge is used for this purpose, the municipality must ensure that utility revenues are not subsequently used to repay the SDWLP loan.

C. Principal Forgiveness Funding for Private LSL Replacements

The Water Infrastructure Financing Transfer Act (WIFTA), which was passed on October 4, 2019, allowed a one-time transfer of funds from the CWFP to the SDWLP, as principal forgiveness, for the purpose of addressing a threat to public health as a result of heightened exposure to lead in drinking water. WIFTA allowed an amount equal to no more than 5% of the cumulative clean water state revolving fund capitalization grants made to the state to be transferred for this purpose. In Wisconsin, 5% of the cumulative CWFP capitalization grants received through October 1, 2020 came to \$63,809,549. These funds were transferred on October 1, 2020. In addition to the transferred funds, any funding released from the previous two-year LSL replacement program will be added to the total funding available. Awards made in 2017 are being closed out; municipalities with awards made in 2018 have through the end of June 2021 to incur costs under those awards and those awards will be closed out in the fall.

Applications submitted for the 2021 construction season are expected to utilize approximately \$40 million of the currently available funding. We are hopeful that more funding for the Private LSL Replacement Program will be allocated through the anticipated federal infrastructure bill, but whether that will occur, and the amount of funding that would be available, is currently unknown. It is our intention to publish an amendment to this IUP later this year after more information becomes available.

The private LSL replacement program is open to any municipality that has reported private lead or galvanized service lines to the PSC on Schedule W-29 of their annual report. Unlike the previous two-year LSL replacement program, the funding is not restricted to municipalities meeting the disadvantaged criteria. Reporting to the PSC completed through July 7, 2020 shows 195 municipalities reporting at least one lead or galvanized customer-side service line for a combined total of at least 181,304 private LSLs in Wisconsin. In addition to this, another 37,881 customer-side service lines have been reported as “unknown – may contain lead”. The number of known private LSLs is expected to increase as municipal inventory efforts are completed.

For SFY 2022, we are setting an **application deadline of Monday, November 15, 2021**. Municipalities should submit their applications via email to DNRLSLfunding@wisconsin.gov rather than through the online application system. The LSL application form will be revised later this summer and posted on our website once it is available. The application will also serve as the Intent to Apply for the project. No separate ITA submittal is required.

Applications will be scored utilizing the scoring system described below. The methodology for allocating funds under a scenario where there is insufficient funding for all applicants has not yet been decided but will be described in the previously mentioned amendment to this IUP that will be published later this year. Options that are being considered include a straight allocation of requested funds in priority score order, or making a minimum allocation to all applicants and then allocating remaining funds in priority score order. Feedback on these two options during the public comment period would be appreciated.

Awards will be 100% principal forgiveness and will be made for one construction season at a time. Final disbursements under the awards will be due by the last disbursement deadline in December (December 30, 2022 for the 2022 construction season) and awards will be closed out at that time. Shortly thereafter, funds available for the next construction season will be calculated. Any eligible excess expenses from the previous construction season will be given first priority for funding in the following construction season.

Private LSLs eligible for replacement under this program include:

- Residential LSLs (including multi-family buildings and buildings that contain both business and residential occupants);
- LSLs serving schools; and
- LSLs serving child daycares.

In addition, some non-residential properties (other than schools or daycares) will be considered eligible for private LSL replacement funding under the following circumstances:

- The non-residential LSL is connected to a watermain that is being replaced utilizing funding provided by the SDWLP; and
- At least 50% of the LSLs on the block in which the non-residential LSL is located are otherwise eligible for replacement through the private LSL replacement program (LSLs serving residences, schools, or daycares). A block is considered to be the segment between cross streets and includes all service lines connected to the watermain on that segment of the street.

Note that galvanized service lines that are currently or have previously been downstream of lead components, and lead goosenecks, are considered LSLs for purposes of this program.

Awards will be based on the following:

- The estimated number of LSLs that the municipality can replace in one construction season;
- An assumed average cost per LSL replacement, based on data collected during the previous two-year LSL replacement program and other local data, or if a municipally-bid contract is utilized, the award will be based on eligible contracted costs;
- Whether any cost-sharing from homeowners will be required. In this instance, the awarded amount per LSL would be reduced accordingly.

Awards will only cover construction costs, with the following exceptions:

- Up to \$5,000 for engineering and administrative support will be available for small systems (municipal population under 3,300);
- Up to \$5,000 for costs related to developing a mandatory replacement ordinance will be available to all applicants.

A mandatory replacement ordinance is not required for the private LSL replacement program (unless a municipality is also participating in the PSC-approved program to use ratepayer funds), but it is strongly encouraged. Past experience has shown that even when 100% of the costs are being covered, many homeowners still choose not to have their LSL replaced.

Municipalities will be free to choose whether to develop a list of prequalified plumbers/contractors for homeowners to contract with directly, or whether to bid a municipal contract for the work. Whether 100% of the private LSL replacement cost is covered through the private LSL replacement program, or cost-sharing is required, is also a municipal decision.

Scoring and ranking of private LSL replacement projects will be based on the system described below. In any funding year, excess costs for LSL replacements that were incurred by program participants during the previous construction season will be allocated first, before allocating the remaining funding utilizing the scoring criteria described below. If the amount of excess costs from the previous year being requested is greater than the total available funding, those costs would be allocated in priority score order using the score from the previous funding cycle. The current Priority Evaluation and Ranking

Form (PERF), which is specific to LSL projects, is being revised. Applicants are required to submit the PERF no later than November 15, 2021 (note that this is also the application submittal deadline).

- **Poverty Percentage:** Using data from the American Community Survey (ACS), the percent of a municipality's population below 200% of the federal poverty level will generate points equal to the percentage, adjusted to the nearest whole number.
- **Percent of Population Under Age 5:** Using data from the ACS, the percent of a municipality's population under the age of five will generate points as follows:
 - Up to 2.5% = 5 points
 - Greater than 2.5% up to 5% = 10 points
 - Greater than 5% up to 7.5% = 15 points
 - Greater than 7.5% up to 10% = 20 points
 - Greater than 10% = 25 points
- **Municipal Population:** This will be used as a tiebreaker only, with the lower population receiving priority.
- **Mandatory Replacement Ordinance:** Municipalities will receive 10 points for having enacted an ordinance that requires each owner of a property that is serviced by a customer-side water service line containing lead to replace that customer-side water service line under certain conditions. Municipalities must provide documentation to support claims that a mandatory ordinance has been enacted.
- **Exceedance of NR 809 Lead Action Levels:** In the past five years, applicant municipalities that have exceeded the lead action level as described in chapter NR 809, Wis. Adm. Code, will receive 30 points. DNR's Drinking and Groundwater Program will provide a report of the municipalities that have exceeded NR 809 lead action levels during the past five years. This report will be provided at the same time data for the other metrics is obtained.
- **Whether all remaining LSLs can be removed in the upcoming construction season:** Municipalities that are positioned to remove all their remaining LSLs in one construction season will be awarded 20 points. This metric will be evaluated using the following criteria:
 - Whether a mandatory LSL replacement ordinance has been adopted.
 - The status of inventory efforts and reporting of inventory to the PSC.
 - The municipality's detailed plan for removing all LSLs.

X. SHORT- AND LONG-TERM GOALS

Federal regulations require that short- and long-term goals be developed for the program. Progress in meeting these goals is discussed in each year's Annual Report to EPA. Goals that have been established for the SDWLP are listed below.

A. Short-Term Goals:

- Direct funds to the State's most urgent SDWA compliance and public health needs;
- Continue to develop and improve strategies, programs, and mechanisms to ensure, improve, and evaluate the ability of public water systems to provide safe drinking water;
- Provide financial assistance, including principal forgiveness, to economically disadvantaged communities for the purpose of installing the necessary infrastructure to provide an adequate supply of safe drinking water;
- Provide financial assistance in the form of principal forgiveness to public water systems that have reported private lead service lines to the PSC for the purpose of removing privately-owned lead service lines;

- Incentivize public water systems to implement corrosion control study recommendations, develop and maintain asset management plans, and execute partnership agreements;
- Provide financial assistance, including principal forgiveness, to public water systems for addressing emerging or secondary contaminants exceeding state or federal health advisory levels;
- Protect municipal drinking water supplies by facilitating the development and implementation of wellhead protection plans; and
- Encourage public water systems to plan for the impacts of extreme weather events and provide funding through the SDWLP for projects that implement sustainability and resiliency.

B. Long-Term Goals:

- Assist public water systems in achieving and maintaining compliance with all applicable State and Federal drinking water requirements;
- Facilitate distribution system materials inventories and the replacement of all remaining lead service lines, in their entirety, in the State of Wisconsin;
- Protect the public health and environmental quality of the State of Wisconsin;
- Manage the state revolving loan fund in such a way as to protect its long-term integrity and enable it to revolve in perpetuity;
- Maintain existing partnerships with other State and Federal financing sources to coordinate funding and promote efficiency for both the agencies and the applicants;
- Monitor the progress of state programs and strategies in improving the ability of public water systems to provide safe drinking water;
- Maintain a program for ensuring that all public water systems are constructed, operated, maintained, and monitored properly;
- Protect drinking water supplies by integrating wellhead protection and source water protection efforts with other water and land use programs; and
- Develop methods and mechanisms for measuring program effectiveness.

XI. METHOD AND CRITERIA FOR DISTRIBUTION OF LOAN FUNDS

The priority evaluation and ranking system for the SDWLP is detailed in Subchapter III of ch. NR 166, Wis. Adm. Code. The purpose of the priority evaluation and ranking criteria is to establish a list of eligible projects to be funded in a manner that is in accordance with the federal requirements of the 1996 SDWA reauthorization. The SDWA requires, to the maximum extent practicable, that priority ranking be given to projects that: 1) address the most serious risk to human health; 2) are necessary to ensure compliance with the requirements of the SDWA (including requirements for filtration); and 3) assist systems most in need on a per household basis according to state affordability criteria.

Wisconsin's priority evaluation and ranking criteria give first priority to acute public health risks, particularly those related to microbiological organisms, and second priority to situations that pose chronic and longer-term health risks to consumers, such as organic chemical contamination. The scoring criteria also consider issues that are related to infrastructure upgrading or replacement, to address those projects (or portions of a project) that are eligible for funding but not included in the first two sections.

Projects are granted additional points if the project is associated with a system considered most in need of financial assistance on a per-household basis. A public water system must have a population less than 10,000 and an MHI less than or equal to 80% of the state's MHI to qualify for any points related to financial need.

