

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

December 18, 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 December 18, 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 Superintendents Jon Brooks and Ryan Grant, Water Superintendent Scott Daniels, Dave Schultz from WSB, City Administrator Bob Barbian, Princeton Councilor Jenny Gerold, 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. Additions: New Business: F. General Manager Attending Various City of Princeton Meetings.

Mr. Hanson made a motion to approve the agenda of the December 18, 2019 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

Mr. Erickson moved to approve the Minutes for the November 20, 2019 Closed PUC Commission Meeting. Mr. Hanson seconded. Motion carried unanimously. Mr. Erickson made a motion to approve the Minutes for the November 20, 2019 Regular PUC Commission Meeting. Mr. Hanson seconded. Motion carried unanimously. Mr. Erickson made a motion to approve the Minutes for the December 5, 2019 Joint Work Study Session Meeting with Princeton City Council. Mr. Hanson seconded. Motion carried unanimously.

There was no Public Comments.

Mr. Hanson made a motion to approve the accounts payable listing for the period of November 1, 2019 through November 30, 2019. Mr. Erickson seconded. Motion carried unanimously.

General Manager Butcher reported the following:

- A. The SMMPA Annual Board Meeting was held December 11th in New Prague, Minnesota. SMMPA has been looking at where they want to be going and working on some re-branding. With Sherco 3 being decommissioned in 2030, they are looking at Post 2030. There was continued discussions on the EV charger project. There will be a technical meeting on January 8, 2020. Also discussed were internal updates at SMMPA and the Badger Coolee investment
- B. Ryan Grant was hired to replace retiring Electric Superintendent Jon Brooks. Ryan started working at the PUC on December 9th, 2019. He will be a great addition to the PUC.

In the Generation Plant, they have been working on engine maintenance. Cat #7 Engine was ran yesterday, Engines # 3, #4, #5 and #6 will run tomorrow.

In the Electric Department, the line crew has been doing some snow plowing and hanging Christmas decorations for the City of Princeton. One of the line crew staff has been asked to plow for the City of Princeton when needed. The electrical is completed for the new Dairy Queen by Coborn's. They are also working on installing new AMI meters.

- C. In the Water Department, they have also been doing snow removal. They have been working on the reclaim pump. They are also working on some reorganizing of the brown garage and electric shop area.
- D. City Administrator Bob Barbian reported there is a development opportunity with a solar farm which seems to be proceeding forward.
- E. General Manager Keith Butcher has been working together with City Administrator Bob Barbian on the new EV charging stations. They are evaluating location of the chargers at this time. An invoice has been received for moving the street lights on the Great Northern Trail which the PUC paid. The electric and water departments have both been installing new AMI meters. A schedule has been established with Cannon/Eaton on the delivery of remaining meters. Meters will be delivered quarterly through 2023. AMI meters will provide better accuracy, more historical data that can be shared with customers, and they can be easily evaluated and interpreted. The electric line crew shop door is being retrofitted with a keypad along with the service door on the brown garage. These doors will be kept locked at all times. The brown garage and electric shop has been redesigned. Fluorescent bulbs will be dropped off at the brown garage going forward. There was a discussion on different options to look into for purchasing a new vehicle. The City of Princeton had a bill stuffer that was mailed with the November 2019 bills. General Manager Keith Butcher has been working with City Administrator Bob Barbian with small cell installations. These small cells are installed in public right of ways on existing structure as much as possible. We would like to make sure the street light or utility poles are structurally sound to hold the weight. There are also height requirements and safety issue concerns. Some of the street lights have intermittent power which may not be suitable for small cells. He is also looking at the street lighting arrangements which needs to be updated. The monthly street light fee covers the energy usage of the street lights but does not cover any maintenance. This will all be looked into over the next year. The PUC will be closing early for Christmas Eve and will be closed on Christmas Day. The PUC will also be closing early on New Year's Eve and will be closed on New Year's Day. The 2019 Holiday Light Contest is completed with four winners. Grand prize winner received \$150.00, first runner up received \$75.00, second runner up and most creative received \$50.00 each. Winners can have their prize applied to their utility bill or receive a gift card from a local retailer of their choice. Winners will be announced. Judging for the contest was done by children of PUC employees. An insert in the billing was done for the City of Princeton regarding plowing. A customer dropped off the insert with a few comments for the City. MMUA will be conducting safety training on December 23rd. MMUA supplies the PUC with monthly safety training on various issues. We are working on an LED retrofit in the electric line crew shop to complete our LED conversion. A copy of a calendar for PUC Commission Meetings was distributed to PUC Commissioners. Mr. Erickson made a motion to approve the 2020 PUC Commission Meeting calendar. Mr. Hansen seconded. Motion carried unanimously.

PUC Chairperson Ms. Siercks presented a summary of the PUC Closing Meeting on November 20th, 2019. The conclusion of the PUC Commissioners was Mr. Butcher is doing an excellent job. He has been encouraged to continue working on budgets and promoting the PUC positively in the community.

