

*Finance*

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**MINUTES OF THE  
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING  
MONDAY, JANUARY 22, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Monday, January 22, 2018. In attendance were Commissioners Allie, Diedrich, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were John Wynne – Black & Veatch, Andy Onesti - MPU, Rhienna Gabriel – City Council, Mark Leonhard, Nilaksh Kothari – CEO & General Manager, and Attorney Andrew Steimle – Steimle Birschbach, LLC.

**CONVENE MEETING TO CLOSED SESSION:** Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the January 22, 2018 meeting pursuant to Section 19.85(1) (e) to discuss approval of the minutes of the November 13, 2017 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 Seidl and seconded by Commissioner Diedrich. Motion carried unanimously. Accordingly the Commission convened in closed session at 4:03 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 4:28 p.m.

John Wynne and Andy Onesti arrived at the meeting at 4:30 p.m.

**INTEGRATED RESOURCE PLAN PRESENTATION:** Mr. John Wynne of Black & Veatch presented the results of the Integrated Resource Plan (IRP) review that was completed by MPU's internal resources in 2016. The key highlights of the review are: MPU's internal resources have demonstrated detailed knowledge of MPU system and resource planning; MPU's no regret methodology although not used by Black and Veatch is viewed as reasonable and acceptable; for future analysis the recommendations are to evaluate a wider range of conventional generation alternatives and a tighter relationship between natural gas prices and energy prices clearing in the market; and given the low load growth there is sufficient time to incorporate the changes in the next IRP. A brief discussion ensued.

John Wynne and Andy Onesti left the meeting at 5:00 p.m.

**MPU-GLU POWER PURCHASE AND SALE AGREEMENT APPROVAL:** MPU Commission had approved the extension of the GLU-MPU Power Supply Agreement for an additional five years, 2021-2026 subject to final capacity pricing per the recommendation of Price Consulting, Inc. Subsequently, Mr. Price completed the analysis and proposed either a levelized capacity rate of \$17.35/kw-month beginning January 1, 2018 for four years through December 2021; or a capacity rate of \$17.50 kw/month in 2018; \$17.42 in 2019; \$17.30 in 2020 and \$17.17 in 2021. The capacity rate will be re-assessed in 2021 for rates beginning in 2022-2026. The new capacity rate will decrease GLU's annual billing from MPU by approximately \$959,000, which reflects MPU's actual cost with PSCW authorized rate of return.

**MOTION:** A Motion was made by Commissioner Seidl and seconded by Commissioner Allie to approve the agreement with leveled capacity pricing through December 2021. Motion carried unanimously.

**2018 RESIDENTIAL CONSERVATION AND ENERGY EFFICIENCY PROGRAMS APPROVAL:** For 2018, the proposal is to continue the LED rebate program as the number of bulbs purchased in 2017 increased from 2016 suggesting that there is still additional opportunity for the replacement of incandescent bulbs. The 2018 conservation budget included \$5,000 for the LED rebates and \$500 for promotion of the program. A new residential appliance rebate program is also proposed to provide a rebate for the purchase of an Energy Star rated appliance or a larger rebate for appliances that fall within the lower quartile of estimated annual energy use on the appliance's Energy Guide label.

**MOTION:** A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve the LED rebate program and offer an appliance rebate of \$50 for Energy Star rated and \$100 for high efficiency appliances. Motion carried unanimously.

**AMI CONSULTANT RECOMMENDATION APPROVAL:** A Request for Proposal (RFP) was issued to four consulting firms to provide services to develop Advanced Metering Infrastructure (AMI) System Specifications and assist in Vendor Selection. The services of a consultant was identified due to the complexity of assessing different technologies and MDM software. The proposed scope of services include: site meeting, existing systems review; AMI readiness evaluation; AMI system specifications; and AMI vendor proposal evaluations with a recommendation. CTC Technology & Energy; Katama Technologies Inc.; and Power Systems Engineering responded to the RFP. The responses were compared using the Competitive Proposals method. CTC Technology is recommended based on the evaluation process.