Projects that meet the application deadline are listed on the Funding List in priority order (by project score). The fundable range is established in priority order, except when ranking projects in priority order does not result in at least 15% of the funds being allocated to small systems serving less than 10,000 people. In this case, systems serving less than 10,000 people are given priority until the 15% funding allocation requirement is met.

In the event of a disaster, as declared by the state or federal government, project priorities may be adjusted to ensure protection of public health and the environment.

XII. CHANGES TO PERF SCORING CRITERIA

Section NR 166.23(7), Wisc. Adm. Code allows the addition or modification of scoring criteria through the annual Intended Use Plan. The changes below are being implemented starting with SFY 2022.

Points are available under Section IV (System and Consolidated System Capacity Points) of the PERF as follows:

- 10 points will be granted if at least 50% of the members of the water utility's governing body have taken all of the online training modules available at the time of application (see Section VIII above). Training must be completed and certified online by June 30 of each year in conjunction with a SDWLP application.
- 20 points will be granted for projects including the replacement of LSLs where the LSLs constitute at least 40% of the service lines being replaced. This also includes galvanized material that is downstream of lead goosenecks or services. Service line material documentation must be submitted with the application in order to be awarded points. Note that a municipality does not need to be in receipt of an ALE to receive these points.
- 20 points will be granted for projects implementing the approved recommendations from a corrosion control study. Eligibility will be determined by the DNR's Drinking Water Program.
- 20 points will be granted for projects where the applicant has submitted a new Asset Management Plan for its drinking water utility. Minimum criteria for the Asset Management Plans is available on our [program website](#). Plans must be submitted by June 30 of each year in conjunction with a SDWLP application. DNR's Drinking Water Program reviews and approves all Asset Management Plans.
- 15 points will be granted for projects where the applicant has submitted a revised/updated Asset Management Plan for its drinking water utility. Updated plans must be submitted by June 30 of each year in conjunction with a SDWLP application. DNR's Drinking Water Program reviews and approves all Asset Management Plans. Criteria for updated plans is available on our [program website](#). Criteria and approval will be the same as for new Asset Management Plans (above).
- 10 points will be granted for projects where the applicant has executed a new agreement between two or more water systems to improve technical, managerial, and financial capacity. The municipality must submit required materials by June 30 of each year in conjunction with a SDWLP application. DNR's Drinking Water Program will review these materials to determine point eligibility. Criteria for awarding public water system partnership points is available on our [program website](#).

The following modification is made to question SC7 under Section III (Secondary Contaminant Violation and System Compliance) of the PERF:

- 4 points will be awarded under question SC7 if the project includes replacement of lead joints or replacement of LSLs where the LSLs constitute less than 40% of the service lines being replaced.

In addition, we are clarifying that projects that address PFAS or other emerging contaminants currently are eligible projects under the SDWLP. Until an MCL has been established, these projects would receive points under Section I (Risk to Human Health) as an anticipated exceedance. For PFAS, a project would receive 20 points as an anticipated exceedance of a Synthetic Organic Chemical (SOC) under question HH2 d. Once an MCL has been established, a PFAS project could receive up to 250 points under question HH1 d. for elimination of an MCL violation of a chronic contaminant (SOC).

Starting in SFY 2023, the following points will apply to watermain replacement projects that also include the replacement of private LSLs:

- If at least 200 private LSLs are being removed as part of the project – 30 points
- If at least 100 private LSLs but less than 200 are being removed as part of the project– 25 points
- If at least 50 private LSLs but less than 100 are being removed as part of the project– 20 points
- If at least 25 private LSLs but less than 50 are being removed as part of the project– 15 points
- If at least 15 private LSLs but less than 25 are being removed as part of the project– 10 points
- If less than 15 private LSLs are being removed as part of the project – 4 points
- If project will remove all remaining private LSLs in the municipality – 10 additional points

XIII. COMPLIANCE WITH FEDERAL REQUIREMENTS

A. Water Infrastructure Improvements for the Nation (WIIN) Act

The Water Infrastructure Improvements for the Nation Act (P.L. 114-322) was enacted on December 16, 2016. Subtitle A of WIIN pertains to Safe Drinking Water and includes provisions impacting the DWSRFs.

One of the WIIN provisions impacting the DWSRFs was a change in how the allowable amounts of administrative funds are calculated, similar to the changes made to the Clean Water State Revolving Fund (CWSRF) when the Water Resources Reform and Development Act (WRRDA) was passed in June 2014. This change allows the State of Wisconsin to use the greatest of: \$400,000; 1/5 percent of the current valuation of the DWSRF; or an amount equal to four percent of all capitalization grant awards to the fund.

Based on Wisconsin's June 30, 2020, financial statements for the EIF, the total net position of the SDWLP is equal to \$456,736,755, yielding allowable administrative funds of \$913,473 under the 1/5 percent option. This amount is higher than 4% of the capitalization grant amount (\$749,960). Administrative funds in the amount of \$925,233 are being requested so \$11,760 will be drawn from the \$2,620,752 in banked administrative authority. (See Section V. above for details on banking of set-aside authority.)

B. Consolidated Appropriations Act of 2021

The FFY 2021 Consolidated Appropriations Act (P.L. 116-260), enacted on December 27, 2020, contained additional requirements beyond what is included in the federal regulations governing the DWSRF. The requirements for FFY 2021 included the provision that 14% of the amount of the FFY 2021 DWSRF capitalization grant be used to provide additional subsidy in the form of grants, principal forgiveness, or negative interest rate loans. Projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities are still eligible for funding, but there is no longer a requirement to spend a specific percentage of the capitalization grant funds on green projects. The use of American Iron and Steel was also included in the act in addition to being extended through FFY 2023 by AWIA.

C. America's Water Infrastructure Act (AWIA)

America's Water Infrastructure Act of 2018 (P.L. 115-270) was signed into law on October 23, 2018. AWIA made changes to

both the DWSRF and the CWSRF (these changes were discussed in a [newsletter article](#) in April 2019). Pertinent changes include:

- **Change in the minimum amount of additional subsidy required to be available for disadvantaged communities** – Prior to AWIA, the SDWA allowed up to 30% of each capitalization grant to be used as additional subsidy (principal forgiveness) for disadvantaged communities. Provision of this additional subsidy was optional. AWIA changed this to requiring a minimum of 6% be used as additional subsidy up to a maximum of 35%. This additional subsidy is in addition to the 14% required by the FFY 2021 appropriation act.
- **Codification of Davis-Bacon and Related Acts wage rate requirements** – P.L. 112-74 (the FFY 2012 Appropriations Act) had previously extended the requirement for compliance with the Davis-Bacon Act for each fiscal year thereafter. AWIA moved this requirement into the DWSRF-authorizing section of the SDWA (§1452(a)(5)). Information on Davis-Bacon requirements is available on the [program website](#). All projects receiving funding are required to certify their weekly payrolls on their disbursement request forms. Compliance is further verified during field inspections of projects and an additional certification that the requirements were met is required as part of project closeout.
- **Extension of the use of American Iron and Steel requirement** – While the requirement for the use of American iron and steel has still not been made a permanent part of the DWSRF, AWIA did extend the requirement through FFY 2023. It was also required under the FFY 2021 appropriations act. This provision requires DWSRF assistance recipients to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system.

Information on the use of American Iron and Steel has been detailed in the Environmental Loans *eBulletin* and on the program website. Language has been added to the Financial Assistance Agreements addressing this requirement and all municipalities must certify that they will meet the requirement before closing on their loan and also certify that the requirement was met as part of project closeout. The certification form and more information on the requirement are available on our [program website](#).
- **Encouraging the development of Asset Management Plans** – States must amend their state capacity development strategies by December 31, 2021, to include a description of how the state will encourage the development of asset management plans that include best practices, training, technical assistance and other activities to help with implementation of those plans. States also must include an update of these activities that encourage asset management practices in the Governor's triennial report.

D. Green Project Reserve

The FFY 2021 Consolidated Appropriations Act (P.L. 116-260) did not reinstate the requirement to fund projects under the Green Project Reserve (GPR). The FFY 2021 appropriation instead stated that DWSRF capitalization grant funds may, at the discretion of the State, be used for projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. The State is still asking applicants to complete the [GPR form \(8700-357\)](#). Any GPR projects that receive funding will be reported to EPA in the Annual Report and the Drinking Water Projects and Benefits Reporting database.

E. Federal Equivalency

The EPA requires States to designate projects in an amount equal to each year's capitalization grant (minus the set-asides) to meet some additional federal requirements. These projects are referred to as "Federal Equivalency" projects.

Starting with SFY 2020, all SDWLP projects in municipalities with a population of 10,000 or greater and total project costs of \$1,000,000 or greater, are automatically designated as federal equivalency. The one exception to this is that private LSL replacement projects will never be designated as federal equivalency regardless of the award amount or population of the municipality.

Federal equivalency projects are required to meet a number of additional requirements, as applicable. These requirements include:

- Enhancing public awareness of state revolving fund assistance agreements – also referred to as a Signage requirement. This requirement can be met through the following methods:
 - Standard signage;
 - Posters or wall signage in a public building or location;
 - Newspaper or periodical advertisement for project construction, groundbreaking ceremony or operation of the new or improved facility;
 - Online signage placed on community website or social media outlet; or
 - Press release.
- Compliance with Federal Single Audit Act, 2 CFR 200 Subpart F.
- Compliance with NEPA-like Environmental Review (National Environmental Policy Act). The State Environmental Review Process (SERP) includes numerous federal cross-cutting regulations and is applied to all projects receiving funding.
- Compliance with Equal Employment Opportunity, Executive Order 11246.
- Promoting the Use of Small, Minority, and Women-owned Businesses, Executive Orders 11625, 12138, and 12432.
- Compliance with Debarment and Suspension, Executive Order 12549.
- Compliance with Demonstration Cities and Metropolitan Development Act, P.L. 89-754, as amended.
- Compliance with Uniform Relocation Assistance and Real Property Acquisition Policies Act, P.L. 91-646, as amended.
- Completion and submittal of [DNR Form 8700-201](#), Federal Equivalency Projects Assurances and Certification. This form has recently been revised. Please make certain you use the current version of the form.

XIV. DISADVANTAGED COMMUNITIES PROGRAM & PRINCIPAL FORGIVENESS (PF)

The SDWLP offers a lower interest rate to local governmental units that meet two eligibility criteria. This interest rate is 33% of the state's market rate. The two eligibility criteria are:

- 1) the local governmental unit's population must be less than 10,000; and
- 2) the local governmental unit's MHI must be 80% or less of the state's MHI.

