

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, FEBRUARY 10, 2020**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich at 4:00 p.m. on Monday, February 10, 2020. In attendance were Commissioners Allie, Hornung, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Matthew Schliesman – Capital Civic Centre; Mark Leonhard – Citizen; Don Duenkel and Andy Onesti – MPU; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

CAPITAL CIVIC CENTRE DONATION REQUEST: Mayor Nickels requested to place this item on the agenda for the Capital Civic Centre. The MPU’s Donation Policy approved at the October 2019 Commission meeting was distributed as well as a letter from Mr. Matthew Schliesman dated December 9, 2019 to MPU Commissioners. Mr. Schliesman attended this meeting to discuss the background of the Capital Civic Centre in the Community and the numerous donations received since their initial request to MPU in April 2019. A brief discussion ensued. The consensus was to have the General Manager work with Commissioner Dave Diedrich to review the request with the Donation Policy criteria and to have on the agenda at the next meeting.

Mark Leonhard joined the meeting at 4:10 p.m.

Matthew Schliesman left the meeting at 4:15 p.m.

GENERATION RESILIENCY PRESENTATION: Don Duenkel, MPU Senior Manager - Utilities Operations, made a presentation on the generation resiliency project for discussion and request any additional information needed to obtain approval of MPU Commission at the March 2020 meeting and subsequently of City Council at the April/May 2020 meeting. The presentation provided an overview of the original assessment conducted by Burns & McDonnell in 2014 which determined that Diesel 2 was not adequate to start Boiler 8 or 9. Both these boilers need power supply within 15-30 minutes when generating power to avoid plugging the loop seal. Subsequently, Black & Veatch studied Power Generation Reliability Enhancements starting fall 2015. B&V concluded that generation resiliency is increasingly important as non-dispatchable generation causes more grid instability and recommended to perform a life cycle cost analysis to determine least cost option. ATC at a meeting in September 2016 confirmed that funding is not available for ATC/MISO backup start unit for MPU and power is not guaranteed to Manitowoc in 30 minutes. Several scenarios of repowering the city were discussed including RICE alone, RICE/B8, and RICE/B8/Custer CT. A lengthy discussion ensued. The consensus was to have this for consideration at the next meeting.

IPKEYS CYBERSECURITY MONITORING PROGRAM: The American Public Power Association (APPA) has secured a Department of Energy (DOE) grant focused on developing a culture of cybersecurity at public power utilities. The goal of this program is to help the Association obtain more cybersecurity data to analyze in order to provide additional cyber alerts to the Association’s members. APPA has chosen to work with IPKeys Power Partners/N-Dimension Solutions, a cybersecurity partner of Hometown Connections, Inc., to deploy sensors and obtain data for 1-year. IPKeys (formerly N-Dimension) provides a product called the N-Sentinel sensor, which is a physical device that is connected to MPU’s internal network and used to scan devices and network traffic to detect vulnerabilities and malicious traffic. The N-Sentinel

sensor provides: vulnerability scanning; intrusion detection and monitoring; detection of utility-centric threats; comprehensive reporting; and cloud connectivity. It is recommended that MPU utilize two N-Sentinel sensors – one to monitor the business network and another to monitor the operations twelve months as part of the APPA/D.O.E. grant. After the first year the annual fee will be \$7,500 per year per sensor for a total of \$15,000 per year. A brief discussion ensued on the quality, frequency, and certification of the reports.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to approve the one-year trial period of the IPKeys Cybersecurity Monitoring Program. Motion carried unanimously.

Don Duenkel and Andy Onesti left the meeting at 5:05 p.m.

STRATEGIC WORK PLAN UPDATE: The Strategic Work Plan was distributed for review. Following key initiatives are completed: Revere substation automation; conversion planning of street lights to LED; generation resiliency study findings and initial recommendations presented to MPU Commission; survey of stakeholders was completed; a plan for employ recognition in professional organizations has been developed by the employee engagement committee; a new employee performance management plan was completed and being implemented in 2020; QTI completed a wage study in 2019 and was implemented in 2020; implemented fall protection equipment inventory and replaced/disposed of un-marked snap hooks; and a revised NLMP tariff has been filed with PSCW and approval is awaited. Several initiatives are behind schedule: an electric distribution automation policy due to the new load additions; develop an innovation center for assessing distributed generation technologies; a process for parts inventory management; a physical and cybersecurity plan; a program for employee participation in trade/professional industry organizations; an enterprise risk management plan; and developing business plans for IT and other managed services. Discussion ensued on the business plans for IT and other managed services.

GLU UPDATE TO CITY COUNCIL: The letter to the Mayor and City Council on the 2019 activities of Great Lakes Utilities was presented for review and discussion. This annual correspondence is required as part of the authorization from the City to be a member of GLU and in delegating the authority to MPU. The consensus was to submit the update to City Council.

