

**PRINCETON PUBLIC UTILITIES COMMISSION
REGULAR MEETING
Mille Lacs Historical Society Community Room
101 10th Avenue South
Princeton, MN 55371
October 28th, 2020 1:00 P.M.**

- 1. Call to Order – Roll Call**
- 2. Approval of Minutes**
 - a. Public Utilities Commission – Regular Meeting – September 23rd, 2020
- 3. Public Comment**

(This agenda section is for the purpose of allowing customers to address the Commission. Comments are limited to 3 minutes)
- 4. Approval of Agenda – Additions or Deletions**
- 5. Approval of Accounts Payable**
- 6. Reports & Correspondence**
 - a. SMMPA Board Meeting
 - i. SMMPA Key Metrics worksheet
 - ii. Meeting Minutes – September 9th, 2020
 - b. Electric Department updates
 - i. Generation Plant
 - ii. Distribution System
 - c. Water Department Updates
 - d. City of Princeton update
 - e. General Manager's report
- 7. Ongoing Business**
 - a. AMI
 - b. 2020 Commission Calendar changes
 - c. Wellhead Protection Plan (Phase I)
 - d. EV Fee Proposal (DCFC)
- 8. New Business**
 - a. Insurance Overview – Jim Burroughs (Princeton Insurance Agency)
 - b. Holiday Lights Promotion and Contest
 - c. Light Up Princeton – City Request
 - d. Water Shutoff Service (customer request)
 - e. Budget Discussions
 - f. October 21st Closed Session – Reschedule
 - g. Meeting Room Equipment/Resources
- 9. Adjournment**

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

September 23, 2020, 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 September 23, 2020, at 1:00 P.M.

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

Also Present: Manager Keith Butcher, Secretary Kathy Ohman, City Councilor Jenny Gerold, City Administrator Bob Barbian, Union Times Reporter Tim Hennagir, and PPU customers Jack Edmonds and Lee Steinbrecher.

Meeting was called to order by Chairman Hanson at 1:01 P.M.

Mr. Schwartz moved to approve the Minutes for the August 26, 2020 Regular PUC Commission Meeting. Mr. Erickson seconded. Motion carried unanimously.

During Public Comments, PUC customer Lee Steinbrecher read a statement dispelling rumors and let people know how the Vote No campaign to save the Public Utilities is proceeding.

1. On social media, it has been rumored that thousands of dollars is being contributed to the campaigns of local politicians from the Vote No campaign.
 - a. This is totally false. Not one dollar has been given to any political campaign. All of the money that has been contributed has been used for advertising and signs. The Vote No campaign exists to give facts to the best of our knowledge about the utilities, staff, and the commission. Unfortunately a lot of time is being spent squelching lies and deception.
2. The rumor today regarding the video on salaries of local public officials and local construction works was coordinated with the Public Utilities because part of your discussion today is regarding salaries.
 - a. At no time has he or will he coordinate anything or interfere with the operation of the Public Utilities or its staff. When the video was posted he had no idea the discussion of salaries would be on the agenda for the meeting today.
3. Campaign
 - a. The outpouring of support from the campaign to support the Public Utilities Commission has been amazing. Since the original order, he has re-ordered Vote No signs three times. He receives calls every day from people he does not know asking how they can help. There are a lot of people in this community supporting the Public Utilities Commission. They do not believe the lies and deceptions.
 - b. New videos will be coming soon.

Union Times Reporter Tim Hennagir requested information related to a FAQ on the PUC website regarding ballot question. One of the questions is "I don't live in town but I am a Princeton Public Utility customer, do I get to vote on this question?" The response on the PUC website is "No, the question will only be on the ballot for those that live within the city limits". Tim Hennagir asked how many Princeton Public Utilities customers will not get to vote on this that are customers of the PUC. The question to abolish the Princeton Public Utilities Commission will only appear on the City of Princeton Ballot. General Manager Keith Butcher stated he has been reviewing this question. The

PUC has a total customer base of approximately 2,300. In his review, there were 248 PUC residential customers who are not being charged a City of Princeton Franchise Fee as they are not within the city limits. PUC customers who do not live within city limits are not charged a monthly Franchise Fee. Using the calculations on an average of how many voters live in each home from the U.S. Census, there could be approximately 400-500 people who are PUC customers living outside city limits that will be unable to vote on the ballot question. Union Times Reporter Tim Hennagir stated he had spoken with the Mille Lacs County Auditor/Treasurer. The Auditor does not know the service territory of the Public Utilities but stated the Princeton City Council is the one that wanted the question on the ballot, therefore it will appear only on the City of Princeton ballots.

Princeton City Administrator Bob Barbian asked if anyone had checked with the Minnesota Secretary of State on who would be able to vote on the ballot question. It is his understanding the Secretary of State and Stat Statute determines who will be able to vote on the ballot question.

PUC customer Jack Edmonds stated he is attending the meeting today as a private citizen. He stated he is running for Mille Lacs County Commission and has not received any funds from the Vote No committee. He stated if a person lives outside the city limits, to the best of his knowledge they will be unable to vote. He has been asked questions by several people on the ballot question.

PUC Commissioner Richard Schwartz stated if there are any questions on the State Statute or County Auditor or anybody that this ballot question that people living outside city limits could or could vote on should be checked out with the Secretary of State by everyone. This has been a misrepresentation by the City of Princeton and the improper way they rushed to put this question on the ballot. The public was not allowed to speak at that meeting. It was not handled properly.

Chairman Hanson called for additions or deletions to the agenda. Manager Keith Butcher added to the agenda:
New Business:

B. Tort Liability Waiver and then subsequently re-letter each item thereafter.

PUC Chairman Greg Hanson added to the agenda:

J. Discuss Billing Procedures

Mr. Erickson made a motion to approve the agenda with additions of the September 23, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously.

Mr. Schwartz made a motion to approve the accounts payable listing for the period of August 1, 2020 through August 31, 2020. Mr. Erickson seconded. Motion carried unanimously.

6. REPORTS AND CORRESPONDENCE:

A. Both the September SMMPA Key Metrics worksheet and August 12th Board Meeting Minutes were reviewed. Going forward, both of these items will be included in the packets for review. Commissioners are encouraged to ask any questions that they may have.

B. In the Generation Plant, they continue rehab work on the radiators. PPU employee Jim Bigger, visited Wells, Minnesota to help them with a voltage regulator problem. He has also received a request from Delano Municipal Utilities to help with their plant. This is a part of our ongoing effort to provide mutual aid to our other municipal colleagues.

In the Electric Department, two underground conversions are underway on West Branch Street and 3rd Avenue Court North. This will increase the reliability for 15 homes by eliminating 20 power poles.

- C. In the Water Department, Total Control is currently working on the SCADA system upgrade at Water Treatment Plant #2. They experienced a water leak where two old abandoned water service lines on 6th Avenue. The two service lines were removed and capped at the main. PPU is working with Princeton Public Works Director Bob Gerold to complete the road work. The Water Department will be flushing hydrants the week of September 28th. City Councilor Jenny Gerold stated she will announce this at the Princeton City Council Meeting tomorrow.
- D. City Administrator Bob Barbian reported the Planning Commission is have a sewer analysis study done. The analysis is looking at the current sewer infrastructure is, what material the pipes are, the size and the age of the service and the capacity. He stated the study should be completed next month. They are looking at doing an analysis study of the roads in Princeton also.
- E. General Manager Keith Butcher reported the following:
- i. With the AMI meter conversions, we are currently at:
 1. 41.7% of the Electric meters have been converted to the new AMI meters.
 2. 17.0% of the Water meters have been converted to the new AMI meters.The school, hospital, Sterling Point and Elim Home have all been converted to AMI meters. With the conversion, we noticed some large, consistent water consumption in a vacant building. The building owner was contacted and asked us to investigate the issue. It was discovered there was a broken toilet flapper with the water running. Because of the AMI system and the ability to catch this early, we saved the building owner 1,000s of gallons of water being wasted and helped keep their bills low.
 - ii. The DC Fast Charger at Coborn's is in the process of being installed. They will be pouring the footings and the foundation.
 - iii. The days of cash on hand as of August 31, 2020 was 105 in the Electric Department and 505 in the Water Department. Since February 1, 2020 kWh electric consumption has been down 3.7% but has slowly coming back since. A budget meeting is scheduled for tomorrow to begin budget planning for 2021.

7. UNFINISHED BUSINESS:

a. COMMUNICATIONS

The video currently on the PPU website was taken this past spring. This video will be updated to be more seasonal. Five virtual tours have been filmed and will be posted when completed.

The Connector Newsletter will be mailed with bills the end of September. Highlights in the Newsletter include Public Power Week, the Ballot Question and what it is, Cold Weather Rule and the Value of Water.

b. BILL RE-DESIGN FEEDBACK

Memorandum 20-05 was presented to the PPU Commission with the feedback received from the bill re-design. There were 69 responses on the survey. 91% had a thumbs up with 4% thumbs down and 4% did not respond either way. There were several comments both positive and negative regarding the bills including the color of the type, rates, graphs, and general comments. Manager Butcher felt comments were positive. There was a discussion on the graphs on customers' bills. Manager Keith Butcher explained the graphs on the bills are for CIP purposes which allows us to meet our requirements. All customer information is private and Princeton Public Utilities does not share their information with anyone without consent.

