

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

October 27, 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 October 27, 2021, at 1:00 P.M.

Present: Chairman Greg Hanson and Commissioners Dan Erickson and Richard Schwartz.

Absent: None.

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Councilor Jules Zimmer, City Administrator Michele McPherson, Electric Superintendent Jeremy Linden and Water Supervisor Scott Schmit.

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 October 27, 2021 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

After a discussion of the minutes, Mr. Schwartz moved to approve the minutes with additions for the September 22, 2021 Regular PUC Commission Meeting. Mr. Erickson 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. There were no Public Comments.

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

6. REPORTS:

- a. The October SMMPA Key Metrics worksheet and September 8th Board Meeting minutes were presented.
- b. The September 2021 PUC financial reports were presented. There was a discussion on the addition of bandwidths for Day's Cash on Hand and the Capital Improvement Fund. There was also a discussion about the EV chargers performance.

7. UPDATES:

- a. In the Generation Plant, General Manager Keith Butcher reported test runs will be done early next week. The planned ballast tank work will be postponed until spring due to the unavailability of equipment and the drop in temperatures. They have been working on winter prep and inspections which include outdoor maintenance. An audit of the Generation facility took place on October 21st for

the League of Minnesota Cities Insurance needs. There were no concerns and a report of the audit will be out at a later date. After the test run of Engine #7, it was placed back online. Oil samples were taken after the test run and no coolant containments were found.

In the Electric Department, Electric Superintendent Jeremy Linden reported the two main projects at this time are the Sunken Ship Brewery and the apartment buildings on 1st Street. The primary power should be installed next week for the apartment buildings. The transformers for the apartment buildings have been ordered and should be delivered approximately April 2022. They are working on burying the street lights by the apartment buildings. They had required MMUA safety training. We have received cutouts so they will be working on replacing cutouts. They are continuing to work on tree trimming, new services and locates.

- b. In the Water Department, Water Supervisor Scott Schmit reported the Middle Water Tower has been drained down and winterized for the winter. The hydrant on the north end of Pondview was moved. He has been working with the builder for the apartments on 1st Street hooking up water. A customer on 7th Avenue South had their well fail. They have been transferred over to city water. He is working with them to get their well sealed. Sunken Ship Brewery is planning on getting their hydrant and services in next week. He has been working on winter prep. T-Mobile has been working on equipment upgrades on the Middle Water Tower.
- c. City Administrator Michele McPherson and City Councilor Jules Zimmer updated the PPU Commission on recent City activities and projects.
- d. General Manager Keith Butcher reported the following:
 - i. The Scoping 2 meeting for the Wellhead Protection Plan update was held in Princeton on October 12 with Keith Butcher, Water Supervisor Scott Schmit, Katie Breth from Minnesota Rural Water Association and Chad Anderson from the Minnesota Department of Health. Due to MDH delays, they will be requesting an extension of 12-18 months. They will work with the PPU to develop a schedule for completion. A consultant will be required to be hired to provide maps, inventories, summaries and analysis. It was a recommendation that PPU may consider creating a Wellhead Protection Team to contribute to the planning process and support implementation which includes participation by external organizations.
 - ii. Office staff has been working with customers to address disconnection during the Cold Weather Rule under the state's new guidelines. The only customers that are being disconnected are those that have not responded to our outreach or have not honored an agreed upon payment plan.
 - iii. General Manager Keith Butcher reported DGR would like to present their results of the Electric System Study. Staff recommends scheduling a Work Study session in November. DGR is working on developing a 10-year capital improvement plan that will address system deficiencies and improve the integrity and reliability of the system. Staff has been working to re-format and update various documents, policies and procedures. The MMUA Safety Report was presented to the PPU Commission. The new deposit policy has been implemented on October 1st and is working very smoothly. Reminder letters were sent out to properties that have some history of frozen lines.
 - iv. The last Gateway is now communicating effectively with the network. With the electric AML conversion completed, staff will begin reviewing the ability to use this new data in the field, especially as it pertains to outages. There will be a scheduled Yukon server outage next week for an update.

- v. Public Power Week was celebrated October 3rd through the 9th. Open house was held on Saturday, October 9th. The City of Princeton and Keith Butcher have had some discussion regarding recruiting businesses to the new Princeton Business Park. A "Be Bright" flyer is included in this month's bill. These rebates are given at point of sale. Coborn's is participating in this campaign.

Water Supervisor Scott Schmit left the meeting.

8. UNFINISHED BUSINESS:

a. ACH DISCUSSION

There was a proposal brought up for discussion to offer a 3% rate reduction in water services only if customers are paying their monthly bill by ACH. There was a discussion the rate reduction for ACH customers and charging a 3% convenience fee if paying by credit card. General Manager Keith Butcher will compute what a 3% ACH water rate reduction equates to on average. There were discussions on different ways for charging a convenience fee.

b. DONATION POLICY

There was a discussion regarding PPU's donation policy and should PPU make a donation to the City of Princeton for "Light-Up Princeton". Mr. Schwartz made a motion for Princeton Public Utilities to contribute \$2,500.00 to Light-Up Princeton. Mr. Erickson seconded. Motion carried unanimously. There was a discussion on making this an annual donation. There was a discussion on the 2021 Residential Holiday Lighting Contest. It was the consensus of the PPU Commission to discontinue sponsoring the Residential Holiday Lighting Contest as it does not follow the League of Minnesota's Donation Policy.

City Administrator Michele McPherson left the meeting.

c. EMPLOYEE HANDBOOK

General Manager Keith Butcher presented Memo 21-32: Employee Handbook Updates. Discussed changes to the employee handbook include: Paying employees that are on-call double time on a holiday when recalled back to work. Addresses on-call time for the Water Department. Change employee vacation to an accrual system and increase the number of carryover hours. New employees would receive sick leave after their six month probationary period at an accrued basis. And to change the payday from Wednesdays to Fridays. Mr. Erickson made a motion to approve paying employees double time on a holiday when recalled to work, make necessary updates to the Employee Handbook, change vacation time to an accrual and increase carryover hours, new employees would earn sick leave after six months, and to change the payday from Wednesday to Friday. Mr. Schwartz seconded. Motion carried unanimously.

9. NEW BUSINESS:

a. 2022 PROPOSED BUDGET

General Manager Keith Butcher presented Memo 21-33: Proposed 2022 Budget and Memo 21-34: Proposed 2022 Fee Schedule stating this was an initial proposal. There was a discussion on holding a Work Study Session to go over the budget and capital improvements and investments in detail. Mr. Erickson made a motion to hold a Work Study Session on Wednesday November 10th at 1:00 p.m. to discuss the 2022 Proposed Budget and the 2022 Proposed Fee Schedule held at the Mille Lacs Historical Society Amdall Room. Mr. Schwartz seconded. Motion carried unanimously.

b. 2021 AUDIT PLAN

General Manager Keith Butcher reported the current PPU auditors, Mayer, Porter & Nelson, have contacted him and will not be able to perform the 2021 PPU Audit due to staffing issues. An RFP was drafted and sent to PPU commissioners for approval. RFP's will be mailed out to potential auditors on Friday.

c. SMMPA ANNUAL MEETING REPORT

Commissioner Greg Hanson and General Manager Keith Butcher attended the SMMPA Annual Meeting on October 14th and 15th in Bloomington. Commissioner Greg Hanson commented the presenters at the Annual Meeting were all very good. The meeting was very informative and should be attended by all commissioners at some time.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 3:37 p.m. Mr. Erickson seconded. Motion carried unanimously.



Gregory Hanson
Chairman



Kathy Ohman
Secretary