



PRINCETON PUBLIC UTILITIES

Electricity — Water

907 FIRST STREET / PRINCETON, MN 55371-1559
TEL: 763-389-2252 / FAX: 763-389-2273

PRINCETON PUBLIC UTILITIES COMMISSION REGULAR MEETING AGENDA

Mille Lacs Historical Society Amdall Room
101 10th Avenue South
Princeton, MN 55371
June 25, 2025 at 1:00 PM

*A video of the proceedings will be available the next business day at
www.PrincetonUtilities.com/public-utilities-commission.*

1. **Call to Order / Roll Call**
2. **Approval of Agenda** *(No item of business shall be considered unless it appears on the agenda for the meeting. Commission members may add items prior to adoption of the agenda.)*
3. **Public Comment** *(Individuals may address the Commission about any item not contained on the regular agenda. A maximum of three (3) minutes is allotted per person. If multiple people wish to speak on the same topic, they are to designate a spokesperson to speak on all their behalf. The Commission will take no official action on items discussed at the forum and will not speak to legal matters or issues that impact individual privacy rights. The Commission may refer to staff for a future report.)*
4. **Consent Agenda** *(Those items listed under Consent Agenda are considered to be routine by the Commission and will be acted upon by one motion. There will be no separate discussion of these items, unless a Commission Member so requests, in which event, the item will be removed from the consent agenda and considered immediately after the adoption of the consent agenda.)*
 - a. Public Utilities Commission Regular Meeting Minutes – May 28, 2025
 - b. Certification of Accounts Payable
 - c. Resolutions and Orders
 - i. Memo 25-24: Sewer Billing Modification MOU
 - ii. Resolution 25-06: Issuance and Sale of \$1,370,000 General Obligation Funds, Series 2025A
5. **Reports**
 - a. General Manager Report
 - i. Office Manager Report
 - ii. Water/Power Plant Superintendent Report
 - iii. Electric Superintendent Report
 - b. Financial Reports – Income Statement, Balance Sheet, Trial Balance, and Cash Reserves
 - c. Other Reports
 - i. SMMPA and EV Chargers
 - ii. Pay Estimate #14: Phase 1 Electric Distribution Improvements
 - iii. Pay Estimate #4: Phase 1 Electric Meter Cutover

Agenda packets, minutes, and videos for this and past Commission meetings are available online at www.PrincetonUtilities.com/public-utilities-commission.



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6. Regular Agenda

- a. 2024 Audit Presentation (Smith Schafer)
- b. Municipal Facility Space Needs Assessment (Nowak)
 - i. Memo 25-25: Municipal Facility Space Needs Assessment Selection

7. Adjournment

Agenda packets, minutes, and videos for this and past Commission meetings are available online at www.PrincetonUtilities.com/public-utilities-commission.

PUBLIC UTILITIES COMMISSION

REGULAR MEETING

May 28, 2025, 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 May 28, 2025, at 1:00 p.m.

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

1. CALL TO ORDER / ROLL CALL

Commissioners: Jack Edmonds and Nick Nowak
Absent: Commissioner Tom Jackson

PPU Staff: General Manager Keith Butcher, Electric Superintendent Jeremy Linden, Water/Power Plant Superintendent Scott Schmit, Office Manager Christina Cunningham, and Secretary/Treasurer Kathy Ohman

Others: Ed Yost and attending virtually, Andy Koob from DGR Engineering

2. APPROVAL OF AGENDA

Mr. Edmonds called for additions or deletions to the agenda. There were none.

Mr. Edmonds made a motion to approve the agenda of the May 28, 2025 Regular PUC Meeting. Mr. Nowak seconded. Motion carried.

3. PUBLIC COMMENTS:

There were no Public Comments.

4. CONSENT AGENDA:

- a. Public Utilities Commission Regular Meeting Minutes – April 23, 2025
- b. Certification of Accounts Payable

Mr. Edmonds made a motion to approve the Consent Agenda of the May 28, 2025 Regular PUC Meeting. Mr. Nowa seconded. Motion carried.

5. REPORTS:

- a. General Manager Report
 - i. Office Manager Report
 - ii. Water/Power Plant Superintendent Report
 - iii. Electric Superintendent Report

- b. Financial Reports – Income Statement, Balance Sheet, Trial Balance, and Cash Reserves
- c. Other Reports
 - i. SMMPA and EV Reports
 - ii. Pay Estimate #13: Phase 1 Electric Distribution Improvements
 - iii. Pay Estimate #3: Phase 1 Electric Meter Cutover

6. REGULAR AGENDA

a. **ELECTRIC CAP PLAN (PHASE II)**

General Manager Keith Butcher presented *Memo 25-21: Electric CAP Plan (Phase II)*. Andy Koob from DGR Engineering then presented Amendment No. 01 to Task Order No. 06 for Phase II of the Electric Distribution Improvements. Amendment No. 01 authorizes the final design, bidding, permitting, construction phase, construction staking and final phase services for the project along with cost estimate and the preliminary project schedule. He also presented Task Order No. 09 which includes improvements to the North Substation.

Discussion.

Mr. Edmonds made to approve Task Order No. 6 with the additional conductor upgrades and Task Order No. 9. Mr. Nowak seconded. Motion carried.

b. **MUNICIPAL FACILITY SPACE NEEDS ASSESSMENT**

General Manager Keith Butcher presented *Memo 25-22: Municipal Facility Space Needs Review*. In a joint venture, Princeton Public Utilities and the City of Princeton have received numerous proposals for the municipal facility space needs RFP. Three finalists have been chosen to be interviewed. An interview panel will be created to evaluate the finalists.

Discussion.

Mr. Edmonds made a motion to appoint Commissioner Nick Nowak to serve as its representative on the interview panel of finalists for the Municipal Space Needs Assessment RFP. Mr. Nowak seconded. Motion carried.

c. **SUBSTATION INSPECTIONS**

General Manager Keith Butcher presented *Memo 25-23: Plant Substation Bushing Replacement* proposing to replace the three primary bushings on the plant substation.

Discussion.

Mr. Nowak made a motion to approve the purchase and installation of three new primary bushings. Mr. Edmonds seconded. Motion carried.

There being no further business, Mr. Nowak made a motion to adjourn the meeting at 1:25 p.m. Mr. Edmonds seconded. Motion carried.

Chair

Secretary/Treasurer

DRAFT

PRINCETON PUBLIC UTILITIES**Accounts Payable Listing**

For 5/1/2025 to 5/31/2025

	Vendor	Description	Amount
1	AT&T Mobility	Monthly Cell Phones & Tablets	377.32
2	Auto Value Princeton	Battery	147.99
3	Card Services (Coborns)	Supplies	162.05
4	Castrejon, Inc.	CAP Plan (Ph1)	115,185.36
5	Civic Systems, LLC	Billing/Accounting Software	25,390.00
6	ECM Publishers, Inc.	Advertising	115.00
7	Exline, Inc.	Temperature Probes & Indicator	1,281.43
8	Finken Water Solutions	Bottled Water	31.45
9	FP Mailing Solutions	Postage	500.00
10	Gopher State One Call	Monthly Locates	174.15
11	Granite Ledge Electric	CAP Plan (Ph1) Meter Cutover	11,385.75
12	Great America Financial Services	Postage Meter Rental	164.95
13	Great River Office Products	Supplies	148.52
14	Ideal Service, Inc.	Fans & Labor VFD Repair	777.50
15	Instrumental Research, Inc.	Monthly Water Testing	100.26
16	Jim's Mille Lacs Disposal	Monthly Trash Service	241.37
17	Marv's True Value	Pintle Hitch & Receiver, Cutting Discs, Supplies, Shipping	494.46
18	Midcontinent Communications	Monthly Internet & Telephone	270.20
19	MN State Retirement System	2025 HCSP Contributions	114,845.89
20	NAPA Central MN	FuelStabilizer, Ratchets, Oil	132.92
21	Online Collections	Collection Fees	33.46
22	Online Information Services	Monthly Online Credit & ID Checks	144.84
23	Princeton Rental	Zero Turn Lawn Mower	6,300.00
24	Smith, Schafer & Associates	Accounting Services 2024 Year End	2,100.00
25	Spencer Fane LLP	Legal Fees	88.00
26	Stuart C. Irby Co.	Testing of Gloves, Inventory, Cable Cleaner, Tape	10,135.86
27	Ultein Engineers, Inc.	GIS Consulting	1,836.00
28	USA Blue Book	Water Testing Supplies	572.03
29	VC3	Monthly IT Care Services Agreement	2,632.56
30	Verizon Wireless	Monthly Remote Internet & Data	415.29
31	Vestis	Cleaning Supplies & Services	409.32
32	Voyant Communications, LLC	Monthly Telephone	425.99
33	Wex Bank	Monthly Vehicle Fuel	1,001.69
34	WSB	Engineer Fees	627.50
35	Ziegler, Inc.	Hydraulic Hose & Line	158.63
36	SMMPA	April Purchased Power	405,725.93
37	Postmaster	Postage for Monthly Billing	1,003.50
38	Absolute Auto Care, Inc.	Repair Vehicle	46.61
39	Amaril Uniform Company	FR Rated Clothing	175.62
40	ARC Irrigation	Fertilization & Weed Control	300.00
41	Cardmember Service (Mastercard)	Lodging, Supplies, Subscriptions, U-Joints	1,179.52
42	Centerpoint Energy	Monthly Natural Gas	2,034.61
43	City of Princeton	April Sewer Billing & Late Charges	140,044.77
44	City of Princeton	IT Support Services	700.44
45	Computer Integration Technologies	Computer Support	40.80
46	Connexus Energy	Monthly Utilities	2,337.12
47	DGR Engineering	Engineer Fees	6,269.00
48	Fairview Northland Medical Center	Commercial Rebate	2,071.89
49	Frontier Precision, Inc.	Batttery & Battery Door Assembly	638.11
50	HealthPartners	June Health Insurance	24,011.92
51	Heritage Brick, LLC	Tuck Point Office & Warehouse	3,425.00
52	NCPERS Group Life Insurance	May Life Insurace	64.00

PRINCETON PUBLIC UTILITIES**Accounts Payable Listing**

For 5/1/2025 to 5/31/2025

Vendor	Description	Amount	
53	Pekarek Utilities Midwest	Install Primary Service	24,006.00
54	Princeton Rental	Chain Saw	400.00
55	Princeton Public Utilities	Monthly Utilities	2,586.60
56	Princeton School District	Commercial Rebate	1,359.88
57	Stinson, LLP	Legal Fees	750.00
58	The Lincoln National Life Insurance	June Life & Disability Insurance	720.55
59	VC3	Monthly IT Care Services Agreement	2,491.99
60	ADP, Inc.	Payroll Processing	381.84
61	Complete Merchant Solutions	Monthly Credit Card Fees	25.65
62	VeriCheck	Monthly eCheck Fees	261.20
63	Neon Link	Monthly Online Management Fees	519.20
64	PERA	May PERA Contribution	12,676.52
65	Optum	May H S A Contributions	5,574.28
66	MN Dept. of Revenue	March Sales & Use Tax	26,304.00
67	Refunds	Customer Meter Deposits	1,280.50
68	Refunds	Overpayment Refunds on Final Bills	279.57
69	Rebates	Residential Energy Star Rebates	55.00

TOTAL**968,549.36**

MEMORANDUM 25-24



TO: Princeton Public Utilities Commission
FROM: Keith Butcher, General Manager
SUBJECT: Wastewater Billing MOU
DATE: June 25, 2025

ITEM SUMMARY

Proposed MOU between the City and the Utility documenting the process in which the utility may adjust wastewater billings.

BACKGROUND

Through general understandings and historical precedence, the utility has been directed to adjust customer's wastewater billings as issues arise. However, this process has never been formally documented between the two entities. Documentation would help preserve the current process, promote transparency between the entities, and guide future staff and officers.

PROPOSAL

The City Administrator and the General Manager have created a draft MOU to document the conditions under which the utility may adjust customer wastewater bills without prior approval from the City. Situations that are outside of these parameters will be directed to the City for a decision.

SUGGESTED MOTION

"Approve the 2025 Wastewater Billing MOU."

**MEMORANDUM OF UNDERSTANDING
REGARDING
WASTEWATER BILLING
BETWEEN
PRINCETON PUBLIC UTILITIES
AND
THE CITY OF PRINCETON, MINNESOTA**

This MEMORANDUM OF UNDERSTANDING, hereinafter referred to as “MOU”, is hereby made and entered effective the ___ day of _____, 2025, by and between the City of Princeton, Minnesota, hereinafter referred to as the “City” and the Princeton Public Utilities Commission, hereinafter referred to as the “Utility”.

1.0 Purpose

The purpose of this MOU is to clearly identify the responsibilities of each party for the billing and collection of wastewater payments by the Utility where the wastewater service is provided by the City and the water service is provided by the Utility.

2.0 Goal

The parties agree to the following reasons for cooperation.

- a. The Utility provides water services to the Princeton community and bills and collects all deposits and service charges for same.
- b. Certain customers with water services provided by the Utility are provided wastewater services by the City.
- c. The parties have determined that by combining the water and wastewater charges on one bill, such customers will benefit from a unified bill provided by the Utility.
- d. Further, the City will benefit by reducing unpaid wastewater bills and the Utility will benefit by the nominal fee charged to the City for the collection service.
- e. The City wastewater charges will be based upon water usage metered by and read by the Utility.

