

**MINUTES OF THE
MANITOWOC PUBLIC UTILITIES COMMISSION MEETING
MONDAY, MARCH 23, 2020**

The scheduled meeting of the Manitowoc Public Utilities Commission was called to order by Commissioner Diedrich at 4:00 p.m. on Monday, March 23, 2020. 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.

GENERATION RESILIENCY PROJECT: N. Kothari provided a brief history on the need for the project that was initiated with a study in August 2013. Based on the first study on power generation asset planning study completed in November 2014, MPU Commission subsequently had authorized four other studies on determining the most cost effective approach on moving forward with this project. A resolution as recommended by Commissioner Hornung was presented to Commission review with the stated goals of this project and recommendations for approval of this project. The key goals of Resolution 2020-10 are: Ensure quality of life facilities have power within 4 hours of a power failure of the transmission system; back up generation has at least two sources of fuel supply; ensure that 95% of city of Manitowoc has power within 16-24 hours of a major transmission grid failure; establish a backup plan for operational continuity in event of a natural or man-made disaster; ensure all MPU generating facilities can be operated in the event of a major transmission grid failure and provide documentation to MPU Commission describing the testing completed and level of success of each item. The recommendations of Resolution 2020-01 are: authorize up to \$20 million to accomplish the stated goals of the resolution; recommend and obtain City Council approval of the project; authorize negotiations of a final agreement with Tote and Wartsila for one unit for MPU Commission approval with a provision of no kick back; obtain engineering proposals for the design and bids of the project; obtain PSCW and WDNR approval; submit MISO generation interconnect application prior to June 15, 2020. Discussion ensued on the financing of the project and creation of micro grids to ensure the stated goals are accomplished. The consensus was that no borrowing will be needed for the project and to increase the project budget by \$2.0 million to \$22.0 million to avoid additional approval from MPU Commission and micro grids establishment that were not incorporated in the Black & Veatch Study.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve Resolution 2020-01 with revisions to be made by attorney Andy Steimle to increase the authorized amount for the Generation Resiliency project and recommend approval by City Council at the April or May Council meeting. Motion carried unanimously.

Commissioner Nickels joined the meeting at 4:15 p.m.

CAPITOL CIVIC CENTRE DONATION REQUEST: N. Kothari and attorney Andy Steimle coordinated on developing the criteria in developing the recommendation and criteria which will not qualify future donation requests. Discussion ensued. Commissioner Seidl and Luckow expressed concern for setting a precedent for future requests and that MPU should not be making such a donation. An additional recommendation was made to develop a Commission policy for curbing such future requests. The consensus was to have this policy on the next Commission agenda for review and approval.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Hornung to approve the donation request by Capitol Civic Centre for a total of \$50,000 made in five annual installments. Motion carried with Commissioners Luckow and Seidl opposing.

MEUW ANNUAL CONFERENCE APPROVAL: The 2020 MEUW Annual Conference is being held in Manitowoc, WI from May 13-15, 2020. The registration is \$295 per person.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Allie to approve attendance by Commissioners. Motion carried unanimously.

CBCWA OUTSTANDING ISSUES: N. Kothari updated the commission on the status of the following outstanding issues: 1) CBCWA has agreed to install and pay for an additional VFD on the 8.0 MGD Finished Water Pump Station (FWPS). An analysis of the HVAC system will be conducted in the future; 2) CBCWA has agreed to update and pay for the FWPS Control Strategies; 3) Jacobs has completed a report on the FWPS Flow Meter. This report has been forwarded to CBCWA and we are waiting to hear back from CBCWA on the next steps; 4) There has been no change in the position of CBCWA on the CMF plant upgrade; and 5) Several discussions have occurred on the ambiguity of the Replacement costs definition with not much progress. Discussion ensued. The consensus is to continue discussion at the next meeting.

CBCWA TRANSMISSION MAIN REPAIR: MPU, since 2005, has been advising CBCWA on a monthly basis on our concern on the 65-mile transmission main not constructed per the Prudent Utility Practice and specifically the 48-inch line. This became apparent with the break on the 20-inch PVC pipe near Ledgeview in January 2020. The draft letter that is being proposed to be sent to CBCWA on the issue was distributed for review and comments to initiate a discussion with CBCWA on how to mitigate MPU's concerns. Discussion ensued. The consensus was to have attorney Andy Steimle review the final letter prior to sending to CBCWA.

