

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, SEPTEMBER 11, 2017**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Luckow at 4:00 p.m. on Monday, September 11, 2017. In attendance were Commissioners Allie, Diedrich, Hornung, Seidl and Sitkiewitz. Also present were Steve Bacalzo, Jeremy Fischer, Scott Karbon, Lee Kummer, Mark Leonhard, Rick Patterson – Witt O'Brien's, Nilaksh Kothari – General Manager, and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Nickels was absent.

FEMA COMPLIANT PLANNING PRESENTATION: Rick Patterson, Associate Managing Director, Disaster Recovery at Witt O'Brien's, LLC presented the above-referenced to the Commission. The following was discussed at the presentation: MPU readiness for a disaster and FEMA reimbursement; recommendations for disaster reimbursement; business continuity, vulnerability assessments for natural and manmade disasters; mitigation strategy projects; and continue to participate in Manitowoc County Emergency Plan. The participation in County emergency plan is required for MPU to apply for FEMA reimbursement. FEMA funding is not available for manmade disasters. Witt O'Brien's provided the following recommendations to maximize FEMA disaster reimbursement: exercising the documentation process; in-field documentation and maintenance; development of disaster procedures and regularly updating the internal rate structure. Discussion ensued on the 18 city shelter facilities of which only seven have backup power and there is not long-term power outage plan for these facilities as part of the County emergency plan. A mitigation strategy project was to include studying feasibility of installing facilities to ensure generation facilities can be started during a transmission system outage and developing business continuity procedures for all departments. Discussion ensued. The Commission requested to provide a list of mitigation projects and timeline for completion. Commission thanked Mr. Patterson, Steve Bacalzo and Jeremy Fischer.

Steve Bacalzo, Jeremy Fischer and Rick Patterson left the meeting at 4:28 p.m.

AUTOMATED METER INFRASTRUCTURE DEPLOYMENT PRESENTATION: Scott Karbon, Engineering Manager provided a plan on the proposed deployment of AMI infrastructure. The presentation discussed typical AMI drivers; pilot testing findings of the last three years; equipment needs and cost estimates for full deployment of water and electric meters; net present value; AMI deployment scenarios; project implementation schedule and recommendation to implement only electric meters in the first phase of deployment. The cost for the deployment of electric meters with meter data management is estimated at \$3.1 million. A lengthy discussion ensued. The consensus was to continue discussion on the recommendation and approval at the next meeting.

Scott Karbon left the meeting at 5:05 p.m.

UPDATE ON LEAD EXCEEDANCE AND DNR FORGIVENESS PROGRAM: Some homes have lead levels that have exceeded the lead action level. As a preliminary first step an additional 25 samples from the previous sampled sites will be collected to confirm the results

electric utilities issues; Cottrell Design, Inc. will be retained to provide design services required to replace the main office backup generator at a not to exceed cost of \$8,000.

PERSONNEL COMMITTEE REPORT: Personnel Committee Chair, Dave Luckow updated the Commissioners on the key issues covered at the September 6, 2017 meeting. The draft succession plan completed by Schenck, SC was reviewed and discussed. The key take-away from the report was up to 17 employees potentially retiring in the next three years which may cause the labor cost to increase temporarily from the transition overlap that has been identified by each department manager. The report was also reviewed in context with the alternative organizational structures proposed by the General Manager. Any restructuring will not result in a decrease of the employees but will facilitate decreasing in silos across the Utilities; better succession planning and cross-training of employees in the future years. Secondly, as directed by the MPU Commission, the Committee reviewed Employee Satisfaction Survey along with additional data provided by GreatBlue Research on data by each department and years of service; and comments of employees. After a lengthy discussion the Personnel Committee recommends to focus the initial effort on improving performance evaluations. In 2018 additional issues may be considered and recommended to Commission for further consideration.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve authorizing the General Manager to retain the required resources to understand the issues with performance reviews; implement a plan to improve the recommendations and keep Commission updated on the progress. Motion carried unanimously.