3.0 Collection of Charges

The Utility will collect all deposits and service charges due from the City’s wastewater customers. Said charges will include current as well as past due charges, and will be collected on a monthly basis in accordance with policies and procedures adopted by the Utility. The Utility reserves the right to unilaterally amend its policies.

4.0 Readings

Water meters, billing system, reading equipment, and all other tools, equipment, software, and hardware are owned by the Utility. Wastewater charges will be based upon Utility water readings. The Utility will utilize the City's current adopted rates, charges, and structures for billing wastewater to the customers.

5.0 Utility Fee for Service

In consideration of the services to be performed by the Utility, the City agrees to pay a Service Fee per monthly bill. Both parties acknowledge that the Service Fee has remained unchanged for many years. The parties agree to include an evaluation of the Service Fee as part of the planned 2025 Water and Wastewater Rate Study and all future Rate Studies. The Service Fee will be published in the Utility's Fee Schedule.

The Service Fee will be deducted from the monthly transfer the Utility provides to the City for wastewater billings. The Utility may change the Service Fee between Rate Studies with a 60-day written notice.

6.0 Partial Payments

In the event of partial payments of bills by customers utilizing electric, water, and wastewater, all amounts received will be applied first to delinquent billings and then to current charges. The order of payments shall be first to Utility electric, then to Utility water, and then to City wastewater.

7.0 Billing Adjustments

Normal billing adjustments to customer accounts will be made by the Utility without the prior approval of the City in accordance with Utility Policy.

8.0 Usage Adjustments

The City grants the Utility to make wastewater usage adjustments without prior approval from the City Administrator.

- a. For increased water consumptions where there is proof of repair of a water leak via an invoice / receipt or a specific and clearly documented change in operation and water consumption has returned to previous levels.
 - a. The consumption period to be adjusted cannot exceed three consecutive billing cycles.
 - b. The credit does not exceed 5,000 gallons per month.
 - c. The Utility reports the adjustment to the City Administrator within 10 days after the adjustment is made.

- b. All other request for adjustments must be approved by the City Administrator. The Utility pledges to provide any and all data and insights it might have pertinent to developing an equitable solution.

9.0 Collections

The Utility may, at its discretion, employ the services of a third-party collection agency for the collection of any delinquent account. The Utility and the City will work collaboratively to utilize assessments for payment of utility arrears as permitted under Minnesota State Statute (see City Ordinance #640).

Any wastewater charges deemed uncollectible by the Utility will be reimbursed to the Utility by the City.

10.0 Deposits

Deposits for new or delinquent accounts set up by the Utility will be held by the Utility under the Utility's policy. The Utility will refund deposits per the Utility's Service Rules.

11.0 Limited Liability/Indemnification

Except for negligence or willful misconduct of any of the parties, all of the parties hereto shall and do agree to protect, defend, indemnify, and hold all parties, and their officers, agents, and employees, harmless from any and all liability, loss, or damage that it may incur under or by reason of this Agreement. That the parties hereto, are solely and exclusively responsible for their own loss, liability, or damage which may incur to said damaged party.

This indemnification and hold harmless provision shall survive the execution, delivery, and performance of this Agreement.

Nothing in the Agreement shall constitute a waiver of or limitation on an immunity from or limitation on liability to which each of the parties hereto is entitled under law.

12.0 Terms

This MOU is in effect until cancelled or terminated. Either party may cancel or terminate this MOU without cause by giving 60 calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation.

Any and all amendments must be made in writing and must be agreed to and executed by both parties before becoming effective.

IN WITNESS WHEREOF, each of the parties has caused this MOU to be executed by their duly authorized representatives:

PRINCETON PUBLIC
UTILITIES COMMISSION

CITY OF PRINCETON,
MINNESOTA

By _____
Chair

By _____
Mayor

By _____
General Manager

By _____
City Administrator

EXTRACT OF MINUTES OF A MEETING OF THE
BOARD OF COMMISSIONERS OF THE
PUBLIC UTILITIES COMMISSION
OF THE CITY OF PRINCETON, MINNESOTA

HELD: JUNE 25, 2025

Pursuant to due call and notice thereof, a regular or special meeting of the Public Utilities Commission of the City of Princeton, Minnesota, was duly called and held at the office of the Commission in the City on June 25, 2025 at 1:00 P.M.

The following members were present: _____

and the following were absent: _____

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION 25-06

RESOLUTION CONCURRING IN THE ACTION OF THE CITY COUNCIL OF THE CITY OF PRINCETON, MINNESOTA, IN PROVIDING FOR THE ISSUANCE AND SALE OF \$1,370,000 GENERAL OBLIGATION BONDS, SERIES 2025A

WHEREAS, the City Council of the City of Princeton, Minnesota (the "City"), proposes to adopt a resolution (the "Resolution") providing for the issuance and sale of \$1,370,000 General Obligation Bonds, Series 2025A (the "Bonds"). A portion of the proceeds of the Bonds will be used to provide money to finance the North Water Tower Rehabilitation project. The Resolution, if adopted by the City Council, is by reference incorporated in and made a part of this resolution to the same extent and with the same force and effect as if set out fully herein, a copy of which is attached hereto; and

NOW, THEREFORE, BE IT RESOLVED by the Public Utilities Commission of the City of Princeton, Minnesota (the "Commission"), that the Commission hereby concurs in the Resolution and hereby joins in and adopts the same Resolution, including all of the covenants and agreements therein contained with the same force and effect as if the Resolution had been adopted by the Commission.

The motion for the adoption of the foregoing resolution was seconded by member _____ and upon a vote being taken thereon, the following voted in favor thereof:

and the following voted against the same: _____

Whereupon the resolution was declared duly passed and adopted.

STATE OF MINNESOTA
MILLE LACS AND SHERBURNE COUNTIES
CITY OF PRINCETON

I, the undersigned being the duly qualified and acting Secretary of the Public Utilities Commission of the City of Princeton, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes of a meeting of the Public Utilities Commission, City of Princeton, Minnesota, held on the date therein indicated, with the original thereof on file and of record in my office and that the same is a full, true and complete transcript insofar as the same relates to the \$1,370,000 General Obligation Bonds, Series 2025A.

WITNESS my hand on June 25, 2025.

Secretary
Public Utilities Commission
City of Princeton, Minnesota

REPORT GM-25-06



TO: Princeton Public Utilities Commission
FROM: Keith R. Butcher, General Manager
SUBJECT: General Manager Report
DATE: June 25, 2025

I am pleased to present this monthly report to the Princeton Public Utilities Commission. It provides an overview of the significant activities and developments that took place since our last meeting that are not included in the proposed agenda. Also included are the Monthly Department Reports to me from each of PPU's Senior Leadership Team.

FINANCIAL UPDATE

Energy Efficiency Programs

Rebates issued to School District and Fairview Northland for LEDs and a VSD.

SMMPA has filed our CIP/ECO data which includes 2024 results and our planned activities for 2026. SMMPA reports the following on our behalf.

- 2024 Energy Savings Goals : 805,121 kWhs = 1.54% of sales (exceeds 1.5% requirement)
- 2024 Low-Income Spending: \$25,025 (exceeds 0.2% requirement)
- 2026 CIP/ECO Plan: Meets energy savings and low-income spending requirements.

Audit

LEGAL AND REGULATORY

PFAS

The MPCA has reached out to the Utility and the City regarding the use of test wells to better understand PFAS impacts on the aquifer. They are hoping to begin work in July.

Reporting

Reports completed include:

MDH Cyber Security Assessment (Due July 1)

ADMINISTRATION/STAFF

Space Needs Analysis

IT

We have fully transitioned to our new IT service provider. All systems are functioning normally.

Safety Committee

COMMUNITY INVOLVEMENT

We remain committed to being active members of the Princeton community and maintaining our industry partnerships.

Community Partnerships

- Staff participated in the Rum River Festival Parade on June 5
- New City Council member Nick Taylor toured our facilities on June 13.

Industry Partnerships

- I am attending weekly meetings of MMUA's Government Relations Committee.
- I attended the MMUA Board meeting on June 6.
- I attended the SMMPA Board meeting on June 12.

If you have any questions or require additional information on any of the topics mentioned in this report, please do not hesitate to contact me.

Thank you for your continued trust in our team and supporting our mission to serve the Princeton community.

Future Meetings and Special Events

July 23: Commission Meeting and General Manager Review

August 27: Commission Meeting

REPORT OM-05



TO: Keith Butcher, General Manager
FROM: Christina Cunningham, Office Manager
SUBJECT: June Office Manager Report
DATE: June 25, 2025

I am pleased to present the monthly update report for the month of June. This report summarizes key activities and developments in various departments within our organization.

CUSTOMER SERVICE

Customer Satisfaction: Our team continues to prioritize customer satisfaction. During the past 30 days, 771 phone calls were taken.

BILLING

Payment Processing: Payments were processed as due date was 6/12/25. Penalties were applied and payments continue to be processed as they come in.

We emailed our second round of disconnection reminder notices on 5/23/25. We had a few responses this time around. We continue to work with our customers through this new process.

Last month, 27% of our customers received bills electronically and we would like to see that number rise leading to decrease money spent mailing paper bills. We do have customers who have chosen to get bills both by mail and electronically. We are slowly getting more customers to sign up for ebills.

MARKETING / PUBLIC RELATIONS

Community Engagement: We had a few trucks and staff walking the parade on June 5 for the Rum River Days Festival. We noticed that there were even more people on the parade route this year- the attendance just seems to keep growing! We participated in the Duckorating contest (see attached photo). Staff decorated our duck to look like Benjamin Franklin. I still cannot believe how talented and crafty our staff is!

CONCLUSION

Overall, our team has been diligent in ensuring the smooth operation of our office. We remain committed to upholding our standards of excellence in customer service, billing accuracy, financial management, and marketing.



FIRST AID
MMU
Minnesota Municipal
Public Utilities
1000 University Ave. S.E. - 5th Floor
Minneapolis, MN 55414
Phone: 612-349-2000
Fax: 612-349-2001

Procedure Number: 001

1. WHAT TO DO (page)
2. AIRWAY (page)
3. BREATHING (page)
4. CIRCULATION - ADULT
5. CIRCULATION - CHILD
6. CHECKING - BREATH
7. CPR - UNRESPONSIVE AD
8. CPR - UNRESPONSIVE CH
9. CPR - UNRESPONSIVE INF
10. BLEEDING
11. BLEEDING (page)
12. BLEEDING (page)
13. BLEED (page)
14. BURNS
15. CHEMICAL BURNS
16. FRACTURES
17. FRACTURES (page)
18. POISONING
19. OBJECT IN EYE
20. CONVULSIONS/SEIZURES
21. PARTIAL
22. HEAT EXHAUSTION/CRAM
23. PROSTHETIC
24. BITES & STINGS (page)
25. FEVER



REPORT WPPS 6-17-2025



TO: Keith R. Butcher, General Manager
FROM: Scott Schmit, Water & Power Plant Superintendent
SUBJECT: Water & Power Plant Report
DATE: June 17, 2025

I am pleased to provide you with a monthly update. This report outlines key activities and developments.

WATER DEPARTMENT

Water quality testing

- Monthly Bacti/Total Chlorine residual testing samples were collected and submitted to MN Dept. of Health for testing.
- Staff performed daily iron, manganese, fluoride and chlorine testing and daily plant chemical usage logs.
- Staff performed monthly filter and well draw down logs.
- Monthly fluoridation report to MN Dept. of Health was completed.

Construction update

- Staff replaced the main water shut off valve for the north tower.
- The north tower reconditioning project is making great progress at the time of this update All major abrasive blasting is complete, the exterior and the interior are primed, and final paint prep work is nearing completion. The project weather dependent should be close to substantial completion in the next two weeks.

Other activities

- We have continued to work with Bolton & Menk on the PFAS project.

- Field staff with the help of the office has continued to monitor and contact customers that are flagged on the daily leak report. We contacted several customers that were flagged on the leak report.
- We still have 3 residential meters to change out to complete the AMI project.
- Water treatment plant preventive maintenance.

POWER PLANT DEPARTMENT

- Monthly test runs were completed on the old units.
- All monthly reporting was completed.
- Substation monthly battery maintenance was completed.
- Staff has unit 3 down for maintenance on the jacket water cooling system.

REPORT ES-25-06



TO: Keith R. Butcher, General Manager
FROM: Jeremy Linden, Electric Superintendent
SUBJECT: June Electric Superintendent Report
DATE: June 17th, 2025

I am pleased to present the monthly update report for June 2025, highlighting the activities and developments for the Electric Department.

ELECTRIC CAPITAL IMPROVEMENTS PLAN (CAP PLAN) UPDATE

Project Progress: Castrejon has moved out of town. We have completed switching services over that we can do West of 7th Ave N. There are about a dozen left for Granite Ledge Electric to complete, which should be in the next week or so. We have begun on services we can do on the East side of 7th Ave N. We also will be completing the new Tie Line and swapping the old Tie Line to a feeder between the Power Plant and North Substation.

PROJECTS

Project Completion: We have completed the ECE switch over, it went exceptionally well, we were done in 2-3 hours on June 11th.

