

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, APRIL 13, 2020**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich at 4:00 p.m. on Monday, April 13, 2020. In attendance were Commissioners Allie, Hornung (via teleconference), Luckow, Nickels (via teleconference), Seidl (via teleconference), and Sitkiewitz (via teleconference). Also present were Nilaksh Kothari – CEO & General Manager; Kathleen McDaniel – City Attorney (via teleconference); and Attorney Andrew Steimle – Steimle Birschbach, LLC.

RESOLUTION OF AN AUTHORIZED REPRESENTATIVE FOR SDWLP APPLICATION: The resolution requested by City for MPU Commission approval for City to apply for financial assistance or low interest rate loan for a Safe Drinking Water Loan Program (SDWLP) was presented for review for the expansion of water mains to serve properties whose wells may have been contaminated by the City landfill on Hecker Road. MPU will have no financial obligations. Discussion ensued. The consensus was to amend the resolution to explicitly state that MPU is absolved of any cost of any costs associated with the water mains extension and directed attorney Andy Steimle to make the revision to the resolution.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Luckow to approve the resolution with the revision that MPU will not be responsible for any costs associated with the water mains extension. Motion carried unanimously.

2020 AMENDMENT TO CAPITAL AND O&M BUDGETS: The budget amendments are needed due to some unplanned and unexpected projects from City, high water levels of Lake Michigan, not proceeding with the replacement of CMF plant with PVDF membranes and related projects. The amended capital budget is estimated at \$1,736,600 as compared to \$2,505,100. The amended O & M budget is estimated at \$6,205,700 with a net income of \$1,009,300 as compared to approved budget of \$5,995,700 and net income of \$1,219,300 respectively. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Allie to approve the amended 2020 Capital and O&M budgets. Motion carried unanimously.

MERCURY NET PROPOSED LEASE AGREEMENT: MPU has been contacted by Mercury Network on several occasions over the past several months followed by a formal letter inquiring about the possibility of leasing antenna space on the I-Park and Northwest water towers. Mercury Network is making a claim that the MPU AMI metering has slowed internet speeds and caused unreliable service. Both MPU and Mercury Network use the same unlicensed bandwidth for service. The letter also states that their only other option is to change to another band, but that would require “line of sight” to the broadcast location. To the contrary, they note that the I-Park and Northwest water tower locations are “visible” to many of the affected customer locations (at the current bandwidth). Mercury Net drafted a proposed tower space lease agreement with proposed total fees of \$2,880 annually per tower for the two antennas per site for the first five years; the current annual fees from Verizon and Cellcom are \$49,680.00 and \$38,530.49 respectively. Further, the proposed lease agreement requests the use of MPU’s electric service for up to 20 amps at 120 volts. The Northwest Tower is served by WPS and the energy charge alone could be as much as \$30 per month. Discussion ensued.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Sitkiewitz to decline the proposed Mercury Net Lease Agreement and authorize the General Manager to negotiate an agreement and rates that are consistent with current tower space rates and Mercury Net accepting to pay for MPU's legal fees. Motion carried with Commissioner Allie abstaining.

CBCWA REPLACEMENT COST ISSUE: MPU and CBCWA have been meeting to resolve the outstanding invoices on the CBCWA contributed capital replacements costs, which currently stands at approximately \$119,718, spent by MPU and unreimbursed by CBCWA. The definitions and obligations in the long-standing Agreement concerning responsibility for replacement costs are mutually understood to be ambiguous, and both parties agree that this needs to be resolved. Both parties are looking for a reasonable path for resolution. Discussion ensued on final attempts to resolve this issue prior to initiating the dispute resolution provision of the Agreement. N. Kothari to report on status and final decision on next steps at the May Commission meeting.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to request MPU attorney to contact CBCWA's attorney on mitigating this issue and if no progress, authorize the General Manager to work with attorney to initiate a formal dispute process per the Agreement. Motion carried unanimously.