Local governmental units that do not meet the two criteria receive loans at 55% of the state's market rate.

In addition, the methodology used to allocate PF is primarily based on population and MHI, and gives the highest percentage of PF to those local governmental units that have the greatest financial need. The methodology for allocating PF is described below and must be met by any municipality that is awarded PF (with the exception of the new private LSL replacement program).

A. Affordability Criteria and Methodology for Distribution of PF Funds

The PF allocation methodology is structured to allocate PF funds to the highest priority projects in municipalities with the greatest financial need, primarily determined by MHI and population, with additional points awarded based on a number of criteria included in Table 3. Note that in previous years there were four tables. Points under the previous Table 3 were moved to Section IV of the PERF in order to allow all applicants to benefit from completing the activities. Table 4 has now been relabeled as Table 3.

Regular PF in the amount of \$4,296,556 will be provided. Applications submitted by June 30, 2021, will be ranked in priority score order, and then the following PF methodology will be applied:

- Population points ranging from 0 to 50 are awarded under Table 1 with the highest points assigned to the smallest populations.

- MHI points ranging from 0 to 100 are awarded under Table 2 based on the municipality's MHI's percentage of the State MHI with the highest points assigned to the lowest MHI percentages.
- Scores from Tables 1 and 2 are added together and then used to determine the eligible PF percentage in Table 3.
- Projects in municipalities that are Green Tier Legacy Communities or that are providing disinfection where it was not provided previously are eligible for an additional 10% PF on top of the percentage determined by Table 3, with the caveat that no municipality can receive PF for more than 70% of total project costs.
- The amount of PF any municipality can receive in one SFY is capped at \$500,000. Additionally, a single project cannot receive more than one full PF allocation (based on the eligible PF percentage and/or the cap) even if that project is funded from two or more SFYs.

Table 1	
Points	Population
0	10,000+
5	8,500–9,999
10	5,000–8,499
15	3,000–4,999
20	2,000–2,999
25	1,500–1,999
30	1,000–1,499
35	500–999
40	250–499

Table 2	
Points	MHI Percent
0	126%+
5	116% to <126%
10	106% to <116%
15	101% to <106%
20	96% to <101%
25	91% to <96%
30	86% to <91%
40	81% to <86%
50	76% to <81%
60	71% to <76%
70	66% to <71%
85	61% to <66%
100	<61%

Table 3	
Total Score	PF Percent
0-49	No PF
50-79	30%
80-99	45%
100-165	60%

B. Other Policies Regarding Principal Forgiveness (PF)

- **No PF-only awards** - As a revolving loan program, fiscal prudence dictates that the SDWLP only award PF for projects for which loan funds are also awarded. This results in a continuation of fund integrity while providing some funding in the form of PF, helping disadvantaged municipalities offset some costs of their infrastructure improvements. This restriction does not apply to the private LSL replacement program.
- **No PF on costs covered by other funding sources** – When calculating project costs that are eligible for PF, the amounts from other funding sources (Community Development Block Grant, USDA-Rural Development, local bank, internal funds, etc.) are deducted from total eligible project costs before applying the eligible PF percentage determined in Table 4 above. **Note that this is a change from previous policy in that internal funds will now be deducted before calculating PF.**
- **Jointly-funded Financial Hardship Scenarios** – If a municipality is in dire financial hardship and cannot fund a project while complying with the policies above, the SDWLP may collaborate with other long-term, affordable funding sources on a case-by-case basis to consider available options to meet the financial needs of the municipality's project.
- **Disbursement of PF** – PF funds are disbursed as a percentage of each disbursement request. The percentage is the percentage of PF that the municipality is eligible for, up to the cap, if applicable. The proportional disbursement of PF is a more fair and equitable way to distribute these funds and results in a more accurate payment of PF to each municipality. This policy reduces potential overpayments of PF and ensures that PF funds are distributed as widely as possible to eligible municipalities based on actual costs rather than anticipated costs.

- **No PF “roll-down”** – PF amounts may shift between projects within the fundable range on the *Final Funding List*. If any PF remains after all projects in the fundable range have closed their loans, this PF will be moved forward to the next year’s funding list. No PF will roll down past the last project identified in the fundable range for PF on the Final SFY 2022 Funding List.
- **PF restrictions on refinancing** - Due to restrictions contained in the FFY 2021 Consolidated Appropriations Act, PF authorized by the Appropriations Act is not allowed to be used to refinance costs paid by interim financing that was incurred prior to December 27, 2020, the date the Appropriations Act was enacted. This restriction only applies to the PF required by the Appropriations Act (14% of the capitalization grant), not to any additional PF that is provided under SDWA provisions.

C. Principal Forgiveness from Previous Years

All principal forgiveness from the FFY 2010 through 2018 grants has been awarded. All projects allocated PF on the SFY 2021 funding list (primarily from the FFY 2020 grant) will close on their loans by the end of June 2021. Any PF remaining from the FFY 2020 grant will be added to the PF available during SFY 2022 in the final version of this IUP.

XV. APPLICATION DEADLINE & FUNDING LIST

The SDWLP received 275 ITA forms and PERFs totaling \$616,800,831 in estimated project costs by the October 31, 2020, deadline. The projects were subsequently scored and placed on the Project Priority List (PPL) in priority score order. Projects included on the PPL are eligible to apply for funding during SFY 2022. An additional 31 ITA forms were received for projects that were ineligible or undetermined.

The application deadline for SFY 2022 funding is June 30, 2021. The DNR expects to publish the draft Funding List in early August.

XVI. SET-ASIDES

A. Small Systems Technical Assistance

The SDWA allows up to 2% of the capitalization grant to be requested every year for small systems technical assistance. From the beginning of the program through SFY 2021, the DNR has requested \$6,721,842 in set-aside funds for this purpose. The DNR is requesting an additional \$242,133 from the FFY 2021 Capitalization Grant to fund the technical assistance activities described below.

The DNR contracts for delivery of a technical assistance program for other-than-municipal (OTM) community and non-transient non-community (NTNC) public water systems. Wisconsin has more than 1,300 of these small systems; many are not served by full-time operators and need help complying with regulatory requirements. Two types of technical assistance are delivered under this contract:

- (1) The contractor conducts 700 site visits per year at OTM and NTNC water systems around Wisconsin and provides on-site technical assistance on various subjects, including: monitoring requirements and schedules; sample collection protocols; reporting and public notice requirements; violation follow-up; contaminant exceedances; operation and maintenance problems; and regulatory compliance.
- (2) The contractor delivers quarterly monitoring reminders to all the OTM and NTNC water systems in Wisconsin, for a total of approximately 5,760 contacts per year. The contacts provide information about monitoring, sampling and

reporting requirements, monitoring deadlines, sample collection protocols, sampling locations, public notice and notification requirements, and violation follow-up.

The objectives of this technical assistance program are: to protect public health and safety by ensuring that OTM and NTNC public water systems in Wisconsin are operated and maintained properly, sampled in the appropriate manner and frequency, and provide drinking water that meets water quality standards; and to reduce historic rates of monitoring and reporting violations.

B. Wellhead/Source Water Protection

The SDWA provides that a state may request up to 15% of the Capitalization Grant for Local Assistance and Other State Programs, with the stipulation that not more than 10% of the capitalization grant can be used for any one activity. One of the eligible uses is to support the establishment and implementation of wellhead protection (WHP) programs under section 1428 of the SDWA. Since the beginning of the SDWLP, the DNR has requested a total of \$5,952,682 for WHP activities, including \$416,714 that was transferred from source water assessment program (SWAP) funds.

The DNR is requesting an additional \$583,417 from the FFY 2021 Capitalization Grant to fund the following WHP activities:

- Water Supply Specialist (.5 FTE) Responsible for the contract implementation of a community watershed decision support tools for source water protection and prevention of MCLs to protecting drinking water systems in priority geographic areas. The approximate staff budget for the 0.5 position is \$62,313 per year.
- Sponsorship of one online workshop to provide training to teachers on use of the groundwater sand tank model and associated outreach to promote source water protection based on increased local awareness. Teachers are specifically recruited from communities with state- or county-led wellhead protection initiatives underway. Past trainees are alerted about events such as Drinking Water Week as a reminder to use the models and deliver groundwater information. The DNR will work with the UW-Stevens Point Center for Watershed Science and Education and Wisconsin Geological and Natural History Survey to provide these educational tools and the training to use them (\$32,000).
- Maintenance and redesign of data management and mapping applications used to track contaminant sources, public wells, wellhead protection planning and implementation, other high-capacity wells, well construction reports, and groundwater quality.

Drinking Water/Groundwater Bureau Map Exporter	\$7,500
Drinking Water/Groundwater Bureau Updater (Data Loader)	\$15,000
Drinking Water/Groundwater Bureau Viewers	\$15,000
Groundwater Retrieval Network (GRN) Maintenance	\$49,600
Groundwater Retrieval Network Web query	<u>\$15,000</u>
Total data management and mapping request for SFY 2022	\$102,100

- Development and demonstration of groundwater and nitrogen fertilizer decision support tools used to implement wellhead protection approaches to protect drinking water systems by providing intervention options to stem rising nitrate levels and prevent exceedance of the health-based drinking water standard. Groundwater quality data from public water systems indicates an increasing trend of nitrate levels in public wells across the State of Wisconsin. Nitrate contamination has spread and increased in intensity despite broad offerings of education on wellhead protection and decades of cost-sharing for best management practices. Continued increases in the nitrate levels will ultimately result in installation of water treatment equipment by water system owners in order to meet the SDWA standard for nitrate. This project is developing tools and demonstrating approaches for changing land use practices of non-point contributors of nitrate to groundwater to reduce pollutant loads in source water management areas and avoid the need for well replacement or installation of water treatment systems. Community wellhead protection areas have been selected for this project where data collection on groundwater quality, nitrogen management in agricultural production, and parameters related to nitrate

fate and transport is ongoing. Advanced groundwater monitoring and modeling, along with agricultural systems modeling, incentives and institutional arrangements are being utilized to help design and implement nitrogen management systems that avoid violations of the nitrate drinking water standard while maintaining sustainable agricultural production. The project includes evaluation of the short- and long-term economics of treatment versus prevention. The project has entered the second phase where the objective is to document technology and procedures in the form of Decision Support Tools that will enable wider adaptation to priority source water priority protection areas throughout the state (\$387,004).