8. NEW BUSINESS:

a. DELINQUENT BILLS AND PROPERTY TAX ASSESSMENTS

Past due utility bills as of August 31, 2020 was presented to the PPU Commission for approval to be assessed to 2021 property taxes. When a customer becomes delinquent on their utility bill or does not pay their final bill, PPU office staff attempts to contact the appropriate parties and if left unpaid the past due amount will be sent to the Minnesota Department of Revenue Recapture Program or a collection agency. Staff also work with lenders and title companies to collect past due utility bills at closing when a property is sold. This year the PPU will assess one account in the amount of \$490.85. Mr. Erickson made a motion to approve the past due assessments to the 2021 property taxes. Mr. Schwartz seconded. Motion carried unanimously.

b. TORT LIABILITY WAIVER

The tort liability coverage waiver form was presented to the PPU Commission which includes \$500,000.00 cyber security insurance. There was a discussion on insurance agent Jim Burroughs attending the October 2020 PPU Commission Meeting to discuss what the PPU has for insurance. Mr. Erickson made a motion to approve the tort liability coverage limits of \$1,500,000 from the League of Minnesota Cities Insurance Trust for 2020, the PPU does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04. Mr. Schwartz seconded. Motion carried unanimously.

c. MMUA SAFETY MANAGEMENT PROGRAM CONTRACT

PPU contracts with Minnesota Municipal Utilities Association (MMUA) with their safety training program and OSHA regulations. The safety coordinator comes to the PPU office for all training with our staff and participates in the Safety Committee meetings. The MMUA Safety Management Contract for 2021 has been received with no increase. There was a discussion on whether insurance companies recognize this training. Mr. Erickson made a motion to approve the 2021 MMUA Safety Management Program for the period of 10/1/20 to 9/30/21. Mr. Schwartz seconded. Motion carried unanimously.

d. PUBLIC POWER WEEK

Public Power Week which is promoted by APPA is October 4th through October 10th. PPU will be holding an event on Saturday, October 10th, 2020 from 9:00 AM to 12:00 Noon to welcome the Princeton Community to our site to visit staff and ask questions they may have. Due to Covid-19, pre-packaged snacks and bottled water will be handed out to guests along with handout gifts. There will also be a drawing for a gift box provided to the PPU from SMMPA. Tours of the Generation Plant will not be available due to Covid-19. Guests from MMUA and SMMPA will be attending this event.

e. BE BRIGHT CAMPAIGN

The Be Bright Campaign is a program through SMMPA and coordinated with local retailers. LED bulbs purchased at participating retailers during this campaign will receive an instant rebate at the time of purchase. Bill inserts for the Be Bright Campaign will be mailed with September bills. Marv's True Value is our local participating retailer.

f. COLLECTIVE BARGAINING NOTICE

General Manager Keith Butcher has been notified there is an interest in certain staff to join a union. It has been filed with the State of Minnesota with interest in the union. Current PPU attorneys do not wish to work with Labor Law. A recommendation was made by our attorneys to look at Stinson LLP law firm to have proper representation. Stinson has provided the PPU with an

engagement letter to start negotiations. Stinson LLP will not be charging a retainer fee, charges would only be fee for service charges. PPU customer Lee Steinbrecher asked the question "is this being brought up now because of the question on the ballot?" Bob Barbian stated that the City of Princeton has two bargaining units. Manager Keith Butcher stated employees have been approached by union reps in the past, however it has never gotten as far as it has this year. There is a tremendous amount of uncertainty since the question was placed on the ballot. Mr. Erickson made a motion to approve the engagement letter and move forward with discussions on the union. Mr. Schwartz seconded. Motion carried unanimously.

g. HEAT SHARE AGREEMENT RENEWAL

The PPUC has been involved with Salvation Army with the Heat Share Program for assistance to low income customers for several years. Manager Keith Butcher would like to continue our participation in the program. For every dollar contributed to the Heat Share Program by PPU customers, PPUC matches up to \$50.00. The renewal contract for 2021 was presented to the PPU Commission for approval. Mr. Erickson made a motion to approve participation in the Salvation Army Heat Share Program for the year 2021. Mr. Schwartz seconded. Motion carried unanimously.

h. 2020 COMMISSION CALENDAR

There was a discussion on upcoming PUC Commission Meetings. The October meeting Regular PPU Commission Meeting will be held on October 28th, 2020. The November PPU Commission Meeting is scheduled for Wednesday November 25th. There was a discussion on changing the meeting date from November 25th to November 18th. The December PPU Commission Meeting is scheduled for Wednesday, December 23rd. With the Christmas holidays, there was a discussion on changing the meeting date from December 23rd to December 16th.

i. GENERAL MANAGER REVIEW AND SALARY DISCUSSION

General Manager Keith Butcher's one-year review should have taken place the end of May 2020. However due to Covid-19 and the difficult times everyone was having, his review was placed on hold. After a discussion on the procedure, it was the consensus of the PPU Commission to hold a Closed Work Study Session on Wednesday, October 21st, 2020 at 2020 at 1:00 p.m. to discuss General Manager Keith Butcher's review and possible salary adjustment.

j. BILLING PROCEDURES

There was a discussion on monthly the billing procedures of the PPU. Currently customers are billed every month for their electric, water, and sewer services. The City of Princeton is paid each month for the sewer services and Franchise fees that were actually billed each month, not what was received in payment. PPU Chairman Greg Hanson suggested the possibility of paying the City of Princeton for what is actually collected in receipts and not what is billed monthly. PPU procedures have been at year end when accounts are charged off, the sewer portion of those yearend charge offs is deducted from the final monthly sewer payment to the City of Princeton for that year. Chairman Greg Hanson would like to have this procedure evaluated and possibly changing our bookkeeping procedures.

Union Times Reporter Tim Hennagir asked for an explanation on what a Micro-Grid is. General Manager Keith Butcher explained a Micro-Grid is isolated from the national grid. It is a much smaller grid, can be self-isolated and would have its own generation within that grid.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 2:53 p.m. Mr. Erickson seconded. Motion carried unanimously.

Gregory Hanson
Chairman

Kathy Ohman
Secretary

DRAFT

PRINCETON PUBLIC UTILITIES

Accounts Payable Listing

For 9/1/2020 to 9/30/2020

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
1 Advantage Collection Professionals	Collection Fees	75.57
2 Ameripride Linen & Apparel Services	Cleaning Supplies & Services	495.16
3 Border States Elec. Supply	Inventory	813.53
4 Cannon Technologies, Inc.	New AMI Metering	55,411.06
5 Card Services (Coborns)	Supplies	59.92
6 Central McGowan, Inc.	DC Welder, Grinding Discs, Welding Rod	1,044.28
7 Core & Main, LP	Inventory	175.29
8 CW Technologies, Inc.	Monthly IT Care Services Agreement	1,681.23
9 Dakota Supply Group	Inventory, Elbows, Couplers, Lugs	5,605.12
10 Federated Co-Ops, Inc.	Propane	71.15
11 Finken Water Solutions	Bottled Water	64.35
12 FS3, Inc.	Spool Stand, Applicator Gun Tool, Pole Foam Repair Kit	1,043.91
13 Gopher State One Call	Monthly Locates	106.65
14 Grainger	Fuses	74.57
15 Hofman Oil Co.	Monthly Vehicle Fuel	658.45
16 Innovative Office Solutions	Supplies	957.83
17 Instrumental Research, Inc.	Monthly Water Testing	67.00
18 Marv's True Value	Shop Supplies, Shipping, Tools	364.22
19 Metering & Technology Solutions	Inventory & Meter Seals	5,358.91
20 Midcontinent Communications	Monthly Internet & Telephone	250.35
21 Midwest Machinery Co.	Mower Deck Shield	54.36
22 Minuteman Press	Door Hangers & Purchase Orders	242.30
23 Minuteman Press	Commercial Rebate	549.92
24 MN Dept. of Health	Qrtly. \$9.72 State Water Fee	4,128.00
25 Princeton Rental Inc.	Skid Loader Rental	319.85
26 Resco	Inventory, Magnetic Blanket Button & Canister	1,548.53
27 Shimmer-N-Shine Maid Service	Office & Shop Cleaning	751.63
28 Trio Supply Company	Disposable Face Masks	28.00
29 Verizon Wireless	Monthly Cell Phone	704.51
30 Voyant Communications, LLC	Monthly Telephone	417.30
31 Waste Management	Monthly Trash Service	80.95
32 Wesco	Connectors	467.42
33 Northland Trust Services	2010 & 2012 Bond Interest Pymt.	18,711.25
34 U.S. Bank Operations Center	2006 Bond Interest Pymt. & Admin. Fees	4,914.91
35 SMMPA	August Purchased Power	409,298.58
36 Cloud Media Productions	Video Media Productions	4,326.00
37 U.S. Bank Equipment Finance	Monthly Copier Lease Payment	182.00
38 Postmaster	Postage for Monthly Billing	755.14
39 Airway Products, Inc.	Rebuild Service Line	500.00
40 Arc Irrigation	Fertilization & Weed Control	228.10
41 Cardmember Service (Mastercard)	Supplies, Zoom Video Conference, Thermometer, Angle Iron	317.29
42 Centerpoint Energy	Monthly Natural Gas	923.94
43 City of Princeton	August Sewer Billing & Late Charges	108,468.31
44 Connexus Energy	Monthly Utilities	2,604.97
45 ECM Publishers, Inc.	Advertising	424.14
46 Fastenal Company	Bolts	192.95
47 Grainger	T-Joint	39.72
48 Hawkins, Inc.	Water Treatment Chemicals	1,488.81
49 HealthPartners	October Health Insurance	26,153.67
50 Locators & Supplies, Inc.	Transformer Paint	122.56
51 McGrann Shea Carnival Straughn	Legal Fees	91.25
52 MN Dept. of Commerce	Indirect & CIP Assessments	1,463.25
53 NCPERS Group Life Insurance	September Life Insurance	96.00
54 Pekarek Utilities Midwest, Inc.	Directional Bore	924.00
55 Pekarek Utilities Midwest, Inc.	Directional Bore - OH to UG Primary	6,622.00
56 Princeton Public Utilities	Supplies, Battery Charger	81.28
57 Public Utilities Commission	Monthly Utilities	2,615.41

