

INTER-OFFICE CORRESPONDENCE
MANITOWOC PUBLIC UTILITIES, MANITOWOC, WISCONSIN



TO: CITY OF MANITOWOC MAYOR NICKELS AND COMMON COUNCIL
FROM: TROY ADAMS TA
DATE: APRIL 14, 2022
SUBJECT: WWTF UPDATE

A recommendation was made to the MPU Commission on November 10, 2021, and Common Council on November 15, 2021 to support the transfer of ownership and management of the WWTF to MPU. Considering the magnitude of personnel and asset transfer aspects of the move, MPU Commission and Common Council also supported a one-year extension to the current agreement with a transfer date of January 1, 2023. The intent being that year 2022 would be used to address policy and health insurance concerns, asset transfer planning, and the numerous administrative challenges of same.

In accordance with Intergovernmental Agreement for Management of Wastewater Treatment Facility Amendment #1, Paragraph #4, Reporting to Council, MPU shall provide a report on status of benchmarks under this agreement to the Common Council at their April, July, and October meetings.

To date, those Transition Milestones and Obligations include (directly from Amendment):

- a. Develop an internal communication plan for the transition – March 31, 2022
(City HR LEAD, support by MPU GM)
- c. Host employee informational meetings regarding the transfer – March 31, 2022 (Combined City HR and MPU GM and Senior Managers, City HR director LEAD)
- d. Comprehensive Compensation and Benefits Evaluation – March 31, 2022
(Coordinated/LEAD by office of MPU GM)

Communication and employee informational meetings:

A meeting was held with WWTF employees on December 21, 2021 to discuss tentative timelines/goals of the WWTF transition to MPU as outlined in the amendment. Leadership present included Jessie Lillibridge, Troy Adams, Cindy Carter, Don Duenkel and Mike Jaeger. Subsequent to this meeting, MPU and the City worked to assemble Employee Policy Manual and Benefits side-by-side comparisons for review by WWTF employees. This was shared by City memorandum on March 21, 2022, requesting comments/questions in written format submitted by April 12, 2022. An informational meeting was held with WWTF employees on April 12, 2022 to address question. Leadership present included Jessie Lillibridge, Kathleen McDaniel, Shawn Alfred, Troy Adams, Cindy Carter, Don Duenkel and Mike Jaeger. Outstanding issues to be addressed include, in part, transition of major items like sick time and PTO. The employees were

told that a goal has been set to have firm indication of direction of open items by the end of June, 2022. Another information sharing session will occur in July.

Comprehensive Compensation and Benefits Evaluation

A comprehensive benefits evaluation was completed internally. The data was utilized to help build the comparison tables for the employee communicant package shared on March 21, 2022.

A comprehensive compensation study is underway but not yet complete. Lockton Companies has been contracted to conduct the study for \$5,500 plus any specific survey data costs. Lockton, who had completed a similar comprehensive compensation and benefits study from MPU, will provide a report and recommendations to MPU regarding the WWTF positions and integration into the MPU Pay Plan. The WWTF employees were asked to review their job descriptions and provide feedback/updates. The job descriptions were then provided to Lockton, the review is underway.

MPU accounting (Cindy Carter / Tiffany Myers) and City finance team (Shawn Alfred / Kim Lynch) and wastewater team (Mike Jaeger / Deb Duane) members have also met on several occasions to start the process of splitting out the Sewer Enterprise fund between treatment and collections. A list of items to investigate / allocate has been developed and the teams will reconvene meetings on April 29 after the City completes their 2021 audit.

A brief meeting was held with City Attorney Kathleen McDaniels to discuss the transfer of the treatment plant off the City's property / liability insurance program and onto MPU's policies as of 1/1/2023.

MPU has contracted with Dave Berg Consulting to conduct a sewer rate case analysis and split customer and volumetric charges between treatment and collections. Cost of this work will be \$13,000. In parallel, MPU requested and received a Statement of Work (SOW) from our Customer Information System (CIS) vendor to build new sewer rates in the CIS effective 1/1/2023. The SOW was for \$20,700. Upon completion, all of these costs will be billed to the City to be paid for through WWTF funds.

The Common Council will again be updated by memo in July. It is expected that compensation study data will be available as well as a summary of major transitional issue plans and decisions.

Please advise if you have any questions or concerns.

Thank you.