

## **PUBLIC UTILITIES COMMISSION**

### **REGULAR MEETING**

**November 18, 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 10<sup>th</sup> Avenue South, on November 18, 2020, at 1:00 P.M.

Present: Chairman Greg Hanson. Commissioner Dan Erickson and Commission Rick Schwartz were present via Zoom.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, Princeton Councilor Jenny Gerold, and City Administrator Bob Barbian.

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

Mr. Erickson moved to approve the Minutes for the October 28, 2020 Regular PUC Commission Meeting and the Minutes for the November 11, 2020 Work Study Session Meeting. Mr. Schwartz seconded. Motion carried unanimously. Mr. Erickson moved to approve the Minutes for the November 11, 2020 Closed Meeting as modified. Mr. Schwartz seconded. Motion carried unanimously.

There was no Public Comments.

Chairman Hanson called for additions or deletions to the agenda. PUC Chairman Greg Hanson added to the agenda:

New Business:

E. Closed Session for Purposes of Completing Evaluation of General Manager Review

Mr. Schwartz made a motion to approve the agenda with additions of the November 18, 2020 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

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

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

- A. Both the October SMMPA Key Metrics worksheet and October 16<sup>th</sup> Board Meeting Minutes were reviewed. Also reviewed was the 2021 SMMPA meeting schedule.
- B. In the Generation Plant, staff has been conducting relay testing. The radiator project has been completed. They are also working on a battery replacement for Engine #7.

In the Electric Department, they have found a resource to scrap the old AMR meters that are being changed out. They continue working on overhead to underground conversions. The line crew helped

install Christmas lights on the northeast corner of the roundabout on Highway 95. They have started working on the Christmas decorations for the street lights. Installation will be early next week. They have been conducting some thermo-mapping of the electrical system so we can be proactive in identifying weak areas within the system before failure. They also continue with tree trimming. Money was donated from the PUC for the Light Up Princeton campaign. Princeton Public Utilities are willing to assist the city in setting up Light Up Princeton.

- C. In the Water Department, they continue changing out AMR meters to AMI meters. They have conducted an in-house filter testing. Plans are to have a contractor look at the valve system to understand potential replacement costs.
- D. City Administrator Bob Barbian reported the City of Princeton has received over \$300,000.00 CARES funds. Improvements were made at the City and the Mille Lacs Depot Museum. Funds will also be distributed to local entities who apply for funds and provide all proper documents. A business grant program was also available to apply for with seven participants receiving grants in Princeton. A development company is still active in Princeton and has been looking at a few areas to develop. There was a discussion on the PPU to provide an incentive package to developers welcoming them to Princeton. The City of Princeton currently has an incentive package for developers. The PPU could work jointly with the City of Princeton on incentives.
- E. General Manager Keith Butcher reported the following:
  - i. CARES funding invoices have been submitted to the City of Princeton for reimbursement. Cash reserves in the Electric Department as of October 31, 2020 was 111 days and 524 days in the Water Department.
  - ii. The Stakeholder Engagement activities are ongoing Videos to highlight the staff, history and facilities of Princeton Public Utilities are being released.
  - iii. Annual reviews for PPU staff have begun and are moving forward. Job descriptions were updated or re-wrote by General Manager Keith Butcher to make them more current. The reviews will be completed by the end of 2020.
  - iv. General Manager Keith Butcher continues to meet with the States Bureau of Mediation Services regarding the collective bargaining. There are still some outstanding questions that we have been working with the state on. No vote date has been set at this time.
  - v. Xcel Energy has filed for a 20% rate increase with the Minnesota Public Utilities over the next three years. They are asking for a 14% increase in year one.

## **7. UNFINISHED BUSINESS:**

- a. **AMI**

The AMI meter conversions have been moving forward. At this time, 47.5% of the Electric meters have been converted to the new AMI meters. 21.9% of the Water meters have been converted to the new AMI meters.
- b. **EV CHARGERS**

The installation of the DC Fast Charger is complete and are waiting to commission the charger. PPU worked very closely with Coborn's since the installation required and outage and everything went very smoothly.

**c. COVID UPDATE**

Due to the recent surge both locally and nationally, the PPU has set some protocols in place effective November 16, 2020.

- All AMI installations have been suspended.
- Re-emphasized the use of masks and social distancing.
- Limiting vehicle occupancy to one.
- Utilizing the office space at the water treatment plants more.
- Limiting outside visitors whenever possible.
- Cleaning protocols enforced.

General Manager Keith Butcher anticipates we will remain working under these conditions at least through the holidays. The large focus over the winter months will be on individual projects and training.

**8. NEW BUSINESS:**

**a. 2020 AUDIT ENGAGEMENT LETTER**

The 2020 Audit engagement letter was presented to the Commission for approval. Total cost for 2020 to conduct the audit is \$10,750.00. General Manager Keith Butcher had done some price checking and their rate is very good. Mr. Schwartz 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, 2020 at a fee of \$10,750.00. Mr. Erickson seconded. Motion carried unanimously.

**b. 2021 FEE PROPOSAL**

General Manager Keith Butcher presented the proposed 2021 PPU Fee Schedule to the PPU Commission. He is proposing to keep the Utility Deposits the same, adding an AMR Meter Reading Fee, raising the Cogen/Small Power Production Application Fee and adding an EV Charger fee. He is proposing to eliminate the Load Management Credit customers receive during the summer months. He has proposed to raise the equipment rates per hour and the labor rates per hour. There was a discussion on the Utility Deposits. Mr. Butcher will look into this more.

**c. 2021 BUDGET PROPOSAL**

General Manager Keith Butcher presented the proposed 2021 Electric Department and Water Department Budgets. Major expenses in 2021 include a possible addition on the warehouse for storage, continuing with the AMI meter conversions, and Phase II of the Wellhead Protection Plan.

City Administrator Bob Barbian brought up the discussion of considering to re-instate the Payment In Lieu Of Taxes (PILOT) to the City of Princeton.

There was a discussion on the five-year capital plan. This includes an IT system improvement including servers and work station upgrades. In the Electric Department continue with the AMI conversions, underground work, a system study and upgrades to the substations. In the Water Department continue with the AMI conversions, water main replacement on 7<sup>th</sup> Avenue North and replacement of the valves in the Water Treatment Plant. Also included is the annual fee charged by the Minnesota Department of Health for each water connection within the city. In previous years this fee was passed on to customers. In 2019, the PPU Commission approved paying this fee directly going forward. Manager Keith Butcher would also like to have a new utility rate study done within the next couple years.

d. **FINANCIAL REPORTS**

The October 31, 2020 financial statements for Princeton Public Utilities along with the trial balance were reviewed.

e. **CLOSED MEETING**

Mr. Hanson made a motion to close the regular meeting of the Public Utilities Commission at 2:22 P.M for the purpose of completing the performance and evaluation review of the General Manager. Mr. Erickson seconded. Motion carried unanimously.

The regular session of the Public Utilities Commission was resumed a 3:16 p.m.

Mr. Erickson made a motion to approve the step increase for General Manager Keith Butcher. Mr. Hansen seconded. Motion carried unanimously.

There being no further business, Mr. Hanson made a motion to adjourn the meeting at 3:17 p.m. Mr. Erickson seconded. Motion carried unanimously.



Gregory Hanson  
Chairman



Kathy Ohman  
Secretary