OUTAGE REPORT

Outage Response: Since the last meeting, we have had 1 outage due to a service burn which we are in the process of repairing or replacing as I write this.

CONCLUSION

In summary, the Electric Department continues to make strides in enhancing our infrastructure, ensuring dependable service, and expanding service coverage to new customers. Our dedication to safety, customer service, and infrastructure development remains steadfast.

Looking forward, our focus remains on improving reliability metrics, advancing projects within the Capital Improvements Plan, and investing in staff training to maintain our high standards.

PRINCETON PUBLIC UTILITIES COMMISSION
UNAUDITED INCOME STATEMENT-ELECTRIC DEPARTMENT
FOR MONTH ENDING: MAY 31, 2025

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
OPERATING REVENUE:				
Residential Electric	192,031.27	1,020,963.21	174,906.04	964,029.17
Residential Solar Energy Credit	0.00	0.00	0.00	0.00
Residential ECA	0.00	22.71	11,879.36	19,025.69
Small General Service	52,640.41	273,787.97	49,566.08	252,350.82
Small Commercial Solar Energy Credit	(27.24)	(100.59)	(40.58)	(97.31)
Small General ECA	0.00	2.54	3,589.88	5,639.32
Large General Service	117,268.12	530,305.79	113,065.86	522,009.22
Large Commercial Solar Energy Credit	(74.02)	(273.71)	(114.36)	(275.42)
Large General ECA	0.00	0.00	10,360.84	16,160.30
Intermediate Power Service	88,579.38	394,191.51	87,847.81	367,066.21
Intermediate Power ECA	0.00	0.00	8,513.08	13,235.07
Large Power Service	112,594.11	459,618.39	112,971.95	477,286.50
Large Power ECA	0.00	0.00	11,587.44	17,582.76
Security Lights	1,798.30	8,979.40	1,679.99	8,378.30
Street Light Fees	2,682.00	13,059.00	2,562.00	12,809.00
Service Line Repair Fee	1,809.00	9,052.00	1,798.00	8,990.00
Late Charges	3,289.29	19,943.85	4,057.80	20,464.07
Hook-Up & NSF Charges	590.00	3,670.00	640.00	3,340.00
Connection Fees	10,300.00	30,650.00	650.00	3,950.00
Construction Fees	7,007.71	19,031.50	20,643.89	35,008.88
Rate Stabilization Revenue	16,126.70	36,071.34	0.00	0.00
Operating & Maintenance	31,842.67	191,225.61	29,282.98	218,928.02
Quick Start Diesel Payment	14,520.00	72,600.00	14,520.00	72,600.00
Solar Subscriptions	0.00	1,325.16	0.00	1,325.16
Pole Attachment Fee	0.00	0.00	0.00	0.00
Merchandise Sales	0.00	0.00	0.00	5,812.00
Other Operating Revenue	7,378.74	39,701.02	3,621.96	23,755.50
TOTAL OPERATING REVENUE:	660,356.44	3,123,826.70	663,590.02	3,069,373.26
OPERATING EXPENSES:				
Production Plant:				
Salaries & Supervision	35,226.90	87,412.13	20,960.80	70,660.44
Purchased Power	436,618.70	2,034,772.34	437,200.58	1,969,189.71
Natural Gas	1,282.36	10,152.72	973.77	7,042.92
Lube Oil & Lubricants	0.00	0.00	0.00	1,843.41
Chemicals	0.00	1,272.44	0.00	1,685.49
Equipment Repairs	174.35	1,575.77	0.00	1,983.08
Production Supplies	172.43	730.54	189.88	858.24
Plant Shop Supplies	193.25	381.98	21.24	224.04
Small Tools Expense	0.00	0.00	0.00	626.13
Communications Expense	45.82	229.04	45.37	227.17
Scada & Computer Equipment	40.01	200.05	0.00	3,476.77
Safety Equipment	0.00	82.92	0.00	782.89
Safety & Education Training	665.24	1,775.24	432.68	432.68
Outside Services	170.00	3,854.00	0.00	0.00
Insurance Expense	14,054.83	69,412.52	12,971.33	63,731.53
Transportation Fuel & Oil	0.00	0.00	0.00	0.00
Vehicle Repair & Maint.	0.00	0.00	0.00	0.00
Equip. Maint., Inspec. & Serv Agreements	613.42	1,995.09	1,579.75	11,941.96
Building & Grounds Maint.	309.38	1,082.96	788.93	2,686.72
Misc. Plant Expense	0.00	0.00	0.00	40.00
Total Production Plant:	489,566.69	2,214,929.74	475,164.33	2,137,433.18

INCOME STATEMENT-ELECTRIC

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
Substation:				
Substation	0.00	0.00	0.00	0.00
Chemicals	0.00	0.00	0.00	0.00
Equipment Repairs	0.00	0.00	0.00	0.00
Equip. Maint. & Inspections	0.00	0.00	0.00	0.00
Building & Grounds Maint.	0.00	0.00	0.00	600.00
Utilities	0.00	0.00	0.00	0.00
Total Substation:	0.00	0.00	0.00	600.00
Distribution System:				
Salaries & Supervision	52,285.84	162,986.15	44,607.56	152,518.91
System & Shop Supplies	0.00	120.11	152.96	1,106.00
Small Tools Expense	1,436.56	1,812.88	55.76	291.95
GIS Data & Maintenance Exp.	714.57	3,721.91	464.54	1,448.44
Computer Equip. & Maintenance	0.00	0.00	0.00	0.00
Load Control Expense	0.00	0.00	0.00	0.00
Safety Equip., Testing	1,169.22	4,514.59	687.57	2,198.71
Education & Safety Training	0.00	1,196.35	0.00	985.00
Outside Services	0.00	45.00	0.00	45.00
OH Line Expense	0.00	17.60	46.47	88.35
UG Line Expense	572.91	4,141.73	3,918.18	4,848.54
St. Lights & Signal Exp.	0.00	0.00	0.00	0.00
Sec. Light Repair Exp.	0.00	662.66	409.65	1,454.75
Meter Expense	0.00	0.00	191.52	258.31
Customer Service Line Repair Exp.	0.00	800.00	0.00	573.73
Customer Owned Service Exp.	0.00	555.32	506.60	3,237.30
Transportation Fuel & Oil	551.93	2,625.31	591.72	2,489.42
Vehicle Repair & Maint.	1,917.89	2,565.73	49.98	543.48
Equipment Repair & Maint.	0.00	363.54	0.00	533.27
Storm Damage	520.03	520.03	714.94	714.94
Utilities	1,470.16	9,794.37	1,556.19	8,988.21
Building & Grounds Maint.	33.12	723.62	0.00	8.00
Line Maintenance/Trimming	0.00	0.00	0.00	0.00
Habitat, Right of Way Expense	0.00	0.00	0.00	0.00
Transformer Maintenance	0.00	0.00	0.00	0.00
Misc. Distribution Exp.	0.00	0.00	0.00	0.00
Total Distribution:	60,672.23	197,166.90	53,953.64	182,332.31
Customer Accts Expenses:				
Customer Accts. Salaries	17,456.63	59,706.87	14,152.47	50,458.62
Meter Reading Salaries	0.00	0.00	0.00	0.00
Postage Expense	972.14	4,720.80	671.96	4,320.78
Collection Expense	0.00	33.46	0.00	0.00
Forms & Supplies	221.59	1,688.06	287.35	1,705.91
Communications Expense	420.21	2,100.75	418.69	2,106.81
Uncollectible Accts. Exp.	0.00	0.00	0.00	722.37
Total Customer Acct. Expenses:	19,070.57	68,249.94	15,530.47	59,314.49

INCOME STATEMENT-ELECTRIC

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year Current</u>	<u>Last Year YTD</u>
General & Administrative Expenses:				
Salaries & Supervision	13,574.21	46,428.00	14,900.77	44,522.26
Newsads, Website, Subscriptions & Promos	266.40	393.60	156.16	1,346.14
Office Supplies, Computer Exp., & Sm. Equip	2,748.45	16,476.66	1,949.78	12,707.27
Communications Expense	287.86	1,438.77	835.69	1,973.52
Membership Fees & Dues	0.00	5,959.50	0.00	5,969.50
Maint. Contracts, Licenses, & Permits	267.86	6,041.42	286.58	6,110.97
State & Federal Assessments	0.00	1,541.51	0.00	1,346.87
Professional Fees	3,024.00	14,831.50	3,290.56	18,915.06
Outside Services	1,706.15	8,899.69	1,577.24	9,412.29
Meals, Travel, & Meetings	15.00	3,141.37	1,238.45	3,860.45
Prop. & Liab. Insurance	2,152.25	10,761.25	2,481.58	12,407.94
Employee Pensions & Benefits	33,693.27	174,254.08	36,956.28	177,119.76
Education & Safety Training	0.00	2,775.60	0.00	0.00
Heat Share Expense	0.00	0.00	0.00	0.00
Sales Tax Expense	153.55	369.53	178.05	6,775.40
Lighting Rebates	3,486.77	29,056.75	3,666.26	16,547.23
Conservation Improvement Exp	0.00	1,442.75	0.00	1,391.36
Christmas Lighting Expenses	0.00	0.00	0.00	0.00
Transportation Fuel & Oil	0.00	0.00	0.00	41.48
Vehicle Repair & Maint.	0.00	25.00	0.00	161.99
Building & Grounds Maint.	0.00	74.91	108.00	330.30
Service Territory Expense	1,520.00	5,499.82	3,680.50	7,326.50
Misc. G&A Expense	88.91	451.71	935.89	1,503.10
Total General & Administrative:	62,984.68	329,863.42	72,241.79	329,769.39
Depreciation	61,161.48	313,435.01	59,000.00	295,000.00
TOTAL OPERATING EXPENSES:	693,455.65	3,123,645.01	675,890.23	3,004,449.37
OPERATING INCOME/(LOSS)	(33,099.21)	181.69	(12,300.21)	64,923.89
NONOPERATING REVENUE (EXPENSE)				
Interest Income	16,062.42	80,167.19	22,757.12	113,711.27
Change in Fair Value of Investments	(2,671.58)	(7,747.10)	(3,652.78)	(11,969.29)
Misc. Non Oper Income	1,649.08	12,943.60	1,508.20	8,566.56
Gain/(Loss) Disposal of Property	0.00	0.00	0.00	0.00
Gain/(Loss) Sale of Bonds	0.00	0.00	0.00	0.00
Interest Expense	(47.00)	(155.77)	(124.44)	(860.74)
Interest on Long Term Debt	(22,145.83)	(112,916.68)	(22,875.00)	(115,716.70)
Fines & Penalties	0.00	0.00	0.00	0.00
Amortization of Bond Discount	0.00	0.00	0.00	0.00
General Fund Expense	0.00	0.00	0.00	0.00
Total NonOperating Rev(Exp)	(7,152.91)	(27,708.76)	(2,386.90)	(6,268.90)
NET INCOME/(LOSS)	(40,252.12)	(27,527.07)	(14,687.11)	58,654.99

PRINCETON PUBLIC UTILITIES COMMISSION
UNAUDITED BALANCE SHEET-ELECTRIC DEPARTMENT
May 31, 2025

ASSETS

CURRENT ASSETS:

Cash	3,413,174.56
Temp Rate Stab Investments	1,298,051.66
Customer Accounts Receivable	773,737.08
Other Accounts Receivable	46,491.23
Sales Tax Receivable	3,569.57
Accrued Interest Receivable	9,952.20
Inventory	1,015,142.62
Prepaid Interest	0.00
Prepaid Insurance	129,696.74
Deferred Outflows of Resources	201,743.00

Total Current Assets	6,891,558.66
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RESTRICTED ASSETS:

Construction in Progress	1,186,881.98
MCMU Construction Fund	0.00
Reserve Fund	493,125.00
MCMU Reserve Fund	0.00
Debt Service Fund	82,624.98
Capital Improvements Fund	<u>1,611,075.05</u>

Total Restricted Assets	3,373,707.01
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FIXED ASSETS:

Land & Land Improvements	273,683.84	
Buildings	1,947,453.88	
Generation Plant	6,117,286.73	
Substations	3,838,331.61	
Distribution System	12,358,912.58	
Street Lights & Signals	378,411.18	
Trucks & Vehicles	741,304.98	
Office Furniture & Equipment	168,296.07	
Tools, Shop & Garage Equipment	120,418.96	
Miscellaneous Equipment	<u>379,806.28</u>	26,323,906.11
Less: Accumulated Depreciation		<u>(16,200,178.19)</u>

Total Fixed Assets	<u>10,123,727.92</u>
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TOTAL ASSETS	<u><u>20,388,993.59</u></u>
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PRINCETON PUBLIC UTILITIES COMMISSION
UNAUDITED BALANCE SHEET-ELECTRIC DEPARTMENT
May 31, 2025

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts Payable	562,508.43	
Employee Insurance Payable	(4,212.98)	
Employee Savings & Taxes Payable	4,195.68	
Heat Share Payable	0.00	
Sewer Payable	144,671.10	
City Franchise Fee	14,664.50	
Wind Power	0.00	
Garbage Collections Payable	588.46	
Customer Meter Deposits	252,022.77	
Sales Tax Payable	60,836.35	
Accrued Interest Payable	44,291.68	
Severance Payable	0.00	
Current Bonds Payable	230,000.00	
Accrued Wages Payable	0.00	
Deferred Revenue	0.00	
Deferred Solar	2,907.29	
Net Pension Liability	634,773.00	
Deferred Inflows of Resources	282,000.00	
Total Current Liabilities		2,229,246.28

