

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, MAY 11, 2020**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich at 4:03 p.m. on Monday, May 11, 2020. In attendance were Commissioners Allie, Hornung (via teleconference), Luckow, Nickels (via teleconference), Seidl, and Sitkiewitz. Also present were Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

EMPLOYEE POLICY MANUAL UPDATES: The following updates are submitted for minor updates for approval by Personnel Committee: Residency Policy to add employee must reside in their own home or rental unit to qualify for this incentive and update Appendix G; update Prescription Drug Co-Payments section to require mail order prescriptions rather than encouraged to use; vacation will no longer be prorated during absences covered by Worker's Compensation; minimum use of compensatory time off will be allowed in one-half hour increments instead of one-hour; standby wages increase to \$400 per week from \$350 for MPU and \$150 per week from \$100 for Reedsville effective June 1, 2020; and updated Training/Seminars/Conferences to exclude user-group meetings from reimbursement requirement when an employee leaves MPU, when an employee requests such training and provides a report on potential improvements that can be implemented at MPU from that user-group meeting. Discussion ensued with Commissioner Hornung supporting all changes except the mail order requirement of prescription drugs.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the Employee Policy Manual updates. Motion carried with Commissioner Hornung opposing the update to the prescription drug program.

STRATEGIC AREAS OF FOCUS BENCHMARKS: An objective of the strategic plan is to use data analytics to monitor and improve management of utility operations. Based on Commission feedback, an updated list of performance benchmarks were developed for relevant for review and approval. The proposed benchmarks align with the strategic plan objectives. Several of the benchmarks are also in the annual Key Performance Indicators. The benchmarks will be prepared for internal use and presented annually at the May Commission meeting for MPU to monitor performance against the benchmarks. The key performance indicators will be posted annually on the website. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Benchmarks as proposed. Motion carried unanimously.

MPU/GLU ADMINISTRATIVE CONTRACT – SCHEDULE B: Schedule B of the GLU Contract Service Agreement may be amended from time to time by MPU to reflect adjustments of MPU costs. GLU Board approved the revised schedule at the February 5, 2020 Board meeting.

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

INTERGOVERNMENTAL AGENCY SERVICES AGREEMENT WITH REEDSVILLE: MPU entered into an agreement in October 2015 with the Village of Reedsville to perform the

operation and maintenance services of the Reedsville Water & Wastewater system for an initial term of five years with auto-renewal for an additional five years at the end of the initial term unless either party terminated. Village has indicated its desire to move forward with the renewal of this agreement. Based on the review of the last five years of financial performance the recommendation is to propose two alternatives to Village for their consideration: an increase of \$10,000 beginning October 1, 2020 to the contract value and followed by CPI-U increases per existing Agreement; or an increase of \$5,000 effective immediately and a 2x increase of CPI-U for future years with a cap of 5% increase per year. Discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Sitkiewitz to authorize the General Manager to negotiate with the Village the fees of the Agreement for continued services. Motion carried unanimously.

TURBINE 6 REMOVAL CHANGE ORDER: Turbine 6 has not been utilized since May 2018 due to concerns on its operating condition after the unit was operated without proper generator cooling. In order to return the unit to it would need to complete the inspection and testing the electrical system for at least \$60,000. There may be other potential additional costly repairs. Due to the fact that Boiler 8 does not have the steam capacity to run both Turbine 5 and Turbine 6 at the same time, MPU only receives capacity credit from MISO for one of the units, currently Turbine 5. The operations management team believes that Turbine 6 is valuable for redundancy in case something would happen to Turbine 5 as well when a major overhaul is required every five to seven years and Boiler 8 is dispatched. MISO's dispatch of Boiler 8 has been steadily declining over the last 4 years with only being dispatched for 1% of the available hours to-date in 2020. Once Turbine 6 is removed from the Power Plant, MPU will request removal of the generation unit from the MISO energy market and pursue with MISO the re-use of Turbine 6 transmission system rights for the new RICE generator project. Discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve removing Turbine 6 from the power plant for a cost not to exceed \$305,000. Motion carried unanimously.

ASSET MANAGEMENT SERVICES AGREEMENT: MPU and Kayuga Solutions have been collaborating over the past few years to enhance the MPU asset management processes and practices. To promote continued effective use of the asset management program and planning of financial and physical resources, Kayuga was requested to provide support services including online software training sessions; support for mass changes, data uploads, and reviews of enhancements; to conduct an audit of the two highest capital or O&M projects of the year for verification of accurate asset changes; and other asset management related tasks. The service agreement will become effective upon completion of the current projects. The WWTF will have a separate agreement with Kayuga for support of the WWTF asset management program.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the Agreement with Kayuga for on-going support of the MPU and WWTF asset management programs for a cost of \$25,000 for MPU and \$10,000 for WWTF annually.

2019 PSCW ANNUAL REPORT: MPU filed the 2019 PSCW annual report on March 24, 2020. This report is due annually on April 1 and is required for all retail electric and water utilities in the State, including investor-owned utilities. A brief discussion ensued.

