

**MINUTES OF THE  
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING  
MONDAY, JULY 30, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Monday, July 30, 2018. In attendance were Commissioners Allie, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Lee Kummer – City Council; Mark Leonhard – Citizen; Andy Onesti, Scott Karbon – MPU; and Nilaksh Kothari – CEO & General Manager. Commissioner Diedrich was absent.

**DRAFT STRATEGIC PLAN:** The draft Strategic Plan for years 2019-2023 was previously distributed for review. This planning process was initiated in spring 2017 under the leadership of Commissioners Alex Allie, David Diedrich and Dan Hornung. Following are the highlights: MPU Commission was updated regularly during the last nine months on the progress and had accepted the revised mission, vision and value statements including the five strategic goals: Operational Excellence; Customer Service Excellence; Employee Engagement; Fiscal Responsibility; and Growth Opportunities. Commissioner Hornung led the discussion on the draft of the goals and objectives identified in the plan and specifically for Commissioners. Discussion ensued on whether the tag line should be ‘customer focused’ or ‘customer driven’. The consensus was to have the tag line as “Community Owned....Customer Focused”. Discussion also ensued on the strategic plan initiatives time frame. The consensus was for a three-year plan and acknowledged it was a working document.

**MOTION:** A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to approve the MPU Strategic Plan for 2019-2023 and “Community Owned...Customer Focused” tag line on all correspondence. Motion carried unanimously.

**AMI VENDOR RECOMMENDATION:** CTC Technology & Energy from Kensington, MD and Madison, WI has been assisting on the selection of an AMI vendor to supply and install electric meters with MDM. Following are the highlights: recommendation is to select Eaton as the AMI vendor based on highest overall evaluation score; has the lowest overall cost of Ownership achieved primarily through best value annual of a 20-year long-term support and warranty; and operates on a SQL Software database. MPU costs outside of the Eaton contract are anticipated to be an additional \$550,000 for fiber optic extension and updates to server and storage to IT infrastructure. The final budget estimate of Eaton contract is \$3.2 million. Discussion ensued on the MDM and how it pertained to the new system. A. Onesti provided background on the benefit of the selected MDM which has features that will be used rather than a complete MDM software.

**MOTION:** A Motion was made by Commissioner Nickels and seconded by Commissioner Allie to approve retaining Eaton as the AMI vendor at an approximate cost of \$3.2 million pending successful contract negotiations. Motion carried unanimously.

**INTEGRATED RESOURCE PLAN:** The Integrated Resource Plan (IRP) was previously distributed to Commission. This was reviewed internally and comments from MPU were



incorporated in the final draft document by Black and Veatch. Commissioner Hornung advised that Sierra Club has requested a copy of the IRP. A brief discussion ensued.

**MOTION:** A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Nickels to accept the Integrated Resource Plan as presented and forward a copy of the IRP to Sierra Club. Motion carried unanimously.

**PHYSICAL SAFEGUARD POLICIES FOR IT:** This policy addresses reasonable physical safeguards of information systems and related equipment and facilities which include: the physical measures, policies, and procedures to protect the organization's information systems from natural and environmental hazards and from unauthorized access, modification, or destruction. The initial biggest impact to End Users from the implementation of this policy is the implementation of retention policies for the email system and automatic purging of the emails that are older than the retention periods. The expectation is this should result in savings in storage requirements. Discussion ensued on the impact of the policy on email retention.

**MOTION:** A Motion was made by Commissioner Seidl and seconded by Commissioner Nickels to approve the Physical Safeguard Policies for IT. Motion carried unanimously.

**PROGRESS LAKESHORE PARTICIPATION:** Commissioner Sitkiewitz discussed the Progress Lakeshore Board's interest in having MPU Commission representation on their Board. Consensus was to schedule a meeting with Progress Lakeshore Board to discuss the topic further.

