

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, NOVEMBER 11, 2019**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich at 4:00 p.m. on Monday, November 11, 2019. In attendance were Commissioners Allie, Hornung, Luckow, Nickels, Seidl, and Sitkiewitz. Also present were Nilaksh Kothari – CEO & General Manager; and Attorney Andrew Steimle – Steimle Birschbach, LLC.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the November 11, 2019 meeting pursuant to Section 19.85(1) (c) and Section 19.85(1) (e) to discuss approval of the minutes of the October 28, 2019 Closed Session Meetings (Regarding Second Round Interviews for Replacement of MPU General Manager and Recruitment Update for Replacement of General Manager) Recruitment Update for Replacement of General Manager and Purchase of Property on Hecker Road.

MOTION: A Motion to convene in closed session was made by Commissioner Sitkiewitz and seconded by Commissioner Seidl. Motion carried unanimously. Accordingly, the Commission convened in closed session at 4:02 p.m.

Nilaksh Kothari joined the meeting at 4:25 p.m.

The meeting was reconvened to open session at 4:43 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION: A Motion was made by Commissioner Hornung and seconded by Mark Seidl to authorize the General Manager to negotiate the terms and conditions for lending of \$859,000 to City of Manitowoc for the Hecker Road property with Attorney Steimle and present the document for final approval of the Commission. Motion carried unanimously

RESIDENTIAL CUSTOMER SURVEY RESULTS: GreatBlue Research conducted the 2019 Residential Customer Survey. In general, satisfaction ratings improved from 2017 and residential customer's overall satisfaction with MPU increased from 87% in 2017 to 93.3% in 2019. Front office Representative ratings declined in the areas of "Presented a professional and knowledgeable demeanor" (9.0 in 2017 vs. 8.6 in 2019) and "Ability to answer all your questions or deal with your issues in one call or visit" (8.8 in 2017 vs. 8.5 in 2019). The potential causes of this include the initial uncertainties related to lead service line replacements and potential funding which was dependent on the PSCW approval of the program. There were minimal respondent suggestions for ways MPU could change or improve services offered or communications provided. The information obtained in this survey will be used to tailor several strategic initiatives for 2020 including development of a market plan to get the MPU message out to the community and the development of a Customer Service Business Plan. Discussion ensued on the AMI project interruptions and lead service line replacement in relation to the reduced customer service rating. The consensus was to accept the report.

2018 CONSERVATION PERFORMANCE: These performance indicators are a representation of MPU's Energy Efficiency; Renewable Energy and Demand Side Management programs.

Following are the highlights: 2014-2018 - the total capacity energy savings are 3,512 kW and 23,688,771 kWhs (3.5 MW and 22,688 MWhs respectively); on an average MPU paid to Focus on Energy \$151,385 per year and Focus provided incentives to MPU customers of \$461,100; and 77 customers have signed up for MPU's Renewable Choice program.

CENTRAL BROWN COUNTY WATER AUTHORITY DISCUSSIONS UPDATE: A meeting was held on November 7, 2019 between MPU and CBCWA on several outstanding issues of the concerns between both parties. The meeting focused on replacement costs required to maintain the level of service. While progress has been made on Finished Water Pumps and take or pay provision of the contract, there continues to be a difference on responsibility of the replacement cost issue. It seems like a third party may need to be involved to help bring the parties together. The next meeting date is not finalized. Discussion ensued.

Commissioner Sitkiewitz left the meeting at 5:00 p.m.

FUEL BUNKER WALL MODIFICATION FOR INCREASED PAPER USAGE IN B9: In late 2018, Lutz, Daily & Brain, LLC (LDB) was retained to provide a budgetary cost estimate for modifying the existing Boiler 9 fuel bunker to install internal division walls. The purpose for a fuel bunker modification is to allow for the segregation of fuels (coal/petcoke vs paper) with the end goal being able to increase the percentage of paper pellets up to 50% of the fuel used in Boiler 9. The study concluded a capital cost of \$425,000 as well as an economic analysis of the potential saving in fuel costs from firing 50% paper in Boiler 9. The fuel testing confirmed that Boiler 9 can be successfully fire between 35% - 40% paper pellets which is almost twice of the current usage and payback of less than two years. The recommendation is to proceed with the project to design, bid and install full height division walls in the Boiler 9 bunker. This project will be in the 2020 Capital Budget. The recommendation is to retain LD&B for a cost not to exceed \$35,000 to allow installation of the division walls in fuel bunker during the currently scheduled outage in April 2020. Discussion ensued.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve including the project at an estimated total cost of \$425,000 in 2020 capital budget, complete the work during the boiler outage in Spring 2020, and retain the services of LDB for a not to exceed cost of \$35,000. Motion carried unanimously.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: approximately 12,800 meters have been installed with about 5,000 meters remaining; 17 customers have opted out of AMI replacement; 52 accounts were disconnected for a total of 942 in 2019 compared to 781 accounts last year; collection of the 60 Lead and Copper Compliance samples have been analyzed, with 4 sites being higher than the 15 ppb action level - this means we are below the lead action level limit; a quote was received from MPIC for additional coverage of electric distribution system assets for \$16,000 and MPU will add these assets to our insurance policy; Albert's Hydrovac stopped by and discussed sludge hauling to Plymouth from Reedsville; correspondence from attorney John Mayer regarding the Cleveland Avenue lead water service line dispute; and a brief discussion on different kinds of charging systems for charging electric vehicles.

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

MOTION: A Motion by Commissioner Seidl and seconded by Commissioner Nickels to approve the Regular Session Minutes from October 28, 2019. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated November 12, 2019; and Wire Transfers dated through November 6, 2019 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated November 15, 2019 were presented for approval.

MOTION: A Motion by Commissioner Seidl and seconded by Commissioner Nickels to approve the Claims List dated November 12, 2019 check nos. 89264 through 89374 totaling \$788,285.21; Wire Transfers dated through November 6, 2019 totaling \$1,062,375.71; and Claims List for WWTF batch 00713.11.2019 dated November 15, 2019 totaling \$78,421.51. Motion carried unanimously.

INVESTMENT REPORT: The Investment Portfolio Report from Baird, our investment advisor, for the period ending September 30, 2019 was previously distributed to the Commission for review and discussion.

MOTION: A Motion was made by Commissioner Seidl and seconded by Commissioner Nickels to accept the Investment Reports from Baird.


QUOTATIONS/BIDS: Underground Utility Locating Services - \$67,765.00 – Excel Underground; Primary Sludge Pumping Building HVAC - \$21,467.00 – Aldag Honold.

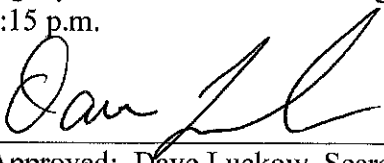
MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Seidl to approve the Underground Utility Locating Services. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Allie and seconded by Commissioner Nickels to approve the Primary Sludge Pumping Building HVAC. Motion carried unanimously.

NEXT MEETING: Monday, December 9, 2019 at 4:00 p.m.

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Hornung and seconded by Commissioner Luckow. Meeting adjourned at 5:15 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Dave Luckow, Secretary