PUC Chairperson Ms. Siercks presented a summary of the review that was completed on December 12th, 2019 on General Manager Keith Butcher. Ms. Siercks and Mr. Butcher discussed the PUC Commissioners feedback and had a good discussion, ending on a very positive note. His next review will be for his one year evaluation around the end of May 2020.

General Manager Keith Butcher presented the 2020 Electric and Water Operating Budgets. SMMPA in their load forecasting has estimated the PUC's growth over the next few years to be 0.2%. Manager Butcher based the 2020 budgets on this growth. The budget includes a 3% pay increase to the employees. The 2020 Water Budget included the same 0.2% growth as Electric budget. Mr. Hanson made a motion to approve the 2020 Electric and Water Operating Budgets. Mr. Erickson second. Motion carried unanimously.

General Manager Keith Butcher presented the 2020 Fee and Rate Schedule to the PUC Commission for approval with no changes being made. Mr. Hanson made a motion to approve the 2020 Princeton Public Utilities Commission Fee and Rate Schedule. Mr. Erickson seconded. Motion carried unanimously.

General Manager Keith Butcher presented the Cash Reserve Policy. This policy sets a good basis to protect the financial health of Princeton Public Utilities. The Cash Reserve Policy is most crucial in insuring stability in our rates for our customers. The Cash Reserve Policy should be re-evaluated yearly. City Administrator Bob Barbian had some questions regarding the size of the reserve and number of day's cash on hand in the Water Department. Mr. Hanson made a motion to approve the PUC Cash Reserve Policy as presented. Mr. Erickson seconded. Motion carried unanimously.

General Manager Keith Butcher presented the discussion of a stakeholder engagement and website redesigning. The current website has been in place for a number of years and is in need of an update. The proposal for the redesign of the website for the PUC was \$9,850.00 which will incorporate electric and water all in one. The new website would be up and running within 60 to 90 days. One half of the design fee would be paid in 2019 with the balance in 2020. There will also be a monthly maintenance fee which will begin after the new website is completed will be \$1,950.00 per month. This maintenance fee could include branding, social media, marketing, photographer, and more IT resources. This website will be set the PUC up for the long term with the ability to add additional functionality. Day to day modifications to the website would be done in-house. The maintenance fee can be canceled with a 30-day notice. Mr. Erickson made a motion to approve the redesigning of the PUC website. Mr. Hanson seconded. Motion carried unanimously.

Resolution 19-14 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 \$112.50 through December 18, 2019 was presented. Mr. Erickson made a motion to accept Resolution 19-14. Mr. Hanson seconded. Ms. Siercks abstained from voting.

General Manager Keith Butcher presented the 2020 Electric and Water Capital Budget and major projects to the Commission for approval. There was an issue that arose with the SCADA system in the Water Treatment Plant. We were able to have the system repaired this time. If it goes down again, it is unlikely the parts will be able to be found. Cost to replace the majority of the hardware would be approximately \$45,000.00. There was a discussion on the details of this replacement. There was also a discussion regarding future service territory adjustments. Mr. Hanson made a motion to approve the 2020 Electric and Water Capital Budget. Mr. Erickson second. Motion carried unanimously.

General Manager Keith Butcher reported he has received a request from the City of Grand Marais for solar allocation contributions. SMMPA had allocated solar to be developed to each member and community. Grand Marais wants to do a larger project than their allocation. Manager Butcher's recommendation is to save the PUC's allocation for ourselves in case a solar project is done in Princeton.

The 2019 Customer Charge-Offs were presented and reviewed. A total of \$553.13 will be charged off in 2019. Mr. Hanson made a motion to approve the 2019 Customer Charge Off list as printed (See attached). Mr. Erickson seconded. Motion carried unanimously.

A list of Fixed Assets disposed of in 2019 was also presented for review. A motion was made by Mr. Hanson, seconded by Mr. Erickson to approve the 2019 Fixed Assets Disposal in the amount of \$26,873.44. Motion carried unanimously.

Mr. Erickson made a motion to add to the PUC Commission Agenda under Miscellaneous, 8F: Discussion on General Manager Attending Various City of Princeton Meetings. Mr. Hanson Seconded, Motion carried unanimously. A discussion on General Manager Keith Butcher's attendance at various City of Princeton meetings was held. The decision was tabled for further discussion.

General Manager Keith Butcher presented City Council Chapter 290 – Public Utilities Commission. City Council Chapter 290 – Public Utilities Commission has been presented to the Princeton City Council and the city council has approved the chapter. The chapter spells out State Statutes which Manager Butcher read through comparing to actual State Statutes He felt there was not any significant differences.

For Chapter 290.09 Removal from Office or Appointment, this chapter has been added to every board or commission within the City of Princeton. There was a discussion on the process whereby somebody is accused of this violation.

There being no further business, Mr. Hanson made a motion to adjourn the meeting at 3:59 p.m. Mr. Erickson seconded. Motion carried unanimously.



Mindi Siercks
Chairman



Kathy Ohman
Secretary