

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
TUESDAY, JUNE 18, 2019**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 12:00 p.m. on Tuesday, June 18, 2019. In attendance were Commissioners Allie, Diedrich, Hornung, and Nickels. Also present were Dr. Rick Bauman – Ascend Talent Strategies, Inc., Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Luckow and Sitkiewitz were absent.

EXECUTIVE SEARCH SERVICES CONSULTANT PRESENTATION: President Seidl reiterated that at the May 28, 2019 meeting the consensus of the Commission was to invite Lyceum and Mycoff to this meeting for an interview. Lyceum Leadership decided last minute to withdraw their proposal and hence did not attend the meeting. Mycoff was not at the meeting due to a scheduling conflict. A lengthy discussion ensued on the next steps. The consensus was to schedule a conference call with Mycoff with President Mark Seidl, Secretary Alex Allie, Nilaksh Kothari and Dr. Bauman in July and authorized them to make a final decision.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Hornung to approve the CEO & General Manager to schedule a conference call with Mycoff Fry Partners, LLC and if satisfied, execute an agreement to get the process started. Motion carried unanimously.

Dr. Rick Bauman left the meeting at 12:20 p.m.

MPU VERSUS MPIC MEDIATION AGREEMENT: The law firm of Nash, Spindler, Grimstad & McCracken provided a letter regarding the Mediation Settlement Agreement in the MPU versus MPIC case of the wrongfully denied Boiler 9 insurance claim from January 2018. A fair settlement has been reached for a total of \$287,500.00. This is likely the best potential outcome that would have come from the trial hence the settlement is recommended. A brief discussion ensued.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Diedrich to accept the proposed mediation agreement settlement of \$287,500.00. Motion carried unanimously.

CLAIMS UPDATE – HAZELWOOD DRIVE SEWER BACKUPS: Two claimants have now signed the indemnification agreement prepared by MPU's insurance company, Liberty Mutual. There are still five claims outstanding. Of those, four claimants have continued to contact Liberty Mutual, MPU, and in two cases, the Mayor's office, expressing displeasure with the settlement offer from Liberty as well as the lack of coverage on decontamination costs. Liberty is reviewing the dwelling restoration and contents with the claimants and their appraiser, Crawford and Company. There are four claimants that have requested MPU reimburse remaining costs of the incident. MPU's past practice has been to allow insurance to settle claims; MPU does not provide any additional reimbursements to customers for claims. Discussion ensued on past practice and similar events.

MOTION: A Motion by Commissioner Hornung and seconded by Commissioner Allie to deny any further reimbursements to these customers above what has been offered by Liberty Mutual. Motion carried unanimously.

2018 WWTF COMPLIANCE MAINTENANCE ANNUAL REPORT: The Compliance Maintenance Annual Report (CMAR) is a wastewater plant discharge permit requirement under State Statute NR 208.04. The Report is used to assist municipalities and the DNR in determining the strengths and weaknesses of the wastewater treatment facility, land application program, finances, and the sanitary collection system and lift stations. The owner and the DNR may use the CMAR to identify needs for future planning actions. In conjunction with a grading system, the CMAR shall establish when treatment works owners are required to initiate actions to prevent violations of WPDES permit effluent limits and conditions. Overall, the report shows our commitment to meeting and exceeding effluent permit requirements.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Diedrich to approve the Resolution approving the 2018 WWTF Compliance Maintenance Annual Report. Motion carried unanimously.

