

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

June 23, 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 June 23, 2021, at 1:00 P.M.

Present: Vice-Chairman Dan Erickson and Commissioner Rick Schwartz.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Administrator Michele McPherson, Water Superintendent Scott Daniels, Electric Superintendent Jeremy Linden, and Legion Commander Jack Edmonds.

Meeting was called to order by Vice-Chairman Erickson at 1:00 P.M.

Vice-Chairman Erickson called for additions or deletions to the agenda. Commissioner Rick Schwartz added to the agenda:

Unfinished Business:

f. ACH

Mr. Schwartz made a motion to approve the agenda of the June 23, 2021 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

Mr. Schwartz moved to approve the minutes for the May 25, 2021 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

There was no Public Comments.

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

6. REPORTS:

- a. The June SMMPA Key Metrics worksheet and June 9th Board Meeting minutes were presented.
- b. The May 2021 PUC financial reports were presented.

7. UPDATES:

- a. In the Generation Plant, Water Superintendent Scott Daniels reported they were unable to repair the liner in Engine #3 and therefore received a new liner from SMMPA. The jacket water filtration system is installed. Phase 1 of the SCADA system upgrade is completed. The boiler and the ballasts are scheduled for work this summer.

In the Electric Department, Electric Superintendent Jeremy Linden reported a shipment of AMI meters were received on Monday. There are approximately 500 meters left to install. The third gateway device was installed. The house service that was damaged on June 18th was repaired and back running in just under two hours. Underground projects are getting ready to begin. Letters are being mailed to affected customers. They continue working on GIS updates and doing locates. On Monday morning, there was a theft and damaged primary cable at the south storage lot and at the South Substation. A police report has been filed. The loss is estimated at \$4,000.00. Once the thieves noticed that our wire is aluminum and not copper, they abandoned their efforts. Security measures are being re-evaluated.

- b. In the Water Department, Water Superintendent Scott Daniels reported the issues with the new actuators at Water Treatment Plant #1 have been resolved. They have finished work on the spill containment improvements and the gate opener is installed and working. They are working on lowering the curb stops in Fairway Ponds. There was a discussion on replacing them with mini-manholes when curb stops are located in the driveways. There are a couple valve boxes that will be cut open on Tuesday for repairs. They are also working on fire hydrants and making necessary repairs.
- c. City Administrator Michele McPherson reported the City's audit is completed after being rescheduled. The audit will be presented to the City Council on July 8th. The City will receive just over \$0.5 million from American Rescue Plan funds. Half of these funds will be received in 2021 and the other half in 2022. Water projects may be included in this package, electric is not. The focus of the package is on public safety and improving infrastructure. She has met with the Mille Lacs County Engineer regarding the reconstruction of 7th Avenue North. The county has stated that the road is not being fully reconstructed at this time. Options for replacing existing infrastructure on 7th Avenue are being evaluated.
- d. General Manager Keith Butcher reported the following:
 - i. Regulatory updates include the following reports being completed: MnDOC CIP Report. The 2020 CIP report summary includes Energy Savings of 1.9%, Low-Income spending of 1.0%, and total spending of 2.8%. EPA's Risk and Resiliency Report is completed as is the MnDOC Electric Utility Annual Report.
 - ii. General Manager Keith Butcher provided legislative update. ECO (the Energy Conservation and Optimization Act) was passed by the legislature and was signed by the Governor. Discussions are underway to modify the Cold Weather Rule including expanding the duration and increasing reporting requirements.
 - iii. General Manager Keith Butcher reported they met with DGR for Tuesday, June 8th on the Electric System Study. Internally, we continue to streamline and improve operational efficiencies in our monthly billing processes. Cindy Lakeberg, our Customer Service Representative, has announced her retirement. Her last day will be Friday, June 25th.

