

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, JULY 22, 2019**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 4:00 p.m. on Monday, July 22, 2019. In attendance were Commissioners Allie, Diedrich, Hornung, Luckow, and Nickels. Also present were Suzanne and David Weiss, Sue and Tom Gilmore, Roger Quirk, and Dave and Pam Dehring - citizens; Dick Sterken, and Marcus Chandrapal - Black & Veatch; Joel LeMahieu, and Andy Onesti – MPU; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Sitkiewitz was absent.

CLAIMS DISPUTE – HAZELWOOD DRIVE SEWER BACKUPS: President Seidl welcomed the citizens impacted by the Hazelwood Drive sewer backups in January 2019, Suzanne and David Weiss, Sue and Tom Gilmore, Roger Quirk, and Dave and Pam Dehring, and provided an opening statement that due to the active status of the claims neither MPU Commission nor Nilaksh Kothari would be able to engage in any dialogue on the subject. President Seidl opened the floor – Mrs. Weiss detailed her loss due to the event and the discrepancy between the insurance claim offer and the cost to clean-up and restore her home. Mr. and Mrs. Gilmore were next to present, followed by Mr. and Mrs. Dehring, and finally Mr. Quirk. Each homeowner presented their loss to the Commission, asked what really happened during the event, and requested for compensation from MPU or City of Manitowoc since Liberty Mutual will not cover the clean-up costs due to the total pollution exclusion clause in the policy. All homeowners expressed disappointment with Liberty Mutual’s lack of follow-through and communication. Commission thanked the citizens for their time. The consensus was to have a closed session meeting at the next meeting to discuss with attorney.

Suzanne and David Weiss, Sue and Tom Gilmore, Roger Quirk, and Dave and Pam Dehring left the meeting at 4:30 p.m.

Joel LeMahieu, Andy Onesti, Dick Sterken and Marcus Chandrapal joined the meeting at 4:30 p.m.

GENERATION RESILIENCY STUDY PRESENTATION – BLACK & VEATCH: At the January 14 Commission meeting, the Commission approved retaining the services of Black & Veatch (B&V) to conduct the above-referenced study. The draft report was previously distributed for review. Dick Sterken and Marcus Chandrapal from B&V were at the meeting to present on the findings of the study. Previous studies were recapped including the 2014 study by Burns & McDonnell and the 2016 B&V Generation Reliability Enhancement Study. The studies found that the minimum generating capacity to start B9 is 15 MW and implementing soft start or VFD on ID fan can reduce this to 12 MW and further reduction is possible with the installation of Soft Start or VFD controls on the boiler feed pumps and primary air fans. The current vulnerabilities of the MPU generation due to loss of power from the grid, natural and/or manmade disasters, along with the impacts and likelihood on existing CFB generation were discussed. The objectives of the current study are to determine ability to start-up boilers 8 and/or 9 upon loss of the transmission service to the MPU service territory, continue limited service to MPU steam customers upon loss of service to Columbus Street site, maintain availability of the control room at a secondary location in event of disaster, and to maintain water utility operations. The various options for providing sufficient power to startup boilers 8 or 9 along with proposed locations for new generation were

reviewed along with the estimated costs. The assumptions used in the NPV analysis for the various options were reviewed and the results were discussed. The study conclusions were: providing resiliency capability at the Columbus Street Generation Plant had the lowest NPV of the several options studied at an estimated cost of \$17 to \$20 million. The existing infrastructure provides an opportunity to consider installing a dual fuel reciprocating internal combustion engine for 12 MW, and the cost estimate includes MPU operating in an "Island Mode". A lengthy discussion with questions and answers ensued. The consensus was to discuss recommendations at the next meeting.

Joel LeMahieu, Andy Onesti, Dick Sterken and Marcus Chandrapal left the meeting at 5:50 p.m.

STRATEGIC PLAN WORK PLAN UPDATE: The update for the key initiatives of the 2019-2021 Strategic Plan approved by Commission in July 2018 was presented for review. Progress is made of several initiatives and a few are behind schedule. The draft documents of initiatives that are almost completed were presented for the EV charging station feasibility study and the revised NLMP tariff. A brief discussion ensued.

2018 ELECTRIC DISTRIBUTION RELIABILITY: The 2018 electric distribution reliability performance data was presented. MPU uses APPA eReliability Tracker software to trend reliability performance to IEEE standard 1366, "Guide for Electric Power Distribution Reliability Indices". For 2018, MPU SAIDI was 19 minutes, CAIDI was 54 minutes, and SAIFI was .35. The APPA benchmarks any utility with a SAIDI of less than 81 minutes as "an exceptional service provider." A brief discussion ensued on a very good reliability data of MPU.

