

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, OCTOBER 14, 2019**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 7:16 a.m. on Monday, October 14, 2019. In attendance were Commissioners Allie, Diedrich, Hornung, Luckow and Nickels. Also present were Dr. Rick Baumann – Ascend Talent Strategies; Scott Fry – Mycoff Fry Partners LLC; John Fales – GLU; Brian Knapp – GLU; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioner Sitkiewitz was absent.

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 14, 2019 meeting pursuant to Section 19.85(1) (c) and Section 19.85(1) (e) to discuss approval of the minutes of the September 9, 2019 and September 23-24, 2019 Closed Session Meetings (Regarding Search for General Manager position and First Round Interviews for Replacement of MPU General Manager) and Second Round Interviews for Replacement of MPU General Manager.

MOTION: A Motion to convene in closed session was made by Commissioner Hornung and seconded by Commissioner Diedrich. Motion carried unanimously. Accordingly, the Commission convened in closed session at 7:16 a.m.

The meeting was reconvened to open session at 4:18 p.m.

Scott Fry, Dr. Baumann, John Fales, and Brian Knapp left the meeting at 4:18 p.m.

Nilaksh Kothari and Commissioner Nickels joined the meeting at 4:18 p.m.

ELECTION OF OFFICERS: A Motion was made by Commissioner Nickels and seconded by Commissioner Hornung to nominate Commissioner David Diedrich for President, Commissioner Alex Allie for Vice President, and Commissioner Dave Luckow for Secretary of the MPU Commission for 2019-2020 and to close the nominations. Motion carried unanimously.

MPU RESOLUTIONS: Attorney Andy Steimle was requested to review all MPU Resolutions based on relevance in MPU organization today. He drafted a resolution authorizing the secretary of MPU to break out the current list of resolution in current and obsolete. The resolution contemplates attaching an index to it specifying what is believed to be current and obsolete. The index was created by Attorney Steimle on what the law firm believed to be obsolete. The full catalog of resolutions was available for review.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Resolution authorizing the reorganization of the utilities' documents. Motion carried unanimously.

DONATION POLICY: Commissioner Allie presented an overview of the request by Mayor Nickels to revise the Donation Policy to address incorporating extraordinary donation requests when they supersede the barriers of the current policy. The revised policy authorizes the General

Manager to present such requests for Commission approval when the request is consistent with MPU's mission. Discussion ensued on ground-breaking terminology.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Seidl to approve the revised Donation Policy with the caveat that requests are required prior to project commencement. Motion carried unanimously.

PARTNER SATISFACTION SURVEY: A strategic initiative of Customer Service Excellence, was to gauge satisfaction with existing managed services customers and to identify potential interest to expand the managed services MPU offerings. Great Blue Research services were retained to develop and complete the survey. Stakeholders surveyed included GLU, CBCWA, Reedsville, Cleveland and City representatives. Following are the key highlights: 95.7% of respondents were satisfied with MPU as a service provider with no respondent reporting dissatisfaction; almost half of respondents were interested in MPU's economic development programs and managed software systems; and respondents rated MPU personnel high with 95.6% either very satisfied or somewhat satisfied. Key areas of consideration for improvement were identified including greater promotion of the services MPU offers such as Engineering/Project Management, GIS mapping, and IT services. There was a low satisfaction ratings to Accounting & GIS mapping services from City, however, those services are not provided by MPU A brief discussion ensued. The consensus was to accept the results of the survey and conduct additional follow up on City services.

FINISHED WATER PUMPING STATION (FWPS) OPTIMIZATION STUDY REPORT: The final FWPS Optimization Study report, prepared by Jacobs Engineering Group Inc., that is being paid for by CBCWA was distributed for review. Following are the highlights: the MPU FWPS is operated efficiently within the existing system constraints; significant additional savings in pumping costs cannot be obtained; loss of pumping capacity due to a major component failure could have significant adverse impacts to CBCWA customers, including loss of energy savings; and focusing attention on the reliability, robustness, and resiliency of critical infrastructure is a major tenant for the water industry. To improve the reliability, robustness, and resiliency of the FWPS and provide the opportunity for future energy cost savings, the following improvements are recommended: improve redundancy of the pump station by ensuring any of the four pumps can be turned on in a controlled manner when needed; update the FWPS software program to allow automatic starting and stopping of pumps slowly; consider adding a variable frequency drive on the two large pumps; consider a surge analysis on the transmission line; and increase membrane treatment capacity to improve operational redundancy during off-peak pumping conditions. The finding and recommendations have been discussed on an on-going basis with CBCWA team. A response is being awaited. A brief discussion ensued.

FUEL PROCUREMENT: In June of 2018, MPU received a vessel shipment of approximately 17,500 tons of Northern Appalachian coal (NAPP). As of the first week September 2019, the remaining stock is approximately 6,000 tons. At the current burn rate the NAPP coal will be completely used up before March 31, 2020 along with the 3,000 tons reserve stock of Westridge Coal. Subsequently, inquiries have been made into the price and availability of coal for delivery. C. Reiss Coal Company has provided a proposal to provide a vessel delivery to the North Dock of approximately 18,000 tons of Northern Appalachian coal. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve purchase and delivery of approximately 18,000 tons of NAPP coal from C. Reiss Coal Company. Motion carried unanimously.