58	Quadient Leasing USA, Inc.	Postage Meter Rental	455.07
59	Quality Tire & Rim	Tire Repair	14.00
60	Salvation Army Heat Share	August Heat Share & PUC Matching	24.00
61	Schweitzer Engineering Laboratories	Generator Relays Wells, MN	8,418.20
62	Speed Props & Pylons, LLC	Embroidered Logos	8.00
63	Sun Life Financial	October Short & Long Term Disability	827.62
64	TASC	COBRA Admin. Fees	15.00
65	Unum Life Insurance Company	October Life Insurance	186.69
66	Wesco	Switches & Stranded Wire Wells, MN	2,640.70
67	West Branch Construction Co.	Repair Water Leak & Cap 2 Abandoned Services	2,000.00
68	Delta Dental	September Dental Insurance	1,329.50
69	PERA	September PERA Contribution	12,677.34
70	Optum	September H S A Contributions	5,401.02
71	MN Dept. of Revenue	July Sales & Use Tax	35,890.00
72	Credit Card Company	Monthly Credit Card, eCheck Charges	1,864.95
73	Refunds	Customer Meter Deposits	3,246.90
74	Refunds	Overpayment Refunds on Final Bills	3.22
75	Rebates	Residential Energy Star Rebates	450.00

TOTAL

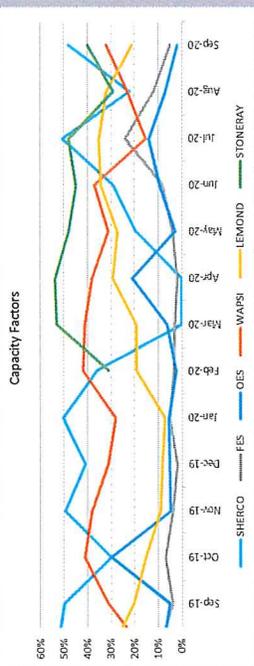
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SMMPA Key Metrics

October 2020

PLANT OPERATIONS Performance Metrics



Availability Metrics

For September 2020

	FES	OES	MORA LFG
Availability	78%	95%	August 71%
Industry Average Availability	93%	93%	N/A
Forced Outage	21%	0%	56%
Industry Average Forced Outage	6%	6%	N/A

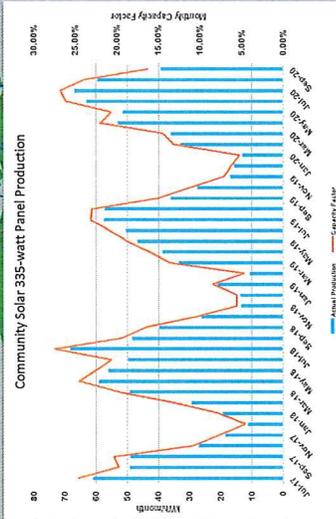
Solar Production Metrics



Number of working days since the last time an accident occurred

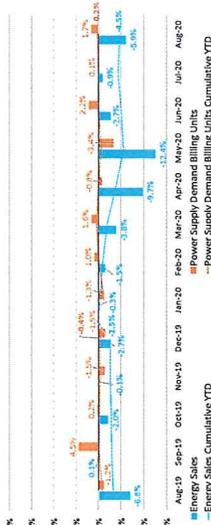
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(through 9/30/20)

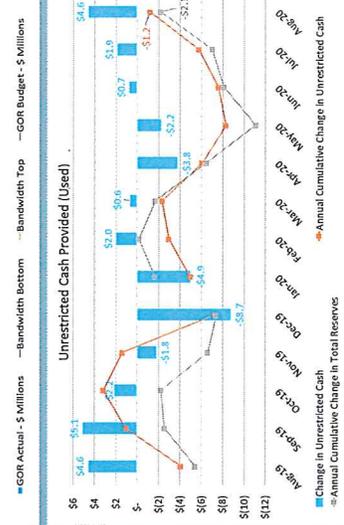
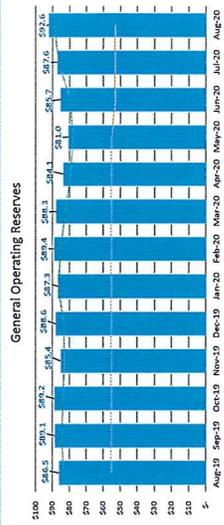
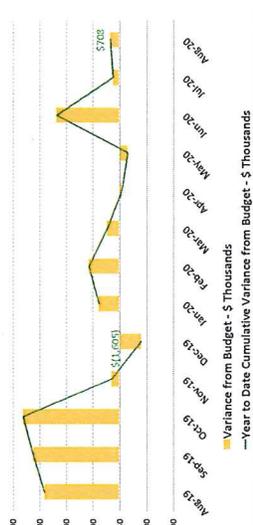


FINANCIAL Performance Metrics

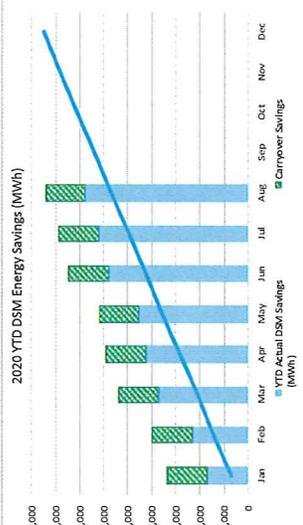
Member Load Variance from Budget



Contributions to/(Distributions) from Rate Stabilization Account



ADDITIONAL Metrics

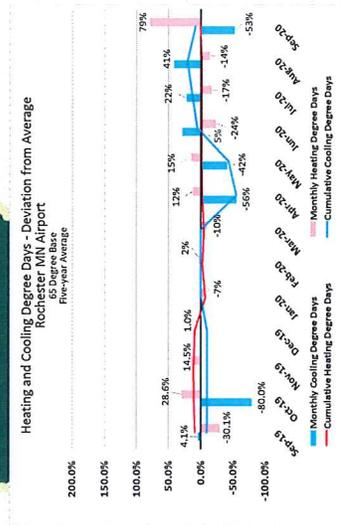


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SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
September 9, 2020

President Hoffman called the meeting to order at 9:00 a.m. via internet meeting service due to the COVID-2019 pandemic.

Mr. Geschwind introduced Mr. Scott Hautala, North Branch Municipal Water & Light General Manager.

Board Members Present Via Conference Call:

President Joseph A. Hoffman, Preston; Vice President Mark R. Kotschevar, Rochester; Secretary Bruce A. Reimers, New Prague; Treasurer Peter T. Moulton, Saint Peter; Mark E. Nibaur, Austin; and Doug Plaehn, Spring Valley.

Board Member Absent:

Roger E. Warehime, Owatonna.

Others Present Via Conference Call:

David P. Geschwind, Executive Director & CEO; Alex Bumgardner, Austin; Troy G. Nemmers, Fairmont; Mike Roth, Grand Marais; T. Scott Jensen, Lake City; Michael B. Geers, Litchfield; Lindy Crawford, Mora; Scott Hautala, North Branch; David Olson, Owatonna; Keith R. Butcher, Princeton; Charles B. Heins, Redwood Falls; Jeremy Sutton, Rochester; Chris Rolli, Spring Valley; Beth A. Fondell, Naomi A. Goll, Mark S. Mitchell, and Christopher P. Schoenherr of the Agency staff.

#1 Agenda Approval:

Mr. Reimers moved to approve the agenda, seconded by Mr. Moulton, passed upon a unanimous vote of the board members present.

