

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, JANUARY 14, 2019**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 4:00 p.m. on Monday, January 14, 2019. In attendance were Commissioners Allie, Diedrich, Hornung, Luckow, Nickels, and Sitkiewitz. Also present were Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

DRAFT VILLAGE OF MARIBEL INTERGOVERNMENTAL AGENCY SERVICES AGREEMENT: A presentation was made at the Village of Maribel Board meeting on December 12, 2018 to provide water and wastewater management services similar to Village of Reedsville. Following the presentation, Village Board requested MPU to draft an Agreement for the O&M services of the water and wastewater system. The draft Agreement was reviewed by attorney Andy Steimle and has been provided to Village of Maribel operator in charge for review and comments. Following are the highlights: either party able to terminate with 60 days advance notice; MPU labor cost will be billed at a multiple of 2.0 and expenses billed at cost plus 5.0%; all outside services to be billed directly to Village; Scope of Services are listed in Appendix A; Indemnity/Insurance terms are similar to other such agreements. The Agreement is being reviewed by Maribel and will be discussed at the February 2019 meeting. Any changes will be discussed with the Commission. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Diedrich to approve the Agreement and authorize the CEO and General Manager to continue negotiations for the Intergovernmental Agency Services Agreement with Village of Maribel. Motion carried unanimously.

SUBSTATION TRANSFORMER UPRATING: An Electric System Study conducted in December 2017 projected that normal load growth would result in exceeding the transformer rating at Dewey by 5.7% by 2027. Under contingency conditions the study projected the existing Dewey transformer will be loaded to 118% of rating and by 2027 will be loaded to 137%. Since the completion of the study two separate applications for 3000 amp services have been received; one to be added on Dewey substation and the other on Custer substation. Both requests will require an estimated 2 MVA load addition to the current loads. The additional load requests will bring Dewey transformer within 10% of its maximum rating and Custer transformer within 27% of its maximum rating both under normal alignment. While operating a transformer above its rating is within IEEE guidelines, doing so infers an increased risk of premature failure. Several options were considered including: (a) installing an additional transformer at either of the substations estimated at an estimated cost of \$1.5 million; (b) request Delta Star, Inc. to uprate the transformer nameplates at Dewey (\$31,200) and Custer (\$23,700) substations from 22.4 MVA to 25 MVA by modifying the cooling systems at a cost not to exceed \$54,900; or complete transformer uprating/modification at Dewey in 2019 and continue to monitor load growth and transformer temperatures at Custer substation. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the uprating of the Dewey and Custer substation transformers by Delta Star at a not to exceed cost of \$54,900. Motion carried unanimously.

POWER GENERATION RESILIENCY RETAIN CONSULTANT: A revised Scope of Work document was developed by Black & Veatch with five tasks. The first task will develop a report of the pros and cons of various alternatives, including an estimated cost for each, with the understanding that the goal of this project is to provide the ability to start-up boilers 8 and/or 9 upon the loss of external energy source to the MPU service territory. The second task will be to perform a financial analysis, based on a 25-year life cycle analysis of no more than three options selected by MPU from Task 1. Tasks 3, 4 and 5 will consist of developing the draft and final reports and providing a presentation of the results to the MPU Commission. The project is expected to be completed within twelve weeks of authorization and to be completed at an approximate cost of \$45,000 plus expenses. Commissioner Hornung recommended granularity on the costs of selected alternatives. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to retain the services of Black & Veatch for approximately \$50,000. Motion carried unanimously.

MISO FILING OF ATTACHMENT-Y APPLICATION: Turbine 6 has not been utilized due to some equipment concerns for the past several months. The anticipated cost for a vendor to come and inspect the Turbine is \$70,000 to \$100,000. This Turbine is a back-up to Turbine 5 when Boiler 8 is operating and Turbine 5 has operational issues. MISO requires Generation Owners to notify them through their Attachment Y process at least 26 weeks prior to any change in status economic suspension or retirement of Generation Resources. MISO has expanded their Attachment Y process to include an alternative that allows a Generation Resource owner to request a study, by submitting an Attachment Y-2, to determine whether it is likely that a portion or all of a Generation Resource would qualify as an SSR Unit. In this case, the owner will not be bound to the change of status indicated in an Attachment Y-2 request. The owner is required to submit a deposit of \$70,000 to MISO for the reasonable costs and expenses of the study. The results of the study will provide the owner with the outcome if the owner elects to submit an Attachment Y Notice to request SSR status in the future. The key advantage of Attachment Y over Y-2 being MPU will not have to provide MISO with a deposit of \$70,000 for the study. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to submit the Attachment-Y application. Motion carried unanimously.

LOGISTICS AFFILIATION PILOT PROGRAM: A program called "Customodal" was presented for review and comments. The primary goal of this program is to consolidate and leverage inbound freight (not parcels) shipments to utilities that are moving by trucks, where freight charges are either pre-pay and/or add-on. The primary objectives of this program are: cost savings on shipments, inbound shipment visibility, and accountability. MPU on an annual basis spends approximately \$30,000 to \$40,000 for inbound shipment (excluding fuel, ash, limestone for power plant). Of the above cost approximately \$18,000 was an add-on. All other shipment

costs were F.O.B. Manitowoc in the price of the materials. The proposed pilot program will have two aspects: (a) a logistics rebate, and (b) small parcel audit. MPU will have to send a letter to all vendors that require truck shipments and all our quotes will have to request materials and shipping costs separately. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Nickels to approve the one-year pilot program with Customodal. Motion carried unanimously.