8. UNFINISHED BUSINESS:

a. AMI METERS

With the AMI conversions, the Electric Department is 81.9% complete and the Water Department is 29.9% complete.

b. EV CHARGERS

General Manager Keith Butcher reported the DC Fast Charger reported usage during the month of May at 15 sessions with 481 kWhs delivered. Installation of the L2 EV Chargers is complete with both units operating and the agreements have been recorded.

c. SERVICES TERRITORY / DEVELOPMENT

General Manager Keith Butcher reported that East Central Energy has agreed to terms with the PUC on the Princeton Business Park Annexation. He is working on drafting up the final formal agreement for the transition of the service territory to PPU. Payment for loss of revenue to East Central Energy is for a 10-year period with a cap at 250,000 kWh per lot. The previous agreement for the acquisition of the Aero Business Park was signed in 2013 will expire in 2023.

d. HYDRANT ANNUAL FEE PROPOSAL

General Manager Keith Butcher presented Memo 21-18: Hydrant Annual Fee. The Hydrant Annual Fee was introduced in May 2021. Based on the proposal, Mr. Erickson made a motion to approve a Hydrant Annual Fee to be charged to non-profit or government entities requesting to periodically draw water from a nearby hydrant. Mr. Schwartz seconded. Motion carried unanimously.

e. SEASONAL WATER SERVICE SHUT-OFF DISCUSSION

General Manager Keith Butcher presented Memo 21-19: Seasonal Water Shut-Offs. The Seasonal Water Shut-Off was introduced in May 2021. Following a discussion, Mr. Erickson made a motion to approve the modification of the Water Service Rules to include Seasonal Water Shut-Offs. Mr. Schwartz seconded. Motion carried unanimously.

f. ACH UPDATES

Commissioner Rick Schwartz started a discussion on how to educate and motivate customers to sign up with the PPU for ACH payment processing. There was a discussion on posting payment information on the PPU website along with Facebook postings, and a pamphlet by the walk up window educating customers on ACH payments. Manager Keith Butcher stated the website has been updated with payment options and a Pay My Bill Online button. There have also been postings on Facebook and bill messaging.

9. NEW BUSINESS:

a. AUDIT REPORT

Keith Porter from Mayer, Porter & Nelson auditing firm will attend the July 2021 PUC Commission Meeting and present the audit's findings.

b. CREDIT CHECK IN LIEU OF DEPOSITS

General Manager Keith Butcher presented Memo 21-21: Deposit Credit Check Proposal. Manager Keith Butcher has reached out to Online Utility Exchange, a contractor who offers an option to use a credit check for determining deposit requirements on new customers moving into the PUC service territory. Online Utility Exchange utilizes Experian for their credit checks. Running a soft credit check with OUE, they would calculate a risk assessment based on the customer's credit scores as well as utility delinquencies. Owatonna Public Utilities is currently utilizing this contractor. OUE also provides a collection service. There would be a monthly charge for the use of the credit check service along with a cost per transaction. There was a discussion on charging an application fee to cover the credit check cost. The implementation of a credit check was favored by Commissioners.

c. DONATION REQUESTS

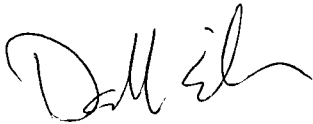
General Manager Keith Butcher presented Memo 21-22: Legion Fourth of July Donation Request based on the formal request from Randy Hatch from the Princeton American Legion in May 2021. At this time, the PUC does not have a formal procedure for making donations to organizations. There was a discussion on developing such a policy and procedure. Following discussions, Mr. Erickson made a motion to donate \$1,000.00 for the Legion Fourth of July fireworks event. Mr. Schwartz seconded. Motion carried unanimously.

d. MEETING SCHEDULE

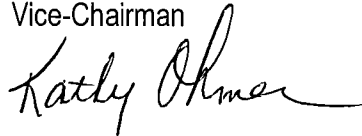
Following a discussion, Mr. Schwartz made a motion to move the Regular July PUC Commission Meeting from Wednesday, July 28, 2021 at 1:00 P.M. to Tuesday, July 27, 2021 at 10:00 A.M. Mr. Erickson seconded. Motion carried unanimously.

Commissioner Rick Schwartz suggested having a Work Session on July 13, 2021. After a discussion, no action was taken.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 2:50 p.m. Mr. Erickson seconded. Motion carried unanimously.



Dan Erickson
Vice-Chairman



Kathy Ohman
Secretary