

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

September 23, 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 at the Mille Lacs County Historical Society Depot Museum in the Amdall Room, 202 10th Avenue South, on September 23, 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 customers Jack Edmonds and Lee Steinbrecher.

Meeting was called to order by Chairman Hanson at 1:01 P.M.

Mr. Schwartz moved to approve the Minutes for the August 26, 2020 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

During Public Comments, PUC customer Lee Steinbrecher read a statement dispelling rumors and let people know how the Vote No campaign to save the Public Utilities is proceeding.

1. On social medial, it has been rumored that thousands of dollars is being contributed to the campaigns of local politicians from the Vote No campaign.
 - a. This is totally false. Not one dollar has been given to any political campaign. All of the money that has been contributed has been used for advertising and signs. The Vote No campaign exists to give facts to the best of our knowledge about the utilities, staff, and the commission. Unfortunately a lot of time is being spent squelching lies and deception.
2. The rumor today regarding the video on salaries of local public officials and local construction works was coordinated with the Public Utilities because part of your discussion today is regarding salaries.
 - a. At no time has he or will he coordinate anything or interfere with the operation of the Public Utilities or its staff. When the video was posted he had no idea the discussion of salaries would be on the agenda for the meeting today.
3. Campaign
 - a. The outpouring of support from the campaign to support the Public Utilities Commission has been amazing. Since the original order, he has re-ordered Vote No signs three times. He receives calls every day from people he does not know asking how they can help. There are a lot of people in this community supporting the Public Utilities Commission. They do not believe the lies and deceptions.
 - b. New videos will be coming soon.

Union Times Reporter Tim Hennagir requested information related to a FAQ on the PUC website regarding ballot question. One of the questions is "I don't live in town but I am a Princeton Public Utility customer, do I get to vote on this question?" The response on the PUC website is "No, the question will only be on the ballot for those that live within the city limits". Tim Hennagir asked how many Princeton Public Utilities customers will not get to vote on this that are customers of the PUC. The question to abolish the Princeton Public Utilities Commission will only appear on the City of Princeton Ballot. General Manager Keith Butcher stated he has been reviewing this question. The

PUC has a total customer base of approximately 2,300. In his review, there were 248 PUC residential customers who are not being charged a City of Princeton Franchise Fee as they are not within the city limits. PUC customers who do not live within city limits are not charged a monthly Franchise Fee. Using the calculations on an average of how many voters live in each home from the U.S. Census, there could be approximately 400-500 people who are PUC customers living outside city limits that will be unable to vote on the ballot question. Union Times Reporter Tim Hennagir stated he had spoken with the Mille Lacs County Auditor/Treasurer. The Auditor does not know the service territory of the Public Utilities but stated the Princeton City Council is the one that wanted the question on the ballot, therefore it will appear only on the City of Princeton ballots.

Princeton City Administrator Bob Barbian asked if anyone had checked with the Minnesota Secretary of State on who would be able to vote on the ballot question. It is his understanding the Secretary of State and Stat Statute determines who will be able to vote on the ballot question.

PUC customer Jack Edmonds stated he is attending the meeting today as a private citizen. He stated he is running for Mille Lacs County Commission and has not received any funds from the Vote No committee. He stated if a person lives outside the city limits, to the best of his knowledge they will be unable to vote. He has been asked questions by several people on the ballot question.

PUC Commissioner Richard Schwartz stated if there are any questions on the State Statute or County Auditor or anybody that this ballot question that people living outside city limits could or could vote on should be checked out with the Secretary of State by everyone. This has been a misrepresentation by the City of Princeton and the improper way they rushed to put this question on the ballot. The public was not allowed to speak at that meeting. It was not handled properly.

Chairman Hanson called for additions or deletions to the agenda. Manager Keith Butcher added to the agenda:

New Business:

B. Tort Liability Waiver and then subsequently re-letter each item thereafter.

PUC Chairman Greg Hanson added to the agenda:

J. Discuss Billing Procedures

Mr. Erickson made a motion to approve the agenda with additions of the September 23, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously.

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

6. REPORTS AND CORRESPONDENCE:

A. Both the September SMMPA Key Metrics worksheet and August 12th Board Meeting Minutes were reviewed. Going forward, both of these items will be included in the packets for review. Commissioners are encouraged to ask any questions that they may have.

B. In the Generation Plant, they continue rehab work on the radiators. PPU employee Jim Bigger, visited Wells, Minnesota to help them with a voltage regulator problem. He has also received a request from Delano Municipal Utilities to help with their plant. This is a part of our ongoing effort to provide mutual aid to our other municipal colleagues.

