

**GREAT LAKES UTILITIES BOARD OF DIRECTORS  
MEETING MINUTES  
FEBRUARY 12, 2019  
WISCONSIN RAPIDS, WI - TELECONFERENCE**

**CITIES REPRESENTED:**

Bangor	Ryan Pelowski
Clintonville	Brian Ellickson
Cornell	Dave DeJongh
Escanaba, MI	Mike Furmanski
Kiel	Kris August
Manitowoc	Nilaksh Kothari
Marshfield	Nicolas Kumm
Medford	John Fales
Shawano	Brian Knapp
Stratford	Jerry Zelenka - alternate
Trempealeau	Kurt Wood
Wisconsin Rapids	Jem Brown

Legal Counsel:	Attorney Richard Heinemann, Boardman & Clark Law Firm
Absent:	None
Additional Attendees:	None

Jem Brown, Chair of the Board, called the meeting to order at 10:01 a.m. and called the roll. A quorum was present with twelve communities represented. Those present are indicated.

**MINUTES:** The Regular Session Minutes from the December 18, 2018 meeting were presented for approval.

**MOTION:** Motion was made by John Fales and seconded by Brian Knapp to approve the Regular Session Minutes from December 18, 2018. Motion carried unanimously.

Notice had previously been given that the Great Lakes Utilities Board may convene to closed session pursuant to Section 19.85(1)(e) of the Wisconsin State Statutes, which authorizes the governmental body to convene to a closed session for the purpose of deliberating or negotiating the purchase of public property, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons require a closed session. A Motion was made by Nilaksh Kothari and seconded by John Fales to adjourn to closed session pursuant to Section 19.85(1)(e). A roll call was taken with twelve members voting aye. Accordingly the members convened in closed session at 10:04 a.m. on February 12, 2019.

Reconvened to open session at 10:30 a.m.

**GLU TO MPU 10 MW ON-PEAK ENERGY SALE FOR 2019-2020:** The Master Transaction – Power Purchase Confirmation documents for the sale of 10 MW on-peak energy (5x16) for July and August of 2019 and 2020 at 100% load factor was presented for review and

approval. MPU is a partial requirements member of the Power Supply Committee and is responsible for meeting its capacity and energy requirements above 77 MWs. The volume of energy for this transaction is 7,040 MWhs for 2019 and 2020 with the energy price for this transaction at \$39.50/MWh for 2019 and \$38.10/MWh for 2020. The delivery point for this transaction is WPS.GLU and MPU would be responsible for the congestion and losses component between the WPS.GLU and WPS.MPU nodes. Discussion ensued and consensus was to table to the next meeting following further discussions.

**WEPCO INTERVENTION UPDATE:** Mr. Kothari and Attorney Heinemann updated the group on the Pleasant Prairie proceeding, including discussions with FERC staff and WEPCo representatives, further research into WEPCO's proposal and likely outcomes of the proceeding, as well as Mr. Price's updated financial analysis. Discussion ensued.

**MOTION:** Motion was made by Brian Knapp and seconded by Kurt Wood to authorize Mr. Kothari and Mr. Heinemann to continue reviewing GLU's options and to withdraw the intervention if appropriate. Motion carried unanimously.

**INVESTORS COMMUNITY BANK NEW ACCOUNT OFFERINGS:** A meeting was held on February 5 with representatives of Investor's Community Bank to discuss two new account offerings, an 'Analyzed Checking Account' and the ICB Public Funds Money Market Account available to GLU which would leverage the available funds to obtain a better interest rate. The Analyzed Account will be subject to transaction fees for various activities, but would increase interest income for GLU by approximately \$400/month. The ICB Public Funds Monday Market Account will provide interest at 10bps above the LGIP Fund Rate adjusted monthly and no fees are associated with this account. Currently GLU's short term investments are held with Baird and invested in one year treasury securities. This account is subject to fees of 15bps. To transition to these funds, Investor's will require elimination of the securities pledged against the checking account and transition to a Letter of Credit with FHLB of Chicago. They will obtain an LOC for the full amount of deposits in both accounts. The recommendation is to transfer GLU's short term investments at Baird to this new ICB account, open an Analyzed checking account, and cancel the Letter of Credit with ICB. Discussion ensued.

