

## **PUBLIC UTILITIES COMMISSION**

### **REGULAR MEETING**

**August 26, 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 August 26, 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, Union Times Reporter Tim Hennagir, and PPU customer Jack Edmonds.

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

Chairman Greg Hanson made a statement at the beginning of the meeting. There is concern in regards to City Councilor Jenny Gerold being the liaison of the Princeton Public Utilities. The word Liaison means an agent to bring things together. Councilor Gerold voted to abolish the PPU Commission, she refused to read a statement from Chairman Greg Hanson at the Special Meeting of the Princeton Council, and twice she was asked to vote on bringing that statement into the public record and she voted no.

Mr. Erickson moved to approve the Minutes for the July 22, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously. Mr. Erickson moved to approve the Minutes for the August 19, 2020 PUC Work Session Meeting. Mr. Schwartz seconded. Motion carried unanimously.

During Public Comments, PUC customer Jack Edmonds reserved the right to comment after the Ballot Question Discussion.

Union Times Reporter Tim Hennagir requested if the microphones are live to please use them to better hear discussions.

City Councilor Jenny Gerold responded to the statement made by Chairman Greg Hanson at the start of the meeting. She stated "as the City Liaison my job is to report information between the PUC and the Princeton City Council. She stated "one of the reasons I made the decision um I was extremely torn and it was a very difficult decision to make and I was not sure how I was going to vote until that night. And it was clear to me that the council was divided. Um whether we should dissolve the board or keep it the same and um the decision I made was to allow the people of the City since the Council was so torn on what to do, it was split. Um to hear the voice of the people and let the people decide. And I'm fine with it either way. If they want to dissolve the board and move forward I am fine with that and we'll get that figured out. If they decide they want to keep the board, then I'm fine with that as well. But um my decision was based on hearing the voice of the people and letting the people decide since we were so torn. And that is where that decision came." She feels she can relay information professionally and does not see any conflict because she voted to hear the voice of the people. And until the Princeton City Council makes a decision that she is no longer a City Council Liaison, she plans to continue to attend the meetings and relay information back and forth.

Union Times Reporter Tim Hennagir asked for an explanation as to why in previous agendas for the PUC meetings there has been a section for the Mayor to comment, in this agenda there is no section for the Mayor. General Manager Keith Butcher explained in the past if the mayor had a topic to discuss we would put that on the agenda. Mayor Schumacher did not reach out to him regarding being put on the agenda for this meeting.

Chairman Hanson called for additions or deletions to the agenda. PPU customer Jack Edmonds requested to be added to the agenda:

New Business:

A. Comment from Princeton Citizen Jack Edmonds

Manager Keith Butcher added to the agenda:

B. Princeton City Communications

On the open forum, PPU Commissioner Rick Schwartz commented City Councilor Jenny Gerold had clearly stated all three PPU Commissioner names at the City Council Meeting and it was the City Council that put the PUC in this position. If the City Council does not feel the PPU Commissioners can run the PUC why did all of the Council Members vote for them and appoint them for the position. All PPU Commissioners are very knowledgeable. The language was used that the City Council does not trust any of the PPU Commissioners. Commissioner Rick Schwartz stated he had contacted City Councilor Jenny Gerold asking what he had done to give you the indication that you could not trust me since he had only been appointed a PPU Commissioner for two months. He does not know of anything they have done that you cannot trust them for, they are trustworthy people. He stated with statements made like that publicly, he takes offense to.

City Councilor Jenny Gerold stated she did not state that any of the PPU Commissioners could not run the PUC. She stated "What I do not trust is the decisions that have been made which appear to me to be emotional and feeling based on the views or the feelings or the disdain of the current mayor. That is how I view decision-making. Have you done that? I have not witnessed you doing that Mr. Schwartz and I will apologize publicly for putting you in that category because you were not on the board when the board made the decision to stop making the PILOT payments. You were not included in that decision-making. You have not given me any reason to personally to not trust your decision making but I don't trust the rest of the decision making at times because I feel like it's all based on the disdain for one person and not what is best for the whole community and City of Princeton. I did not read Mr. Hanson's letter because Jack offered to do it. He said if you don't want to Jenny, I will do it. Which apparently he was also asked to do it. It was decided not to read that letter because we decided not to have an Open Forum. We were under a time crunch, we had a deadline. If we would have opened it up to Open Forum there is a possibility we would have gone over our deadline, we would not have been able to get the information to the um to the county. That letter was viewed no different than allowing Open Forum." She stated the voices of the Princeton residents will be heard when they vote on November 3<sup>rd</sup>. Commissioner Rick Schwartz stated the people's voice should always be heard.

Mr. Erickson made a motion to approve the agenda with additions of the August 26, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously.

After a discussion, Mr. Schwartz made a motion to approve the accounts payable listing for the period of July 1, 2020 through July 31, 2020. Mr. Erickson seconded. Motion carried unanimously.

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

- A. The SMMPA Board Meeting was held August 12, 2020 via video conference. General Manager Keith Butcher was unable to attend the video conference. The Key Metrics were provided to the PPU Commission. There was a discussion of including the minutes from the SMMPA Board Meeting in the packets for the PPU Commission Meetings. The consensus of the PUC Commission was to include the SMMPA Board Meeting minutes in their packets.

- B. In the Generation Plant, they continue working on the radiator.

In the Electric Department, to date 40.1% of the electric meters have been converted to AMI meters. By this time next year, they hope to be 90% to 95% completed. Installation of the DC fast charger continues with the boring at Coborn's being completed. The line crew continues with underground work around Princeton to help improve the PPU's reliability.

