

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
TUESDAY, MAY 26, 2020**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Allie in absence of Commission President Diedrich at 4:02 p.m. on Tuesday, May 26, 2020. In attendance were Commissioners Hornung, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were David Maccoux – CliftonLarsonAllen LLP (via Zoom); Cindy Carter – MPU (via Zoom); Neal Verfueth – Energy Bank (via Zoom); Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Diedrich was excused.

2019 AUDIT REPORT: Mr. David Maccoux – CliftonLarsonAllen LLP presented the following highlights of the audit report: Current assets were reduced from 2018 to 2019 due to early retirement of revenue bonds. Net pension asset will fluctuate year to year. Capital asset additions were \$8,731,633. Advance refunding of the 2014 revenue bonds was \$4,694,569. Liabilities are consistent from year to year. Net position increased to \$206,060,587. Revenues were \$72,513,149 and expenses were \$64,349,528. There was an increase in the net income due to 2019 interest income of \$3,055,969. Mr. Maccoux reported a very strong financial position overall.

MOTION: A Motion by Commissioner Hornung and seconded by Commissioner Seidl to accept the 2019 Audit Report as presented and to place on file. Motion carried unanimously.

David Maccoux and Cindy Carter left the meeting at 4:16 p.m.

MPU CONTRIBUTION TO SMALL BUSINESS RELIEF FUND: Mayor Nickels is requesting a contribution from MPU to support the small business relief fund for small businesses affected by COVID-19 pandemic and the Safer at Home Order. Commissioner Hornung suggested four key criteria with the approval of request: if the guidelines of the program change, they should be reviewed by MPU Commission; within four months all monies should be distributed and any funds that are remaining should come back to respective governing bodies; MPU Commission should receive a monthly status update that shows aggregate distribution of funds and an internal audit of MPU-funded monies should be completed and furnished by the task force six months after the program is completed. Mayor informed the City Council approved a pledge of \$150,000 at their latest meeting. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Luckow to approve a pledge of \$150,000 to the Small Business Relief Fund to be invoiced monthly by City of Manitowoc with the criteria recommended by Commission Hornung. Motion carried with Commissioner Seidl abstaining.

CUSTOMER REQUEST TO EXCEED LIMIT OF SHARED SAVINGS LOAN PROGRAM: Jagemann Stamping has requested to exceed the current Shared Savings Loan Program (SSLP) limit of \$50,000 for a total of \$132,326. The scope of work goes beyond the intended use of the SSLP program. The proposed project will result in the installation of the solar panels. N. Kothari recommended that the increased loan amount be approved with a condition that MPU be provided access to their data on PV production and energy savings. He also recommended that an addition be made to the SSLP program stating that loan amounts larger than \$50,000 may be considered by MPU Commission on a case by case basis. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Seidl to approve the request up to \$133,000 to Jagemann Stamping for SSLP with a condition that MPU be provided access to their data on PV production and energy savings. Motion carried with Commissioner Allie abstaining.

Neal Verfuert left the meeting at 4:35 PM.

PURCHASE AND SALE AGREEMENT WITH TOTE MARINE SERVICES: A draft Agreement for the purchase and sale of equipment and more specifically the 11.3 MW Wartsila Engine (Model 12V50DV) was presented for discussion and approval. The highlights of the agreement were presented and in particular the purchase price will be \$1.9 million and \$1.4 million if MPU decides not to purchase the generator and the closing date will be December 31, 2021 or upon project approval by Public Service Commission of Wisconsin. Discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to authorize execution of the final Agreement by the Commission President as negotiated by Attorney Steimle. Motion carried unanimously.

GLU FINANCIAL RISK MANAGEMENT POLICY REQUIREMENTS FOR MPU: In accordance with the Great Lakes Utilities Financial Risk Management Policy audited financial statements are required 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.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to authorize Interim President Alex Allie to execute the Affidavit as required by the GLU Financial Risk Management Policy. Motion carried unanimously.

MPU REPRESENTATIVE ON GLU BOARD: With the retirement of N. Kothari, effective June 2020 Troy Adams will be the official representative of MPU the GLU Board with Don Duenkel serving as alternate.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Sitkiewitz to approve the appointment of Mr. Troy Adams as the Manitowoc member representative. Motion carried unanimously.

WWTP JAGEMANN STAMPING AGREEMENT: The Wastewater Pretreatment Compliance Agreement with Jagemann Stamping Company was presented for approval. To ensure compliance upon implementation of the treatment system, a compliance agreement was drafted between Jagemann, and WWTP. It requires that Jagemann Stamping be in compliance with the pretreatment discharge permit that will be issued by WDNR next month. Any non-compliance between June 1, 2020 to May 31, 2021 will result in a payment of \$2,000 daily fine. A significant non-compliance with the permit will result in a \$100,000 fine.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Seidl to authorize the General Manager to execute the Wastewater Pretreatment Compliance Agreement. Motion carried unanimously.

MEUW ANNUAL CONFERENCE: The MEUW Annual Conference is rescheduled on August 19-21, 2020. The original venue (Maritime Museum) does not have availability for the new date and MEUW has requested to host their welcome reception at MPU. The welcome reception will include light appetizers and a cash bar. MPU Employee Policy Manual states “No alcoholic beverages are to be stored or consumed on any MPU property. If alcoholic beverages are available at MPU sponsored events, the event will be held at a licensed establishment with a licensed bartender on duty.” Since the event is sponsored by MEUW, a one-time exception to the policy is requested by MEUW.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Nickels to approve a one-time exception to the policy prohibiting alcohol in MPU property for the MEUW welcome reception. Motion carried unanimously.

