

**PUBLIC UTILITIES COMMISSION**

**REGULAR MEETING**

**December 21, 2022, 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 10<sup>th</sup> Avenue South, on December 21<sup>st</sup>, 2022, at 1:00 p.m.

**1. CALL TO ORDER / ROLL CALL**

Present: Chair Richard Schwartz and Commissioners Dan Erickson and Jack Edmonds.

Absent: None.

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

Meeting was called to order by Chair Schwartz at 1:00 p.m.

**2. APPROVAL OF THE AGENDA**

Mr. Schwartz called for additions or deletions to the agenda. Chair Schwartz added to the agenda:

Regular Agenda:

- f. High Risk Energy Shortage Concern

Mr. Edmonds made a motion to approve the agenda of the December 21<sup>st</sup>, 2022 Regular PUC Meeting with the addition. Mr. Erickson seconded. Motion carried unanimously.

**3. PUBLIC COMMENTS:**

There were no Public Comments.

**4. CONSENT AGENDA:**

- a. Public Utilities Commission Regular Meeting Minutes – November 15<sup>th</sup>, 2022
- b. Certification of Accounts Payable
- c. SMMPA Reports – Minutes and Key Metrics
- d. Financial Reports – Income Statement, Balance Sheet, Trial Balance, Cash Reserve
- e. Operational Reports – EV and ACH Report

Mr. Erickson made a motion to approve the Consent Agenda of the December 21<sup>st</sup>, 2022 Regular PUC Meeting. Mr. Edmonds seconded. Motion unanimously.

5. UPDATES:

- a. Electric Superintendent Jeremy Linden provided the Electric Department update.
- b. Water/Power Plant Superintendent Scott Schmit provided the Water Department update and the Power Plant update.
- c. City Administrator Michele McPherson provided an update on City activities.
- d. General Manager Keith Butcher provided an update on PPU activities.

6. REGULAR AGENDA:

a. **ELECTRIC CAP PLAN (PHASE 1) – MAJOR MATERIALS AND BID PACKAGE**

General Manager Keith Butcher presented *Memo 22-29: Electric Cap Plan (Phase 1) Bid Selection*. Bid opening for Cap Plan Phase 1 was held December 8<sup>th</sup>, 2022. Bids received was for all materials needed for the Cap Plan Phase 1. There was a discussion on the long lead times due to ongoing supply side constraints. In order to move forward, PPU has located cable that can be delivered earlier so the project could begin mid-summer. Mr. Erickson made a motion to authorize the purchase of additional cable not to exceed \$180,000.00. Mr. Edmonds seconded. Motion carried unanimously.

There was a discussion on the award recommendations of the seven bids. The lower bid for Bid No. 5 has a lead time of 40 weeks compared to 12 weeks for the next lowest bid. Due to the difference in lead time and its impact to the overall project schedule, DGR and staff recommend awarding the bid to the second lowest bidder. Mr. Edmonds made a motion to accept DGR's award recommendation letter. Mr. Erickson seconded. Motion carried unanimously.

b. **COMMISSION CALENDAR**

General Manager Keith Butcher presented *Memo 22-30: 2023 Commission Calendar*. Historically, meetings have been held on the fourth Wednesday of each month. Continuing with that process, there are three exceptions to note for 2023: the January meeting being moved to January 18<sup>th</sup> due to MMUA Legislative Conference and the November and December meetings are being moved one week earlier due to holidays. Mr. Edmonds made a motion to approve the 2023 Commission Calendar as proposed. Mr. Erickson seconded. Motion carried unanimously.

c. **CHARGE OFFS**

General Manager Keith Butcher presented *Memo 22-31: 2022 Charge Offs*. A total of \$4,965.68 will be charged off in 2022. (See attached). After a discussion, Mr. Erickson made a motion to approve the 2022 Charge Offs as presented. Mr. Edmonds seconded. Motion carried unanimously.

**d. DISPOSAL OF FIXED ASSETS**

General Manager Keith Butcher presented *Memo 22-32: 2022 Disposal of Fixed Assets*. Mr. Erickson made a motion to approve the 2022 Disposal of Fixed Assets. Mr. Edmonds seconded. Motion carried unanimously.

**e. RATE STABILIZATION POLICY REVIEW**

General Manager Keith Butcher presented *Memo 22-33: Rate Stabilization Policy Revision*. As PPU moves forward with Phase 1 of the Electric Cap Plan, funding for the project will come from a combination of bonds, cash reserves, capital improvements fund, and the rate stabilization account. The policy revision will provide the Commission with the necessary flexibility to fund Phase 1 without creating drastic rate impacts for ratepayers. After a discussion, Mr. Edmonds made a motion to approve the Rate Stabilization Policy changes. Mr. Schwartz seconded. Motion carried unanimously.

**f. HIGH RISK ENERGY SHORTAGE CONCERN**

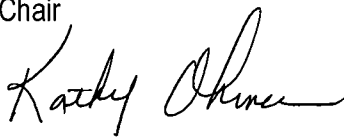
There was a discussion on the high risk of summer outages over the next five years. In the event that a complete grid collapse is imminent, PPU will comply with system directives.

Chair Schwartz thanked City Councilor Jules Zimmer for his time and service as liaison to the Princeton Public Utilities Commission and for all of his public service. He also wished everyone a very merry Christmas.

There being no further business, Mr. Edmonds made a motion to adjourn the meeting at 2:11 p.m. Mr. Erickson seconded. Motion carried unanimously.



Richard B. Schwartz  
Chair



Kathy Ohman  
Secretary/Treasurer