

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, SEPTEMBER 10, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by President Hornung at 4:00 p.m. on Monday, September 10, 2018. In attendance were Commissioners Diedrich, Luckow, and Seidl. Also present were Mark Leonhard – Citizen; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Allie, Nickels and Sitkiewitz were absent.

MPU POLICIES REVISIONS: The updated utility policies were previously distributed to the Commission for review, comments and approval. As discussed at the last Commission meeting, the policies were reviewed with President Hornung and attorney Andy Steimle. Their comments are incorporated in the policies.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the MPU Corporate Policies. Motion carried unanimously.

MPU COMMISSION POLICIES: The existing Commission policies with updates in tracked-changes were presented for review and comments. The existing policies were reviewed and updated by Commission President Dan Hornung. Discussion ensued. The consensus was to have attorney Andy Steimle work with Commissioner Diedrich and Commissioner Seidl to review the revisions and recommend updated policies for Commission consideration.

ORGANIZATIONAL SAFEGUARD POLICIES FOR IT: This policy addresses management and documentation requirements for IT employees and will include standards for third party Agreements/Contracts for protecting electronic information. A brief discussion ensued. This policy will be presented for approval at the next Commission meeting.

UPDATE TO PSCW WATER RULES: The entire water service from the water main to the meter has been owned by the property owner in the MPU system. The revisions presented conform to the current practice of MPU. Discussion ensued on clarifying some language regarding the street repair portion prior to filing the revisions with PSCW and notification to the property owner of a leaking water service.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Diedrich to approve filing the updated water rules with PSCW. Motion carried unanimously.

LEAD SERVICE LINE REPLACEMENT LOAN PROGRAM: The Wisconsin legislature earlier this year approved under Wisconsin Statute §196.372 for municipal utilities to provide financial assistance to help customers replace the lead service line. Following are the highlights of the proposed program: in 2019 and 2020, MPU will set aside \$600,000 annually for a lead service line replacement loan program; the cost of replacing the water service from watermain to meter, based on last two years of experience, ranges from \$4,500 to \$6,000; a home owner must replace any and all portion of lead service line to qualify for this loan program for a maximum of \$6,000 excluding cost of landscaping; loan period will be for 10 years at an interest rate of 2.5%

and will be reviewed every two years and adjusted as necessary; the availability of this loan program will be communicated through press releases in local newspapers, radio, MPU website, and MPU utility bills; applications will generally be prioritized (a) schools and licensed daycare centers; (b) homes with children under the age of six; (c) watermain replacement projects; (d) leaking services; (e) home owner request and all remaining lead or galvanized services; the program is set up to avoid any cost recovery in water rates and no cross-subsidy and/or socialization of cost as there are no grants provided to home owners. Discussion ensued.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Seidl to approve submitting the Lead Service Line Replacement Loan Program to PSCW for approval. Motion carried unanimously.

2017 CONSERVATION PERFORMANCE INDICATORS REPORT: These performance indicators are a representation of MPU's Energy Efficiency; Renewable Energy and Demand Side Management programs. Following are the highlights: 2014-2017 the total demand and energy savings are 2.9 kW and 18,981,636 kWh or 18,981 MWh respectively; on an average MPU paid to Focus on Energy \$150,379 per year and Focus provided incentives to MPU customers of \$501,751; 78 customers have signed up for MPU's Renewable Choice program. A brief discussion ensued. The consensus is to present this report annually in September.

GENERATION OPERATIONS REPORT: The Generation Operations report was presented for review and comments. N. Kothari requested if Commission desired to have additional data as part of this report. This report will be presented semi-annually in February and August. A brief discussion ensued with no changes recommended at this time.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: WDNr and OSHA inspectors conducted site visit to review Holian's work on the asbestos abatement; discussions initiated on the penalties for the 30 day delay on delivery of the 4kv switchgear; City met with WPS and EPA regarding the former Manufactured Gas Plant (MGP) site at North 10th and Chicago Street; Wastewater Board gave approval to move forward with management of WWTF by MPU; an unsolicited email received for four 11.7 MW dual fuel Wartsila generators available for sale at a heavily discounted price; discussed MISO's ASM market and possibility for MPU generation to participate; Commissioner Hornung provided an update on the lead service public information meeting on September 6, 2018 and the concerned property owner request for MPU to appropriate these funds rather than the property owner; a request was received from Peter's Pantry for insertion of a donation envelope with the November billing statements; and Furey Pump/Filter will rebuild SMF permeate pump.

MINUTES: The Minutes from the Regular Session Meetings on August 27, 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 August 27, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated September 11, 2018; and Wire Transfers dated through September 5, 2018 were presented for approval.

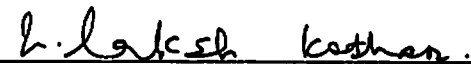
MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the Claims List dated September 11, 2018 check nos. 85243 through 85352 totaling \$801,591.28; and Wire Transfers dated through September 5, 2018 totaling \$1,095,553.94.

QUOTATIONS/BIDS: Water Department Underground Utility Maintenance Services – \$47,924.00 – Kip Gulseth Construction Co. Inc.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Luckow to approve the Water Department Underground Utility Maintenance Services. Motion carried unanimously.

NEXT MEETING: September 24, 2018 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Luckow and seconded by Commissioner Seidl. Meeting adjourned at 4:55 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: David J. Diedrich, Secretary