

AGENDA

SPECIAL REGULAR WATER COMMISSION MEETING AND STORM WATER CITIZEN ADVISORY BOARD MEETING

Wednesday, June 5, 2024

4:30 P.M.

Hauser Room – City Hall

NOTICE IS HEREBY GIVEN, pursuant to the requirements of Wis. Stats. Sec. 19.84, that a majority of the Neenah Common Council may be present at this meeting. Common Council members may be present to gather information about a subject over which they have decision making responsibility. This constitutes a meeting of the Neenah Common Council and must be noticed as such. The Council will not take any formal action at this meeting.

1. Approve Regular Meeting Minutes for May 21, 2024 (Attachment)
2. Appearances
3. Old Business/New Business
 - A. Review Water Utility Salary Study and Approve Salary Plan (Attachment)
 - B. Convene into closed session pursuant to Wis. Stats §19.85 (1)(e) for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.
 - C. Any Other Business That May Legally Come Before the Commission
 - D. Adjournment

*In accordance with the requirements of Title II of the Americans with Disabilities Act (ADA), the City of Neenah will not discriminate against qualified individuals with disabilities on the basis of disability in its services, programs, or activities. If you need assistance, or reasonable accommodation in participating in this meeting or event due to a disability as defined under the ADA, please call the **Water Utility Administrative Assistant at 920-886-6180** or the **City's ADA Coordinator at (920) 886-6106** or e-mail attorney@ci.Neenah.wi.us at least 48 hours prior to the scheduled meeting or event to request an accommodation.*

**MINUTES OF THE NEENAH WATER WORKS COMMISSION
AND
STORM WATER CITIZEN ADVISORY BOARD MEETING**
Regular Meeting – May 21, 2024
Hauser Room – City Hall

Present: President Schmeichel; Commissioners: Lang and Steiner, and Director Mach

Also Present: Finance Director Rasmussen, Deputy Director of Finance Kahl, Alderman Pollnow, and Jodi Dobson, CPA

Excused: Commissioners Bauman and Hemes

President Schmeichel called the meeting to order at 4:31 p.m.

Approve Meeting Minutes for April 15, 2024 – Following discussion, **M.S.C. Schmeichel/Lang to approve the April 15, 2024 Meeting Minutes.** All voting aye.

Approve the Invoices for April 2024 – Commissioners had questions about invoices and charges from Badger Meter, Inc., Ray's Transmissions, and UW Milwaukee. Specifically, Commissioners asked when the transition to AMI will be complete, and all Badger endpoints will be retired. Director Mach noted that the transition will take approximately 3½ to 4 years. The charge from Ray's Transmissions is for the rebuild of the transmission for Truck 87. UW Milwaukee provided archaeological services to support the water main repair on Wisconsin Avenue. Their invoice was received approximately one year after the services were provided.

Following discussion, **M.S.C. Lang/Schmeichel to approve the April 2024 invoices.** All voting aye.

Appearances – None.

Old Business/New Business

Annual Utility Audit Report – Ms. Jodi Dobson, representing Baker Tilly, presented the annual Utility audit along with the audited financial statements. There were no concerns with regards to the audit and Ms. Dobson noted that no journal entries needed to be performed. This is a testament to the quality of service being provided by the Finance Department. Ms. Dobson presented the Water Utility Results page in the packet and explained that the Utility has a strong cash position, but the rate of return declined year over year. Commissioners asked Ms. Dobson if she knew what rate of return generally triggers the need for a rate study. Ms. Dobson noted that the Utility's authorized rate of return is higher than the actual return, but close to the current benchmark rate published by the PSC. The Utility could investigate a rate case if the actual rate of return continues to decline year over year.

Following discussion, **M.S.C. Steiner/Lang to accept and place on file the 2023 Annual Utility Audit Report.** All voting aye.

Financial Reports – Deputy Director of Finance Kahl and Director Mach presented the FY2023 and 1st Quarter of 2024 Financial Reports. Commissioners asked if the Total Current Assets were approximately \$3M higher due to the City loan. Director Mach confirmed this fact. Deputy Director Kahl noted that the 1st Quarter of 2024 results are similar to the 1st Quarter of 2023.

Following discussion, **M.S.C. Schmeichel/Steiner to accept and place on file the Financial Reports.** All voting aye.

Waterworks Commission and Storm Water Citizens Advisory Board Regular Meeting Minutes
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Approve Draft 2024-2028 CIP – Director Mach presented the Draft CIP for Commission consideration. Highlights of the CIP include the planned replacement of meter endpoints and an aggressive replacement schedule that focuses on lead service line replacements. Some of the projects are dependent upon planned expansions and developments within the City, so Director Mach stressed that this is a planning document. The CIP is developed in conjunction with Public Works staff and consists of areas which have a mix of poorer streets, storm, sanitary, and water infrastructure.

