

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, SEPTEMBER 9, 2019**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Seidl at 2:00 p.m. on Monday, September 9, 2019. In attendance were Commissioners Allie, Diedrich, Hornung, and Luckow. Also present were Dr. Rick Baumann – Ascend Talent Strategies; Scott Fry (via telephone) – Mycoff Fry Partners LLC; John Fales – GLU; Brian Knapp – GLU; Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC. Commissioners Nickels and Sitkiewitz were 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 September 9, 2019 meeting pursuant to Section 19.85(1) (c), Section 19.85(1) (e), and Section 19.85(1)(g) to discuss approval of the minutes of the August 12, 2019 Closed Session Meeting (Claims Dispute – Hazelwood Drive Sewer Backups and Personnel Committee Report and Recommendations) and Search for General Manager position.

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 2:05 p.m.

Scott Fry, Dr. Baumann, John Fales, and Brian Knapp left the meeting at 4:34 p.m.

The meeting was reconvened to open session at 4:34 p.m.

Nilaksh Kothari joined the meeting at 4:35 p.m.

MPU COMMISSION POLICIES: Attorney Andy Steimle presented the revised MPU Commission Policies for discussion. After a brief discussion the consensus was to make the following revisions: CEO should be changed to General Manager; Commission to review and approve all agreements, contracts and/or change orders that exceed \$25,000; and only sub-committee of the Commission is the Personnel Committee.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Diedrich to approve the MPU Commission Policies with discussed revisions. Motion carried unanimously.

WPS POLE ATTACHMENT AGREEMENT - APPROVAL: Wisconsin Public Service Corporation requested permission to attach components of a wireless Advanced Meter Infrastructure system to the poles of MPU for reading natural gas meters. WPS's design specifies attachment to 102 MPU poles and WPS seeks to complete these attachments in 2019. A Permit Application Fee of \$150 per pole is required for MPU reviewing and permitting wireless attachments. An Annual License Fee of \$11.96 per pole shall apply, resulting in annual revenue of \$1,220 for 102 pole attachments. The rate was calculated from FCC rules with respect to calculating a utility's annual pole costs on a per-pole basis. A 3% annual escalator applies to the Annual License Fee. MPU and WPS AMI systems will operate in the unlicensed, 900 MHZ band, and neither manufacturer expects interference. A \$50,000 performance bond is waived based on WPS status as a regulated, public utility. Term is for one year with automatic renewals, unless

terminated by either party with notice given not less than 90 days prior to the end of any term. The Agreement was developed by Boardman Clark law firm representing multiple MEUW members that are in the WPS service area.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Diedrich to approve the WPS Pole Attachment Agreement. Motion carried unanimously.

HEALTH AND WELLNESS PLAN UPDATE - APPROVAL: Amendment 2 of the MPU Health and Wellness Plan has the following Changes for prescription drugs: specialty co-payment increased to 20% up to maximum \$300, out of pocket increased to \$2,700 per covered person, \$5,400 per family unit, pricing changes to prescriptions for retail and mail order discounts and larger brand rebates, Exclusive Mail implemented where maintenance medications are obtained via DirectRx Mail, and added Opioid Risk Management program to ensure safety and appropriate use of controlled substances. The following changes were proposed for the Health and Wellness Plan: Temporomandibular Joint Disorder – changed the number of visits per Calendar Year to six (6); travel – removed the \$5,000 calendar year limit and added language to cover Urgent/Emergent and immediate care received as a result of the Urgent/Emergent care, both domestic and abroad, to be paid at Network level coverages with Usual and Customary/ERS cutbacks not applying; and miscellaneous/administrative – update of language across their book of business by Auxiant. The changes have been reviewed and accepted by Attorney Matt Flannery. A brief discussion ensued.

MOTION: A Motion was made by Commissioner Luckow and seconded by Commissioner Diedrich to approve the changes made in Amendment 2 of the MPU Health and Wellness Plan. Motion carried with Commissioner Hornung opposing.

CLEVELAND AVENUE WATER SERVICE DISPUTE: A lead service line (LSL) replacement dispute at 2 Cleveland Avenue with the builder and his plumbing contractor was presented to Commission for discussion and guidance. MPU policy does not permit a new building to utilize an existing lead service line; and requires the abandonment of customer-owned lead service lines at the watermain by the property owner. The LSL program in place at that time states the property owner contribution from watermain to curb stop will not exceed \$700, and MPU will contribute up to \$2,500 for the street repair for a lead service. The builder's contractor(s) completed the customer-owned LSL replacement in June 2017 from watermain to the curb stop at 2 Cleveland Avenue. During the work, the existing customer-owned LSL was difficult to locate and resulted in a larger excavation. MPU learned that the excavation and plumbing cost was \$10,900 and the street restoration cost was \$5,086. This total cost is higher than what an LSL replacement should cost for excavation, which could range from \$3,000-\$5,000. The builder has steadfastly claimed that he is only responsible for \$700 and that MPU should cover all of the excavation and street restoration cost for a total of \$15,486 (\$10,200 + \$5,286) which MPU has declined to pay. To bring an amicable resolution to this issue, MPU has offered to pay to the builder for excavation, although MPU never directed or asked the contractor to continue digging to the east, and builder be responsible for the street restoration cost above \$2,500. The builder has declined to accept this offer. Discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Diedrich to authorize the General Manager to negotiate an agreement with support from Attorney John Mayer. Motion carried unanimously.