MINUTES: The Minutes from the Regular Session Meetings on August 28, 2017 were presented for approval.

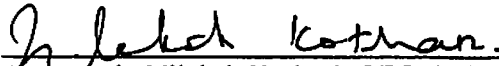
MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to approve the Regular Session Minutes from August 28, 2017. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated September 12, 2017; and Wire Transfers dated through September 6, 2017 were presented for approval.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve the Claims List dated September 12, 2017 check nos. 82004 through 82134 totaling \$533,582.13 and Wire Transfers dated through September 6, 2017 totaling \$1,046,045.37. Motion carried unanimously.

NEXT MEETING: October 16, 2017 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 5:40 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Mark R. Seidl, Secretary

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
TUESDAY, SEPTEMBER 12, 2017**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Luckow at 8:05 a.m. on Tuesday, September 12, 2017. In attendance were Commissioners Allie, Diedrich, Hornung, Nickels, and Seidl. Also present were Dan Ebert, Hometown Connections and Nilaksh Kothari – CEO & General Manager. Commissioner Sitkiewitz was absent.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the September 12, 2017 meeting pursuant to Section 19.85(1) (e) to discuss Strategic Growth Opportunities.

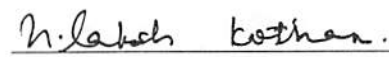
MOTION: A Motion to convene in closed session was made by Commissioner Nickels and seconded by Commissioner Diedrich. Motion carried unanimously. Accordingly the Commission convened in closed session at 8:25 a.m. Commission briefly recessed from Closed session at 10:35 a.m.

Commissioner Seidl left the meeting at 10:35 a.m.

The meeting was reconvened to open session at 11:10 a.m.

The consensus of the Committee was to authorize N. Kothari to create an implementation committee of the strategic plan which represents all areas of the Utilities. A brief discussion ensued.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Hornung and seconded by Commissioner Nickels. Meeting adjourned at 11:35 a.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Mark R. Seidl, Secretary

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
WEDNESDAY, OCTOBER 11, 2017**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Luckow at 8:02 a.m. on Wednesday, October 11, 2017. In attendance were Commissioners Allie, Diedrich, Hornung, Nickels, Sitkiewitz, and Seidl. Also present were Dan Ebert and Steve VanderMeer – Hometown Connections, and Nilaksh Kothari – CEO & General Manager.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the October 11, 2017 meeting pursuant to Section 19.85(1) (e) to discuss Strategic Growth Opportunities.

MOTION: A Motion to convene in closed session was made by Commissioner Diedrich and seconded by Commissioner Hornung. Motion carried unanimously. Accordingly the Commission convened in closed session at 8:02 a.m. Commission briefly recessed from Closed session at 10:35 a.m.

N. Kothari joined the meeting at 8:15 a.m.

Commissioner Sitkiewitz left the meeting at 11:00 a.m.

Commissioner Nickels left the meeting at 11:45 a.m.

The meeting was reconvened to open session at 12:10 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Allie and seconded by Commissioner Diedrich. Meeting adjourned at 12:10 p.m.

Nilaksh Kothari
Approved: Nilaksh Kothari, CEO & General Manager

Mark R. Seidl
Approved: Mark R. Seidl, Secretary

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, OCTOBER 16, 2017**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Luckow at 4:15 p.m. on Monday, October 16, 2017. In attendance were Commissioners Allie, Diedrich, Hornung, Nickels, and Seidl. Also present were Scott Karbon, Mark Leonhard, Loreto Sarracini – AESI, Nilaksh Kothari – General Manager, and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Sitkiewitz was absent.

ELECTION OF OFFICERS: A Motion was made by Commissioner Allie and seconded by Commissioner Diedrich to nominate Commissioner Dan Hornung for President, Commissioner Mark Seidl for Vice President, and Commissioner David Diedrich for Secretary of the MPU Commission for 2017-2018 and to close the nominations. Motion carried unanimously.

