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MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, MARCH 14, 2016

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Diedrich at 4:00 p.m. on Monday, March 14, 2016. In attendance were Commissioners Allie, Hennessey, Hornung, Luckow, Nickels and Seidl. Also present were Nilaksh Kothari – General Manager, Mark Leonhard, Mike Stollfus – O'Donahue & Associates, Joe Holt - Auxiant, and Attorney Andrew Steimle – Steimle Birschbach, LLC.

GLU UPDATE TO CITY COUNCIL: The letter to the Mayor and City Council on the 2015 activities of Great Lakes Utilities was presented for review and discussion. This annual correspondence is required as part of the authorization from the City to be a member of GLU and in delegating the authority to MPU. The consensus was to submit the update to City Council.

ELECTRIC RATE ADJUSTMENT FILING: A request has been made to propose an electric rate decrease and to file an application with the PSCW on or about March 15, 2016. The forecasted decrease is 2%. This rate case will need a hearing due to proposed changes to our rates which include: (1) an increase to the fixed customer charge to better align rates with the cost of providing service; (2) large Commercial customers on the Gs-1 with demand of 50 kW to 100 kW will be moved to Small Industrial CP-1 rate; and (3) an increase to the NSF and reconnection charge to recover all of our costs with a proposed tiered approach for repeat disconnects in a given year. Based on our financial forecast for the test year ended December 31, 2016, revenue requirements to earn a 5.2 percent rate of return (as being currently authorized by PSCW) will be $44,092,000. Projected revenues for the test year, based on existing rates, will be $44,983,000, which creates a need for an overall rate decrease of $891,000 or 2 percent. PSCW expects a minimum of six months for final approval from the date of filing. This will be MPU's third consecutive filing with PSCW for a rate decrease. Discussion ensued on the proposed tiered charges for disconnects.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the Electric Rate Adjustment Filing.

Commissioner Hornung moved to amend the motion by removing the proposed tiered reconnection charge provision from the filing. Motion to amend carried unanimously.

Amended motion carried unanimously.

NERC COMPLIANCE REGISTRY: Notification was received from NERC accepting MPU's request to be delisted from any and all regulatory compliance issues with NERC. MPU will continue to operate the system according to good utility practices to ensure it is reliable and will maintain the documentation practices that were required by NERC for compliance purposes. NERC annual fees are applicable to all users of the Bulk Electric System, regardless of registration status, and will therefore continue to be assessed to MPU. Semi-annual reports on NERC compliance issues will no longer be needed and provided to the Commission. A brief discussion ensued.

SANITARY SURVEY FINDINGS - REEDSVILLE: The report of the Sanitary Survey completed by the WDNR for the Village of Reedsville was distributed for review. A response is

being developed as required by the WDNR on or before the April 22 deadline. Two items that will require significant effort are Cross Connection Control and researching Lead and Copper sites. The Village Board is meeting on March 16 to discuss the WDNR requirements and a path forward for compliance. A brief discussion ensued.

CYBERSECURITY ACT OF 2015: The Cybersecurity Act was approved by Congress in December 2015. A summary of this Act developed by APPA was distributed for review. Following are the key highlights: the Act sets up policies and procedures on sharing information between the federal government and private entities which includes public power; exemption for public power utilities from any open records law including state laws as it relates to cyber threat information; and protection from liability to monitor any cyber threats.

WELLNESS PLAN PRESENTATION: Mike Stollfus of O'Donahue & Associates and Joe Holt of Auxiant presented to the Commission an overview of MPU's current Wellness Plan and recommended changes in 2016 to manage long term costs. Overall MPU provides an excellent Wellness plan to employees as compared to the region. Amendment #5 to the Group Dental Plan and Amendment #9 to the Wellness Plan were distributed for review and approval. Discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Hennessey to approve the Wellness Plan changes. Motion carried unanimously.

Mike Stollfus and Joe Holt left the meeting at 4:49 p.m.

Commissioner Hennessey left the meeting at 4:50 p.m.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: Briess Malting leadership team toured the Power Plant facility on March 3; Koch Carbon sales agreement amendment for pet coke was signed which allows MPU to make a decision on extending the contract for 2017 until August 2016; Let's Talk Water – MPU and Two Rivers Water spoke at the Chamber of Commerce Legislative committee meeting on March 7; CBCWA has requested a price proposal from MPU to provide accounting services similar to the services provided to GLU; a meeting was held with Progress Lakeshore and Community Development Managers to discuss the proposed MPU's economic development incentives; several fiber estimates were developed for Nsight; completed review of the draft Generation Reliability Study. Discussion ensued on Generation Reliability Study and black start capabilities.

GLU UPDATE: N. Kothari updated the Commission on the following: the 2016 energy rates to be used for billing purposes from WPS, and the GLU Strategic Plan.

MINUTES: The Minutes from the Regular Session Meetings on February 8 and February 29, 2016 were presented for approval.

APPROVAL OF CLAIMS: Claims List dated February 23, 2016; Claims List dated March 15, 2016; and Wire Transfers dated through March 9, 2016 were presented for approval.

FINANCIAL REPORTS FOR DECEMBER 2015: The Financial Reports for December 2015 were previously distributed to the Commission for review and discussion.

QUOTATIONS/BIDS: The following quotations/bids were presented for approval: 2016 Hydrant Painting- $70.00 per Hydrant, $25.00 per Hydrant for Lead Testing, $15.00 per Hydrant for Lead Pain Disposal – Ferguson Waterworks Services.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Allie to approve the Regular Session Minutes from February 8 and February 29, 2016; the Claims List dated February 23, 2016 check nos. 77435 through 77568 totaling $497,846.49; Claims List dated March 15, 2016 check nos. 77569 through 77709 totaling $1,765,684.45; Wire Transfers dated through March 9, 2016 totaling $4,733,809.97; to place the Financial Reports for December 2015 on file; and to approve the presented quotations/bids. Motion carried unanimously.

NEXT MEETING: April 11, 2016 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Seidl and seconded by Commissioner Luckow. Meeting adjourned at 5:16 p.m.

N. Laksh Kothari.
Approved: Nilaksh Kothari, General Manager

Approved: Dan Hornung, Secretary