

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

February 24, 2021, 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 February 24, 2021, at 1:00 P.M.

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

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Councilor Jules Zimmer, Water Superintendent Scott Daniels, and Electric Superintendent Jeremy Linden.

Meeting was called to order by Chairman Hanson at 1:03 P.M.

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

Mr. Schwartz made a motion to approve the agenda of the February 24, 2021 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

Mr. Schwartz moved to approve the Minutes for the January 27, 2021 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

Commission Chairman Greg Hanson the Public Comments portion of the PPU Commission Meetings is at each and every meeting. Customer have an opportunity at this time for any concerns or questions to be addressed. Comments and questions can either be made in person, e-mailed or by phone call.

After a discussion, Mr. Schwartz made a motion to approve the certification of accounts payable for the period of January 1, 2021 through January 31, 2021. Mr. Erickson seconded. Motion carried unanimously.

6. REPORTS:

- a. Both the January SMMPA Key Metrics worksheet and January 13th Board Meeting minutes were presented.

7. UPDATES:

- a. In the Generation Plant, staff ran generators during the cold period of February 15, 16 and 17 for a total of 36 hours. Both the Generation Plant employees and Electric Line crew were ready in this emergency situation and should be credited. There was some discoloration in the diesel fuel. Samples were taken for our supplier. If there is a presence of a biologic, that would have to be removed via an additive.

In the Electric Department, the line crew have continued focusing on the converting electric meters to AMI meters and tree trimming.

- b. In the Water Department, they have been working with a contractor to replace the actuators at Water Treatment Plant #1. During our reporting process, it was determined the meter on the reclaim pump was not accurate. It was determined one setting in the pump had been changed during our SCADA upgrade. That setting has been restored and the meters are now reporting accurate data.
- c. City Councilor Jules Zimmer reported the new City Administrator, Michelle McPherson, has been hired. Michelle will be joining the City staff on March 8th and comes with a lot of experience. One of her priorities will be to set up a joint meeting between Princeton City Council and PPU Commission. City staff has worked hard providing guidance, productivity and direction during this period. They have done an excellent job. There was a simulcast meeting with the State Representatives. The Council has also met with Mille Lacs County Sheriff and Mille Lacs County Commissioner Genny Reynolds and director, getting the simulcast moving in the right direction. There is a grant coming up the City will be applying for. They are also working on the connection of 19th and 21st Avenues. Princeton Chamber and the Park Board are working on promoting parks in Princeton.
- d. General Manager Keith Butcher reported the following:
 - i. Regulatory updates included the following reports being completed and submitted: the DNR MPARS Report, the MDOC DER DG Report, the EIA-923 (DOE) Report, the DNR Water Conservation Report, and the MPCA Air Emission Inventory Report. The following reports will be due in April: the OSHA/DOLI Safety Report, the MPUC Reliability Report, the MPUC Service Quality Report and the EIA-861 (DOE) Report.
 - ii. General Manager Keith Butcher has received notice that IBEW Local Union 160 would like to open negotiations for a Labor Agreement. Union Representative Andy Kieffer will be representing Local 160 in these negotiations. Manager Keith Butcher has been coordinating with the City of Princeton on upcoming projects.
 - iii. The Datto backup system has been installed the week of February 1 and is operating. The upgrade on the Yukon network server was completed this week.
 - iv. PPU works with Enerlyte on our Behavioral Program providing energy efficiency information on customer's monthly bills. This program satisfies our statutory obligations. Overall savings with demand side management reported by Enerlyte was 2.5%. SMMPA's aggregated savings were 17.28 kWh per customer. This is a 19% increase over the 2019 performance. These savings will be included in our regulatory filings.
 - v. External Events included the MMUA Legislative Conference that was held February 10. Commissioners Rick Schwartz and Dan Erickson both were in attendance to this conference. General Manager Keith Butcher did a presentation to the Princeton EDA Board regarding who Princeton Public Utilities is and what the PUC does. The discussion continued to the annexation of the industrial park on 21st Avenue. Once the annexation is completed, Manager Keith Butcher will begin negotiations with East Central Energy on acquiring the service territory. He also spoke on the PPU's reliability and rebate programs. As the PPU and City of Princeton work together with program for new customers, a package could be put together with incentives.
 - vi. The PPU officially announced that Lead Lineman Jeremy Linden has accepted the position of Electric Superintendent.
 - vii. COVID impacts in 2020 included Electric Sales finishing with 4.4% below the average. January 2021 sales were 5% below a five-year average. Due to the extreme cold, limiters and disconnects have been delayed until March.