Following discussion, **M.S.C. Schmeichel/Steiner approve the Draft 2024-2028 CIP**. All voting aye.

Director's Report –

1. Water Loss Report – Water loss decreased this month. Staff are currently inspecting, and leak detection efforts will continue after construction is complete.
2. The following items were approved at the May 9, 2024 Board of Public Works meeting:
 - Pay Request No. 2, Contract 1-24, Sanitary & Storm Sewer, Water Main and Street Construction, on Belmont Avenue, Belmont Court, Cedar Street, and Stevens Street, to David Tenor Corporation, in the amount of \$70,727.50 for Water on Belmont Ct. and \$307,432.35 for Water on Cedar St.
 - Pay Request No. 1, Contract 2-24, Sanitary & Storm Sewer, Water Main and Street Construction, on E. Doty Avenue, to Kruczek Construction, in the amount of \$247,965.20 for Water.
 - Pay Request No. 2, Contract 3-24, Sanitary & Storm Sewer, Water Main and Street Construction, on Bayview Lane, Quarry Lane and Reed Street, to Donald Hietpas & Sons Construction, in the amount of \$20,069.65 for Water on Bayview Rd. and \$29,385.30 for Water on Quarry Ln.
3. Booster Station update – The bids for Contract B that includes mechanical, electrical, HVAC, and plumbing installations, were opened and read. The station floor and stoops were poured recently. After curing, the walls will be laid.
4. AMI update – Director Mach attended the Landis+Gyr Convention and was able to bring back a significant amount of valuable information. Staff continue to replace failing AMR endpoints.
5. Solar installation update – The array continues to function well.
6. The next regular Waterworks Commission meeting is scheduled for Monday, June 17, 2024.

Following discussion, **M.S.C. Lang/Schmeichel to accept and place on file the Director's Report**. All voting aye.

Any Other Business That May Legally Come Before the Commission – None.

Adjournment – **M.S.C. Lang/Schmeichel to adjourn at 5:15 p.m.** All voting aye.

Respectfully submitted,



Anthony L. Mach
Director, Neenah Water Utility



Neenah Water Utility

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Anthony L. Mach

Director of Neenah Water Utility

MEMORANDUM

DATE: May 29, 2024
TO: Waterworks Commission
FROM: Anthony L. Mach
RE: Proposed Water Utility Salary Plan

Staff have completed the development of a salary plan document and defined step plan. I would like to thank the Commission and our staff for being patient while we determined how to find the best fit between the needs of staff and the Water Utility. Our staff have been instrumental in offering ideas and feedback during the process.

As our Water Utility continues to mature into a professional organization, I would like to make mention of some of the qualities that our staff possesses that make us unique within the City of Neenah and among our peers:

1. We possess the ability to repair our own water mains, valves, and services and rarely require outside assistance from contractors. We perform our own leak detection, meter changing, and cross-connection control services.
2. Our staff maintains nearly all Plant internal systems, including pumps, VFDs, chemical systems, security systems, basins, plant buildings and grounds, treatment systems, and SCADA systems. We have even assisted manufacturers in developing maintenance procedures for their own equipment.
3. Our staff develops contracts, RFQs, RFPs, proposals, and grant applications in house, with little to no outside assistance.
4. Staff have saved countless dollars by utilizing good procurement practices and scouring the secondary markets for high value, low-cost equipment that is needed for the Utility.
5. We have embraced technology and have driven change both internally and externally by integrating GIS with asset management into our operations. We have also made the leap from AMR to AMI, furthering the goals of the Smart Cities Initiative. Our staff have the ability to enter all assets into the GIS and maintain our assets without using an outside firm.
6. Our Utility has taken great steps to lessen our carbon footprint and overall energy costs by deploying a power savings plan while working with Focus on Energy to realize the savings of replacing old lighting systems, rotating or powering down pumps to lessen energy use, and implementing an alternative energy source (solar) at the Industrial Tower.
7. Our staff are not only well-qualified for their duties, but they also possess excellent customer service skills. It is rare that I receive a legitimate complaint or concern from our customers. It is my opinion that we have developed a very positive culture which meshes well with the culture of other departments and the citizens of Neenah.

After weighing options for the Utility step plan and balancing the requests of the employees with the costs to implement a plan, staff have determined that a 9-step plan is the best option with utilization of the median of the reported salary lows and the median of the reported salary plan highs as the low step and high step of the new plan, respectively.

