

## PUBLIC UTILITIES COMMISSION

### REGULAR MEETING

July 29, 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 Princeton City Hall, 705 North 2<sup>nd</sup> Street, on July 29, 2020, at 1:00 P.M.

Present: Chairman Greg Hanson and Commissioners Dan Erickson and Rick Schwartz.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Councilor Jenny Gerold, City Administrator Bob Barbian, PUC Auditor Keith Porter from Mayer, Porter & Nelson, and Union Times Reporter Tim Hennagir.

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

Mr. Erickson moved to approve the Minutes for the June 24, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously. Mr. Erickson moved to approve the Minutes for the July 1, 2020 PUC Work Session Meeting. Mr. Schwartz seconded. Motion carried unanimously.

Chairman Hanson called for additions or deletions to the agenda. Manager Keith Butcher requested to table the following item on the agenda at the request of Mayor Brad Schumacher:

Reports and Correspondence:

B. Property Taxes at ECE Headquarters in Braham, MN – Mayor Brad Schumacher

Manager Keith Butcher requested to remove the following item from the agenda:

Unfinished Business:

E. Watermain Loop Extension by 7 Barrel

Commissioner Rick Schwartz added to the agenda:

New Business:

E. Work Study Sessions.

Mr. Erickson made a motion to approve the agenda with changes of the July 29, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously.

There was no Public Comments.

After a discussion, Mr. Schwartz made a motion to approve the accounts payable listing for the period of June 1, 2020 through June 30, 2020. Mr. Erickson seconded. Motion carried unanimously.

#### **6. REPORTS AND CORRESPONDENCE:**

A. General Manager Keith Butcher reported more information is being posted on social media and utilizing the PUC website more. Posts included two commercial rebate checks given to businesses in Princeton. Future planned posts include:

- Removal of the Minnesota Department of Health connection surcharge fee
- Did you know? Fire Hydrants
- Encouraging mask use when visiting our business office
- Call before you dig with Gopher State One Call
- Ways to save water in the home

Commissioner Rick Schwartz asked a question regarding the PUC yearly advertising budget and advertising in the paper.

- B. The discussion on Property Taxes at ECE Headquarters in Braham, MN was tabled by the request of Mayor Brad Schumacher.
- C. The SMMPA Board Meeting was held July 8, 2020 via video conference. Commissioner Rick Schwartz was also in attendance of this meeting via Zoom. The Key Metrics were provided to the PUC Commission. Topics of the meeting included:
  - o SMMPA's Financial Reserve Policy
  - o Covid-19 Impacts
  - o Large Customer Renewable Purchase Options
  - o Electric Vehicle Charging Network Update
  - o Sherco 3 Economic Dispatch Strategy
  - o Post-2030 Resource Plan Update
  - o Future Capacity Needs
  - o Financial Report through May
  - o Legislative Regulatory Report; and
  - o Resource Reports / Marketing Reports
- D. In the Generation Plant, they have been working on the radiator. The 2021 Operations and Maintenance budget has been submitted to SMMPA. We are in the process of finalizing our spill containment plan.

In the Electric Department, they continue to do underground conversions. They also commissioned a customer on the solar system.

- E. In the Water Department, they have been having issue with the SCADA system. Water Superintendent Scott Daniels is working on a schedule with Total Construction to replace the SCADA system. They are also working with a developer on the water services for the townhomes on 13<sup>th</sup> Avenue.
- F. City Administrator Bob Barbian reported there are not any new projects in Princeton at this time.
- G. General Manager Keith Butcher reported the following:
  - i. Financial Metrics
    - 1. Days of Cash on Hand (Electric = 109, Water = 518)
    - 2. Are there other metrics that the Commission would like reported on a monthly, quarterly, semi-annually or annually basis?
  - ii. Regulatory Reports
    - 1. Hazardous Waste Permit filed for the Parts Washer
    - 2. Answered EIA-861 inquiries
    - 3. Semi-annual Air Emission reports filed
  - iii. Staff Fire Calls / City Assistance
    - 1. Emergency calls: 7/21 (1 hour)
  - iv. Stakeholder Engagement
    - 1. Provided LED light bulbs, pencils, Energy Savings tips pamphlet, and water shower timers for Chamber Golf Tournament
    - 2. Presented rebate checks to businesses in Princeton

- v. State Water Fee recap
  1. The Minnesota Department of Health charges each water utility \$9.72 per water connection annually to fund their drinking water protection programs.
  2. In past years, PUC would add a separate fee annually to cover this additional cost.
  3. Late last year, the PUC Commission approved eliminating this added fee to our customers and covering this expense using our existing revenues without increase rates.
  4. This month's bill is when this connection fee would have been added to customers' bills.

## **7. UNFINISHED BUSINESS:**

### **a. AUDIT PRESENTATION**

PUC Auditor Keith Porter from Mayer, Porter & Nelson, Ltd. presented the 2019 PUC Audit. Following his presentation, questions were answered and discussions held. The 2019 PUC Audit is available on the PUC website.

### **b. AMI UPDATE**

General Manager Keith Butcher reported as of July 29, 34% of the electric meters have been converted to AMI and 11% of the water meters have been converted. Water meters are going slower as the meters are located inside the customer's home. Training on the AMI metering system with Yukon software is scheduled for all employees on July 30.

