

## PUBLIC UTILITIES COMMISSION

### REGULAR MEETING

July 27, 2021, 10:00 A.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 June 23, 2021, at 10:00 A.M.

Present: Chairman Greg Hanson and Commissioner Rick Schwartz.

Absent: Commissioner Dan Erickson.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Councilor Jules Zimmer, City Administrator Michele McPherson, Water Superintendent Scott Daniels, Electric Superintendent Jeremy Linden, and PUC Employee Christina Cunningham. Keith Porter from Mayer, Porter & Nelson, Ltd, arrived at 11:05 A.M.

Meeting was called to order by Chairman Hanson at 10:00 A.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 July 27, 2021 Regular PUC Commission Meeting. Mr. Hanson seconded. Motion carried unanimously.

Mr. Schwartz moved to approve the minutes for the June 23, 2021 Regular PUC Commission Meeting. Mr. Hanson seconded. Motion carried unanimously.

Commission Chairman Greg Hanson stated the Public Comments portion of the PPU Commission Meetings is at each and every meeting. Customers 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.

Mr. Hanson stated during Public Comments that it is important for PPU to get good information out to our customers and to work as a team. The June 2021 billing showed the highest electric usage ever. The consequences of the high usage was the electric portion of customers' bills going up. Customers were upset when they received their bills. Mr. Hanson stated if there is an issue or something wrong, as a customer bill the PPU would like to hear from the customers and investigate the problems. The number of 90+ days this summer is over 20 days, the hot and dry days have been challenging.

Mr. Schwartz made a motion to approve the certification of accounts payable for the period of June 1, 2021 through June 30, 2021. Mr. Hanson seconded. Motion carried unanimously.

#### **6. REPORTS:**

- a. The July SMMPA Key Metrics worksheet and June 9<sup>th</sup> Board Meeting minutes were presented.
- b. The June 2021 PUC financial reports were presented.

## 7. UPDATES:

- a. In the Generation Plant, Water Superintendent Scott Daniels reported they ran engines on Sunday from 10:30 A.M. to 2:30 P.M. and they will be running again today from 2:00 P.M. to 6:00 P.M. The boiler has been down for re-tubing. The tubes are back in and they are now waiting on the State Boiler Inspector to sign off. Engine #3 is still down. They got the liner back in and filled with water and it started springing leaks. They are working on finding and fixing the leaks.

In the Electric Department, Electric Superintendent Jeremy Linden reported they continue replacing meters with AMI meters. There are approximately 180 meters left to install. There was an outage on Saturday, May 7<sup>th</sup> when a tree fell on the lines. This is the first main outage since the AMI meters were installed. With the AMI system in, we were able to see where the outage was, which customers were without electricity. Once the repairs were made, we were able to confirm all customers were back in service and their meters were running. They will start an underground project on 17<sup>th</sup> Avenue North today. Letters were sent out offering a reduced cost to go underground. There were approximately six new services installed. All new services are being installed underground. A street light pole was hit on 1<sup>st</sup> Street last weekend. No significant damage was done to the pole. Safety training was last week. There was a house explosion last week. PPU employees got in to do what needed to be done and left as fast as possible to make room for first responders. The water was shut off later when it was safe.

- b. In the Water Department, Water Superintendent Scott Daniels reported the cooling fan at Well #9 enclosure failed. This was replaced and it's back up and running. A PLC failed Saturday night in the North Water Tower. Parts were on hand and repairs were made. The water was shut off at the house explosion last week. They continue working on valve box repairs. They have been helping with the repairs on Engine #3 in the Generation Plant. They have been checking the dog waste stations to make sure bags are there to be used and the trash was not overflowing.
- c. City Councilor Jules Zimmer reported the City of Princeton had the second reading for the annexation of the Sherburne Mobile Home Park at the last City Council Meeting. The City Council approved the bids for the connection of 19<sup>th</sup> Avenue to 21<sup>st</sup> Avenue. They are working on a pay study to see where the City of Princeton stands with other cities of our size in Minnesota.
  - a. City Administrator Michele McPherson reported the 21<sup>st</sup> Avenue connection will be going out this fall. Advertising as required will be in August with bids due September 2<sup>nd</sup>. Construction will begin late September. The Business Park preliminary plat and layout has been completed and will be going to the Planning Commission for approval and then City Council. She is working on a grant with the Federal Economic Authority for the infrastructure in the Business Park. The old Shipwreck property has applied for annexation. A public hearing will be held August 26<sup>th</sup> with the first reading and in September for the second reading. She has been having discussion with the Mille Lacs County Engineer regarding the reconstruction of 7<sup>th</sup> Avenue North. The county would like road work done on 7<sup>th</sup> Avenue and with the existing infrastructure in the road, the options for replacing it is being evaluated. The 2020 audit was presented to the City Council. She is working on budgeting for 2022. The scoreboard at Solheim Field is being replaced. They are looking for sponsors to advertise on the scoreboard.
  - b. General Manager Keith Butcher reported the following:
    - i. Regulatory updates include receiving notice from the DNR that we are officially in the

"drought warning phase". We worked with the City of Princeton to activate City Ordinance 930.09 and began enforcement of lawn sprinkling restrictions. If the DNR escalates the warning, there may be a limit on recreational water use.