GENERATION RELIABILITY STUDY CONSULTING SERVICES: The two options for the resiliency generation: gray market Wartsila 11.8 MW dual fuel unit and 4.4 MW Jenbacher single fuel – natural gas genset that can have propane gas as a second fuel alternative; however, the output capacity is decreased by 40%. To analyze the most cost effective option on a life cycle basis from the information provided by manufacturers, a Request for Proposal was sent to Black & Veatch (B&V), Burns & McDonnell, and Lutz (BMcD), Daily & Brain, LLC (LD&B). All the responses were responsive to the RFP. All three proposals contained work schedules that would meet the requested dates. All three proposals listed relevant experience with Reciprocating Engine (RICE) generating stations. Discussion ensued on available gas capacity at Columbus Street power plant and to ensure that the pros and cons of each alternative will be included in the analysis.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to retain Black & Veatch to complete the items in the Scope of Work included in their RFP response with the additional cost to provide AACE Class 2 cost estimates for both generation options at a not to exceed cost of \$57,000. Motion carried unanimously.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: approximately 10,000 AMI meters installed; MPU Open House was a great success with very positive comments from community members, Facebook and the comment cards provided to guests during the event; the letter from attorney John Mayer, Nash law firm to Maritime Plumbing and Kip Gulseth construction was briefly discussed on the Cleveland Avenue water service dispute; the membrane Replacement Fund has exceeded the requirements; MPU rate stabilization account modification request to GLU to modify the target range for the PCAC limits used for MPU's power supply billing; discussions continue with CBCWA on the replacement costs and CMF plant; Mayor Nickels and the planning department have proposed additional trees on the berm of the east side of the North Coal Dock for a cost of \$25,000; Evoqua announced an agreement to divest its Memcor membrane product line to DuPont Safety & Construction; Pete Dollhopf, Water Distribution Superintendent, announced his retirement effective January 3, 2020; and Eric Snyder, IT Manager, has submitted his resignation effective October 25, 2019.

GREAT LAKES UTILITIES UPDATE: The GLU Annual Meeting will be held in Marshfield, WI on October 30, 2019. GLU leadership submitted an official request to MPU for GLU Management services for a smooth transition for the existing Managing Director. The consensus was for Commission President Diedrich and Seidl to discuss this further with N. Kothari and attorney Andy Steimle. GLU is inquiring on the termination date of the MPU-GLU Power Purchase and Sale Agreement including an analysis on the impact to both GLU and MPU.

WASTE WATER TREATMENT FACILITY UPDATE: A meeting was held with Jagemann Stamping to discuss their efforts to become compliant with their pretreatment discharge permit and an agreement has been reached on the timeline to complete the work along with potential penalties for non-compliance. A draft agreement is being awaited. The City is transitioning the evaluation period to have pay increases in April 2020. N. Kothari requested Mayor to hold off from implementing the new system for WWTP employees to avoid back and forth between

systems. N. Kothari updated Commission on obtaining services to have the WWTP in compliance on BOD exceedances in the winter months.

CBCWA UPDATE: Rob Michaelson has been attending the monthly CBCWA Tech Committee meetings. A meeting has been planned to discussed the issues of replacement costs and the CMF Plant upgrade.

MINUTES: The Minutes from the Regular Session Meeting on September 9, 2019 were presented for approval.

MOTION: A Motion by Commissioner Hornung and seconded by Commissioner Seidl to approve the Regular Session Minutes from September 9, 2019. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated September 24, 2019; Claims List dated October 15, 2019; and Wire Transfers dated through October 9, 2019 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated September 27, 2019 and Claims List dated October 18, 2019; were presented for approval.

FINANCIAL REPORTS FOR AUGUST 2019: The financial reports for August 2019 were previously distributed to the Commission for review and discussion.

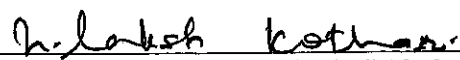
MOTION: A Motion by Commissioner Hornung and seconded by Commissioner Seidl to approve the Claims List dated September 24, 2019 check nos. 88784 through 88936 totaling \$1,003,488.59; Claims List dated October 15, 2019 check nos. 88937 through 89137 totaling \$2,137,893.54; Wire Transfers dated through October 9, 2019 totaling \$9,438,900.27; Claims List for WWTF batch 00714.09.2019 dated September 27, 2019 totaling \$69,801.01; Claims List for WWTF batch 00713.10.2019 dated October 18, 2019 totaling \$98,073.56; and to place the Financial Reports for August 2019 on file. Motion carried unanimously.

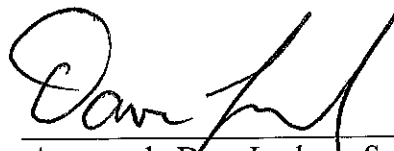
QUOTATIONS/BIDS: Main Office Exterior Canopy Renovation - \$18,581.00 – Hamann Construction Co.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve the Main Office Exterior Canopy Renovation. Motion carried unanimously.

NEXT MEETING: Commission requested to plan tentatively for a meeting on Monday, October 28 at 12:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Luckow and seconded by Commissioner Seidl. Meeting adjourned at 5:10 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Dave Luckow, Secretary