

**PRINCETON PUBLIC UTILITIES COMMISSION**  
**REGULAR MEETING**  
Mille Lacs County Historical Society Depot Museum - Amdall Room  
101 10<sup>th</sup> Avenue South  
Princeton, MN 55371  
September 23<sup>rd</sup>, 2020 1:00 P.M.

- 1. Call to Order – Roll Call**
- 2. Approval of Minutes**
  - a. Public Utilities Commission – Regular Meeting – August 26<sup>th</sup>, 2020
- 3. Public Comment**

*(This agenda section is for the purpose of allowing customers to address the Utility Board. 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 – August 12<sup>th</sup>, 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. Unfinished Business**
  - a. Communications
  - b. Bill re-design feedback
- 8. New Business**
  - a. Delinquent Bills and Property Tax Assessments
  - b. MMUA Safety Management Program Contract
  - c. Public Power Week – October 4<sup>th</sup> – 10<sup>th</sup>
    - i. Public event : Saturday, October 10<sup>th</sup> (9am to noon)
  - d. Be Bright Campaign
  - e. Collective Bargaining Notice
    - i. Stinson Engagement Letter
  - f. Heat Share Agreement Renewal
  - g. 2020 Commission Calendar
  - h. General Manager Review and Salary Discussion
- 9. Adjournment**

## PUBLIC UTILITIES COMMISSION

### REGULAR MEETING

August 26, 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 in Princeton City Hall, 705 North 2<sup>nd</sup> Street, on August 26, 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 customer Jack Edmonds.

Meeting was called to order by Chairman Hanson at 1:00 P.M.

Chairman Greg Hanson made a statement at the beginning of the meeting. There is concern in regards to City Councilor Jenny Gerold being the liaison of the Princeton Public Utilities. The word Liaison means an agent to bring things together. Councilor Gerold voted to abolish the PPU Commission, she refused to read a statement from Chairman Greg Hanson at the Special Meeting of the Princeton Council, and twice she was asked to vote on bringing that statement into the public record and she voted no.

Mr. Erickson moved to approve the Minutes for the July 22, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously. Mr. Erickson moved to approve the Minutes for the August 19, 2020 PUC Work Session Meeting. Mr. Schwartz seconded. Motion carried unanimously.

During Public Comments, PUC customer Jack Edmonds reserved the right to comment after the Ballot Question Discussion.

Union Times Reporter Tim Hennagir requested if the microphones are live to please use them to better hear discussions.

City Councilor Jenny Gerold responded to the statement made by Chairman Greg Hanson at the start of the meeting. She stated "as the City Liaison my job is to report information between the PUC and the Princeton City Council. She stated "one of the reasons I made the decision um I was extremely torn and it was a very difficult decision to make and I was not sure how I was going to vote until that night. And it was clear to me that the council was divided. Um whether we should dissolve the board or keep it the same and um the decision I made was to allow the people of the City since the Council was so torn on what to do, it was split. Um to hear the voice of the people and let the people decide. And I'm fine with it either way. If they want to dissolve the board and move forward I am fine with that and we'll get that figured out. If they decide they want to keep the board, then I'm fine with that as well. But um my decision was based on hearing the voice of the people and letting the people decide since we were so torn. And that is where that decision came." She feels she can relay information professionally and does not see any conflict because she voted to hear the voice of the people. And until the Princeton City Council makes a decision that she is no longer a City Council Liaison, she plans to continue to attend the meetings and relay information back and forth.

Union Times Reporter Tim Hennagir asked for an explanation as to why in previous agendas for the PUC meetings there has been a section for the Mayor to comment, in this agenda there is no section for the Mayor. General Manager Keith Butcher explained in the past if the mayor had a topic to discuss we would put that on the agenda. Mayor Schumacher did not reach out to him regarding being put on the agenda for this meeting.

Chairman Hanson called for additions or deletions to the agenda. PPU customer Jack Edmonds requested to be added to the agenda:

New Business:

A. Comment from Princeton Citizen Jack Edmonds

Manager Keith Butcher added to the agenda:

B. Princeton City Communications

On the open forum, PPU Commissioner Rick Schwartz commented City Councilor Jenny Gerold had clearly stated all three PPU Commissioner names at the City Council Meeting and it was the City Council that put the PUC in this position. If the City Council does not feel the PPU Commissioners can run the PUC why did all of the Council Members vote for them and appoint them for the position. All PPU Commissioners are very knowledgeable. The language was used that the City Council does not trust any of the PPU Commissioners. Commissioner Rick Schwartz stated he had contacted City Councilor Jenny Gerold asking what he had done to give you the indication that you could not trust me since he had only been appointed a PPU Commissioner for two months. He does not know of anything they have done that you cannot trust them for, they are trustworthy people. He stated with statements made like that publicly, he takes offense to.

City Councilor Jenny Gerold stated she did not state that any of the PPU Commissioners could not run the PUC. She stated "What I do not trust is the decisions that have been made which appear to me to be emotional and feeling based on the views or the feelings or the disdain of the current mayor. That is how I view decision-making. Have you done that? I have not witnessed you doing that Mr. Schwartz and I will apologize publicly for putting you in that category because you were not on the board when the board made the decision to stop making the PILOT payments. You were not included in that decision-making. You have not given me any reason to personally to not trust your decision making but I don't trust the rest of the decision making at times because I feel like it's all based on the disdain for one person and not what is best for the whole community and City of Princeton. I did not read Mr. Hanson's letter because Jack offered to do it. He said if you don't want to Jenny, I will do it. Which apparently he was also asked to do it. It was decided not to read that letter because we decided not to have an Open Forum. We were under a time crunch, we had a deadline. If we would have opened it up to Open Forum there is a possibility we would have gone over our deadline, we would not have been able to get the information to the um to the county. That letter was viewed no different than allowing Open Forum." She stated the voices of the Princeton residents will be heard when they vote on November 3<sup>rd</sup>. Commissioner Rick Schwartz stated the people's voice should always be heard.

Mr. Erickson made a motion to approve the agenda with additions of the August 26, 2020 Regular PUC Commission Meeting. Mr. Schwartz seconded. Motion carried unanimously.

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

## **6. REPORTS AND CORRESPONDENCE:**

- A. The SMMPA Board Meeting was held August 12, 2020 via video conference. General Manager Keith Butcher was unable to attend the video conference. The Key Metrics were provided to the PPU Commission. There was a discussion of including the minutes from the SMMPA Board Meeting in the packets for the PPU Commission Meetings. The consensus of the PUC Commission was to include the SMMPA Board Meeting minutes in their packets.

- B. In the Generation Plant, they continue working on the radiator.

In the Electric Department, to date 40.1% of the electric meters have been converted to AMI meters. By this time next year, they hope to be 90% to 95% completed. Installation of the DC fast charger continues with the boring at Coborn's being completed. The line crew continues with underground work around Princeton to help improve the PPU's reliability.

- C. In the Water Department, 14.6% of the water meters have been converted to AMI meters. There was a delay in the installation because the hand tool had failed. They have received the new hand tool and are initializing water nodes for installation. Water meters take additional time as water meters are located inside the home and working around customers schedules.
- D. City Administrator Bob Barbian reported they continue on River West Suites apartments. A TIF will be presented to the Planning Commission next month for review and then to the City Council for approval. Construction on the AT&T cellular tower will begin in September. There was a discussion on the watermain loop extension by 7 Barrel Brewery which is on hold at this time.
- E. General Manager Keith Butcher reported the following:
- i. New bills are being mailed with week along with a survey to complete and return. The public is encouraged to let us know their thoughts on the bill change. Customers can return the survey to us, comment on Facebook, or e-mail us their thoughts. Complete feedback will be compiled and brought back to the PPU Commission for review.
  - ii. General Manager Keith Butcher participated in MMUA's Virtual Summer Conference. Majority of the conference centered on COVID responses. Three new members joined the MMUA board. A new President-Elect was nominated and the passing of the gavel took place. MMUA dues will remain unchanged for 2021.

## **7. UNFINISHED BUSINESS:**

- a. **There was no Unfinished Business**

## **8. NEW BUSINESS:**

### **a. BALLOT QUESTION DISCUSSION**

There was a discussion on the Ballot question "Shall the Public Utility Commission be abolished?" Commissioner Rick Schwartz fears if this should pass, he does not feel the Princeton City Council understands the obligations that they will have to perform. Right now the PPU Commissioners are the directors as is the General Manager. He has a strong concern that Princeton itself and the PPU customers will be the ones that will suffer the consequences. He stated there is no guarantee any of the employees will stay if this should pass.

Commissioner Dan Erickson the PPU Commission is a citizen group that stands between the Princeton City Council and the ratepayers as a buffer. His predecessors have done a very good job of managing this utility for the past 100+ years getting the PUC in a very solid financial position. This could change with the snap of a finger. He is concerned if people are not aware of what the PPU Commission does for them, that the ratepayers will suffer down the road if the wrong group of people were to get their hands on the reserves that are set aside for large for capital improvements such as transformers. It is the responsibility of the PUC Commission from this time forward to educate the ratepayers and voters of what they stand to lose.