COLLECTOR C LAND LEASE AGREEMENT: The current lease with Nathan Schleis of Schleis Farms Custom Services LLC, Francis Creek for 6.4 acres south of Grandpa Road expired this year. Mr. Schleis requested a renewal to the lease, with the following revisions: increase the annual lease fee from \$75/acre to \$100/acre, or \$1,321/year; renew the lease for 5 more years, from May 4, 2020 to November 30, 2025; and increase the lease area from 6.4 acres to 13.21 acres, now including an area of MPU land north of Grandpa Road. MPU has monitored the farming practices of Mr. Schleis and the improvement of the land, and has no concerns.

MOTION: A Motion was made by Commissioner Sitkiewitz and seconded by Commissioner Seidl to renew the lease with Schleis Farms Custom Services LLC as defined in the revised land lease. Motion carried unanimously.

LIMESTONE AGREEMENT EXTENSION: MPU's Limestone Source and Price Agreement with Great Lakes Calcium (GLC Minerals) expired on March 1, 2020. Negotiations of new terms began in December of 2019, but have not yet come to completion. In the interim, GLC has proposed an addendum from March 1, 2020 to June 30, 2020. The price per ton represents a 2.8% increase. Several challenges are being addressed while attempting to negotiate a new agreement. GLC has been MPU's sole supplier of limestone since Boiler 8 was placed in service in 1989. We

will continue to work with GLC to negotiate, but business as usual is challenged. Discussion ensued on the potential options.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Sitkiewitz to approve Limestone Agreement extension through June 30, 2020 as presented. Motion carried unanimously.

COVID-19 DRAFT PLAN: The MPU Task Force for the COVID-19 pandemic has been meeting twice a week monitoring the situation and created a pandemic plan in three phases: 1) Routine Operations; 2) Heightened Awareness (current status as of 3/18/20); and 3) Core Operations. The fluidity and uncertainty of the events as they unfold will cause MPU to make adjustments to our procedures as necessary. The initial measures taken include: provide the COVID-19 testing at no cost to employee or their plan participant family members; allow flexibility in work schedules due to schools being closed and needing to care for children; employees will be allow to use sick leave to take care of children due to closures. Discussion ensued on how best to maintain employee safety while not disrupting services to the community including the upcoming annual boiler overhaul and other scheduled construction projects.

GENERAL MANAGER'S REPORT: N. Kothari updated the Commission on the following: On Saturday, February 29, MRD dropped a Boiler 5 economizer hopper, weighing approximately 6,500 lbs. onto RO equipment causing major damage to equipment - a demineralizer trailer from Evoqua was ordered on the day of the incident; the Key Accounts Breakfast cancelled due to CDC recommendation to halt gatherings of 10 people or more; WDNR provided a response to MPU allowing Boilers that have run less than 168 hours in a quarter to not perform quarterly audits (Linearity and CGA) on continuous emissions monitoring systems; Reedsville Board was informed that they would have to provide to MPU written notice by 4/1/20, on the status of continuing of MPU's O & M services; Electric Rate Case Hearing was held on March 11, 2020 with no issues with final order expected to be issued in the coming weeks; the recently modified flanges on the Rapids substation transformer appear to be leaking again -WEG was notified of another warranty claim; Kurt Hendrickson of ATC notified a study of MPU transmission my not be conducted until 4th quarter with current ATC workload in response to additional requests to be included in the study by MPU, and ATC Zone Planner, explained that while upgrades are being done the units will be required to run more often than they do now to address VLR, however, once upgrades are in place in 2025 the units should not anticipate to dispatch for VLRs.

GREAT LAKES UTILITIES UPDATE: Burns & McDonnell presented the results of the generation options report to GLU Board. The report is under review and discussion. The letter from Chair, Jem Brown regarding continued services of the GM with GLU as the Managing Director for six months upon his retirement was discussed. A brief discussion ensued on the cost of the generating units and Mr. Brown's letter.

