

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, DECEMBER 10, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 4:00 p.m. on Monday, December 10, 2018. In attendance were Commissioners Diedrich, Hornung, Nickels, and Sitkiewitz. Also present were Rhienna Gabriel – City Council; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Allie and Luckow were absent.

Rhienna Gabriel left the meeting at 4:01 p.m.

Nilaksh Kothari left the meeting at 4:10 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 October 15, 2018 meeting pursuant to Section 19.85(1) (c) to discuss approval of the minutes of the October 15, 2018 Closed Session Meetings (Personnel Committee Report and Recommendations and Succession Planning) and Personnel Committee Report and Recommendations.

MOTION: A Motion to convene in closed session was made by Commissioner Nickels and seconded by Commissioner Sitkiewitz. Motion carried unanimously. Accordingly the Commission convened in closed session at 4:02 p.m.

The meeting was reconvened to open session at 4:35 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION:

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the incentive pay of up to \$5,000 for five employees as recommended by the CEO & General Manager.

Nilaksh Kothari and Rhienna Gabriel returned to the meeting at 4:36 p.m.

2019 WAGE ADJUSTMENTS: The recommended 2019 wage adjustments is to authorize the CEO & General Manager up to \$170,000 for exempt and non-exempt employees to allow performance, CPI and control point adjustments including a one-time incentive.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to authorize the CEO and General Manager to distribute up to \$170,000 for 2019 wage adjustments. Motion carried unanimously.

EMPLOYEE POLICY MANUAL UPDATES: Several updates were made to the Employee Policy Manual since the last approved version in December 2017 and were subsequently recommended for Commission approval by the Personnel Committee on November 28, 2018. Key highlights of the updates are as follows: updated the mission, vision, core values, and

strategic focus; removed Appendix I of PSCW 113.0210 due to redundancy; clarified the section on nepotism to include any supervisor or manager; updated the job vacancies and postings to indicate internal and external postings will run concurrently; updated procedure for call-in for after-hours to be established by Senior Managers for approval by CEO & General Manager; updated the sick leave section to indicate sick time balance will be on the second payroll of the year and clarify new employees will be allowed to have a negative balance until they reach full allocation of hours; added medical certificate requirement over 40 hours of sick leave usage in a year and employees are limited to 96 hours in a year; added clarifying language that employees are not eligible for Holiday Pay for time off without pay due to disciplinary action within 60 days of holiday; added a significant rewrite to the Attendance/Tardiness sections of the policy; increase of medical premiums of \$1.85 for single and \$4.76 for family coverage per pay period and change to specialty drug maximum out of pockets; increase of dental premiums of \$0.68 for single and \$1.48 for family coverage per pay period and added the NOVO incentive program; updated several missing positions and removed non-existent positions from Appendix C and added Appendix L for non-exempt employees to request license pay.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to approve the Employee Policy Manual updates. Motion carried unanimously.

RETAIN ATTORNEY FOR ELECTRIC SERVICES BOUNDARY AGREEMENT: In March 2009, the Wisconsin Public Service Corporation (WPS) notified MPU that it would not continue to follow a procedure that had, since 1977, prescribed transferring WPS electric customers to MPU following annexation into the city. Since the procedure lacked a termination clause, MPU counsel advised that WPS could unilaterally terminate the practice - as it had done. The statute provides for and permits written agreements to govern the extension of electric distribution lines and the right to serve customers. Such agreements must be filed with and approved by the Public Service Commission of Wisconsin (PSCW) as being in the public interest. WEC executed "Boundary Line" Agreements with the Village of Slinger and the City of Cedarburg, in 2016 and 2017, respectively. The recommendation is to retain the services of attorney Brian Potts and/or his partners of the Perkins Coie law firm from Madison, WI. Attorney Potts is a former partner of WEC attorney Brad Jackson, is acquainted with WEC attorney Katie Phillips and other WEC lawyers at the Quarles & Brady firm, and has been involved in boundary disputes at the PSCW. He is also familiar with the recent WEC Boundary Line agreements. A draft Engagement letter of the Perkins Coie law firm was presented for review.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to retain Perkins Coie law firm and initiate a boundary line agreement with WE/WPS. Motion carried unanimously.

TECHNICAL SAFEGUARD POLICIES 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. This item will be presented for approval at the next meeting.

MANITOWOC CRANES / ROBINSON METALS WATER SERVICE: MPU has been in discussion with Manitowoc Cranes since July 2018 regarding the water service to the Manitowoc Cranes buildings on South 30th Street and how their northern part of the property and building could be split off, sold and the need to obtain a new compliant water service. A letter has been sent to Robinson metal on MPU's willingness to approve the sale contingent upon receiving a letter of credit in the amount of the water service project cost plus 25% and an agreement with their plumber/contractor to correct the non-compliant water service by July 31, 2019. Discussion ensued on how Orion Energy Systems continues to be a non-compliant water service following the split off of their building to Tramontina.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: AMI kickoff meeting is scheduled for December 4 and 5; attending the Village of Maribel meeting on December 12 to discuss their potential interest in MPU's contract management service; PSCW has approved credit card payments with service fees being recovered in rates; the mediation meeting with MPIC did not result in a settlement; MPU has received interest from two entities for the unused part of the property at the NW water tower site; the County has declined the First Right of Refusal for the land at the NW water tower; and ATC is going to rebuild all transmission lines coming into Manitowoc by 2025 at a cost of \$63.5 million. Discussion ensued on ATC project.

MINUTES: The Minutes from the Regular Session Meetings on November 26, 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 November 26, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated December 11, 2018; and Wire Transfers dated through December 5, 2018 were presented for approval.

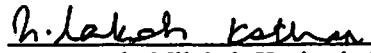
MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Sitkiewitz to approve the Claims List dated December 11, 2018 check nos. 86087 through 862512 totaling \$877,033.98; and Wire Transfers dated through December 5, 2018 totaling \$1,139,973.96.

QUOTATIONS/BIDS: Three-phase Pad-mount Transformers – 75, 150, 300, 1500, and 2000 KVA – \$89,560.00 – Resco Ermco.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Diedrich to approve the Three-phase Pad-mount Transformers – 75, 150, 300, 1500, and 2000 KVA. Motion carried unanimously.

NEXT MEETING: January 14, 2019 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Nickels and seconded by Commissioner Diedrich. Meeting adjourned at 4:55 p.m.



Approved: Nilaksh Kothari, CEO & General Manager



Approved: Alex Allie, Secretary