

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, AUGUST 27, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Monday, August 27, 2018. In attendance were Commissioners Allie, Diedrich, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Mark Leonhard – Citizen; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

CONTRACT ADMINISTRATION OF CITY'S WASTEWATER TREATMENT FACILITY: N. Kothari provided an overview of Dr. Craig Woolard's report on the potential integration of the Wastewater Treatment Facility (WWTF) with MPU. Dr. Woolard summarized that the WWTF has a competent staff; facilities are well maintained; meets all permit requirements and is a well-run operation. His recommendations include a need for documentation to clarify the relationship between the maintenance of the collection system and the WWTF, develop the revenue requirements with a five-year capital improvement program to avoid future rate shocks and increase automation of the WWTF for improved performance. The synergies identified were in skilled labor, in particular, mechanics and electricians; and WWTF being overseen under a utility-focused governance. Discussion ensued on: synergies from MPU's engineering support; utility-focused leadership; cost to WWTF from MPU; Wastewater Board thoughts on this integration; cost savings to WWTF and the next steps. The consensus of the Commission was to recommend to the City Council to continue moving forward with the integration of WWTF in a two-step process with the first step being a management agreement for a minimum of three years with performance measures identified for monitoring the synergies. Mayor Nickels to schedule a joint meeting with City Council, Wastewater Board and MPU Commission.

PROGRESS LAKESHORE UPDATE: Commissioner Hornung provided an update on the Progress Lakeshore meeting. Commissioners Hornung and Seidl plan on attending their Board meeting on September 19, 2018. Mayor Nickels discussed the importance of having a point person at MPU for Progress Lakeshore as this will be beneficial for the Economic Development Loans and encouraging new businesses to the area.

MPU POLICIES REVISIONS: The summary of all operational policies and updated versions of these policies were distributed for Commission review and comments. Approval will be requested at the next meeting. A brief discussion ensued and attorney Andy Steimle was requested to review the policies.

APPA PUBLIC POWER FORWARD SUMMIT: A request for approval was made for any Commissioner to attend the APPA Public Power Forward Summit in Austin, Texas from November 12-13, 2018. The approximate cost per person is \$1,645.00.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Nickels to approve Commissioners to attend the Summit. Motion carried unanimously.

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WALDO BOULEVARD WATER SERVICE REPLACEMENT CUSTOMER LETTER: A letter was received from the property owner at 2202 Waldo Boulevard regarding the Waldo Boulevard watermain replacement project and the cost that will be placed on the property owner due to the project. After a brief discussion the consensus was to place the letter in the file. The September 6 public information should provide clarity to home-owners.

BOILER 9 INSURANCE CLAIM UPDATE: MPU's brief in response to MPIC's Motion for Summary Judgment regarding the denied Boiler 9 insurance claim from January 2018 was presented for review. The key arguments of the summary are: MPIC president in his testimony admitted that the denial of claim is incorrect and the adjuster did not have enough information to deny the claim.

MISO ANNUAL ACTIVITY SUMMARY REPORT: The annual MISO Activity Summary Report from June 1, 2017 through May 31, 2018 for MPU was presented to Commission. The highlights are: MPU's actual peak demand: 101.6 MW; Forecast error: 0%; 77 MW load of MPU is served through bilateral agreement with GLU; annual load forecast error was 5.17%, a slight increase from PY 2016-2017; and no changes are needed to the current strategy for MISO PY 2018-2019 based on the results.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: 26 accounts remain disconnected at the end of the week and due to CIS conversion disconnections were put on hold; the Volvo loader of power plant was sent out for overhaul and repairs due to significant maintenance issues and a loaner is being used; a meeting was held with Translink in regards to potential steel storage, and trans-loading cotton seed by railroad tracks; filed two claims with Liberty Mutual – one for WD vehicle accident and other for the broken curb stop at 1114 N. 16th Street that was broken by MPU staff when conducting a pressure test; primary extension is being installed to a new transformer location at 2400 S. 44th Street for the Investor's Bank facility; year to date water sales are down but electric is up; and discussions with Eaton continue on AMI Agreement.

GREAT LAKES UTILITIES: The GLU Annual Meeting will be held in Wisconsin Rapids. The dates are being finalized between November 1 and 15, 2018.

MINUTES: The Minutes from the Regular Session Meetings on July 30, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Seidl to approve the Regular Session Minutes from July 30, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated August 14, 2018; Claims List dated August 28, 2018; and Wire Transfers dated through August 22, 2018 were presented for approval.

FINANCIAL REPORTS FOR JUNE 2018: The Financial Reports for July 2018 were previously distributed to the Commission for review and discussion. Commissioner Hornung requested clarification of the investment report to the financial report regarding the 'other' funds.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Seidl to approve the Claims List dated August 14, 2018 check nos. 84946 through 85122 totaling \$1,480,379.51; Claims List dated August 28, 2018 check nos. 85123 through 85242 totaling \$724,127.95; Wire Transfers dated through August 22, 2018 totaling \$4,615,230.43; and to place the Financial Reports from July 2018 on file.

INVESTMENT REPORT: The Investment Portfolio Report from Baird, our investment advisor, for the period ending June 30, 2018 was previously distributed to the Commission for review and discussion.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Seidl to accept the Investment Reports from Baird.

QUOTATIONS/BIDS: Water Plant HVAC Upgrades – \$478,200.00 – Aldag/Honold Mechanical, Inc.; Three-phase Pad-mount Transformers (2) – 2000KVA - \$51,856.00 – RESCO Ermco; Single-phase Pad-mount Transformers – 25KVA (2) and 100KVA (2) - \$8,476.00 – RESCO Ermco; Remote I/O PLC Panel - \$11,357.00 – Preferred Controls, Inc.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Sitkiewitz to approve the Water Plant HVAC Upgrades. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve the Three-phase Pad-mount Transformers – 2000KVA. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Allie and seconded by Commissioner Luckow to approve the Single-phase Pad-mount Transformers – 250KVA and 100KVA. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the Remote I/O PLC Panel. Motion carried unanimously.

NEXT MEETING: September 10, 2018 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Diedrich and seconded by Commissioner Allie. Meeting adjourned at 4:49 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: David Diedrich, Secretary