

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

October 23, 2019, 1:00 P.M.

Pursuant to due call and notice thereof, the Regular Meeting of the Public Utilities Commission, City of Princeton, was held in Commission Offices, 907 1st Street, on October 23, 2019, at 1:00 P.M.

Present: Chairman Mindi Siercks and Commissioners Dan Erickson and Greg Hanson.

Absent: None

Also Present: Manager Keith Butcher, Bookkeeper Kathy Ohman, City Councilor Jack Edmonds, Electric Superintendent Jon Brooks, Water Superintendent Scott Daniels, City Administrator Bob Barbian, Union Times Reporter Tim Hennagir, and PUC customer Rick Schwartz.

Meeting was called to order by Chair Siercks at 1:01 P.M.

Chairman Siercks called for additions or deletions to the agenda. There were none.

Mr. Hanson made a motion to approve the agenda of the October 23, 2019 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

Mr. Erickson moved to approve the Minutes for the September 25, 2019 Regular PUC Commission Meeting. Mr. Hanson seconded. Motion carried unanimously. Mr. Hanson made a motion to approve the Minutes for the October 9, 2019 PUC Work Study Session Meeting. Mr. Erickson seconded. Motion carried unanimously.

There was no Public Comments.

After a discussion on where the fuel purchases are made for vehicles, Mr. Erickson made a motion to approve the accounts payable listing for the period of August 1, 2019 through August 31, 2019. Mr. Erickson seconded. Motion carried unanimously.

General Manager Butcher reported the following:

- A. The SMMPA Annual Board Meeting was held October 10th and 11th in Bloomington, Minnesota. Dave Geschwind presented a year in review of SMMPA. There were different speakers at the meeting and all speakers were very good. At the Board Meeting, the 2020 budget was approved with no rate increase. The 2020 SMMPA Meeting Calendar was presented to the PUC Commission.
- B. In the Generation Plant, Engine #3 had a small pressure problem which has been corrected. SMMPA had requested an oil change on Engine #4 that has been completed. The intercoolers were replaced on the Cat #7 Generator by Ziegler. The new catalysts are being installed today and a stack testing is scheduled for Tuesday. We had requested SMMPA to remotely start the Cat #7 Generator and that worked well.

In the Electric Department, the line crew has been doing some brush cleaning and maintenance on the right of ways. They have also been helping out on the Great Northern Trail.

- C. In the Water Department, the fall hydrant flushing is completed. The PUC will be hosting an intern for one week from St. Cloud. The ROV inspection was done on the South Water Tower which came back good.
- D. City Administrator Bob Barbian reported they have reviewed a site plan for a development on 1st Street and 21st Avenue. They had the ground breaking on the West Birch Estates and construction is going well.
- E. General Manager Keith Butcher gave an update on the AMI meter upgrade. We are continuing to test different components with the AMI meters. We are working on data collection and importing the data into the billing system. Once we are comfortable with the process, they will start converting the meters. Manager Keith Butcher reported the resource mix for the PUC comes from 84% coal, 13% renewables, 2% national gas, and 1% is from fuel oil. Manager Keith Butcher is working on the process for the Electric Journeyman Lineman position. To date, Manager Butcher has received four applications for the Electric Superintendent position which has a closing date of October 28th. He has been working on formalizing and streamlining the PUC's processes and procedures. During Public Power Week we conducted some tours of the Generation Plant, had cookies available and handed out LED lightbulbs to customers.

A draft of the PUC Emergency Action Plan was presented to the PUC Commission in September. Once finalized, copies will be in the PUC Generation Plant, Line Shop, Office, and also given to the local Police Department, the Fire Department and the City of Princeton. Mr. Erickson made a motion to approve the Princeton Public Utilities' Emergency Action Plan. Mr. Hanson seconded. Motion carried unanimously.

There was a discussion on the joint meeting that was scheduled to be held on October 24th, 2019 with the Princeton City Council at 5:00 PM to discuss communications. General Manager Keith Butcher has received an agenda for the meeting from City Administrator Bob Barbian with several topics to be discussed. Following a discussion of recent events, the PUC Commissioners are requesting the joint meeting be postponed until further notice. Mr. Erickson made a motion to postpone the October 24th, 2019 joint meeting with the Princeton City Council until a later date. Mr. Hanson seconded. Motion carried unanimously.

General Manager Keith Butcher reported an invoice has been sent to the City of Princeton for an \$8,000.00 difference on WAC fees charged to the West Birch Estates at the request of City Administrator Bob Barbian. City of Princeton Finance Director Steve Jackson and City Administrator Bob Barbian will meet to discuss how this should be handled and report back to the PUC Commission. The City of Princeton has an ordinance that considers re-development when calculating SAC fees.

City Administrator Bob Barbian left the PUC Commission Meeting at 2:45 p.m.

