

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

January 22, 2020, 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 First Street, on January 22, 2020, 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 Jenny Gerold, Electric Superintendent Ryan Grant, Water Superintendent Scott Daniels, City Administrator Bob Barbian, Princeton Councilor Jack Edmonds, Union Times Reporter Tim Hennagir, and PUC customer Rick Schwartz. PUC customer Kevin Gerrard arrived at 2:30 P.M.

Meeting was called to order by Chairman Siercks at 1:00 P.M.

General Manager Keith Butcher swore in newly elected PUC Commissioner Greg Hanson.

Ms. Siercks moved to appoint Mr. Hanson as Chairman for the 2020 year. Mr. Erickson seconded. Motion carried unanimously.

Mr. Erickson moved to appoint Kathy Ohman as Secretary/Treasurer for the 2020 year. Ms. Siercks seconded. Motion carried unanimously.

Chairman Siercks called for additions or deletions to the agenda. Deletions: New Business: A. SMMPA Member Financial Metrics. Addition as requested by City Councilor Jenny Gerold: Unfinished Business: A. Attending Meetings.

Ms. Siercks made a motion to approve the agenda of the January 22, 2020 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

Mr. Erickson moved to approve the Minutes of the December 18, 2019 meeting. Ms. Siercks seconded. Motion carried unanimously.

During Public Comment, Tim Hennagir from the Union Times spoke in regards to the Princeton City Council agenda for the meeting being held January 23, 2020 at 7:00 P.M. On the agenda under 11.1 is Mayor Schumacher's In Lieu of Property Tax Proposal. Tim Hennagir is questioning whether General Manager Keith Butcher or a PUC Commissioner will be attending this meeting to respond to the proposal after it is presented so he could receive some comment on it. General Manager Keith Butcher and PUC Commissioners were not aware it was on the agenda. PUC customer Rick Schwartz stated he has received the proposal himself. City Administrator Bob Barbian stated the proposal is being brought to the Princeton City Council for council discussion.

Princeton Councilor Jack Edmonds thanked the PUC Commission for his participation as Liaison for the past three years. He has appreciated and enjoyed being involved with the PUC Commission.

PUC Commissioner Chairman Greg Hanson thanked Princeton Councilor Jack Edmonds as the liaison for the Princeton City Council for the past three years. He also thanked Princeton Councilor Jenny Gerold for accepting the appointment of Liaison.

Resolution 20-01 RESOLUTION OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF PRINCETON DESIGNATION OF OFFICIAL DEPOSITORIES for the designation all local financial institutions as well as Northland Trust as official depositories of the Commission for the 2020 year. Ms. Siercks made a motion to accept Resolution 20-01. Mr. Erickson seconded. Motion carried unanimously.

Ms. Siercks moved to designate the *MILLE LACS UNION-TIMES* as the official paper of the Public Utilities Commission for the 2020 year. Mr. Erickson seconded. Motion carried unanimously.

After a discussion started by Princeton Councilor Jenny Gerold on the sand and salt purchases, Mr. Erickson moved to approve the accounts payable listing for the period of December 1, 2019 through December 31, 2019. Ms. Siercks seconded. Motion carried unanimously.

General Manager Butcher reported the following:

- A. The monthly SMMPA Board Meeting was held January 9th in Rochester, Minnesota. Discussions at the meeting included the small solar buy back policy, economic development, resource allocation and CapX. SMMPA also presented a 2020 year in review.
- B. In the Generation Plant, they will be running engines tomorrow. The warranty with Caterpillar will be extended on the Cat Engine #7.

In the Electric Department, the line crew has been taking down Christmas decorations, counting inventory and trimming trees. The line crew has installed 174 AMI meters to date.

- C. In the Water Department, the garages have been rearranged for storage and maintenance. They are also installing AMI meters. The Highway 95 water main relocation project will be going out for bids the end of January 2020. This water main relocation also includes additional fire protection on the north side of Princeton.
- D. City of Princeton updates included a discussion on the EV chargers coming. City Administrator Bob Barbian and General Manager Keith Butcher will be working together on site locations for the chargers. There was a question on the Economic Development rebates for commercial customers offered through SMMPA. General Manager Keith Butcher stated SMMPA has not had any participation in this rebate to date. City Administrator Bob Barbian stated the lot where the South Substation is located was approved for the Substation. The PUC is also storing transformers on this lot. Mr. Barbian stated the lot was not approved for storage. He would like the PUC to move the transformers that are stored there and plant a green buffer between the South Substation and residential lots. City Administrator Bob Barbian reported that Connexus is continuing to work on setting up a solar garden in Princeton. This property is located outside the PUC service territory.
- E. General Manager Keith Butcher welcomed Princeton Councilor Jenny Gerold to the PUC

Commission meetings. If she should have any questions, he asked that she contact him.