#2 Consent Agenda:

Mr. Nibaur moved to approve the consent agenda, seconded by Mr. Plaehn, passed upon a unanimous vote of the board members present.

APPROVED the August 12, 2020 board meeting minutes.

APPROVED the Mora Transmission Line Structure Replacement Project Cost Increase. (Attachment A.)

#3 2021 Budget and Rates Preview-Fondell:

Ms. Fondell presented the 2021 budget and rates preview.

Rate Scenarios

- No changes – base case budget.
- Rate decrease.
- One-time cash distribution to members similar to the \$7 million cash distribution in 2019.
- One-time Revolving Credit Agreement payment to accelerate paydown timeline.
- Hybrid method of options above.

After discussion, it was suggested to build a one-time \$10 million cash distribution to members into the draft budget.

The budget will be prepared and discussed during the Budget Workshop on September 23, 2020.

Next Steps

- Finalize proposed budget and rates for 2021.
- Distribute detailed budget book on September 16, 2020.
- Budget Workshop on September 23, 2020 from 10 a.m. to noon.

The proposed 2021 budget and rates will be presented at the October board meeting for action by the board.

#4 COVID-19 Impacts-Geschwind:

Mr. Geschwind reported on the COVID-19 pandemic impacts.

Energy Load Impacts

There have been electric load impacts from the governor's Stay Safe plan. Graphs were shown of daily energy load as a function of temperature and loads compared to a 5-year average for the same time period. An average daily high and low range within the 5-year average was also shown. Data for each member showed energy variances resulting from the Stay Safe plan.

After a short break, the board reconvened at 10:14 a.m.

Mr. Nibaur departed the meeting.

#5 Planning Year 2021-2022 Capacity Position-Mitchell:

Mr. Mitchell reported on the planning year 2021-2022 capacity position. He reported on the various components that can impact the Agency's total capacity obligation and when final numbers should be available for each. The national average forced outage rate that is applied to member and Agency diesel and dual fuel units has improved significantly from last year, which has improved the Agency's overall capacity position.

Mr. Mitchell also talked about how the volatility of the various components can impact capacity accreditation, which shows the importance of carrying some level of extra capacity. The final capacity position will not be known until the end of December 2020.

#6 New Litchfield Quick Start Generation-Mitchell:

Mr. Mitchell reported on the new Litchfield quick start generation.

In May 2009, Litchfield expressed an interest in adding quick start generation to focus on improved reliability for First District Association, a processor of dairy products. Litchfield received state grant funding for a portion of the project and is moving forward with the addition of nearly 6 MW of new generation. Construction should be completed in the spring of 2021.

On August 31, 2020, SMMPA and Litchfield discussed the project status and the Agency's efforts to secure the necessary transmission, as well as the next steps for moving toward a new contract.

The Agency is interested in pursuing a new quick start generation agreement for the new generation and is working through the process to get transmission rights to accredit and take delivery of the capacity.

The Agency is working with The Energy Authority to identify the current market price for long-term capacity to help the Agency and Litchfield determine a fair and mutually acceptable price.

Next Steps

- Determine mutually acceptable price and term.
- Develop term sheet that identifies changes to current quick start agreement.
- Secure required transmission rights.
- Bring completed proposal for board consideration.
- Finalize agreement if proposal is approved.

#7 Coal Delivery Strategy-Mitchell:

Mr. Mitchell reported on the coal delivery strategy.

The coal contract minimum take requirement amount is 600,000 tons. The contract penalty provisions involves paying the difference between spot market prices and contract price for tons not taken. The rail contract minimum take requirement is the Agency's nomination of 700,000 tons. The rail penalty involves paying 25% of contract price on undelivered tons with option to carry over deliveries into the first four months of the following year.

The Sherco 3 coal inventory target level is 185,000 tons.

SMMPA is evaluating options to manage the coal pile:

- Continue to take coal deliveries and let inventory increase.
- Take only enough coal to meet consumption requirements and pay penalty at year end.
- Take only enough coal to meet consumption requirements and deferring remaining tons to next year.
- Reduce offer price in MISO to increase capacity factor seeking to optimize economics of losses in the market vs. coal penalties.
- The Agency is pursuing the strategy of modifying the offer price to optimize the economics, while managing the inventory level to near the target.

#8 2019 Board Retreat Follow-up-Geschwind:

Mr. Geschwind provided an update on accomplishments on the items that were identified as activities for 2020 during the 2019 board retreat.

Financial Report July 2020-Fondell:

Ms. Fondell summarized Agency financial results through July as provided in the board book materials.

MISO Energy Market Prices

LMP prices spiked in July due to hot weather but are still lower than budget.

Accounting Updates

A \$4.5 million draw on the Revolving Credit Agreement (RCA) for short-term debt was completed on July 29, 2020. This represents anticipated amounts for new transmission investments through the middle of 2021. The board previously approved a plan to paydown the RCA balance and the Agency continues to implement that plan.

The new SMMPA accounting system, Oracle NetSuite, go-live date is October 1, 2020. The members' September invoices will be created in the old system, and starting in October the invoices will be created in the new system.

Fitch Ratings conducted the annual SMMPA financial review, and SMMPA will maintain the current AA- credit rating.

Government Affairs/Member Services Report-Schoenherr:

Mr. Schoenherr summarized the government affairs/member services report detailed in the board book.

The Minnesota Governor's Stay Safe plan remains in effect.

Demand Side Management

DSM savings levels, based on information currently available, are at 2.22% when compared to estimated member sales year-to-date.

Member Services

The potential large customer solar project options for Saint Peter, Preston, Lake City, and Grand Marais were reviewed.

A status update on the electric vehicles (EV) charger project was provided. SMMPA's Level 2 charger is commissioned and operational. SMMPA charges users \$2/hour for charging. SMMPA has \$50,000 in the 2021 budget for EV promotion.

APPA eReliability tracking software will be made available to all members in fall of 2020.

Economic Development virtual meeting is scheduled for September 17, 2020 from 1-2 p.m.

Members were reminded to sign the PURPA SMMPA customer-owned generation contracts.

Resource Report/Marketing Update:

Sherco 3 Retirement Date

Last month the board agenda included an item on the Environmental Protection Agency (EPA) process related to regional haze and the Minnesota Pollution Control Agency (MPCA) requirement to report on the state implementation plan. EPA requires the four-factor analysis for units identified as contributing to regional haze if no enforceable retirement date is stated. Xcel Energy made a filing with the MPCA stating that Xcel would commit to an enforceable retirement date for Sherco 3, subject to Minnesota Public Utilities Commission's (MPUC) approval, and SMMPA would make the same commitment, subject to the SMMPA Board's approval. MPCA responded to Xcel that they believed they could work with that approach.

Wapsi Repowering Proposal from EDF Renewables

SMMPA has been evaluating the feasibility of adding renewables before 2030 to build toward the SMMPA 2.0 resource portfolio. Recently, SMMPA had discussions with EDF Renewables about repowering Wapsi. EDF provided two proposals focusing on repowering Wapsi in 2024 to capture the maximum production tax credits. The first proposal would terminate the existing contract and start a new 20-year contract in 2024. This results in savings in the first four years over the current contract, but the pricing in the remaining years of the new contract is higher than current estimates for entering into a contract for a new project. Another proposal would continue the current contract through its term, but still repowering in 2024. SMMPA would pay a new contract rate on increased volumes through the term of the existing agreement and on all volumes after the current contract expires in 2029. The price of the second proposal is on par with our planning study estimates, but is not compelling enough to make a purchase earlier than necessary.

Coal Swap with Xcel Energy

Xcel Energy and SMMPA have jointly burned Montana coal in Sherco 3 for most of the unit's operating life, and occasionally burned Wyoming coal for operational purposes. Since the Westmoreland Resources contract for Montana coal ended, SMMPA has only purchased Wyoming coal. Xcel still purchases Montana coal with firm contract quantities still to be delivered this year. They need to reduce the Montana coal pile to make room for the remaining deliveries. The way to do that is burn more Montana coal. Xcel approached SMMPA to swap Montana coal for Wyoming coal on a BTU for BTU basis which would result in both owners temporarily using Montana coal in Sherco 3. The Agency is willing to make the coal trade and is working on an agreement.

Western Area Power Association (WAPA)

Last week a WAPA representative contacted SMMPA to discuss Fairmont's WAPA contract regarding how losses are handled, which turned out to be a non-issue. However, it did focus the Agency on the fact that the current WAPA contracts with Fairmont, Litchfield, and Redwood Falls expire the end of this year and a new contract takes effect. The current WAPA contract includes a provision for a 1 mill per kW wheeling discount and up to 7 percent losses supplied by WAPA. The new WAPA contract eliminates both the 1 mill discount and provision of losses. This has prompted the Agency to review the history of the existing transmission arrangements

for WAPA deliveries to members and to consider if revisions need to be made in conjunction with the elimination of the wheeling discount and loss provision in the WAPA contracts. The Agency will be discussing this with Fairmont, Litchfield, and Redwood Falls.