The total cost of these activities is:

• Water Supply Specialist position .5 FTE	\$62,313
• Groundwater teacher workshops	\$32,000
• Data management and mapping applications	\$102,100
• Decision Support Tools for Source Water Protection/Prevention of MCLs	<u>\$387,004</u>
Total set-aside request	<u>\$583,417</u>

C. Local Assistance to Water Systems as Part of a State Capacity Development Strategy

A state may provide assistance to a public water system as part of a capacity development strategy under section 1420(c) of the SDWA. Fifteen percent of total capitalization grant funds may be requested for Local Assistance and Other State Programs as long as no more than 10% is used for any one activity. Funds for this set-aside were first requested for SFY 2010 and a total of \$12,060,405 has been requested prior to SFY 2022.

In accordance with Wisconsin's capacity development strategy to direct efforts towards systems that face the risk of being out of compliance, the DNR is utilizing local assistance set-aside funding to contract with county and local health agencies for transient non-community (TNC) system inspection services. These services include: conducting annual site visits; collecting drinking water quality samples; and conducting inspections (sanitary surveys) at least once every five years. With implementation of the Revised Total Coliform Rule, county and local health agencies are also assisting seasonal systems with reporting requirements for seasonal system start-up procedures.

There are approximately 9,300 TNC systems in Wisconsin (typically commercial establishments, restaurants, campgrounds, churches, etc., that serve at least 25 people at least 60 days of the year). These systems are generally small and are not required to have certified operators. By having county health employees conduct yearly site visits and collect drinking water quality samples, monitoring and reporting violations are greatly reduced and systems are more likely to meet SDWA requirements.

For calendar year 2021, the DNR entered into 44 contracts covering 54 counties with approximately 6,800 TNC systems. In calendar year 2022, the DNR is planning to add one county to the program. The DNR is requesting \$1,336,292 for this TNC sampling and inspection program.

D. State Program Management

The SDWA provides that a state may request up to 10% of the Capitalization Grant for State Program Management (SPM) activities. An additional \$2,458,862 from the FFY 2021 Capitalization Grant is being requested for SPM. The amount requested includes \$583,962 of SPM authority that was banked under previous grants.

As a result of implementation of additional SDWA requirements (such as the Revised Total Coliform rule, Groundwater rule, Enhanced Surface Water Treatment rule, Disinfection/Disinfection Byproducts rule, Capacity Development requirements, Operator Certification requirements, as well as revised standards for arsenic and radionuclides), additional staff are necessary to meet basic program needs for SDWA initiatives as well as existing program requirement changes (such as sanitary surveys being required every 3 years instead of every 5 years for some system types). Fourteen and a half positions are assigned to these tasks that are described in more detail below. The SPM set-aside is being utilized to fund these activities:

- Natural Resources Regional Program Manager (1): Responsible for management and supervision of the Public Water Supply Section. The section chief is responsible for setting program policies and processes to properly and effectively implement the SDWA.
- Engineer (2): Responsible for performing engineering duties in the water program for municipal, OTM, and NTNC water systems. This includes performing sanitary surveys, annual inspections, operation and maintenance assistance, consultation with systems and engineers on plan review and system design, monitoring water quality, contamination response, witnessing and monitoring of new construction, and enforcement activities.
- Water supply/program specialist (7): Responsible for implementing the SDWA program for community, OTM, NTNC, and TNC systems. This includes conducting sanitary surveys, preparing survey reports, enforcement activities, monitoring sample submissions and reports from these systems, operation and maintenance assistance, limited plan review, investigative sampling, providing public education, and training of system operators/samplers.
- Safe Drinking Water Act Coordinator (1): Responsible for development and implementation of public water supply program objectives, preparation of annual program plans and progress reports, interpretation of federal regulations and direct translation of federal rules into state codes, statewide coordination of Safe Drinking Water Program monitoring requirements, and review of Safe Drinking Water Program required water quality data.
- Environmental Program Associate (0.5): This position manages real-time public drinking water supply monitoring data, providing professional and programmatic support services for the Drinking Water and Groundwater Program in the implementation of the SDWA. This includes providing first-line public contact for health and safety related activities and enforcement with public water systems, laboratories, local government officials, and other state agencies. This position also provides technical guidance, assistance, and training for drinking water and groundwater program staff and county contract agents.
- Capacity Development/Operator Certification Water Supply Specialist (1): Responsible for directing the capacity development, operator certification, and technical assistance portions of the State Safe Drinking Water Program. This includes development and implementation of capacity development objectives, administration of the water system and waterworks operator certification program, administration of the small system technical assistance program, preparation of program plan and progress reports, and interpretation of federal regulations.
- Lead and Copper Engineer (1): Responsible for coordinating and assisting in implementation of portions of the state Safe Drinking Water program, specifically the Lead and Copper Rule under the Safe Drinking Water Act. Activities include evaluating: public water system materials for sources of lead and copper; proper monitoring site types, location, and monitoring frequency; monitoring data; water quality parameters; treatment efficacy; and corrective actions to maintain compliance with the applicable statutes and administrative rules; interpretation of federal regulations and direct translation of federal rules into state codes; and statewide and interdepartmental coordination of program activities.
- Lead and Copper Water Supply Specialist (1): Responsible for coordinating and assisting in implementation of portions of the state Safe Drinking Water program, specifically the Lead and Copper Rule under the Safe Drinking Water Act. Activities include evaluating: public water system materials for sources of lead and copper; proper monitoring site types, location, and monitoring frequency; monitoring data; water quality parameters; treatment efficacy; and corrective actions to maintain compliance with the applicable statutes and administrative rules; interpretation of federal regulations and direct translation of federal rules into state codes; and statewide and interdepartmental coordination of program activities.

The approximate staff budget for the 14.5 positions is \$1,666,093 per year. Other program expenses are as follows:

- Computer replacement and upgrades: Total cost: \$5,000.
- Record keeping related to plans and specifications, administering the operator certification program, lead and copper policy development, review of plans and specifications, and conducting annual site visits at TNC systems (8 half-time limited term employees): Total cost per year: \$338,323.

- Contractual activities:
 - Large volume source water assessment monitoring under the Revised Total Coliform Rule (RTCR) – The DNR will contract with the Wisconsin State Laboratory of Hygiene (WSLH) to implement a 100-liter microbial analysis for use with RTCR unsafe follow-up assessments. The WSLH will: train and coordinate with DNR staff to maintain hollow fiber ultrafiltration (HFUF) sampling hardware and capabilities; integrate a survey component to unsafe sample follow-up activities; conduct bi-weekly analysis of RTCR positive samples (unsafes) using HFUF concentrates for the full suite of analytes; and perform a critical analysis of assessment information, monitoring data, and success of analytical designs. Total annual cost for the two-year project: \$80,000.
 - Public Water Supply Data Management and Customer Support – The DNR is contracting with the WSLH to coordinate monitoring data exchange - including facility names, locations, monitoring requirements, and monitoring results - between the DNR and WSLH relative to Public Water Systems. The WSLH will also provide customer service to public water systems related to SDWA-required monitoring. Annual cost: \$20,000.
 - Continuing education for OTM and NTNC water system operators - Certified operators of OTM and NTNC public water systems are required to obtain six hours of continuing education credits per three-year renewal cycle. The DNR contracts for delivery of approximately 55 three-hour courses annually that are targeted and designed specifically for OTM and NTNC water systems, and that cover regulatory and operational topics identified as critical for maintaining compliance with drinking water regulations. Annual cost: \$68,712.
 - OTM & NTNC Exam Preparation and Review Courses - The DNR contracts for delivery of 6 exam preparation courses annually that are designed to help individuals prepare for taking the Wisconsin non-municipal water system operator certification exam. The exam preparation training sessions are four hours long and are offered throughout the year as preparation for certification exams. The course is designed around the Wisconsin *Small Water System Operator Certification Manual*. Annual cost: \$8,109.
 - Technical School Education Program – The DNR contracts with Moraine Park Technical College (MPTC) for delivery of courses designed for certified waterworks operators (at municipal water systems). These courses provide opportunities for municipal waterworks operators to earn continuing education credits and also work towards an associate degree in Water Quality Technology. MPTC also provides courses to help operators and individuals seeking to become operators, prepare for certification exams. Annual cost: \$50,000.
 - Online Training in Utility Management, Asset Management, and Financial Management for Utility Governing Bodies – The DNR is currently contracting with Moraine Park Technical College for three (3) online training courses comprised of four (4) unique learning modules, the first two training modules launched January 2021. These online modules are management trainings intended for government bodies (city councils and village/town boards) as well as other utility governing boards (utility commissions) and professionals with decision making authority as it pertains to drinking water utilities. Annual cost: \$33,200.
 - During SFY 2021, the DNR began contract discussions with ABC Certification Services to convert DNR's hardcopy, in-person license and operator exams to a virtual format, along with an in-person testing-center option. The COVID-19 pandemic posed a number of challenges to the DNR's previous model of in-person exams, prompting the DNR to put out a request for bid for a testing provider who could offer an online exam option. The total startup cost for this contract in SFY 2021 was \$16,750. Annual cost: \$5,925.
 - Data system programming associated with the Drinking Water System, the Lab Data Entry System, and the Environmental Licensing and Certification Database. Annual cost: \$178,500.
 - Record storage costs for plan approval decisions. Annual cost: \$5,000.

In total, the DNR is requesting \$2,458,862 from the FFY 2021 Capitalization Grant for activities under this set-aside. These funds will be expended across the year following expenditure of the FFY 2020 set-aside funds.

XVII. PUBLIC PARTICIPATION PROCESS

This draft IUP is being posted for a 21-day public comment period on May 27, 2021. The draft IUP is available on the Environmental Loans [Project Lists and IUPs](#) webpage. An e-mail notification was sent to a distribution list of approximately 2,400 recipients. Written comments on the draft IUP will be taken through Friday, June 18, 2021. Please send comments to Becky Scott at rebecca.scott@wisconsin.gov. The final SFY 2022 SDWLP IUP will be published on the Environmental Loans Project Lists and IUPs webpage.

Green Bay Got the Lead Out, and Here's How they did it

By: Green Bay Water Utility General Manager Nancy Quirk, P.E., Andrea Hay, Director of Communication, Water Quality Manager Russ Hardwick and Business Manager Stephanie Rogers

Green Bay Water Utility eradicates lead pipes from the City of Green Bay." After five long years of hard work, this was the headline read by our local news anchors, splashed in the paper and read on the radio in early October. Getting the lead out was a hard-fought battle by a dedicated team of employees, lawmakers, friends of the utility and with the support of our city leaders. We learned a lot during this process; this timeline is an insight into how the project was organized and financed. We hope it will be of use to others facing a similar challenge.