Commissioner Greg Hanson stated prior to Dan Erickson being appointed to the PPU Commission, he had stated one of his goals was he wanted to change the perception of PPU and the public to show that we were in fact working towards their best interest. The decision they made to stop paying the PILOT was a decision not based on personalities, it was based specifically on getting the electric reserve funds back up to what we felt an important minimum target. There was a work session just a week ago talking about specific strategies to move money to get to that target so the PPU could be in a position to discuss PILOT in the future. That decision was based on doing what was best for the customers. He also stated the PUC should not be a source of additional income to the City Council. The City Council has the responsibility to set taxes, set franchise fees, etc. The PPU is not a taxable government entity, it is a municipal entity. The PPU has a responsibility to make sure that the water and electricity we provide are at the best. PPU employees respond to outages at a moments notice when people in this community need it whether there is a leak in a water line, a transformer, or a polar vortex. We have employees who respond to any instance to make sure our people are not shut off. That is the PPU's responsibility. It is clearly the PUC Commissioners job to not get involved in who said what, it is irrelevant. However, it is critically important that the community knows and understands what it is we do and how we do it and who is involved in doing it every single day.

Minnesota State Legislature many years ago wanted to keep cities and utilities separate so the utilities would not be caught up in any political issues so a State Statute was written for this matter. The responsibility of the PPU is to provide the commodities that we do, provide the services they expect and to be completely open and forthcoming as a Commission and as a utility. That should be the focus of our work and until we are dissolved we have a job to do and we will do it.

PUC customer Jack Edmonds commented on the state statute that he falls back on consistently. The state statute can be challenged and has been challenged. There is already a committee that has been formed to Vote No. They will be going out to answer questions customers would have.

Chairman Greg Hanson re-iterated that it is still the PPU Commissions' responsibility to be open and forthcoming about what it is we do, the decisions we make and the services we offer to the PPU customers. These components need to be shared with the Princeton community. Commissioner Rick Schwartz stated the PUC customer base is not just within the Princeton city limits. The customers outside the city limits do not have a voice in the ballot question. The business owners also do not have a voice.

#### **b. COMMUNICATIONS**

The Commission continues to focus on improving the public perception of the PPU and help customers to better understand who the PUC is and what we do. Due to COVID-19 tours of the PPU facilities have been suspended. Prior to COVID-19, tours had been provided to the public during normal business hours which is difficult for working families.

There is an opportunity through our website company to work with a videographer to develop a series of videos to highlight Princeton Public Utilities. The videos could provide virtual tours of the power plant, substations, water treatment plants and water towers. There could be videos on news and current events pertaining to PPU activities. There could be interviews with staff and officers (past and present). There could also be videos on work activities such as replacing a power pole, inspecting equipment and running a generator. There could be videos on PSA's (Gopher State One Call, power line safety, protecting ground water resources, paying your bill online).

The videos could hit every aspect of what the PPU does. The videos could be posted on YouTube, Facebook and the PPU website. The goal would be to produce videos of the PPU and the City of Princeton working together and promoting the City of Princeton, not just Princeton Public Utilities. The discussion of the videos included promoting the Princeton community and the entire area to have your business in, to live in and to work in. The PPU Commissioners would like to see more information being placed in the local newspapers to help promote businesses. Mr. Schwartz made a motion to move forward with the development of these educational videos and posting them on PPU and social media. Mr. Erickson seconded. Motion carried unanimously.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 2:00 p.m. Mr. Erickson seconded. Motion carried unanimously.

Gregory Hanson  
Chairman

Kathy Ohman  
Secretary

**PRINCETON PUBLIC UTILITIES**

**Accounts Payable Listing**

For 8/1/2020 to 8/31/2020

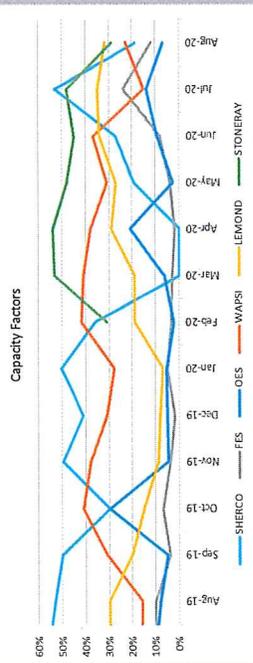
	<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
1	Amaril Uniform Company	FR Rated Clothing	87.11
2	Ameripride Linen & Apparel Services	Cleaning Supplies & Services	423.08
3	Arc Irrigation	Fertilization & Weed Control	456.20
4	Border States Elec. Supply	Couplers	159.64
5	C. Emery Nelson	Air Filters	198.40
6	Cannon Technologies, Inc.	New AMI Metering	22,674.60
7	Card Services (Coborns)	Supplies	88.67
8	Centerpoint Energy	Monthly Natural Gas	467.04
9	CW Technologies, Inc.	IT Care Services Agreement	1,681.23
10	Dakota Supply Group	Inventory, Meter Adapters	6,124.16
11	Finken Water Solutions	Bottled Water	48.45
12	FS3, Inc.	Locate Supplies, Inventory	3,988.27
13	Gopher State One Call	Monthly Locates	95.85
14	Grainger	Faceshields, Battery Hydrometers	351.88
15	Hawkins, Inc.	Water Treatment Chemicals	5,637.07
16	Hofman Oil Co.	Monthly Vehicle Fuel	474.87
17	Innovative Office Solutions	Supplies	299.88
18	Instrumental Research, Inc.	Monthly Water Testing	67.00
19	Kriss Premium Products, Inc.	Jacket Water Treatment	402.61
20	Locators & Supplies, Inc.	Safety Glasses & Vests	418.11
21	Marv's True Value	Shop Supplies, Shipping, Connectors, Plexiglass, Tools	1,264.30
22	Metering & Technology Solutions	Inventory	5,458.92
23	Midcontinent Communications	Monthly Internet & Telephone	250.35
24	Midwest Machinery Co.	Drive Shaft Bearing, Lift Arm Assembly	521.38
25	Minnesota UI Fund	2nd Qtr. 2020 Unemployment	2,397.21
26	Minuteman Press	Business Cards, Circuit Breaker Name Plates, Face Masks	442.35
27	MN Municipal Utilities	, Conference Drug & Alcohol Consortium, KN95 Masks	339.38
28	Pekarek Utilities Midwest, Inc.	Directional Bore - Alpha Road	4,207.00
29	Pekarek Utilities Midwest, Inc.	Directional Bore - Customers	756.00
30	Pekarek Utilities Midwest, Inc.	Directional Bore - West Branch Street.	2,352.00
31	Princeton Auto Center	Battery	142.58
32	Princeton Rental Inc.	Skid Loader Rental	484.40
33	Quadient Finance USA Inc.	Postage	52.80
34	T & R Electric Supply Co.	Bushing Wells, Inventory	3,047.00
35	Verizon Wireless	Monthly Cell Phone	711.87
36	Voyant Communications, LLC	Monthly Telephone	419.37
37	Waste Management	Monthly Trash Service	248.41
38	WSB	Engineer Fees	4,989.00
39	MN Public Facilities Authority	2004 Bond Principal & Interest Pymt.	55,770.35
40	U.S. Bank Operations Center	2006 Bond Interest Pymt. & Admin. Fees	4,934.42
41	SMPA	July Purchased Power	426,897.61
42	U.S. Bank Equipment Finance	Monthly Copier Lease Payment	182.00
43	Postmaster	Postage for Monthly Billing	757.10
44	Amaril Uniform Company	FR Rated Clothing	2,773.61
45	American Solutions for Business	Utility Bill Paper, Envelopes	2,023.47
46	Auto Value Princeton	Reflective Tape	89.63
47	Bob Hoskins Electric	Install Meter Sockets	930.00
48	Cannon Technologies, Inc.	Network Scout Field Tool for AMI Meters	5,407.02
49	Cardmember Service (Mastercard)	Supplies, Zoom Video Conference, Gate Opener, Paint	4,646.79
50	Cash Gas, Inc.	#2 Red B10 Diesel Fuel	10,468.01
51	Centerpoint Energy	Monthly Natural Gas	684.40
52	Chemsearch	Antibacterial Hand Wipes	229.63
53	City of Princeton	July Sewer Billing & Late Charges	106,834.15
54	Connexus Energy	Monthly Utilities	2,981.08
55	Dahlheimer Trucking & Excavating	Clay	1,375.00
56	John D. Dunham	1/2 Cost of Sealing Well	192.50
57	Fairview Health Services	Random Drug & Alcohol Testing	82.00

