



Minutes of September 5, 2023

A meeting of the Wausau Water Works Commission was called to order at 1:30 p.m. in City Hall on Tuesday, September 5th, 2023. In compliance with Wisconsin Statutes, this meeting was posted and receipted for by the Wausau Daily Herald on August 31st, 2023.

Members Present: President Rosenberg, Commissioners Herbst, Robinson, Force, Gehin
Others Present: Eric Lindman, Scott Boers, Ben Brooks, Anne Jacobson, James Henderson, Tonia Westphal/ Clark-Dietz, Joe Kafczynski/ Becher Hoppe, Susan Wojtkiewicz/Donohue, Shawn Kerachsky/CIP, Sean Agid/CIP, Dave Hagenbucher/Marathon County Landfill.

1) Approve Minutes of August 7th 2023 Meeting.

Herbst motioned to approve minutes. Seconded by Gehin.

Motion Carried 5-0.

2) Director's Report on Utility Operations.

Lindman began there's an update on PFAS testing from August, Corrosion Control Treatment update, and updates on wastewater facility and other projects included.

Gehin questioned if the CIPP project on Flieth and Imm Street was the larger pipe?

Brooks replied that it was the 30 inch.

Director's Report Placed on File.

3) Presentation and Update by Capital Infrastructure Partners (CIP) Regarding the Lead Service Line 5-Year Replacement Scope of Services.

Kerachsky and Agid presented with slides beginning on page 14 of the packet.

Robinson requested walkthrough for the process of the loan.

Agid replied about \$400 million coming to the State of Wisconsin over the next 5 years. At State level, 51% will be loans, 49% will be principal forgiveness/grants. Wisconsin DNR is breaking it down by City or Census tract and will allocate a different percentage based on certain economic conditions. Wausau as a City qualifies for 75% principal forgiveness for construction costs. If we target certain census tracts that are more disadvantaged that should qualify higher than the 75% for principal forgiveness. If you break down year 1 of \$5.3 million, assume 80% will be construction costs, at least 75% city wide are eligible for principal forgiveness. Anything not covered by principal forgiveness will be awarded as loan so 0.25% interest subsidized below traditional drinking water state revolving funds and amortized over 20-year period. Intent to apply is due Oct 31st every year, application due following year June 30th to get money the following year. We anticipate funding for year 1 application for \$5.3 million will be announced next 4-6 weeks from DNR then we'll know what percentage is grant, principal forgiveness and what percentage would be loans. We could apply City wide understanding that Wausau qualifies for that 75% principal forgiveness with flexibility of where to use that money and/or very specific census

tracks or neighborhood blocks that qualify for a higher percentage of principal forgiveness. We are trying to get the city to maximize principal forgiveness and grants so we don't take on a lot of loans. We are looking at regional hub from different fundings, additional fundings and inaugural fundings get the lead out to maximize grant and principal forgiveness. Wausau will be going first, we are getting support from a national level, EPA and state level discussions with DNR. Our guarantee is we will explore all avenues. Vast majority of funding will be the bipartisan infrastructure law. Local will be defined in our contract, could be City of Wausau, Marathon County, 5 Counties that make up the Central Wisconsin or Statewide. The broader, the higher the percentage. Workforce development will set apprenticeships by year 2-3 will be ready to perform. Other is Contractor development, tap into residential plumbers and provide support/training to get certified on lead and create cohorts that provide hands on training.

Robinson questioned how critical would adopting a mandatory ordinance be?

Agid replied it is not critical but it helps. We take on responsibility of homeowner recruitment. Newark adopted ordinances where tenants gave access to homes and got a higher adoption rate. It helps moving forward through targeted outreach.

Force questioned the timeline for public outreach before digging March 2024 since we will be the 1st of a kind, 500 Lead Service Lines (LSL), then 1500, then 2000 lines, how do you see this happening, that's a lot of lines per day. Our experience is that it takes time to get lines in the grounds, how would this proceed at such a rapid pace?

Agid replied as soon as contract is signed ideally in October, we would start working with community outreach firms to educate homeowners and contractors to get their buy in. Then, soon as ground no longer frozen, we can start.

Kerachsky replied we've experienced with stormwater and other infrastructure before this and that's why you scale up. When you communicate that you have 5-year program and you complete year one, you attract contractors through outreach and workforce development that doesn't stop. You establish that the program is sustainable and attract contractors which also helps with price enforcement so you're not competing with one or two other firms. Wausau is doing all the right things to enable that.

Gehin questioned if the 8,000 lead is both public and private lines or just the private side? If you can't deliver, can we get out of the contract/ program? Are there any costs to the property owner? Pipes are in same trench, doing minimal open trench, if property owner wants sewer replaced could that be an add on charge?

Agid replied the program deals with both sides but city prefers to start with lines that have been replaced on public side. The DNR 1st awards private side then any principal forgiveness at State level will go to public side. Early years focus on lines already changed out on public side and only have private side left so you'll have a higher percentage grant/ principal forgiveness funding. Yes, you could get out of the contract.

Force stated there is some interest in non-mandated ordinance, what was your input on that?