TECHNICAL SAFEGUARD POLICY FOR IT: This policy addresses technical safeguards of information systems and related equipment and facilities which include: protecting electronic information by requiring access controls to be in place; ensuring audit controls are implemented; maintaining the integrity of electronic data; and ensuring data is secured while being sent or received. This policy also lays out requirements for managing updates for firmware, system software patches, and application software; antivirus/malware software installation; and mobile device security.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Nickels to approve the Technical Safeguard Policies for IT. Motion carried unanimously.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: the proposed 2019 blanket PO's were presented for review and comments; attended the WWTF all employee meeting on January 14, 2019; a meeting was held with CEO of Orion and SMI on December 20 and a deadline of March 1, 2019 has been agreed upon for Orion to execute contracts and provide a performance bond of 125% of the estimated project cost for a new water service; on December 30, responded to water main break which was determined to be on Expo Drive on a private water service in the Expo County Fairgrounds which resulted in 300,000 gallons of water wasted and the 2019 blanket PO's. Discussion ensued with Commission recommendation to invoice the county for the water loss.

GREAT LAKES UTILITIES: GLU has filed an intervention at FERC on WE filing on the retirement of the Pleasant Prairie plant and how the cost allocation is to occur. A brief discussion ensued.

CBCWA: MPU met with Nic Sparacio and McMahon Associates (CBCWA engineering consultant) in December 2018 to discuss the recommended FWPS modifications, CMF Plant, and FWPS flow meter.

MINUTES: The Minutes from the Regular Session Meetings on December 10, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Sitkiewitz to approve the Regular Session Minutes from December 10, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated December 25, 2018; Claims List dated January 15, 2019; and Wire Transfers dated through January 9, 2019 were presented for approval.

FINANCIAL REPORTS FOR NOVEMBER 2018: The Financial Reports for November 2018 were previously distributed to the Commission for review and discussion.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Sitkiewitz to approve the Claims List dated December 25, 2018 check nos. 86252 through 86397 totaling \$820,147.23; Claims List dated January 15, 2019 check nos. 86398 through 86578 totaling \$1,100,661.62; Wire Transfers dated through January 9, 2019 totaling \$5,142,296.24; and to place the Financial Reports from November 2018 on file.

QUOTATIONS/BIDS: Main Office LED Lighting Upgrade – \$21,231.26 – Hubbart Electric.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve the Main Office LED Lighting Upgrade. Motion carried unanimously.

NEXT MEETING: February 11, 2019 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Sitkiewitz and seconded by Commissioner Diedrich. Meeting adjourned at 4:42 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Alex Allie, Secretary

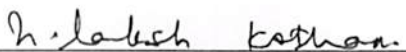
**MINUTES OF THE SPECIAL
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
TUESDAY, JANUARY 22, 2019**

The special meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 11:30 a.m. on Tuesday, January 22, 2019. In attendance were Commissioners Allie, Diedrich, Hornung, Luckow, Nickels, and Sitkiewitz. Also present was Attorney Andrew Steimle – Steimle Birschbach, LLC.

MANAGEMENT STRUCTURE – REVIEW OF CURRENT MANAGEMENT STRUCTURE: A special Commission meeting was held to begin discussions and review of the current CEO & General Manager position and overall management structure at MPU. Discussion ensued on the current strategic plan of the organization, the current CEO & General Manager job description, and developing a document identifying specific skills sets and qualifications .. for the future needs of MPU

MANAGEMENT STRUCTURE – PLANNING FOR THE FUTURE: Commission discussed options for direct reporting of the operations to continue to be one individual. Attorney Andy Steimle will provide a set of skills and qualifications to the Commission to be ranked ordered by each and ready to present and discuss at the next special meeting scheduled for February 5, 2019. Rick Bauman of Humber, Mundie & McClary, LLP of Milwaukee will be leading the discussion at the next meeting. Dr. Bauman is a business psychologist working with leaders, executives, managers and teams to facilitate effective human resources planning.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Diedrich and seconded by Commissioner Hornung. Meeting adjourned at 12:49 p.m.



Approved: Nilaksh Kothari, CEO & General Manager



Approved: Alex Allie, Secretary

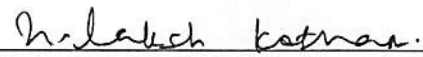
**MINUTES OF THE SPECIAL
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
TUESDAY, FEBRUARY 5, 2019**

The special meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 11:34 a.m. on Tuesday, February 5, 2019. In attendance were Commissioners Allie, Diedrich, Luckow, Nickels, and Sitkiewitz. Also present were Rick Bauman – Humber, Mundie & McClary, LLP; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commission Hornung was absent


MANAGEMENT STRUCTURE – REVIEW OF CURRENT MANAGEMENT STRUCTURE: Commission continued discussions from the previous meeting including overall management structure at MPU, the current strategic plan of the organization, the current CEO & General Manager job description, and the rankings of specific skills sets and qualifications.

MANAGEMENT STRUCTURE – PLANNING FOR THE FUTURE: Rick Bauman of Humber, Mundie & McClary, LLP of Milwaukee lead the discussion at the meeting. Dr. Bauman is a business psychologist working with leaders, executives, managers and teams to facilitate effective human resources planning. He focused and directed his discussion on the skill set of 14 characteristics developed by the Commissioners.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Luckow and seconded by Commissioner Sitkiewitz. Meeting adjourned at 1:12 p.m.



Approved: Nilaksh Kothari, CEO & General Manager



Approved: Alex Allie, Secretary