

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

December 16, 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 December 16, 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, and Union Times Reporter Tim Hennagir. Todd Olin joined the meeting later.

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

Mr. Schwartz moved to approve the Minutes for the November 18, 2020 Regular PUC Commission Meeting as modified. Mr. Erickson seconded. Motion carried unanimously. Mr. Schwartz moved to approve the Minutes for the November 18, 2020 Closed Meeting. Mr. Erickson seconded. Motion carried unanimously.

There was no Public Comments.

Chairman Hanson called for additions or deletions to the agenda. There were none.

Mr. Schwartz made a motion to approve the agenda of the December 16, 2020 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

City Councilor Jenny Gerold started a discussion regarding the approval of accounts payable invoices prior to any invoices being paid. Several factors discussed included requesting longer payment terms from vendors, late fees incurred, automatic payments, etc. Mr. Erickson made a motion to approve the accounts payable listing for the period of November 1, 2020 through November 30, 2020. Mr. Schwartz seconded. Motion carried unanimously.

6. REPORTS:

- a. Both the November SMMPA Key Metrics worksheet and November 12th Board Meeting minutes were reviewed.
- b. The October 2020 PUC financial reports were reviewed. The days of cash on hand as of November 30, 2020 was 117 in the Electric Department and 526 in the Water Department.

Mr. Schwartz made a motion to approve the Reports section of the meeting. Mr. Erickson seconded. Motion carried unanimously.

7. UPDATES:

- a. In the Generation Plant, staff conducted test runs last week. During the test runs, it was noticed that Engine #3 has two small water leaks. A couple O-rings will be replaced to hopefully address the issue. Engine #7 is offline at this time. Containments were found in the oil chambers after the last test run. As a precaution, staff conducted a visual inspection of the catalysts and they are clean. Found in the oil was water and a high level of sodium. We will be working with Ziegler to correct this issue. There will be a SCADA system upgrade in the Generation Plant in 2021.

In the Electric Department, they have been working on the annual inventory count. The line crew is also working on tree trimming and they will be retrofitting old internal light fixtures to LED. They will also be working with Altec to replace a busted hose on the bucket truck.

- b. In the Water Department, Scott Schmit officially received his Class C Water Supply System Operator Certification. They have begun work on our Risk and Resiliency report which is a new regulatory requirement from US EPA and will be a part of our Emergency Response Plan. We have met with Minnesota Rural Water Association for assistance with the report. Visual inspections were conducted on all three water towers. There are no issues identified. They are working on a vehicle maintenance log. There is an air leak at WTP #2. It is hoped that a gasket replacement will address this issue.
- c. City Councilor Jenny Gerold reported she had sent an e-mail inviting PPU Commissioners to a joint meeting with the City of Princeton on either January 12th, 19th or January 26th at 4:30 p.m. Mr. Schwartz suggested waiting until after January 14th when the new Princeton Utility Commissioner is appointed. Each entity would provide an agenda with topics they would like to discuss. After a discussion, it was the consensus of the PPU Commission to schedule the joint meeting for January 19th at 4:30 p.m.

City Administrator Bob Barbian reported applications for the PPU Commission are open. The City of Princeton has completed their SCADA system on the Lift Stations. The AT&T Cell Tower will be live soon. There was a Developers Review Meeting for the Rum River Plat. Site plans will be going to the Planning Commission for approval and then to the City Council for approval. This site is located on the south side of 1st Street. A site plan review was done on Taco John's who will be constructing a new building near Princeton Auto in the spring. Sherburne Lakes and Sherburne Village on County Road 2 is still in the discussion stage.

- d. General Manager Keith Butcher reported the following:
 - i. Ryan Grant has submitted his resignation. His last day of employment was December 11th, 2020. The search for a new electric superintendent has been posted with MMUA and APPA and also on our website. Manager Keith Butcher and Jeremy Linden are working together to keep the Electric Department moving forward until a replacement is hired.
 - ii. The annual Federal Motor Carrier Safety Administrator driver query was conducted in November. This is an annual requirement on all staff with a CDL that is used for work.
 - iii. General Manager Keith Butcher continues to meet with the State's Bureau of Mediation Services regarding collective bargaining. No date has been set for a vote.
 - iv. At the November PPU Commission Meeting, there was a discussion regarding deposits for electric heat customers and whether it should be differentiated between renters and owners. The current breakout is that out of 98 electric heat customers, 16% are owners and 74% are renters.
 - v. Christmas decorations were installed throughout Princeton. PPU also assisted the City of

Princeton with the Light Up Princeton by providing staff and a bucket truck. Christmas decorations are stored at PPU. Every year before being installed, they are gone through and repairs are made. This year PPU spent approximately \$410.00 on miscellaneous repairs. This expense is not charged to the City of Princeton. Barbian noted that the decorations are owned by the Chamber of Commerce, not the City of Princeton.

- vi. The City of Mora contacted PPU in regards to purchasing a transformer. They were experiencing a delay in the delivery of the transformer they had ordered.
- vii. PPU participated in the City Development meeting Monday. Projects discussed were Taco Johns new location by Princeton Auto, West Rivertown Apartments and the Sherburne Village/Sherburne Lakes which currently is not in PPU service territory. Taco John's new location is not in PPU electric service territory, but PPU would be servicing water utilities.
- viii. Covid Update: 242 disconnect notices were mailed out in November. Total dollar amount past due is approximately \$73,500.00. Comparing to the same time frame in 2019, past due arrears at that time was approximately \$40,800.00 which is a 60% increase.