58	FS3, Inc.	Bonduit, Nozzles	465.58
59	HealthPartners	September Health Insurance	26,153.67
60	McGrann Shea Carnival Straughn	Legal Fees	182.50
61	Menards	Supplies, Covid-19 Barriers, Return	40.19
62	Metro Sales Incorporated	Maint. Contract & Usage Charges Copier	1,112.00
63	MN Dept. of Health	Class C Water Operators License	32.00
64	MN Rural Water Association	Education	255.00
65	NCPERS Group Life Insurance	August Life Insurace	96.00
66	Olsen Chain & Cable, Inc.	Annual Inspections	1,180.00
67	Pekarek Utilities Midwest, Inc.	Directional Bore - DC Fast Charger	1,205.00
68	Princeton Public Utilities	Supplies, Postage, Safety Books, Jacket	257.27
69	Princeton Electric	Repairs	355.67
70	Princeton Health & Fitness	Commercial Rebate	1,020.00
71	Public Utilities Commission	Monthly Utilities	2,454.93
72	Reliable Fire Protection	Recharge Fire Extinguisher & Replace 2 Fire Extinguishers	208.00
73	Resco	Inventory, Meter Adapters	1,595.67
74	Salvation Army Heat Share	July Heat Share & PUC Matching	24.00
75	Shred-It USA	Shredding Service	80.00
76	Southern MN Mun Power Agency	EV DC Fast Charger	4,800.00
77	Speed Props & Pylons, LLC	Embroidered Logos	104.00
78	Summit Companies	Annual Monitoring Fee	660.00
79	Sun Life Financial	September Short & Long Term Disability	827.62
80	TASC	COBRA Admin. Fees	15.00
81	Unum Life Insurance Company	September Life Insurance	186.69
82	Wesco	Flagshooter & Flags	432.73
83	West Branch Construction Co.	Clay & Crushed Blacktop	1,133.88
84	Delta Dental	August Dental Insurance	1,329.50
85	PERA	August PERA Contribution	12,640.23
86	Optum	July & August H S A Contributions	13,502.55
87	MN Dept. of Revenue	June Sales & Use Tax	30,453.00
88	Blue 42 LLC	September Monthly Website Hosting, Support, Social Media	1,950.00
89	Credit Card Company	Monthly Credit Card, eCheck Charges	1,909.60
90	Refunds	Customer Meter Deposits	4,491.86
91	Refunds	Overpayment Refunds on Final Bills	145.43
92	Rebates	Residential Energy Star Rebates	105.00
	TOTAL		810,891.78

# SMMPA Key Metrics

September 2020

## PLANT OPERATIONS Performance Metrics



## Availability Metrics

For August 2020

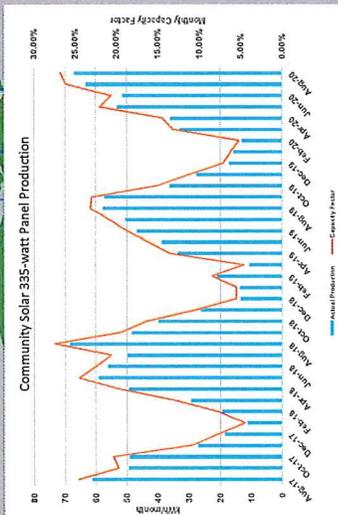
	FES	OES	MORA LFG
Availability	99%	98%	91%
Industry Average Availability	93%	93%	N/A
Forced Outage	0%	0%	32%
Industry Average Forced Outage	6%	6%	N/A

## Solar Production Metrics

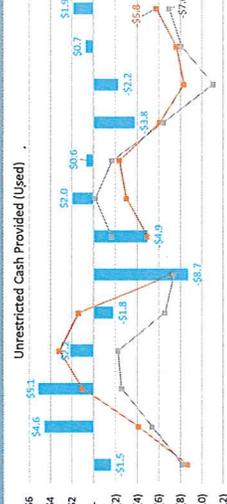
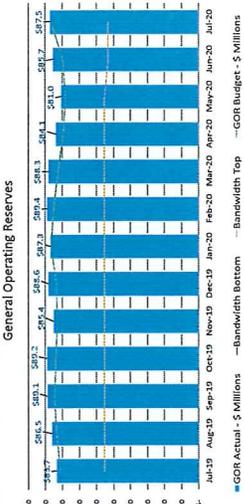
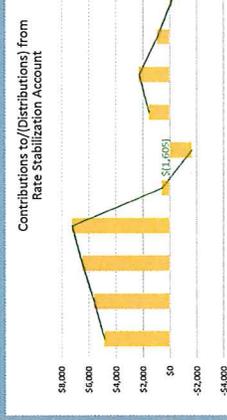
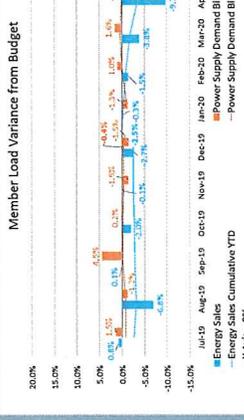


Number of working days since the last accident

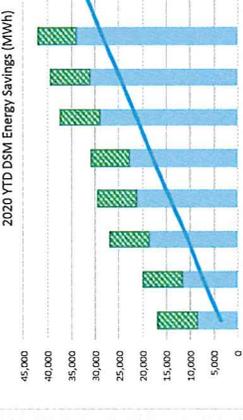
**1330**  
(through 8/31/20)



## FINANCIAL Performance Metrics

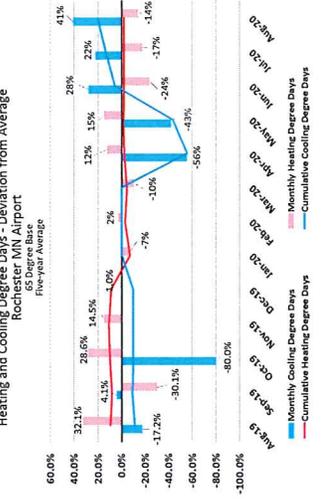


## ADDITIONAL Metrics



**SMMPA has distributed 9,729 cybersecurity training videos to member city employees with a completion rate of 88%.**

**Since 2005, we've avoided 7.0 million tons of CO<sub>2</sub> gas emissions, which is the equivalent of 691,042,633 gallons of diesel consumed.**



**SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY**  
**Minutes of the Board of Directors' Meeting**  
**August 12, 2020**

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

**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; Roger E. Warehime, Owatonna; and Doug Plaehn, Spring Valley.

**Others Present Via Conference Call:**

David P. Geschwind, Executive Director & CEO; Alex Bumgardner, Austin; Jerry M. Mausbach, Blooming Prairie; Troy G. Nemmers, Fairmont; T. Scott Jensen, Lake City; Michael B. Geers, George Baldwin, Litchfield; Lindy Crawford, Mora; Bob Cockriel, North Branch; Charles B. Heins, Redwood Falls; Jeremy Sutton, Rochester; Chris Rolli, Spring Valley; Jeffery D. Amy, Wells; Beth A. Fondell, Naomi A. Goll, Lisa A. King, 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. Warehime moved to approve the consent agenda, seconded by Mr. Plaehn, passed upon a unanimous vote of the board members present.

APPROVED the July 8, 2020 board meeting minutes.

**#3 Load Forecast-King:**

Ms. King reported on the load forecast.

The load forecast was developed by Mr. Jonathan Nunes of nFront Consulting Services. Mr. Nunes has been working with SMMPA staff to develop the forecast since 2010.

Discussion.

The new forecast will be used in the development of the 2021 budget.

**#4 Wholesale Rate Comparison-Fondell:**

Ms. Fondell reported on the wholesale rate comparison. She compared SMMPA's rates with a

group of other wholesale electricity suppliers in the region.

The SMMPA wholesale rate remains comparable and competitive with peer organizations.

Discussion.

There was board consensus to present this information on an annual basis.

#### **#5 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.

Discussion.

#### **#6 APPA eReliability Tracker-Schoenherr:**

Mr. Schoenherr reported on the APPA eReliability tracker.

A demonstration of APPA's eReliability tracking software was held on July 17, 2020. The system is easy to use and was perceived favorably by participants. Some members already use the software and about three members are interested in obtaining the software.

There is a discount if SMMPA purchases the software on behalf of the members. A 1-year subscription costs \$3,856 and a 3-year subscription costs \$10,410.

Discussion.

Mr. Reimers moved to approve SMMPA purchasing a 3-year APPA eReliability tracking software subscription for all members, seconded by Mr. Nibaur, passed upon a unanimous vote of the board members present.

#### **#7 Sherco 3 Regional Haze and Retirement Date-Mitchell:**

Mr. Mitchell reported on the Sherco 3 regional haze and retirement date.

Xcel Energy received a request from the Minnesota Pollution Control Agency (MPCA) in January 2020 for information needed by the MPCA to complete their required report to the Environmental Protection Agency (EPA) on progress in implementing Minnesota's Regional Haze State Implementation Plan. Sherco Units 1, 2, and 3 were identified as significant sources of NOx and SO2 that may contribute to visual impairment in the Boundary Waters Canoe Area Wilderness and Voyageurs National Park, both in Minnesota.