**LEAD SERVICE PUBLIC EDUCATION:** Commissioner Nickels informed that City has received numerous complaints on the confusion of the lead service information that is being relayed. A lengthy discussion ensued on the best way to communicate to the public in regards to the Waldo Boulevard project and replacement of lead services. N. Kothari will have Commission members review the draft FAQ and letter to residents on Waldo Boulevard.

**GENERAL MANAGER'S REPORT:** N. Kothari updated the Commission on the following: CIS V4 version functional in parallel to V3 with several outstanding issues being resolved; main office standby generator project is substantially complete; Reedsville did not meet the phosphorous permit requirement and discussions in progress with DNR and Village consultant; City is interested in extending the watermain for homes impacted from gravel pit ground water contamination; SMF plant flow test on Cell No. 2 failed and Evoqua was informed; Mammoth Construction is working on new service to US Army Reserve and City field house; Nash law firm continues to represent MPU on the Boiler 9 insurance claim.

**GREAT LAKES UTILITIES:** The draft 2019 budget is complete. A 4.5% decrease in power supply cost for east pool is expected. Next GLU Board meeting is scheduled on September 5, 2018.

**CBCWA:** N. Kothari updated the Commission on the meeting of June 29, 2018. CBCWA would like to change the Agreement to have a single water plant concept and like to be MPU's wholesale customer using PSCW rate methodology. Following a lengthy discussion with CBCWA it was decided to provide a list of issues for further analysis by mid-August. Other

issues discussed were: FWPS flow meter issues; Take or Pay provision; CMF plant upgrade; Finished Water Pump Station controls and HVAC; and replacement facilities cost. CBCWA agreed to place the Take or Pay provision on the July Board agenda for approval and will send a letter to PSCW for clarification. On finished water flow meter and pump station upgrades they will discuss the issues with their engineer and get back to MPU. On CMF plant upgrade they believe that MPU will have better membrane technology than the SMF plant (incorrectly) and will like to know the O&M cost impact; and CBCWA is going to review their financial analysis on how capital costs were incorporated in the model when a decision was made to purchase water from MPU. The next meeting date will be scheduled in September 2018. CBCWA president communicated that their Board will like to resolve the disagreements at the earliest possible.

**MINUTES:** The Minutes from the Regular Session Meetings on June 25, 2018 were presented for approval.

**MOTION:** A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Nickels to approve the Regular Session Minutes from June 25, 2018. Motion carried unanimously.

**APPROVAL OF CLAIMS:** Claims List dated July 10, 2018; Claims List dated July 24, 2018; and Wire Transfers dated through July 25, 2018 were presented for approval.

**FINANCIAL REPORTS FOR JUNE 2018:** The Financial Reports for June 2018 were previously distributed to the Commission for review and discussion.

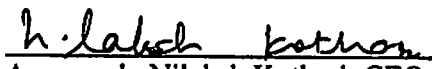
**MOTION:** A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Nickels to approve the Claims List dated July 10, 2018 check nos. 84677 through 84802 totaling \$2,058,395.21; Claims List dated July 24, 2018 check nos. 84803 through 84945 totaling \$1,714,626.34; Wire Transfers dated through July 25, 2018 totaling \$4,817,107.47 and to place the Financial Reports from June 2018 on file.

**QUOTATIONS/BIDS:** SMF Plant Coagulant Chemical Feed System Equipment – \$14,020.00 – William Reid Ltd; North Water Street Watermain Replacement - \$70,296.10 – Kip Gulseth Construction; Columbus Street T5 Governor Upgrade - \$108,244.00 - Petrotech.

**MOTION:** A Motion was made by Commissioner Seidl and seconded by Commissioner Luckow to approve the presented quotations/bids. Motion carried unanimously.

**NEXT MEETING:** August 27, 2018 at 4:00 p.m.

**ADJOURN:** A Motion was made to adjourn the meeting by Commissioner Sitkiewitz and seconded by Commissioner Allie. Meeting adjourned at 5:12 p.m.

  
Approved: Nilaksh Kothari, CEO & General Manager

  
Approved: David Diedrich, Secretary