Market Price Update

A graph of recent natural gas and on-peak electricity prices was discussed.

President's Report:

Mr. Hoffman reported:

- SMMPA Board and Member Representatives Meeting: The SMMPA Board and Member Representatives meeting scheduled for October 16, 2020 at 9 a.m. in Bloomington, Minnesota, will be held via internet meeting service due to the Coronavirus pandemic, unless the Minnesota governor's Stay Safe plan changes.
- SMMPA Board Retreat: The SMMPA Board Retreat is scheduled for October 22, 2020 from 9 a.m. to 4 p.m. at the Lake City Sportsman's Club.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- Westmoreland Resources Demand for Arbitration: The insurance companies originally filed a single arbitration claim against Xcel Energy and Western Fuels/SMMPA, even though there are two separate coal agreements. Mr. Geschwind indicated that Xcel and Western Fuels/SMMPA have been successful in splitting the consolidated arbitration into two separate proceedings.
- 2021 SMMPA Board Meeting Schedule: The 2021 SMMPA Board meeting schedule will include dates and not meeting locations due to the COVID-2019 pandemic. When face-to-face meetings return, we will determine the member locations in the meeting rotation schedule.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

A motion to adjourn the meeting was made by Mr. Moulton, seconded by Mr. Kotschevar, passed upon a unanimous vote of the board members present.

The meeting was adjourned at 11:56 a.m.

Secretary

DRAFT

MEMORANDUM 20-06



TO: Princeton Public Utilities Commission
FROM: Keith R. Butcher, General Manager
SUBJECT: Water AMI Scheduling
DATE: October 28th, 2020

ITEM SUMMARY

Since the Water AMI conversion requires access inside of a residence/business, Princeton Public Utilities offers the following process to ensure that everyone reached such that the full benefits of conversion are attained.

BACKGROUND INFORMATION

Quarterly Water AMI Scheduling Process

This is the proposed process for scheduling water AMI replacements. The intent is to continue with this process until the meter is replaced. Once it is scheduled/replaced, no additional steps are taken.

Step 1: The next group of meters to be converted will be identified.

Step 2: An initial Letter is mailed out separately to customers asking them to call and schedule a replacement time by a certain date.

Step 3: After two weeks, office staff will start calling and/or emailing customers one time to schedule a replacement.

Step 4: After two weeks, a door hanger will be placed at the residence/business asking them to call and schedule a replacement time.

Step 5: After one week, a second letter will be mailed out separately to customers asking them to call and schedule a replacement time. They will also be notified that if they do not contact us before the next monthly meter reading and schedule a replacement, a \$25 meter reading charge will begin until the meter is replaced.

Step 6: After one more week, each new monthly bill will be charged a \$25 meter reading fee until the meter has been replaced. We will include a bill stuffer in the first bill letting customers know about the fee and that it will be removed once the meter has been replaced.

RECOMMENDATION

Princeton Public Utilities recommends adoption of this process along with a \$25/month meter reading fee for those who have not responded to our request to schedule a replacement.

Amendment to the Wellhead Protection Plan

Part I

**Wellhead Protection Area Delineation
Drinking Water Supply Management Area Delineation
Well and Drinking Water Supply Management Area Vulnerability Assessments**

For

Princeton Public Utilities

October 2020



Introduction

This summary documents the amended delineation of the wellhead protection area (WHPA), drinking water supply management area (DWSMA), emergency response area (ERA), and the vulnerability assessments for the Princeton Public Utilities (PPU) drinking water supply wells and DWSMAs (PWSID 1480008). These were initially approved in January, 2011 and must now be amended as the public water supply's wellhead plan has nearly expired.

Table 1 – Water Supply Well Information

Local Well ID	Unique Number	Use/ Status	Casing Diameter (inches)	Casing Depth (feet)	Well Depth (feet)	Date Constructed/ Reconstructed	Aquifer ¹	Well Vulnerability
Well #7	578949	Primary	20 x 14	137	169	1998	QBAA	Vulnerable
Well #8	751504	Primary	18	104	139	2007	QBAA	Vulnerable
Well #9	749848	Primary	18	135	160	2007	QWTA	Vulnerable

Note: 1. QBAA: Quaternary Buried Artesian Aquifer. QWTA: Quaternary Water Table Aquifer.

Protection Area Boundaries

The amended protection area boundaries for the PPU are shown in Figure 1. Since the prior WHP Plan, Well #2 (219478) was sealed; as a result, the north DWSMA is reduced to exclude the former protection areas of Well #2. The west half of the north DWSMA is otherwise unchanged because the maximum projected volume of water pumped by Well #7 (578949) is the same as the previous plan. Similarly, the projected volume of water pumped by Wells 8 and 9 (751504 and 749848, respectively) is also the same as the previous plan. For this reason, the boundaries of the south DWSMA are only slightly refined to reflect the more recent availability of digital parcel and public land survey data. The changes to the PPU's DWSMAs are shown in Figure 2.

Except for smoothing of the polygon boundaries, the existing WHPAs for Wells 7, 8 and 9 (578949, 751504 and 749848, respectively) are determined to be adequate and are unchanged for this amendment. The ERA for Well #7 remains unchanged. However, because the locations for Wells 8 and 9 have been refined since the prior plan, there were minor revisions to the ERA boundaries for these wells with this amendment.

Vulnerability Assessments and Management Implications

The PPU wells continue to be considered vulnerable to contamination. This is primarily based on the groundwater age data showing that water from the wells is young and contains indicators of human impact (Table 2).

Review copy pending MDH approval.

For the most part, the aquifer vulnerabilities remain unchanged from the prior plan, and range from moderate to high in both DWSMAs. At moderate locations, the aquifer used by the PPU wells has some geologic protection and water and contaminants may travel from the land surface to the city's aquifer within a time span of years to decades. Moderately vulnerable aquifers are prone to several types of contaminant threats, including chemical storage tanks and abandoned wells which can provide conduits for contaminants to quickly reach the city's aquifer.

The high vulnerability rating is assigned to areas where well records indicate that the protective clay-rich till layer overlying the aquifer is relatively thin. At these locations, the aquifer vulnerability is considered high because the clay layer is less than 10 feet thick. This suggests that water and contaminants may travel more quickly from the land surface to the aquifer compared to the moderate vulnerability setting. The high vulnerability area of the north DWSMA remains the same as the prior plan. However, for this amendment, the boundaries of the high vulnerability area for the south DWSMA was revised using new information from the *Sherburne County Geologic Atlas* (Berg, 2017). To be consistent with current practice, the boundaries of the high vulnerability areas were also refined using geographic features, such as parcel boundaries, public land survey data, and streets for this amendment. Highly vulnerable aquifers are prone to a wide variety of contaminants and activities occurring on the land that can pose a threat to the aquifer. The remainder of the city's wellhead protection plan will outline strategies for effectively managing potential contaminant sources within the DWSMA.

Well Name (Unique Number)	Tritium ¹	Nitrate (mg/L)	Chloride/ Bromide Ratio	Chloride (mg/L)	Bromide (mg/L)	Arsenic (µg/L)
Well #7 (578949)	6.9 (Modern Age)	< 0.05	709	13.4	0.0189	3.09
Well #8 (751504)	3.9 (Modern Age)	< 0.05	715	13.8	0.0193	3.24
Well #9 (749848)	3.6 (Modern Age)	< 0.05	363	6.03	0.0166	1.5

Table 2 - Isotope and Water Quality Results (Date Sampled: 03/08/2019)

Note: 1. Modern age reference: Lindsey et. al, 2019.

Water Quality Concerns - At present, none of the human-caused contaminants for which the Safe Drinking Water Act has established health-based standards is found above maximum allowable levels in the city's water supply, nor are any present at one-half of those levels.

Documentation

MDH rule criteria and guidelines were used to assess the adequacy of the existing delineations and vulnerability assessments and evaluate the impact of newer data. The results of this assessment showed that a full update of the Part 1 plan is not necessary and instead this brief synopsis is adequate to amend the Part 1 plan. The documentation of this assessment is available from MDH upon request.

1. **Confirm Boundaries of the High Vulnerability Areas:** The high vulnerability area of the north DWSMA was mapped using geologic information from only a couple of wells. In addition, the 80 acre area east of U.S. Hwy 169 of the south DWSMA was also mapped as high vulnerability, even though this area is located beyond the high pollution sensitivity area mapped by the MN DNR (Berg, 2017). To be conservative, the high vulnerability designations of the prior WHP Plan were maintained at these locations of the north and south DWSMAs because of limited existing subsurface information in these areas.

Pending available resources, it is recommended that the PPU strive to locate other wells that may have geologic information, and possibly drill test borings in these high vulnerability areas to confirm the boundaries and extent. The MDH hydrologist can assist with interpreting existing well records, identifying proposed locations, and depths of test borings. In addition, surface geophysics can sometimes be useful for identifying the presence or absence of protective clay layers (i.e., aquifer confining units) overlying buried sand aquifers. The city may want to contact the MN DNR (geophysics staff, Ecological and Water Resources Division) to request their assistance with assessing whether surface geophysical survey tools would be useful in the Princeton hydrogeologic setting. In the past and pending available resources, DNR staff have had capacity to assist source water protection efforts by conducting geophysical surveys in settings where subsurface information is limited. If the city includes measures regarding this work in their amended plan, then the investigations may be eligible for funding by a Source Water Protection (SWP) grant.