EPA defined a four-factor analysis that must be completed for each of the identified emissions

sources. The four factors are:

- The cost of compliance.
- The time necessary for compliance.
- The energy and non-air quality impacts of compliance.
- The remaining useful life of the source.

MPCA indicated that Xcel can avoid doing the four-factor analysis if it would commit to enforceable retirement dates for the emissions sources.

Because Xcel's plan to retire Sherco Units 1 and 2 in 2026 and 2023, respectively, has been approved by the Minnesota Public Utilities Commission (MPUC) in an Integrated Resource Plan, Xcel is willing to commit to enforceable retirement dates for those units.

However, the MPUC has not yet approved Xcel's Integrated Resource Plan that includes the retirement of Sherco 3 in 2030. Xcel is willing to commit to an enforceable retirement date of no later than December 31, 2030 for Sherco 3, subject to MPUC's approval, which is expected by spring 2021.

Xcel asked if the Agency would also be willing to commit to the same retirement date. Because the Agency's SMMPA 2.0 information says the Agency "plans to" retire Sherco 3 in 2030, board action would be necessary to agree to an enforceable date.

The Agency allowed Xcel to include in their filing to the MPCA (due and filed on July 31, 2020) that SMMPA is willing to commit to an enforceable retirement date of no later than December 31, 2030, subject to SMMPA Board approval. This is consistent with Xcel's level of commitment.

Mr. Mitchell suggested the board could consider action on this commitment at this board meeting or could defer a decision to a later date.

Discussion.

Mr. Warehime moved to approve committing to an enforceable Sherco 3 retirement date of no later than December 31, 2030. Motion not seconded; motion failed.

The SMMPA Board would like additional time to consider the issue and would like to know if the MPCA approves Xcel's response with the joint commitments subject to approvals by regulatory authorities, or if they will require the four-factor analysis for Sherco 3.

After a short break, the board reconvened at 10:25 a.m.

#### **#8 Wells Engine Replacement-Mitchell:**

Mr. Mitchell reported on the Wells engine replacement.

On August 6, 2019, Wells Public Utilities Unit 3 was damaged by water and fire. The initial repairs were thought to be limited to replacing the generator leads and cleaning the generator from smoke damage. Upon further inspection, damage was found to a generator bearing and the generator shaft, which were determined to not be related to the water and fire incident but were existing wear. The Agency planned to pay for the shaft and bearing repairs and Wells' property insurance was going to pay for the generator leads and cleaning. Once the vendor that was going

to perform the work began disassembling the generator, they discovered that the generator needs to be completely rewound because the insulation was severely deteriorated due to the nearly 70 years of age of the unit. The cost of all work required was going to exceed \$100,000.

After considering options, Wells and the Agency agreed that money would be better spent on a newer replacement generator and proposed to share in the replacement cost. The proposal is for the Agency to contribute \$100,000 (equivalent to the insurance deductible and consistent with the approval of a replacement unit at Blooming Prairie) toward the purchase of a replacement unit at Wells, with Wells being responsible for the balance of the costs.

#### Recommendation and Request

- Authorize replacing the damaged unit at Wells with a replacement unit under the existing Capacity Purchase Agreement.
- Authorize the Agency to invest \$100,000 toward purchase of a replacement unit.
- Direct the Agency to document the terms of this proposal in an agreement with Wells and to modify the Capacity Purchase Agreement with Wells to reflect the replacement unit once it is installed.

Discussion.

Mr. Reimers moved to authorize replacing the damaged unit at Wells with a replacement unit under the existing Capacity Purchase Agreement, authorize the Agency to invest \$100,000 toward the purchase of a replacement unit, and direct the Agency to document the terms of this proposal in an agreement with Wells and to modify the Capacity Purchase Agreement with Wells to reflect the replacement unit once it is installed, seconded by Mr. Moulton, passed upon a unanimous vote of the board members present.

#### #9 Confidential Board Report Summary-Mitchell:

Mr. Mitchell summarized the confidential board report.

#### Financial Report June 2020-Fondell:

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

#### MISO Energy Market Prices

LMP prices spiked for a short period but are lower than budget.

#### Financial Planning Calendar

9/9/2020	Preview budget and rates at board meeting.
9/16/2020	Distribute draft budget materials to members.
9/23/2020	Budget Workshop.
9/24/2020-10/2/2020	Budget adjustments identified during Budget Workshop are compiled.
10/16/2020	Budget approval at board meeting.

#### SMMPA Budget Workshop

Absent any changes in the Minnesota Stay Safe plan, there was discussion to default to an online

SMMPA Budget Workshop format on September 23, 2020 due to the ongoing pandemic.

**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 2.38% when compared to estimated member sales year-to-date.

Member Services

Mr. Schoenherr reviewed various approaches to meeting potential larger customer demands for solar energy and indicated that SMMPA staff stands ready to meet with members and their retail customers to explore options.

Mr. Schoenherr provided a status update on the EV charger deployment.

**Resource Report/Marketing Update:**

New Prague Utilities Plant

The New Prague Utilities Plant had a significant water leak in the cooling tower pipe. The leak was repaired and the unbudgeted expenditures were processed under the Executive Director & CEO's authority.

OSI SCADA Software Update

SMMPA purchased and installed the Open Systems International (OSI) SCADA system in 2015. The quarterly security patches are no longer available for the system. SMMPA will commit to a new operating system, applying the \$15,000 budgeted in 2020 plus \$35,000 to be included in the 2021 budget. The commitment will reserve a place on the OSI schedule. The software upgrade will be implemented in early 2021.

Sherco 3 Economic Dispatch Strategy Update

Received a draft agreement from Xcel Energy that defines the offering and settlement process for offering Sherco 3 into the MISO market as a single asset. The agreement is being reviewed by staff and counsel. The Agency and Xcel Energy plan to change Sherco 3 to a single asset in MISO in December and to begin economic commitment offering in March 2021. Additional updates will be provided.

Agency Generation Operations

Mr. Mitchell presented graphs showing that Fairmont Energy Station (FES) and Owatonna Energy Station (OES) ran frequently during the month of July 2020.

Mora Landfill Gas

Mr. Mitchell presented a graph showing consistent output from the Mora Landfill Gas Generator in July 2020. The output is currently limited by the air permit test level. The landfill has been

working to improve gas production and collection and a new emissions test for the unit is scheduled in October 2020, which is expected to increase the permitted operating level.

#### Market Price Update

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

#### President's Report:

Mr. Hoffman reported:

- SMMPA Board Meeting: The SMMPA Board meeting scheduled for September 9, 2020 in Princeton, Minnesota, will be held via internet meeting service due to the Coronavirus pandemic, unless the Minnesota governor's Stay Safe plan changes.
- SMMPA Alternate Representative: The change of alternate representative for the City of Owatonna from Beth Fondell to David Olson, Jr. was effective July 28, 2020. (Attachment A.)

#### Executive Director & CEO's Report:

Mr. Geschwind reported:

- SMMPA Board Retreat: President Hoffman and Mr. Geschwind will send an email to the SMMPA Board with SMMPA Board Retreat meeting options for the board's consideration.
- SMMPA Annual Meeting: There was board consensus not to have an in-person SMMPA annual meeting in 2020.
- Meeting with Members: Where possible, Mr. Geschwind plans to meet with member communities in the upcoming months.
- SMMPA Wisconsin, LLC: The SMMPA Wisconsin, LLC annual tax invoice from the State of Wisconsin was reduced from approximately \$600,000 to approximately \$100,000 by working with the State to change their tax assessment method for the Agency's share of the Badger Coulee transmission line. Mr. Geschwind acknowledged the work of Mr. Pignato, Mr. Mitchell, and Ms. Fondell in successfully resolving the issue.

#### Member Forum:

None.

#### Other Business:

There was no other business.

**Adjourn:**

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

The meeting was adjourned at 11:55 a.m.

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Secretary

DRAFT

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## MEMORANDUM 20-05

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TO: Princeton Public Utilities Commission  
 FROM: Keith R. Butcher, General Manager  
 SUBJECT: Utility Bill Make-over Responses  
 DATE: September 23rd, 2020

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### ITEM SUMMARY

A bill make-over was introduced in the last billing cycle. PPU solicited responses from customers to gauge their feedback. Out of 69 responses, 91% liked it, 4% were neutral, and 4% dis-liked it.

### BACKGROUND INFORMATION

With the new bill layout, we asked the following question:

“Let us know your thoughts on the redesign” : Thumbs Up or Thumbs Down

#### *Results*

Thumbs Up	Did not respond	Thumbs Down	Total
63	3	3	69
91%	4%	4%	

#### *Comments from those that replied with a Thumbs Up*

- It's easier to read
- I like the change. PUC vs city changes.
- Where total monthly charges are, add person's name.
- Yes, I like and appreciate the new look to the bill. Thank you!
- They are fine. But if anyone had issues w/other bills- not sure why, they were easy to read before also.  
Thanks! I think PPU does a great job!
- Seems pretty much the same. We need to keep the Public Utility running as it has been for years. Great Job!
- Looks great- keep it up.
- Much easier to read - Thank you!
- Our street lamp is out on the corner of Meadow View Drive and 14th. Thanks!
- Very nice plus !!!
- I don't know how you can provide the service you do at the low rates you're charging.  
Keep up the good work. VOTE NO
- Good Job!
- Ever since we moved to this townhouse our electric bill has been \$40-\$50 a month more than others. Why? Any help would be appreciated.