The Background

The Green Bay Water Utility [we/our/us hereafter] was started in 1886 by a group of businessmen, and the City of Green Bay bought the utility in 1920. Our records indicate that lead was used for water services by the utility until 1944, as was the case in cities across America. We also know that property owners typically used galvanized iron as well. Since the mid-1990s, we have conducted on-going replacements of utility-owned lead laterals during water main replacements and leak repairs.

Extensive water quality and treatment studies were performed from the early 1990s as we complied with the Lead and Copper Rule (EPA, 1991). At that time, we changed coagulant, which lowered our lead levels.

The information in this report is based on the accounts of Green Bay General Manager Nancy Quirk, P.E., and members of her senior management team, many of whom were present for the events that took place in this account. Some of the earlier years were recounted through internal documentation, as well as the first-hand accounts of utility staff who have been with us for a long time. Hundreds of hours have been put into the lead replacement program at Green Bay Water Utility. Information for the sake of this report came in the form of written internal utility records and supplemented with the examination of EPA and DNR rulings, Green Bay Water Utility financial reports, Green Bay City Council meetings, and Utility Water Commission meeting minutes. The use of "we" in this document refers to the Green Bay Water Utility.

The Timeline

2011

In 2011, we tested around 100 samples for lead and copper rule compliance. The lead results clearly showed that the samples exceeded the 90th percentile. However, the copper samples were in

compliance.

In the fall of 2011, we began the corrosion-control study process. We identified two companies to perform pilot-testing of several different corrosion-control chemicals. We also looked at phosphoric acid as a possible corrosion control chemical. We performed a pilot study of phosphoric acid at 36% and 25.5% concentrations. This study indicated that both concentrations would reduce potential copper corrosion, but both would increase lead corrosion potential.

2012

In 2012, we conducted a series of coupon test-loops for polyphosphate remediation of the dissolved lead problem. They also ran a coupon test-loop experiment using NaOH.

The pilot studies were performed using corrosion coupon testing racks. The 90-day pilot studies began in early 2012 and ran to August of that year. The corrosion control chemicals tested were: ortho/poly phosphate blend (70/30), sodium silicate and caustic soda. The ortho/poly blend was tested at two different doses, 0.50 mg/l, and 1.00 mg/l as total phosphate. Each company made a recommendation for the chemical(s) they supplied.

The utility asked the DNR about lead service replacement as an option to corrosion control in 2012 and an inquiry into lead service lining. The response from DNR to us in June stated, "While installation of pipelining material is not listed as a corrosion control operation, and lead service line replacement is only acceptable under the rule after chemical treatment is installed and shown to be ineffective, we would be willing to consider these if all options of chemical treatment were evaluated, and deemed to be infeasible."

We performed all the public education requirements of NR 809.546.

2013

In 2013 we reached out to Abigail Cantor, Process Research Solutions (PRS), to perform a comprehensive water quality investigation. This approach took a more in-depth look into the cause(s) of our lead exceedance. We wanted to make sure that any changes to the treatment process would not have any unintended consequences. As part of this investigation, an active lead service line was removed and sent in for scale analysis to the University of Cincinnati research labs.

The Green Bay Water Utility had spent eighteen

Got the Lead Out *continued on next page*

Got the Lead Out *continued from previous page*

months performing scientific studies and testing. Per NR 809.543(3), we extensively explored, tested, and analyzed the following corrosion control treatments and parameters in conjunction with the Green Bay Water Utility System:

1. pH adjustment
2. The addition of phosphates
3. The addition of sodium silicate
4. Particulate vs. dissolved lead

Abigail Cantor of Process Research wrote in response to the DNR letter: "The water quality investigation report from Process Research Solutions suggested that the lead release in Green Bay is more significantly caused by accumulation and transport of lead by iron and manganese particulates from pipe wall scales than by the actual uniform chemical corrosion of piping materials ... Microorganisms and their biofilms most likely contribute to the corrosion of the iron pipe in the water system, creating the iron particulates, as well as directly corroding copper and lead to some degree."

In June of 2013, we submitted our corrosion control study report to the DNR. The report's recommendations were to continue with our public education, perform unidirectional flushing (UDF) of water mains in lead service line areas, and a lead service line replacement program.

We performed all the public education requirements of NR 809.546.

2014

We replaced 16 utility-owned LSL (lead service line) with in-house crews

We continued to work with Abigail Cantor and, in April of 2014, installed a Process Research Solutions Monitoring Station at a utility-owned facility in the distribution system. This monitoring station was used to collect water quality data weekly to help determine the UDF program's effect.

In 2014 the sequential sampling of a home with lead service was performed as part of a study with AWWA. This home also had copper and galvanized pipe material, so we obtained usable data.

As part of our studies, ATP (ATP detection is the method that directly assesses living cells from any type of microbe, providing an immediate indication of microbial contamination in a sample) and AOC (Assimilable organic carbon) were monitored at the filter plant and in the distribution system.

Seeing the benefit of flushing these services following a replacement, we began service-line flushing with every lead service replacement. The meter was

removed, and a pump installed draining into a convenient outlet, and the line was flushed until clear. It continues to this day.

We contracted AECOM to design a UDF program as they had created and calibrated the hydraulic model. We began the unidirectional flushing program in 2014. At the end of October, 176 miles of main in the John Street Pressure zone flushing were completed.

GBWU participated in a Water Research Foundation project 4586 with other State of Wisconsin utilities, water, and wastewater, in collaboration with Process Research and EPA Region 5. Its objectives were to:

- Determine if cleaning water distribution systems and achieving biologically stable water can significantly lower lead and copper concentrations in drinking water.
- Determine whether phosphate dosages could be lowered or eliminated if lower lead and copper concentrations could be achieved.
- Assess financial, water quality, and environmental benefits of optimizing the orthophosphate dosage for both drinking water and wastewater utilities

We performed all public education requirements of NR 809.546.

2015

We replaced 62 utility-owned LSL with in-house crews.

We replaced 79 utility-owned LSL using contractors on main/service replacements.

We continued the UDF program and finished our first full city flushing of 436.4 miles of water main. This completed the goal of flushing the entire city in two years.

The monitoring station at our Bond Street Well has been operating since April 10, 2014. Water Quality testing was on-going from the metal chambers and the flowing water as prescribed by the research study parameters. We also continued to perform sequential sampling on two lead service lines in the system, and recently sent sequential samples to EPA Region 5. We sent the metal coupons for testing the first week in January 2016 and continued to perform sequential sampling on two lead service lines in the system. We also sent our results of this sequential sampling to EPA Region 5.

In 2015, we undertook a pilot testing project with

Got the Lead Out *continued on next page*

Got the Lead Out *continued from previous page*

Jacobs Engineering to evaluate filter performance and water quality if biological granular activated carbon (GAC) was used instead of anthracite as a filter. That study concluded that GAC was not more effective in removing organics than our standard filter media.

Flint, Michigan's lead crisis hit the news big in the fall of 2015. That timeframe also coincided with the National Drinking Water Advisory Council (NDWAC) submitting its recommendations to the EPA for updates to the Lead and Copper Rule in December 2015 (NDWAC, 2015). Nancy knew that Carrie Lewis (former Milwaukee Water Superintendent) was a member of the NDWAC lead and copper team. She contacted Carrie to ask if lead service replacement was going to be a part of their recommendation. Carrie responded in the affirmative and asked Nancy how many lead services Green Bay had at the time. She was told it was close to 2000. She responded, "Get your backhoes out and start digging. "With that advice, Nancy approached Green Bay's Distribution Manager, Paul Pavlik. She asked him to start working on getting more lead services replaced with in-house crews, on top of water main replacement work, which included lead service replacements. He said he would look into it and start working on it.

Because we had exceeded the 90% lead action level of 15ppb in 2012, we were required to issue a press release twice a year on lead education. With this requirement looming in front of us at the end of 2015, when the Flint, Michigan lead crisis was featured prominently in the news, we wanted to know the lead poisoning status in Brown County. So, we called the Brown County Health Department and met with them. Of all 17 of the children in Brown County with elevated blood lead levels at that time, only two lived in Green Bay. When we looked up their addresses, they did not have a lead service. Brown County had also performed investigations and found that the elevated blood lead levels were attributable to lead paint and lead in the environment. After our meeting with Brown County Health lead investigation teams, they invited us to participate in the lead coalition through Brown County, and we agreed.

We also started distributing water pitcher filters to homes where we discovered that the property owner had lead on their side, unknown to us previously, when we were in the process of replacing the utility-owned lead service. After they received the pitcher filter, we prioritized the lead replacement through our private lead replacement program. Through the length of this project, we distributed approximately 50.

We performed all public education requirements of NR 809.546.

2016

We replaced 309 utility-owned LSL with our crews

We replaced 31 utility-owned LSL with contractors on main/service replacements

At the beginning of 2016, our Geographic Information System (GIS), records indicated that we had 1782 known utility-owned lead service lines. We had an average of 35,871 utility-owned services in the system at the beginning of 2016. So, we could tell the public that less than 5% of our homes had a lead service. We estimated that we had about 100 private lead laterals in our water system area (as we found out later, this number was low).

At the Green Bay Water Utility Commission meeting in February of 2016, GBWU personnel presented the facts regarding Flint, Michigan. Green Bay Water Utility Commissioners asked staff how quickly we could remove all of our lead services. Nancy replied that she would work with her management team to develop a plan to remove all the lead services. She also noted that we were removing lead services already at a more accelerated rate.

We started meeting internally as a team to develop a plan involving the Finance, Operations, Engineering, Filter Plant, and Administration departments. The agendas included: schedule, funding, flushing, public education, sampling, and replacement schedules. We queried our GIS records to find service material for schools and daycares. We confirmed that none of the school buildings had lead services, but we did have a few licensed daycares with a lead service. We prioritized those properties and replaced the lead services early in 2016.

On March 7, 2016, we sent out letters to our customers who we knew had a lead service, both utility-owned and privately owned. The letters told them that we were aware that they had a lead service, and we gave them ways to minimize their exposure to lead in their drinking water. It is important to note here that our billing section helped us with the addresses and property owners of these lead services.

We were required to test for lead and copper again in 2016. We were instructed by WDNR to sample only on lead service homes and that we needed 100 samples between January and June and another 100 samples between July and December. We decided that every house that tests over 15 ppb will be scheduled for lead service replacement within 30-60 days.