General Manager Keith Butcher presented a year in review for 2019. He stated he has a great crew working at the PUC. The review was split up by department.

An Energy Savings Tips booklet was also presented to the PUC Commission. This booklet was provided to the PUC by SMMPA and includes tips for both electric and water utilities. They will be available to hand out to customers.

The host agreement contract for the EV chargers is being worked on. At this time, the fast charger has been put on hold. Interest on customer meter deposits is paid annually to customers with the interest being applied to their account. Interest for 2019 was 2.7%. Interest for 2020 which is set by the State of Minnesota Department of Commerce is 1.5%. PUC has had an employee helping the City of Princeton with snow plowing. They also helped the City with digging holes for the pier being installed on the Rum River. There was a discussion on street lighting within the City of Princeton and ownership of street light poles. General Manager Keith Butcher will look into this further.

City Councilor Jenny Gerold brought up the discussion of someone from the PUC Office being more involved with City of Princeton meetings. On Mondays, a management meeting is held weekly. She felt this meeting would be beneficial for department managers of PUC to attend. She also felt the study session meetings held the first Thursday of every month would be of benefit for General Manager Keith Butcher to attend. There was also a discussion on the General Manager attending the City of Princeton meetings quarterly. At this time, no definite decisions were made.

Commission Chairman Greg Hanson had to leave the PUC Commission meeting at 2:45 P.M. unexpectedly. Therefore Resolution 20-02 Minuteman Press Service was tabled for a later date.

City Administrator Bob Barbian left the PUC Commission meeting at 3:00 P.M.

PUC has sponsored a \$500.00 Tom Bovitz Memorial Scholarship to graduating students attending Princeton High School. Students are required to complete an essay on the theme of "Municipal Utilities: Good for all of us" which applies to municipal utilities to be turned in to the PUC by Mid-March. The winning student's essay will be forwarded to Minnesota Municipal Utilities for the state level. Applicants' family must be a PUC customer. Ms. Siercks made a motion to sponsor the \$500.00 Tom Bovitz Memorial Scholarship for 2020. Mr. Erickson seconded. Motion carried unanimously.

The 2019 Audit engagement letter from auditing firm Mayer, Porter & Nelson, Ltd., was presented to the Commission for approval. After a discussion regarding going out for bids in 2021, Mr. Erickson made a motion to retain the services of Mayer, Porter & Nelson, Ltd., Certified Public Accountants, to audit the records of the Princeton Public Utilities for the year ending December 31, 2019 at a fee not to exceed \$10,500.00. Ms. Siercks seconded. Motion carried unanimously.

The Cogeneration and Small Power Production Tariff for 2020 was presented to the PUC Commission. If a PUC customer were considering installing solar or wind power, an agreement with the PUC would be signed. This tariff would be filed with the local utility for approval and execute an interconnection agreement with the utility. As there were no rate changes, the tariff has not changed. Schedule 4 from SMMPA is updated every year. Mr. Erickson made a motion to accept the Cogeneration and Small Power Production Tariff. Ms. Siercks seconded. Motion carried unanimously.

General Manager Keith Butcher reported the Cash Reserve Policy has been established as a guiding principal and documents where the PUC is at currently. This policy sets a good basis to protect the financial health of Princeton Public Utilities. The long term goal in the Electric Department is to have 180 days cash on hand. The discussion going forward will be how we achieve this.

There being no further business, Mr. Erickson made a motion to adjourn the meeting at 3:27 p.m. Ms. Siercks seconded. Motion carried unanimously.

A handwritten signature in black ink, appearing to read "G. Hanson", with a small flourish at the end.

Gregory Hanson
Chairman

A handwritten signature in black ink, appearing to read "Kathy Ohman", with a long horizontal flourish at the end.

Kathy Ohman
Secretary