PHYSICAL SECURITY ASSESSMENT PRESENTATION: Loreto Sarracini, President, AESI, provided a summary of the physical security assessment conducted for all MPU facilities and high-level cost estimates for implementation of recommended improvements. It was noted that MPU does have some good security measures already in place including perimeter fencing, key card access controls on some doors, and security cameras at select locations. Key issues identified were several doors needing maintenance and requiring key card access, windows that were identified as access points needing bars, vegetation that needs to be trimmed near fencing, and a lack of a documented security policy. It was also recommended that the SCADA system needed better security and more cameras should be installed at select locations. Discussion ensued. The consensus of the Commission was to prioritize budgeting the needed upgrades in 2018 and subsequently on the creation of policies.

Scott Karbon and Loreto Sarracini left the meeting at 4:50 p.m.

AUTOMATED METER INFRASTRUCTURE (AMI) DEPLOYMENT RECOMMENDATION: At the September 2017 Commission meeting a presentation was made on the AMI drivers; requirements for a full AMI deployment; net present value analysis; alternative scenarios, implementation schedule and summary. The presentation recommended proceeding with implementation of only electric meters in the first phase for a total capital cost of \$3.1 million which is off-set with improved customer service, replacing electro-mechanical meters, and having all MPU electric meters on the same platform; issuing a Request for Quotations for competitive pricing; and an implementation schedule of 18-24 months.

MOTION: A Motion was made by Commissioner Allie and seconded by Commissioner Seidl to approve including \$3.1 million in the 2018-2019 capital budget for electric AMI deployment. Motion carried unanimously.

GENERATION OFFER CURVE STUDY UPDATE: Customized Energy Solutions (CES) was previously retained for a cost of \$35,000 for the proposed scope of work which included generation offer curve review to MISO, and Interconnection to the transmission system. Based on this study the offer generation curves has been revised after discussions with the independent market monitor which has allowed to recover additional costs resulting in additional revenues to offset our costs. A brief discussion ensued.

UNI-DIRECTIONAL FLUSHING CONSULTANT: During the 2017 Lead and Copper Compliance sampling that was completed, elevated lead levels were found in some homes with lead services. This has resulted in MPU having an exceedance on the DNR lead rule. MPU is taking several steps to determine the reason for these elevated lead levels, including retaining Ms. Abigail Cantor, Chemical Engineer, a corrosion expert with Process Research Solutions, LLC. One particular outcome of the first meeting was the recommendation to flush the water distribution system using uni-directional flushing (UDF). WDNR also believes that UDF is a good program to implement. MPU requested proposals from consulting firms that have performed UDF for other water utilities. The proposed scope requires the consultant develop a UDF plan for the main pressure zone, which contains all of the lead service lines in the City. AECOM from Stevens Point, WI and Advanced Engineering and Environmental Services, Inc. (AE2S) from Grand Forks, ND were selected to participate in the RFP process. MPU is using the competitive proposal method of selection to evaluate the proposals and make selections that are most advantageous to MPU. The recommendation is to retain the services of AE2S for approximately \$30,000 subject to successful negotiations of final scope, fees, and contract agreement.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve retaining AE2S from Grand Forks, ND for uni-directional flushing services for an approximate cost of \$30,000. Motion carried unanimously.

ELECTRIC AND WATER COST BENCHMARKING: The electric and water retail rate and cost of supply benchmark study was presented to Commission for review. It was noted that overall MPU rates are very competitive for both electric and water in Wisconsin. A brief discussion ensued.