There are a few additional requirements and changes I believe should be implemented as part of the plan:

1. The Filter Plant Electrical Tech (E/I Tech) should be recognized as a supervisory (foreperson) position with the responsibility of supervising the maintenance and overall operation of the Water Treatment Plant. This will require additional ongoing supervisory training requirements as part of the position. I am suggesting that the Commission add the requirement that this position obtains at least sixteen hours of supervisory training per year.
2. The Distribution Tech II position is already recognized as a supervisory (foreperson) position. I also suggest that the Commission adds the requirement that this position obtains at least sixteen hours of supervisory training per year.
3. As the Distribution Manager, Plant Manager, and Director are managerial positions, I suggest that the Commission adds the requirement that these positions obtain at least twenty-four hours of managerial or supervisory training annually.
4. I suggest that all Distribution and Plant employees obtain at least eight hours of safety training annually.
5. The shift differential of \$0.65/hr was listed in the 2011 Work Rules. If adjusted for simple inflation, this should currently be at \$0.91/hr. I recommend the Commission change this to \$1.00/hr and reflect the change within the Work Rules.
6. The meal ticket was decreased from \$7 to \$4 per ticket in the 2011 Work Rules. I recommend this be increased to \$10 to account for inflation and reflect the change within the Work Rules.

Staff recommend accepting the proposed Water Utility Salary Plan and Additional Requirements with implementation to occur July 1, 2024.

Neenah Water Utility

Compensation Plan Rev. 2024 05 30

DRAFT

1. Purpose

The purpose of this plan is to provide a comprehensive framework for managing employee compensation at Neenah Water Utility. This plan ensures that employees are fairly and competitively compensated for their work, while also aligning with the organization's financial goals and objectives.

Pursuant to Wis. Stat. §66.0805, the Neenah Waterworks Commission is responsible for the entire management and supervision of the Utility's operation, including personnel policies and compensation of the Utility's employees.

2. Scope

This plan applies to all full-time and part-time employees of Neenah Water Utility, excluding contractors and temporary workers.

3. Definitions

Anniversary Date – Anniversary dates for a newly hired employee are based on the employees' hire date. After one year of employment, for the purposes of pay plan movement, the anniversary date will be defined as July 1 annually.

Compensation Plan – A graded scale of wages or salaries where all positions are placed within the Water Utility. The Compensation Plan is created through both a market analysis and the evaluation of each position.

Cost of Living Adjustment (COLA) – COLAs are increases in compensation intended to help employees maintain the value of their compensation against inflation. These increases are not viewed as merit increases resulting from satisfactory job performance but should be considered a way to help employees maintain their earning power. For the purposes of this Compensation Plan, the COLA shall be fixed at 2% per annum effective January 1st of each year unless adjusted by the Commission at the October or November Waterworks Commission meeting. The Compensation Plan shall reflect the application of the COLA to each step.

Defined Step-Plan – There are nine (9) defined steps defined within this Compensation Plan where movement in the plan occurs on the Anniversary Date and is based upon a satisfactory score on the employee review.

Grade – The placement of a position within the pay plan. Such placement is based on a variety of factors to include, but are not limited to education, experience, essential job functions, emergency response requirements, and work environment.

4. Recruitment Rules for New Hires

New employees will start between Step 1 and Step 9 based upon ability, education, and prior experience. The Waterworks Commission shall approve the hiring of any new employee at or above Step 4 for their respective position. All new hires shall be subject to a probationary period whereby their skills, aptitude, attitude, and cultural fit will be assessed.

5. Probationary Period

All new employees shall have a six-month probationary period, extendable to 12 months upon management discretion or agreement. Until the requirements of the probationary period are satisfied, new employees shall not be subject to any COLA adjustments or step movement. A satisfactory employee review, acquisition of required licenses and/or credentials, and approval of both the Manager and Director shall be completed before the employee has satisfied the requirement of the probationary period.

6. Grade Advancement

In the event where an employee applies for and is hired for a position at a grade higher than their current grade, they shall be allowed to negotiate which Step they are placed in before accepting this position. In no case will the employee be forced into a Step with a compensation less than they are currently paid in their position. The Waterworks Commission shall approve the advancement of any new employee at or above Step 4 for their respective position.

7. Grade Abasement

Employees who apply for and transfer to a position with a lower step-plan scale shall be placed at a step that equates to substantially the same pay rate as they were in their current plan. In the case where their current rate exceeds the top of plan for the lower step-plan scale position, they shall not receive any COLA adjustment or step increases and shall be frozen at that rate of pay until such time that the top of plan for their position exceeds their current rate of pay.

8. Top of Plan

All employees who reach Grade 9 shall receive no further step increases. Instead, they shall receive the COLA adjustment on January 1st of each year. On the employee's anniversary date, full-time employees will receive a stipend equal to \$100 for each year of service to the Water Utility and part-time employees will receive \$100 for each year of service to the Water Utility prorated upon number of hours worked (100% = 1,950 hours), subject to a satisfactory employee review.