**MOTION:** Motion was made by Brian Knapp and seconded by Dave DeJongh to approve transition to the new analyzed checking account, open a new ICB-Public Funds Money Market Account, and transfer GLU's short-term investments from Baird to the new ICB Money Market Account and cancel the letter of credit. Motion carried unanimously.

**STRATEGIC PLAN DISCUSSION:** The consensus was to table to the next meeting.

**MANAGING DIRECTOR REPORT:** The consensus was to table to the next meeting.

**FINANCIAL REPORTS AND INVOICES FOR NOVEMBER 2018:** For claims lists dated November 2018: invoices from Boardman & Clark, Customized Energy Solutions, Greenleaf Media, Leidos Engineering, Leighton Interactive Manitowoc Public Utilities, Midwest Renewable Energy Tracking, Price Consulting Services, Nilaksh Kothari, North American Electric Reliability Co., Spiegel & McDiarmid, and Wisconsin Rapids WW&LC totaling

\$87,478.02; Wind Purchase Power Revenue Invoices from North Central Power Co, Inc., Northwestern Wisconsin Electric Co., and Lakeswind Power Partners, LLC totaling \$418,309.79; and Power Supply Invoices from Manitowoc Public Utilities, Marshfield Utilities, American Electric Power-EP, American Transmission Co., MISO, NextEra Energy Power Marketing LLC, WE Energies, and Wisconsin Public Service Corp totaling \$7,513,985.82, for a total of \$8,019,773.63.

**MOTION:** Motion was made by Kurt Wood and seconded by Ryan Pelowski to approve payments of invoices totaling \$8,019,773.63 for November. Motion carried unanimously.

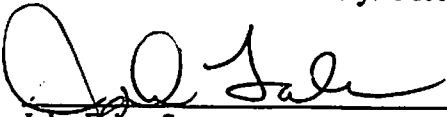
**2019 MPU CONTRACT SERVICES AGREEMENT:** A revised version of Schedule B of the GLU Contract Service Agreement was presented for approval. The revision reflects 2019 salary increases for MPU employees who provide GLU contract services effective January 1, 2019.

**MOTION:** Motion was made by Brian Knapp and seconded by Dave DeJongh to approve the revision of Schedule B of the GLU Contract Services Agreement. Motion carried with Nilaksh Kothari abstaining.

**APPA RALLY LOGISTICS:** The APPA Legislative Rally will be held in Washington, D.C. from February 25-27, 2019. Manitowoc, Marshfield, Shawano, and Wisconsin Rapids will have representation at this Rally. A meeting schedule with U.S. House of Representatives and Senators is being awaited from MEUW and WPPI. GLU will be hosting a dinner on Monday, February 25, 2019. A dinner is being planned by WPPI for all Wisconsin delegates at a cost of approximately \$150/person on Tuesday, February 26, 2019. The consensus of the attendees was to inform WPPI that GLU would prefer an open night.

**NEXT MEETING:** The next meeting is to be determined.

**ADJOURNMENT:** Motion by Dave DeJongh and seconded by Nilaksh Kothari to adjourn. Motion carried unanimously. Meeting adjourned at 11:00 a.m.

  
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John Fales, Secretary

**GREAT LAKES UTILITIES BOARD OF DIRECTORS**  
**MEETING MINUTES**  
December 18, 2018  
Wisconsin Rapids, WI

**CITIES REPRESENTED:**

Bangor	Ryan Pelowski
Clintonville	Brian Ellickson
Cornell	Dave DeJongh (via telephone)
Escanaba, MI	Mike Furmanski
Kiel	Kris August (via telephone)
Manitowoc	Nilaksh Kothari
Marshfield	Nicolas Kumm
Medford	John Fales
Shawano	Brian Knapp
Stratford	Absent
Trempealeau	Kurt Wood
Wisconsin Rapids	Jem Brown

Legal Counsel: Attorney Richard Heinemann, Boardman & Clark Law Firm  
Absent: Scott Dennee  
Additional Attendees:

Jem Brown, Chair of the Board, called the meeting to order at 11:00 a.m. and called the roll. A quorum was present with eleven communities represented. Those present are indicated.