2. **Water Quality Monitoring:** The standard assessment monitoring package should be analyzed during year six at any primary wells that exist at the time. MDH can provide sample bottles and cover analytical costs, pending available resources. The PPU may need to collect the samples and ship them to MDH.

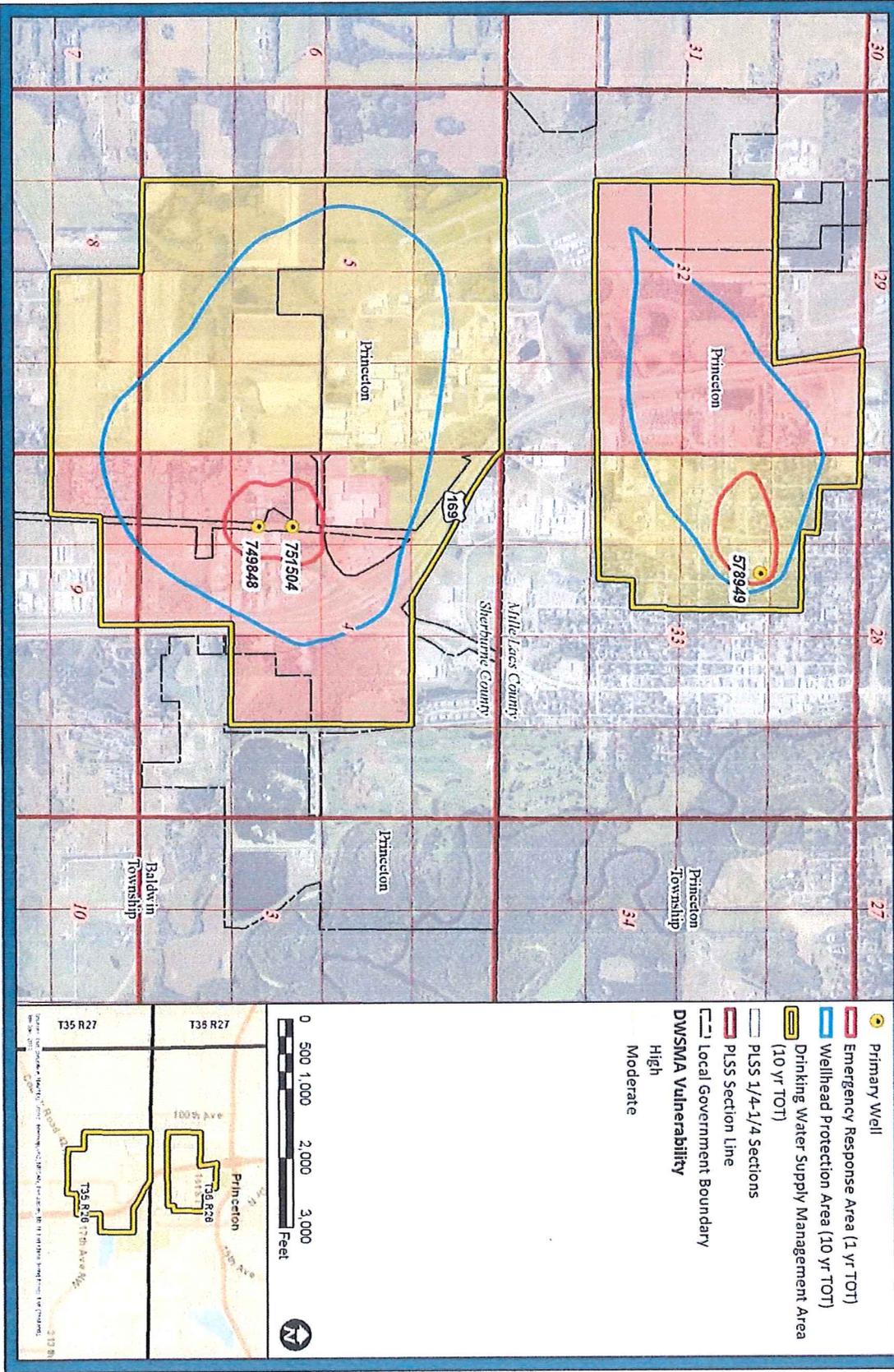
Selected References

Berg, J.A. (2017), *Geologic atlas of Sherburne County, Minnesota*, Minnesota Department of Natural Resources, Division of Waters, County Atlas Series, C-32, Part B, St. Paul, Minn., 56 p., 2 plates, scale 1:100,000.

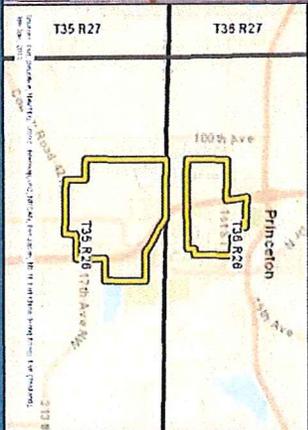
Lindsey, B.D., Jurgens, B.C., and Belitz, K., (2019), *Tritium as an indicator of modern, mixed, and premodern groundwater age*, U.S. Geological Survey Scientific Investigations Report 2019-5090, 18 p.

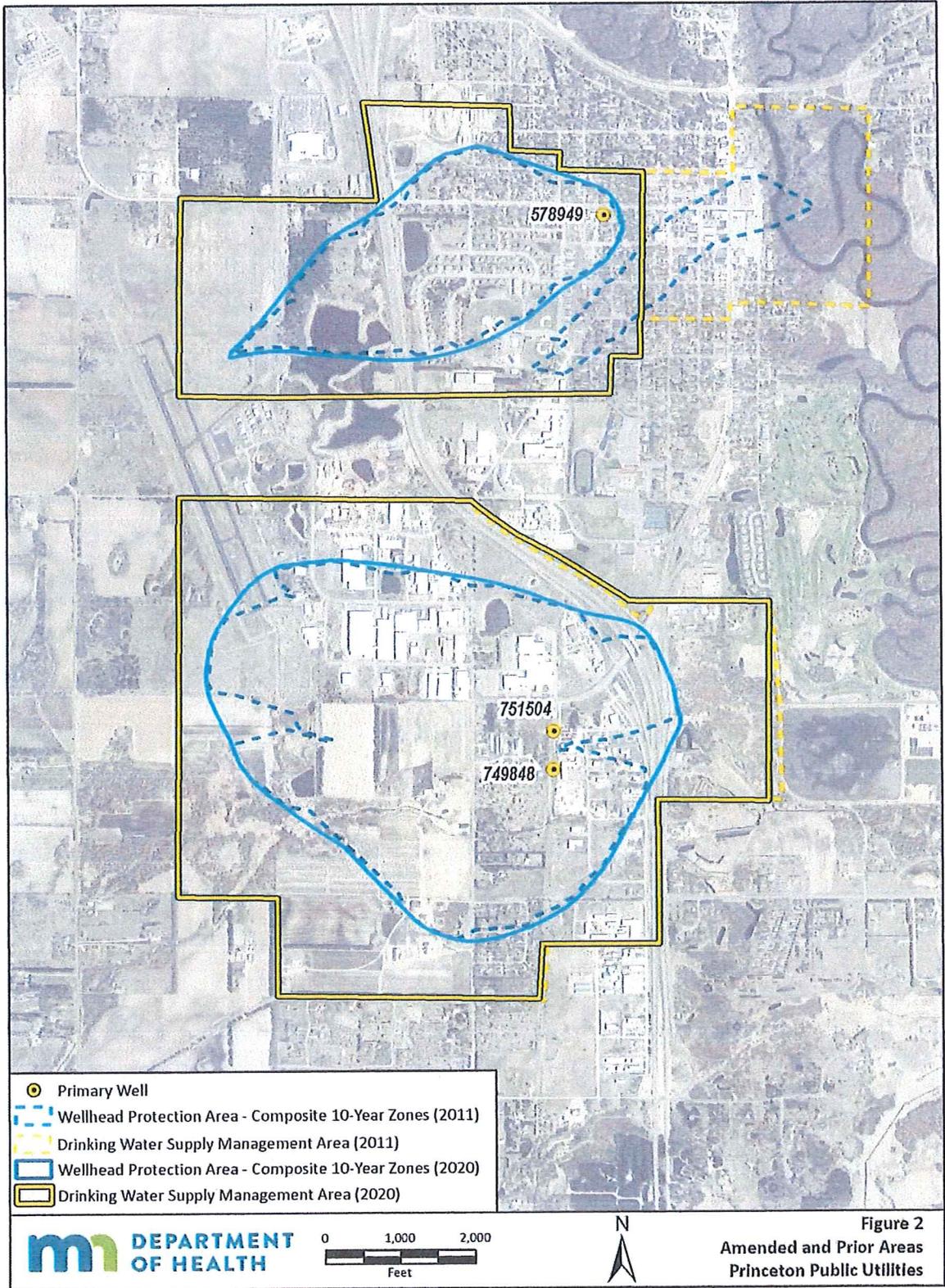
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Figure 1
Drinking Water Supply Management Area and Vulnerability
City of Princeton



- Primary Well
- Emergency Response Area (1 yr TOT)
- Wellhead Protection Area (10 yr TOT)
- Drinking Water Supply Management Area (10 yr TOT)
- PLSA 1/4-1/4 Sections
- PLSA Section Line
- Local Government Boundary
- DWSSMA Vulnerability**
- High
- Moderate





Review copy pending MDH approval.