- C. In the Water Department, 14.6% of the water meters have been converted to AMI meters. There was a delay in the installation because the hand tool had failed. They have received the new hand tool and are initializing water nodes for installation. Water meters take additional time as water meters are located inside the home and working around customers schedules.
- D. City Administrator Bob Barbian reported they continue on River West Suites apartments. A TIF will be presented to the Planning Commission next month for review and then to the City Council for approval. Construction on the AT&T cellular tower will begin in September. There was a discussion on the watermain loop extension by 7 Barrel Brewery which is on hold at this time.
- E. General Manager Keith Butcher reported the following:
- i. New bills are being mailed with week along with a survey to complete and return. The public is encouraged to let us know their thoughts on the bill change. Customers can return the survey to us, comment on Facebook, or e-mail us their thoughts. Complete feedback will be compiled and brought back to the PPU Commission for review.
  - ii. General Manager Keith Butcher participated in MMUA's Virtual Summer Conference. Majority of the conference centered on COVID responses. Three new members joined the MMUA board. A new President-Elect was nominated and the passing of the gavel took place. MMUA dues will remain unchanged for 2021.

## **7. UNFINISHED BUSINESS:**

- a. **There was no Unfinished Business**

## **8. NEW BUSINESS:**

### **a. BALLOT QUESTION DISCUSSION**

There was a discussion on the Ballot question "Shall the Public Utility Commission be abolished?" Commissioner Rick Schwartz fears if this should pass, he does not feel the Princeton City Council understands the obligations that they will have to perform. Right now the PPU Commissioners are the directors as is the General Manager. He has a strong concern that Princeton itself and the PPU customers will be the ones that will suffer the consequences. He stated there is no guarantee any of the employees will stay if this should pass.

Commissioner Dan Erickson the PPU Commission is a citizen group that stands between the Princeton City Council and the ratepayers as a buffer. His predecessors have done a very good job of managing this utility for the past 100+ years getting the PUC in a very solid financial position. This could change with the snap of a finger. He is concerned if people are not aware of what the PPU Commission does for them, that the ratepayers will suffer down the road if the wrong group of people were to get their hands on the reserves that are set aside for large for capital improvements such as transformers. It is the responsibility of the PUC Commission from this time forward to educate the ratepayers and voters of what they stand to lose.

Commissioner Greg Hanson stated prior to Dan Erickson being appointed to the PPU Commission, he had stated one of his goals was he wanted to change the perception of PPU and the public to show that we were in fact working towards their best interest. The decision they made to stop paying the PILOT was a decision not based on personalities, it was based specifically on getting the electric reserve funds back up to what we felt an important minimum target. There was a work session just a week ago talking about specific strategies to move money to get to that target so the PPU could be in a position to discuss PILOT in the future. That decision was based on doing what was best for the customers. He also stated the PUC should not be a source of additional income to the City Council. The City Council has the responsibility to set taxes, set franchise fees, etc. The PPU is not a taxable government entity, it is a municipal entity. The PPU has a responsibility to make sure that the water and electricity we provide are at the best. PPU employees respond to outages at a moments notice when people in this community need it whether there is a leak in a water line, a transformer, or a polar vortex. We have employees who respond to any instance to make sure our people are not shut off. That is the PPU's responsibility. It is clearly the PUC Commissioners job to not get involved in who said what, it is irrelevant. However, it is critically important that the community knows and understands what it is we do and how we do it and who is involved in doing it every single day.

Minnesota State Legislature many years ago wanted to keep cities and utilities separate so the utilities would not be caught up in any political issues so a State Statute was written for this matter. The responsibility of the PPU is to provide the commodities that we do, provide the services they expect and to be completely open and forthcoming as a Commission and as a utility. That should be the focus of our work and until we are dissolved we have a job to do and we will do it.

PUC customer Jack Edmonds commented on the state statute that he falls back on consistently. The state statute can be challenged and has been challenged. There is already a committee that has been formed to Vote No. They will be going out to answer questions customers would have.

Chairman Greg Hanson re-iterated that it is still the PPU Commissions' responsibility to be open and forthcoming about what it is we do, the decisions we make and the services we offer to the PPU customers. These components need to be shared with the Princeton community. Commissioner Rick Schwartz stated the PUC customer base is not just within the Princeton city limits. The customers outside the city limits do not have a voice in the ballot question. The business owners also do not have a voice.

#### **b. COMMUNICATIONS**

The Commission continues to focus on improving the public perception of the PPU and help customers to better understand who the PUC is and what we do. Due to COVID-19 tours of the PPU facilities have been suspended. Prior to COVID-19, tours had been provided to the public during normal business hours which is difficult for working families.

There is an opportunity through our website company to work with a videographer to develop a series of videos to highlight Princeton Public Utilities. The videos could provide virtual tours of the power plant, substations, water treatment plants and water towers. There could be videos on news and current events pertaining to PPU activities. There could be interviews with staff and officers (past and present). There could also be videos on work activities such as replacing a power pole, inspecting equipment and running a generator. There could be videos on PSA's (Gopher State One Call, power line safety, protecting ground water resources, paying your bill online).

The videos could hit every aspect of what the PPU does. The videos could be posted on YouTube, Facebook and the PPU website. The goal would be to produce videos of the PPU and the City of Princeton working together and promoting the City of Princeton, not just Princeton Public Utilities. The discussion of the videos included promoting the Princeton community and the entire area to have your business in, to live in and to work in. The PPU Commissioners would like to see more information being placed in the local newspapers to help promote businesses. Mr. Schwartz made a motion to move forward with the development of these educational videos and posting them on PPU and social media. Mr. Erickson seconded. Motion carried unanimously.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 2:00 p.m. Mr. Erickson seconded. Motion carried unanimously.



Gregory Hanson  
Chairman



Kathy Ohman  
Secretary