**MINUTES:** The Regular Session Minutes from the November 8, 2018 meeting were presented for approval.

**MOTION:** Motion was made by Brian Knapp and seconded by Nick Kumm to approve the Regular Session Minutes from November 8, 2018. Motion carried unanimously.

**REPORT AND RECOMMENDATION OF THE POWER SUPPLY COMMITTEE:** The Committee approved the 2019 wholesale rate tariff.

**MOTION:** Motion was made by Nilaksh Kothari and seconded by Brian Knapp to approve the report and recommendations. Motion carried unanimously.

**REPORT AND RECOMMENDATION OF THE LAKESWIND COMMITTEE:** The Committee reviewed the Wind Project performance through November 30, 2018 and approved decreasing the Lakeswind Project member fee from \$18.00 to \$14.00 per MWH beginning January 2019.

**MOTION:** Motion was made by Brian Knapp and seconded by Kurt Wood to approve the report and recommendations. Motion carried unanimously.

**REPORT AND RECOMMENDATION OF THE WEST POWER SUPPLY COMMITTEE:** The committee reviewed, discussed, and approved the 2019 power supply rates tariff for Bangor, Cornell, Medford and Trempealeau.

**MOTION:** Motion was made by Dave DeJongh and seconded by Brian Knapp to approve the report and recommendations. Motion carried unanimously.

**GLU FINANCIAL RISK MANAGEMENT POLICY – 2018 RESULTS:** In accordance with the Great Lakes Utilities Financial Risk Management Policy dated July 13, 2012 Section 3.3, consisting of: (a) LTPSC members' ability to support their commitments to GLU; (b) 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 LTPSC's and the operating reserve requirement under the Other Project Agreements; and (c) the rate of return achieved for 2018 compared to the rate of return authorized by the PSCW. The analysis provides documentation of this review and the LTPSC members are in compliance for 2018. A brief discussion ensued.

**REVISIONS/UPDATES TO OPERATIONS PROCEDURES MANUAL:** Revisions to the Operations Procedures Manual were reviewed.

**MOTION:** Motion was made by Mike Furmanski and seconded by Nick Kumm to approve the revisions and updates to the operations procedure manual. Motion carried unanimously.

**HOMETOWN CONNECTIONS – NDA APPROVAL:** The NDA was presented for review and approval. Only after executing the NDA, Hometown Connections will share any information (business plan, ownership costs, etc.) for GLU Board consideration on whether or not to have ownership in this organization. Attorney Richard Heinemann has reviewed the Agreement. A key issue to note – each individual member is required to keep the information confidential and not share any data provided with any other entity.

**MOTION:** Motion was made by Nick Kumm and seconded by Brian Ellickson to approve the NDA. Motion carried unanimously.

**MANAGING DIRECTOR REPORT:** N. Kothari informed the Board of the following: GLU filed an intervention at FERC on WE's application to allocate 100% of the carrying costs to wholesale customers following the retirement of the Pleasant Prairie plant; a notification was sent to CES informing them that we will not be using their services for the annual ARR nomination process for the 19/20 PY for the GLU-West ARR rights; completed an NDA with PRC for the Red Barn wind project in Southwestern Wisconsin; and the JAA workshop in January will have GLU representation. A lengthy discussion ensued on the intervention.