*Comments from those that did not respond with either a Thumbs Up or Thumbs Down*

- Why, do I have a street light fee if I don't have a street light?

*Comments from those that replied with a Thumbs Down*

- The Red print for what I owe is too hard to see.
- I wish the bill would show your previous payment.
- Why do I want to know how much more I spend than the average resident? I feel like I am being singled out for using "More" electricity than the average resident.

We have responded to all customers that had questions.

RECOMMENDATION

We will continue to collect any feedback that is offered and evaluate what, if any, changes should be made.



**Go Paperless!  
Pay Online.**

Save time, money and clutter by going paperless or paying your bill online at [www.princetonutilities.com](http://www.princetonutilities.com)

Phone: 763.389.2252 • Fax Number: 763.389.2273  
PO Box 218  
Princeton, MN 55371-0218

JOHN SMITH  
123 S 321 AVE  
PRINCETON, MN 55371



ACCOUNT NO. 1234 56-789  
**ON OR BEFORE 07/12/2020**  
**PAY THIS AMOUNT \$236.62**

**AFTER 07/12/2020**  
**PAY THIS AMOUNT \$249.56**

**AMOUNT ENCLOSED**

Please return this portion along with your payment

**Princeton Public Utilities**  
PO Box 218 Princeton, MN 55371-0218  
Phone: 763.389.2252 • Fax Number: 763.389.2273

You are spending **\$208.66** a year more than the efficient Princeton residents



Efficient Princeton residents (15th percentile) - 336 kWh

You - 489 kWh

Average Princeton residents (50th percentile) - 579 kWh



**Good**

Comparison group: 134 homes in Princeton with approx 1400 finished sq ft & built around 2002

Description	Mult	Meter Reading		Usage	Amount
		Previous	Present		
Balance Forward					\$100.00
<b>ELECTRIC</b>					
Customer Charge					\$15.00
Res Elec \$.1245/kWh	1	77739	78228	489	\$60.88
Street Light Fee					\$1.00
Electric Service Line Repair Fee					\$1.00
<b>Electric Subtotal</b>					<b>\$77.88</b>
<b>WATER</b>					
Customer Charge					\$12.00
Usage Blocks	1	453	456	3	\$14.85
Water Service Line Repair Fee					\$1.00
<b>Water Subtotal</b>					<b>\$27.85</b>
Mille Lacs County Tax					\$0.40
Minnesota State Tax					\$5.36
<b>TOTAL PRINCETON PUBLIC UTILITIES CHARGES</b>					<b>\$111.49</b>
<b>CITY OF PRINCETON</b>					
763-389-2040					
Franchise Fee					\$1.50
Residential Flat Sewer Charge					\$23.63
<b>TOTAL CITY OF PRINCETON CHARGES</b>					<b>\$25.13</b>
Budget Total					\$0.00
<b>TOTAL CHARGES</b>					<b>\$236.62</b>

ACCOUNT NO. 1234 56-789 DUE DATE 07/12/2020 TOTAL DUE \$236.62

AFTER 07/12/2020:

PREVIOUS: 5/13/2020 PRESENT: 6/15/2020 **\$249.56**

CUSTOMER NAME: JOHN SMITH **THANK YOU FOR YOUR PAYMENT**

SERVICE ADDRESS: 123 S 321 AVE • PRINCETON, MN 55371

The Princeton Public Utilities Business office will be closed Friday, July 3th in observance of the July 4th Holiday.

Payments may be made on our website: [www.princetonutilities.com](http://www.princetonutilities.com). Click on Pay Bill Online on the right side of website.

10% LATE PENALTY CHARGE

## Did you know?

### Summer thermostat.

Program the thermostat to set the temperature higher at night and while you're away from home during the day.

### Cover & wrap food.

Cover liquid & wrap food - uncovered food releases moisture & makes the fridge work harder

**Visit [SaveEnergyInPrinceton.com](http://SaveEnergyInPrinceton.com) for more ways to save**

## 2017-2018 Past Due Accounts

8A

9/21/2020					
Acct. #	Rt Book	Name	Service	\$ Amount	Last Billed
1706	26-69	Customer A	Electric	330.03	6/13/2019
			Sewer	76.59	
			Water	84.23	
			<b>TOTAL</b>	<b>490.85</b>	
			<b>GRAND TOTAL</b>		<b>490.85</b>



Minnesota Municipal Utilities Association

3131 Fernbrook Lane N | Suite 200  
 Plymouth, MN 55447-5337  
 Phone 763.551.1230 | Toll Free 800.422.0119 (MN)  
 Fax 763.551.0459  
[www.mmua.org](http://www.mmua.org)

August 17, 2020

## MEMORANDUM

To: Safety Management Participants

From: Mike Willetts, Director of Job Training and Safety

Subject: 2020-21 Safety Management Program Contract

It is time to renew your safety management program contract. If we held a regional group meeting earlier this year, please note that the budgets have not changed since then, unless to make specific corrections. For those where we did not hold a group meeting this year, please note that the budgets have been created with the goal of having minimal price increases while covering MMUA's costs in providing your service. The contract amendments will cover October 1, 2020 through September 30, 2021, to coincide with MMUA's fiscal year.

Two copies of your contract amendment are enclosed. Please sign both contracts keeping one for your records and mailing the other to the address shown below. **Please do not send payment at this time.** You will be billed October 1. Mail your signed contract to:

Larry Pederson, Director of Finance  
 Minnesota Municipal Utilities Association  
 3131 Fernbrook Lane North, Suite 200  
 Plymouth, MN 55447-5337

If you have any concerns with the new contract, please contact me or Larry as follows:

Mike Willetts: phone 763-746-0705 or e-mail [mwilletts@mmua.org](mailto:mwilletts@mmua.org)  
 Larry Pederson: phone 763-746-0704 or e-mail [lpederson@mmua.org](mailto:lpederson@mmua.org)

Thank you for being part of MMUA's safety management groups. With this program and your support we have proven that working together as a group we can develop a safety program that is affordable and at the same time works.

Minnesota Municipal Utilities Association  
AMENDMENT TO SERVICES AGREEMENT

**Safety Management Program**

Contract Date: July 31, 2020

Contract Number: 12-2021

The services agreement entered into between Minnesota Municipal Utilities Association (MMUA) and Princeton Public Utilities (Princeton), dated July 29, 2019, contract number 12-2020, is amended as follows:

**PART II, Section 1.**

1. DURATION: This Agreement shall remain in force from October 1, 2020 until September 30, 2021 (the "expiration date").

**PART III, Section 1.**

1. COMPENSATION: For the services covered by this Agreement, Princeton shall pay MMUA an annual fee of eleven thousand seven hundred dollars and 00 cents (\$11,700.00) for the 2020-21 annual period. Such compensation shall be due and payable according to the selected payment terms below.

Payment terms for the fee agreed to above shall be based on one of the following options (select one):

- Annual Payment (\$11,700.00)
- Quarterly Payments (\$2,925.00 each)

For any term of less than twelve full calendar months, the fee shall be a portion of the annual fee, pro-rated based on the number of calendar months or partial calendar months in which the services were provided as a percentage of twelve (12).

The parties hereby accept the terms of the Agreement as modified.

Princeton Public Utilities  
By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_  
Purchase Order # \_\_\_\_\_

Minnesota Municipal Utilities Association  
By  \_\_\_\_\_  
Title Executive Director  
Date July 31, 2020

Minnesota Municipal Utilities Association  
AMENDMENT TO SERVICES AGREEMENT

**Safety Management Program**

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Contract Number: 12-2021

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The parties hereby accept the terms of the Agreement as modified.

