



Legislation Text

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Fiscal Note

The proposed resolution amends the 2022 Adopted Water Utility Capital Budget by authorizing \$425,000 of additional budget authority for engineering services in support of bench-scale pilot testing, an alternatives analysis, and preliminary and final design for Well 15 PFAS Treatment Facility project (MUNIS 14092, 12th Alder District). Project costs will be funded through the existing Utility construction fund balance and/or Utility cash reserves. No increase in Utility debt obligations or new borrowing will be required for these professional services.

A description of the proposed project to-date, the basis for this Capital budget amendment, and an explanation of the sole source consultant selection request is included in the resolution body below, with additional information detailing the funding opportunity, associated schedule constraints, and selection process in the attached project scoping memo and non-competitive selection request form.

Title

Authorize amendment of the 2022 Water Utility Capital Budget to include \$425,000 of additional budget authority for engineering services in support of bench-scale pilot testing, an alternatives analysis, and preliminary and final design for Well 15 PFAS Treatment Facility project and authorization to proceed with sole source award of engineering services to AECOM, in an amount not to exceed \$375,000.

Body

WHEREAS, Madison Water Utility took Well 15 offline in 2019 due to concerns about PFAS chemicals detected at the well, and has committed to testing, monitoring and openly communicating with the community as we build an understanding and identify potential mitigation strategies in response to these emerging contaminants; and

WHEREAS, the Utility has publicly committed not to return Well 15 back to service without the addition of a treatment system, as the PFAS levels at Well 15 exceed the WI Department of Health Services Hazard Index; and

WHEREAS, the Utility is also committed to identifying the best, most cost-effective treatment strategy for Well 15, and initiated that process through the Utility's Well 15 Feasibility Study for PFAS Removal, completed in 2021. The study concluded that addition of a granular activated carbon (GAC) system would effectively remove PFAS, PCE and TCE from the source water; and

WHEREAS, this preemptive early action puts the Utility in a position where we are now ready and able to evaluate site specific treatment systems and potentially be the first Utility in the state to implement a municipal PFAS treatment system; and

WHEREAS, the recently passed Bipartisan Infrastructure Law (BIL) contains specific funding opportunities for treatment of PFAS, including a \$12.8 million annual allocation to Wisconsin under the 'Drinking Water Emerging Contamination' program for five years, beginning in 2022, which includes an attractive provision for 100% principal forgiveness. The availability of BIL funding creates a unique opportunity for the Utility to align the treatment objectives at Well 15 with potential for 100% principal forgiveness on the capital investment; and

WHEREAS, the WI Department of Natural Resources (DNR) confirmed that they will be finalizing the regulations related to BIL funding opportunities in the coming weeks and months, and the Utility is also aware

that the cutoff date for submitting applications under the State Revolving Fund (SRF) program is generally October 31, 2022. This provides the Utility with a tight window of opportunity for submitting the funding application to the DNR. It will be a very competitive program and with no particular guarantee for acceptance. The competitiveness stems from the fact that many communities in WI are facing PFAS contamination in their drinking water and the funding under the 'Drinking Water Emerging Contaminants' is 100% forgivable; and

WHEREAS, one factor that will weigh heavily with DNR staff when making BIL funding decisions will be whether the proposed project is 'shovel-ready'. One of the ways to demonstrate the Utility's commitment and sufficient readiness is to submit a preliminary design report for the proposed Well 15 PFAS Treatment Facility along with our SRF funding application by October 31, 2022; and

WHEREAS, with the objective to develop and prepare a preliminary Well 15 PFAS Treatment Facility design report by October 31, 2022, Utility staff structured a direct consultant evaluation process to expeditiously contract with a nationally reputed engineering services firm with proven experience in designing PFAS water treatment facilities; and

WHEREAS, the Utility's project team proceeded with a thorough, objective, and competitive consultant selection process by conducting multiple rounds of interviews and presentation reviews with eight nationally known qualified and experienced engineering consulting firms. The Utility's goal is to identify directly through this selection process the most experienced consulting firm capable of successful design and implementation of a PFAS water treatment system for Madison Water Utility; and

WHEREAS, one firm - AECOM - stood out above the rest based on its proven experience and expertise in designing PFAS treatment facilities. The AECOM project team will be led by Angel Gebeau, PE, out of Stevens Point, WI. Angel and her AECOM team previously worked with the Utility on the implementation of the Utility's first iron & manganese treatment plant at Well 29 in 2009; and

WHEREAS, the total cost for the proposed contract with AECOM for engineering services through permitting and final design of the Well 15 PFAS Treatment Facility is approximately \$340,000, and including contingencies, a total not to exceed amount of \$375,000; and

WHEREAS, the main impetus to fast track the design consultant contract award is for the Utility to complete the following tasks by October 31, 2022, the funding application deadline - pilot testing, alternatives analysis, and preliminary design report & construction cost estimate. The preliminary design phases of the project scope (Task 1 and 2) will accomplish that goal for an estimated cost of around \$160,000; and

WHEREAS, the Utility anticipates a high probability for obtaining funding support for this project, particularly given the status of Well 15, but in the unlikely chance of non-acceptance of the Utility's funding application, the proposed engineering services contract will include a provision that AECOM will suspend work after completing Task 1 and 2 and will proceed further only after receiving specific written direction from the Utility to do so. The Utility will give the go ahead only after knowing the fate of our funding application with the DNR. The Utility will reevaluate its options in April 2023 after DNR releases its Project Priority List; and

NOW, THEREFORE, BE IT RESOLVED that the 2022 Water Utility Capital Budget is amended to include \$425,000 of additional budget authority for engineering services in support of bench-scale pilot testing, an alternatives analysis, and preliminary and final design for Well 15 PFAS Treatment Facility project and authorization to proceed with sole source award of engineering services to AECOM, in an amount not to exceed \$375,000, which will not increase Utility debt obligations or borrowing, and will include a provision that AECOM will suspend work after completing Task 1 and 2 and will proceed further only after receiving specific written direction from the Utility to do so.