NONCURRENT LIABILITIES:

Contracts Payable		0.00
Revenue Bonds Payable	6,020,000.00	
Less: Unamortized Bond Discount	<u>(54,625.20)</u>	6,074,625.20
Deferred Rate Stabilization		<u>1,298,051.66</u>
Total NonCurrent Liabilities		<u>7,372,676.86</u>

TOTAL LIABILITIES **9,601,923.14**

FUND EQUITY

Unappropriated Retained Earnings	10,659,096.64	
Net Income (Loss)	<u>127,973.81</u>	
Total Equity		<u>10,787,070.45</u>

TOTAL LIABILITIES & EQUITY **20,388,993.59**

Trial Balance

PRINCETON PUBLIC UTILITIES

6/17/2025 12:15:56 PM

Page 1 of 5

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0001-1071	Asset	CONSTRUCTION IN PROGRESS	1,354,954.72		168,072.74	(168,072.74)	1,186,881.98
64-0001-1073	Asset	MCMU CONSTRUCTION FUND					0.00
64-0001-1251	Asset	RESERVE FUND	493,125.00				493,125.00
64-0001-1252	Asset	DEBT SERVICE FUND	41,312.48	41,312.50		41,312.50	82,624.98
64-0001-1255	Asset	MCMU RESERVE FUND					0.00
64-0001-1291	Asset	CAPITAL IMPROVEMENTS FUND	1,585,450.26	25,624.79		25,624.79	1,611,075.05
64-0001-1301	Asset	PETTY CASH	300.00				300.00
64-0001-1302	Asset	CASH ON HAND	1,835.00				1,835.00
64-0001-1311	Asset	CASH ON DEPOSIT CHECKING	3,533,464.36	930,941.54	1,053,366.34	(122,424.80)	3,411,039.56
64-0001-1361	Asset	TEMP RATE STAB INVESTMENT	1,314,178.36		16,126.70	(16,126.70)	1,298,051.66
64-0001-1421	Asset	CUSTOMER ACCOUNTS RECEIVABLE	690,283.46	765,176.82	681,723.20	83,453.62	773,737.08
64-0001-1431	Asset	OTHER ACCOUNTS RECEIVABLE	49,867.67	46,471.87	49,848.31	(3,376.44)	46,491.23
64-0001-1432	Asset	SALES TAX RECEIVABLE	3,569.57				3,569.57
64-0001-1512	Asset	PLANT MATERIALS & SUPPLIES	1,089,071.17	9,825.99	83,754.54	(73,928.55)	1,015,142.62
64-0001-1520	Fixed Asset	GENERATION PLANT	6,117,286.73				6,117,286.73
64-0001-1525	Fixed Asset	SUBSTATIONS	3,838,331.61				3,838,331.61
64-0001-1530	Fixed Asset	DISTRIBUTION SYSTEM	12,110,171.11	248,741.47		248,741.47	12,358,912.58
64-0001-1531	Fixed Asset	STREET LIGHTS & SIGNALS	378,411.18				378,411.18
64-0001-1540	Fixed Asset	LAND & LAND IMPROVEMENTS	273,683.84				273,683.84
64-0001-1550	Fixed Asset	BUILDINGS	1,944,427.88	3,026.00		3,026.00	1,947,453.88
64-0001-1560	Fixed Asset	OFFICE FURNITURE & EQUIPMENT	168,296.07				168,296.07
64-0001-1571	Fixed Asset	TRUCKS & VEHICLES	741,304.98				741,304.98
64-0001-1580	Fixed Asset	TOOLS, SHOP & GARAGE EQUIP.	120,418.96				120,418.96
64-0001-1590	Fixed Asset	MISCELLANEOUS EQUIPMENT	379,806.28				379,806.28
64-0001-1651	Asset	PREPAID INTEREST					0.00
64-0001-1652	Asset	PREPAID INSURANCE	146,691.56		16,994.82	(16,994.82)	129,696.74
64-0001-1710	Fixed Asset	ACCUMULATED DEPRECIATION	(16,139,016.71)		61,161.48	(61,161.48)	(16,200,178.19)
64-0001-1711	Asset	ACCRUED INTEREST RECEIVABLE	9,952.20				9,952.20
64-0001-1712	Asset	DEFERRED OUTFLOWS OF RESOURCES	201,743.00				201,743.00
64-0001-2160	Equity	CONTRIBUTED					0.00
64-0001-2161	Equity	BALANCE FROM INCOME STATEMENT					0.00
64-0001-2162	Equity	UNAPPROPRIATED EARNINGS (END)	(10,659,096.64)				(10,659,096.64)
64-0001-2211	Liability	REVENUE BONDS PAYABLE	(6,020,000.00)				(6,020,000.00)
64-0001-2261	Asset	UNAMORTIZED BOND DISCOUNT	(54,625.20)				(54,625.20)
64-0001-2281	Liability	SEVERANCE PAYABLE	(77,212.80)	77,212.80		77,212.80	0.00
64-0001-2311	Liability	CONTRACTS PAYABLE					0.00
64-0001-2315	Liability	CURRENT BONDS PAYABLE	(230,000.00)				(230,000.00)
64-0001-2321	Liability	ACCOUNTS PAYABLE	(532,931.84)	914,496.98	944,073.57	(29,576.59)	(562,508.43)
64-0001-2322	Liability	EMPLOYEE DEDUCTIONS PAYABLE	5,464.26	3,253.19	4,504.47	(1,251.28)	4,212.98
64-0001-2324	Liability	ACCRUED WAGES & TAXES					0.00
64-0001-2325	Liability	EMPLOYEE HEALTH SAVINGS PAY		2,505.88	3,758.82	(1,252.94)	(1,252.94)
64-0001-2340	Liability	HEAT SHARE PAYABLE					0.00

Trial Balance

PRINCETON PUBLIC UTILITIES

6/17/2025 12:15:56 PM

Page 2 of 5

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0001-2341	Liability	SEWER COLLECTIONS PAYABLE	(141,386.52)	141,506.37	144,790.95	(3,284.58)	(144,671.10)
64-0001-2343	Liability	CITY PRINCETON FRANCHISE FEE	(7,268.50)		7,396.00	(7,396.00)	(14,664.50)
64-0001-2344	Liability	GARBAGE COLLECTIONS PAYABLE	(588.46)				(588.46)
64-0001-2351	Liability	CUSTOMER METER DEPOSITS	(251,258.32)	2,591.73	3,356.18	(764.45)	(252,022.77)
64-0001-2361	Liability	MN STATE SALES TAX PAYABLE	(51,978.26)	24,364.15	29,074.55	(4,710.40)	(56,688.66)
64-0001-2363	Liability	MLC LOCAL SALES TAX PAYABLE	(3,366.62)	1,577.12	1,863.01	(285.89)	(3,652.51)
64-0001-2365	Liability	SHERBURNE CTY LOCAL TAX PAY	(441.41)	209.18	262.95	(53.77)	(495.18)
64-0001-2371	Liability	ACCRUED INTEREST PAYABLE	(22,145.85)		22,145.83	(22,145.83)	(44,291.68)
64-0001-2421	Liability	FEDERAL WITHHOLDING TAX		13,445.14	13,445.14		0.00
64-0001-2422	Liability	STATE WITHHOLDING TAX		5,457.85	5,457.85		0.00
64-0001-2423	Liability	F.I.C.A. PAYABLE		7,914.05	7,914.05		0.00
64-0001-2424	Liability	PERA PAYABLE		5,885.48	8,828.22	(2,942.74)	(2,942.74)
64-0001-2426	Liability	MEDICARE WITHHOLDING		1,850.87	1,850.87		0.00
64-0001-2428	Liability	DEFERRED RATE STABILIZATION	(1,314,178.36)	16,126.70		16,126.70	(1,298,051.66)
64-0001-2429	Liability	DEFERRED REVENUE					0.00
64-0001-2430	Liability	NET PENSION LIABILITY	(634,773.00)				(634,773.00)
64-0001-2431	Liability	DEFERRED INFLOWS OF RESOURCES	(282,000.00)				(282,000.00)
64-0001-2432	Liability	DEFERRED SOLAR	(2,907.29)				(2,907.29)
64-0403-4031	Expense	DEPRECIATION EXPENSE	959,479.28	61,161.48		61,161.48	1,020,640.76
64-0419-4191	Expense	INTEREST EXPENSE	656.15				656.15
64-0419-4192	Expense	INTEREST PAID ON METER DEPOSIT	13,325.73	47.00		47.00	13,372.73
64-0419-4290	Revenue	INTEREST INCOME	(367,217.93)		16,062.42	(16,062.42)	(383,280.35)
64-0419-4295	Revenue	CHANGE IN FAIR VALUE OF INVEST	(7,665.02)	2,671.58		2,671.58	(4,993.44)
64-0421-4210	Revenue	MISC. NON OPERATING INCOME	(43,168.62)		1,649.08	(1,649.08)	(44,817.70)
64-0421-4211	Revenue	GAIN/LOSS ON DISPOSAL OF ASSET					0.00
64-0424-4264	Revenue	GAIN OR LOSS RESALE OF BONDS					0.00
64-0426-4263	Expense	FINES & PENALTIES					0.00
64-0427-4271	Expense	INTEREST ON LONG TERM DEBT	366,612.55	22,145.83		22,145.83	388,758.38
64-0428-4281	Expense	AMORTIZATION OF BOND DISCOUNT					0.00
64-0440-4401	Revenue	RESIDENTIAL SALES	(3,339,788.33)		192,031.27	(192,031.27)	(3,531,819.60)
64-0440-4402	Revenue	SECURITY LIGHTS	(27,158.23)		1,798.30	(1,798.30)	(28,956.53)
64-0440-4405	Revenue	SERVICE LINE REPAIR FEE	(28,814.00)		1,809.00	(1,809.00)	(30,623.00)
64-0440-4410	Revenue	RESIDENTIAL ECA	(50,556.95)				(50,556.95)
64-0440-4411	Revenue	INTERMEDIATE POWER ECA	(32,636.94)				(32,636.94)
64-0440-4412	Revenue	SMALL GENERAL ECA	(14,228.56)				(14,228.56)
64-0440-4413	Revenue	LARGE GENERAL ECA	(40,049.72)				(40,049.72)
64-0440-4414	Revenue	LARGE POWER ECA	(42,260.86)				(42,260.86)
64-0440-4419	Revenue	INTERMEDIATE POWER SERVICE	(1,273,217.81)		88,579.38	(88,579.38)	(1,361,797.19)
64-0440-4420	Revenue	SMALL GENERAL SERVICE	(863,478.81)		52,640.41	(52,640.41)	(916,119.22)
64-0440-4422	Revenue	LARGE GENERAL SERVICE	(1,763,259.87)		117,268.12	(117,268.12)	(1,880,527.99)
64-0440-4423	Revenue	LARGE POWER SERVICE	(1,632,737.09)		112,594.11	(112,594.11)	(1,745,331.20)
64-0440-4425	Revenue	RESIDENTIAL SOLAR CREDIT					0.00