### **c. EV UPDATE**

The Host Agreement with Coborn's for the DC Fast Charger was presented to the PUC Commission for approval. In the host agreement, the PUC is responsible for the equipment. For the first three to six months after installation, Manager Keith Butcher would like to offer free charging at the DC Fast Charger to the customer using the charger. A charge would be implemented later for the use of the charger. Host Agreements have not been signed for the two Level 2 Chargers. Princeton Public Utilities will be paying for the installation costs. Mr. Erickson made a motion to approve the Host Agreement for the DC Fast Charger with Coborn's. Mr. Schwartz seconded. Motion carried unanimously.

### **d. WATERMAIN LOOK EXTENSION BY 7 BARREL - Removed**

### **e. COVID-19 UPDATE**

General Manager Keith Butcher updated the PUC Commission on COVID-19 pandemic. Late fees are being waived through August 12. The PUC continues to waive the minimum demand charge of 25 kW to Small Commercial customers. Customers most affected are restaurants and churches. Normal billing practices will resume as things open up. The total late fees waived in July was approximately \$6,644.00. Since February 1, electric consumption is down approximately 4% from the five-year average. Late fees will be re-implemented starting August 12. Office staff continues to work with customers on payment plans. Manager Keith Butcher presented **Memo 20-03: COVID Disconnection Measures** listing steps to take prior to disconnections during this time. The PUC is working to make sure no customer would fall through the cracks during the Covid-19 pandemic.

### **f. PILOT WORKGROUP**

General Manager Keith Butcher reported the PILOT workgroup met on July 24. Dialogue continues to be constructive. The next PILOT workgroup meeting will be held August 21, 2020.

**g. UTILITY BILLING**

Three samples of modified utility bills were presented to the PUC Commission. After some discussion, the PUC Commission favored Option 1. A bill stuffer will be included for customers to fill out and return to the PUC Office with their feedback. Mr. Erickson made a motion to accept Option #1 with the new utility bill design. Mr. Schwartz seconded. Motion carried unanimous.

**h. CITY POLLINATOR HABITAT GRANT REQUEST**

General Manager Keith Butcher reported the PUC has a history of supporting pollinators with SMMPA. They have also worked with Prairie Restorations. He has been working Princeton Community Development Specialist Stephanie Hillesheim on a \$1,500 grant with SMMPA for pollinators by the Rum River. The City of Princeton will be installing signage that will be co-branded with both SMMPA and Princeton Public Utilities. The City of Princeton is looking for additional funds for this project totaling \$8,000.00. After a discussion, it was the consensus of the PUC Commission to table a contribution from the PUC until August 2020.

**i. SOUTH SUBSTATION FENCING DISCUSSION**

There was a discussion regarding the fencing around the transformers at the South Substation. Manager Keith Butcher had requested a copy of the Conditional Use Permit and zoning ordinance from the City of Princeton in regards to storage of transformers and materials at the South Substation. As of July 29, he had not received the copy. There was a discussion on placing slats in the fence at a cost of \$2,500.00 to \$3,000.00 or planting greenery around the fence. Planting greenery there would have an added expense of maintaining the bushes. They also discussed adjusting the conditional use permit to include storage.

**j. DOG WASTE RECEPTACLE DISCUSSION**

PUC Commission Dan Erickson brought up the discussion of the dog waste that is on the walking trails in Princeton. He would like to see dog waste receptacles please in areas by the trails for walkers to use placing one by PUC Water Treatment Plant #1 and Water Treatment Plant #2, Pioneer Park and Mark Park. Mr. Erickson stated he would donate four to the PUC for placement in these areas. PUC staff would empty and maintain the waste bins. Mr. Erickson stated he would also donate four to the City of Princeton. Mr. Hansen made a motion to start with four dog waste receptacles. Mr. Schwartz seconded. Motion carried unanimously.

**8. NEW BUSINESS:**

**a. MMUA DELEGATE APPOINTMENT**

There was a discussion on updating the MMUA Delegate appointment. General Manager Keith Butcher is the primary delegate for Princeton Public Utilities. Mr. Erickson made a motion to add Ryan Grant, Electric Superintendent as the MMUA alternate delegate.

**b. SMMPA COGENERATION AND SMALL POWER PRODUCER PURCHASE POWER AGREEMENT**

An Amended and Restated Power Purchase Agreement relating to Contracts for Cogeneration and Small Power Production Facilities in regards to solar power was presented to the PUC Commission. After a discussion, the recommendation of the PUC Commission is to approve the agreement. The Purchase Power Agreement will be presented to the Princeton City Council for approval by the end of September.

**c. LONG-TERM ELECTRIC INFRASTRUCTURE PLANNING**

There was a discussion on the long-term electric infrastructure planning which includes replacing two 5 MVA transformers at the North Substation. Both were rebuilt in 1998 and were purchased as re-manufactured units. The Plant Substation has one 7.5 MVA transformer which was installed in the early 1980's. The typical life of a transformer is 30-40 years. The goal when replacing the substation transformers is to replace them all with 15 MVA transformers. He would like to hire an engineer in the next year to evaluate the situation. Significant bonding within 2-5 years would be required to replace these transformers.

**d. WATER RATE DISCUSSION**

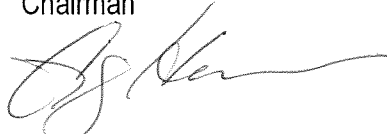
The discussion on water rates was tabled.

**e. WORK STUDY SESSION**

There was a discussion on having a PUC Work Study Session. The decision was to have a Work Study Session meeting on August 19 at 1:00 p.m. at Princeton City Hall. At this meeting, the discussions will include water rates and reserves, the reserve policy and capital expenditures.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 4:44 p.m. Mr. Erickson seconded. Motion carried unanimously.

Gregory Hanson  
Chairman



Kathy Ohman  
Secretary