ATC SHAREHOLDER'S MEETING UPDATE: The highlights of the ATC's Annual Shareholder's meeting in August 2017 are as follows: ATC's technology team is working to reduce life cycle cost; Badger Coulee line and Bay Lake transmission lines are expected to be in operation in 2018; FERC's law judge has recommended a ROE of 9.7% and the continued 50 bps adder for ATC; the annual revenues of ATC are projected in 2017 at \$724 million with an operating income of \$380 million; and the projected capital expenditures are expected to decrease from \$480 million in 2017 to \$387 million in 2021. MPU's investment in ATC is approximately \$10.5 million or 0.64% ownership. Mr. Mike Rowe is the President and CEO of ATC. A brief discussion followed.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: Quotations are being requested for 30,000 tons of coal based on the dispatch of Boiler 9; the PSC rules and Municipal Code indicate the customer is responsible for repair of the curb box and this is being enforced which may cause some customers to complain; two one-half days of Strategic Planning session were attended by 14 employees with Hometown Connections facilitating the meetings; QTI, Madison, WI, has been retained for a fee of \$12,500 plus expenses to assist with improving performance evaluation process; annual customer write-offs completed: Electric - \$48,322, Water - \$6,616, Sewer - \$9,554 and these accounts will be sent to SDC/TRIP where applicable; notification was received of a customer complaint from PSCW ordering MPU to reconnect service on an account disconnected for non-payment and MPU's concern with such an

order without any specifics has been communicated to PSCW Administrator and to avoid such in the future; and the wastewater samples for BOD, TSS, Ammonia, fecal, and Phosphorus analyzed by City's WWTP are being sent to Pace Laboratories as the City lab is updated.

Commissioner Hornung left the meeting at 5:05 p.m.

GLU UPDATE: The GLU Annual Meeting was held on Thursday, October 12 in Marshfield, WI. A presentation to Village of Stratford is being planned for their potential interest in becoming a member of GLU.

CBCWA UPDATE: The 10th anniversary tours of the MPU and CBCWA facilities went well. A closed session will be planned at the next meeting to discuss the Agreement modifications requested by CBCWA with our legal representation.

MINUTES: The Minutes from the Regular Session Meetings on September 11, 2017 were presented for approval.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Allie to approve the Regular Session Minutes from September 11, 2017. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated September 26, 2017; Claims List dated October 10, 2017; and Wire Transfers dated through October 11, 2017 were presented for approval.


FINANCIAL REPORTS FOR AUGUST 2017: The Financial Reports for August 2017 were previously distributed to the Commission for review and discussion.

QUOTATIONS/BIDS: Right of Way Vegetation Management - \$299,900 – Dave's Tree Service.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Allie to approve the Claims List dated September 26, 2017 check nos. 82135 through 82259 totaling \$761,133.40; Claims List dated October 10, 2017 check nos. 82260 through 82368 totaling \$759,139.30; Wire Transfers dated through October 11, 2017 totaling \$1,558,128.32; to place the Financial Reports from August 2017 on file; and to approve the presented quotations/bids. Motion carried unanimously.

NEXT MEETING: November 13, 2017 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Allie and seconded by Commissioner Diedrich. Meeting adjourned at 5:17 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: David Diedrich, Secretary

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, FEBRUARY 5, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Monday, February 5, 2018. In attendance were Commissioners Allie, Diedrich, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Todd Blaser, Nick Reimer, Steve Corbeille – City of Manitowoc; Andy Onesti, Eric Snyder – MPU; Rhienna Gabriel – City Council; Mark Leonhard; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

IT GOVERNANCE PRESENTATION: Andy Onesti presented on the proposed IT Governance created by MPU with the assistance of Allium. The purpose of the plan is to outline a long-term IT Governance plan to guide MPU's IT functions and operation for the foreseeable future. Allium Consulting was retained to assist with the development of the plan. The presentation summarized the findings of the two day workshop; the strengths and issues with the current practices; a proposed implementation plan with a nine month schedule to alleviate the concerns. The plan includes developing four key policies which will govern the day to day operations of the IT functions. The policies include: administrative safeguards, organizational safeguards, physical safeguards, and technical safeguards. Discussion ensued with a concern on how to sanction users for contracted services and what audit process will be implemented to ensure the policies are followed.

Todd Blaser, Nick Reimer, Steve Corbeille and Andy Onesti left the meeting at 4:42 p.m.

