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WISCONSIN

PUBLIC WORKS
Engineering Division
1717 E. Park Street
P.O. BOX 87
Two Rivers, WI 54241-0087



Memorandum

Department of Public Works

Date: May 14, 2025

To: City Council
Greg Buckley, City Manager

From: Matthew Heckenlaible, Director of Public Works / City Engineer *may*

Re: Award of Contract 2-2025
Follow up on Essential Sewer and Water

At the May 5, 2025, City Council meeting, the Council directed me to provide feedback as to what the issues were related to Essential Sewer and Water being banned from working in Sheboygan, Wisconsin.

As stated during the May 5, 2025, City Council meeting, Essential Sewer and Water is not banned by the City of Sheboygan, but from the Sheboygan Water Utility.

According to the Sheboygan Water Utility, Essential Sewer and Water has performed a lot of emergency water repairs in the past and recently they were the low successful bidder for a 2024 lead water service lateral replacement project. During that contract, there were some communication concerns with water utility staff regarding providing advance notice of when and where they were going to be working, coordination in performing the private onsite inspections and then a few instances where flushing of debris from the water service prior to hooking back up to the water meter may not have been fully completed as some water meters had to be removed and cleaned of debris (sand, grit, etc.). The biggest challenge was obtaining the appropriate payroll documentation to certify that they were complying with the Davis-Bacon wage scale requirements. Ultimately, that documentation was provided, but only after multiple requests. They stated that it appears that Essential Sewer and Water is potentially overwhelmed with all the necessary paperwork associated with the WDNR funded projects but could not definitively confirm that.

Sheboygan Water Utility stated that there was not one significant issue related to actual workmanship or contract non-conformance, but several smaller issues that resulted in staff frustration and ultimately the Water Utility Commission taking action to ban them from being an approved lead service lateral replacement plumber for a period of two (2) years. The water utility did state that they will probably review that action later this year and there is a good probability that they will drop the second year of the ban and reinstate Essential Sewer and Water for the 2026 construction season, but that is yet to be determined.



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In discussions with the Sheboygan Department of Public Works, they have utilized Essential Sewer and Water for a lot of sewer work in various capacities and have not had issues or complaints regarding them.

I had a discussion with American Dream builders who developed a 33 lot subdivision a few years ago which included two roads and all the necessary underground utilities. There were no major issues and the minor items that did come up were addressed in a timely manner. They would use Essential Sewer and Water again.

The City of South Milwaukee contracted Essential Sewer and Water in 2024 for a 220 lead water service replacement project. There were no major issues with the work completed. The biggest item of note was that the owner, Curt was onsite and did most of the day-to-day site coordination and then needed to deal with the administration of the project and other projects after the work day had been completed. It appeared that he may have been overwhelmed with the amount of necessary paperwork, including proper billing submissions. All the necessary paperwork had been received and the project was closed out. They would welcome Essential Sewer and Water back to complete more work in the future.

Essential Sewer and Water just recently finished up a contract in the Village of Shorewood, Wisconsin, doing private side only lead water service replacements. The project was intended to be winter work as that is what the Village of Shorewood staff had heard was a need of local Milwaukee area contractors. Essential Sewer and Water was the low bid and was awarded the contract. They did not do any of the work over the winter but pushed it off until earlier this spring. They completed all the necessary water services prior to the contract deadline. The beginning of the project started off with several equipment issues / failures coupled with communication and coordination challenges, but once they got those items resolved, Essential Sewer and Water found their groove and completed the water services. Shorewood did receive several calls from residents related to Essential Sewer and Water and the necessary inspections. Even though several letters and notifications were provided to the impacted property owners, several seemed unaware or unsure of Essential Sewer and Water's purpose of needing access to the properties in order to complete these inspections and work. They also received a few unconfirmed complaints regarding possible tracking of dirt into and around the properties and the less than ideal clean-up of their work site. Shorewood could not confirm these accusations as their contracted inspector was not authorized to enter private property and apparently there are some Shorewood property owners that are extremely hard to please. Shorewood stated that they will be making some adjustments to their bidding specifications in the future that describes the scheduling and inspection process so that expectations of everyone can be managed. Although there were challenges and the fact that they have successfully completed a contract with the Village, there was not anything that would prevent Essential Sewer and Water from submitting and being awarded contracts in the Village of Shorewood in the future.



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Even though there have been some concerns provided by a few of the communities / entities that I had contacted regarding past contracts and performance, they all stated that there were not any major/significant workmanship issues. The challenges appear to be communication, coordination and contract documentation which can and does occur with a lot of contractors.

Similar to the Village of Shorewood, Essential Sewer and Water has successfully completed a contract with the City of Two Rivers in the past. They have the means and financial resources to complete the necessary work within contract 2-2025 East Side Scattered Lead Water Service Replacement project.

Therefore, it is still my recommendation that Contract 2-2025 be awarded to the low, responsive bidder, Essential Sewer and Water, in the amount of \$1,867,580.00.