**FINANCIAL REPORTS AND INVOICES FOR OCTOBER 2018:** For claims lists dated October 2018: invoices from Badger Power Marketing Authority, Boardman & Clark, Customized Energy Solutions, Manitowoc Public Utilities, Midwest Renewable Energy Tracking, Price Consulting Services, Spiegel & McDiarmid, and Wisconsin Rapids WW&LC totaling \$66,638.94; Wind Purchase Power Revenue Invoices from North Central Power Co, Inc., Northwestern Wisconsin Electric Co., and Lakeswind Power Partners, LLC totaling

\$554,853.59; and Power Supply Invoices from Manitowoc Public Utilities, Marshfield Utilities, American Electric Power-EP, American Transmission Co., Drilling Info, Inc., MISO, NextEra Energy Power Marketing LLC, WE Energies, and Wisconsin Public Service Corp totaling \$7,105,308.54, for a total of \$7,726,801.07.

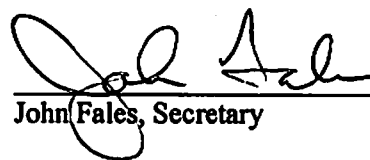
**MOTION:** Motion was made by Brian Ellickson and seconded by Brian Knapp to approve payments of invoices totaling \$7,726,801.07 for October. Motion carried unanimously.

**INVESTMENT PORTFOLIO REPORT:** The Investment Portfolio Report from Baird for the period ending September 30, 2018 was reviewed and accepted. A brief discussion ensued.

**APPA LEGISLATIVE RALLY:** The APPA Legislative Rally will be held in Washington, D.C. from February 25-27, 2019. Any member utility elected official who desires to attend the rally should inform N. Kothari no later than January 15, 2019.

**NEXT MEETING:** The next meeting is scheduled for February 12, 2019, Wisconsin Rapids at 10:00 a.m.

**ADJOURNMENT:** Motion by Brian Ellickson and seconded by Mike Furmanski to adjourn. Motion carried unanimously. Meeting adjourned at 11:40 a.m.



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John Fales, Secretary

**LAKESWIND PROJECT COMMITTEE  
GREAT LAKES UTILITIES  
MINUTES**

December 18, 2018  
Wisconsin Rapids, WI

**COMMITTEE MEMBERS:**

Bangor	Ryan Pelowski
Cornell	Dave DeJongh (via telephone)
Medford	John Fales
Power Supply Committee Representative	Brian Knapp
Trempealeau	Kurt Wood
Legal Counsel:	Richard Heinemann, Boardman & Clark Law Firm
Managing Director:	Nilaksh Kothari
Absent:	
Additional Attendees:	Jem Brown; Brian Ellickson; Nicolas Kumm; Kris August (via telephone); Mike Furmanski

Committee Chair John Fales called the meeting to order at 10:12 a.m. Those present are indicated above.

**MINUTES:** The Regular Session Minutes from the September 5, 2018 meeting were presented for approval.

**MOTION:** Motion was made by Dave DeJongh and seconded by Brian Knapp to approve the Regular Session Minutes from September 5, 2018. Motion carried unanimously.

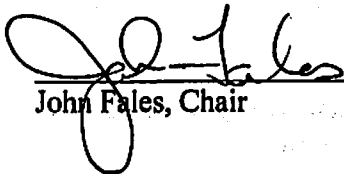
**WIND PROJECT PERFORMANCE REPORT THROUGH NOVEMBER 2018:** The overall performance of the project through November 2018 was reviewed. The operation of the wind farm in the market continues to be stable. There have been no curtailments for either reliability or economic dispatch to date in 2018. The energy production from the wind farm in 2018 YTD is falling short of projections. The reduced energy production along with improved MISO energy pricing has resulted in the financial performance of the project to be ahead of budget. This has resulted in positive cash flows for the wind project for 2018 YTD of approximately \$725,000. The cost of the wind energy for 2018 YTD, purchased price minus revenues received from sale to MISO market, is averaging \$13.80/MWh. The costs ranged from a high of \$18.10/MWh in April to a low of \$9.42/MWh in January. The projected cost being used for billing in 2018 is \$18.00/MWh. The total output of the wind farm in 2018 YTD is 142,281 MWhs which extrapolates to an annual total of ~155,000 MWhs versus an estimated annual output of 172,000 MWhs. The actual wind generation in 2017 was 163,478 MWhs.

