

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, DECEMBER 14, 2015**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Diedrich at 4:31 p.m. on Monday, December 14, 2015. In attendance were Commissioners Allie, Hennessey, Hornung, Luckow, and Seidl. Also present were Nilaksh Kothari – General Manager, Cindy Carter, Andy Onesti, and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Nickels was absent.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the December 14, 2015 meeting pursuant to Section 19.85(1) (c) to discuss approval of the minutes of the September 14, 2015 Closed Session Meeting (Regarding Personnel Committee Report and Recommendations) Personnel Committee Report and Recommendations and 2016 Wage Adjustments.

MOTION: A Motion to convene in closed session was made by Commissioner Hennessey and seconded by Commissioner Seidl. Motion carried unanimously. Accordingly the Commission convened in closed session at 4:35 p.m.

The meeting was reconvened to open session at 4:52 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION:

MOTION: A Motion was made by Commissioner Hennessey and seconded by Commissioner Seidl to authorize the General Manager an amount of up to \$145,000 for 2016 wage adjustments which includes an one-time incentive pay for performance for exempt and non-exempt employees effective January 10, 2016 and report to Commission on the distribution of the adjustments. Motion carried unanimously.

PHONE SYSTEM UPGRADE RECOMMENDATION: The bid documents for this project were issued using the EJCDC documents for procurement contracts. The bid form breakdown of items was included to form the basis to award contract to the lowest responsible bidder. During the review of the responses it was discovered that the two low bidders had included information on recommended ongoing maintenance and support costs for the project although it was not requested on the bid form. Because the ongoing maintenance and support costs were not included in the original Bid documents, the attorney recommended that all of the bids be rejected and that the process be started anew. The attorney also suggested that when the process is started over a request for quotation process may be used for this project rather than bidding. Discussion ensued.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Luckow to reject all the bids for the phone system. Motion carried unanimously.

EPA REGIONS – 114 REQUEST: A proposed resolution, drafted by Attorney Todd Palmer, concerning EPA's request that MPU install ambient air monitors around the Columbus Street facility or alternatively, implement enhanced fugitive dust control techniques and equipment was distributed for review and approval. This resolution is an effort to potentially resolve the outstanding issues associated with the Section 114 request received by EPA. A lengthy discussion ensued on the air monitoring results of EPA and MPU; TRC conclusions; costs; rate impact; and enhancing MPU's current practices for fugitive dust and other related issues.

MOTION: A Motion was made by Commissioner Hennessey and seconded by Commissioner Seidl to approve the Resolution. Motion carried unanimously.

STRATEGIC PLAN – 2016-2018: The strategic plan with specific tasks; responsibilities; costs and schedule was distributed for review, comments and approval. An update on the progress of the strategic plan will be provided semi-annually at the June and November meetings beginning in 2016. The Commission sub-committee reviewed the three RFP's that had been received to facilitate the strategic items for Commission. The committee concluded not to retain any consultant. The General Manager was asked to inform the consultants that at this time the Commission has chosen not to move forward with the proposals.

MOTION: A Motion was made by Commissioner Hennessey and seconded by Commissioner Seidl to approve the Strategic Plan as presented. Motion carried unanimously.

CAPITAL BUDGET – 2016-2020: The proposed 2016-2020 Capital Budget was distributed and discussed at the last Commission meeting. The budget is estimated at \$6.4 million. The 2016 budget will not require any borrowing.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the 2016 capital budget as presented. Motion carried unanimously.

O&M BUDGET - 2016: The proposed 2016 and preliminary 2017 and 2018 O&M budgets were distributed to the Commission for review. The 2016 total operating revenues are estimated at \$74.2 million. The revenues reflect a 3.0% decrease in electric retail rates in 2016 subject to PSCW approval. The 2016 total operating expenses are estimated at \$68.5 million, an increase of \$500,000 or approximately 0.7% from annualized 2015. Five new employees will be added in 2016 in addition to filling recent retirement positions. Discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve the 2016 O&M Budget as presented. Motion carried unanimously.

PROPOSED ECONOMIC DEVELOPMENT PROGRAM: A proposed Economic Development Program to be offered to existing and new customers of MPU was presented for Commission discussion. The highlights of the draft programs are: provide incentive for either economic development (EDF) or energy efficiency (EE); the range of funding for EDF will be between \$5,000 and \$500,000; the range of funding for EE will be between \$2,500 and \$50,000; the funding will be for a maximum of sixty (60) months and to be paid through the monthly utility bill; for EDF the expansion must be greater than 200kw; and the maximum amount of

funding to a single customer for EDF will be \$500,000 and an existing customer for EE will be \$50,000. A lengthy discussion ensued. General Manager was asked to meet with Progress Lakeshore and City's planner to discuss the programs and report back to Commission.

