

**MINUTES OF THE  
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING  
MONDAY, NOVEMBER 23, 2015**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Diedrich at 4:00 p.m. on Monday, November 23, 2015. In attendance were Commissioners Allie, Hennessey, Hornung, Luckow, Nickels and Seidl. Also present were Nilaksh Kothari – General Manager, Cindy Carter, Andy Onesti, and Attorney Andrew Steimle – Steimle Birschbach, LLC.

**PHONE SYSTEM REPLACEMENT VENDOR RECOMMENDATION:** A revised Request for Proposals (RFPs) to replace the existing phone system infrastructure that included the City and MPU phone system replacement was solicited on August 25, 2015. Three responses were received; two on premise solutions and one hosted solution. After reviewing the responses Camera Corner\Connecting Point – Shoretel, and Creative Solutions – Panasonic were selected to make a presentation on features of their systems. A summary of all of the bids received were analyzed based on a 5-year NPV to determine the lowest ownership cost of the system, which includes capital and support and maintenance expenses. A lengthy discussion ensued. The Commission will discuss this at the next meeting.

Andy Onesti left the meeting at 4:25 p.m.

**PRESENTATION ON OVERVIEW OF FINANCIAL STATEMENTS:** The presentation on overview of financial statements and MPU regulatory requirements was made by Cindy Carter. A brief discussion ensued.

Commissioner Hennessey and Nickels left the meeting at 5:00 p.m.

**EPA REGION 5 – 114 REQUEST:** The draft responses to EPA's list of dust mitigation measures to be included in the Fugitive Dust Plan were discussed. The response is due before November 26, 2015 and is being reviewed internally and by attorney Todd Palmer. The response to the remainder of Section 114 request (17-36) is due by December 4, 2015. Following are the activities/highlights since the last update: TRC consultant has been retained by MPU to review EPA monitoring data, MPU monitoring data and MPU's current fugitive dust control plan. Upon reviewing this data, TRC will provide recommendations on changing the Fugitive Dust Plan, if any. The data from EPA's unscheduled site visit in August demonstrates particulate matter levels at each monitoring site well below the ambient air quality standard. Discussion ensued.

Cindy Carter left the meeting at 5:20 p.m.

**DRAFT STRATEGIC PLAN:** The draft 2016-2018 strategic plan was presented for review and comments. The tasks, activities, budgets and schedule for each objective were developed and included in the plan. The Commission sub-committee tasked with selecting a consultant for facilitation of the three initiatives of the strategic plan. The Committee will make a recommendation at the next Commission meeting. Discussion ensued.

**PROPOSED CAPITAL BUDGET – 2016-2020:** The proposed 2016 Capital Budget was distributed for Commission review and comment. The budget is estimated at \$6.4 million. The 2016 budget will not require any borrowing. Discussion ensued.

**PROPOSED O&M BUDGET:** 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. Discussion ensued.

**CLEAN POWER PLAN UPDATE:** Several documents were distributed for review and discussion. Some of the key issues are: MISO should remain focused on reliability impacts, required transmission upgrades and market changes for compliance of CPP. MPU will be working with Attorney Art Harrington of Godfrey & Kahn to provide comments to EPA on the Federal Implementation Plan and in particular, including biomass as a renewable resource for CO<sub>2</sub> emission calculation. A brief discussion ensued.

**LEGISLATIVE PROPOSAL ON PRIVATIZATION:** The proposed bill will make it easier for municipal water and sewer utilities to be sold or leased to an out of state Investor Owned Utility, but it would not make the process of selling or leasing to another municipal or regional municipal easier. Representative Paul Tittl has agreed not to be a co-sponsor to this bill.

**GENERAL MANAGER'S REPORT:** N. Kothari updated the Commission on the following: Briess steam meter issues are being investigated. Collector 'C' has two positive total coliform samples. Discussions with DNR continue. Meter Technicians continue to replace 375 - 1997 ABB meters, which have been testing slow. Properties that were not Cross Connection Control compliant by November 1 were sent a reminder/disconnection notice for compliance by December 4 or risk disconnection from the water supply. The Sigmans' property closing date is anticipated on December 1. NERC notified MPU that effective October 30, 2015 the MPU DP function was retired and the DPUF function was added. We expect MRO to retire the LSE function next week and therefore MPU will become a DPUF only entity. Aqua-Aerobics was on site to monitor coal yard runoff filter operation and to evaluate the possible use of a recirculation mode to build a filter "cake". Cake building via recirculation was unsuccessful overall and a coagulant will be needed to meet performance. DNR approval on use of coagulant is awaited. A meeting was held with two private providers to discuss providing high-speed internet to local businesses in partnership with MPU.

**GLU UPDATE:** N. Kothari updated the Commission on the following: GLU is working on the initiatives of the strategic plan; Lakeswind facility has been purchased by TransAlta; and MISO is considering moving to a 5-minute rather than the current 60-minute settlement.

**MINUTES:** The Minutes from the Regular Session Meeting on October 12, 2015 were presented for approval.

**APPROVAL OF CLAIMS:** Claims List dated October 27, 2015, Claims List dated November 10, 2015, Claims List dated November 24, 2015, and Wire Transfers dated through November 18, 2015 were presented for approval.

**FINANCIAL REPORTS FOR SEPTEMBER AND OCTOBER 2015:** The Financial Reports for September and October 2015 were previously distributed to the Commission for review and discussion.

**QUARTERLY INVESTMENT PORTFOLIO REPORT:** The Quarterly Reports from ICM for the period ending September 30, 2015 were presented for review and comments.

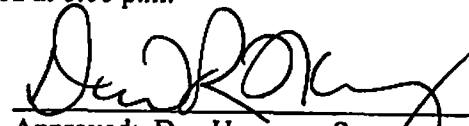
**QUOTATIONS/BIDS:** The following quotations/bids were presented for approval: Electric Distribution Substation SCADA RTU Installation - \$39,312.85 – Energis High Voltage Resources, Inc.

**MOTION:** A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the Regular Session Minutes from October 12, 2015; the Claims List dated October 27, 2015 check nos.76462 through 76605 totaling \$534,838.39; Claims List dated November 10, 2015 check nos.76606 through 76714 totaling \$664,921.53; Claims List dated November 24, 2015 check nos.76715 through 76846 totaling \$847,255.96; Wire Transfers dated through November 18, 2015 totaling \$5,284,540.35; to place the Financial Reports for September and October 2015 on file; to place the Quarterly Investment Portfolio Report on file; and to approve the presented quotations/bids. Motion carried unanimously.

**NEXT MEETING:** December 14, 2015 at 4:00 p.m.

**ADJOURN:** A Motion was made to adjourn the meeting by Commissioner Luckow and seconded by Commissioner Allie. Meeting adjourned at 6:00 p.m.

  
Approved: Nilaksh Kothari, General Manager

  
Approved: Dan Hornung, Secretary