Princeton Public Utilities  
By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_  
Purchase Order # \_\_\_\_\_

Minnesota Municipal Utilities Association  
By  \_\_\_\_\_  
Title Executive Director  
Date July 31, 2020

Minnesota Municipal Utilities Association  
**Safety Management Program**  
**Central Group Fee Calculation (Joe Schmidt)**  
**October 1, 2020 - September 30, 2021**

City	Population	2020-21 Annual Charge	2020-21 Quarterly Charge	2019-20 Annual Charge	Difference	Total 2020-21 with JTS	# of days
Buffalo	16,247	\$14,700.00	\$3,675.00	\$14,550.00	\$150.00	\$18,300.00	1
Brainerd	13,719	\$21,700.00	\$5,425.00	\$21,550.00	\$150.00	\$27,700.00	2
Coon Rapids	63,272	\$36,850.00	\$9,212.50	\$36,700.00	\$150.00	\$36,850.00	4
Dayton	5,481	\$8,400.00	\$2,100.00	\$8,250.00	\$150.00	\$8,400.00	0.67
Elk River	24,567	\$24,150.00	\$6,037.50	\$24,000.00	\$150.00	\$30,150.00	2
Glencoe	5,519	\$17,850.00	\$4,462.50	\$17,700.00	\$150.00	\$20,250.00	2
Hutchinson (util)	14,188	\$21,700.00	\$5,425.00	\$21,550.00	\$150.00	\$25,900.00	2
Otsego	16,605	\$8,150.00	\$2,037.50	\$8,000.00	\$150.00	\$8,150.00	0.67
Princeton (utilities)	4,728	\$11,700.00	\$2,925.00	\$11,550.00	\$150.00	\$14,700.00	1
Rogers	12,753	\$12,150.00	\$3,037.50	\$12,000.00	\$150.00	\$12,150.00	1
Sauk Centre	4,479	\$11,700.00	\$2,925.00	\$11,550.00	\$150.00	\$14,100.00	1
<b>Totals:</b>		<b>\$189,050.00</b>	<b>\$47,262.50</b>	<b>\$187,400.00</b>	<b>\$1,650.00</b>	<b>\$216,650.00</b>	<b>17.34</b>

Annual JTS (Electric) \$600.00	per lineman	2020-21	2019-20
Buffalo	6	\$3,600.00	\$3,600.00
Brainerd	10	\$6,000.00	\$4,800.00
Elk River	11	\$6,000.00	\$6,000.00
Glencoe	4	\$2,400.00	\$2,400.00
Hutchinson	7	\$4,200.00	\$4,200.00
Princeton	5	\$3,000.00	\$3,000.00
Sauk Centre	4	\$2,400.00	\$2,400.00
<b>Totals:</b>	<b>47</b>	<b>\$27,600.00</b>	<b>\$26,400.00</b>

Please notify Larry Pederson of changes to your city.  
 Call 763-746-0704; fax 763-551-0459 or e-mail to lpederson@mmua.org.

September 10, 2020

Keith Butcher  
General Manager  
Princeton Public Utilities Commission  
907 First Street South  
P.O. Box 218  
Princeton, MN 55371  
[kbutcher@princetonutilities.com](mailto:kbutcher@princetonutilities.com)

Re: Labor Law Issues (the "Matter")

Dear Keith:

Thank you for selecting Stinson LLP (the "Firm") to represent Princeton Public Utilities Commission in connection with the above-referenced Matter. We appreciate the confidence that you have placed in us and look forward to serving as counsel in this engagement.

We are submitting this letter and the accompanying General Terms of Representation to serve as the written agreement for our engagement. This letter and the General Terms of Representation contain important information regarding how we provide legal services and will apply, unless otherwise agreed in writing, to all current and future matters for which you have retained or will retain us. If you have any questions about any part of our engagement or if you would like to discuss possible modifications to the terms of this engagement, please call me.

**Client**

For purposes of this engagement, the Firm's sole client will be Princeton Public Utilities Commission (the "Client"). Except as otherwise agreed in writing, the Firm will not be representing any other person or entity in the Matter.

**Scope of Engagement**

Unless otherwise specifically agreed in writing, the scope of this engagement will be limited to the provision of legal services for labor law and related matters, including organizing efforts by International Brotherhood of Electrical Workers Local 160. Our acceptance of this engagement does not involve an undertaking to represent you or your interests in any other matter.

**Fees and Charges**

Our fees for this engagement will be based upon and billed at the hourly rates of each attorney, paralegal, and other timekeeper performing services on your behalf. The current hourly rates for attorneys and paralegals anticipated to work on the Matter are as follows:

50 South Sixth Street, Suite 2600, Minneapolis, MN 55402

<u>Attorney/Paralegal</u>	<u>Hourly Rate</u>
Richard W. Pins	\$500.00
Matthew C Tews	\$375.00
Nicole L. Faulkner	\$335.00

Our hourly rates are adjusted periodically, typically on an annual basis, to reflect the advancing experience, capabilities, and seniority of our attorneys and paralegals as well as general economic factors. From time to time, it may become necessary or desirable to assign different or additional attorneys or paralegals to work on your Matter. You agree that we may charge the hourly rates currently in effect at the time the work is performed. In addition, we will bill for or request direct payment for disbursements or expenses that we incur, including delivery charges, significant photocopy or reproduction costs, computerized legal research charges, filing fees, fees and costs associated with practice support and/or electronic discovery providers, travel expenses, expert witness fees, and other vendor fees, if any. Typically, we forward third-party charges in excess of \$250 directly to you for payment. You agree to be responsible for the payment of such third-party charges and agree to indemnify the Firm in the event such charges are not paid and the vendor makes a claim against the Firm. Payment is due upon receipt of our statements.

PLEASE NOTE THAT THE GENERAL TERMS OF REPRESENTATION THAT WE ASK YOU TO AGREE TO INCLUDE A PROVISION CONCERNING MANDATORY BINDING ARBITRATION OF ANY DISPUTES ABOUT OUR FEES OR OTHER CHARGES. We have included this provision to resolve any such disputes quickly, efficiently and in a less public forum than in court, but it does cause both parties to give up rights they would otherwise have to bring an action in court. Please read this provision and the explanatory statement that accompanies it, and we advise you to seek separate counsel concerning whether you should agree to it. If you do not wish this provision to be a part of your agreement with us, please advise us before you sign this letter.

#### **Retainers**

We may at any time request an advance fee retainer for any professional fees associated with the Matter. Retainers and other funds that belong to you will be held without interest on account by the Firm, until disbursed. Such funds may be applied in payment of your account for legal fees owed or other expenses incurred on your behalf.

#### **Conflicts of Interest**

We have performed a search of our other clients to determine if representing you might create a potential conflict of interest with any other clients. That check was done using your name and any other names you gave us. Please inform us immediately if you use other names.

#### **Review and Return of Engagement Letter**

We ask that you review this letter and the General Terms of Representation carefully and let us know if there is any provision that you do not understand. If you have any questions concerning the terms of our engagement, or if you ever have a question about our charges, or their reasonableness, please contact me at your convenience to discuss the matter. Please sign and return this letter to confirm that it accurately reflects the scope, terms and conditions with respect to this engagement. However, please note that if we do not receive a signed copy of this letter, your instructing us or continuing to instruct us on this Matter

September 10, 2020  
Page 3

will constitute your full acceptance of the terms of this letter and in the accompanying General Terms of Representation.

Thank you for choosing us as counsel. We look forward to a good and productive relationship.

Sincerely,

**Stinson LLP**

*/s/ Richard W. Pins*

Richard W. Pins

RWP:nas

ACCEPTED AND AGREED

this \_\_\_\_ day of \_\_\_\_\_, 2020:

**Princeton Public Utilities Commission**

By: \_\_\_\_\_

Name:  
Title:

## GENERAL TERMS OF REPRESENTATION

Stinson LLP appreciates the opportunity to serve you. Our goal is to provide legal services that address your legal needs effectively and efficiently through our various offices.

The following information explains the client service practices and billing procedures that apply to our representation of your interests (unless you have reached a different written understanding with us). We encourage you to discuss these practices with our lawyers whenever you have questions during the course of our engagement.

**Our Client.** The person(s) or entity(ies) who are the client(s) in this engagement are limited to those specifically stated in the accompanying engagement letter. In order to avoid misunderstandings and/or inadvertent conflicts of interest in the future, it is understood that, in the absence of written agreement to the contrary, neither this engagement nor our work in connection with this engagement shall be understood or taken to create an attorney-client relationship with other, including related or affiliated (e.g., parent, subsidiary, shareholder, partner, member, director, officer, employee, insurer, joint venture, etc.), persons or entities.

**Personnel.** One lawyer will generally be assigned primary responsibility for seeing that your requests for legal services are met, but additional lawyers may assist in providing appropriate and efficient legal services. We attempt to assign personnel to each matter based on the nature and scope of the issues raised by the matter in conjunction with the experience and expertise of our lawyers.

**Provision of Legal Services.** This engagement is for provision of professional legal services, and not for the provision of business, personal, accounting, technical or other advice not constituting legal services. It is agreed that the client is not relying upon counsel in this engagement for advice in areas other than professional legal services, even if such matters should be discussed in connection with the engagement.

**Results.** At the commencement or during the course of our representation, we may express opinions or beliefs concerning various issues or courses of action and the results that might be anticipated. Any such statement made by any partner or employee of our Firm is intended to be an expression of opinion only, based on information available to us at the time, and should not be construed as a promise or guarantee.

**Entire Agreement.** The accompanying engagement letter together with these General Terms of Representation shall constitute the entire agreement between us concerning the engagement, and shall not be modified or supplemented, except in a subsequent writing signed by the parties.

**Periodic Billings for Legal Services.** Unless other arrangements have been made, it is our policy to render periodic statements for legal services on a monthly basis. We normally base these interim statements on hourly rates of lawyers and legal assistants working on the matter. Statements will be due upon presentation, and are to be paid no later than 30 days following the invoice date. The amounts paid on our interim billings are applied to the total final fee. If any statement amount remains unpaid 60 days after the invoice date, the Firm reserves the right to terminate its services, consistent with applicable Rules of Professional Conduct.