**2019 LAKESWIND PROJECT MEMBER FEES:** The financial operations of the Lakeswind project has improved during 2018 due to slightly higher MISO LMPs and reduced energy production from the facility. This has led to excess cash flow of approximately \$600,000 for 2018 YTD versus a budget of a \$36,000 loss. As of the end of 2017, the wind project committee

had a cash balance of \$866,637. With the cash flow from 2018 operations, the cash balance for the wind project committee at the end of October 2018 is \$1,467,419. For the 2019 wind project committee budget, an estimated annual LMP at the Lakeswind node for the sale of the energy production of \$20.50/MWh was used. This along with an estimated energy billing rate to the project members of \$16/MWh yielded an estimated loss of \$247,059 for 2019 operations. The estimated annual energy production used for the budget was 173,000 MWhs. Due to the projected cash balance at the end of 2018 of approximately \$1.5 million and the budgeted projections, it is recommended that the energy billing rate to the project committee members for 2019 be decreased to \$16/MWh from the current \$18/MWh. A brief discussion ensued and the consensus was to decrease the energy billing rate to \$14/MWh due to the projections. Chair Fales recommended that the non-committee members be notified of the decrease in rate beginning 2019.

**MOTION:** Motion was made by Brian Knapp and seconded by Dave DeJongh to approve the reduction of the energy billing rate for 2019 to \$14/MWh. Motion carried unanimously.

**ADJOURN:** Motion to adjourn by Kurt Wood and seconded by Brian Knapp. Motion carried. Meeting adjourned at 10:15 a.m.

  
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John Fales, Chair



**POWER SUPPLY PROJECT COMMITTEE  
GREAT LAKES UTILITIES  
MINUTES**

December 18, 2018  
Wisconsin Rapids, WI

**COMMITTEE MEMBERS:**

Clintonville	Brian Ellickson
Kiel	Kris August (via telephone)
Manitowoc	Nilaksh Kothari
Shawano	Brian Knapp
Wisconsin Rapids	Jem Brown

Legal Counsel: Richard Heinemann, Boardman & Clark

Absent:

Additional Attendees: Ryan Pelowski; John Fales; Mike Furmanski; Dave DeJongh (via telephone); Nicolas Kumm; Kurt Wood

Chair Jem Brown called the meeting to order at 10:05 a.m. Those present are indicated above.

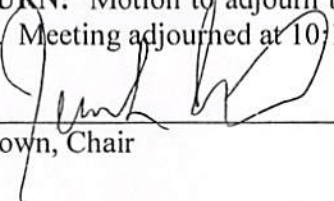
**APPROVAL OF MINUTES:** The Regular Session Minutes from the September 5, 2018 meeting were presented for approval.

**MOTION:** Motion was made by Brian Knapp and seconded by Nilaksh Kothari to approve the Regular Session Minutes from September 5, 2018. Motion carried unanimously.

**2019 WHOLESALE RATES TARIFF – POWER SUPPLY POOL:** The 2019 wholesale rate tariff was presented for approval. The GLU average system rates for 2019, as proposed, result in an approximately 4.5% decrease in the wholesale rates, versus the 2018 budgeted wholesale rates charged to members.

**MOTION:** Motion was made by Brian Knapp and seconded by Brian Ellickson to approve the 2019 wholesale rate tariff as presented. Motion carried unanimously.

**ADJOURN:** Motion to adjourn by Brian Ellickson and seconded by Nilaksh Kothari. Motion carried. Meeting adjourned at 10:10 a.m.