In the Electric Department, two underground conversions are underway on West Branch Street and 3rd Avenue Court North. This will increase the reliability for 15 homes by eliminating 20 power poles.

- C. In the Water Department, Total Control is currently working on the SCADA system upgrade at Water Treatment Plant #2. They experienced a water leak where two old abandoned water service lines on 6th Avenue. The two service lines were removed and capped at the main. PPU is working with Princeton Public Works Director Bob Gerold to complete the road work. The Water Department will be flushing hydrants the week of September 28th. City Councilor Jenny Gerold stated she will announce this at the Princeton City Council Meeting tomorrow.
- D. City Administrator Bob Barbian reported the Planning Commission is have a sewer analysis study done. The analysis is looking at the current sewer infrastructure is, what material the pipes are, the size and the age of the service and the capacity. He stated the study should be completed next month. They are looking at doing an analysis study of the roads in Princeton also.
- E. General Manager Keith Butcher reported the following:
 - i. With the AMI meter conversions, we are currently at:
 - 1. 41.7% of the Electric meters have been converted to the new AMI meters.
 - 2. 17.0% of the Water meters have been converted to the new AMI meters.The school, hospital, Sterling Point and Elim Home have all been converted to AMI meters. With the conversion, we noticed some large, consistent water consumption in a vacant building. The building owner was contacted and asked us to investigate the issue. It was discovered there was a broken toilet flapper with the water running. Because of the AMI system and the ability to catch this early, we saved the building owner 1,000s of gallons of water being wasted and helped keep their bills low.
 - ii. The DC Fast Charger at Coborn's is in the process of being installed. They will be pouring the footings and the foundation.
 - iii. The days of cash on hand as of August 31, 2020 was 105 in the Electric Department and 505 in the Water Department. Since February 1, 2020 kWh electric consumption has been down 3.7% but has slowly coming back since. A budget meeting is scheduled for tomorrow to begin budget planning for 2021.

7. UNFINISHED BUSINESS:

a. COMMUNICATIONS

The video currently on the PPU website was taken this past spring. This video will be updated to be more seasonal. Five virtual tours have been filmed and will be posted when completed.

The Connector Newsletter will be mailed with bills the end of September. Highlights in the Newsletter include Public Power Week, the Ballot Question and what it is, Cold Weather Rule and the Value of Water.

b. BILL RE-DESIGN FEEDBACK

Memorandum 20-05 was presented to the PPU Commission with the feedback received from the bill re-design. There were 69 responses on the survey. 91% had a thumbs up with 4% thumbs down and 4% did not respond either way. There were several comments both positive and negative regarding the bills including the color of the type, rates, graphs, and general comments. Manager Butcher felt comments were positive. There was a discussion on the graphs on customers' bills. Manager Keith Butcher explained the graphs on the bills are for CIP purposes which allows us to meet our requirements. All customer information is private and Princeton Public Utilities does not share their information with anyone without consent.

8. NEW BUSINESS:

a. DELINQUENT BILLS AND PROPERTY TAX ASSESSMENTS

Past due utility bills as of August 31, 2020 was presented to the PPU Commission for approval to be assessed to 2021 property taxes. When a customer becomes delinquent on their utility bill or does not pay their final bill, PPU office staff attempts to contact the appropriate parties and if left unpaid the past due amount will be sent to the Minnesota Department of Revenue Recapture Program or a collection agency. Staff also work with lenders and title companies to collect past due utility bills at closing when a property is sold. This year the PPU will assess one account in the amount of \$490.85. Mr. Erickson made a motion to approve the past due assessments to the 2021 property taxes. Mr. Schwartz seconded. Motion carried unanimously.

b. TORT LIABILITY WAIVER

The tort liability coverage waiver form was presented to the PPU Commission which includes \$500,000.00 cyber security insurance. There was a discussion on insurance agent Jim Burroughs attending the October 2020 PPU Commission Meeting to discuss what the PPU has for insurance. Mr. Erickson made a motion to approve the tort liability coverage limits of \$1,500,000 from the League of Minnesota Cities Insurance Trust for 2020, the PPU does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04. Mr. Schwartz seconded. Motion carried unanimously.

c. MMUA SAFETY MANAGEMENT PROGRAM CONTRACT

PPU contracts with Minnesota Municipal Utilities Association (MMUA) with their safety training program and OSHA regulations. The safety coordinator comes to the PPU office for all training with our staff and participates in the Safety Committee meetings. The MMUA Safety Management Contract for 2021 has been received with no increase. There was a discussion on whether insurance companies recognize this training. Mr. Erickson made a motion to approve the 2021 MMUA Safety Management Program for the period of 10/1/20 to 9/30/21. Mr. Schwartz seconded. Motion carried unanimously.