EJCDC CHANGES TO BOND DOCUMENTS: The MPU Commission adopted Engineers Joint Contract Documents Committee (EJCDC) Construction Family of Documents on July 9, 2012 as standard construction bid documents with various amendments noted in the General Conditions. One of the amendments included adding "plus 10%" to MPU bond requirements. Several Contractors and vendors have raised concern of this provision as the document language would automatically increase the obligation by the surety for any change order between the Owner and Contractor making the adder unnecessary. Hence, the recommendation is to remove this adder.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the changes to the EJCDC Bond Documents as presented. Motion carried unanimously.

DIESEL 2 STATUS UPDATE: In spring of 2017, the HMI computer for Diesel #2 failed. Since then significant time has been spent attempting to repair including requesting quotes to upgrade the software. The quote was conditioned upon the assumption that all operating/programming parameters will be identifiable or there will be additional unknown costs in programming/commissioning. In addition, the diesel has not had any overhaul done other than RICE rule oil sampling in the past several years due to lack of use. Diesel #2 was last operated in summer of 2016 to perform an annual operational test. The diesel was not installed with emissions controls or monitoring equipment, therefore the current air permit limits the use to 50 hours for non-emergency. These hours cannot be used for peak shaving or non-emergency demand response. Hence, the only expected use would be that of generation for black conditions at the Power Plant, and possibly power the Water Plant. This unit doesn't have the capacity needed to start either CFB in the event of a transmission outage. The availability of spare parts is

also a concern. Based on the age of the diesel and issues foreseen the recommendation is to retire Diesel #2. Discussion ensued.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to retire Diesel #2 effective December 31, 2017. Motion carried unanimously.

GLU UPDATE TO CITY COUNCIL: The letter to the Mayor and City Council on the 2017 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; however, Mayor is going to review the feasibility of eliminating this submittal on an annual basis.

MUNICIPAL INSURANCE CLAIM BOILER 9 UPDATE: MPIC has refused to engage in additional negotiation and is maintaining their settlement offer at \$65,000. Due to this refusal by MPIC, attorney John Mayer's office has initiated depositions.

LEAD ACTION LEVEL EXCEEDANCE UPDATE: N. Kothari provided updates on the progress of the Lead Action Level Exceedance and the DNR Loan Forgiveness Program status for 2017. All public education requirements due to the Lead Action Level Exceedance have been completed. On January 11, 2018 submitted to WDNR the Corrosion Control Treatment prior to the March 31, 2018 deadline, noting the intent to switch to a 90/10 versus the 30/70 Ortho/poly blend of phosphate corrosion inhibitor. The required Chemical Feed Checklist was submitted to the WDNR on January 12, 2018. There are funds available from the 2017 WDNR Principal Forgiveness Loan program. A response from WDNR is being awaited on the legal position on the Ownership of water service in MPU system. The application for the 2018 WDNR Principal Forgiveness Program has been submitted and approval is expected in March 2018.

AWWA ANNUAL CONFERENCE: A request was made for the Commissioners to consider attending the 2018 AWWA Annual Conference in Las Vegas, NV from June 11-14, 2018. The approximate cost per person is \$2,400.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to approve Commissioner(s) attendance at the 2018 AWWA Annual Conference. Motion carried unanimously.

APPA NATIONAL CONFERENCE: A request was made for approval of any Commissioners to attend the APPA National Conference in New Orleans, LA from June 17-20, 2018. The approximate cost per person is \$2,595.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Allie to approve Commissioner(s) attendance at the APPA National Conference. Motion carried unanimously.

STRATEGIC PLANNING UPDATE: Mr. Dan Ebert of Hometown Connections was unable to attend the January 30, 2018 Strategic Planning session due to a family emergency. The meeting will be rescheduled at a later date.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: Michels Power began pole replacement work on January 22 after an orientation of projects, inventory staging, and work schedules; a meeting was held to discuss the discrepancy in lead water lateral counts that have been reported to the PSC as compared to the data found in the GIS and a follow up letter sent to the WDNR explaining the findings; Investment Committee instructed Baird to hold on to a recently downgraded position for GE (double A to single A); MPU achieved Reliable Public Power Provider (RP-3) "Diamond Designation" with a perfect score from the American Public Power Association, Commission President requested consideration on celebrating this achievement with employees; and retail electric sales were down to -2.1% in 2017 which is the lowest in about five years.