104 S. Rum River Dr.
Princeton, MN 55371

763-389-3650 Phone
763-389-3651 Fax
www.princetonins.com

**Insurance Proposal
Prepared for:**

**Princeton Public Utilities
Commission**

2020-2021

Presented by:
Jim Burroughs
Email: jimb@princetonins.com
763-389-3650 x280

This presentation is designed to give you an overview of the insurance coverages we are offering for your company. It is meant only as a general understanding of your insurance needs and should not be construed as a legal interpretation of the insurance policies that will be written for you. Please refer to your specific insurance contracts for details on coverages, conditions and exclusions.

Celebrating over 100 Years of Service!

Welcome!

For more than over 100 years Princeton Agencies Insurance (PAI Insurance Group) has been serving Minnesota and the surrounding states by providing professional, dependable, local insurance service for more than 11,000 personal and business clients. One of the largest family owned insurance agencies in the state, the PAI Insurance Group has 6 convenient locations across Minnesota. PAI offices are staffed by insurance professionals who live in your neighborhood and care about you, your family, and the communities we live in. We believe that every client is unique and deserves and needs individual attention and personal service to help identify and reduce the exposures facing their family and livelihood. With direct contracts with more than 40 insurance carriers, we work on your behalf to find the best possible solution for your insurance needs.

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Offices by Location

Home Office:

Princeton Insurance Agency
104 S Rum River Drive
Princeton, MN 55371

Other Locations:

PAI Insurance Milaca
210 SW 2nd Avenue
Milaca, MN 56353

Cambridge-Isanti Insurance
131 Main Street N
Cambridge, MN 55008

Benton Insurance Services
112 4th Avenue
Foley, MN 56329

PAI Insurance Foley
114 4th Avenue
Foley, MN 56329

PAI Insurance Onamia
508 Main Street
Onamia, MN 56359

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Agency Personnel/Service Team

Jim Burroughs
Agent
Phone: (763)389-3650 x280
Email: jim@princetonins.com

Kim Sautter
Account Manager
Phone: (763)389-3650 x122
Email: Kims@PrincetonIns.com

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Named Insured

Named Insured

Name:

Princeton Public Utilities Commission

Commercial Property

Location Schedule

Loc	Address	Address 2	Building	Contents	Deductible
	Blanket Property			\$43,878,742	5,000
1	Old Hwy 18 S	Water Tower	2,253,081		
2	1100 Water Tower Drive	New South Water Tower	1,462,101		
3	906 2nd Street S	Repair Garage Incl Addition	1,207,328	396,291	
4	710 N 4th Ave	North Water Tower	1,294,998		
5	901 1st Street	Power Plant	4,698,078	19,452,779	
6	407 Old 10 South	South Substation	4,064,884		
7	907 1st Street	Office and Storage	391,050	103,605	
8	101 9th Ave S	#1 Water Treatment Plant	687,436	239,277	
9	1212 7th Ave N	North Substation	2,783,721		
10	1001 Rum River Drive S	#2 Water Treatment Plant	1,557,031	824,068	
11	1001 Rum River Drive S	#8 Well Control Structures	2,427	23,927	
12	1001 Rum River Drive S	#9 Well Control Structure	2,427	23,927	
13	104 10th Ave S	Garage	51,945	11,534	
14	106 10th Ave S	Substation behind Power Plant	2,221,544		
15	907 2nd Street S	Fenced lot for transformers/poles	20,053		
			22,698,104	21,075,408	43,773,512

Travelers Boiler & Machinery Equipment Breakdown
Blanket Limit \$43,773,512 with

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Commercial General Liability

Limits of Liability

Coverage	Limit	Ded
Products Limit	3,000,000	
Failure to Supply Claim	3,000,000	
EMF Claim	3,000,000	
Each Occurrence	2,000,000	5,000
Land Use	1,000,000	
Medical Expense	2,500	
Retro 7-1-1987		

Commercial General Liability Schedule of Hazards

Loc #	Classification	Exposure
1	Expenditures	8,329,333
1	Employment	17

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Bond / Crime/ Petrofund

Limits of Liability

Coverage	Limit	Ded
Crime	250,000	500
Bond	500,000	5000
Data Breach Mitigation	500,000	5000
Petro Fund	250,000	0

Commerical Inland Marine

Equipment Floater Coverage

Loc #	Coverage	Limit	Ded
Blanket	Mobile Property	250,000	

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Commercial Automobile Coverage

Coverages/Limits

Coverage Description	Ded	Limits
Combined single limit	5,000	2,000,000
PIP-Basic		
Uninsured motorist combined single limit		200,000
Underinsured motorist combined single limit		200,000
Comprehensive	5,000	
Collision	5,000	

Vehicle Schedule

Veh #	Year	Make	Model	VIN	Liab	RC	Comp Ded	Coll Ded
1	1996	Felling	Trailer	2203	X		Na	Na
2	1996	Chev	Dump Truck 1 ton	9137	X		5,000	5,000
3	1998	Freightliner	Bucket	7311	X	X	5,000	5,000
4	2001	Freightliner	F70 boom	7408	X	X	5,000	5,000
5	2005	PJ	Trailer 30'	6475	X		5,000	5,000
6	2003	Ford	F250	1680	X		5,000	5,000
7	2003	Chev	K2500	4749	X		5,000	5,000
8	2008	Ford	F250 w plow	1426	X		5,000	5,000
9	2014	H&H	Dump Trailer 14'	0680	X		5,000	5,000
10	2014	Quality Steel	UT Trailer	2462	X		5,000	5,000
11	2014	Chev	Traverse	9059	X		5,000	5,000
12	2011	Ford	F350	8674	X		5,000	5,000
13	2009	Chevy	Silverado	1694	X		5,000	5,000
14	2014	GMC	Sierra	2206	X		5,000	5,000
15	2016	Water	Trailer 5x10	8312	X		5,000	5,000
16	2017	Ford	Altec Boom Truck	2764	X	X	5,000	5,000
17	2017	Freightliner	Digger Truck	2767	X	X	5,000	5,000
18	2018	Ford	F150	4501	X	X	5,000	5,000
19	2018	Ford	F150	1752	X	X	5,000	5,000

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Workers Compensation

Part 1 Workers Compensation State Information - Minnesota

State	Deductible	
MN	1,000	

Part 2 Employers Liability Information

Coverage	WC & Employer's liability
Bodily Injury – Each Occurrence	1,500,000
Bodily Injury by Disease - Aggregate Limit	1,500,000
Experience Mod Factor	.76

Rating Information

State	Loc Number	Class Code	Categories, Duties, Classifications	Rating Basis	Exposure
MN	1	8810	Public Utilities Clerical	Remuneration	365,000
MN	1	7539	Electric & Steam Plant	Remuneration	590,000
MN	1	7520	Waterworks	Remuneration	190,000
MN	1	9411	Elected or Appointed Officials	Remuneration	18,200

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Umbrella

Policy Coverage Limits

Coverage	Limit	Retention Amount
Umbrella	1,000,000	None

Underlying General Liability

GL Each Occurrence	Products Limit	GL Medical Expense
2,000,000	3,000,000	2,500

Underlying Employers Liability

EL Each Accident	EL Disease Policy Limit
1,500,000	1,500,000

This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Premium Summary

Company: League of MN Cities Insurance Trust

<i>Description Of Coverage</i>	<i>Annual Premium</i>
Property	\$37,507
Commercial General Liability	\$9,749
Commercial Automobile	\$3,675
Workers Compensation	\$21,674
Umbrella/Excess	\$2,825
Travelers Equipment Breakdown	\$73,943
Total Estimated Annual Premium	\$149,373

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This proposal is provided as an overview of your policy. You must refer to the provisions found in your policy for the details of your coverage, terms, conditions and exclusions that apply.

Princeton Public Utilities Residential Lighting Contest

8B

If you love Christmas, decorating and all the lights then why not participate in our 2020 Residential Lighting Contest?

Here's how it works: You must live in the Princeton Public Utilities (PPU) electric service territory to be eligible for the contest.

Application forms must be completed and returned to the PPU office by noon on Monday December 7th, 2020

Residential Categories

Grand Prize: \$100.00
First Runner-Up: \$75.00
Second Runner-Up: \$50.00

Prizes will be awarded as a credit on your utility bill.