DRAFT STAKEHOLDER SATISFACTION SURVEY: As part of the MPU Strategic Plan initiative to 'Seek feedback from customers and stakeholders regarding their expectations for MPU to assist them with utility related services', we have contracted with GreatBlue Research to conduct a Stakeholder Survey. This survey will target our managed services customers: GLU, CBCWA, Kiel, Reedsville, Cleveland, and the City (IT services). A first draft of the survey was presented for review and comments. The goals of this survey are: assess stakeholder satisfaction of current services offered; identify any areas for improvement in our current services offerings; and identify any services our stakeholders need that MPU is currently not providing. The target audience for this survey includes the oversight bodies of our managed services customers as well as key employees within these organizations that have direct interaction with MPU and our services. This survey will help tailor the development of a detailed managed services business plan, another Strategic Plan Initiative under the Growth Opportunities area of focus. After conducting the survey, final report of the findings is expected by October 2019. Commission members were requested to provide input to the survey before July 25, 2019.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: an email from Mayor Nickels was received requesting discussion of MPU on the City Council agenda on August 19; the 2019 MPU Open House is scheduled for Thursday, September 19; Mycoff Fry Partners has been retained to initiate the succession planning and has requested a series of meetings with MPU Commission; TRC consultant of Lemberger Landfill, has informed that EPA and DNR are in favor of amending the consent decree to shut the pump and treat system and allow natural attenuation beginning the first or second quarter of 2020; a service application was received for a new Burger King at 3002 Calumet Avenue; and received notification from Bank First National of a counterfeit bill in our deposit from July 5.

GLU UPDATE: A notice was received from TransAlta's that their credit rating was downgraded. It brought to light that MPU do not have a credit policy in place. A draft policy will be presented for review at the next meeting that will include language to address processes when a credit rating falls below a certain level. GLU Strategic Planning Session is scheduled August 7-8, 2019 in Madison. The long term power supply plan was scheduled to be presented to the GLU Board at the July 24 meeting with a preliminary recommendation of a non-binding intent to purchase three of the three 11.7 MW reciprocating engine/generators. The presentation was moved to the August meeting due to the presentation not being ready. GLU has been completing due diligence on potentially becoming a member-owner of Hometown Connections, Inc.

CBCWA UPDATE: A meeting was held on July 11 to discuss the ongoing issues. CBCWA and MPU are developing the shared findings of fact relative to the Agreement.

WWTF UPDATE: MPU has requested Kayuga Solutions to provide a proposal for performing asset management similar to MPU assets due to many maintenance issues. This will be on Commission agenda for the August meeting.

MINUTES: The Minutes from the Regular Session Meeting on June 18, 2019 were presented for approval.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Diedrich to approve the Regular Session Minutes from June 18, 2019. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated June 25 2019; Claims List dated July 9, 2019; Claims List dated July 23, 2019; and Wire Transfers dated through July 17, 2019 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated July 12, 2019; and Claims List dated July 26 was presented for approval.

FINANCIAL REPORTS FOR MAY 2019 AND JUNE 2019: The Financial Reports for May 2019 and June 2019 were previously distributed to the Commission for review and discussion.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Diedrich to approve the Claims List dated June 25, 2019 check nos. 87927 through 88058 totaling \$583,524.91; Claims List dated July 9, 2019 check nos. 88059 through 88249 totaling \$693,395.13; Claims List dated July 23, 2019 check nos. 88250 through 88370 totaling \$1,497,984.78; Wire Transfers dated through July 17, 2019 totaling \$4,663,039.28; Claims List for WWTF batch 00712.07.2019 dated July 12, 2019 totaling \$57,398.22; Claims List for WWTF batch 00714.07.2019 dated July 26, 2019 totaling \$67,187.60; and to place the Financial Reports for May 2019 and June 2019 on file.

QUOTATIONS/BIDS: Three-phase, pad-mount transformers, 150, 300, 300, 1500, 2000 KVA—\$92,350.00 – WEG; Single-phase, pad-mount transformers, 25 KVA – \$1,469.00 – RESCO; New Server Data Backup Device – \$86,795.00 – Barracuda – CDW-G; and Deconstruction and Selective Demolition of Power Generation Equipment – \$1,855,000.00 – MRD Group.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Diedrich to approve the Three-phase, pad-mount transformers, 150, 300, 300, 1500, 2000 KVA subject to reaching an agreement. Motion carried unanimously.


MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Diedrich to approve the Single-phase, pad-mount transformers, 25 KVA subject to reaching an agreement. Motion carried unanimously.

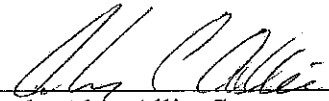
MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Allie to approve the New Server Data Backup Device subject to reaching an agreement. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Diedrich and seconded by Commissioner Allie to approve the Deconstruction and Selective Demolition of Power Generation Equipment. Motion carried with Commissioner Hornung opposing.

NEXT MEETING: Monday, August 12, 2019 at 4:00 p.m.

ADJOURN: A Motion to adjourn the meeting by Commissioner Nickels and seconded by Commissioner Hornung. Meeting adjourned at 6:17 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Alex Allie, Secretary