

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, JUNE 22, 2020**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich via telephone at 4:00 p.m. on Monday, June 22, 2020. In attendance were Commissioners Allie, Hornung, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Jim Morrow – Citizen; Cindy Carter, Don Duenkel, Andy Onesti, Carissa Grimm – MPU; Troy Adams – General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

GREAT LAKES CALCIUM LIMESTONE SUPPLY AGREEMENT: Great Lakes Calcium (GLC) is MPU's current limestone supplier and have had an agreement since March 2016, which expired in February 2020. Discussions beginning in December 2019 to negotiate a new agreement have been unsuccessful and an amendment to the original agreement was put in place until June 30, 2020. There were a number of factors which have contributed to GLC increasing their rate for providing MPU limestone. Don Duenkel, Senior Manager Utility Operations, has been working through these factors with GLC to improve the terms for a one-year extension. Although in agreement on revised terms, the contract was still in final GLC legal review at the time of the commission meeting. It is fully anticipated that the agreement will be finalized prior to the end of June. Discussion ensued on the rationale for increased costs.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to authorize the General Manager to execute the agreement following final revisions. Motion carried unanimously.

BOLDT MASTER MAINTENANCE AGREEMENT: The Boldt Company has provided supplemental staffing for utility maintenance for MPU since around 2011. An agreement was drafted to more formally establish roles and responsibility for Boldt's support of MPU as it relates to usage and operation of MPU property. Attorney Steimle indicated that the agreement does not create a legal obligation to use Boldt, rather just parameters to clearly define their scope of work.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Allie to approve the agreement with Boldt. Motion carried unanimously.

WWTF SLUDGE PROCESSING: The City of Manitowoc Land Application program has experienced difficulty with removing biosolids from the lagoons and applying to farm fields over the last two years. There are a total of ten lagoons at the site off of Michigan Avenue. Normal operation of the lagoons is to have six utilized for sludge storage and the other four kept as water beds. Water beds are used to reintroduce water back into the sludge beds to properly mix and pump. However, during the past two years due to record breaking precipitation and limited contractor performance, all lagoons have been used to capacity for sludge storage. The four water beds had sludge added last fall and over the winter months. Because of "full" lagoon conditions earlier this year, alternatives for handling removal of biosolids to a final end point were utilized. The initial alternative was transporting 285,000 gallons from the digester to available space in storage facility (West Bend area). When again at near capacity, a portable belt press was brought in to convert the liquid biosolids in the digester to a cake product; the cake was landfilled. Spring conditions then permitted Clean Harbors to land apply 552,000 gallons of sludge from the lagoons; that emptied about ½ of one lagoon. Despite the interim measures, about three weeks of storage capacity at the lagoons for transfer from the digester currently remains. It is not expected that there

will be adequate storage to maintain operations until summer land application can begin. To ensure we can close the gap, it is recommended that alternate storage and/or contract belt pressing be pursued. Such moves will also supplement the contracted 2020 land spreading volume by Clean Harbors to ensure adequate winter storage is created.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to authorize the General Manager to implement alternative options to free up storage space in the lagoons including an option for pressing biosolids for landfill disposal if needed. Motion carried unanimously.

EXTRAORDINARY CONTRIBUTION POLICY: The commission revisited and discussed a draft policy for extraordinary contributions which would address contribution requests that exceed the threshold established in the MPU Donation Policy. This draft policy addresses the reasons why and the factors to consider when MPU makes a contribution to a non-MPU entity. The discussion was productive and the commission understands their role as the governing body of a not-for-profit community owned municipal utility and their obligation to their customers, the consumer owners. And the commission understands that there are unique circumstances where a contribution of this nature may produce value and benefit for ratepayers as well as the community. The commission gave direction for some additional revisions for consideration to approve in July.

GENERAL MANAGER'S REPORT: T. Adams updated the Commission on the following: Progress update on the resiliency project: the agreement with TOTE has been reviewed and is ready for signature. However, discussions were initiated with an external consultant that has experience with the Wartsila machines and installations and MPU has requested their interest in providing services. Request to delay the agreement to the July meeting with an update on the consultant. The consensus was to hold the agreement while details are discussed with the new consultant. Distributed the 2019 MPU Annual Report. The NSentinel report from the IPKeys trial program for cybersecurity monitoring was distributed for review. Low water level in water tower at Reedsville.

GLU UPDATE: T. Adams turned it over to A. Onesti to update the Commission on the following: Discussed the annual processes with GLU including the annual capacity auctions and ARR's. GLU East revenues went down this year due to transmission upgrades while GLU West had saw some increases Also provided an overview on demand forecast process and the impact from COVID-19. Addressed questions regarding MISO pricing as it relates to transmission congestion and how transmission capital projects may impact different MISO regions.

MINUTES: The Minutes from the Regular Session Meeting on June 8, 2020 were presented for approval.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Luckow to approve the Regular Session Minutes from June 8, 2020. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated June 23, 2020; and Wire Transfers dated through June 17, 2020 were presented for approval.


APPROVAL OF WWTF CLAIMS: Claims List dated June 26, 2020 were presented for approval.