MINUTES: The Minutes from the Regular Session Meetings on January 22, 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 January 22, 2018. Motion carried unanimously.

INVESTMENT REPORT: The Investment Portfolio Report from Baird, our investment advisor, for the period ending December 31, 2017 was previously distributed to the Commission for review and discussion.

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

NEXT MEETING: March 12, 2018 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 5:04 p.m.



Approved: Nilaksh Kothari, CEO & General Manager



Approved: David Diedrich, Secretary

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, MARCH 12, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Monday, March 12, 2018. In attendance were Commissioners Allie, Diedrich, Luckow, Seidl, and Sitkiewitz. Also present were Dan Ebert – Hometown Connections, Sarah Burdette and Dave Vaclavik – CBCWA, Nilaksh Kothari – CEO & General Manager, and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Nickels was absent.

COMMISSION EMAIL POLICY: The proposed Commission Use of E-mail Policy was presented for review and comments. The policy was drafted by attorney Richard Heinemann with information provided by City Attorney, Kathleen McDaniel. Discussion ensued. The consensus was to table until next meeting.

MPU/GLU ADMINISTRATIVE CONTRACT – SCHEDULE B REVISION: Schedule B of the GLU Contract Service Agreement may be amended from time to time by MPU to reflect adjustments of MPU costs.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Luckow to approve the MPU/GLU Administrative Contract – Schedule B revision. Motion carried unanimously.

PROPERTY AND EQUIPMENT INSURANCE BROKER SERVICES: MPU has utilized the services of Arthur J Gallagher Risk Management, LLC (AJG) for many years to place MPU's corporate liability insurance policies. As part of this relationship, AJG is a resource to MPU for all insurance related questions and issues. AJG has been compensated for these services through commissions received on the policies placed. In 2018, AJG agreed to transition to a fee arrangement with MPU, whereby MPU would pay AJG directly for their services and AJG would no longer accept commissions from the insurance providers. The total fees paid to AJG will be \$57,500, of which, \$45,723 will be paid directly by MPU and the remaining \$11,777 will be paid to AJG directly from the insurance provider.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the one year agreement for insurance broker services from Arthur J. Gallagher Risk Management, LLC. Motion carried unanimously.

RUEKERT-MIELKE CONSULTING SERVICES: Ruckert-Mielke Consulting submitted a proposal for consulting services to assist in the CBCWA Agreement discussions. The estimated fee expected is between \$15,000 and \$20,000.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve retaining Ruckert-Mielke Consulting Services for CBCWA Agreement discussions. Motion carried unanimously.

DNR FINANCIAL ASSISTANCE AGREEMENT APPROVAL: N. Kothari provided an update on the 2017 DNR Financial Assistance Agreement funding disbursement; recommendation to City Council to approve the 2018 DNR Principal Forgiveness Program of \$300,000; and approval of MPU's updated 2018 Lead Service Line (LSL) Replacement Program for lead service line replacements. The LSL Program for 2018 includes the following revisions: on watermain replacement projects properties with LSL qualify for 100% principal-forgiveness contribution from curb stop to home excluding landscaping and home owner is responsible for paying \$1,000 for replacement of the water service, lead or not, from watermain to curb stop; homeowners requesting lead service line replacement will receive a maximum of \$3,000 in WDNR funds from the curb stop to home when homeowner agrees to replace LSL from watermain to curb stop; allow homeowner a 60-month payment plan for any additional costs up to \$2,000 to be paid with a 3.0% interest rate and in the event of a default the balance of the amount to be rolled on the property tax bill; property owner accepts responsibility of all other costs; and homes with more children under age six will receive higher priority. Discussion ensued.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Allie to recommend City Council approve the DNR Financial Assistance Agreement including adoption of the Resolution and approve the updated 2018 Lead Service Line Replacement Program. Motion carried unanimously.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: CIS V4 software upgrade is experiencing hardware issues; transmission rates are projected to decrease by approximately 7% due to the Federal Tax reduction; discussion continues with Mike Howe on the costs of the lead water services that were abandoned on Cleveland Avenue; a letter was received from City on the \$32,625 assessment for the 725 feet of frontage on Dewey Street due to the 2018 Dewey Street reconstruction project; a letter was filed with EPA on considerations on the Lead and Copper regulations; an AMI Faraday shield was found on a residential meter at 2350 South 23rd Street that are designed to block radio signals from "smart" meters; and renewed the AT&T long distance contract for another two year term.