9. Compensation Plan Adjustments

The Compensation Plan shall be reviewed every two years with a study completed and presented to the Waterworks Commission at the April, May, or June meeting of each even year. If the Waterworks Commission accepts the updated Compensation Plan, implementation of the plan shall occur on July 1st of the year.

10. City Salary Plan

Upon adoption of this salary plan, Water Utility employees will no longer be subject to any provisions of the City Salary Plan. This includes grade advancement or abasement provisions, the Exemplary Performance Award program, market-based adjustment considerations, reclassifications, City cost of living adjustments, or any other one-time adjustments.

11. Amendments

This plan may be amended by the Waterworks Commission from time to time, and changes will be communicated to all employees. The most current version of this plan will be maintained at the offices of the Director of Neenah Water Utility.

Neenah Water Utility

Salary Study - Comparable Utility Step Plans

Utility	Main Steps	Additional Step	Total Steps
Menasha	6	Performance Max	7
Two Rivers	10		10
Kenosha WU	17		17
MPU	5	Performance Max	6
Oshkosh	6	Performance Max	7
FDL	11		11

Average

9.7

Neenah Water Utility - Step Plan Analysis - 9 Year

	Step	Step	Step	Step	Step	Step	Step	Step	Step	Hi-Lo
Position	1	2	3	4	5	6	7	8	9	Diff
Administrative Assistant / Support Specialist	\$ 22.76	\$ 23.86	\$ 24.95	\$ 26.05	\$ 27.14	\$ 28.24	\$ 29.34	\$ 30.43	\$ 31.53	\$ 8.77
Director / Operations Manager (Paid at 40.0 Hrs/Wk)	\$ 50.80	\$ 52.95	\$ 55.11	\$ 57.26	\$ 59.42	\$ 61.57	\$ 63.72	\$ 65.88	\$ 68.03	\$ 17.23
Director / Operations Manager (Paid at 37.5 Hrs/Wk)	\$ 54.19	\$ 56.48	\$ 58.78	\$ 61.08	\$ 63.38	\$ 65.67	\$ 67.97	\$ 70.27	\$ 72.57	\$ 18.38
Distribution Tech II (Foreman)	\$ 32.31	\$ 33.68	\$ 35.05	\$ 36.41	\$ 37.78	\$ 39.15	\$ 40.52	\$ 41.88	\$ 43.25	\$ 10.94
Distribution Manager	\$ 41.86	\$ 43.88	\$ 45.90	\$ 47.91	\$ 49.93	\$ 51.95	\$ 53.96	\$ 55.98	\$ 58.00	\$ 16.14
Distribution Tech I	\$ 27.22	\$ 28.33	\$ 29.43	\$ 30.54	\$ 31.64	\$ 32.75	\$ 33.85	\$ 34.96	\$ 36.06	\$ 8.84
Filtration Plant Electrical Tech (E/I Tech)	\$ 32.31	\$ 33.68	\$ 35.05	\$ 36.41	\$ 37.78	\$ 39.15	\$ 40.52	\$ 41.88	\$ 43.25	\$ 10.94
Plant Operator	\$ 27.22	\$ 28.33	\$ 29.43	\$ 30.54	\$ 31.64	\$ 32.75	\$ 33.85	\$ 34.96	\$ 36.06	\$ 8.84
Filtration Plant Mechanical Tech (Mech. Tech)	\$ 27.53	\$ 28.86	\$ 30.18	\$ 31.51	\$ 32.84	\$ 34.16	\$ 35.49	\$ 36.81	\$ 38.14	\$ 10.61
Plant Manager	\$ 41.86	\$ 43.88	\$ 45.90	\$ 47.91	\$ 49.93	\$ 51.95	\$ 53.96	\$ 55.98	\$ 58.00	\$ 16.14

Notes:

Distribution Manager and Plant Manager Positions were equated for parity

Distribution Tech I and Plant Operator Positions were equated for parity

The Director / Operations Manager is paid at 37.5 hours per week

The Administrative Assistant works approximately 20 hours per week. This position is also effectively performs the duties of an Office Manager

Neenah Water Utility				
Staff Employment Anniversaries				
Month	Day	Employee	Start of Employment	2024
February	2	Mike La Fave	2015	9
	9	Tony Mach	2015	9
	11	Matt Schulz	2019	5
April	9	Ryan Flom	2001	23
	17	Aaron Goldschmidt	2023	1
	18	Larry Reckner	1994	30
	25	Tom Hawk	2022	2
May	28	Troy Biese	2002	22
June	5	Jasen Dahn	2000	24
	11	Gary Gorges	2007	17
	22	Nolan Knapp	2020	4
July	11	Josh Preissner	2022	2
	27	Nash Herbst	2015	9
August	17	Paul Patton	2021	3
September	4	Tim Jens	2007	17
December	9	Steve Janssen	2021	3
	12	Karen Frazier	2005	19
	12	Ryan Reader	2005	19