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

MOTION: A Motion by Commissioner Seidl and seconded by Commissioner Luckow to approve the Claims List dated June 23, 2020 check nos. 91315 through 91453 totaling \$641,093.28; Wire Transfers dated through June 17, 2020 totaling \$1,260,190.48; Claims List for WWTF batch 714.06.2020 dated June 26, 2020 totaling \$31,282.47; and to place the Financial Reports for May 2020 on file. Motion carried unanimously.

NEXT MEETING: Monday, July 13, 2020 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Sitkiewitz. Meeting adjourned at 4:50 p.m.



Approved: Troy Adams, General Manager



Approved: Dave Luckow, Secretary

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

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich via telephone at 4:00 p.m. on Monday, July 13, 2020. In attendance were Commissioners Allie, Hornung, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Eric Duenkel, Cindy Carter, Don Duenkel, Andy Onesti, Carissa Grimm – MPU; Troy Adams – General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

AWARDS/RECOGNITION/ACHIEVEMENTS: T. Adams recognized with the commission two MPU employees for recent achievements. One employee was recognized for completing the Certified Energy Manager training program and the other was recognized for his 34 years of service with MPU and congratulations on his upcoming retirement. Commission thanked both employees for their commitment and dedication to MPU and wished the retiree well.

Eric Duenkel left the meeting at 4:03 p.m.

GENERATION RESILIENCY PROJECT: An update was provided on the status of several aspects of the project. The generation interconnection request for Turbine #6 has been filed with MISO using the generating facility replacement process Working with PSCW to push towards the municipal application filing requirements rather than the power plant application they have requested. PSCW indicated SIERRA Club will interject and we may need to trade an asset to bring on the black start equipment. SIERRA Club wants retirement dates of coal plants in WI by 2030. There will be an economic viability study coming out that will not be to the benefit of MPU.

A meeting was held with TOTE to update on the status of the pending agreement. Since MPU staff is not experienced with the process, Avant Energy has been contacted to assist. MPU is working with Avant on the consulting agreement. Attorney Steimle requested to see the agreements that T. Adams had available and will compare to the current consulting agreement.

MPU prepared budgetary estimates for demolition and construction projects needed to prepare MPU site for the project, which included a potential conversion of the north ash silo to limestone storage. D. Duenkel provided some background on the conversion and how it was discussed many years ago, but did not come to fruition. 12 truckloads of limestone could fit in that location if the silo was converted.

There was a discussion on the potential of the upcoming ATC upgrades having substantial impact on the generation at the power plant. They have indicated we may not be needed for VLR once upgrades are completed in five years. If MPU isn't dispatched through MISO we could be potentially at a loss for up to \$4 million per year if we can't recoup the cost to run from MISO. If the future of the plant is to retire or to switch to natural gas, the issue comes on how to keep staff trained to run the plant. The commission agreed that their intent is for MPU to remain a generating utility and all efforts will be taken to remain as such as long as it is economically feasible. Public power is a very unique attribute and being a public power town is very important.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve converting the north ash silo to limestone storage. Motion carried unanimously.

EXTRAORDINARY CONTRIBUTION POLICY: Attorney Andy Steimle revised the draft policy as requested at the last meeting to incorporate several changes by the commission.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Allie to approve the policy. Motion carried unanimously.

GENERAL MANAGER'S REPORT: T. Adams updated the Commission on the following: 1,000 customers were in outage indicating AMI is not reporting outages as it should. Commission requested T. Adams to develop a threshold for alerting commission on significant events. There was concern of the reported water loss of a large industrial customer that spanned a couple of years and on the length of time it took to find the leak. D. Duenkel explained that a contractor was brought in by the owner of the private service and no leak was found. A leak was found at a later date and presumed to be fixed. DNR required MPU to do more leak detection because of this event. Steve the rescued seagull is MPU's most popular post on Facebook. T. Adams met with Nic Sparacio of CBCWA on July 8 for introductions.

Commission Diedrich left the meeting at 4:42 p.m.; Commission Allie presided over the remainder of the meeting.

MINUTES: The Minutes from the Regular Session Meeting on June 22, 2020 were presented for approval.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Hornung to approve the Regular Session Minutes from June 22, 2020. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated July 14, 2020; and Wire Transfers dated through July 8, 2020 were presented for approval.

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

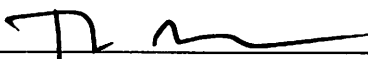
MOTION: A Motion by Commissioner Sitkiewitz and seconded by Commissioner Hornung to approve the Claims List dated July 14, 2020 check nos. 91454 through 91636 totaling \$1,440,993.51; Wire Transfers dated through July 8, 2020 totaling \$3,573,071.27; Claims List for WWTF batch 713.07.2020 dated July 17, 2020 totaling \$144,219.97. Motion carried unanimously.

QUOTATIONS/BIDS: Cyber Security Plan - \$57,300.00 – Heartland Business Systems. The price will be split between City and MPU.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Nickels to approve the cyber security plan. Motion carried unanimously.

NEXT MEETING: *Monday, July 27, 2020 at 4:00 p.m. - Tentative*

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Sitkiewitz. Meeting adjourned at 4:52 p.m.


Approved: Troy Adams, General Manager


Approved: Dave Luckow, Secretary