Got the Lead Out *continued from previous page*

We were gearing up to replace our lead services, so we queried our GIS for properties where we had a utility-owned lead service, and the property owner's service material was unknown. We didn't want to do a partial replacement. That query resulted in 588 properties. We sent them a letter stating that we did not know their service material and wanted access to check. We also sent them a FAQ for lead line extensions. We provided information such as:

- Is there lead in the city's source water?
- Where does the lead come from?
- What will the Green Bay Water Utility inspection entail, and how long will it take?
- Will the inspection cost me anything?
- What should I do if there are lead pipes in my house?

We also provided them with a brochure from the health department on lead.

In March, we also started working with two public relations firms. Coalesce in Appleton helped us determine who our audience was and our message to each group. Susan Frost, our other PR consultant, started contacting the Hmong and Hispanic communities in Green Bay. We set up three public meetings for May.

As we were developing the lead service replacement plan, we tried to minimize costs where we could. On March 14, we met with DPW and overlaid in GIS our lead services on the City map. We talked about them prioritizing street replacement projects on streets with older mains and lead services over the next couple of years. This would accomplish two things: (1) reduced cost for lead replacement in a joint project (pavement), (2) Contractors would be able to replace the lead in addition to our crews, thereby accomplishing the removal at a faster pace.

We also called some contractors and worked some cost comparisons of lead service pavement repair vs. a standard main break pavement patch.

On April 1, the Mayor called a meeting with his chief of staff and Nancy. The Mayor also wanted to get all the lead out of the city. We discussed the difference between utility-owned and privately owned lines. They brought in community housing, and we discussed the possibility of community developed block grants to help our homeowners replace their side.

On April 7, we met in a joint meeting with Brown County Health, with the City of Green Bay Neighborhood Association leaders talking about Flint, Michigan, and lead removal status and our plan to remove the lead water services in the City

of Green Bay.

On April 20, 2016, having just returned from a Water Utility Council meeting of AWWA in Washington DC with EPA, we convened a meeting with the Green Bay Public Schools Maintenance team. We shared the EPA Guidance 3Ts For Reducing Lead in Drinking Water (EPA, 2018). This included lists of school plumbing fixtures that contained lead and recommendations for sampling school facilities. We verified in our records that none of the 40+ public school buildings had a lead service.

On May 3, the Common Council passed a plan commission procedure: "To eliminate all plumbing permit fees for private lead pipe service line upgrades through December 31, 2017" (Note: That practice remained throughout our project.)

On May 5, we met again, and the school district started to develop an internal plan at our meeting, and we agreed to help them get started with water sampling. Our customer service and metering lead worker collaborated with them on sampling. We did find one school at the beginning with a high lead level. We assisted the school district in high velocity flushing the incoming service line. The lead levels were significantly reduced to below the action level.

They proceeded to test all their school buildings and did an inventory of the drinking fountains. They found that almost all of the drinking fountains had been upgraded in the last couple of years, and none of the buildings had the fountains made of lead. Their lead tests in the buildings all came back under the action levels for schools.

Later in April, Nancy started meeting with our City Attorney on drafting the ordinance for private lead service replacement.

In May of 2016, we held public meetings with our customers. With an interpreter, we met with our Hmong population first on May 11. There were about 20 women at the Hmong center. We were invited to stay for a potluck dinner with an interesting selection of food. We then met with our general population at the Neville Museum on May 14. We had one attendee, so we talked with her, and then she left. On May 19, we met at a local church where Hispanics attend and gave a presentation to about eight people. We had interpreters there that night too. We concluded from these meetings that our residents weren't overly concerned about the topic.

On June 13, 2016, the Water Utility Commission approved the language for the ordinance to go to City Council. They also passed the resolution language for the City Council to accept safe drinking water

Got the Lead Out *continued on next page*

Got the Lead Out *continued from previous page*

loans for our city to help our customers pay for lead service replacement. We had a deadline to submit our ITA (Intent to Apply) and PERF (Priority Evaluation and Ranking Formula) by June 30, 2016.

During this time, the City Council also approved \$300,000 to go to property owners with lead services to help them pay for the replacement. The city had received over \$5.45 million from the excess funds from the Lambeau Field tax credit and the allocated \$300,000 to remove the private lead services. This was based on an original estimate of 100 private lead services at \$3000 cost each. That turned out to be an underestimate of the quantity and the cost, but this money, along with the Safe Drinking Water Loan Program (SDWLP), helped us achieve our goals. SDWLP money could only be used for residential properties. We were able to replace lead services connecting commercial properties with the money we received from the city.

In July 2016, WDNR notified us that we would be granted \$500,000 of SDWLP funds toward property-owner side lead service line replacement.

So, with the private side information more set, we presented our plan for total lead service replacement to our Commission on September 12, 2016, and they approved the following:

1. Lead Service Replacement
 - a. Public
 - i. 360 removed per year
 - ii. New Crew
 - iii. New Equipment
 - iv. Rate increase
 - b. Private
 - i. 160 removed in a 2-year period with contractors
 - ii. DNR SDWLP
 - iii. City funds from tax refunds
 - c. Continue inventory investigation
 - i. 800 vacs with staff
 - ii. 2200 properties to investigate built before 1945
 1. Send surveys
 2. Home inspections
2. Corrosion Abatement
 - a. Uni-Directional Flushing
 - b. Additional Studies
 - i. Biostability of system
 - ii. Polymers to remove additional organics
 - iii. Flushing effectiveness in home plumbing service
3. Public Education
 - a. Social Media
 - i. Facebook and Twitter
 - ii. Website (gbwater.org)
 - b. Mailings
 - i. Send letters to lead service homes/business

once per year

- c. Brown County Health
 - i. Collaborate with BCHD to educate on overall lead safety in homes
 - ii. Attend meetings, collaborate with BC Lead Coalition Team

On October 26, the common council approved the \$300,000 for the Lambeau Tax Refund.

The city also passed a resolution that property owners disclose the water service material at the time of sale.

We needed to find out how many private lead services we had. Around that time, we send postcards out to the 2200 homes to ask them to do an inspection themselves. We created an online survey with Survey Monkey for them to complete. We made a YouTube video showing how to identify the pipes and posted it on our website for them. We also sent a press release to the media and emails to the Common Council and our Commission for full transparency. Several media outlets ran the story. We mailed another round of postcards on November 14 and again on December 5.

In the fourth quarter of 2016, GBWU staff often met as a team. We worked on inventory, funding, personnel. We had submitted our SDWL application and were waiting for an answer as to when that would start. In addition, we prepared all of the agreements for the private lead with our attorney.

It was also a rule at the PSC at this time that water utilities could not use ratepayer money to fund private property. A private lead service fits that category of private property. The SDWL were to be disbursed to the "City of Green Bay." So, we created a resolution that went through our common council to give me the authority to disperse the funds from the Water Utility accounts.

Green Bay's first award under the LSL program was executed on December 14, 2016. This agreement was between the City of Green Bay, DNR, and DOA. We were the first city in the State of Wisconsin to sign this agreement.

We performed all public education requirements of NR 809.546.

2017

We replaced 441 utility-owned LSL with our crews

We replaced 34 utility-owned LSL with contractors on main/service replacements

At the Start of 2017, we had 142 private LSL in the

Got the Lead Out *continued on next page*

Got the Lead Out *continued from previous page*

program. Another 60 were found and added during 2017. In total, 135 were replaced in 2017

We began filling the new crew positions: Crew Leader, Distribution Operator, and Distribution Maintenance worker. We filled the Crew Leader and Distribution Operator vacancies internally to promote internal promotions. We then advertised outside our utility for three Distribution Maintenance Workers. They were hired in the April time frame.

We started contacting our private lead property owners and held a meeting with pre-qualified contractors on February 21, 2017.

Brian and Nancy presented on our lead service replacement program at AWWA Conference and Exhibition in 2017.

We continued to perform system studies on our water quality. In addition to working with Process Research Solutions, Abigail recruited Dr. Andrew Jacque of Water Quality Investigations (WQI), a microbiologist, to start working with our data. We started collecting and analyzing biofilm from our UDF project and transmission lines from the lake. Samples were obtained from the water system on various dates to assess the effectiveness of unidirectional flushing (UDF) to remove biofilm and debris from the water system.

The assessment by WQI included microbial occurrence testing, MBP/DP/EEM testing to assess the presence of biofilm, and electrochemical testing to assess changes in basic water quality parameters and the potential for biofilm formation. Water samples were also analyzed for metals occurrence by Northern Lakes Service (NLS).

We performed all public education requirements of NR 809.546.

2018

We replaced 270 utility-owned LSL with our crews

We replaced 70 utility-owned LSL with contractors on main/service replacements

At the start of 2018, we had 67 private LSLs included in the program. Another 24 were found and added during 2018. In total, 74 were replaced in 2018.

We continued to clean our system. After microbiological studies by WQI, we added our transmission lines to our flushing/scouring program. We started at our lake station and worked our way to the city.

Transmission Lines:

- We high velocity scoured the raw water transmission mains of our 54" line and 42" line in January of 2018.

- We then high velocity scoured the segments of our finished transmission 36" lines in March of 2018.

Distribution lines:

We also continue our distribution main unidirectional flushing. We flushed the entire system twice in 2014-2015 and 2017-2018. Please note the reduced volume of water used and initial turbidity values are lower in the 2017-2018 flushing.

Service lines:

- This year we started having our Customer Service Technicians flush the service line from the main to the meter with each meter replacement.
- After every lead service replacement, our customer service technician performs a high-velocity flush on the service line from the main to the meter before reinstalling the new meter.

We were still working on our inventory of private lead services. In 2016, we started with 2700 properties based on a query from GIS of homes built before 1945 and were missing private side data. We are now down to 15 homes and making efforts to enter these properties to determine service material; an estimated 1 to 2 percent are anticipated to be lead.

As we began to have fewer homes to sample that had lead services, our metering and cross-connection team started checking homes built in 1983 and 1984 with lead check swabs for copper services with lead solder.

In March 2018, we continued our research by performing an air scoured of two employees' homes plumbing with WQI.

2019

We replaced 309 utility-owned LSL with our crews.

We replaced 28 utility-owned LSL with contractors on main/service replacements.



Got the Lead Out *continued on next page*

Got the Lead Out *continued from previous page*

By the start of 2019, we had 17 private LSLs included in the program. An additional 13 were found over the year and added during 2019. In total, 15 were replaced in 2019.

GBWU and our consultants had a meeting in Madison on February 4, 2019, to discuss our Corrosion Control studies and conclusions.

We started working on our PSC application for private lead service partial funding.

June 24, 2019, Dave Ross, Assistant administrator to Water at EPA, came to us to thank our workers and commend them on the work they were doing to replace the lead service lines.