ATC SHAREHOLDER'S MEETING UPDATE: Following are the key highlights from the ATC Shareholder's meeting: return on Equity final decision is being awaited from FERC at 9.7% base which will result in a 10.2% for ATC; 2020 O&M budget is proposed at \$14 million, or a 2% reduction from 2019 budget; the existing generation mix in ATC Footprint is 44% coal, 40% gas, 9% nuclear, 5% wind; the transmission generation interconnect projects are smaller in size but more in quantity; ATC's asset renewal program criteria, process, and plan was discussed; the transmission reliability data was presented but didn't have data on multiple outages in July 2019. MPU's investment in ATC is approximately \$13.0 million or 0.64% ownership.

MISO ANNUAL ACTIVITY SUMMARY REPORT: The following highlights of MISO activity were presented to Commission for MISO 2018-2019: MPU's actual peak demand is 105.4 MW; peak demand forecast error is 0.5%; 77 MW load of MPU is served through bilateral agreement with GLU; annual load forecast error was 4.61%, a slight decrease from PY 2017-2018; and no major changes are needed to the current strategy for MISO PY 2019-2020 based on the results.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: approximately 5,500 AMI meters have been installed as of September 6, 2019; The MRD Group has started deconstruction activities of power generation equipment; a memorandum from Michael Best & Friedrich LLP discussed a change in MPU water billing periods; responses were filed with PSCW to a second and third data response for the electric rate case; an inquiry from the Independent Market Monitor regarding B9 fuel cost and pet coke cost was responded to; a recommendation will be made at the next meeting for shipment of coal as the current supply is running low; discussions continue on a non-binding purchase and sale agreement for all four 11.8 MW units on behalf of MPU and GLU; Utility Services Associates 2019 Leak Detection survey has identified approximately 29 leaks; discussion was initiated with The Energy Authority to develop a Risk Management Plan and Policy – a key initiative of the Strategic Plan; Mayor Nickels is considering adding a \$1.00 fee per month per customer in the City's 2020 budget for replacing the private water service line; and Commissioner Allie discussed the meeting with Mayor on donation requests and Mayor has agreed to adding a provision to the Donation Policy that extraordinary donation requests could be brought to Commission for approval if they fall outside of the scope of the Donation Committee's approval.

GREAT LAKES UTILITIES UPDATE: The GLU Annual Meeting will be held in Marshfield, WI on October 30, 2019 where an updated Strategic Plan will be presented. Board approved developing a non-binding purchase and sale GLU Agreement of the three 11.7 MW reciprocating engines for GLU and if acceptable to MPU, a joint agreement for all four engines. The consensus of Commission was to develop a three-party agreement between GLU, MPU, and Maritime Tote.

WASTE WATER TREATMENT FACILITY UPDATE: A discussion was held with Jagemann Stamping on getting in compliance of their pre-treatment permit as they continue to violate their permit for Oils/Grease, Zinc, and Copper. An agreement is forth-coming on getting in compliance before May 1, 2020. The U.S. Army Corps of Engineers assessed the condition of the north pier and identified multiple issues with the original wood cribbing and piling materials that are a part of the sub-structure of the south wall. They will advise on availability of funding to start a design plan for the repair of the wall.

MINUTES: The Minutes from the Regular Session Meeting on August 12, 2019 were presented for approval. A motion for quotation approval was incorrectly recorded as Commissioner Diedrich when in fact the motion was made by Commissioner Hornung.

MOTION: A Motion by Commissioner Diedrich and seconded by Commissioner Luckow to approve the Regular Session Minutes from August 12, 2019 with one correction. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated August 27, 2019; Claims List dated September 10, 2019; and Wire Transfers dated through September 4, 2019 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated August 30, 2019 and Claims List dated September 13, 2019; were presented for approval.

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

MOTION: A Motion by Commissioner Diedrich and seconded by Commissioner Luckow to approve the Claims List dated August 27, 2019 check nos. 88528 through 88644 totaling \$2,045,199.16; Claims List dated September 10, 2019 check nos. 88645 through 88783 totaling \$624,139.42; Wire Transfers dated through September 4, 2019 totaling \$4,006,001.60; Claims List for WWTF batch 00715.08.2019 dated August 30, 2019 totaling \$78,074.34; Claims List for WWTF batch 00719.09.2019 dated September 13, 2019 totaling \$69,003.94; and to place the Financial Reports for July 2019 on file. Motion carried unanimously.

QUOTATIONS/BIDS: Northeast Substation Battery Replacement - \$31,666.00 – Courtney Industrial Battery, Inc.; Revere Substation Automation Installation - \$5,813.75 – Van Ert Electric, Inc.; and Ferric Chloride - \$246,400.00 – Kemira Water Solutions.

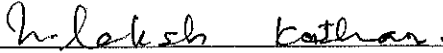
MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Northeast Substation Battery Replacement. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Diedrich to approve the Revere Substation Automation Installation. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Ferric Chloride. Motion carried unanimously.

NEXT MEETING: Monday & Tuesday, September 23 & 24, 2019 at 8:00 a.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Hornung and seconded by Commissioner Allie. Meeting adjourned at 5:30 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Alex Allie, Secretary