ENERGY EFFICIENCY AND CONSERVATION PROGRAM: The three proposed energy efficiency and conservation programs presented for consideration from 2016-2018 are: a newsletter on conservation and efficiency to specific customer classes, an LED change-out promotion, and reviewing the feasibility of community owned solar. Discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Hennessey to approve the program as presented. Motion carried unanimously.

WEBSITE DESIGN AND HOSTING SERVICES RECOMMENDATION: MPU currently utilizes the 54 Systems Group for website hosting services and support. In both the residential and the Commercial & Industrial Customer Survey, website enhancement was listed as an area of improvement for better customer service. Of the six companies contacted, two provided responses to the RFP, Americaneagle.com and Greenleaf Media. Based on review of the responses and a demo from Greenleaf Media on the Joomla CMS, the recommendation is to retain Greenleaf Media for MPU website design and hosting.

MOTION: A Motion was made by Commissioner Hennessey and seconded by Commissioner Allie to approve retaining Greenleaf Media. Motion carried unanimously.

AMENDMENT TO IT SERVICES AGREEMENT WITH CITY: The City Finance Committee discussed and approved replacing the phone system and MPU to be the provider of the proposed new system. The most prudent manner to move forward to provide the phone system replacement is to issue amendments to the existing agreement that will include both the phone system and waiver of PILOT for any IT/Phone system updates that was previously approved. The changes have been discussed with the City Finance Director. Upon Commission approval the City Council approval of the Amendments will be requested at the January 2016 meeting by the City Finance Director.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the Amendment to IT Services Agreement with City as presented. Motion carried unanimously.

RIVERSIDE GENERATION PLANT PROCEEDINGS: The Rebuttal testimony was submitted to PSCW on behalf of Great Lakes Utilities in the application of WP&L for a CPCN to build a 650 MW natural gas power plant in the town of Beloit, Wisconsin. The testimony is to support the WP&L application. A brief discussion ensued.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: Village of Reedsville monthly report on various activities; failed underground primary cable was replaced in the 1200 and 1300 blocks of Fleetwood Drive; Manitowoc Public School District reported an outage on Wiscnet service from MPU on December 1 as Nsight had cut fiber optic in Ledgeview as part of a splicing order for CBCWA; Owner of a garden shed constructed within

one foot in front of the electric meters at 1925-1927 Kellner Street was contacted to provide NEC-required clearance; a letter was sent to the owner of the property at 5023 River Heights Drive to replace the water service leak identified on the customer's side of the curb stop in November 2015 and given 30 days to make repairs; trial is set for January 12 regarding Ms. Neuser's vehicle damage claim and the water department employees will be available as witnesses at the trial; an introductory meeting was held with Johnson Controls about Performance Contracting as they have been involved with many projects nationally and wanted to make MPU aware of these services now that Wisconsin stat 66.0103 has been approved for local governmental units including municipal utilities; MPU will be provided with all the necessary data on the impacts of CPP to WI from the study in progress by EPRI; after discussions with WDNR on WPDES permits a refined scope of work is issued for Burns & McDonnell to revise the cost estimate for the BTA for cooling water intake analysis.

MINUTES: The Minutes from the Regular Session Meeting on November 23, 2015 were presented for approval.

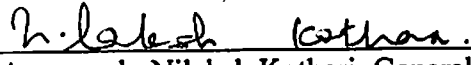
APPROVAL OF CLAIMS: Claims List dated December 15, 2015 and Wire Transfers dated through November 9, 2015 were presented for approval.

QUOTATIONS/BIDS: The following quotations/bids were presented for approval: Three-Phase, Pad-mounted Transformers- \$16,926.97 –Resco CG.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Hennessey to approve the Regular Session Minutes from November 23, 2015; the Claims List dated December 15, 2015 check nos.76848 through 76967 totaling \$1,398,938.76; Wire Transfers dated through December 9, 2015 totaling \$4,021,382.68; and to approve the presented quotations/bids. Motion carried unanimously.

NEXT MEETING: January 25, 2016 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Seidl and seconded by Commissioner Hennessey. Meeting adjourned at 5:46 p.m.


Approved: Nilaksh Kothari, General Manager


Approved: Dan Hornung, Secretary