Commissioners Luckow and Sitkiewitz left the meeting at 5:15 p.m.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: Electric Distribution is assisting with restoring the exterior lighting of the I Park Tower - the lights will be replaced with LED fixtures; the Customodal one-year pilot program was approved on January 14, 2019 and Customodal suggests continuing at least as status quo with the program saving by lower freight rates quarterly rebate for another year; ATC is willing to conduct a study on potential impacts to MPU generation dispatch with proposed transmission upgrades for a fee of \$10,000; Waldo Boulevard watermain materials bids came in with several issues and hence were rejected; the PSCW rate case hearing is scheduled for March 11, 2020; continue to work with Kayugu on the completion of asset management; guests from Federal Mogul were on site to observe Power Plant battery/invertor/charger arrangements as they may want to invest in an uninterruptable power supply for their facility – a suggestion was made for MPU to consider providing such service; Briess requested MPU to energize a primary service in the 600 block of

Jay Street; and a letter was received from Nic Sparacio, CBCWA Manager, on the Finished Water Pump Station final report, a response is being developed. The consensus is to continue with Customodal for an additional one-year period.

GREAT LAKES UTILITIES UPDATE: A draft of the final report for the RICE generation options and siting analysis project was received from Burns & McDonnell. A brief discussion ensued on location and PILOT payment.

WASTE WATER TREATMENT FACILITY UPDATE: Contacted Waste Management and NEW Water in Green Bay for disposal of the sludge due to the space limitations at the lagoons by Riverview School that has resulted from a wet summer and Fall which prevented land spreading. Continue to meet with Jagemann Stamping to discuss the Pretreatment Compliance letter enforcement penalty related issues; awaiting guidance from DNR on the process for enforcement after the new equipment is installed. North end along fence of pier repaired washed out area by street light; filled in with concrete patch. Met with Dan Koski to discuss the budgeting of sanitary sewer costs for upcoming projects. Discussion ensued.

CBCWA UPDATE: During the shutdown of the HD-BPS on October 1, a pressure loss was observed between the HD-BPS and HD-1 on 24-in ductile iron pipe. Subsequent investigation found water in the ditch at S Pine Tree Road and W Mason St., near a directional bore by KS Energy that was completed in June 2019. MPU coordinated the excavation of the pipe by DeGroot Construction on October 15. DeGroot performed the excavation and repair, while MPU operated the isolation valves and dewatered a large part of the transmission main through a blowoff. The pipeline was repaired and placed back in service in October 17. A claim to KS Energy is being submitted for \$33,000. Based on 2019 water volumes through the MMS MAG meter, CBCWA was short of the 2.484 BG by 47,916 kgal. MPU requested the annual well volumes from the CBCWA member communities, which is used in the annual take or pay volume calculation. One issue that came up that needs clarification is whether well volume used while the CBCWA t-main is out of service is to be billed by MPU. Discussions continue.

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

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

APPROVAL OF CLAIMS: Claims List dated January 28, 2020; Claims List dated February 11, 2020; and Wire Transfers dated through February 5, 2020 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated February 14, 2020 were presented for approval.

FINANCIAL REPORTS FOR NOVEMBER 2019: The financial reports for November 2019 were previously distributed to the Commission for review and discussion.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Allie to approve the Claims List dated January 28, 2020 check nos. 89958 through 90094 totaling \$1,595,265.51; Claims List dated February 11, 2020 check nos. 90095 through 90222 totaling \$806,384.88; Wire

Transfers dated through February 5, 2020 totaling \$3,929,484.69; Claims List for WWTF batch 00712.12.2019 & 00715.01.2020 dated February 14, 2020 totaling \$118,199.34; and to place the Financial Reports for November 2019 on file. Motion carried unanimously.

INVESTMENT REPORT: The Investment Portfolio Report from Baird, our investment advisor, for the period ending December 31, 2019 was previously distributed to the Commission for review and discussion.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Allie to accept the Investment Reports from Baird.

QUOTATIONS/BIDS: Unit 9 Fuel Bunker Separation Wall Modification - \$212,400.00 – Howard Immel, Inc.; Water Distribution Hydraulic Modeling - \$11,761.00 – AE2S.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Seidl to approve the Unit 9 Fuel Bunker Separation Wall Modification. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Hornung to approve the Water Distribution Hydraulic Modeling. 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 February 10, 2020 meeting pursuant to Section 19.85(1) (c) to discuss approval of the minutes of the December 9, 2019 Closed Session Meetings (Regarding Update of Discussion with General Manager on Continuation of Employment and Personnel Committee Report and Recommendations) and Discuss Executive Search Firm Proposals for the General Manager Position.

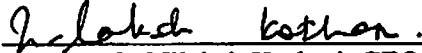
MOTION: A Motion to convene in closed session was made by Commissioner Nickels and seconded by Commissioner Seidl. Motion carried unanimously. Accordingly, the Commission convened in closed session at 5:35 p.m.

The meeting was reconvened to open session at 5:59 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION: The closed session meeting minutes were approved.

NEXT MEETING: Monday, March 23, 2020 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 6:00 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Dave Luckow, Secretary