

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, OCTOBER 15, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Hornung at 4:00 p.m. on Monday, October 15, 2018. In attendance were Commissioners Allie, Diedrich, Luckow, Seidl, and Sitkiewitz. Also present were Dean Halverson – Leede Research; Cindy Carter – MPU; Rhienna Gabriel – City Council; Mark Leonhard – Citizen; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Nickels was absent.

Nilaksh Kothari, Mark Leonhard and Rhienna Gabriel left the meeting at 4:02 p.m.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the October 15, 2018 meeting pursuant to Section 19.85(1) (c) to discuss approval of the minutes of the September 24, 2018 Closed Session Meetings (Personnel Committee Report and Recommendations) and Succession Planning.

MOTION: A Motion to convene in closed session was made by Commissioner Sitkiewitz and seconded by Commissioner Allie. Motion carried unanimously. Accordingly the Commission convened in closed session at 4:03 p.m.

The meeting was reconvened to open session at 4:50 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION: None

Nilaksh Kothari, Mark Leonhard and Rhienna Gabriel returned to the meeting at 4:51 p.m.

Dean Halverson and Cindy Carter arrived at the meeting at 4:51 p.m.

ELECTION OF OFFICERS: A Motion was made by Commissioner Luckow and seconded by Commissioner Sitkiewitz to nominate Commissioner Mark Seidl for President, Commissioner David Diedrich for Vice President, and Commissioner Alex Allie for Secretary of the MPU Commission for 2018-2019 and to close the nominations. Motion carried unanimously.

COMMERCIAL AND INDUSTRIAL CUSTOMER SURVEY PRESENTATION: A presentation was made by Dean Halverson, Leede Research, on the results of the Commercial and Industrial Customer Survey. A new rating scale was used in 2018 replacing the “1-7” scale used in 2016. The “0-10” scale has become the industry norm and aligns with the scale utilized in the residential survey. In general, for electric service a mean satisfaction score is 9.4 as compared to 9.0 in 2016. For water utility a mean satisfaction score of 9.2 as compared to 6.5 in 2016. The key areas of improvements identified were: increase marketing efforts of the Shared Savings and Economic Development loan programs; continue providing customers more and better information on energy efficiency; and revamp the C&I customer portal and market to these customers. There was an increase of almost 40% in knowledge of customers knowing the

appropriate contact to call for information or assistance which is a good indicator that the recently developed Key Accounts Program is having positive impacts. Discussion ensued. N. Kothari informed that the improvements identified will be included in the initiatives of the strategic plan.

Dean Halverson and Cindy Carter left the meeting at 5:05 p.m.

BOILER 9 FUEL BUNKER SEGREGATION STUDY: A Request for Proposal was issued to Black & Veatch, Bibb Engineers, and LD&B to perform a feasibility study and develop a budgetary cost estimate for segregating the existing Boiler 9 fuel bunker. The project objective is to determine the feasibility of adding division walls to the existing fuel bunker to segregate the existing bunker into three chambers and allow for greater flexibility in the blending of the "black" and "renewable" fuels. Segregating the Boiler 9 fuel bunker would allow the fuel mixture to be controlled by adjusting the fuel feeders similar to Boiler 8, and would no longer be limited by the amount of paper that can be added by the fuel conveyor system. Based on the review of the proposals and scope of work defined the recommendation is to retain the services of LD&B.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve retaining Lutz, Daily & Brain for the feasibility study at a cost not to exceed \$25,000. Motion carried unanimously.

APPA LEGISLATIVE RALLY: The APPA Legislative Rally is scheduled for February 25-27, 2019 in Washington D.C. The Legislative Rally offers members of the public power community an opportunity to work together on federal legislative and regulatory issues that affect the industry. During the rally, individual meetings with the Wisconsin Congressional delegation will also be conducted. The approximate costs per person are \$2,300.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Allie to approve Commissioner attendance at the APPA Legislative Rally. Motion carried unanimously.

I-PARK WATER TOWER LAND EASEMENT OWNERSHIP REQUEST: There is an interest from an existing customer to either purchase or no build easement the land west of the existing water tower in the I-Park located at the intersection of I-Tec Drive and West Drive. The property is needed to meet the setback requirements of the covenants of the industrial park and the ingress/egress to the proposed building. The customer is requesting MPU Commission to consider a no build easement. A follow-up discussion, based on guidance of Commissioner Hornung, was held with City attorney Kathleen McDaniel on I-Park covenant restrictions on selling the property. The covenants require that the City be provided the first right of refusal and if the City chooses not to or does not respond within 45 days, the owner can sell the property. A discussion ensued. The consensus was to proceed with the sale rather than a lease.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Diedrich to authorize the General Manager to negotiate and develop an agreement with the

industrial customer including any needed discussions with the City. Motion carried unanimously with Commissioner Luckow abstaining.

ATC SHAREHOLDER'S MEETING UPDATE: The highlights of the ATC's Annual Shareholder's meeting in August 2018 are as follows: ATC's technology team is working to reduce life cycle cost; reliability data of transmission outages were presented, which included weather related and bulk power outages; corporate tax rate reduction resulted in a \$50 million in income tax savings; FERC's law judge has recommended a ROE of 9.7% and the continued 50 bps adder for ATC with unknown timing of order; the 2019 O&M budget is proposed at \$150.6 million or a 3% reduction from 2018 budget; and the projected capital expenditures are expected to be \$483 million in 2018. MPU's investment in ATC is approximately \$12.2 million or 0.64% ownership. A brief discussion followed on the outage report.

PROGRESS LAKESHORE UPDATE: Commissioners Hornung and Seidl had a conversation with three Progress Lakeshore executive members and attended a board meeting. Although supportive of the activities of Progress Lakeshore, the recommendation was made to have a similar discussion with the City's new economic development director. A brief discussion ensued with consensus on the recommendation.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: SMI to have a discussion with Orion as bids have come in significantly higher than anticipated due to contaminated soils on the site; McMullen-Pitz requested the use of north dock through May 2019 for the soil removed for the car ferry dock work; and R.W. Baird has been advised to sell the GE bonds due to further downgrade of the bonds.

MINUTES: The Minutes from the Regular Session Meetings on September 24, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the Regular Session Minutes from September 24, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated October 9, 2018; and Wire Transfers dated through October 10, 2018 were presented for approval.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the Claims List dated October 9, 2018 check nos. 85505 through 85635 totaling \$1,041,054.77; and Wire Transfers dated through October 10, 2018 totaling \$1,562,047.84.

QUOTATIONS/BIDS: Snow Removal Services – \$2,783.23 – Riverside Landscaping; and Power Plant End Loader - \$221, 200.00 – Aring Equipment Company, Inc. (Volvo). Discussion ensued on both quotations/bids.

MOTION: A Motion was made by Commissioner Allie and seconded by Commissioner Seidl to approve the Snow Removal Services. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Luckow to approve the Power Plant End Loader. Motion carried unanimously.

NEXT MEETING: October 29, 2018 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Sitkiewitz and seconded by Commissioner Luckow. Meeting adjourned at 5:26 p.m.

Nilaksh Kothari
Approved: Nilaksh Kothari, CEO & General Manager

Alex Allie
Approved: Alex Allie, Secretary