Kerachsky replied, it makes your conversion rate higher but that is not a decision we would make, it would be up to this body to decide if that's what you want to pursue. The approach the City is taking from maximizing principal forgiveness and doing 500 lines, we are building public campaign, so people want to do this with an easy process, no rumors on lawns being dugout. People will see the success within the community.

Agid replied our colleagues went along to see replacements and we will try to do horizontal boring where we are not digging up lawns and avoid moving trees and digging up driveways. We could ask homeowners if they wanted to do their sewers too.

Rosenberg stated we could consider the ordinance as we get further along in process and find resistance.

Lindman replied that with the mandatory ordinance there could be stipulations. Commission could consider as funding is available. It's not a hard/ fast item but could be determined. If we do take loans with project, which we will, in order to pay loans for private side replacements with PSC revenue rates, we would need that mandatory ordinance in place to use those user rates. We could start discussing mandatory ordinance and some consideration that commission would like, the sooner the better as we roll this program out.

Robinson questioned the milestones relative to future action of this body and the council looking at loans and commitment to loans, approval of contracts. We still have the cumbersome intent to apply process with no guarantee. Have we stoked out what the milestones are? Range of risk or impact to the utility based on this schedule or cost on utility rates?

Lindman replied our initial contract from CIP will come likely in October for consideration on approval. From that point, any funding, closing on loans, principal forgiveness would have to go to council, every year moving forward from year to year we will come to this commission for approval as amendments. So, year 1 will be 2024, next year will be year 2 for 2025. We are moving forward with contracts and hopefully getting some information from DNR on the applications. Like this year we are expecting next year funding to come in next couple weeks for next year. We've brought estimates before but once we know funding for 2024, we'll work with Ehler's and finance and work with contractors to what are the impacts to ratepayers or if there is any impact. Like other funding CIP is pursuing for us we don't know what type of funding we'll be getting, if any.

Kerachsky replied to Robinson's question that the program can scale up or down, the body could decide in year 3 into this, we've got less principal forgiveness from DNR or debt threshold and we don't want to take on anymore debt, you're not tied beyond each year's annual plan with offering every year that the funding comes up. It gets brought in for each annual plan, we'll continuously sort that each year between sources.

Herbst questioned if we don't accomplish this in 5 years, could we do extension to a 6th year? I believe people will get on board and meet this commitment and hope the people buy into it.

Kerachsky replied we anticipate the utility going as long as it needs to go. It's the appetite of the individual entity using different funding sources. It's up to each community based on volume and how fast they want to push. This is where it sounds hyperbolic but the eyes are going to be on Wausau. No one here could afford anything but success and the resources will be brought in full force.

Rosenberg reiterated that the plan for replacement schedule was a 15-year plan and this is accelerating it to 5 years so it's exciting.

No Action Taken.

4) Discussion and Possible Action Approving a Mandatory Lead Service Line Replacement Ordinance.

Lindman questioned if anyone had any discussion for this item. We've brought it in a couple of times before in the past but with the last time from Nate Miller the attorney with the City, since that time, PSC is more open to requiring mandatory replacements of lead service line on private side, we could add verbiage to the ordinance subsidizing that cost up to 50% or as funding is available for commission or city to determine if the line needs to be replaced. The lead and copper rule goes into effect October 2024 and is requiring full replacement so if we replace our side, the private side needs to be replaced. Putting this into something official on the City side. As utility, we don't want to reconstruct a street and not be able to replace our side or lead service lines because laws are going to require us to do this, we need this in place to have the option to do this.

Force requested if we will be seeing some language at a subsequent meeting.

Lindman replied we were hoping to get some language today but didn't have it, we'll see some language but one thing is, are we open to this idea? I know we get some resistance from the public; I hear it too, we need to be careful and look at other municipalities and that PSC is ok with the language we put in.

Rosenberg stated if there are things this commission wants us to include into this ordinance, we could craft that into there.

Robinson wanted a discussion in enlightenment of the private side funding options and if the utility is picking up or loaning, how we are addressing the funding?

Force questioned if there is any data showing that lead levels gone down in drinking water after the lead service line was replaced, or data after we've taken the precaution?

Rosenberg stated we don't have that data but could find people who would know, like the health department.

Lindman replied the lead in water are from lines itself, eliminating the private side up to the meter will eliminate that threat, but we also have lead solder to lead, galvanized lines in the home, I do think with our testing- 5th liter, it will be a challenge to pass that type of testing. I haven't found that data but it would be interesting to see that data.

Robinson questioned if any other communities gone from street to the inside their homes or if we have any loans available for the interior of the homes?

Boers replied not that we are aware of for inside the homes.

Rosenberg replied we have HUD for lead paint and windows and some outreach on service lines.

Lindman replied the city will still be doing corrosion control because of those other issues even though we go through and replace the lead service lines within the city up to the meter. We know there are still potential risks and issues on the inside of the homes.

Robinson motioned staff to develop sample ordinance in future presentation to this commission. Seconded by Gehin.

Motion Carried 5-0.

5) Discussion and Possible Action Approving Additional Costs to the GAC Project for Working Through Winter Shortening Time of Construction.