d. PUBLIC POWER WEEK

Public Power Week which is promoted by APPA is October 4th through October 10th. PPU will be holding an event on Saturday, October 10th, 2020 from 9:00 AM to 12:00 Noon to welcome the Princeton Community to our site to visit staff and ask questions they may have. Due to Covid-19, pre-packaged snacks and bottled water will be handed out to guests along with handout gifts. There will also be a drawing for a gift box provided to the PPU from SMMPA. Tours of the Generation Plant will not be available due to Covid-19. Guests from MMUA and SMMPA will be attending this event.

e. BE BRIGHT CAMPAIGN

The Be Bright Campaign is a program through SMMPA and coordinated with local retailers. LED bulbs purchased at participating retailers during this campaign will receive an instant rebate at the time of purchase. Bill inserts for the Be Bright Campaign will be mailed with September bills. Marv's True Value is our local participating retailer.

f. COLLECTIVE BARGAINING NOTICE

General Manager Keith Butcher has been notified there is an interest in certain staff to join a union. It has been filed with the State of Minnesota with interest in the union. Current PPU attorneys do not wish to work with Labor Law. A recommendation was made by our attorneys to look at Stinson LLP law firm to have proper representation. Stinson has provided the PPU with an

engagement letter to start negotiations. Stinson LLP will not be charging a retainer fee, charges would only be fee for service charges. PPU customer Lee Steinbrecher asked the question "is this being brought up now because of the question on the ballot?" Bob Barbian stated that the City of Princeton has two bargaining units. Manager Keith Butcher stated employees have been approached by union reps in the past, however it has never gotten as far as it has this year. There is a tremendous amount of uncertainty since the question was placed on the ballot. Mr. Erickson made a motion to approve the engagement letter and move forward with discussions on the union. Mr. Schwartz seconded. Motion carried unanimously.

g. HEAT SHARE AGREEMENT RENEWAL

The PPUC has been involved with Salvation Army with the Heat Share Program for assistance to low income customers for several years. Manager Keith Butcher would like to continue our participation in the program. For every dollar contributed to the Heat Share Program by PPU customers, PPUC matches up to \$50.00. The renewal contract for 2021 was presented to the PPU Commission for approval. Mr. Erickson made a motion to approve participation in the Salvation Army Heat Share Program for the year 2021. Mr. Schwartz seconded. Motion carried unanimously.

h. 2020 COMMISSION CALENDAR

There was a discussion on upcoming PUC Commission Meetings. The October meeting Regular PPU Commission Meeting will be held on October 28th, 2020. The November PPU Commission Meeting is scheduled for Wednesday November 25th. There was a discussion on changing the meeting date from November 25th to November 18th. The December PPU Commission Meeting is scheduled for Wednesday, December 23rd. With the Christmas holidays, there was a discussion on changing the meeting date from December 23rd to December 16th.

i. GENERAL MANAGER REVIEW AND SALARY DISCUSSION

General Manager Keith Butcher's one-year review should have taken place the end of May 2020. However due to Covid-19 and the difficult times everyone was having, his review was placed on hold. After a discussion on the procedure, it was the consensus of the PPU Commission to hold a Closed Work Study Session on Wednesday, October 21st, 2020 at 2020 at 1:00 p.m. to discuss General Manager Keith Butcher's review and possible salary adjustment.

j. BILLING PROCEDURES

There was a discussion on monthly the billing procedures of the PPU. Currently customers are billed every month for their electric, water, and sewer services. The City of Princeton is paid each month for the sewer services and Franchise fees that were actually billed each month, not what was received in payment. PPU Chairman Greg Hanson suggested the possibility of paying the City of Princeton for what is actually collected in receipts and not what is billed monthly. PPU procedures have been at year end when accounts are charged off, the sewer portion of those yearend charge offs is deducted from the final monthly sewer payment to the City of Princeton for that year. Chairman Greg Hanson would like to have this procedure evaluated and possibly changing our bookkeeping procedures.

Union Times Reporter Tim Hennagir asked for an explanation on what a Micro-Grid is. General Manager Keith Butcher explained a Micro-Grid is isolated from the national grid. It is a much smaller grid, can be self-isolated and would have its own generation within that grid.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 2:53 p.m. Mr. Erickson seconded. Motion carried unanimously.

A handwritten signature in cursive script, appearing to read "Gregory Hanson", with a long horizontal flourish extending to the right.

Gregory Hanson
Chairman

A handwritten signature in cursive script, appearing to read "Kathy Ohman", with a long horizontal flourish extending to the right.

Kathy Ohman
Secretary