Trial Balance

PRINCETON PUBLIC UTILITIES

6/17/2025 12:15:56 PM

Page 3 of 5

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0440-4426	Revenue	SMALL GENERAL SOLAR CREDIT	403.54	27.24		27.24	430.78
64-0440-4427	Revenue	LARGE GEN/POWER SOLAR CREDIT	1,098.24	74.02		74.02	1,172.26
64-0440-4435	Revenue	STREET LIGHT FEES	(41,160.00)		2,682.00	(2,682.00)	(43,842.00)
64-0440-4493	Revenue	RATE STABILIZATION REVENUE	(19,944.64)		16,126.70	(16,126.70)	(36,071.34)
64-0450-4501	Revenue	LATE CHARGES	(66,974.19)	1,466.86	4,756.15	(3,289.29)	(70,263.48)
64-0450-4502	Revenue	HOOK-UP & NSF CHECK CHARGES	(13,870.00)		590.00	(590.00)	(14,460.00)
64-0450-4503	Revenue	CONNECTION FEE	(37,800.00)		10,300.00	(10,300.00)	(48,100.00)
64-0450-4504	Revenue	CONSTRUCTION FEES	(93,970.35)		7,007.71	(7,007.71)	(100,978.06)
64-0450-4506	Revenue	SOLAR SUBSCRIPTIONS	(2,650.32)				(2,650.32)
64-0450-4550	Revenue	OPERATING & MAINTENANCE	(592,111.49)		31,842.67	(31,842.67)	(623,954.16)
64-0450-4561	Revenue	QUICK START DIESEL PAYMENT	(232,320.00)		14,520.00	(14,520.00)	(246,840.00)
64-0450-4563	Revenue	OTHER OPERATING REVENUE	(175,017.22)		7,378.74	(7,378.74)	(182,395.96)
64-0450-4564	Revenue	POLE ATTACHMENT FEE	(3,116.00)				(3,116.00)
64-0450-4565	Revenue	MERCHANDISE SALES	(5,812.00)				(5,812.00)
64-0540-5461	Expense	PRODUCTION PLANT SALARIES	230,056.36	35,226.90		35,226.90	265,283.26
64-0540-5472	Expense	NATURAL GAS	23,170.89	1,282.36		1,282.36	24,453.25
64-0540-5481	Expense	LUBE OIL & LUBRICANTS	3,475.64				3,475.64
64-0540-5482	Expense	CHEMICALS	4,736.16				4,736.16
64-0540-5501	Expense	PRODUCTION SUPPLIES	2,249.35	172.43		172.43	2,421.78
64-0540-5505	Expense	PLANT SHOP SUPPLIES	1,009.09	193.25		193.25	1,202.34
64-0540-5510	Expense	SAFETY EQUIPMENT	1,569.47				1,569.47
64-0540-5511	Expense	COMMUNICATIONS EXPENSE	730.05	45.82		45.82	775.87
64-0540-5512	Expense	COMPUTER, AUDIO & SCADA EQUIP	5,198.26	40.01		40.01	5,238.27
64-0540-5513	Expense	SMALL TOOLS EXPENSE	1,256.06				1,256.06
64-0540-5514	Expense	EDUCATION & SAFETY TRAINING	1,542.68	665.24		665.24	2,207.92
64-0540-5515	Expense	OUTSIDE SERVICES	6,833.29	170.00		170.00	7,003.29
64-0540-5516	Expense	BOILER & MACHINERY INSURANCE	159,401.17	10,733.00		10,733.00	170,134.17
64-0540-5517	Expense	PROP & LIAB INSURANCE	48,548.00	3,321.83		3,321.83	51,869.83
64-0540-5541	Expense	EQUIPMENT REPAIRS	13,915.00	174.35		174.35	14,089.35
64-0540-5882	Expense	TRANSPORTATION FUEL & OIL					0.00
64-0540-5883	Expense	VEHICLE REPAIR & EXPENSE					0.00
64-0550-5531	Expense	BUILDING & GROUNDS MAINTENANCE	4,675.44	309.38		309.38	4,984.82
64-0550-5542	Expense	EQUIP MAINT,SERV AGREE, INSPEC	26,705.53	613.42		613.42	27,318.95
64-0550-5551	Expense	PURCHASED POWER	6,780,067.64	436,618.70		436,618.70	7,216,686.34
64-0550-5571	Expense	MISCELLANEOUS PLANT EXPENSE	40.00				40.00
64-0560-5531	Expense	BUILDING & GROUNDS MAINTENANCE	600.00				600.00
64-0560-5541	Expense	EQUIPMENT REPAIRS	68.79				68.79
64-0560-5542	Expense	EQUIP MAINT,SERV AGREE, INSPEC					0.00
64-0560-5888	Expense	UTILITIES					0.00
64-0580-5801	Expense	DISTRIBUTION SALARIES	497,199.57	52,285.84		52,285.84	549,485.41
64-0580-5811	Expense	SYSTEM & SHOP SUPPLIES	2,562.34				2,562.34
64-0580-5812	Expense	SAFETY EQUIP,RUBBER GOODS,TEST	16,306.43	1,169.22		1,169.22	17,475.65

Trial Balance

PRINCETON PUBLIC UTILITIES

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Page 4 of 5

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0580-5813	Expense	SMALL TOOLS EXPENSE	1,705.45	1,436.56		1,436.56	3,142.01
64-0580-5814	Expense	EDUCATION & SAFETY TRAINING	3,361.35				3,361.35
64-0580-5815	Expense	OUTSIDE SERVICES	772.49				772.49
64-0580-5816	Expense	GIS DATA & MAINTENANCE EXP.	6,949.40	714.57		714.57	7,663.97
64-0580-5817	Expense	COMPUTER EQUIP. & MAINT. EXP.					0.00
64-0580-5821	Expense	LOAD CONTROL EXPENSE					0.00
64-0580-5831	Expense	OVERHEAD LINE EXPENSE	3,778.86				3,778.86
64-0580-5841	Expense	UNDERGROUND LINE EXPENSE	20,810.03	572.91		572.91	21,382.94
64-0580-5851	Expense	STREET LIGHTS & SIGNAL EXP.	2,561.43				2,561.43
64-0580-5852	Expense	SEC. LIGHT REPAIR EXPENSE	2,117.41				2,117.41
64-0580-5862	Expense	METER EXPENSE	749.61				749.61
64-0580-5870	Expense	CUSTOMER SERVICE LINE REPAIR	8,133.37				8,133.37
64-0580-5871	Expense	CUSTOMER OWNED SERVICE EXP.	42,790.58				42,790.58
64-0580-5881	Expense	MISC. DISTRIBUTION EXPENSE					0.00
64-0580-5882	Expense	TRANSPORTATION FUEL & OIL	8,432.18	551.93		551.93	8,984.11
64-0580-5883	Expense	VEHICLE REPAIR & EXPENSE	5,619.33	1,917.89		1,917.89	7,537.22
64-0580-5886	Expense	EQUIPMENT REPAIR & EXPENSE	2,044.38				2,044.38
64-0580-5887	Expense	STORM DAMAGE	827.61	520.03		520.03	1,347.64
64-0580-5888	Expense	UTILITIES	28,267.76	1,470.16		1,470.16	29,737.92
64-0590-5921	Expense	BUILDING & GROUNDS MAINTENANCE	1,580.30	33.12		33.12	1,613.42
64-0590-5941	Expense	LINE MAINTENANCE TRIMMING					0.00
64-0590-5945	Expense	HABITAT, RIGHT OF WAY EXPENSE					0.00
64-0590-5951	Expense	MAINTENANCE OF TRANSFORMERS	1,565.84				1,565.84
64-0902-9021	Expense	METER READING SALARIES					0.00
64-0903-9031	Expense	CUSTOMER ACCOUNTS SALARIES	181,261.06	17,456.63		17,456.63	198,717.69
64-0903-9032	Expense	POSTAGE EXPENSE	16,068.91	972.14		972.14	17,041.05
64-0903-9033	Expense	COLLECTION EXPENSE	171.66				171.66
64-0903-9034	Expense	FORMS & SUPPLIES	3,507.03	221.59		221.59	3,728.62
64-0903-9035	Expense	COMMUNICATIONS EXPENSE	6,722.23	420.21		420.21	7,142.44
64-0903-9036	Expense	MISC. SUPPLIES & STATIONERY	3,949.85				3,949.85
64-0904-9004	Expense	UNCOLLECTIBLE ACCOUNTS	2,505.12				2,505.12
64-0920-9201	Expense	GENERAL & ADMIN. SALARIES	145,981.86	13,574.21		13,574.21	159,556.07
64-0921-9210	Expense	NEWSADS & PROMOTIONS	2,034.25				2,034.25
64-0921-9211	Expense	COMPUTER SUPPLIES & LABOR	45,405.35	2,659.65		2,659.65	48,065.00
64-0921-9212	Expense	WEBSITE, BOOKS & SUBSCRIPTIONS	393.35	266.40		266.40	659.75
64-0921-9213	Expense	COMMUNICATIONS EXPENSE	5,126.07	287.86		287.86	5,413.93
64-0921-9214	Expense	MEMBERSHIP FEES & DUES	17,682.50				17,682.50
64-0921-9215	Expense	SUPPLIES & EXPENSES	1,489.12	88.80		88.80	1,577.92
64-0921-9216	Expense	MEALS, TRAVEL, MEETINGS	12,737.97	15.00		15.00	12,752.97
64-0921-9217	Expense	MAINTENANCE CONTRACTS & LEASES	22,726.87	267.86		267.86	22,994.73
64-0921-9218	Expense	LICENSES & PERMITS	881.05				881.05
64-0921-9219	Expense	STATE & FED ASSESS./REQUIRE.	4,567.62				4,567.62

Trial Balance

PRINCETON PUBLIC UTILITIES

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
64-0921-9220	Expense	SMALL OFFICE EQUIPMENT	539.71				539.71
64-0923-9231	Expense	ATTORNEY/LEGAL EXPENSES	15,062.40	540.00		540.00	15,602.40
64-0923-9232	Expense	AUDITOR EXPENSE	14,868.00	2,484.00		2,484.00	17,352.00
64-0923-9233	Expense	ENGINEERING & CONSULTANTS	23,200.96				23,200.96
64-0923-9234	Expense	OUTSIDE SERVICES	22,974.37	1,637.27		1,637.27	24,611.64
64-0923-9235	Expense	CLEANING SERVICES	3,242.13	68.88		68.88	3,311.01
64-0923-9236	Expense	BUILDING & GROUNDS MAINTENANCE	576.72				576.72
64-0924-9241	Expense	PROPERTY & LIABILITY EXPENSE	36,785.92	2,152.25		2,152.25	38,938.17
64-0925-9251	Expense	WORKMANS COMP. INSURANCE	13,635.96	787.74		787.74	14,423.70
64-0926-9260	Expense	FICA INSURANCE	63,817.28	5,958.46		5,958.46	69,775.74
64-0926-9261	Expense	PERA EXPENSE	80,983.28	5,088.78		5,088.78	86,072.06
64-0926-9262	Expense	EMPLOYEE HOSPITALIZATION EXP.	331,530.08	19,846.62		19,846.62	351,376.70
64-0926-9263	Expense	EMPL LIFE & DISABILITY INS.	10,177.29	618.14		618.14	10,795.43
64-0926-9264	Expense	EDUCATION & SAFETY TRAINING	5,043.60				5,043.60
64-0926-9265	Expense	MEDICARE EXPENSE	14,925.16	1,393.53		1,393.53	16,318.69
64-0926-9266	Expense	UNEMPLOYMENT EXPENSE					0.00
64-0926-9267	Expense	HEAT SHARE EXPENSE					0.00
64-0930-9302	Expense	MISCELLANEOUS GENERAL EXPENSE	3,509.82	93.91	5.00	88.91	3,598.73
64-0930-9303	Expense	SERVICE TERRITORY EXPENSE	27,357.82	1,520.00		1,520.00	28,877.82
64-0930-9304	Expense	GENERAL FUND EXPENSE	54,266.00				54,266.00
64-0930-9306	Expense	SALES TAX EXPENSE	9,169.49	153.55		153.55	9,323.04
64-0930-9307	Expense	COMMERCIAL REBATES	104,434.15	3,431.77		3,431.77	107,865.92
64-0930-9308	Expense	CONSERVATION IMPROVEMENT EXP	4,926.97				4,926.97
64-0930-9309	Expense	RESIDENTIAL REBATES	12,682.27	55.00		55.00	12,737.27
64-0930-9311	Expense	CHRISTIMAS LIGHTING EXPENSE					0.00
64-0933-9034	Expense	FORMS & SUPPLIES					0.00
64-0933-9330	Expense	TRANSPORTATION FUEL & LUBE	90.70				90.70
64-0933-9331	Expense	TRANSPORTATION REPAIRS & MAINT	186.99				186.99

Report Setup
 Sort By:
 Includes only active accounts
 Includes accounts from 64-0001-1071 to 64-0940-9402
 Printed for 5/1/2025 to 5/31/2025
 Printed for all sources.

	0.00	4,009,411.65	4,009,411.65	0.00	0.00
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PRINCETON PUBLIC UTILITIES COMMISSION
UNAUDITED INCOME STATEMENT-WATER DEPARTMENT
FOR MONTH ENDING: MAY 31, 2025

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year</u> <u>Current</u>	<u>Last Year YTD</u>
OPERATING REVENUE:				
Residential Sales	53,635.35	235,936.68	46,532.20	223,544.25
Commercial Sales	28,484.78	108,365.21	21,283.34	102,667.79
Industrial Sales	10,680.65	41,382.84	12,848.85	43,456.04
Non Metered Sales	2,005.50	2,425.50	1,228.50	2,005.50
Service Line Repair Fee	1,520.00	7,595.00	1,507.00	7,535.00
Late Charges	549.53	2,951.45	918.42	3,678.12
Rent/Lease Income	0.00	23,337.77	0.00	23,337.77
Availability/Connection Fees	0.00	0.00	16,000.00	20,000.00
Construction Fees	0.00	0.00	0.00	0.00
Trunk Facilities Fees	0.00	104,343.00	7,266.36	7,266.36
Operating Transfers	0.00	0.00	0.00	0.00
Merchandise Sales	648.18	4,976.10	1,930.00	13,375.96
Other Operating Revenue	225.00	1,100.00	450.00	3,750.00
TOTAL OPERATING REVENUE:	97,748.99	532,413.55	109,964.67	450,616.79
OPERATING EXPENSES:				
Production Plant:				
Salaries & Supervision	11,203.40	27,316.64	7,345.03	29,760.68
Power for Pumping	2,740.28	12,327.60	2,516.43	11,156.60
Natural Gas	699.76	5,076.52	619.78	4,214.37
Utilities & Generator Expense	0.00	0.00	0.00	0.00
Lube Oil & Lubricants	0.00	0.00	0.00	0.00
Chemicals	7,282.39	13,456.55	5,929.98	12,294.87
Water Testing	85.00	1,432.72	85.26	1,690.95
Communications Expense	49.38	246.84	48.93	244.97
Scada & Computer Equipment	220.18	1,101.06	220.16	1,100.98
Equipment Repairs	0.00	1,342.71	0.00	2,643.51
Equip. Maint. & Inspections	0.00	0.00	190.00	190.00
Building & Grounds Maint.	107.00	254.51	107.00	107.00
Misc. Plant Expense	0.00	23.80	0.00	0.00
Total Production Plant:	22,387.39	62,578.95	17,062.57	63,403.93
Distribution System:				
Salaries & Supervision	21,932.70	58,704.76	11,301.41	38,008.99
System & Shop Supplies	13.99	315.33	0.00	42.59
Small Tools Expense	82.12	513.78	0.00	97.97
GIS Data & Maintenance Exp.	38.23	191.15	515.65	1,747.26
Computer Equip. & Maintenance	0.00	0.00	0.00	0.00
Safety Equipment	0.00	1,290.69	214.48	214.48
Education & Safety Training	0.00	0.00	0.00	825.00
Outside Services	68.04	177.40	71.28	210.91
Meter Expense	0.00	55.20	0.00	379.37
Customer Service Line Repair Exp.	67.44	67.44	0.00	0.00
Customer Owned Service Exp.	238.89	277.54	0.00	4,825.90
Dist. Repairs & Maintenance	45.44	369.65	294.74	1,781.47
Transportation Fuel & Oil	342.08	1,174.03	419.40	1,524.70
Vehicle Repair & Maint.	0.00	33.51	51.98	453.88
Equipment Repair & Maint.	86.70	245.33	710.41	957.71
Utilities	740.23	3,482.07	639.45	3,640.64
Building & Grounds Maint.	0.00	258.20	0.00	5.34
Misc. Dist. & Tower Maint. & Exp.	0.00	0.00	0.00	345.88
Total Distribution:	23,655.86	67,156.08	14,218.80	55,062.09