UPDATE TO BIDDING POLICY: MPU has been using QuestCDN as our bidding platform for public bid projects since 2013. This has served as a very efficient way to provide access to our projects to contractors and equipment vendors. One element of QuestCDN that MPU has not utilized is vBid, where the bids are permitted to be submitted by the bidders electronically. Electronic bidding has become widely accepted by municipalities around the state. Key points of vBid are: vBid can be enabled at no cost to MPU; MPU can continue to accept paper bids, a combination of paper and/or electronic, or electronic only; prohibits bidders from submitting incomplete bids; and allows contractors to submit prices up to the last minute.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to approve the revised Opening Public Bid Projects Policy to include vBid. Motion carried unanimously.

GLU'S MANAGING DIRECTOR CONSULTING AGREEMENT: A draft Agreement was presented for Commission review on N. Kothari serving for six months as a transition period upon his retirement as desired by GLU Board. Discussion ensued

MOTION: A Motion was made by Commissioner Allie and seconded by Commissioner Luckow to approve the Agreement subject to approval by attorneys Love and Steimle. Motion carried unanimously.

ELECTRIC VEHICLE CHARGING STATION: MPU performed a feasibility study for the installation of an electric vehicle (EV) charging station in the City of Manitowoc based on key components of the 2019-2023 Strategic Plan. There is one public EV charging station in Manitowoc that is located at the Two Rivers/Manitowoc Visitor Center. The Visitor Center identified that approximately ten EVs use this station a month. In 2019, the charging station had an annual utilization rate of 3% or ~ 260 hours of the year a vehicle was charging. This charging

station is free to use and has added about \$100 to their annual energy bill. MPU has identified a company that offers sales and lease agreements for EV charging stations. For a two car unit, the lease amount is \$2,400/year for a 5-year term and includes all "Customer Services" including installation (following the completion of site make ready work by MPU), ongoing configuration of how the customer wants the charging station to operate, customer billing services, monthly usage reports, all maintenance, and no fault insurance, e.g., car hit, vandalism, weather related. The City showed interest in installing an EV station and proposed a Quay Street parking location near the Farmer's Market with easy access to many downtown attractions. Several five-year life cycle economic scenarios were developed based on no customer charge and charging an hourly charging fee. A brief discussion ensued. Commissioner Nickels was thanked for locating the potential site.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to authorize the General Manager to develop a lease agreement with the vendor of the charging station and an agreement with City on the installation of the EV station near the expanded Farmer's Market on Quay Street for MPU Commission approval. Motion carried unanimously.

EXTRAORDINARY CONTRIBUTION POLICY: The policy was drafted by attorney Andy Steimle to guide Commission decision in making the final determination on future such contributions. Commissioner Hornung expressed concern for developing a separate policy. A lengthy discussion ensued. The consensus was to amend the drafted policy and present at the next meeting.

PROHIBITION OF BINDING ARBITRATION CLAUSE POLICY: A new Commission Policy was drafted by attorney Andy Steimle on the current practice of prohibiting MPU from entering into contracts and/or agreements that has binding arbitration. A brief discussion ensued on the exception to the policy and consensus was to seek Commission approval prior to any deviation of the policy. Attorney Steimle was requested to update the policy.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Luckow to approve the new Prohibition of Binding Arbitration Clause Policy with the amendment that requires Commission approval on any deviation to this policy. Motion carried unanimously.

2019 KEY PERFORMANCE INDICATORS: The 2019 key performance indicators of MPU were presented and compared to 2017 and 2018. These Performance Indicators are a representation of items supporting MPU's Strategic Plan. A brief discussion ensued on SAIDI increase due to weather.