TIMESHEET SYSTEM UPGRADE: The current timesheet system which was implemented in 2019 with the upgrade of the finance system, Microsoft Dynamics GP, has been very problematic and inefficient for employees. The 2020 capital budget included \$20,000 for a new timesheet entry system. Journyx was suggested as a possible solution by Cogsdale, MPU’s finance system consultant. A demo was viewed and it was discovered that Journyx can be fully integrated with GP and has several additional features to accommodate ease and efficiency. Other systems were researched but Journyx appears to be the most fully integrated with GP and is recommended by Cogsdale. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the timesheet system upgrade with Journyx for a cost not to exceed \$20,400. Motion carried unanimously.

ATC TRANSMISSION SYSTEM UPGRADE IMPACT ON MPU GENERATION: The proposed ATC 69 KV transmission upgrade projects in the next five years is expected to have an impact on MPU’s generation dispatch. ATC was requested to conduct a study to analyze various scenarios and in particular the impact with each transmission upgrade on generation dispatch. ATC has informed MPU that due to Standard of Conduct, they will not conduct the study as proposed earlier. ATC recommended contacting Quanta Technology, LLC in North Carolina for the analysis. A proposal was received from Quanta Technology, LLC for a cost not to exceed \$38,000. The study can be completed before the end of July 2020 and will be presented to MPU Commission at that time. A lengthy discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to retain Quanta to perform the system study for a cost not to exceed \$38,000. Motion carried unanimously.

STRATEGIC WORK PLAN UPDATE: The Strategic Work Plan was distributed for review. Following key initiatives are completed: EV Charging Station approved and agreements development are in progress; Generation Resiliency study completed and City approval received;

A revised NLMP tariff has been approved by PSCW; and Strategic Focus Benchmarkers were approved.

2019 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 2019. Discussion ensued.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: City Council approved the MPU Power Generation Resiliency project; an Interconnection agreement is not required by MISO when the replacement of existing Generating facility results in no increase in capacity; Mirro Plant on Washington Street has PFOS and WDNR has contacted MPU to be aware of the report, and that they intend on requiring the Responsible Party (Newell) to investigate for PFOS in the municipal drinking water; the April 2020 sales variance compared to 2019 were discussed; discussions continue with Great Lakes Calcium on a new agreement for limestone; Mercury Net has informed that they cannot accept the MPU's lease costs at the water tower; and discussions continue with WPS/WE on the territorial agreement.

GREAT LAKES UTILITIES UPDATE: The two generation option being considered are the 3-Gray Market 11.3 MW each Wartsila engines, and 14-2.5 MW Caterpillar engines. The Power Plant performance report presented to Great Lakes Utilities was discussed.

CBCWA UPDATE: A conference call was held with Nic Sparacio on April 16 to discuss numerous topics, including the transmission main O&M, well blending, FWPS metering, FWPS VFD, and replacement costs. Awaiting a response.

WASTEWATER TREATMENT FACILITY UPDATE: Secondary Sludge Digester Cover – did not float off the corbels correctly upon filling back up with sludge and gas production. Contacted various vendors, contractors and past WWTF employees on their experience with such event in the past. Mechanic - Jim Revolinsky will be retiring at the end of July.

MINUTES: The Minutes from the Regular Session Meeting on May 11, 2020 and the Special Session Meeting on May 20, 2020 were presented for approval.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Seidl to approve the Regular Session Minutes from May 11, 2020 and the Special Session Meeting on May 20, 2020. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated May 26, 2020; and Wire Transfers dated through May 20, 2020 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated May 29, 2020 were presented for approval.

FINANCIAL REPORTS FOR FEBRUARY 2020, MARCH 2020, and APRIL 2020: The financial reports for February, March, and April 2020 were previously distributed to the Commission for review and discussion.

MOTION: A Motion by Commissioner Sitkiewitz and seconded by Commissioner Seidl to approve the Claims List dated May 26, 2020 check nos. 91079 through 91203 totaling \$1,619,388.96; Wire Transfers dated through May 20, 2020 totaling \$2,937,749.43; Claims List for WWTF batch 717.05.2020 dated May 29, 2020 totaling \$65,927.28; and to place the Financial Reports for February, March, and April 2020 on file. Motion carried unanimously.

INVESTMENT REPORT: The Investment Portfolio Report from Baird, our investment advisor, for the period ending March 31, 2020 was previously distributed to the Commission for review and discussion.

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


QUOTATIONS/BIDS: o Single Phase, Pole-mounted Overhead Single Bushing 15 kVA Transformers - \$5,113.62 – Wesco Power Partners; Single Phase, Pole-mounted Overhead Dual Bushing 25 kVA Transformers - \$2,757.00 – Resco Ermco.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to approve the Single Phase, Pole-mounted Overhead Single Bushing 15 kVA Transformers. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the Single Phase, Pole-mounted Overhead Dual Bushing 25 kVA Transformers. Motion carried unanimously.

NEXT MEETING: Monday, June 8, 2020 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Seidl and seconded by Commissioner Nickels. Meeting adjourned at 5:48 p.m.



Approved: Troy Adams, General Manager



Approved: Dave Luckow, Secretary