**MOTION:** A Motion was made by Commissioner Luckow and seconded by Commissioner Allie to approve retaining the services of CTC Technology & Energy upon successful negotiation of final scope and fees for a cost of approximately \$44,670. Motion carried unanimously.

**DRAFT MPU COMMISSION STATEMENT REVISION:** Commission President Hornung presented a draft revision of the MPU Commission Statement for review and comments. Discussion ensued. This will be reviewed again with the updated strategic plan.

**STRATEGIC PLAN UPDATE:** The status of each activity report as of December 31, 2017 of MPU's 2016-2018 Strategic Plan was previously distributed for review. Commission commented on being satisfied with the progress on plan.

**DONATION POLICY UPDATE:** The MPU Donation Policy Committee (DPC) has reviewed all donation requests received in 2017. The members of the DPC are: Scott Karbon (lead), Engineering Manager; Bob Bouril, Electric Distribution Superintendent; Shane Rodriguez, Water Systems Operator; Darlene Roepke, Accounting Technician, and Chris Sieracki, Power Plant Fireman. Evaluation criteria have been established by DPC and have been applied to all requests received. These criteria are included in an online application form on the MPU website that must be completed by all applicants, going forward, for any new donation to be granted. A total of \$5,260 was approved for 2017 with donations to City of Manitowoc for the Holiday Parade and Fourth of July; MPSD Foundation; Lincoln Park Zoological Society; In Courage; and

Manitowoc Skating Organizations. Discussion ensued. Mayor Nickels recommended to provide an explanation for those donation requests not approved.

**GENERAL MANAGER'S REPORT:** N. Kothari updated the Commission on the following: Dowco did not meet the 500 kW incremental load minimum for the fifth straight month in December and will be removed from the NLMP tariff and moved to the CP-3 tariff; MPU has received "Diamond" designation for the APPA RP<sub>3</sub> program; EPA is taking public comment on its intended designations for the nonattainment until February 5 and WDNR has until February 28 to provide comment; Manitowoc County has a partial designation of non-attainment; a letter was sent to Manitowoc County Executive Bob Ziegelbauer regarding the long-term outage planning for emergency facilities.

**GREAT LAKES UTILITIES:** N. Kothari updated the Commission that Stratford Utility Board approved joining GLU and the Village Board has this on the agenda at the February 13 meeting. GLU is discussing becoming part of Hometown Connections which is being sold.

**CBCWA:** N. Kothari updated the Commission on the issue of low flow readings on the revenue meter and actions being taken. The other O & M aspects of the Agreement are being completed.

**MINUTES:** The Minutes from the Regular Session Meetings on December 15, 2017 were presented for approval.

**MOTION:** A Motion was made by Commissioner Nickels and seconded by Commissioner Allie to approve the Regular Session Minutes from December 15, 2017 with a title change to the Executive County who received the Disaster Preparedness update by removing Director from the title. Motion carried unanimously.

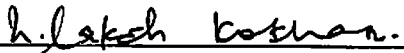
**APPROVAL OF CLAIMS:** Claims List dated December 26, 2017; Claims List dated January 9, 2018; Claims List dated January 23, 2018; and Wire Transfers dated through January 17, 2018 were presented for approval.

**FINANCIAL REPORTS FOR NOVEMBER 2017:** The Financial Reports for November 2017 were previously distributed to the Commission for review and discussion.

**MOTION:** A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the Claims List dated December 26, 2017 check nos. 82933 through 83094 totaling \$861,591.98; Claims List dated January 9, 2018 check nos. 83095 through 83187 totaling \$968,819.25; Claims List dated January 23, 2018 check nos. 83188 through 83312 totaling \$1,599,015.19; Wire Transfers dated through January 17, 2018 totaling \$4,789,904.71; and to place the Financial Reports from November 2017 on file.

**NEXT MEETING:** February 5, 2018 at 4:00 p.m.

**ADJOURN:** A Motion was made to adjourn the meeting by Commissioner Diedrich and seconded by Commissioner Seidl. Meeting adjourned at 5:22 p.m.

  
Approved: Nilaksh Kothari, CEO & General Manager

  
Approved: David Diedrich, Secretary