INCOME STATEMENT-WATER

	<u>Current Period</u>	<u>Year to Date</u>	<u>Last Year</u> <u>Current</u>	<u>Last Year YTD</u>
Customer Accts. Expenses:				
Customer Accts. Salaries	9,804.07	33,585.90	7,593.05	28,475.56
Meter Reading Salaries	0.00	0.00	284.40	944.10
Postage Expense	531.36	2,609.45	261.32	1,838.20
Collection Expense	0.00	0.00	0.00	0.00
Forms & Supplies	86.18	656.48	111.74	663.42
Communications Expense	223.28	1,116.35	222.49	1,106.09
Uncollectible Accts. Expense	0.00	0.00	0.00	192.33
Total Customer Acct. Expenses:	10,644.89	37,968.18	8,473.00	33,219.70
General & Administrative Expenses:				
Salaries & Supervision	11,970.24	28,747.31	8,272.28	23,709.40
Newads, Website, Subscriptions & Promos	103.60	111.40	60.74	103.51
Office Supplies, Computer Exp., & Sm. Equip	1,075.08	6,549.01	758.25	5,141.50
Communications Expense	111.95	559.53	211.10	653.56
Membership Fees & Dues	1,740.40	2,076.40	1,746.10	2,070.10
Maint. Contracts, Licenses & Permits	104.18	4,768.12	111.46	6,057.13
State & Federal Assessments	0.00	4,313.00	0.00	4,296.00
Professional Fees	7,662.50	23,807.00	954.94	7,039.94
Outside Services	(370.64)	3,058.22	791.29	3,165.74
Meals, Travel, Meetings	0.00	1,029.50	0.00	1,008.00
Prop. & Liab. Insurance	1,331.00	6,655.00	1,369.33	6,846.69
Employee Pensions & Benefits	8,568.42	42,382.42	9,291.26	41,460.42
Education & Safety Training	0.00	1,079.40	0.00	0.00
Wellhead Plan Implementation	0.00	0.00	0.00	0.00
Sales Tax Expense	0.00	0.00	0.00	0.00
Building & Grounds Maint.	0.00	29.13	42.00	42.00
Misc. G&A Expense	24.04	63.32	305.62	374.94
Total General & Administrative:	32,320.77	125,228.76	23,914.37	101,968.93
Depreciation Expense	37,536.03	187,638.33	36,500.00	182,500.00
TOTAL OPERATING EXPENSES:	126,544.94	480,570.30	100,168.74	436,154.65
OPERATING INCOME /(LOSS)	(28,795.95)	51,843.25	9,795.93	14,462.14
NONOPERATING REVENUE (EXPENSE)				
Interest Income	0.00	0.00	0.00	0.00
Change in Fair Value of Investments	(852.10)	(2,487.27)	(1,117.77)	(3,240.98)
Misc. Non Oper. Income	9,963.50	150,613.33	0.00	0.00
Gain/(Loss) Disposal of Property	0.00	0.00	0.00	0.00
Gain/(Loss) Sale of Bonds	0.00	0.00	0.00	0.00
Interest Expense	(1,550.42)	(7,752.10)	(2,671.67)	(13,025.35)
Fines & Penalties	0.00	0.00	0.00	0.00
Amortization of Bond Discount	0.00	0.00	0.00	0.00
General Fund Expense	0.00	0.00	0.00	0.00
Total NonOperating Rev/(Exp)	7,560.98	140,373.96	(3,789.44)	(16,266.33)
NET INCOME/(LOSS)	(21,234.97)	192,217.21	6,006.49	(1,804.19)

**PRINCETON PUBLIC UTILITIES COMMISSION
UNAUDITED BALANCE SHEET-WATER DEPARTMENT
May 31, 2025**

ASSETS

CURRENT ASSETS:

Cash	1,159,213.96	
Temp Rate Stab Investments	0.00	
Customer Accounts Receivable	96,780.78	
Other Accounts Receivable	3,018.16	
Accrued Interest Receivable	4,064.98	
Lease Receivables	98,485.00	
Inventory	78,167.21	
Prepaid Interest	0.00	
Prepaid Insurance	11,461.38	
Deferred Outflows of Resources	63,657.00	

Total Current Assets

1,514,848.47

RESTRICTED ASSETS:

Construction in Progress	0.00	
MCMU Construction Fund	0.00	
Reserve Fund	0.00	
MCMU Reserve Fund	0.00	
Debt Service Fund	75,000.00	
PFA Debt Service Fund	0.00	
Capital Improvements Fund	1,532,676.46	

Total Restricted Assets

1,607,676.46

FIXED ASSETS:

Land & Land Improvements	8,161.73	
Buildings	30,163.78	
Towers	1,886,798.19	
Wells	558,323.83	
Pumps	12,945.70	
Distribution System	5,416,105.87	
Treatment Plant	4,571,323.78	
Flouridation & Treatment System	124,029.43	
Trucks & Vehicles	118,899.03	
Tools, Shop & Garage Equipment	39,283.25	
Office Furniture & Equipment	48,625.12	
Miscellaneous Equipment	254,397.29	13,069,057.00
Less: Accumulated Depreciation		(7,525,607.71)

Total Fixed Assets

5,543,449.29

TOTAL ASSETS

8,665,974.22

**PRINCETON PUBLIC UTILITIES COMMISSION
UNAUDITED BALANCE SHEET-WATER DEPARTMENT
May 31, 2025**

LIABILITIES AND FUND EQUITY

CURRENT LIABILITIES

Accounts Payable		33,519.15
Accrued Interest Payable		0.00
Severance Payable		0.00
Current Bonds Payable		150,000.00
Accrued Wages Payable		0.00
Deferred Revenue		0.00
Net Pension Liability		153,682.00
Deferred Inflows of Resources		103,117.00
Deferred Inflows - Leases		96,427.00

Total Current Liabilities		<u>536,745.15</u>
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NONCURRENT LIABILITIES:

Contracts Payable		0.00
Revenue Bonds Payable	315,000.00	
Less: Unamortized Bond Discount	<u>0.00</u>	315,000.00

PFA Loan Payable		<u>0.00</u>
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Total NonCurrent Liabilities		<u>315,000.00</u>
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TOTAL LIABILITIES		<u>851,745.15</u>
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FUND EQUITY

Contributed		56,918.09
Unappropriated Retained Earnings		6,842,688.62
Net Income (Loss)		<u>914,622.36</u>

Total Equity		<u>7,814,229.07</u>
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TOTAL LIABILITIES & EQUITY		<u><u>8,665,974.22</u></u>
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Trial Balance

PRINCETON PUBLIC UTILITIES

6/17/2025 12:16:57 PM

Page 1 of 4

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0001-1071	Asset	CONSTRUCTION IN PROGRESS					0.00
61-0001-1073	Asset	MCMU CONSTRUCTION FUND					0.00
61-0001-1251	Asset	RESERVE FUND					0.00
61-0001-1252	Asset	DEBT SERVICE FUND	70,252.08	14,050.42	9,302.50	4,747.92	75,000.00
61-0001-1253	Asset	PFA DEBT SERVICE FUND					0.00
61-0001-1255	Asset	MCMU RESERVE FUND					0.00
61-0001-1291	Asset	CAPITAL IMPROVEMENTS FUND	1,532,676.46				1,532,676.46
61-0001-1311	Asset	CASH ON DEPOSIT CHECKING	1,180,099.26	98,933.97	119,819.27	(20,885.30)	1,159,213.96
61-0001-1421	Asset	CUSTOMER ACCOUNTS RECEIVABLE	78,225.48	97,917.91	79,362.61	18,555.30	96,780.78
61-0001-1431	Asset	OTHER ACCOUNTS RECEIVABLE	1,054.66	2,005.50	42.00	1,963.50	3,018.16
61-0001-1440	Asset	LEASE RECEIVABLE - CURRENT	39,940.00				39,940.00
61-0001-1441	Asset	LEASE RECEIVABLE - LONG TERM	58,545.00				58,545.00
61-0001-1512	Asset	PLANT MATERIALS & SUPPLIES	78,384.11	134.87	351.77	(216.90)	78,167.21
61-0001-1513	Fixed Asset	FLOUIDATION & TREATMENT SYSTEM	124,029.43				124,029.43
61-0001-1521	Fixed Asset	WELLS	558,323.83				558,323.83
61-0001-1530	Fixed Asset	DISTRIBUTION SYSTEM	5,416,105.87				5,416,105.87
61-0001-1540	Fixed Asset	LAND & LAND IMPROVEMENTS	8,161.73				8,161.73
61-0001-1550	Fixed Asset	BUILDINGS	29,764.78	399.00		399.00	30,163.78
61-0001-1555	Fixed Asset	TREATMENT PLANT	4,571,323.78				4,571,323.78
61-0001-1560	Fixed Asset	OFFICE FURNITURE & EQUIPMENT	48,625.12				48,625.12
61-0001-1562	Fixed Asset	TOWERS	1,886,798.19				1,886,798.19
61-0001-1570	Fixed Asset	PUMPS	12,945.70				12,945.70
61-0001-1571	Fixed Asset	TRUCKS & VEHICLES	118,899.03				118,899.03
61-0001-1580	Fixed Asset	TOOLS, SHOP & GARAGE EQUIP.	39,283.25				39,283.25
61-0001-1590	Fixed Asset	MISCELLANEOUS EQUIPMENT	254,397.29				254,397.29
61-0001-1651	Asset	PREPAID INTEREST					0.00
61-0001-1652	Asset	PREPAID INSURANCE	13,098.72		1,637.34	(1,637.34)	11,461.38
61-0001-1710	Fixed Asset	ACCUMULATED DEPRECIATION	(7,488,071.68)		37,536.03	(37,536.03)	(7,525,607.71)
61-0001-1711	Asset	ACCRUED INTEREST RECEIVABLE	4,064.98				4,064.98
61-0001-1712	Asset	DEFERRED OUTFLOWS OF RESOURCES	63,657.00				63,657.00
61-0001-2160	Equity	CONTRIBUTED	(56,918.09)				(56,918.09)
61-0001-2161	Equity	BALANCE FROM INCOME STATEMENT					0.00
61-0001-2162	Equity	UNAPPROPRIATED EARNINGS (END)	(6,842,688.62)				(6,842,688.62)
61-0001-2211	Liability	REVENUE BONDS PAYABLE	(315,000.00)				(315,000.00)
61-0001-2261	Asset	UNAMORTIZED BOND DISCOUNT					0.00
61-0001-2281	Liability	SEVERANCE PAYABLE					0.00
61-0001-2311	Liability	CONTRACTS PAYABLE					0.00
61-0001-2315	Liability	CURRENT BONDS PAYABLE	(150,000.00)				(150,000.00)
61-0001-2321	Liability	ACCOUNTS PAYABLE	(39,141.95)	63,779.88	58,157.08	5,622.80	(33,519.15)
61-0001-2324	Liability	ACCRUED WAGES & TAXES					0.00
61-0001-2330	Liability	PFA LOAN PAYABLE					0.00
61-0001-2371	Liability	ACCRUED INTEREST PAYABLE	(7,752.08)	9,302.50	1,550.42	7,752.08	0.00