8. UNFINISHED BUSINESS:

a. AMI METERS

With the AMI conversions, the Electric Department is 64.9% complete and the Water Department is 29.1% complete. Delivery delays have started due to a worldwide shortage of electronic components due to COVID. We still anticipate receiving orders that will allow us to complete our electric AMI conversion in 2021. If delays continue, electric AMI conversions may extend into 2022. We continue to focus our efforts with the communication between the Yukon system and Power Manager. There is a scheduled upgrade of Yukon tomorrow.

b. EV CHARGERS

PPU has been meeting with the City of Princeton to help identify locations for the two L2 chargers in Princeton. A commercial customer has contacted PPU with a possible interest in placement of one charger at their location. A host agreement will be sent to this customer. Electric Superintendent Jeremy Linden and General Manager Keith Butcher have been working on identifying the top five locations. Currently, the DC Fast Charger has not been charging fees. The Fast Charger will begin charging fees beginning March 1. There has been activity at the DC Fast Charger. He would like to set a fee structure on the L2 Chargers.

c. WELLHEAD PROTECTION PLAN

General Manager Keith Butcher has been notified by the Minnesota Department of Health that the Wellhead Protection Plan has been put on hold temporarily as they are hiring a new planner.

d. SERVICE TERRITORY / DEVELOPMENT

General Manager Keith Butcher has started speaking with East Central Energy on acquiring the service territory on the Industrial Park on 21st Avenue. The City of Princeton will be holding a public meeting tomorrow evening regarding the annexation of the Industrial Park into city limits. When the official copy has been received he will be sharing the information with East Central Energy and start the legal and regulatory process to acquire the service territory. SMMPA will be hosting a working group to discuss a potential rebate on an "all electric" home and load acquisition efforts. Manager Butcher will be attending this work group.

e. ELECTRONIC PAYMENT FEES AND DEPOSIT POLICY UPDATE

General Manager Keith Butcher presented **Memo 21-06: Electronic Payment Fees, Part II**. The average cost to process electronic payments is \$1.67. After speaking with PPU's contractor, we were informed that Visa has given utilities a special utility rate. One of the requirements that Visa imposes on the utility rate is that a convenience fee cannot be charged to customers. If we start charging a convenience fee, Visa would need to be notified and the utility rate will be removed from our account. If decided at a later date to discontinue the convenience fee, the utility rate will not be available as that rate has been discontinued. There was a discussion on whether the convenience fee would be a fixed transaction cost or a percentage of the charges. Several questions were discussed which included if the fee would apply to all charges, would a release form accepting the fee need to be signed, and how to track the fees. General Manager Keith Butcher stated he would need ample time prior to implementing a convenience fee to allow time to notify customers of the change. He stated the convenience fee would affect low income customers the hardest. Once it has been determined to charge a convenience fee, the discussion on the process of implementation of the fee will begin.

9. NEW BUSINESS:

a. **MEMO 21-07: BREMER COLLATERAL**

General Manager Keith Butcher presented Memo 21-07 Bremer Collateral. Bremer Bank has converted the PPU collateral coverable above FDIC back to pledged securities.

b. **MEMO 21-08: SKID STEER LOADER BID SELECTION**

General Manager Keith Butcher presented Memo 21-08 Skid Steer Loader Bid Selection. Maintenance on the 1997 Bobcat Skid Steer Loader have increased. Replacement of the skid steer loader is deemed more economical. Two quotes were received and Water Superintendent Scott Daniels is in the process of receiving a third quote. Attachments from the Bobcat Skid Loader will fit the new skid loader. Mr. Erickson made a motion authorizing the purchase of a new skid steer loader not to exceed \$34,500.00. Mr. Schwartz seconded. Motion carried unanimously.

Water Superintendent Scott Daniels left the meeting.

c. **MEMO 21-09: SMMPA MEMBER REP - ALTERNATE**

General Manager Keith Butcher presented Memo 21-04 SMMPA Member Rep – Alternate. For voting purposes PPU must officially designate a Representative and Alternate Representative. General Manager Keith Butcher is the primary representative for Princeton Public Utilities and the Alternate Representative was Electric Superintendent Ryan Grant who recently left PPU. After a discussion, Mr. Erickson made a motion to appoint Electric Superintendent Jeremy Linden as Princeton Public Utilities Alternate Representative. Mr. Schwartz seconded. Motion carried unanimously.

d. **MEMO 21-10: SMMPA MEMBER FINANCIAL METRICS DISCUSSION**

SMMPA recently provided members with a side-by-side comparison of utility cash reserve metrics. SMMPA looked at trends through 2019. Princeton Public Utilities was in good standing. PPU's current cash reserve policy looks at working funds. Based on the input from SMMPA and PPU auditors, the Rate Stabilization fund could be included in computing Days of Cash on Hand. Capital Improvement Funds (CIF) would still not be included. After a discussion, the consensus of the PPU Commission was to report Days of Cash on Hand with the current cash reserve policy and also with the Rate Stabilization fund included.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 3:14 p.m. Mr. Erickson seconded. Motion carried unanimously.



Gregory Hanson
Chairman



Kathy Ohman
Secretary