The meeting was called to order by Victoria Hallin. Members present were Charles Snustead, Thom Walker, Jules Zimmer, Genny Reynolds, and Sharon Sandberg. Staff present were Robert Barbian (Administrator) and Mary Lou DeWitt (Comm. Dev. Assistant).

Absent was Troy Minske.

**AGENDA ADDITIONS / DELETIONS:**
SNUSTEAD MOVED, SECOND BY REYNOLDS, TO APPROVE THE AGENDA. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

**APPROVAL OF MINUTES FROM REGULAR MEETING ON JULY 19, 2018**
REYNOLDS MOVED, SECOND BY SNUSTEAD, TO APPROVE THE MINUTES OF JULY 19, 2018. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED.

**UNFINISHED / OLD BUSINESS:** None

**NEW BUSINESS:**
A. Princeton Public Utilities Report – Connie
Barbian said there has been questions on the Princeton Public Utilities on their fees, and rates. He thought to understand better on how the utilities works, and Princeton is unique having its own utilities plant, he invited Connie Wangen, General Manager of the PUC to do a presentation.

Wangen said the largest department at the utilities is the electric department. John Brooks, Electric Superintendent has been with the utilities for 40 years. The PUC carries enough electricity to take care of the full city of Princeton. Southern Minnesota Municipal Power Agency (SMMMPS) pays for the generator plant four out of five units.

Snustead mentioned that he is happy with the underground lines. They have not had outages since the lines went out of town.

Wangen said she understands there is rumors of their high rates and they have been able to reduce their rates. They do cross training so when three have left they have not had to replace the person. Someone can slide into their spot. Their staff assist the City Waste Water Treatment quite a bit. Private wells provide a source of contamination and the Public Health Department regulates it. They are working right now with the School District at the new K-2 School and Middle School private well for the sprinkler system.

Barbian said the Department of Health encourages the cities to put wellhead protection in place. Currently the policy is that they can continue with the well until theirs goes out and then have to seal it. You cannot have a municipal and well at the same lot. Current usages are
grandfathered in. As long as it is not contaminating the municipal facilities. The School had expanded the use of their well and that is not suppose to have happened. So the City, Public Utilities, and School District are working on this amicably.

Wangen said the amount of water they are withdrawing from their well exceeds the amount the DNR allows. The District Office has been denied exceeding the amount of water currently being drawn from their well. They are not raising the rates on the School District schools. An option they have is putting on a timer system where it does not go on during rains and such. There are cost savings that can be done from the schools and Wangen is educating them. They have been using this well for a year or two.

Reynolds said Department of Ag has some grants and she will see if that would be used by the City and School District.

Wangen said there were some test wells that Soil and Water paid half to have them removed. Now with the rates, for power cost adjustment they have the right to charge if there is high coverage and they can add an additional cost, but Princeton Public Utilities has not done that. For commercial rates they see a wholesale 2% rate increase and the Public Utilities is hoping to absorb that so the customer will not be charged that additional 2%. All three phase customers are in the large commercial. Small business would once you reached 7,500 kilowatts for 4-5 months in a row then they use 25KW in a row of 5-6 months. They try to put them on the large commercial rate where it would not be as expensive. There are 18 members in SMMPS.

Zimmer suggested Wangen give a cost level of all the SMMPS members rates where we could see where they all stand for cost. Are they paying more than 13% for a residential rate.

Barbion said the PUC is investing in underground lines and not a cost to the customers.

Wangen said the infrastructure is getting old and with their reserves they are putting it back in the system for infrastructure. Sterling Pointe is all looped in for emergencies. The last two weeks they have been working from the fairground to the east with upgrading from 4,160 to 7,200 volts so that is helpful.

Snustead liked the directional bore they used to put in the underground lines.

Barbion said that upgrading the utilities they are trying to keep their equipment in good shape. This is better for the community.

Wangen said St. Peter got a FEMA grant after the storms came through area and the whole city has underground power now. There is a 5-6% increase with higher voltage with going underground.

Walker said residential is in the ballpark with others and also commercial. Why does commercial get charged more. The small commercial in other areas have a half percent less
fee. Downtown businesses have an issue with high utility bills, why is that.