SHERBURNE VILLAGE & SHERBURNE LAKES INTRODUCTION

Mr. Olin from Landform presented a conceptual plan on Sherburne Village and Sherburne Lakes. Sherburne Lakes is the mobile home park in Sherburne County and Sherburne Village is a new 55+ community. The new 55+ community would require utilities to be installed. The village and mobile home park are both outside city limits and outside PPU service territory. They are working with the City of Princeton to have these properties annexed into the city limits. Mr. Olin is looking to loop the water system in the parks. Sherburne Lakes and Sherburne Village would have approximately 353 residents. He stated the developer would pay for the installation of all utilities. In exchange for this they are asking for the Water Availability Connection (WAC) fees and Trunk fees be waived. Any future expansions in the park would pay WAC and Trunk fees at that time.

8. UNFINISHED BUSINESS:

a. AMI

The AMI meter conversions has been put on hold during the Governor's most recent order due to Covid. The internal AMI workgroup did not meet in November due to this suspension. Efforts are being focused on internal actions. We have received several disconnect meters and are hoping to install these in 2021 to assist with future disconnections.

b. EV CHARGERS

ZEF will be commissioning the DC Fast Charger. The credit card reader has been initialized. The official launch and ribbon cutting will be held in January to announce the charger.

c. PROPOSED 2021 BUDGET

General Manager Keith Butcher presented Memo 20-07 the proposed 2021 Electric and Water Operating Budgets along with large projects. No rate increase is proposed for 2021. Mr. Erickson made a motion to approve the proposed 2021 Electric and Water Operating Budgets. Mr. Schwartz second. Motion carried unanimously.

d. PROPOSED 2021 FEE SCHEDULE

General Manager Keith Butcher presented Memo 20-08 the proposed 2021 Fee and Rate Schedule to the PPU Commission for approval. The co-generation fee will remain at \$100.00 instead of increasing to \$350.00. Mr. Schwartz brought up a discussion on customer meter deposits for renters

and owners. There was also a discussion of looking at a customer's credit score rather than a letter of credit from their previous utility company. With there being a fee charged to check an individual's credit score, there was a discussion on implementing an application fee. There was a discussion to schedule a work study session to discuss customer meter deposits for January 13th, 2021 at 1:00 p.m. Mr. Schwartz made a motion to approve the 2021 Princeton Public Utilities Commission Fee and Rate Schedule with the change of the co-generation application fee to \$100.00 and the condition the customer meter deposit policy be discussed at the January 13th, 2021 Work Study Session. Mr. Erickson seconded. Motion carried unanimously.

8. NEW BUSINESS:

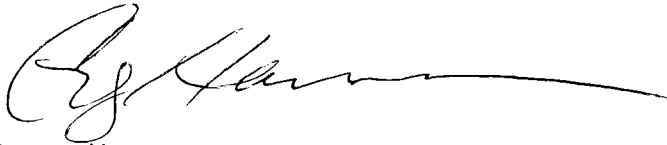
- a. **SHERBURNE VILLAGE & SHERBURNE LAKES INTRODUCTION**
This was discussed earlier in the meeting.
- b. **SMMPA LONG TERM FORECAST**
General Manager Keith Butcher reported SMMPA has been looking at their long-term forecast and beyond Sherco retirement in 2030. SMMPA membership will be reduced once Austin and Rochester's contracts expire. They will continue to do an intentional drawdown of reserves through 2025 with reserves leveling out through 2029 to remain within their financial bandwidth. They are looking at rate decreases in 2026 and 2027 due to the maturing of the Sherco 3 bonds and a rate decrease in 2029 due to the wind contract expiration. Once Sherco 3 is retired in 2030 and the membership has reduced, they are looking at a potential rate increase in early 2030's. They still anticipate rates to be lower than 2020 rates.
- c. **MEMO 20-09: TREE TRIMMING BID SELECTION**
There are five main areas in Princeton that need to have trees cleared out. PPU staff are unable to get into these areas for tree trimming. Tree trimming in these areas went out for quotes with Carr's Tree Service presenting the lowest quote.
- d. **MEMO 20-10: ELECTRIC SYSTEM STUDY BID SELECTION**
Two bids were received for the Electric System Study from DGR and SEH. DGR did submit the lowest bid and we would like to move forward with the study with DGR.
- e. **MEMO 20-11: PROPOSED 2021 COMMISSION CALENDAR**
The proposed Commission Meeting Calendar for 2021 was presented to the PPU Commission for approval. Meetings will be held the fourth Wednesday of each month with November and December meetings moved one week forward due to holidays.
- f. **MEMO 20-12: CERTIFICATION OF CHARGE OFFS**
The 2020 Customer Charge-Offs were presented and reviewed. A total of \$2,670.08 will be charged off in 2020. (See attached).
- g. **MEMO 20-13: DISPOSAL OF FIXED ASSETS**
A list of Fixed Assets disposed of in 2020 was also presented and reviewed.
- h. **MEMO 20-14: RESIDENTIAL HOLIDAY LIGHTING CONTEST WINNERS**
The 2020 Holiday Light Contest is completed with three winners. Grand prize winner received \$100.00, first runner up received \$75.00, second runner up received \$50.00 each. Prizes for each

winner was applied as a credit to their utility bill. Winners will be announced. Judging for the contest was done by children of PUC employees. PPU Commission want to thank all who participated in the Residential Holiday Lighting Contest.

Mr. Erickson made a motion to approve Memo 20-09 through Memo 20-14. Mr. Schwartz seconded. Motion carried unanimously.

PPU Commissioners would also like to thank Stephanie Hillesheim, Community Development Specialist along with other City of Princeton staff for all their work on the Light Up Princeton in Riverside Park.

There being no further business, Mr. Erickson made a motion to adjourn the meeting at 3:06 p.m. Mr. Schwartz seconded. Motion carried unanimously.



Gregory Hanson
Chairman



Kathy Ohman
Secretary