Trial Balance

PRINCETON PUBLIC UTILITIES

6/17/2025 12:16:57 PM

Page 2 of 4

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0001-2429	Liability	DEFERRED REVENUE					0.00
61-0001-2430	Liability	NET PENSION LIABILITY	(153,682.00)				(153,682.00)
61-0001-2431	Liability	DEFERRED INFLOWS OF RESOURCES	(103,117.00)				(103,117.00)
61-0001-2500	Liability	DEFERRED INFLOWS - LEASES	(96,427.00)				(96,427.00)
61-0403-4031	Expense	DEPRECIATION EXPENSE	576,994.86	37,536.03		37,536.03	614,530.89
61-0419-4191	Expense	INTEREST EXPENSE	36,807.43	1,550.42		1,550.42	38,357.85
61-0419-4290	Revenue	INTEREST INCOME	(52,196.92)				(52,196.92)
61-0419-4295	Revenue	CHANGE IN FAIR VALUE OF INVEST	(2,751.10)	852.10		852.10	(1,899.00)
61-0421-4210	Revenue	MISC. NON OPERATING INCOME	(621,003.43)		9,963.50	(9,963.50)	(630,966.93)
61-0421-4211	Revenue	GAIN/LOSS ON DISPOSAL OF ASSET	(5,490.80)				(5,490.80)
61-0424-4264	Revenue	GAIN OR LOSS RESALE OF BONDS					0.00
61-0426-4263	Expense	FINES & PENALTIES					0.00
61-0428-4281	Expense	AMORTIZATION OF BOND DISCOUNT					0.00
61-0440-4401	Revenue	RESIDENTIAL SALES	(806,951.08)		53,635.35	(53,635.35)	(860,586.43)
61-0440-4405	Revenue	SERVICE LINE REPAIR FEE	(24,167.00)		1,520.00	(1,520.00)	(25,687.00)
61-0440-4421	Revenue	COMMERCIAL SALES	(428,194.68)		28,484.78	(28,484.78)	(456,679.46)
61-0440-4431	Revenue	INDUSTRIAL SALES	(137,721.90)		10,680.65	(10,680.65)	(148,402.55)
61-0440-4491	Revenue	NON-METERED SALES	(12,054.00)		2,005.50	(2,005.50)	(14,059.50)
61-0450-4501	Revenue	LATE CHARGES	(11,706.32)	58.46	607.99	(549.53)	(12,255.85)
61-0450-4503	Revenue	CONNECTION FEE	(48,000.00)				(48,000.00)
61-0450-4504	Revenue	CONSTRUCTION FEES					0.00
61-0450-4505	Revenue	TRUNK FACILITIES FEES	(129,609.36)				(129,609.36)
61-0450-4541	Revenue	RENT/LEASE INCOME	(65,313.32)				(65,313.32)
61-0450-4563	Revenue	OTHER OPERATING REVENUE	(7,500.00)		225.00	(225.00)	(7,725.00)
61-0450-4565	Revenue	MERCHANDISE SALES	(30,829.63)		648.18	(648.18)	(31,477.81)
61-0540-5461	Expense	PRODUCTION PLANT SALARIES	73,233.25	11,203.40		11,203.40	84,436.65
61-0540-5471	Expense	POWER FOR PUMPING	39,835.64	2,740.28		2,740.28	42,575.92
61-0540-5472	Expense	NATURAL GAS	12,341.39	699.76		699.76	13,041.15
61-0540-5473	Expense	UTILITIES & GENERATOR EXPENSE					0.00
61-0540-5481	Expense	LUBE OIL & LUBRICANTS					0.00
61-0540-5482	Expense	CHEMICALS	40,599.90	7,282.39		7,282.39	47,882.29
61-0540-5483	Expense	WATER TESTING	4,071.04	85.00		85.00	4,156.04
61-0540-5511	Expense	COMMUNICATIONS EXPENSE	737.92	49.38		49.38	787.30
61-0540-5512	Expense	COMPUTER, AUDIO & SCADA EQUIP	3,523.30	220.18		220.18	3,743.48
61-0540-5541	Expense	EQUIPMENT REPAIRS	6,598.36				6,598.36
61-0550-5531	Expense	BUILDING & GROUNDS MAINTENANCE	361.51	107.00		107.00	468.51
61-0550-5542	Expense	EQUIP MAINT,SERV AGREE, INSPEC	190.00				190.00
61-0550-5571	Expense	MISCELLANEOUS PLANT EXPENSE	23.80				23.80
61-0580-5801	Expense	DISTRIBUTION SALARIES	153,502.50	21,932.70		21,932.70	175,435.20
61-0580-5811	Expense	SYSTEM & SHOP SUPPLIES	909.25	13.99		13.99	923.24
61-0580-5812	Expense	SAFETY EQUIP,RUBBER GOODS,TEST	3,948.26				3,948.26
61-0580-5813	Expense	SMALL TOOLS EXPENSE	550.63	82.12		82.12	632.75

Trial Balance

PRINCETON PUBLIC UTILITIES

6/17/2025 12:16:57 PM

Page 3 of 4

Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0580-5814	Expense	EDUCATION & SAFETY TRAINING	1,165.00				1,165.00
61-0580-5815	Expense	OUTSIDE SERVICES	630.28	68.04		68.04	698.32
61-0580-5816	Expense	GIS DATA & MAINTENANCE EXP.	3,350.89	38.23		38.23	3,389.12
61-0580-5817	Expense	COMPUTER EQUIP. & MAINT. EXP.					0.00
61-0580-5862	Expense	METER EXPENSE	664.52				664.52
61-0580-5870	Expense	CUSTOMER SERVICE LINE REPAIR	550.17	67.44		67.44	617.61
61-0580-5871	Expense	CUSTOMER OWNED SERVICE EXP.	5,445.89	238.89		238.89	5,684.78
61-0580-5872	Expense	DIST. REPAIRS & MAINTENANCE	6,252.65	45.44		45.44	6,298.09
61-0580-5881	Expense	MISC. DISTRIBUTION EXPENSE	1,023.68				1,023.68
61-0580-5882	Expense	TRANSPORTATION FUEL & OIL	4,477.51	342.08		342.08	4,819.59
61-0580-5883	Expense	VEHICLE REPAIR & EXPENSE	532.40				532.40
61-0580-5886	Expense	EQUIPMENT REPAIR & EXPENSE	2,438.31	86.70		86.70	2,525.01
61-0580-5888	Expense	UTILITIES	13,396.04	740.23		740.23	14,136.27
61-0590-5921	Expense	BUILDING & GROUNDS MAINTENANCE	766.25				766.25
61-0590-5981	Expense	WATER TOWER MAINT.					0.00
61-0902-9021	Expense	METER READING SALARIES	1,194.42				1,194.42
61-0903-9031	Expense	CUSTOMER ACCOUNTS SALARIES	102,149.00	9,804.07		9,804.07	111,953.07
61-0903-9032	Expense	POSTAGE EXPENSE	7,393.54	531.36		531.36	7,924.90
61-0903-9033	Expense	COLLECTION EXPENSE	53.75				53.75
61-0903-9034	Expense	FORMS & SUPPLIES	2,160.14	86.18		86.18	2,246.32
61-0903-9035	Expense	COMMUNICATIONS EXPENSE	3,558.97	223.28		223.28	3,782.25
61-0903-9036	Expense	MISC. SUPPLIES & STATIONERY	1,554.27				1,554.27
61-0904-9004	Expense	UNCOLLECTIBLE ACCOUNTS	231.31				231.31
61-0920-9201	Expense	GENERAL & ADMIN. SALARIES	76,066.94	11,970.24		11,970.24	88,037.18
61-0921-9210	Expense	NEWSADS & PROMOTIONS	250.82				250.82
61-0921-9211	Expense	COMPUTER SUPPLIES & LABOR	17,837.46	1,040.54		1,040.54	18,878.00
61-0921-9212	Expense	WEBSITE, BOOKS & SUBSCRIPTIONS	152.97	103.60		103.60	256.57
61-0921-9213	Expense	COMMUNICATIONS EXPENSE	1,879.53	111.95		111.95	1,991.48
61-0921-9214	Expense	MEMBERSHIP FEES & DUES	2,406.10	1,740.40		1,740.40	4,146.50
61-0921-9215	Expense	SUPPLIES & EXPENSES	571.66	34.54		34.54	606.20
61-0921-9216	Expense	MEALS, TRAVEL, MEETINGS	3,607.76				3,607.76
61-0921-9217	Expense	MAINTENANCE CONTRACTS & LEASES	10,446.57	104.18		104.18	10,550.75
61-0921-9218	Expense	LICENSES & PERMITS	6,441.83				6,441.83
61-0921-9219	Expense	STATE & FED ASSESS./REQUIRE.	21,531.00				21,531.00
61-0921-9220	Expense	SMALL OFFICE EQUIPMENT	345.06				345.06
61-0923-9231	Expense	ATTORNEY/LEGAL EXPENSES	6,347.60	210.00		210.00	6,557.60
61-0923-9232	Expense	AUDITOR EXPENSE	5,782.00	966.00		966.00	6,748.00
61-0923-9233	Expense	ENGINEERING & CONSULTANTS	20,197.50	6,486.50		6,486.50	26,684.00
61-0923-9234	Expense	OUTSIDE SERVICES	9,050.44	889.36	1,260.00	(370.64)	8,679.80
61-0923-9235	Expense	CLEANING SERVICES	492.37				492.37
61-0923-9236	Expense	BUILDING & GROUNDS MAINTENANCE	137.83				137.83
61-0924-9241	Expense	PROPERTY & LIABILITY EXPENSE	21,081.44	1,331.00		1,331.00	22,412.44

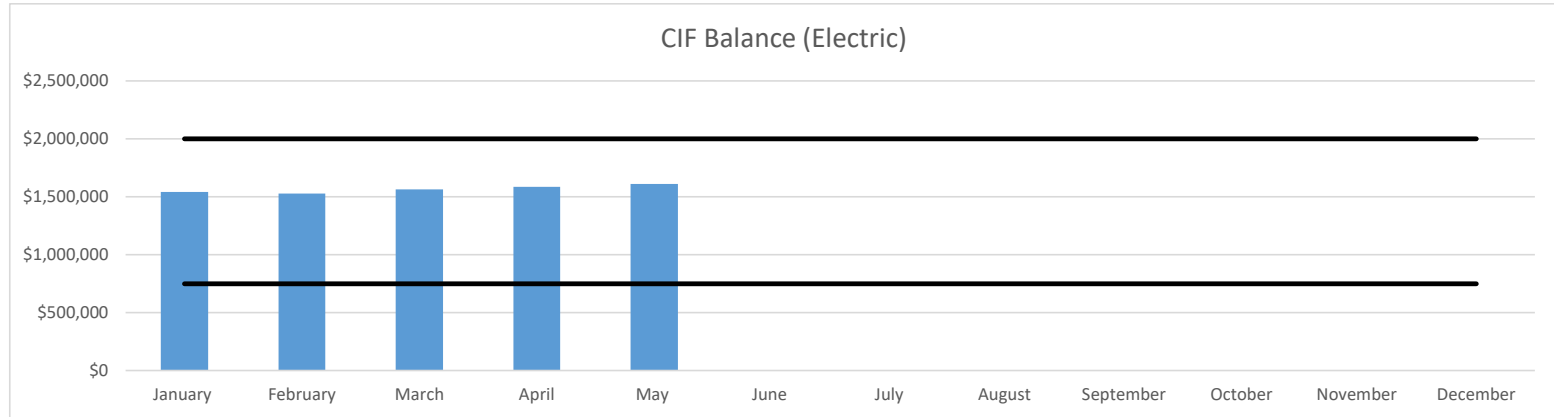
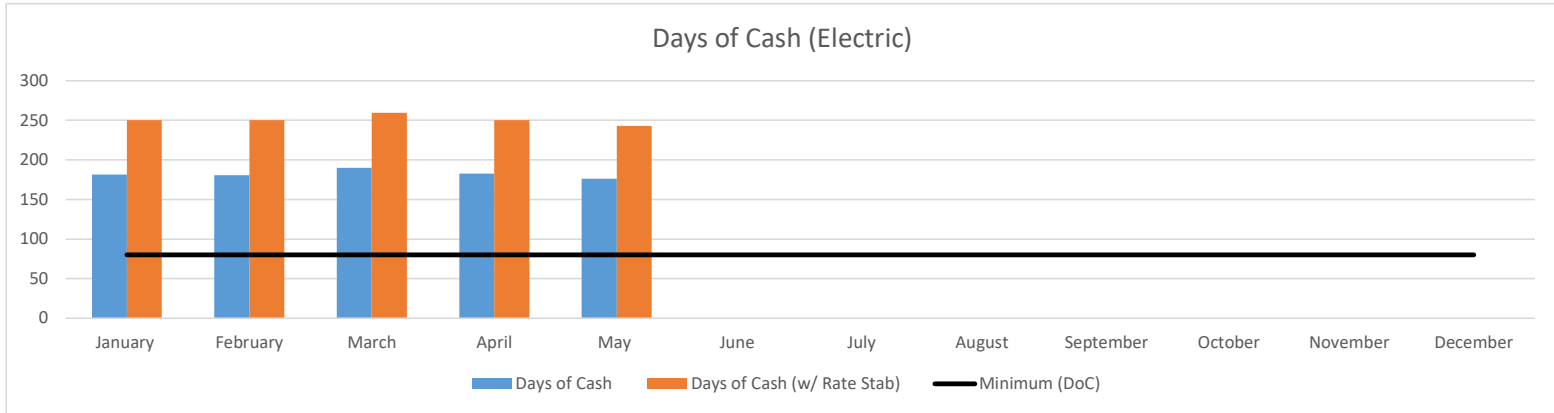
Trial Balance