BI-MONTHLY WATER METER READING PSCW DOCKET 3320-TW-104: MPU has been working with attorney Eric Callisto of Michael Best & Friedrich, to obtain PSCW approval for changing the reading frequency of small water meters, specifically 1.0-inch and less on a bi-monthly basis. A docket was opened to request approval of the PSCW Commission. Discussion ensued on the PSCW Staff hesitation to change the tariff and the need for this docket. Commission affirmed their support for this bi-monthly reading and estimating monthly bills.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following; discussions continue with TOTE on the 11.3 MW Wartsila purchase and sale agreement; all major billing cycles have been billed using AMI data with only two accounts on last cycle with a problem which are being investigated; Energy Bank inquired if the Shared Savings Loan can be increased to \$135,000 for a project of Jagemann Stamping and he was advised to have Jagemann directly make this request to MPU; discussions continue with Jagemann on the wastewater pre-treatment permit compliance; Mayor Nickels has scheduled the presentation of the Generation Resiliency Project to the City Council at the May 18, 2020 meeting; attorney Eric Callisto reached out to CBCWA's attorney Lawrie Kobza who will provide an update following discussions with CBCWA on May 15, 2020 and requested to hold off on taking any action on Dispute Resolution; Village of Bangor has requested a proposal to assist with their electric rate case; discussed transferring \$5 million to Great Lakes Utilities rate stabilization fund; discussions continue with Mercury Net on the rent for placing up to 16 antennas each on the Northwest and Industrial Park water tower. Mayor Nickels informed the Commission on a task force he has established to help small businesses in City of Manitowoc that are impacted from COVID-19 Safe at Home Order. The intent of the grant program is to help small businesses and Mayor Nickels is looking at funding this grant through public-private partnership with City and MPU making equal contributions to this program. A formal request will be submitted the May 26, 2020 Commission meeting. Discussion ensued.

MOTION: A Motion by Commissioner Hornung and seconded by Commissioner Seidl to transfer \$5 million to Great Lakes Utilities rate stabilization fund. Motion carried unanimously.

MINUTES: The Minutes from the Regular Session Meeting on April 13, 2020 were presented for approval.

MOTION: A Motion by Commissioner Allie and seconded by Commissioner Sitkiewitz to approve the Regular Session Minutes from April 13, 2020. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated April 28, 2020; Claims List dated May 12, 2020; and Wire Transfers dated through May 6, 2020 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated May 15, 2020 were presented for approval.

MOTION: A Motion by Commissioner Allie and seconded by Commissioner Sitkiewitz to approve the Claims List dated April 28, 2020 check nos. 90835 through 90951 totaling \$256,202.15; Claims List dated May 12, 2020 check nos. 90952 through 91078 totaling \$923,067.66; Wire Transfers dated through May 6, 2020 totaling \$8,869,423.91; Claims List for

WWTF batch 00711/712.04.2020 and batch 00712.05.2020 dated May 15, 2020 totaling \$110,747.24. Motion carried unanimously.

QUOTATIONS/BIDS: Electric Distribution Bucket Truck #18 Replacement - \$235,812.00 – Altec; Reverse Osmosis Boiler Makeup Pretreatment Equipment and Piping Installation - \$57,750.00 – August Winter & Sons.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to approve the Electric Distribution Bucket Truck #18 Replacement. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the Reverse Osmosis Boiler Makeup Pretreatment Equipment and Piping Installation. Motion carried unanimously.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the May 11, 2020 meeting pursuant to Section 19.85(1) (c) and Section 19.85(1) (e) to discuss approval of the minutes of the March 23, 2020 Closed Session Meeting (Regarding Discussions/Negotiations with CBCWA), Personnel Committee Report and Recommendations, Discussion relating to status of successor General Manager, and Transition of CEO and General Manager.

MOTION: A Motion to convene in closed session was made by Commissioner Seidl and seconded by Commissioner Allie. Motion carried unanimously. Accordingly, the Commission convened in closed session at 4:46 p.m.

The meeting was reconvened to open session at 5:47 p.m.


APPROVAL OF ITEMS FROM CLOSED SESSION:

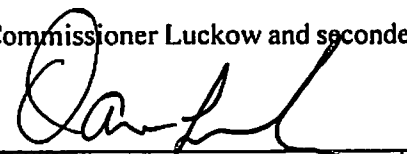
MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to approve hiring of Mr. Troy Adams as the General Manager of MPU effective June 1, 2020.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve Preferred Consulting to contract directly with Great Lakes Utilities to provide the Managing Director services through December 31, 2020.

NEXT MEETING: Tuesday, May 26, 2020 at 4:00 p.m. and a special meeting scheduled for Wednesday, May 20, 2020 at 12:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Luckow and seconded by Commissioner Hornung. Meeting adjourned at 5:52 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Dave Luckow, Secretary