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MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, MAY 13, 2019

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 4:00 p.m. on Monday, May 13, 2019. In attendance were Commissioners Diedrich, Hornung, Luckow, and Sitkiewitz. Also present were Brandon Hall and Craig Elders – The Chlupp & Hall Group/Baird; Cindy Carter – MPU; Mark Leonhard – Citizen; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Allie and Nickels were absent.

INVESTMENT REPORT PRESENTATION – THE CHLUPP & HALL GROUP/BAIRD: Mr. Brandon Hall and Mr. Craig Elders – MPU's investment advisors, Chlupp & Hall Group/Baird, made a presentation on the 2018 performance of the short-term and intermediate investments. Rising interest rates and unemployment rates have caused some volatility in the bond market. Our investment advisors feel there are no concerns with the current portfolio. A brief discussion ensued.

Brandon Hall, Craig Elders, and Cindy Carter left the meeting at 4:15 p.m.

GLU FINANCIAL RISK MANAGEMENT POLICY REQUIREMENTS FOR MPU: In accordance with the Great Lakes Utilities Financial Risk Management Policy the following documents are needed from each power supply member to complete the 2018 review: audited financial statements as documentation of the Member's ability to produce sufficient revenues to support its commitments to GLU and an Affidavit attesting to member's maintenance of adequate levels of cash at all times during the previous year to meet the Operating Reserve Requirement under the Long Term Power Supply Contract and the operating reserve requirement under the other Project Agreements, as applicable.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to authorize President Mark R. Seidl to execute the Affidavit as required by the GLU Financial Risk Management Policy. Motion carried unanimously.

PRINCIPAL FORGIVENESS PROGRAM UPDATE TO STANDARD OPERATING PROCEDURE: The Wisconsin legislature in 2018 approved under Wisconsin Statute §196.372 for municipal utilities to provide financial assistance to help customers replace the lead service line (LSL). Following are the highlights of the revised program to address remaining 2018 funds for the upcoming Waldo Boulevard water main replacement: there are approximately 78 properties on Waldo Blvd with lead service lines based on historical records, each will qualify for $1,000 of principal-forgiveness from the curb stop to the home as part of the watermain replacement project only when the complete lead service line is replaced. MPU anticipates being able to fund approximately 17 additional LSL replacements with the remaining 2018 WDNR funds.

MOTION: A Motion by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to approve the Principal Forgiveness Program Update to Standard Operating Procedure. Motion carried unanimously.

B9 BAGHOUSE BYPASS EVENT AT STARTUP: On April 28, 2019, a Boiler 9 startup commenced to support dispatch of Generator 99 for the morning of Monday, April 29, 2019 as required by MISO. This was the first time the unit was dispatched in five weeks. During the startup, the boiler was being heated with natural gas. Solid fuel was not supplied to the furnace during the baghouse bypass or particulate matter emission. The boiler, however, had been loaded with ash to establish an initial bed, post-outage. The baghouse was bypassed for approximately 1 hour during the start-up. A verbal "Air Permit Next Business Day Deviation Report" was made to the WDNR on April 29, 2019, to notify them of the Boiler 9 Baghouse by-pass event during boiler startup. Subsequently a detailed report has been provided to the DNR. A brief discussion ensued.

CLAIMS UPDATE – HAZELWOOD DRIVE SEWER BACKUPS: MPU experienced a watermain break in the 1300 block of Hazelwood Drive near Madeline Lane on January 22, 2019. MPU has received seven claims from homeowners in this area for damages to their property as a result of the incident. These claims were filed with MPU's insurance company, Liberty Mutual, who conducted a detailed investigation. The investigation was completed on May 1 and Liberty Mutual will be sending a letter to each claimant on the approved claim amount along with a waiver requirement. A brief discussion ensued.

2018 PSCW RENEWABLE ENERGY PORTFOLIO: The Renewable Portfolio Standard (RPS) energy report filed with the PSCW was distributed for review. Wisconsin law currently requires MPU to generate 9.19% of our annual retail sales from renewable sources. MPU has met the requirements and has reserve credits available through at least the next decade based on the power plant operation in 2018.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: meter aggregation was demonstrated for the AMI project, but calculated points cannot be exported to CIS and Eaton to follow-up; terminating primary cable for two pad-mounted transformers at Lakeside Foods expansion project on South 30th Street; and Vinton Construction continues the storm sewer construction at the east end of the project, and multiple watermain offsets have been completed, including River Court.

MINUTES: The Minutes from the Regular Session Meeting on April 22, 2019 were presented for approval.

MOTION: A Motion by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to approve the Regular Session Minutes from April 22, 2019. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated May 14, 2019; and Wire Transfers dated through May 8, 2019 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated May 17, 2019 was presented for approval.

MOTION: A Motion by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to approve the Claims List dated May 14, 2019 check nos. 87500 through 87665 totaling

$1,963,051.41; Wire Transfers dated through May 8, 2019 totaling $8,537,813.88; and Claims List for WWTF batch 00712.05.2019 totaling $102,279.54.

QUOTATIONS/BIDS: 2019 Water Tower Inspections – $22,500.00 – Utility Service Associates; and Single-Phase Pole-Mount Transformers – 50KVA - $490,535.00 – Directional Drilling Services.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the 2019 Water Tower Inspections. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Single-Phase Pole-Mount Transformers – 50KVA. Motion carried unanimously.

Mark Leonhard left the meeting at 4:33 p.m.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the May 13, 2019 meeting pursuant to Section 19.85(1) (c) and Section 19.85(1) (e) to discuss approval of the minutes of the December 10, 2018 Closed Session Meetings (Personnel Committee Report and Recommendations) and CBCWA Negotiations.

MOTION: A Motion to convene in closed session was made by Commissioner Luckow and seconded by Commissioner Diedrich. Motion carried unanimously. Accordingly the Commission convened in closed session at 4:34 p.m.

The meeting was reconvened to open session at 4:54 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION:

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to affirm the CEO & General Manager to withdraw the application of Certificate of Authority to Upgrade the CMF Plant.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Hornung to approve the FWPS agreement with CBCWA. Motion carried unanimously.

NEXT MEETING: May 28, 2019 at 4:00 p.m.

ADJOURN: A Motion to adjourn the meeting by Commissioner Diedrich and seconded by Commissioner Sitkiewitz. Meeting adjourned at 4:58 p.m.

Nilaksh Kothari

Approved: Nilaksh Kothari, CEO & General Manager

Approved: Alex Allie, Secretary