

INTER-OFFICE CORRESPONDENCE
MANITOWOC PUBLIC UTILITIES, MANITOWOC, WISCONSIN



TO: CITY OF MANITOWOC MAYOR NICKELS AND COMMON COUNCIL
FROM: TROY ADAMS TA
DATE: JULY 15, 2022
SUBJECT: WWTF UPDATE

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. This is as it relates to the anticipated transfer of ownership and management of the WWTF to MPU including asset transfer planning, rate/fee analysis, and financial/reserves evaluation., Additionally, this process allows for evaluation of the transition of employee from the City to MPU addressing differences in employee policy, and health insurance, and wage/benefit analysis.

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)

Transitional Milestones and Obligations look ahead (directly from Amendment):

- e. Cost of Service Study, Rate and fee Evaluation – September 30, 2022
(MPU Senior Manager – Business Services LEAD, with City Finance Director)
- f. Accounting and IT Logistics Planning – September 30, 2022
(MPU Senior Manager – Business Services LEAD, with City Finance Director)
- g. Rate and Fee Development – September 30, 2022
(MPU Senior Manager – Business Services LEAD, with City Finance Director)
- h. Employee and Asset Transfer – January 1, 2023

Communication and employee informational meetings:

Subsequent to an informational meeting held with WWTF employees on April 12, 2022 to address initial employee concerns and questions, a meeting was held on June 27 to discuss the transition of leave balances with WWTF employees. MPU will be providing each employee a letter detailing current leave benefits, future leave under MPU and the transition of any banked leave time. Leadership present included the MPU GM, MPU Senior Manager – Business Services, MPU Senior Manager – Utility Operations, MPU HR Manager, and WWTF Superintendent.

Comprehensive Compensation and Benefits Evaluation:

A comprehensive benefits evaluation had been shared with the WWTF employees prior to the April 12, 2022 meeting. Subsequent to that, a meeting was held on July 12 with MPU's insurance broker and TPA team to review MPU's health/dental plans with the employees. Employees will be invited to MPU's annual health and benefits plan review meeting in October/November.

A comprehensive compensation study is underway but not yet complete. Final results of the study are expected in August.

Cost of Service Study:

As noted in the April update to the Common Council, MPU has contracted with Dave Berg Consulting to conduct a sewer rate case analysis and split customer and volumetric charges between treatment and collections. The study will include evaluation and recommendation regarding connection fees. Recommended O&M and capital improvement projects and costs identified in the WWTF Master Plan Study completed earlier this year are being prioritized, and details provided to Dave Berg Consulting for inclusion in the rate case analysis. It is anticipated that this study will be completed in August.

Accounting and IT Logistics Planning:

Due to the resignation of City Finance Director and City year end audit work, MPU and the City have been unable to make progress on this. MPU and the City are engaged in discussion on allocating appropriate resources to ensure thorough preparation to support a successful transfer of the WWTF by the established date.

Per the amendment to the Intergovernmental Agreement, the next update to the Common Council will be in October. It is expected that compensation study data, preliminary rate/fee study data, and additional information on major transitional issue plans and decisions will be available.

Please advise if you have any questions or concerns.

Thank you.