

**MINUTES OF THE  
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING  
TUESDAY, MAY 31, 2016**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Diedrich at 4:05 p.m. on Tuesday, May 31, 2016. In attendance were Commissioners Allie, Hornung, and Luckow. Also present were Nilaksh Kothari – General Manager and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Hennessey, Nickels and Seidl were absent.

**DRAFT ASSET MANAGEMENT STUDY:** The draft asset management report was authorized to Kayuga Solutions, LLC to conduct a gap analysis of MPU's current practices to industry best practices. MPU's asset management program was assessed against the ISO standards in five different categories. The report concluded that MPU's program is in the development phase when compared to best practices. The report provided a road map for MPU to perform at a competent level for managing the water and electric utility assets. There are four phases of work tasks that need to be completed over a 24 to 30 month period that will require a fee of approximately \$130,000 plus expenses. The report was completed by Kayuga Solutions, LLC under an Agreement executed in November 2015. This initiative is identified in the MPU's strategic plan. A lengthy discussion ensued.

**MOTION:** A Motion was made by Commissioner Luckow and seconded by Commissioner Allie to approve retaining Kayuga Solutions for the continued work on developing the asset management program. Motion carried unanimously.

**DRAFT WPDES PERMIT:** An update on the status of the renewal of the Wisconsin Pollutant Discharge Elimination System (WPDES) wastewater permit was provided. The current permit was issued September 1, 2002. Since a renewal application was submitted to the Wisconsin DNR at least 180 days prior to expiration, the permit issued in 2002 remains in effect until a new permit is issued. During the intervening years additional information was provided to the DNR on a number of issues including: temperature limitations, evaluation of Whole Effluent Testing in the discharge, arsenic Pollutant Minimization Program, and other related issues. DNR is expected to issue the permit for public comment upon EPA's acceptance of the BTA determination by WDNR. A brief discussion ensued.

**DRAFT COMPENSATION PROGRAM GUIDELINES:** Commission reviewed and discussed the guidelines for the compensation program. The guidelines were also reviewed by MPU attorneys and their suggested modifications were included. The consensus was to continue discussion at the next meeting.

**ECONOMIC DEVELOPMENT – NEW LOAD MARKET PRICING TARIFF:** The New Load Market Pricing Tariff for a public power utility in Wisconsin, recently approved by the Public Service Commission, was discussed. This is another economic development option that PSCW is providing to municipal and IOUs without any negative impact to existing rate payers. The key requirements are as follows: (a) new load must exceed 200 KW; (b) customer declares that it would not expand without this tariff; and (c) tariff is applicable for only four years. Discussion ensued on how this tariff will compliment or supplement the MPU's economic development loan program; the timing of filing the tariff; the cost of implementing the tariff; and related issues.

**MOTION:** A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to authorize the General Manager to make a filing at the PSCW of the New Load Market Pricing Tariff. Motion carried unanimously.

**WDNR REVOLVING LOAN PROGRAM – LEAD SERVICE REPLACEMENT:** MPU is expecting approval from DNR on the variance to the deadline for submitting intent to apply for this loan forgiveness program. An application is due to DNR by June 30, 2016 for the 2017 funding/loan forgiveness program for lead service line replacement. In discussions with WDNR, MPU can receive up to \$300,000 in 2017. Secondly, MPU is uniquely qualified for these funds as the water lateral from the watermain to home is owned by the property owner. A lengthy discussion ensued. The consensus was to continue with the application process and develop draft guidelines for implementation of the loan forgiveness program for Commission review and approval.

**MPU COMMENTS TO PROPOSED PUBLIC FIRE PROTECTION WITH PSCW:** Comments to the proposed public fire protection (PFP) with PSCW were presented. The comments focused on supporting the position filed by the Municipal Environmental Group – Water Division, opposing the shifting of cost recovery from fixed to volumetric charges, and opposing the proposed mandate that MPU use the Class Absorption Method for allocating costs. This method rolls fire protection costs into the distribution system and eliminates separate PFP charges. A brief discussion ensued.

**GENERAL MANAGER'S REPORT:** N. Kothari updated the Commission on the following: approval was provided for City to band solar-powered street crossing signs on ornamental street light poles located at the intersection of South 8<sup>th</sup> and Quay Streets; Evoqua WT removed a module from Cell 4 prior to and after the CIP, and a sample of the acid CIP was taken and shipped for analysis; MPU has requested written permission from Evoqua WT to have the modules analyzed by a third party to determine fouling characteristics as MPU plans on working with CH2M Consulting; 60 accounts remain disconnected; Electric Rate Case – PSCW staff made several adjustments and rate of return to 5.0% resulting in a rate decrease of 3.44% and revenue requirement of \$64,337,256; a meeting was held with Dennis Yurk, at the Manitowoc Public School District to review lead service and it was discovered that the private fire protection lateral running south of the JFK from 1998 was not being billed, and that a two-inch metered service is tapped on this main to the Welding Shop; a PSCW complaint is being investigated for joint metering at 1012 Columbus Street and at the same time a police complaint of theft of utility service came through from the same address, different tenant.

**GLU UPDATE:** A Request for Proposal has been issued for energy and capacity from 2018 to 2030. GLU continues to work on the strategic plan with focus on succession planning and identifying needs for member services.

**MINUTES:** The Minutes from the Regular Session Meetings on May 9, 2016 were presented for approval.

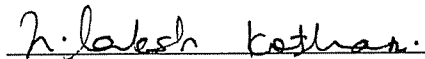
**APPROVAL OF CLAIMS:** Claims List dated May 24, 2016 and Wire Transfers dated through May 25, 2016 were presented for approval.

**FINANCIAL REPORTS FOR APRIL 2016:** The Financial Reports for April 2016 were previously distributed to the Commission for review and discussion.

**MOTION:** A Motion was made by Commissioner Luckow and seconded by Commissioner Allie to approve the Regular Session Minutes from May 9, 2016; the Claims List dated May 24, 2016 check nos. 78154 through 78292 totaling \$1,600,731.70; Wire Transfers dated through May 25, 2016 totaling \$3,495,471.84; and to place the Financial Reports from April 2016 on file. Motion carried unanimously.

**NEXT MEETING:** June 27, 2016 at 4:00 p.m.

**ADJOURN:** A Motion was made to adjourn the meeting by Commissioner Hornung and seconded by Commissioner Luckow. Meeting adjourned at 5:10 p.m.

  
Approved: Nilaksh Kothari, General Manager

  
Approved: Dan Hornung, Secretary

