



Legislation Text

File #: 19-1415, **Version:** 1

Resolution to Approve a Grant Agreement with the Michigan Department of Environment, Great Lakes and Energy for the PFAS Removal Project (\$1,317,264.00) and to Appropriate Grant Proceeds to the Existing Backwash Infrastructure Improvements Project (\$457,880.00) **(8 Votes Required)**

The following resolution requests approval to accept the grant award from the Michigan Department of Environment, Great Lakes and Energy (EGLE) for the PFAS Removal Project in the amount of \$1,317,264.00 and to appropriate Water Supply System Fund Balance, \$457,880.00, to the Backwash Infrastructure Improvements Project. The grant agreement period is January 1, 2019 until December 1, 2020.

Poly- and Perfluoroalkyl substances (PFAS) are persistent and bioaccumulative, and there is mounting evidence for the human toxicity of many of these compounds. The City of Ann Arbor relies on both groundwater and surface water, from the Huron River, for its drinking water source. In 2014, PFAS was first detected during US EPA's UCMR3 sampling effort and in 2016 it was determined that the Huron River was the source of PFAS. Since that time Ann Arbor actively monitors for PFAS and has been investigating alternative treatments for PFAS removal.

Ann Arbor has used granular activated carbon (GAC) filtration since 1989. GAC is the preferred treatment technology for PFAS removal in large-scale drinking water treatment plants. This grant will reimburse the city for expenses incurred during the grant period for replacement of GAC in the city's filters, modification of the city's filter wash system to accommodate the new type of GAC in the city's filters, PFAS monitoring to better enable the City to meet PFAS removal targets, as well as communication to improve customer outreach and messaging strategies.

Ann Arbor owns and operates six pilot filters that it uses to test new filter operational scenarios prior to full scale implementation. The City received a grant through The Water Research Foundation (R-17-296) to support operation of the pilot filters for a one-year project duration. The grant for the PFAS removal project will also include maintenance and analytical costs associated with the pilot filters not covered by The Water Research Foundation grant.

Budget/Fiscal Impact: The grant award of \$1,317,264.00 will reimburse the Water Supply System Fund approximately \$950,960.00 (80% of the eligible expenditures) for the GAC replacement, analysis, communications and research associated with PFAS removal, which have been previously budgeted in FY 19 and FY 20. The grant award will also offset the expenses of future capital expenditures to the Water Supply System associated with backwash infrastructure improvements that are necessitated by PFAS removal goals. Preliminary estimates are approximately \$457,880.00 for the backwash infrastructure improvements project, 80% of which will be funded through the EGLE grant, a cost offset of \$366,304.00 for this critical project.

Funding for the capital portion of this project, the Backwash Infrastructure Improvements, was not anticipated in Capital Improvement Plan or Capital Budget; therefore, staff is requesting an appropriation for that portion of the grant, \$457,880.00. Once planning for the infrastructure

improvements are finalized, staff will return to Council for authorization for design services and an award for construction services.

Estimated GAC replacement, Reimbursement: \$ 1,188,700.00

Estimated Backwash Infrastructure Improvements: \$ 457,880.00

City of Ann Arbor match: (\$ 329,316.00)

Total grant award amount: \$1,317,264.00

Submitted by: Brian Steglitz, Water Treatment Services Unit Manager

Reviewed by: Craig Hupy, Public Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, Poly- and Perfluoroalkyl substances (PFAS) are persistent and bioaccumulative, and there is mounting evidence for the human toxicity of many of these compounds;

Whereas, Since 2016, Ann Arbor actively monitors for PFAS and has been investigating alternative treatments for PFAS removal in drinking water;

Whereas, Legislative appropriation of Funds for grant assistance is set forth in the State of Michigan Public Act 618 of 2018; and

Whereas, The City of Ann Arbor applied for and was awarded Funds from the Michigan Department of Environment, Great Lakes and Energy, to offset costs associated with PFAS removal and research in Ann Arbor drinking water;

RESOLVED, The City Administrator be directed to accept the grant agreement and associated funding of \$1,317,264.00 from the Michigan Department of Environment, Great Lakes and Energy;

RESOLVED, That the grant funding in the amount of \$457,880.00 be appropriated to the Backwash Infrastructure Improvements capital project budget, thereby increasing the existing project revenue and expenditure budgets;

RESOLVED, That the City Council authorize the Mayor and City Clerk to execute the grant agreement after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, The City Administrator be authorized to take the necessary administrative actions to implement this resolution.