October 10, 2019, Andrew Wheeler, EPA Administrator, signed the proposed update to the lead and copper rule on City Deck in Green Bay, highlighting our work to remove lead services. They also visited a lead service replacement.

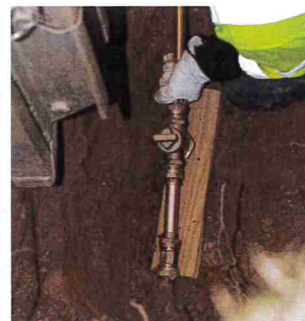
2020

We replaced 217 utility-owned LSL with our crews

We replaced 65 utility-owned LSL with contractors on main/service replacements

At the start of 2020, we had 15 private LSLs included in the program. A further nine were found and added during 2020. In total, 23 have been replaced to date in 2020. However, one remains outstanding as the property has changed hands. We are continuing to encourage the new owner to cooperate with the program.

COVID 19 slowed us up a bit, but, with the proper PPE, we went back out to finish our job.



Lead services became rare, so we started testing for LCR with homes that had copper services with lead solder, per WDNR code, and with the approval of our DNR engineer.

October 6, 2020

We completed our 5-year project with the final replacement in a private home in Green Bay. The event was marked with a press conference and a live broadcast of the final construction work to remove the last lead service. This was a moment of celebration and pride for not only us at Green Bay Water Utility, but for the whole community. This was an ambitious project, but there is no doubt in our minds that every cent, every meeting, and every sleepless night was worth such a positive outcome.



Got the Lead Out *continued on next page*

Records Management

On our side as a Utility, we maintained our original records through entering Service Card Records into our GIS Service Line Attributes and attached Scanned Cards to Services in GIS. With these up-to-date records, we were, therefore, able to run queries on pre-1945 installations that formed a comprehensive to-do list or 'Utility-Side Lead Replacements.' However, this wasn't plain-sailing, as will be explained shortly.

We were also able to keep track of costs against account numbers through CityWorks asset management. They created WO templates for Vacuum down and/or lead replacement on each effected address. This information was then synchronized with GIS updates so that every stage could be effectively monitored.

Regular reporting was also vital. Using GIS, we created monthly and yearly reports, graphs, charts, and tables for both public and internal use. We also shared Actual Lead Lists with the Health Department to allow them to keep track of our work. This system allowed for real-time queries and dashboards to monitor our progress in all remaining work. In general, this worked extremely effectively. However, many records were paper-based, and changing this mindset in some areas didn't happen overnight.

In terms of how this detailed record-keeping worked in practice, a lot of work was needed. A lot of information, including owner-specific information, had to be entered manually. The pre-1945 records were also challenging to input as there were many gaps in the information, and the writing itself was often illegible. We used interns with previous experience in the field to complete this arduous task. This often required extrapolating data from a wide variety of sources, including contacting owners individually (the postcards and self-checks contact mentioned earlier), using county records, and speaking to our in-house crews for information and estimating owner information to fill the gaps. We flagged these data-fields as "Inside House" to avoid confusion. However, this information was finally brought together to form the 'Private Side Lead Replacement Project.' We were finally able to contact all affected property owners with appropriate information regarding precautions and a schedule for remedial work.

The culmination of this extensive data-cleaning and gathering was a comprehensive list of what had to be done. However, this wasn't the end of the story. With CityWorks, we continued monitoring, updating, and producing reports, maps and dashboards for both internal and public use. Again, the switch to digital from paper-records didn't happen overnight, but we kept on top of what could have become an unwieldy

situation.

Finance

The pivotal aspect of this project's success was undoubtedly securing finance. For the Utility-Side Lead Replacements, we began spending funds on our removal costs in 2016. It was estimated that a 3% rate increase would be needed each year to cover the program's costs. A rate case was filed with the PSC in 2017, in which a 9.62% overall increase was approved. This rate increase did not go into effect until October of 2018. Another rate case was filed with the PSC in 2019, in which an increase of 5.1% was approved. This rate increase did not go into effect until June 2020. Our overall increase over the five years of removal (2016-2020) turned out to be approximately 15% or 3% per year. Our costs were paid for by our rate increases and cash on hand. We did not have to do any borrowing to pay for these expenses. Our wholesale customers did not pay any of the lead removal costs. Our estimated costs of removal from 2016-2020 were \$6,200,000. These costs included labor, benefits, materials, equipment, and contractors.

The story was slightly different for the Private-Side Lead Replacement. The City of Green Bay (City) received a portion of the excess Brown County Lambeau Field sales tax to be used in various areas, including economic development. We received funds from the City of Green Bay in the amount of \$300,000 to assist in replacing private lead services.

We worked with the City of Green Bay to apply for the Safe Drinking Water Loan Program (SDWLP) in 2016 (WDNR). This funding came from the EPA to allow for principal forgiveness for private service line replacement. The city was awarded \$500,000 for financial assistance in which all the principal will be forgiven. The city delegated us as the administrator of the SDWLP.

In 2017, we were awarded another \$300,000 from the SDWLP for private service line replacement with principal forgiveness. We had total funding of \$1,100,000 to assist the homeowner in removing the lead service line. 97% of the funds were spent on the actual cost of removal, and 3% was used for administration to manage the program efficiently. Approximately 233 (Brian to Confirm) lead services were removed at an average cost of \$4,700. We paid the contractor directly and then requested reimbursement from the SDWLP. We accounted for this activity in separate accounts since no utility funds were used. We were also required to report activity to the Public Service Commission in the annual report.

Got the Lead Out *continued from previous page*

Lesson Learned

So, what advice can we give other cities hoping to achieve the same successful outcome? It truly comes down to successful collaboration across the city. We fostered positive working relationships with city authorities, lawmakers and businesses, and kept an open dialogue with the Green Bay community throughout this process. It would be impossible to list every individual's effort towards the successful culmination of this challenge, but, as Nancy said in our last lead service replacement press conference, "It's been an ambitious goal, and a tremendous challenge, but we are happy to see this project successfully completed. As we start to wrap things up, we need to thank those who have been working tirelessly on this project to ensure we meet the deadline," 💧

Useful Documents

EPA. (1991). Lead and Copper Rule. Retrieved September 2020, from United States Environmental Protection Agency: <https://www.epa.gov/dwreginfo/lead-and-copper-rule>

EPA. (2018, October). 3Ts for Reducing Lead in Drinking Water in Schools and Childcare Facilities. Retrieved September 2020, from United States Environmental Protection Agency: <https://nepis.epa.gov/Exe/ZyPDF.cgi/P100VLI2.PDF?Dockey=P100VLI2.PDF>

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WDNR. (n.d.). Environmental Loans. Retrieved September 2020, from Wisconsin Department of Natural Resources: <https://dnr.wisconsin.gov/aid/EIF.html>

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Chair's Report



Angel Gebeau

Well, 2020 has been a crazy year to be the WIAWWA chair. I have had the privilege to see a lot of folks in WIAWWA shine in this year and step forward to help direct the section through this year of unknowns.

"Out of adversity comes opportunity" — Ben Franklin.

Embracing Technology

The WIAWWA board agreed that the annual conference is a prime vehicle for members to complete education and network with others in the industry. Canceling the conference would be a negative for the industry, but an in-person meeting was not practical in the "COVID crazy". As such, the board agreed to move to a virtual / digital

format for the conference.

John Richmond, Marshfield Utilities, lead the charge in selecting platforms for the annual conference. As such we used Whova for the conference platform and settled on business Zoom licenses for the actual presentations. The conference was a successful first ever virtual conference and, while we hope to be in person next year, we do take away thoughts on how to incorporate more digital information for our attendees at future in person conferences.

WIAWWA will be continuing with the business Zoom account as the main platform for all committee meetings and look forward to more opportunities to use this tool to provide connection between WIAWWA members. I encourage all WIAWWA members to bring forward more ideas on presentations or training or fun networking events that can use both Zoom and the great network of water professionals within WIAWWA.

Ryan Wood, Strand Associates, is leading the Engineering and Construction Committee with the first virtual seminar using the Zoom platform and the great WIAWWA committee members. We look forward to future seminars using virtual platforms during this time of enhanced social distancing.

Task Management

In 2020, WIAWWA welcomed two contract staff members to WIAWWA, Heidi Oberstadt (Communications Specialist) and Linda Reid (Education Specialist). These two contract staff members plus Jill Duchniak the WIAWWA Membership Services Coordinator, meant WIAWWA had to update how the Section manages tasks to be completed within the organization.

Sarah Nunn, CTW Corporation, has led the task of maintaining a running task list, tracking contracting tasks, and engaging in the work of managing the fluid needs for WIAWWA. This has led to better understanding of where we want to go as a section. The task implementation has resulted in completing items identified in the WIAWWA strategic plan and positioning for further success in 2021.

Membership Spotlight

This year has allowed us to focus on how WIAWWA can provide enhanced value to our members. WIAWWA has evaluated ways to improve communication and look at educational opportunities in a new light. We look forward to bringing more value to our members as we continue to advance the WIAWWA section.

Summary

I look back at 2020 as a year of growth for WIAWWA. As typical, the contact information for the board is provided in the newsletter (just look for a section usually shaded toward the front of the newsletter) and you can contact me or other board members regarding any ideas you may have to make WIAWWA better. As we enter into the next year, and we tackle new things and challenges ahead, I leave you with this quote of encouragement:

"The world promises you comfort, but you were not made for comfort. You were made for greatness." ~Pope Benedict XVI

Wishing you good water, good coffee, and a Great and Safe 2021. 💧



CITY OF WAUSAU

SOLE SOURCE PURCHASE JUSTIFICATION

REQUIRED FORM PURCHASE OF GOODS OR SERVICES EXCEEDING \$5,000

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 \$5,000 shall be evaluated and determined by the Department Head.
2. Sole source purchase of \$5,000 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.
Rehabilitation and Retrofit of 2.5 MG Prestressed Concrete Tank, Elm St. Reservoir
2. Provide a brief description of the intended application for the service or goods to be purchased.
Exterior preparation and coating, as well as hatch replacement and handrail install.
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.
A very limited number of vendors work with or are familiar with these types of tanks. Vendors unfamiliar with Precast Prestressed Concrete Tanks can cause unintentional structural damage.
4. Describe your efforts to identify other vendors to furnish the product or services.
Only two companies build and maintain these types of tanks. We have had a good past working relationship with one, they built our Industrial Park Reservoir and are currently building our two new tanks at the DWTF.
5. How did you determine that the sole source vendor's price was reasonable?
Pricing from this vendor has been 3-18% lower than competitors on past quotes.