WASTEWATER TREATMENT FACILITY UPDATE: Continue working with DNR on language to include in Agreement with Jagemann Stamping during their compliance timeframe and penalty for past and future violations. Awaiting for the ice to clear on the South pier and the Army Corp. will do a re-survey of the pier to look for any changes in elevations. The Army Corp. is recommending a temporary rock barrier to reduce any future damage to the pier. Army Corp. is saying the funding is not there at the moment. Mayor Nickels is looking to have a conversation with Tammy Baldwin in the near future to see about funding. Met with Kayuga Solution multiple

days to review the asset inventory/management program being developed, which will be reviewed for any additions or corrections ahead of next visit. The removal of sludge from the lagoons and from the digester is costing more than expected as the lagoons are full of water.

MINUTES: The Minutes from the Regular Session Meetings on February 10, 2020 and March 13, 2020 were presented for approval.

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Seidl to approve the Regular Session Minutes from February 10, 2020 and March 13, 2020. Motion carried unanimously.

APPROVAL OF CLAIMS: Claims List dated February 25, 2020; Claims List dated March 10, 2020; Claims List dated March 24, 2020; and Wire Transfers dated through March 18, 2020 were presented for approval.

APPROVAL OF WWTF CLAIMS: Claims List dated February 28, 2020; Claims List dated March 13, 2020; and Claims List dated March 27, 2020 were presented for approval.

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

MOTION: A Motion by Commissioner Nickels and seconded by Commissioner Seidl to approve the Claims List dated February 25, 2020 check nos. 90223 through 90382 totaling \$692,817.21; Claims List dated March 10, 2020 check nos. 90383 through 90506 totaling \$1,187,824.66; Claims List dated March 24, 2020 check nos. 90507 through 90657 totaling \$1,666,668.98; Wire Transfers dated through March 18, 2020 totaling \$4,910,930.59; Claims List for WWTF batch 00714.03.2020 dated February 28, 2020 totaling \$31,677.29; Claims List for WWTF batch 00712.03.2020 dated March 13, 2020 totaling \$93,346.55; Claims List for WWTF batch 00715.03.2020 dated March 27, 2020 totaling \$21,344.24; and to place the Financial Reports for December 2019 on file. Motion carried unanimously.

QUOTATIONS/BIDS: Transformers – 75, 150, 300, 500, 1,000 KVA - \$95,423.92 – RESCO Ermco; Stepdown Transformer 2,500 KVA - \$33,855.00 – RESCO Ermco; Boiler Baghouse Wall Construction - \$203,000.00 – Boldt.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Seidl to approve the Transformers – 75, 150, 300, 500, 1,000 KVA. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Hornung and seconded by Commissioner Luckow to approve the Stepdown Transformer – 2,500 KVA. Motion carried unanimously.

MOTION: A Motion was made by Commissioner Nickels and seconded by Commissioner Seidl to approve the Boiler Baghouse Wall Construction. Motion carried unanimously.

CONVENE MEETING TO CLOSED SESSION: Notice had previously been given that the Manitowoc Public Utilities Commission will adjourn to a closed session during the March 23, 2020 meeting pursuant to Section 19.85(1) (c) and Section 19.85(1) (e) to discuss approval of the minutes of the February 10, 2020 and March 13, 2020 Closed Session Meetings (Regarding

Discuss Executive Search Firm Proposals for the General Manager Position and First Round Interviews for Replacement of MPU General Manager) and Discussions/Negotiations with CBCWA.

MOTION: A Motion to convene in closed session was made by Commissioner Seidl and seconded by Commissioner Allie. Motion carried unanimously. Accordingly, the Commission convened in closed session at 5:15 p.m.

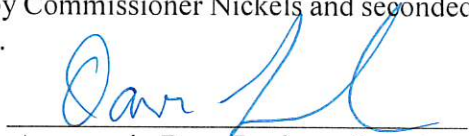
The meeting was reconvened to open session at 5:45 p.m.

APPROVAL OF ITEMS FROM CLOSED SESSION: The closed session meeting minutes were approved.

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

ADJOURN: A Motion was made to adjourn the meeting by Commissioner Nickels and seconded by Commissioner Luckow. Meeting adjourned at 5:46 p.m.


Approved: Nilaksh Kothari, CEO & General Manager


Approved: Dave Luckow, Secretary