COVID-19 UPDATE: The MPU Task Force for the COVID-19 pandemic has been meeting at least weekly to vet conditions and the "Core Operations" phase of the Pandemic Plan. To-date, five COVID-19 updates have been released to employees. A brief discussion followed.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: MPU was recognized by the APPA for exceptional reliability, maintaining top quartile reliability performance nationally, for the fifth consecutive year; received notification from the City on March 23 that they were closing on the Hecker Road property on March 24 and the promissory Note was executed including transfer of the funds; a letter was sent to Mayor and City for approval of the Generation Resiliency Project and to coordinate a presentation of the project to City Council;

WDNR informed that for the 2021 SDWLP with a NEW Principal Forgiveness Funding for Private LSL Replacements and applications are due later this year; ATC's Kurt Hendrickson, MPU customer service representative, has informed that due to Standard of Conduct, ATC will not conduct the study on impact to generation from the transmission updates in to Manitowoc; several watermain breaks on Waldo Boulevard; an alternate control room was created with limited capability at the power plant; responded to Reedsville's Manitowoc Lift Station on the evening of March 19 for an overload situation; contact was made with a key account regarding several delinquent accounts; replaced an overloaded, 150 KVA transformer with a 500 KVA at 1441/1445 Dufek Drive; Donohue & Associates, Inc. contacted MPU Water to gain some basic information on connecting Village of Cleveland to the MPU Water system, due to their upcoming wastewater phosphorus limitations. Discussion ensued on water extension to Village of Cleveland. CBCWA conveyed their regret for not being able to attend MPU Commission meeting.

MINUTES: The Minutes from the Regular Session Meeting on March 23, 2020 were presented for approval.

MOTION: A Motion by Commissioner Allie and seconded by Commissioner Sitkiewitz to approve the Regular Session Minutes from March 23, 2020. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated April 14, 2020; and Wire Transfers dated through April 7, 2020 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated April 17, 2020 were presented for approval.

FINANCIAL REPORTS FOR JANUARY 2020: The financial reports for January 2020 were previously distributed to the Commission for review and discussion.

MOTION: A Motion by Commissioner Allie and seconded by Commissioner Sitkiewitz to approve the Claims List dated April 14, 2020 check nos. 90658 through 90834 totaling \$1,905,972.39; Wire Transfers dated through April 7, 2020 totaling \$3,253,189.67; Claims List for WWTF batch 00711.04.2020 and batch 00712.04.2020 dated April 17, 2020 totaling \$208,946.59; and to place the Financial Reports for January 2020 on file. Motion carried unanimously.

QUOTATIONS/BIDS: Reverse Osmosis Boiler Makeup Pretreatment Equipment - \$66,397.00 – Total Water; Single-Phase Pad-mount Transformers – 25, 50, and 100 KVA - \$17,091.00 – RESCO Ermco; WWTF Sludge Hauling – WWTF to fields (0-10, 10-15, 15-25, 25+ miles) \$0.038, \$0.042, \$0.047, \$0.052 and Lagoons to fields (0-10, 10-15, 15-25, 25+ miles) \$0.043, \$0.048, \$0.053, \$0.058 – Clean Harbors; Watermain Replacement at Various Locations - \$271,782.16 – Vinton Construction Company. Discussion ensued on RO equipment pricing and the WWTF sludge hauling vendors.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Reverse Osmosis Boiler Makeup Pretreatment Equipment. Motion carried unanimously.

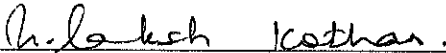
MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the Single-Phase Pad-mount Transformers – 25, 50, and 100 KVA. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve the 2020-2021 WWTF sludge hauling in two parts – 1) A&B Leist Trucking for transportation of sludge from WWTF to lagoons; and 2) Clean Harbors for transportation from WWTF to fields and lagoons to fields with the caveat that if Clean Harbors cannot provide a performance guarantee, then approval will be requested from Commission to award work to A&B Leist Trucking. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Seidl to approve the Watermain Replacement at Various Locations. Motion carried with Commission Allie abstaining.

NEXT MEETING: Monday, April 27, 2020 at 4:00 p.m. Tentative

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Sitkiewitz and seconded by Commissioner Allie. Meeting adjourned at 4:57 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Dave Luckow, Secretary