When agreed to by engagement letter, fees are sometimes fixed irrespective of the hours involved. Circumstances, including those set out below may require departure from the application of hourly rates. Determination of the total final fee may await conclusion of each specified case or matter so that all relevant factors may be considered.

The Firm has offices in multiple states. Our lawyers are subject to rules governing the professional conduct of lawyers in those states. In addition to time spent, these rules list other factors that can be considered in determining a reasonable fee. These include: reputation, the skill and experience required to complete the services properly; the extent to which the acceptance of the particular matter will preclude other employment; the amount involved; the results obtained; the time limitations imposed by the client or by the circumstances; the nature and length of the professional relationship with the client; and whether the fee is fixed or contingent. In the absence of agreement with you, those factors will not be used to increase our billings for fees above the charge resulting from application of hourly rates.

Estimates and Budgets. Please note that any estimates of anticipated fees and costs that we may provide at your request, whether for budgeting purposes or otherwise, are only an approximation because of the uncertainties involved in the representation. Unless we have otherwise agreed in writing to a specific fixed fee or fee cap, any such estimate is not a maximum or minimum fee quotation, and our fees will be determined based on actual hours incurred in accordance with the terms of our representation. It is also expressly understood that, absent a written contingent fee agreement, payment of the Firm's fees and costs is in no way contingent on the ultimate outcome of the matter.

Retainers. With new clients or with substantial new matters for existing clients, the Firm may require what is known as a "retainer held as security." This retainer may be in the nature of a deposit, held by the Firm for the protection of its investment of time and effort which will be applied to the final billing. Another type of retainer may require you to deposit a certain amount, against which monthly statement amounts will be applied. At the end of each month, the agreed upon monthly retainer amount must be replenished to its original amount. Even though a retainer is outstanding, we expect you to pay for services rendered as reflected by interim billings.

Paralegals/Practice Support Consultants/Document Clerks. Certain work will be done by paralegals, sometimes called "legal assistants," and/or Practice Support Consultants. Such persons, although not practicing lawyers, have undergone training to perform certain kinds of services at lower rates. In matters involving significant quantities of document management, document clerks may be used to perform tasks at lower rates than those of legal assistants. In matters in which electronically stored information is relevant to the representation, Practice Support Consultants are used. All such work is supervised by practicing lawyers. The use of such persons allows us to deliver legal services to you at a lower cost.

Client Disbursements. Most matters require, from time to time, certain monetary advances to be made on your behalf by the Firm. Some "client disbursements" represent out-of-pocket charges we advance, others represent internal costs (including costs such as fees for service of process, court filing fees, deliveries, copying charges, travel expenses, computer assisted legal research, costs associated with electronically stored information that may be relevant to the representation, etc.). It is understood that while acting as your lawyers, we have the authority to use our best judgment in making such expenditures on your behalf. Unless we have made prior arrangements with you, we will send you monthly billings for client disbursements incurred during the preceding month. If the nature of the matter is such that we anticipate substantial advances, we may require a separate deposit for such purpose. Substantial individual items in excess of \$250, such as expert witness fees, the costs of deposition transcripts, printing costs, etc., may be billed directly to you by the vendor of such services. In many matters when lawyers must examine legal

authorities, it is more economical to accomplish the task using computer databases of legal precedents (instead of the traditional method of manual retrieval). In such instances, the special charges assessed by the providers of these services, Lexis and Westlaw, are shown on client disbursement billings as "Lexis or Westlaw Research."

#### RESOLUTION OF DISPUTES CONCERNING FEES AND OTHER CHARGES.

(a) ANY CLAIM, CONTROVERSY OR DISPUTE, WHETHER SOUNDING IN CONTRACT, STATUTE, OR TORT, OR ANY OTHER LEGAL THEORY, RELATED DIRECTLY OR INDIRECTLY TO THE FEES OR OTHER CHARGES BY OUR FIRM TO YOU, INCLUDING, BUT NOT LIMITED TO YOUR NON-PAYMENT OF ANY AMOUNTS BILLED TO YOU, SHALL BE RESOLVED BY MANDATORY BINDING ARBITRATION AS PRESCRIBED IN THIS SECTION. THE FEDERAL ARBITRATION ACT, NOT STATE LAW, GOVERNS THE ARBITRATION, INCLUDING BUT NOT LIMITED TO THE QUESTION OF WHETHER A CLAIM IS SUBJECT TO ARBITRATION. YOU AND OUR FIRM EACH AGREE TO WAIVE ANY RIGHT TO TRIAL IN A COURT OF LAW AND ANY RIGHT TO A TRIAL BY JURY THAT MAY OTHERWISE EXIST.

(b) THE ARBITRATION WILL BE ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION UNDER ITS COMMERCIAL ARBITRATION RULES. THE ARBITRATION SHALL BE TO A SINGLE ARBITRATOR WHO IS A LICENSED ATTORNEY WITH AT LEAST TEN YEARS EXPERIENCE IN THE JURISDICTION IN WHICH THE OFFICE OF OUR ATTORNEY PRIMARILY RESPONSIBLE FOR YOUR ENGAGEMENT IS LOCATED, AND THE ARBITRATION SHALL BE HELD IN THAT CITY. JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED IN ANY COURT HAVING JURISDICTION.

(c) THIS AGREEMENT TO ARBITRATE CONTAINS RISKS AND BENEFITS AND REQUIRES EACH PARTY TO GIVE UP RIGHTS THEY WOULD OTHERWISE HAVE. YOU ARE ADVISED TO SEEK INDEPENDENT COUNSEL, AND YOU ARE NOT REQUIRED TO AGREE TO THIS PROVISION. ARBITRATION MAY BE A MORE EFFICIENT AND LESS PUBLIC MEANS OF RESOLVING OUR DISPUTES. HOWEVER, BY AGREEING TO THIS PROVISION, YOU WAIVE YOUR RIGHT TO BRING AN ACTION IN COURT, AND TO HAVE A JURY TRIAL, AND YOUR RIGHT TO AN APPEAL. IN MOST CIRCUMSTANCES, THE DECISION OF THE ARBITRATOR IS FINAL AND MAY NOT BE APPEALED OR CHALLENGED, EXCEPT ON VERY LIMITED GROUNDS. DISCOVERY (THE PARTIES' RIGHT TO OBTAIN INFORMATION FOR EACH OTHER AND THIRD PARTIES) IS OR MAY BE LIMITED OR PRECLUDED IN ARBITRATION. ARBITRATION MAY BE MORE OR LESS EXPENSIVE THAN AN ACTION IN COURT. THE ARBITRATOR MAY ALLOCATE THE COSTS OF ARBITRATION, INCLUDING THE FEES OF THE ARBITRATOR, TO ONE OR BOTH OF THE PARTIES. IF YOU HAVE ANY QUESTIONS ABOUT ARBITRATION OR WHETHER YOU SHOULD AGREE TO THIS PROVISION, SEEK INDEPENDENT LEGAL ADVICE OR ASK THAT THIS PROVISION BE DELETED FROM OUR AGREEMENT WITH YOU BEFORE YOU SIGN IT.

(d) THIS PROVISION SHALL NOT APPLY IN ANY JURISDICTION IN WHICH IT DOES NOT COMPLY WITH THE RULES OF PROFESSIONAL CONDUCT APPLICABLE TO ATTORNEYS.

File Retention. After our representation has ended, we will, upon your request, deliver the file for this engagement to you. If you do not request the file, we will retain it for a period of five years after the matter is closed. If you do not request delivery of the file before the end of the five year period, we will have no further obligation to retain the file and may, at our discretion, destroy it without further notice to you,

subject to governing rules of professional conduct. At any point during the five year period, you may request delivery of the file.

**Disbursements and Other Charges.** We will also charge you for certain expense items listed below that we provide in connection with our legal services. Through long-term contracts with computer research vendors, and practice support and/or electronic discovery providers, we receive discounted rates on some of these services in exchange for guaranteed payment, usage or other obligations undertaken at our risk. The payments that we receive from clients for these services may or may not exceed our total payments to the vendors. Any excess is used to partially offset the costs we incur for related equipment and personnel as well as the risks we assume in entering into these contracts.

Specific items provided by the Firm are currently charged at the following rates which may be changed periodically due to economic factors as reflected on the monthly invoice:

**Computer Research.** We do not charge clients for the use of the Firm's internal work product retrieval system. Clients are charged for computer-assisted research at rates we establish based on any agreement we have with the vendor and our associated risks in entering into long-term usage contracts.

**Telecommunications.** We do not charge for local or long-distance phone calls or electronic mail transmissions.

**Mail/Messengers.** Messengers are used as appropriate to assure expedited delivery. The cost of such messengers is charged directly to clients without markup. We do not charge for regular mail; however, bulk mailings, packages and special postal services are charged at our actual cost.