Wojtkiewicz presented beginning with page 22-29 of packet of potential schedule acceleration to continue work through the Winter, otherwise based on current contract they may stop during Winter for several months and provided an update on where we are at with funding and bipartisan infrastructure law.

Robinson questioned cost of ion exchange resin and life expectancy of resin?

Boers replied the intention is to accelerate the construction so we don't have to replace the resin two times. The resin changeout is \$1.2 million per change out but it depends on the market value for the next changeout, based on purchase of the resin. TOC removal is 20 years.

Rosenberg reiterated that we are looking at an additional \$300,000 to push forward and get it done earlier and not have to do an additional resin changeout. Looking at finish date of late July.

Robinson questioned if we could amend contract to have stipulated penalties for failure to meet that if we are going to accelerate?

Wojtkiewicz replied yes, intent with change order substantial and final completion and liquidated damages associated with not completing it within those dates.

Rosenberg questioned if it's possible to do a partial resin changeout if we had to?

Wojtkiewicz replied depending on how we could sequence the operation, there may be options. Resin itself has only a certain amount of PFAS it could adhere dependent on level coming into and volume of water using.

Robinson motioned to advance the accelerated schedule as proposed. Seconded by Gehin.

Motion Carried 5-0.

6) Discussion and Possible Action Approving PFAS Testing for the Wastewater Utility.

Lindman began that we had conversations with Marathon County landfill with regards to accepting leachate and what process needed to be in place before we did that. With our future WPDES Discharge Permit we will be required to sample our Wastewater. It would be a good idea to consider getting baseline numbers for both influent/effluent and biosolids. If we will begin working with landfill, we could understand what we are accepting from the landfill, we could work with engineering firm to introduce that into our system and how much we could introduce and impacts. First step is to begin testing.

Robinson replied thank you for bringing this forward. I would support and move that we proceed with sampling with influent/effluent and our biosolids. Seconded by Herbst.

Motion Carried 5-0.

7) Discussion and Possible Action Approving the Development of an Agreement with Marathon County Landfill to Determine the Feasibility of Accepting Leachate at the Wastewater Treatment Facility.

Lindman began this is tied into the previous agenda item as well. We would like to begin working with the landfill, taking our test results and working with the landfill on an agreement to bring back to this body on what accepting the leachate would be like. First step would be test, what our treatment process could handle. We would like an agreement in writing maybe beginning to mid next year on whether we would be accepting leachate and what it looks like.

Robinson supports this and encourages us to be thoughtful in approach to capture expertise on ways to extract or destroy and/or if there are any grants available for that side. I would move to give authority to entering negotiations with Marathon County solid waste management relative to leachate samplings and evaluation of options. Seconded by Gehin.

Motion Carried 5-0.

8) Financial Report Update on Utility Finances Discussing Possible Strategies and Key Performance Indexes.

Rosenberg stated this item will be pulled as we are awaiting additional numbers and will bring back to the commission.

No Action Taken.

9) Discussion and Possible Action Approving Budget Modification for Incentive Pay in 2023.

Lindman began that we've talked about certifications our staff work towards having and came up with schedule for incentive pay as employees become certified and provides incentives for them to become certified. There's a cost per hour and outlined certifications in the attached table. Staff would like this implemented immediately this year as the first part of our approach. This will get our staff trained up and so we do have a highly trained staff.

Herbst stated this was long overdue.

Robinson stated the underlying assumption is that we are not able to attract and retain staff and we continually lose them. One of our factors is our pay grade system. This is a step in the process to make us more competitive with others in allowing for recognition and training and expertise they bring to the city.

Gehin questioned if the certification was administered through the DNR?

Brooks replied all the certification and testing are through the DNR.

Gehin asked if this affects other support staff or would that come through the salary study?

Rosenberg replied yes.

Robinson questioned fiscal impact; do we have capacity to absorb these costs due to vacancies we've had?

Lindman replied yes.

Force noted retention on employees just don't depend on payrate there are other factors that cost employees to stay or leave.

Robinson move to implement this. Seconded by Herbst.

Motion Carried 5-0.

10) Discussion and Possible Action Approving Budget for Necessary Job Reclassifications and Adding New Positions at Wausau Water Works in 2024.

Lindman began looking at both staff and employees for retention and recruiting, the proposal in front of you is what we'd like to establish this for the first pay period of 2024. We've looked at other municipalities as well as AWWA wage comparisons and job responsibilities. We came up with some of our shortfalls within our pay structure from Superintendent to admins. Looked at job classification and propose some jobs be reclassified and there are some budget impacts in here. We are looking for a budget approval for the 2024 and move this forward to make these changes.

Robinson questioned if we had the fully loaded cost of this and by time you put in retirement, social security you're looking at 28% or 30%? How is this compared to work City is doing? Are we kicking the can down the road or solving the problem?

Henderson stated we are at the end of the report with Gallagher who are recommending a 3% change in the pay bands. This will be discussed in our HR meeting coming up Monday, September 11th at 4:45pm if the Commission would like to be there.

No Action Taken.

11) Adjourn.

Herbst motioned to adjourn. Seconded by Gehin.

Motion Carried 5-0.

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

Gina Vang, Recording Secretary

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