General Manager Keith Butcher presented a draft for the Cash Reserve Policy. The policy will set up rules for working capital along with setting a minimum level of days of cash on hand. At this time, the cap on the Capital Improvement Funds is \$1,500,000.00. At some time he would like to increase this cap to \$2,000,000.00. On the Rate Stabilization account, he would like a minimum set. He welcomes any ideas or suggestions from the PUC Commissioners on the Cash Reserve Policy.

Manager Keith Butcher presented the preliminary 2020 Electric and Water Operating Budgets to the PUC Commission. SMMPA has estimated the PUC's growth over the next few years to be at 0.2%. Manager Butcher based the 2020 budgets on this growth. Other operating revenue is primarily energy efficiency rebates reimbursed from SMMPA. The Water Budget included the same 0.2% growth as Electric. Some of the particular items included in the 2020 expenses are reporting on the PUC's Wellhead Protection Plan, upgrading the PUC website, and installing additional electric vehicle chargers in Princeton. The chargers will be coming at no cost from SMMPA, however the installation cost would be a PUC expense. He is also proposing that currently the PUC is charging the annual Minnesota State Water Fee to customers once a year. He would like this fee paid entirely by the PUC as a cost of doing business going forward. The 2020 budgets do include an average 2% salary increase and a 12½% increase in employee health insurance.

General Manager Keith Butcher presented the preliminary 2020 Capital Projects to the PUC Commission. Included in the capital projects in the Electric Department is AMI metering, continuing to upgrade the distribution system and miscellaneous equipment. In the Water Department, capital projects include continuing upgrading with AMI meters, relocating the water main north of Highway 95 along with additional fire protection on the north side of Princeton, and replacing one pickup. In the Office, capital projects include a new website, security cameras, and start remodeling the front office.

Resolution 19-12 RESOLUTION OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF PRINCETON REGARDING AUTHORIZING THE SERVICES OF MINUTEMAN PRESS, PRINCETON, MN for the use of their services for printing and web design/upgrades in the amount of \$137.50 through October 23, 2019 was presented. Mr. Erickson made a motion to accept Resolution 19-12. Mr. Hanson seconded. Ms. Siercks abstained from voting.

After a discussion on upcoming PUC Commission Meetings, Mr. Erickson made a motion to add November 6th, 2019 as a Work Study Session Meeting, to change the November Regular PUC Commission Meeting from November 27th, 2019 to November 20th, 2019, and to change the December Regular PUC Commission Meeting from December 25th, 2019 to December 18th, 2019 due to the holidays. Mr. Hanson seconded. Motion carried unanimously.

There was a discussion on the 2020 PUC employee health insurance rates. General Manager Keith Butcher reported by keeping the same level of coverage as 2019 there will be an increase of 12½% in premiums. Mr. Hanson moved to approve the 2020 hospitalization plan with a deductible of \$2,500.00 single and \$5,000.00 family and approve the Commission to continue paying the 100% of single coverage insurance and 125% of the single coverage for family insurance. Mr. Erickson seconded. Motion carried unanimously.

General Manager Keith Butcher presented to the PUC Commission a quote to replace the soft cab with a hard cab on the John Deere 1025R Tractor. Cost of the hard cab is approximately \$5,900.00. The hard cab will protect employees from the elements when using the tractor for snow removal. Mr. Erickson made a motion to approve the purchase of a hard cab for the John Deere Tractor. Mr. Hanson seconded. Motion carried unanimously.

PUC Commission Dan Erickson left the PUC Commission Meeting at 3:35 p.m.

General Manager Keith Butcher brought up the discussion of sponsoring the 2019 Residential Holiday Lighting Contest again this year. Customers participating in the Holiday Lighting Contest must live within the PUC electric service territory. Mr. Hanson made a motion to approve the PUC sponsoring the 2019 Holiday Lighting Contest for Residential customers of the PUC. Ms. Siercks seconded. Motion carried unanimously.

General Manager Keith Butcher has received a request from Lakes and Pines regarding the purchase of a clothes washer for a PUC customer which is over the \$1,000.00 cap currently set by SMMPA. If denied, the customer would be responsible for any cost over the set limit. After a discussion, it was the consensus of the PUC Commission to stay with the allocated \$1,000.00 limit.

General Manager Keith Butcher reported there will be an all staff safety training on November 5th, 2019. The PUC office will be closed at 1:00 p.m. and will be posted in the PUC lobby along with social media and PUC's website. The Princeton Fire Department and Princeton Police Department will be conducting the safety training.

There was a discussion on the 6-month review for General Manager Keith Butcher. At the time of being hired, Mr. Butcher was on a 6-month probation. After a discussion, it was the consensus of the PUC Commission to designate a person to handle the review at the November 6th Work Study Session.

General Manager Keith Butcher reported he has also received the renewal for the Employee Life Insurance. The premium for the life insurance will have a very small increase in 2020.

There being no further business, Mr. Hanson made a motion to adjourn the meeting at 3:48 p.m. Ms. Siercks seconded. Motion carried unanimously.



Mindi Siercks
Chairman



Kathy Ohman
Secretary