**Travel.** Unless other arrangements have been specified, any air travel required in connection with our representation of your interests will be at coach rates.

**Electronic Communications.** We may use various forms of electronic communications to discuss matters concerning your representation. Any such communication is not without some risk. For example, someone with sufficient knowledge, tools, and access could intercept and use information related to those communications. This could cause you to lose your confidentiality and attorney/client privilege protections. However, to facilitate your representation, you approve the use of electronic communications during your representation by us unless we are instructed otherwise.

**Termination of Services.** In the event that you choose to terminate our services, please advise us of such in writing. We retain the right to cease performing legal services and to terminate our legal representation for any reason consistent with ethical rules, including conflicts of interest or the failure to pay legal fees and expenses when due. Our termination or your termination of services does not affect your obligation to pay legal fees and expenses incurred prior to the effective date of such termination. Unless previously terminated, our representation of the Client will terminate upon our sending our final statement for services rendered. Unless we are re-engaged after our representation terminates, we will have no continuing obligation to advise the Client with respect to future legal developments or otherwise monitor renewal or notice dates or similar deadlines that may arise from the matter(s) for which we had been engaged.

**Questions.** One of our goals is to ensure that legal services are delivered effectively and efficiently, and that all billings are accurate and understandable. Please direct any questions about services or billing practices to the Chief Operating Officer. Questions regarding the billing or payment status of your account may also be directed to our Client Accounting Department.



DOING  
THE MOST  
GOOD

NORTHERN DIVISION HEADQUARTERS

2445 Prior Ave. N.  
Roseville, MN 55113-2714  
p: 651-746-3400  
f: 651-746-3410  
SalvationArmyNorth.org

August 11, 2020

Brian Peddle, *General*  
Commissioner F. Bradford Bailey, *Territorial Commander*  
Lt. Colonel Dan Jennings, *Divisional Commander*

Princeton Public Utilities  
Keith Butcher  
General Manager  
907 - 1st St, PO Box 218  
Princeton, MN 55371-0218

Greetings from The Salvation Army's HeatShare Program staff. The cost of our bill inserts has decreased!

I would like to thank everyone who has continued to be an active participant of the HeatShare Program. HeatShare is celebrating its 38<sup>th</sup> year thanks to the commitment of utilities such as yours. For those who are not currently active participants, it is our hope that you will join us this next HeatShare season. Hopefully, we can count on all our community partners to be a part of our HeatShare network.

HeatShare is a positive way for you to reach out to customers in need; especially with energy costs rising year after year. Additionally, there are many households who have limited resources to turn to; particularly after the state programs are closed or unavailable.

Your support of this program would aid those in your community in receiving the help that they need if you could contribute in at least one of the following ways (please check all applicable boxes):

- By distributing bill inserts to your customers to raise donations
  - o \_\_\_\_\_ bill inserts needed @ **.15 cents each**
  - o \_\_\_\_\_ name of person placing order
- Utilizing your website to advertise the HeatShare Program (a suggested example attached).
- By adding information about the HeatShare Program to your utility newsletter (a suggested example attached)

If you do not wish to aid us in our outreach efforts to promote and raise funds for the HeatShare Program, please check the box below:

- We do not wish to participate in the HeatShare Program

Enclosed you will find a copy of The Salvation Army's HeatShare Agreement. If you wish to participate in the program, please present this to your governing authorities to review and sign. A self-addressed stamped envelope is enclosed so you can conveniently return the signed agreement and this cover letter back to us. Once received, a fully executed agreement will be returned to you.

If you have any questions about the HeatShare Program or this agreement, please contact our office at 651-746-3542. Our program continues to be a success in Minnesota, thanks to individuals and organizations like you.

Thank you for your support.

Sincerely,

Lynnette Medcalf, LSW  
Divisional HeatShare Coordinator  
The Salvation Army Divisional Headquarters  
Enclosures

# **HEATSHARE PROGRAM AGREEMENT**

**COMES NOW, Princeton Public Utilities**, in joint partnership with The Salvation Army, an Illinois Corporation (The Salvation Army), submits its joint customer contribution fund program plan as follows:

**PROGRAM NAME:**

HeatShare (A voluntary non-governmental program of The Salvation Army) which has been in existence since 1982.

**PURPOSE:**

The purpose of this energy related program, shall be to advance the common good and general welfare of the people by soliciting voluntary contributions from customers and employees to assist needy Minnesotans with energy related problems, including but not limited to residential heating bills, repairs on home heating equipment, and shut offs; and to provide assistance in reducing the cost of utilities for qualified low-income elderly, disabled, and others with special needs who have difficulty paying their energy related expenses.

**CUSTOMER NOTIFICATION:**

Customers will be notified through Princeton Public Utilities. Notifications will be made via bill inserts and/or newsletter. In addition, press releases and media notification will be utilized when appropriate and beneficial to HeatShare and Princeton Public Utilities.

**TRANSFER/DISTRIBUTION OF FUNDS:**

Princeton Public Utilities will transfer funds to The Salvation Army on a regular basis in amounts equal to contributions received and processed prior to such date. Funds will be allocated by each Salvation Army unit corresponding to Princeton Public Utilities in direct proportion to donations received from their area. On an exceptional basis, The Salvation Army, will have at their discretion, the authority to adjust the distribution of funds where they deem fit. A minimum of 85% of the funds will be used in the distribution of funds as per the guidelines on attachment A-1.

**IMPLEMENTATION:**

Implementation is scheduled with the insertion of customer notification/authorization in at least one monthly bill or newsletter each year thereafter, unless this agreement is terminated.

**ADDITIONAL:**

Princeton Public Utilities proposes at this time to defray the expense of solicitation through paying of bill insert costs, any promotional costs deemed necessary, and the cost of collection and transmittal of contributions.

**EFFECTIVE DATE:**

This plan becomes effective this October 1, 2020, and stays effective until September 30, 2021, or until Princeton Public Utilities or The Salvation Army terminates this agreement by giving a 90 day written notice to the other party.

**NOTICE:**

The Salvation Army will follow the operational guidelines on (A-1) attached hereto. Notices shall be deemed given upon personal delivery, or when deposited in the United States mail, postage prepaid and addressed as follows:

**If to Princeton Public Utilities:**

Attn: Keith Butcher  
Title: General Manager  
Address: 907 - 1st St, PO Box 218  
Princeton, MN 55371-0218  
Phone: 763.389.2252

**If to The Salvation Army:**

Attn: Lynnette Medcalf  
Title: Divisional HeatShare Coordinator  
Address: 2445 Prior Avenue N  
Roseville, MN 55113  
Phone: 651-746-3542

**WHEREFORE**, Princeton Public Utilities, requests that its proposed joint customer contribution fund program be approved as submitted.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Attest: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2020

The Salvation Army, an Illinois Corporation

By: \_\_\_\_\_  
Title: Divisional Commander  
Attest: Lynnette Medcalf  
Title: Divisional HeatShare Coordinator  
Dated the 10<sup>th</sup> day of August 2020

**THE SALVATION ARMY  
HEATSHARE PROGRAM GUIDELINES**

**TO QUALIFY FOR ASSISTANCE FROM THE HEATSHARE PROGRAM:**

1. Applicants must have a past due bill or final (disconnect) notice and;
2. Applicants must be income eligible as per Attachment A-1 and;
3. Applicants must have applied for assistance previously from other available public agencies and;
4. Applicants must reside in the designated areas where funds are raised for the program.
5. Applicants must be:
  - a. 65 years of age or older, or disabled/handicapped, such that financial assistance from the HeatShare program would relieve a substantial need or
  - b. Circumstances have arisen which deplete an individual's or family's immediate cash resources. For example, an illness, major repair bill or sudden lay off, may leave a family, usually able to cope with insufficient cash resources to meet heating needs even though normally they have sufficient income to do so.
  - c. After initial assistance has been received, if an underlying problem exists (such as a client paying more rent than their income will allow) attempts must be made to remedy the situation before further assistance will be given.
  - d. Households who request assistance in consecutive years will be asked to participate in activities to strengthen the self-sufficiency of the family.
6. Assistance is available only once per year at a maximum of \$400 for those living outside of the Twin Cities area, and \$500 for those living within the Twin Cities Area.
7. Types of assistance granted will be for natural gas, electric, fuel oil, and propane.

**Note:** These are guidelines and on occasion, due to extenuating circumstances, clients may be given special considerations.

**2020-2021 ANNUAL NET INCOME GUIDELINES**

**The income guidelines below are based on 50% of State Median Income.**

Household Size	Annual	Monthly
1	\$28,266	\$2,356
2	\$36,963	\$3,081
3	\$45,660	\$3,806
4	\$54,357	\$4,530
5	\$63,054	\$5,255
6	\$71,751	\$5,980
7	\$73,382	\$6,116
8	\$75,013	\$6,252
9	\$76,643	\$6,387
10	\$78,274	\$6,523
11	\$79,905	\$6,659