  
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Jem Brown, Chair

**GLU WEST POWER SUPPLY PROJECT COMMITTEE  
GREAT LAKES UTILITIES  
MINUTES**

December 18, 2018  
Wisconsin Rapids, WI

**COMMITTEE MEMBERS:**

Bangor	Ryan Pelowski
Cornell	Dave DeJongh (via telephone)
Medford	John Fales
Trempealeau	Kurt Wood

Legal Counsel:	Richard Heinemann, Boardman & Clark Law Firm
Managing Director:	Nilaksh Kothari
Additional Attendees:	Jem Brown; Brian Ellickson; Brian Knapp; Nicolas Kumm; Mike Furmanski; Kris August (via telephone)

Absent:

Chair Dave DeJongh called the meeting to order at 10:30 a.m. Those present are indicated above.


**MINUTES:** The Regular Session Minutes from the September 5, 2018 meeting was presented for approval.

**MOTION:** Motion was made by John Fales and seconded by Kurt Wood to approve the Regular Session Minutes from September 5, 2018. Motion carried unanimously.

**2019 POWER SUPPLY RATES TARIFF APPROVAL:** The proposed GLU-West power supply pool rate design analysis and proposed 2019 wholesale rate tariff were presented for approval.

**MOTION:** Motion was made by Kurt Wood and seconded by Ryan Pelowski to approve the 2019 power supply rates tariff as presented. Motion carried unanimously.

**ADJOURN:** Motion to adjourn by Kurt Wood and seconded by John Fales. Motion carried. Meeting adjourned at 10:40 a.m.

  
Dave DeJongh, Chair



**GLU WEST POWER SUPPLY PROJECT COMMITTEE**  
**GREAT LAKES UTILITIES**  
**MINUTES**

September 5, 2018  
Wisconsin Rapids, WI

**COMMITTEE MEMBERS:**

Bangor	Ryan Pelowski
Cornell	Dave DeJongh
Medford	John Fales
Trempealeau	Kurt Wood

Legal Counsel:	Richard Heinemann, Boardman & Clark Law Firm
Managing Director:	Nilaksh Kothari
Additional Attendees:	Jem Brown; Brian Ellickson; Brian Knapp; Nicolas Kumm; Scott Dennee; Andy Onesti (MPU); Jeff Kuhn (Wisconsin Rapids)

Absent:

Chair Dave DeJongh called the meeting to order at 12:35 p.m. Those present are indicated above.

**MINUTES:** The Regular Session Minutes from the March 14, 2018 meeting was presented for approval.

**MOTION:** Motion was made by John Fales and seconded by Kurt Wood to approve the Regular Session Minutes from March 14, 2018. Motion carried unanimously.

**DRAFT 2019 BUDGET:** The proposed GLU-West 2019 budget was presented for discussion. The proposed average system rates for 2019 will result in a slight decrease in the wholesale rates, versus the 2018 wholesale rates to the members. The calculation of the proposed 2019 wholesale rates uses the contracted capacity and energy charges for all of the purchased power agreements as well as projected MISO on-peak and off-peak energy prices. The other major assumption in the rate calculation is the expected member billing units of capacity and energy. The member billing units were based on an average of the prior three years actual billing units increased by 0.5%. To calculate the billing determinants the total expected charges from the power supply contracts for each billing unit were summed and then divided by the expected sales volume for each determinant. The billing determinants were then increased by 2% to cover administrative expenses. A lengthy discussion ensued on the projected rate reduction for next year and the fixed costs for Bangor and Trempealeau versus variable costs for Cornell and Medford. The consensus was to recommend approval of the budget at the Annual meeting.

**PROPOSED CASH RESERVE POLICY:** The Power Supply Pool Committee's Cash Reserve Policy was presented for comments and consideration. Beginning in 2019 all members of the West Power Supply Committee will be operating under the same rate structure and a cash reserve policy is recommended. A brief discussion ensued. The consensus was to authorize N. Kothari to develop a draft Cash Reserve Policy for the GLU West Power Supply Pool.

**ADJOURN:** Motion to adjourn by Kurt Wood and seconded by Ryan Pelowski. Motion

carried. Meeting adjourned at 12:50 p.m.

  
Dave DeJongh, Chair