Wanger said they had a rate study done. Her goal was to get the rates for commercial down. It cost more to serve commercial. They have more transformers. 7-9 homes usage would be on one commercial transformer. They are trying to keep the commercial rates stable.

Hallin said small commercial is almost double than large commercial.

Wangen said the demand per rate is why theirs is less for large commercial. There are so many components. When a large commercial facility starts up they need a huge amount of power right away and then it levels off. Rebate system is fantastic with SMMPS. Also residential rebates are great.

Barbian asked if each SMMPS member control their own rates. We are a half penny higher.

Wangen said yes.

Barbian said if we are looking at competing we half to see if the cents matter to a customer.

Wangen said Connexus is the largest cooperative in MN. We are doing very good with being close to their numbers. Connexus and East Central charge for all their street lights and the Public Utilities does not. That is how they reinvest in the city. They are looking at converting all the street lights to LED lighting. That has been saving quite a bit of money.

Walker asked if the utilities has energized funds.

Wangen said yes.

Zimmer said he likes how they keep their employees local. How do you replace someone like John Brooks when he retires.

Wangen said they have someone on staff who will fill his shoes when he retires. The Water Department they are looking at areas of the city that need updating. They are using available funds to do the updates instead of borrowing or bonds. They do have a residential deposit of $300 and that helps protect everyone in the system when someone fails to pay their bill. If they have a good letter of credit than they are not charged a deposit. Those that do have to pay the deposit get it back with interest. They hold the deposit if the person is not paying their bills. They have payment plans for the winter months that start in October. People think they do not have to pay their utilities in the winter. For residents in apartments they have reduced their deposits. They have gone down to $250. They also have budget billing where you have the same payment for each month. They have it for commercial also.
MISCELLANEOUS:
A. EDA Balance Sheet
There was no Balance Sheet this month. That comes out quarterly.

B. Report
Barbian said he puts out a monthly report and had a number of items on what is going on in the city. There are two companies that want to do the Downtown Façade plan and interviews have begun. WSB Engineering will be presenting on September 27th at 3:30 P.M. Anyone who would like to attend from the EDA Board is welcome. The two candidates will submit their proposal and then they will be chosen. That could start this year and finish up this year. He asked the Chamber if they want to be involved in the design, and they would like to be involved.

Barbian talked to two different businesses downtown and the Napa Store owner is trying to get the property sold. Then a roof repair for another business would use the loan program with the UDAG dollars. The downtown sidewalks snow removal has been decided by the City Council that they will no longer remove the snow and it will be up to the property owners to remove it. There has been a request for a better job on the plowing. The budget the City gets from the Mille Lacs County on the plowing will be discussed. Reynolds will be attending it. There has not been an adjustment in it for at least ten years. What the City will continue to plow for sidewalks will be the city owned parking lots, round about, and Liquor Store parking area.

The Airport Board has been working on items to move the airport in positive directions. Three new hangers are being built. The Flight Service Center there was a push to move them out and now we have to see what to do with that building. Would the EDA like a Airport representative come to the EDA meeting sometime. The EDA Board said yes. Sherburne County is always at the meeting and he is going to express to Pat from Mille Lacs County if they would like to attend the Airport meeting someone from could.

A few companies are interested in industrial expansions. He is talking with DEED and such. Most of them are pretty well set where they do not need the help.

21st Avenue has come up on the Comprehensive Plan and Barbian will work with Sherburne County on roads and such. We need a Princeton Reginal Transportation Plan and he wants to engage Mille Lacs County and Sherburne County on this. If they paid some and we paid some it could work. We have to figure out if 21st Avenue South is going through. It would be an expensive project. It would take a large capital investment.

Barbian found a grant program that he is going to look at for Riverside Park and Reibe Park for the riverbank restoration and removal of buck thorn and prickly ash.

C. City Council and Planning Commission Minutes for July, 2018
The EDA Board had no comments.
WALKER MOVED, SECOND BY ZIMMER, TO ADJOURN THE MEETING. UPON THE VOTE, THERE WERE 6 AYES, 0 NAYS. MOTION CARRIED. THE MEETING ADJOURNED AT 7:57 P.M.

ATTEST:

______________________________  ________________________________
Victoria Hallin, President        Mary Lou DeWitt, Comm. Dev. Assistant