MINUTES: The Minutes from the Regular Session Meetings on February 5, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to approve the Regular Session Minutes from February 5, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated February 13, 2018; Claims List dated February 27, 2018; Claims List dated March 13, 2018; and Wire Transfers dated through March 7, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to approve the Claims List dated February 13, 2018 check nos. 83313 through 83488 totaling \$1,023,405.55; Claims List dated February 27, 2018 check nos. 83489 through 83594

totaling \$925,043.02; Claims List dated March 13, 2018 check nos. 83595 through 83713 totaling \$709,911.52; and Wire Transfers dated through March 7, 2018 totaling \$8,350,616.05.

QUOTATIONS/BIDS: Cleaning and Janitorial Services – \$44,913.96 – Clean Power; Main Office Backup Generator Installation - \$181,130.00 – Van Ert Electric Co., Inc.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Seidl to approve the presented quotations/bids. Motion carried unanimously.

The meeting recessed at 4:20 p.m.

The meeting reconvened at 4:23 p.m.

Dan Ebert arrived at the meeting at 4:23 p.m.

STRATEGIC PLAN UPDATE – DAN EBERT: Mr. Dan Ebert of Hometown Connections presented to the Commission on the discussions from the recent Strategic Planning Session held on March 7, 2018. The primary focus for this meeting was to review Commission SWOT analysis and goal setting for the key focus areas for Commission in Strategic Plan. A lengthy discussion ensued on Commission involvement in economic development; visibility of Commission in the community and Commission self-evaluation. Commission thanked Mr. Ebert for facilitating the discussion.

Dave Vaclavik arrived at the meeting at 4:35 p.m.

Dan Ebert left the meeting at 5:07 p.m.

CBCWA – MR. DAVE VACLAVIK AND MS. SARAH BURDETTE: Mr. Dave Vaclavik, CBCWA Manager and Ms. Sarah Burdette, President of CBCWA Board thanked the Commission for the opportunity to discuss the evolution of the Authority; their future plans including the collaboration activities being considered between communities and pending transition to a new manager. Commission thanked Mr. Vaclavik and Ms. Burdette for taking the time to meet and reaffirm the relationship between MPU and CBCWA.

Sarah Burdette and Dave Vaclavik left the meeting at 5:26 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 March 12, 2018 meeting pursuant to Section 19.85(1) (e) to discuss approval of the minutes of the January 22, 2018 Closed Session Meetings (CBCWA Water Purchase and Sales Agreement) and CBCWA Water Purchase and Sales Agreement.


MOTION: A Motion to convene in closed session was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz. Motion carried unanimously. Accordingly the Commission convened in closed session at 5:26 p.m.

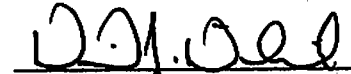
Attorneys Stewart Diamond and Eric Callisto joined the meeting via phone for the Closed Session only.

The meeting was reconvened to open session at 5:40 p.m.

NEXT MEETING: March 26, 2018 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Luckow and seconded by Commissioner Sitkiewitz. Meeting adjourned at 5:40 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: David Diedrich, Secretary