

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, SEPTEMBER 24, 2018**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl in President Hornung's absence at 4:00 p.m. on Monday, September 24, 2018. In attendance were Commissioners Allie, Diedrich, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Mark Leonhard – Citizen; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Hornung was absent.

Mark Leonhard left the meeting at 4:01 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 September 24, 2018 meeting pursuant to Section 19.85(1) (c) and Section 19.85(1) (e) to discuss approval of the minutes of the May 7, 2018 Closed Session Meetings (Discussion on a potential contract operations of a Wastewater Facility) and Personnel Committee Report and Recommendations.

MOTION: A Motion to convene in closed session was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz. Motion carried unanimously. Accordingly the Commission convened in closed session at 4:02 p.m.

The meeting was reconvened to open session at 4:13 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION:

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Luckow to authorize the CEO & General Manager to implement mid-year wage adjustment for Senior Managers; Data Base Administrator; Accountant and Water/Wastewater operator per the recommendation. Motion carried unanimously.

Mark Leonhard returned to the meeting at 4:15 p.m.

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.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Luckow to approve the Organization Safeguard Policy for IT. Motion carried unanimously.

POWER GENERATION RESILIENCY UPDATE: Commissioner Dave Diedrich requested to have this item on the agenda due to the continued concern on MPU's inability to restart boilers 8 and 9 in the event of a major transmission outage and community perception on the inability to operate the generating units in the event of such occurrence. Although such occurrence is highly

unlikely as MPU has three transmission interconnects with the distribution system there is always a probability of such occurrence. A summary of the two studies completed for MPU in 2014 by Burns & McDonnell Engineering, Inc. and 2016 by Black and Veatch was provided along with the key findings, recommendations and costs. In early September 2018, an unsolicited e mail was received from Boldt Construction on the availability of four (4) new surplus Wartsila Gas/Diesel Reciprocating Engine Generator Sets Model 12V50DF for immediate delivery. They are rated at 11.75MW on gas and 12.0MW on oil and reportedly can be obtained at a significant discount. Discussion ensued with a general consensus that 'do nothing' is not an option; impact of ozone non-attainment of Manitowoc County as it relates to location of the generation at Columbus Street needing clarification; pros and cons of a dedicated distribution line from Custer CT to Columbus Street Plant and potential next steps. N. Kothari was directed to obtain proposals for conducting an analysis on impact of ozone non-attainment as it relates to generation location and a net present worth analysis of comparing costs between alternatives that includes potential revenues from ancillary services market of MISO; avoided cost of purchasing capacity; and O&M costs for generation for Commission consideration at the next meeting.

STRATEGIC PLAN UPDATE: The key initiatives of the Strategic Plan objectives approved by MPU Commission in July 2018 were distributed for comments and review. For each initiative identified, a Work Plan which includes: keys; schedule; budget and initiative owner will be submitted at the next Commission meeting for approval to include them in the 2019-2021 budget. Discussion ensued. Commission requested a summary document that highlights the key items of each initiative.

CBCWA UPCOMING MEETING: A meeting with CBCWA scheduled on Tuesday, September 25, 2018 in Madison, WI is cancelled. CBCWA is reviewing the data on the rate projections for 25 years and will provide some dates in the future to reschedule this meeting.

DONATION UPDATE: The MPU Donation Policy Committee reviewed the eight requests received through the online application form and approved the following: In Courage; Franklin Elementary PTA; Balloon Glow; and Miracles Park for MPU water fountain replacement for a total of \$4,123.

PUBLIC POWER WEEK OPEN HOUSE: An open house on October 11 is being planned to celebrate Public Power Week. The event is open to the community from 3:00 p.m. until 6:00 p.m. The Theme will be "Community Powered"; as established by APPA. The open house will consist of water and power plant tours, bucket truck rides, demonstrations for online account access, AMI; conservation station, and Focus on Energy to name a few.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: There was an IT security incident where user ID and Password were breached from Springbrook hosted employee portal for the City which resulted in re-directing City paychecks to a different bank account; CIS V4 upgrade work continues on open tickets with concerns of the project discussed with Advanced during the site visit and a deadline for all ticket resolution; Vinton Construction continues to complete services and tie-ins on Dewey Street and has identified significant areas of soft/settling trench on Dewey Street for which a discussion was held with City, Vinton and MPU; an invoice was sent to Advanced Disposal for past over charges and

requested reimbursement; mediation is set for MPU v. MPIC for November 29, 2018 at 9:30 a.m. at Attorney Hansen's office in Waupaca; MPU received an unannounced visit from OSHA Industrial Hygienist on September 6, 2018 following a referral to the MPU power plant worksite by the WDNR to check on concerns related to the Holian asbestos removal project; and APPA informed of a petition that JEA filed with FERC on September 18, 2018, asking FERC to assert jurisdiction over the power purchase agreement between JEA and MEAG Power for the sale of power from the planned Plant Vogtle Units 3 and 4 which could have a potential long term impact to public power entities.

Commissioners Nickels and Sitkiewitz left the meeting at 4:51 p.m.

GLU UPDATE: The GLU Annual Meeting is scheduled for November 8, 2018 in Wisconsin Rapids.

MINUTES: The Minutes from the Regular Session Meetings on September 10, 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 10, 2018. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated September 25, 2018; and Wire Transfers dated through September 19, 2018 were presented for approval.

FINANCIAL REPORTS FOR AUGUST 2018: The Financial Reports for August 2018 were previously distributed to the Commission for review and discussion.


MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Sitkiewitz to approve the Claims List dated September 25, 2018 check nos. 85353 through 85504 totaling \$1,075,587.80; Wire Transfers dated through September 19, 2018 totaling \$3,454,284.81; and to place the Financial Reports from August 2018 on file.

NEXT MEETING: October 15, 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 4:57 p.m.



Approved: Nilaksh Kothari, CEO & General Manager



Approved: David J. Diedrich, Secretary