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) If this PLC completely fails prior to replacement, operations would need to be m
- ☒ 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: Water

Preparer: Scott Boers

Vendor Name: DN Tanks

Expected amount of purchase or contract: \$158,150.00

Department Head Signature:

Date:

Finance Director Signature:

Date:



Generations Strong

CONSTRUCTION CONTRACT PROPOSAL

Date: 7/1/2021

Reference: Project: Rehabilitation and Retrofit of 2.5 MG Prestressed Concrete Tank
 Elm St. Reservoir
 Location: City of Wausau

As requested, we are pleased to provide the following proposal to perform certain rehabilitation and retrofit work on the above referenced tank. DN TANKS' contract price is based on the conditions outlined hereunder. In arriving at DN TANKS' cost, DN TANKS assumed an uninterrupted operation starting with the day the Owner requests DN TANKS to mobilize.

I. OUTLINE OF SERVICES FURNISHED BY DN TANKS:

DN Tanks shall provide all designs, labor, equipment, supervision, materials, and incidentals to perform the following work:

2.5MG Ground Storage Tank Rehabilitation & Retrofit

- A. Provide design drawings for a new roof access hatch and safety handrail sealed by a Professional Engineer registered in the State of Wisconsin experienced in the design and retrofit of AWWA D110 Type III tanks to ensure no damage is caused to the existing tank structure.
- B. Clean by high-pressure water blast the exterior surface of the exposed tank wall and dome including a rinse down using a minimum five percent chlorine solution to kill all mold and mildew.
- C. Perform any incidental remedial work required to the tank wall and dome including the removal of efflorescence and minor patching to provide a sound surface for the application of a water resistant coating.
- D. Apply two (2) coats of Tammscoat by Euclid Chemical Co. to the exposed exterior tank wall and dome at the manufacturer's recommended coverage rates (100 to 120 Square Feet per Gallon).
- E. Furnish and install a new 42" square dome access hatch complete. Work to include removal of the existing hatch cover and retrofitting, as required, the existing curb to receive the new aluminum hatch with stainless steel hardware.
- F. Furnish and install new aluminum dome safety handrail complete around the existing roof hatch.

Site Structures

- A. Clean by high-pressure water blast the exterior concrete surface of the exposed wall and roof of the 22' diameter and 10' diameter structures adjacent to the tank including a rinse down using a minimum five percent chlorine solution to kill all mold and mildew.
- B. Perform any incidental remedial work required to the concrete surfaces including the removal of efflorescence and minor patching to provide a sound surface for the application of a water resistant coating.
- C. Apply two (2) coats of Tammscoat by Euclid Chemical Co. to the exposed exterior wall and roof of the structures at the manufacturer's recommended coverage rates (100 to 120 Square Feet per Gallon).

Adhesion tests have not been performed on the existing surfaces to be re-coated in this project. This testing will be performed prior to full re-coating to confirm no additional surface preparation is required beyond the work described above.

II. WORK TO BE PERFORMED BY OTHERS:

- A. **Layout and Survey:** All layout and survey work required to locate tank piping locations, elevations, base control lines and grades as required for the project, and benchmark of elevation, center point and north reference point for construction.
- B. **Site Access Road, Storage Areas, Traffic Control, and Parking:** Suitable all-weather access for heavy equipment to the job site and adequate working and storage areas for our materials and equipment shall be provided by others. Such roads shall be suitable for DN TANKS to drive its material trucks and equipment up and down and positioned to allow access to the tank site. Adequate parking spaces shall be provided for DN TANKS' construction personnel.
- C. **Backfill and Restoration:** DN TANKS shall restore areas disturbed directly as a result of DN TANKS work and no other improvements and/or landscaping is included.
- D. **Electrical and Instrumentation Work:** Any and all electrical, SCADA, and instrumentation work associated with this project shall be provided by others.

III. GENERAL CONDITIONS:

- A. **Licenses and Permits:** The Owner shall procure and pay for all building permits, licenses (other than contractor's and business), and inspections required by any local, county, state, and/or Federal authority for any part of the work under this Agreement and shall furnish any bonds or security of deposits required by such authority to permit performance of the work. Any discharge permits for draining the tank shall be secured and paid for by the Owner.
- B. **Safety and Security Fencing:** The Owner shall maintain a secure and lockable site for the duration of DN TANKS's work.
- C. **Construction Water:** Potable construction water shall be provided at no cost to DN TANKS. Water shall be furnished under sufficient volume and pressure in close proximity to the tank. DN Tanks to acquire water meter for the duration of the project from the Village of Pleasant Prairie.
- H. **Winterization and Weather Conditions:** No provisions are included in our price for winter work or extreme cold-weather protection.
- I. **Tank Schedule:** DN TANKS anticipates our work being completed under one mobilization. It is anticipated that the retrofit work shall be accomplished in approximately four (4) weeks based on a 5-day work week. This schedule is contingent on the site being 100% prepared at the time of DN TANKS mobilization. DN TANKS' schedule does not make any allowances for delays due to services the Owner has not provided, bad weather, and/or other unforeseeable conditions.
- J. **Standby Time, Delays, Construction Time and Continuous Operation:** No other construction activities can be accomplished in the tank area without the approval of DN TANKS. DN TANKS realizes that some construction for other work at the tank area will be in progress, but our proposal requires that no work shall be accomplished in the tank area without DN TANKS' approval.

In the event that the Owner has not completed the services it is to provide under this Agreement by the date that DN TANKS has been requested to start work by Owner resulting in standby time for DN TANKS' personnel, the cost for such standby time will be charged for each day that DN TANKS' key personnel are required to wait. It is further agreed that DN TANKS shall be permitted to execute its

work without delay or interruptions. If delayed, DN TANKS reserves the right to seek reimbursement or compensation from the party causing the delay. DN TANKS will assist Owner in formulating a construction schedule.

- K. **Liquidated Damages:** DN TANKS will not be liable for penalties or liquidated damages as a result of others' work and/or time delays.
- L. **M/D/WBE Participation:** DN TANKS is a specialty design-build company with singular responsibility of the design and construction of the tank modifications and cannot offer any M/D/WBE participation, if required.
- M. **Insurance:** DN TANKS will supply insurance certificates for the amounts and coverage as shown on the attached Evidence of Coverage excluding **Builder's Risk Insurance and Owner's and Contractor's Protective Insurance.**
- N. **Indemnification:** The Owner agrees to indemnify and hold harmless DN TANKS against all claims, damages, bodily injury, and property damage arising out of the Owner's work and caused by any act or omission of his agents and/or his employees and/or other contractors and/or subcontractors. DN TANKS will only agree to a Type III indemnity clause.
- O. **Disputes:** In the event that a dispute has to be settled by the Courts or through Arbitration, the losing party shall pay all attorney, court and arbitration expenses incurred by the prevailing party, within 10 calendar days from each date of settlement, or within 10 calendar days from date of each invoice. Payments shall not be withheld should the verdict be appealed.
- P. **Equal Opportunity Employer:** DN TANKS is bidding this project as an equal opportunity contractor.
- Q. **Complete Agreement:** This document contains all covenants, stipulations, and provisions agreed to by the parties. No agent or representative of either party has authority to make, and the parties shall not be bound by or be liable for, any statement, representation, promise or agreement not set forth herein.

IV. **PRICE AND PAYMENT CONDITIONS FOR MATERIALS FURNISHED AND WORK PERFORMED:**

- A. **Final Payment:** Final payment in full shall reach DN TANKS within thirty-five (35) days from the date that DN TANKS has physically completed its work under this Agreement. Owner's representative shall provide verbal or written approval of DN TANKS' work before DN TANKS leaves the site, in order to satisfy and insure itself that the work has been done to everyone's satisfaction. No final payment shall be delayed because of delays in water testing. Payment in full shall not relieve DN TANKS from correcting faulty materials and workmanship.
- B. **Payment:** All payments made by the Owner pursuant to this contract shall be made to DN TANKS at 11 Teal Road, Wakefield, MA 01880 and to no other party, Contractor or supply house, unless specifically directed by DN TANKS in writing. All such payments shall be received by DN TANKS with 45 days of receipt by the Owner.
- C. **Interest:** Overdue payments shall bear interest of 0.05% per calendar day (18.25% per annum) on all overdue amounts, in dispute or otherwise, until paid.
- D. **Back Charges:** There shall be no back charge of any sort by either party unless and until an authorized representative of each party has agreed to in writing the reason for and the extent of such back charge prior to such services being rendered by or for one of the parties under this Agreement.
- E. **Performance/Payment Bonds:** The performance and payment bond is not included. If the Owner desires DN TANKS to furnish a performance/payment bond the charge for such bonds shall be paid

directly to DN TANKS' bonding agent by the Owner or may be paid directly to DN TANKS at the rate of 1.0% of DN TANKS' contract amount.

F. Sales Tax: Sales tax is not included in our price.

G. Wage Rates: Our price is strictly for use in a Merit (Open-Shop) environment.

H. Changes in Scope: Any additions, deletions, or changes to this proposal will subject our proposal price to change.

I. DN Tanks agrees to perform the work described above for the following cost:

Item	Description	Unit	Quantity	Unit Price	Total Price
1	Exterior Cleaning, Repairs, & Recoating of the Tank Dome and Wall	LS	1	\$129,300.00	\$129,300.00
2	Exterior Cleaning & Recoating of the 22' Dia. and 10' Dia. Structures	LS	1	\$5,900.00	\$5,900.00
3	Appurtenance & Safety Upgrades	LS	1	\$22,950.00	\$22,950.00
				Total	\$158,150.00

V. ACCEPTANCE: Since it is imperative to DN TANKS that it is able to place its material orders (such as for coating materials) before price escalations occur, this proposal is hereby offered for acceptance for a period of up to sixty (60) days. DN TANKS reserves the right, after this period, to amend its bid and to reflect any changing construction schedules and material and labor rate changes. The return to DN TANKS of an accepted, endorsed copy of this proposal, within the above referenced time period, will constitute a contract between DN TANKS and Owner. DN TANKS reserves the right to void this proposal and any contract with the Owner if the Owner or any related party fails to make any payments as required by law on another contract with DN TANKS. This Proposal shall be made a part of any subcontract agreement or purchase order. In the event of a dispute or discrepancy between this proposal and Owner's agreement/purchase order, this proposal shall govern. DN TANKS reserves the right to negotiate or reject any or all terms of any agreement or purchase order utilized by the Owner.

If you wish to proceed with this work, please sign where indicated below and return.

City of Wausau:

Name

Title

Signature

Date

DN Tanks, LLC:

Name

Title

Signature

Date