The judging will be done December 8th – 11th and the winners will be announced by
December 16th

Please be sure to have your display lit all of the nights of judging.
One winner per category.

LED lighting is not mandatory, but strongly encouraged. As a reminder, win or lose, when purchasing LED lights you are eligible for a rebate from Princeton Public Utilities. Please visit www.SaveEnergyInPrinceton.com for more information.

2020 Ballot Question—continued

Public Utilities from the electric department, water department, and the municipal waste department (the municipal waste department has since been eliminated).

How was the PILOT changed in 2020?

The financial component of PPU's PILOT contribution, and only the financial portion of the PILOT, has been withheld to use those funds to bring the reserve funds for the electric utility in line with the guidelines established by the Commission to insure the utility's ability to respond to emergencies.

The PILOT financial transfer has been deposited into the city's General Fund and was not earmarked for any particular activity or department. Therefore, no harm was done to law enforcement, fire fighters or first responders as a result of suspending the PILOT financial transfer.

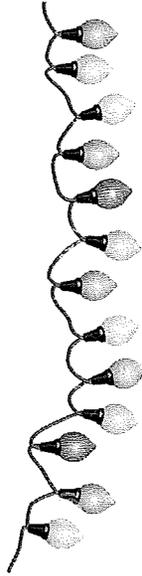
A joint committee to work out the restoration of the PILOT payments was underway and making progress when the Mayor opted to put the abolishment of the Commission on the ballot thereby making further discussions pointless.

Who determines the PILOT arrangement?

The option to make any PILOT contribution is up to the commission as per state statute. Being a non-taxable entity, no tax is due. If there is a surplus at the end of a fiscal period the Commission may negotiate with the city council to share some of that surplus.

The responsibility of the commission is to the rate-payers and not to the city council. The Commission is responsible for the structure, maintenance, operation, and financial health of the utility in order to serve the best interests of this community. The goal is to provide both water and electricity at competitive prices and a service level second to none with the ability to rapidly respond in times of need. Being a significant source of income to the city outside of the city's established taxing authority should not be the primary goal of a municipal utility.

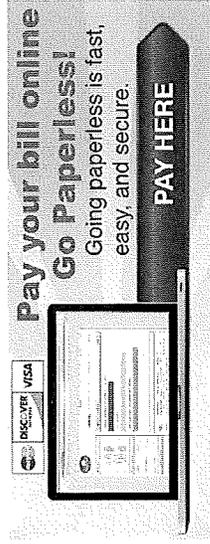
Trim your tree and Trim your electric bill....



Get a rebate from Princeton Public Utilities when you purchase LED Lights and Decorations to save energy & money – and give a little back to the environment.

- * Long Life - LED lights can last up to 10 times longer than traditional incandescent strands
- * Save Money – Using LED holiday lights can save the average family \$50 during the holidays
- * Cool to the Touch – LED lights reduce the risk of fire and personal injury
- * Energy Efficient – LED lights use up to 90% less electricity than incandescent
- * Lamp Replacement – If a bulb burns out, the other bulbs stay lit making replacement easy

Complete and bring in the Rebate Coupon (available online), original receipt and part of the box showing the number of LED lamps per string or decoration to Princeton Public Utilities. Expiration 12-31-2020



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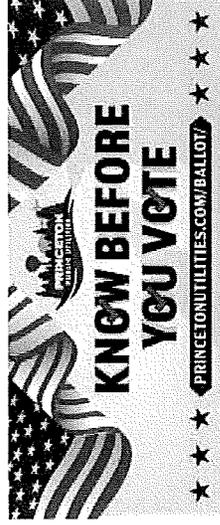
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The



Princeton Public Utilities



2020 Ballot Question Information

We have been approached by many of our customers regarding this year's Ballot Question. To help answer those questions, we have compiled the following list of FAQs.

What is the Ballot Question?

All City residents will see the following question on their ballot.

"Shall the Public Utility Commission be abolished?"

A "No" vote will keep all direct oversight and responsibilities with the Princeton Public Utilities Commission whose members are appointed by the City Council.

A "Yes" vote will abolish the Princeton Public Utilities Commission (PUC) and transfer all direct oversight and responsibilities to the Princeton City Council.

What does Princeton Public Utilities do?

Princeton Public Utilities provides electricity and water to a variety of customers both inside and outside of city limits. Princeton Public Utilities is a not-for-profit municipal utility organized under the City of Princeton. Princeton Public Utilities does not have shareholders and therefore all revenues are used for the benefit of the community.

2020 Ballot Question—continued

Princeton Public Utilities' finances and operations are independent of the City of Princeton. The Princeton Public Utilities Commission, appointed by the City Council, provides oversight and guidance over all PPU policies, finances, and operations.

Is Princeton Public Utilities a profit-making entity?

No, Princeton Public Utilities is a tax exempt - not for profit - municipal business. Which is to say that the money that the utility receives is returned to the utility to ensure the continuity of those goods and services.

How long has the Princeton Public Utilities Commission (PUC) managed Princeton Public Utilities?

The Commission was established when Princeton Public Utilities was first formed in 1911. It has operated as a three-member Commission with staggered three year terms since the beginning. Commissioners are appointed by the City Council and must re-apply at the end of each term if they wish to continue serving.

Why was the PUC created?

The establishment of an independent department of village government was created under Minnesota State Statute (412.321) by the legislature. According to the Minnesota State Supreme Court,

The purpose was to create a water and light commission... and to clothe it with exclusive authority, acting by itself, and independently of the common council or mayor, to operate, control and manage a city water and light plant. This authority is impressed in clear and unambiguous language, and effectually creates a department of village or city government responsible only to the people. (Briggs vs. McIlraith).

The court also stated,

Here the Commission is clearly meant to be an independent department of the village government. We think the manifest object of the legislature was to place the conduct of municipal owned public business enterprises in the hands of a stable and independent body, free from the baneful influences which so often result from the frequent

2020 Ballot Question—continued

changes of the political complexion of an elective village council. (Village of Chisholm vs. Bergeron).

Who are the members of the PUC?

Chairman Greg Hanson, a retired businessman in International Sales at Hornady Manufacturing in Grand Island, Nebraska, is skilled in staff management, IT, and project management. Greg is a Princeton Public Utilities electric customer and lives in Princeton Township. Greg lived in Princeton and taught at South Elementary in the 1970s and retired to the area in 2014.

Commissioner Dan Erickson, President of Erickson Asphalt, Chief Manager of Railside Properties, and Business Consultant, joined the Commission to serve the community by offering his time, business experience, and knowledge. Dan is a Princeton Public Utilities electric and water customer and lives in the City of Princeton. Dan has lived and worked in Princeton for over 30 years.

Commissioner Richard Schwartz, Owner of Princeton Partnership with several rental properties in Princeton, is skilled in business, finance, business management, and operations. Richard also has a strong electronic/electrical and accounting background. Richard is a Princeton Public Utilities electric customer and lives in Baldwin Township. Richard is a lifetime Princeton area resident.

How are Commissioners selected?

The commission members are chosen by the City Council, that is to say, the city council members were elected by the people in a democratic fashion to choose managers for the municipal public utility. This method was designed and enacted by the State Legislature specifically to avoid having the city councils (political organizations) run the utility for fear of using the utility to meet short-term political needs.

As for the current Commission, the current Mayor and City Council unanimously appointed both Commissioners Greg Hanson and Richard Schwartz. The current Mayor had also endorsed Commissioner Dan Erickson prior to the start of his term. Commissioner Erickson was unanimously appointed by the previous Mayor and City Council.

2020 Ballot Question—continued

I don't live in town but I am a Princeton Public Utilities customer, do I get to vote on this question?

No, the question will only be on the ballot for those that live within city limits.

Will my rates go up or down?

The ballot question is regarding the transfer of direct decision making from the Princeton Public Utilities Commission to the City Council. If the Ballot Question is approved, the City Council would determine all future rates. If the Ballot Question is denied, the PUC would continue to establish electric and water rates for its customers.

What is a PILOT?

The commonly referenced PILOT (or Payment-in-lieu of taxes) is support, which can be both financial and non-financial in nature, that a non-taxable entity can voluntarily donate to various taxing authorities. In addition to a financial transfer, Princeton Public Utilities has been providing various services to the city at little or no cost. This includes the handling all sewer billing on behalf of the city including administration, materials, fees, collections, and reporting. This also includes street lighting, which is a fee for service that many other cities must pay to their local utility – in Princeton's case this is partially funded through the street light fee. PPU also maintains all fire hydrants in town and provides miscellaneous services to the city and first responders when needed (even when it is outside PPU's service territory). Being a local utility, we can often respond to emergencies quicker than other organizations located elsewhere. In addition, there are many activities that PPU performs to help the community. One small example is that the city's Christmas decorations are stored at PPU which we install and remove every year.

Who pays a PILOT?

PILOTs vary from jurisdiction to jurisdiction but it is usually in reference to a non-taxable entity making a voluntary contribution to a governmental entity. In the past, a PILOT contribution was made from Princeton