WWTF HAULED IN PROPOSED WASTE RATES: The Hauled in Waste program for the City of Manitowoc Wastewater Treatment Facility receives wastewater from outside of the City. This wastewater is generated from Holding Tank waste, Septic Tank waste, Port-a-potty waste, and leachate from two landfills. This waste is hauled (trucked) in via permitted contractors. Manitowoc Municipal Code Chapter 25 defines the requirements and the criteria used in establishing rates. The rates have not been adjusted in the past three years. Manitowoc participated in a 2018 survey of similar sized communities that accept hauled in waste. Upon review of those survey results and a cost analysis of the efforts needed at the Manitowoc WWTF to provide wastewater treatment, it has been determined that a rate adjustment is recommended with the following increases: \$31.58 from \$25.91 for septage, \$14.80 from \$9.45 for holding, and \$31.58 from \$25.91 for port-a-potty. This will increase the annual revenues by approximately \$60,000. Leachate rates are addressed separately as these were not in the survey. Leachate rates are currently \$7.96 and proposed at \$9.42 per 1,000 gallons.

MOTION: A Motion by Commissioner Hornung and seconded by Commissioner Allie to approve the WWTF proposed hauled in waste rates effective August 1, 2019. Motion carried unanimously.

SERVE YOU RX PRESCRIPTION DRUG AGREEMENT: The first amendment to the Serve You Rx Plan Sponsor Agreement dated effective January 1, 2017, and the benefit change form – Add Exclusive Mail were presented. Serve You has changed its name to Serve You Customer Prescription Management, Inc. and hence updated several areas of the Agreement including an increase in rebates which will be effective July 1, 2019. The benefit change form, Add Exclusive Direct Rx Mail, addresses pricing and the updated requirement that all maintenance prescription drugs will be ordered through Serve You mail order. The Plan will allow two (2) initial fills at a retail pharmacy before the Plan member will be required to use Direct Rx Mail. This will be effective September 1, 2019. The estimated annual savings will be \$10,000. Discussion ensued on moving away from local pharmacies.

MOTION: A Motion by Commissioner Diedrich and seconded by Commissioner Allie to approve the amendment and benefit change form as presented. Motion carried with Commissioner Hornung dissenting.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: NLMP tariff has been pulled from the rate case and a letter filed with the PSC requesting its

removal as recommended by PSCW; Dan Pahmeier continues to reach out to various entities, the latest being Senator Baldwin and a church for funding; Eaton has requested a \$20,000 change order for the aggregation of the meters software upgrade; the mall at 700 East Magnolia was disconnected for non-payment; FERC data request received for three years of hourly generator data (Generators 5, 6, 9 and CT) for the reactive power tariff and in particular for the removal of Turbine 6 from reactive power tariff; a response was received from Evoqua denying warranty claim for cell 5 and guidance is requested from attorney Andy Steimle for a response; provided the Dark Fiber Optic Fee Schedule and a standard License Agreement to the Comcast corporate office in response to an inquiry; and developing an RFP to solicit proposals for a feasibility analysis of installing 5G infrastructure to service the Manitowoc area and potential users of this infrastructure.

MINUTES: The Minutes from the Regular Session Meeting on May 28, 2019 were presented for approval.

MOTION: A Motion by Commissioner Diedrich and seconded by Commissioner Hornung to approve the Regular Session Minutes from May 28, 2019. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated June 11, 2019; and Wire Transfers dated through June 12, 2019 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated June 14, 2019 was presented for approval.

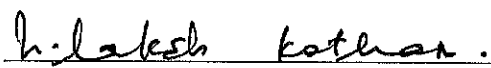
MOTION: A Motion by Commissioner Diedrich and seconded by Commissioner Hornung to approve the Claims List dated June 11, 2019 check nos. 87788 through 87926 totaling \$561,636.86; Wire Transfers dated through June 12, 2019 totaling \$1,888,468.20; and Claims List for WWTF batch 00712.06.2019 totaling \$131,180.40.

QUOTATIONS/BIDS: Generator 5 Exciter Replacement – \$175,834.00 – Basler.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Nickels to approve the Generator 5 Exciter Replacement subject to reaching an agreement. Motion carried unanimously.

NEXT MEETING: Monday, July 22, 2019 at 4:00 p.m.

ADJOURN: A Motion to adjourn the meeting by Commissioner Hornung and seconded by Commissioner Nickels. Meeting adjourned at 1:07 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Alex Allie, Secretary

