State of Wisconsin
DEPARTMENT OF NATURAL RESOURCES
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June 14, 2018

Robert Mielke, Mayor
City of Wausau
407 Grant Street
Wausau, WI 54403

Brian Lu, ORM/CI Manager
Kraft Heinz Company
1007 Townline Road
Wausau, WI 54403

Subject: Enforcement Conference Summary

Dear Mayor Mielke & Mr. Lu:

My thanks to you, the City and Kraft Heinz representatives for meeting with department staff on May 30, 2018, in Wausau. The purpose of the meeting was to discuss the May 17, 2018, Notice of Violation letter pertaining to the unscheduled bypass of wastewater from the City's sanitary sewer collection system in January 2018. For your reference, an attendance list is attached.

Kraft Heinz
On May 18, 2018, the department received a copy of the Kraft Heinz January 17, 2018 Spill Report. Kraft Heinz has an industrial permit from the City of Wausau.

Kraft Heinz explained that part of their operation includes the making and blending of cheese powder for their boxed macaroni and cheese and their macaroni and cheese cups. Additionally, grated parmesan cheese, feta cheese chunks and other specialty cheeses are produced or packaged. Much of the facility involves secondary packaging of dry solids.

The facility has been in operation since 1925. Production occurs 5-6 days per week.

In production the spray dry system pumps and mixes ingredients in a hands-off system. The spray dryer is equipped with a clean in place (CIP) system. On January 17, 2018, a section of the system was set for sanitation rather than production. When set for sanitation, water with a cleaning solution goes through the system, to the return tank and then is discharged to the sanitary sewer.

Because the valving was set for sanitation during a production run, anhydrous milkfat drained directly to the City's sanitary sewer for approximately three hours. Anhydrous milkfat is a manufactured food material similar to butter that solidifies at room temperature, 62 degrees. Approximately 670 gallons (6,450 pounds) of anhydrous milkfat was discharged into the sewer. Immediately upon discovery Kraft Heinz flushed hot water down the drain and notified the City's wastewater representatives. The total time that hot water was flushed is unknown. Kraft Heinz stated that the discharge of anhydrous milkfat was caused by human error.

Since the discharge, Kraft Heinz has:

- Identified other areas for evaluation and prioritized changes that can be made to the facility's operations.

- Provided additional training and revised standard operating procedures (SOP). The discharge of anhydrous milkfat was an atypical type of incident. The SOP was followed as well as the spill protection plan.
- Installed a new air actuated CIP return valve on February 14, 2018. The valve is programmed to only open when a CIP circuit is operating. When the system is in production mode the return valve is shut.

City of Wausau

The City stated they are pleased with the level of effort given and amount of resources provided to address the discharge.

The City stated that when there are industrial discharges to the collection system it is typical to watch the treatment plant for any upsets, changes in treatment plant parameters and to request a spill report from the responsible business.

On Wednesday January 17, 2018, when contacted by Kraft Heinz about the discharge of anhydrous milkfat the City immediately checked the manholes from Kraft Heinz to Grand Avenue. Due to the distance between Kraft Heinz and the treatment plant, the City anticipated that the anhydrous milkfat would reach the treatment plant in approximately 2 hours.

On Thursday, January 18, 2018, the City checked the manholes on Grand Avenue.

By Friday January 19, 2018, the City had no reason to believe the anhydrous milkfat had discharged to the treatment plant. The plant experienced no malfunctions or upset to the operations. A fluctuation in flows ranging from 20% - 25% isn't unusual.

On Tuesday January 23, 2018, a resident contacted the City to report an odor. This City responded to the complaint and identified a release on the bank of the Wisconsin River. It was unknown if the release was caused by a broken or plugged pipe. The City made it a priority to determine the cause of the bypass. It was determined that there was a plug in the line under the Wisconsin River between the last manhole and the wastewater treatment plant. On Wednesday January 24, 2018, the City continued use of the high pressure jetting equipment to clear the obstruction in the sanitary sewer line, which successfully commenced approximately around 1:00pm.

The City of Schofield wastewater discharges to the same line as Kraft Heinz. Wausau stopped Schofield's entry into the collection system. Schofield's wastewater was trucked to the wastewater treatment plant for disposal. The manhole at Sturgeon Eddy was pumped and wastewater was trucked to the treatment plant for disposal. The total volume that was trucked to the treatment plant is unknown. The invoice reflects total hours not volume. Total flow from the collection system is only measured at the treatment plant.

Within 12 hours of notification, the City had stopped the release to the Wisconsin River. Within 24 hours, the plug of anhydrous milkfat was removed and normal operations had resumed.

Approximately 25% of the City's flow comes from the line that was plugged. The City conducted a sonar inspection of the siphon line under the Wisconsin River. The inspection revealed that the line wasn't compromised by the plug or its removal, therefore, the City has no plans to repair or replace the line at this time.

The estimate of 3.7 million gallons of wastewater that was discharged was determined by comparing flows prior to and after the discharge. The City stated that staff were unaware of the existence of the

safety by pass valve. The City plans to keep the discharge valve in place to protect residences in the event of a future type of emergency.

As a result of the incident, the City added an alarm to a manhole on Sturgeon Eddy Road that will send an alert if the manhole begins to back up. This will ensure that the City is able to take immediate action. The City confirmed that there are no other emergency discharge valves within the collection system.

The total costs incurred by the City to investigate and remediate the discharge total $51,600. The breakdown is as follows; trucking $30,000, sonar $12,000, alarm on manhole $6,000, and staff time $3,600.

The department stated that there were no known fish kills because of the discharge to the Wisconsin River. Sample results indicate that the discharge resulted in about 600 lbs. of additional phosphorus above the City's water quality standard WPDES permit limit going to the River. The department requested the City consider potential short and long-term phosphorus reduction projects in addition to required phosphorus reduction efforts within the Wisconsin River watershed to improve water quality.

The City is in the process of evaluating their collection system and wastewater treatment facility. A facility plan is being developed by Donahue & Associates, Inc. that will encompass phosphorus reduction total maximum daily load (TMDL) estimates.

Next Steps
The department agreed to submit copies of the sampling results. Those results are attached.

By June 30, 2018, Wausau will submit a response outlining:

1. Their immediate responses to the discharge of anhydrous milkfat
2. Opportunities for mitigating both long term and short-term phosphorus impacts
3. Capacity, Management, Operation and Maintenance (CMOM) – Changes that are being planned in the Operation and Maintenance section

The Department has not made a final determination on additional enforcement.

If you have questions regarding this letter, please contact me at 608-279-5219.

Sincerely,

Pamela Buss
Environmental Enforcement Specialist

Enclosures – Sample results
5/30/18 Attendance List

cc: Eric Lindman – Director of Public Works, City of Wausau
David Erickson – Wastewater Superintendent, City of Wausau
Kevin Fabel – Environmental Engineer, City of Wausau
Anne Jacobson – Attorney, City of Wausau
Chris Smith – Facility Manager, Kraft Heinz

Lance Buffinga – Associate Director of Operational Risk Management – Cheese and Dairy, Kraft Heinz
Ben Hartenbower – Eau Claire
Lacey Hillman – Eau Claire