

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

November 17, 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 November 17, 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 Administrator Michele McPherson, Electric Superintendent Jeremy Linden, Water Supervisor Scott Schmit and PPU customer Jack Edmonds.

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. Erickson made a motion to approve the agenda of the November 17, 2021 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously.

Mr. Erickson moved to approve the Minutes for the October 27, 2021 Regular PUC Commission Meeting and the November 10, 2021 PUC Work Study Meeting. Mr. Schwartz seconded. Motion carried unanimously.

There were no Public Comments.

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

6. REPORTS:

- a. The November SMMPA Key Metrics worksheet and October 15th Board Meeting minutes were presented.
- b. There was an increase in usage the past month with the EV chargers.

7. UPDATES:

- a. In the Electric Department, Electric Superintendent Jeremy Linden reported they have completed the connection for Sunken Ship Brewery. The street lights on 1st Street have been repaired and are now working. The connection for the apartment buildings on 1st Street has been completed as far as we can go. They are waiting on transformers to be delivered. The line crew has been working on service installs and assisted the City with Christmas lights at Riverside Park. They will be hanging Christmas decorations next week. They continue to work on tree trimming, service orders and locates. Safety training will be held next week.

- b. In the Generation Plant, Water Superintendent Scott Schmit reported the monthly test runs were done today. Recycled fluorescent bulbs have been picked up. The radiator for the older units has been set up for winter runs. The average run time for fuel on hand was discussed.

In the Water Department, Water Superintendent Scott Schmit reported the service line and hydrant for Sunken Ship Brewery water is in. The services for the new 4-plex by Pondview is in. The water line to the apartment buildings on 1st Street is completed. They will be dewatering on the 21st Avenue project. They are hoping by the end of the week to relocate some hydrants. An order has been placed for inventory for the AMI meter conversions. They have been working on normal maintenance and water testing. The snow removal equipment is ready for winter.

- c. City Administrator Michele McPherson updated the PPU Commission on recent City activities and projects.
- d. General Manager Keith Butcher reported the following:
 - i. The Wellhead Protection Plan update included RFP's being issued on October 29th. He has met or spoken with several firms that are interested in submitting bids. He is working with Katie Breth from Minnesota Rural Water Association to file an extension to our Work Plan due to limited resources at the Minnesota Department of Health. Key deadline dates were discussed.
 - ii. General Manager Keith Butcher has been working with the MPCA answering questions regarding our Air Permit. Their questions were about the reports filed.
 - iii. General Manager Keith Butcher reported we continue to work with our customers during the Cold Weather Rule. This month's disconnection is scheduled for Monday, November 22nd. Customer who have established payment plans and have honored the terms of the payment plans will not be disconnected.
 - iv. An RFP was issued on October 29th for new financial auditors. He has met or spoken with several firms that are interested in submitting bids.
 - v. On November 3rd, he participated in SMMPA Economic Development webinar to learn better on how we can partner with SMMPA to promote business growth. He is working with the City to quantify potential load impacts on our system to determine what ED rates we could offer for the new business park.
 - vi. He also participated in MMUA's Service Territory work group which is to help members share best practices as it relates to service territory acquisition and annexation.
 - vii. Our Health Insurance Broker visited our office on November 4th to present benefit information to new employees and give a refresher to everyone else. Holiday hours for the PPU was presented for Thanksgiving and Christmas.
 - viii. Endpoint Detection and Response efforts for cybersecurity is being deployed and is over 90% complete. We have been testing the system for several weeks. We are re-organizing our server area to physically separate the servers from other parts of the building. This will give us some added physical security.
 - ix. Nancy Kelly, our SMMPA Energy Representative was in Princeton on October 26th. Commercial rebates she has been working on was discussed. PPU will be utilizing the City's electronic billboard to promote our holiday lighting rebates along with Facebook. A reminder to PPU customers that 2021 rebate applications need to be submitted by year end.
 - x. There was activity on Facebook regarding street light outages. Our Street Light Out Form link has been reposted. The Union Times wrote an article regarding the Depot's new telegraph line. PPU had assisted in the installation.

- xi. The 2022 SMMPA Calendars were presented to the PPU Commission. Princeton will be hosting the SMMPA board on April 13th. General Manager Keith Butcher has joined the SMMPA Audit Review Committee. They meet twice a year to work with SMMPA's auditors and review their findings before they are presented to the board.
- xii. PPU has joined the Chamber of Commerce in the ribbon cutting ceremony for Mike's Discount Foods and has joined the City for a ground breaking event celebrating the 19th/21st project. PPU will be participating in the Mini Dazzle Parade on November 27th with one bucket truck being entered.
- xiii. In regards to the South Industrial Park which is serviced by Connexus, previous management had started discussions in 2017-2018 to acquire that service territory. Preliminary costs were discussed but no action was taken at that time. Manager Keith Butcher has reached out to Connexus this week for an introductory meeting and to continue the discussion and update the cost figures.

8. UNFINISHED BUSINESS:

a. 2022 PROPOSED BUDGET AND FEE SCHEDULE

General Manager Keith Butcher presented the proposed 2022 Electric Department and Water Department Budgets along with the 2022 proposed Fee Schedule. Discussions followed.

b. DGR SYSTEM STUDY

General Manager Keith Butcher reported the Electric System Study with DGR has been completed and is being finalized. DGR would like to present their findings to the PPU Commission on Tuesday, December 7th at 1:00 p.m. at a Work Study Session. Mr. Schwartz made a motion to have a Work Study Session with DGR to present their findings in the Electric System Study on December 7th, 2021 at 1:00 p.m. Mr. Erickson seconded. Motion carried unanimously.

c. 2022 RATE STUDY

General Manager Keith Butcher presented a Power Point presentation to the Commission on utility rate studies. The last rate study was done in 2015. Rate studies are typically completed every five to seven years. After the presentation there was a discussion. Mr. Erickson made a motion to start a rate study after the completion of the Electric System Study with DGR. Mr. Schwartz seconded. Motion carried unanimously.

d. ACH DISCUSSION

There was a discussion on how ACH payments being the preferred method of payment with all Commissioners being in agreement. It was stated they would like an ACH form given to customers when they sign up for service. There was a discussion on offering a 3% rate reduction in water services to all customers paying their monthly utility bill with ACH and how this rate reduction would impact the City of Princeton's sewer billing. General Manager Keith Butcher presented a sample of what a 3% water rate reduction equates to with minimum and maximum costs. Discussion followed.

City Administrator Michele McPherson left the meeting.

Mr. Erickson made a motion that PPU offer a 3% rate reduction on water charges when customers use PPU's preferred method of payment via ACH and charges a maximum convenience fee of \$2.40 per transaction as allowed by law. Mr. Schwartz seconded. Mr. Hanson opposed. Motion carried 2-1.

9. NEW BUSINESS:

There was no New Business.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 3:12 p.m. Mr. Erickson seconded. Motion carried unanimously.

A handwritten signature in black ink, appearing to read "Greg Hanson", with a long horizontal flourish extending to the right.

Gregory Hanson
Chairman

A handwritten signature in black ink, appearing to read "Kathy Ohman", with a long horizontal flourish extending to the right.

Kathy Ohman
Secretary