- ii. The new Cold Weather Rule guidelines have passed. PPU is working to integrate the new deadlines in our process.
- iii. General Manager Keith Butcher reported the 2022 O&M budget was submitted to SMMPA. Disconnections from last week were postponed until Thursday, July 28<sup>th</sup> due to the long protracted heat wave with highs consistently above 90. With the new electric AMI nearly complete, we will begin re-evaluating many of our internal processes to utilize this new functionality with the first priority being outage reporting and communication.
- iv. In regard to bulk water purchases, we are emphasizing the use of the contractor hydrant by the south storage lot. It is important for contractors to contact PPU and report their purchases.

## **8. UNFINISHED BUSINESS:**

### **a. 2020 AUDIT PRESENTATION**

Keith Porter from Mayer, Porter & Nelson Ltd., presented the 2020 audit to the PPU Commission. Following his presentation, questions were answered, and discussions held. The 2020 PPU Audit is available on the PPU website.

Keith Porter from Mayer, Porter & Nelson, Ltd. left the meeting.

### **b. MID-YEAR BUDGET UPDATE**

General Manager Keith Butcher presented Memo 21-23: Mid-Year Budget Update. In both the Electric and Water Departments, revenues are slightly higher than budgeted with expenses lower. The Wellhead Protection has been placed on hold and repair work scheduled has not been completed.

### **c. AMI METERS**

With the AMI conversions, the Electric Department is 94% complete and the Water Department is 29.9% complete. A shipment of AMI water nodes should be arriving in August to resume water meter conversions.

### **d. EV CHARGERS**

General Manager Keith Butcher reported usage on the EV chargers was 27 sessions with 699 kWhs delivered.

### **e. SERVICE TERRITORY / DEVELOPMENT**

General Manager Keith Butcher has worked with East Central Energy on the final agreement for the transition of the service territory to PPU. Presented to the PPU Commission for approval was the Electric Service Territory Agreement. Once the contract is signed, Manager Butcher will work with the State of Minnesota Public Utilities Commission to make all the formal adjustments to the service territories. Mr. Hanson made a motion to approve the Electric Service Territory Agreement acquiring the property to serve in the Princeton Business Park. Mr. Schwartz seconded. Motion carried unanimously.

### **f. CREDIT CHECKS IN LIE OF DEPOSITS**

General Manager Keith Butcher presented Memo 21-21: Deposit Credit Check Proposal. By using Online Utility Exchange, PPU would have the ability to minimize risk and have an answer within

seconds determining whether a deposit is required. 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. Anticipated launch date would be October 1<sup>st</sup> to allow time for staff training, communicating the changes to customers and updating PPU Service Rules. Mr. Schwartz made a motion to approve the use of services from Online Utility Exchange to run soft credit checks on new customers moving into the PPU service territory. Mr. Hanson seconded. Motion carried unanimously.

**g. ACH DISCUSSION**

General Manager Keith Butcher reported PPU continues to educate customers with payment options including signing up for ACH payments through PPU. A notice will be placed on or near the office door for customers to see when entering the PPU Lobby.

**9. NEW BUSINESS:**

**a. DONATION POLICY DISCUSSION**

General Manager Keith Butcher reported since the donation request from the Princeton American Legion in June, the Legion has now very politely declined the donation and would like the PPU to earmark a donation for the 2022 July 4<sup>th</sup> Fireworks. Mr. Butcher has also been approached by other organizations for donations. There was a discussion on including donations as a budgeted item. When a potential donation is being requested, there would be a form to complete and submit to the PPU Commission along with a letter prior to the PPU Commission meeting. Manager Butcher will research donation requests made in previous years along with a request form and report back to the PPU Commission.

**b. MINI-MANHOLE COVER REQUIREMENT**

General Manager Keith Butcher presented Memo 21-24: Mini Manhole Cover Requirement. Water Supervisor Scott Daniels reported with some curb stops located in the driveways he is looking for a solution to prevent the possibility of problems in the future. Placement of a mini manhole cover allows easy access to the curb stop and allows for the natural rise and fall of concrete and asphalt without damaging the curb stop. Mr. Daniels' proposal is for PPU to mandate the placement of a mini manhole cover over curb stops that are located in driveways or sidewalks. He also proposes PPU would purchase the 8" mini manhole covers and contractors would purchase them from PPU.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 12:15 p.m. Mr. Hanson seconded. Motion carried unanimously.



Gregory Hanson  
Chairman



Kathy Ohman  
Secretary