PRINCETON PUBLIC UTILITIES

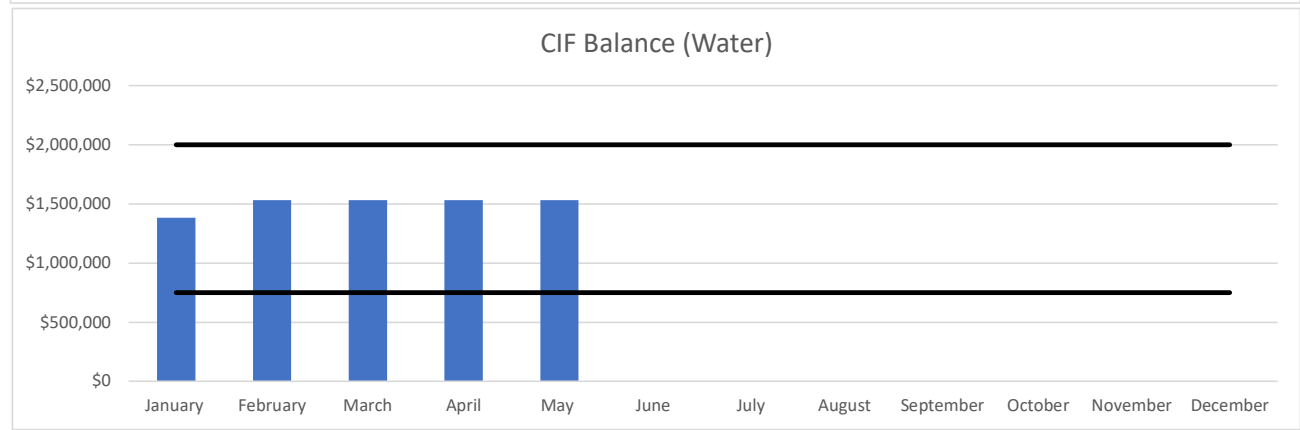
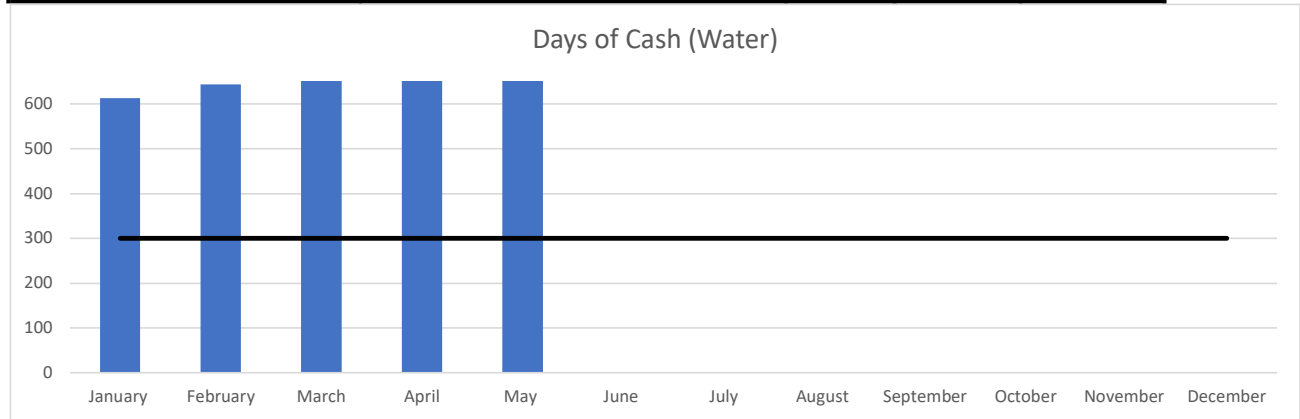
Account	Type	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
61-0925-9251	Expense	WORKMANS COMP. INSURANCE	6,029.40	306.34		306.34	6,335.74
61-0926-9260	Expense	FICA INSURANCE	21,213.13	1,955.55		1,955.55	23,168.68
61-0926-9261	Expense	PERA EXPENSE	27,317.20	1,702.26		1,702.26	29,019.46
61-0926-9262	Expense	EMPLOYEE HOSPITALIZATION EXP.	65,509.03	4,044.51		4,044.51	69,553.54
61-0926-9263	Expense	EMPL LIFE & DISABILITY INS.	1,760.08	102.41		102.41	1,862.49
61-0926-9264	Expense	EDUCATION & SAFETY TRAINING	1,961.40				1,961.40
61-0926-9265	Expense	MEDICARE EXPENSE	4,961.13	457.35		457.35	5,418.48
61-0926-9266	Expense	UNEMPLOYMENT EXPENSE					0.00
61-0930-9301	Expense	WELLHEAD PLAN IMPLEMENTATION					0.00
61-0930-9302	Expense	MISCELLANEOUS GENERAL EXPENSE	1,035.93	24.04		24.04	1,059.97
61-0930-9304	Expense	GENERAL FUND EXPENSE					0.00
61-0930-9306	Expense	SALES TAX EXPENSE					0.00
			0.00	416,789.97	416,789.97	0.00	0.00

Report Setup
 Sort By:
 Includes only active accounts
 Includes accounts from 61-0001-1071 to 61-0930-9306
 Printed for 5/1/2025 to 5/31/2025
 Printed for all sources.

Month	Annual Operating Expenses (2024)	Depreciation (2024)	Electric			Days of Cash	Days of Cash (w/ Rate Stab)	Minimum (DoC)	Minimum (CIF)	Maximum (CIF)
			Cash	CIF	Rate Stab					
January	\$7,776,207	\$707,206	\$3,514,861	\$1,541,625	\$1,334,123	181	250	80	\$750,000	\$2,000,000
February	\$7,776,207	\$707,206	\$3,501,519	\$1,527,245	\$1,339,765	181	250	80	\$750,000	\$2,000,000
March	\$7,776,207	\$707,206	\$3,681,929	\$1,564,136	\$1,345,956	190	260	80	\$750,000	\$2,000,000
April	\$7,776,207	\$707,206	\$3,535,599	\$1,585,450	\$1,314,178	183	250	80	\$750,000	\$2,000,000
May	\$7,776,207	\$707,206	\$3,413,175	\$1,611,075	\$1,298,052	176	243	80	\$750,000	\$2,000,000
June	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000
July	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000
August	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000
September	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000
October	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000
November	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000
December	\$7,776,207	\$707,206				0	0	80	\$750,000	\$2,000,000



WATER							
Annual Operating Costs (2024)	Depreciation (2024)	Cash	CIF	Days of Cash	Minimum (DoC)	Minimum (CIF)	Maximum (CIF)
\$1,056,799	\$426,893	\$1,057,835	\$1,382,715	613	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893	\$1,110,720	\$1,532,147	644	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893	\$1,174,683	\$1,532,676	681	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893	\$1,180,099	\$1,532,676	684	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893	\$1,159,214	\$1,532,676	672	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000
\$1,056,799	\$426,893			0	300	\$750,000	\$2,000,000



SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
May 14, 2025

President Moulton called the meeting to order at 9:00 a.m. at the Emergency Services Building in New Prague, Minnesota.

Board Members Present:

President Peter T. Moulton, Saint Peter; Vice President Roger E. Warehime, Owatonna; Secretary James R. Bakken, Preston; Treasurer Bruce A. Reimers, New Prague; Mark E. Nibaur, Austin; and Timothy M. McCollough, Rochester.

Others Present:

David P. Geschwind, Executive Director & CEO; Alex Bumgardner, Austin; Miles Heide, Julie Zarling, Fairmont; Shane Steele, Grand Marais; Damian Baum, Owatonna; Keith Butcher, Princeton; Jason Halvorson, Redwood Falls; Chris Rolli, Spring Valley; Craig Anderson, Wells; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, and Jeremy B. Sutton of the Agency staff.

Others Present Via Conference Call:

Jerry Mausbach, Blooming Prairie; Mike Roth, Grand Marais; Mike Geers, Litchfield; and Joe Kohlgraf, Mora.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the April 9, 2025 board meeting minutes.

#3 SMMPA Financial Metrics-Fondell:

Ms. Fondell reported on SMMPA financial metrics.

The Agency has been tracking financial metrics since 2014. Overall, there has been improvement in many of the metrics since the drawdown of excess reserves in 2022.

Various financial metrics were reviewed, and the results were compared to the Fitch Ratings methodology, when available.

Discussion.

#4 Energy Cost Adjustment Review-Fondell:

Ms. Fondell reported on the Energy Cost Adjustment review.

Now that we have a couple years of history with the Energy Cost Adjustment (ECA), it's a good time to evaluate and incorporate any changes into the 2026 budget. The ECA components and key drivers were reviewed, along with results from 2023, 2024, and 2025 through March.

ECA Structure Options for Discussion

- Continue to annually adjust the ECA base cost?
- Continue to use annual (blended) base cost?

Discussion.

There was board consensus to continue with annually adjusting the base cost to reflect the budget and using an annual (blended) base cost.

After a short break, the board reconvened at 10:29 a.m.

#5 Revolving Credit Agreement Renewal-Fondell:

Ms. Fondell reported on the Revolving Credit Agreement (RCA) renewal.

The current RCA with U.S. Bank expires on October 31, 2025. With the upcoming bond refunding in the fourth quarter of 2025, it is advantageous to work on the renewal now to ensure rating agencies give the Agency credit for the \$68 million liquidity provided by the RCA.

SMMPA's financial advisor, Public Financial Management, assisted with comparative analysis, negotiations, and outreach to additional banks to ensure competitive and favorable terms.

Three banks were evaluated, and additional analysis is underway to evaluate the terms and financial impacts to the Agency.

Discussion.

Next Steps

- June board meeting action item.
- Begin bond and tax counsel work.
 - Transition bond and tax work from Orrick to Dorsey & Whitney.

#6 Electric Vehicle Charger Upgrade Opportunity-Hoffman:

Mr. Hoffman reported on the electric vehicle (EV) charger upgrade opportunity.

In 2020 and 2021, SMMPA partnered with the members to install 15 DC fast chargers and 72 Level 2 chargers in the member communities.

The reliability with the "first generation" Tritium RT-50 has been an ongoing concern for

SMMPA and the members. Recently Tritium was purchased and the ongoing support for the chargers remains uncertain.

ZEF Energy contacted SMMPA with a proposal to upgrade the Tritium RT-50s to the RTM-75s. The estimated cost to upgrade all DCFCs in the SMMPA network is approximately \$285,000. The cost drops to \$200,000 if direct pay incentives are received.

The Agency will support the EV charging network through 2026, but each member may decide if they want to continue with EV chargers in their community.

After discussion, the SMMPA Board declined ZEF Energy's proposal.

#7 Vestas Wind Turbine O&M Agreement-Sutton:

Mr. Sutton reported on the Vestas Wind Turbine O&M Agreement.

Vestas is no longer willing to offer a "full" warranty agreement. The three-year maintenance agreement will have a significantly reduced scope, only covering preventative maintenance activities and some smaller wear items on the six Agency-owned wind turbines.

Discussion.

Mr. McCollough moved to approve the Vestas maintenance agreement, seconded by Mr. Nibaur, passed upon a unanimous vote of the board members present.

#8 Confidential Board Report Summary-Sutton:

Mr. Sutton summarized the confidential board report.

Government Affairs/Member Services Report-Hoffman:

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

APPA Certificates of Excellence in Reliability

SMMPA ordered the American Public Power Association 2024 Certificates of Excellence in Reliability and distributed them to each SMMPA member. Members were recognized for providing reliable service and power in their communities.

SMMPA IT/Cybersecurity Roundtable

SMMPA will hold the IT/Cybersecurity Roundtable on June 11, 2025 from 10 a.m. to 1 p.m. at Austin Utilities.

Association of Energy Services Professionals

SMMPA purchased group membership from the Association of Energy Services Professionals (AESP). The benefits include webinars, discounts on AESP trainings and conferences, access to AESP's Member Resource Library, Local AESP Midwest Chapter participation, and access to

AESP's Mentorship Program. Members interested in joining the group membership should contact Mr. Hoffman.

Operations Report-Sutton:

Mr. Sutton reported:

Solar Turbines Update

SMMPA staff attended the Solar Turbines kick-off meeting and toured their manufacturing facility on April 29, 2025 in San Diego, California. SMMPA will schedule an internal kickoff meeting with DGR Engineering to establish the notice to proceed.

Market Price Update

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

Quarterly Wind and Solar Update

Information on the performance of the Agency's wind and solar resources, including capacity factor and costs relative to market energy prices and net margins, was reviewed.

Financial Report March 2025-Fondell:

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

Financing Refunding Opportunity

The 2015 bonds and the 2010 Build America Bonds are callable. SMMPA plans to refund the 2015 bond series in October 2025 assuming interest rates remain favorable. Additional analysis is needed to evaluate refunding the 2010 bonds since some series under current interest rates would create savings and other series would result in additional expense. Agency staff will work with Public Financial Management (PFM) and the underwriter on refunding strategies. PFM issued a request for proposal (RFP) for an underwriter on April 23, 2025. RFPs are due May 28, 2025. The underwriter selection and kick-off meeting will be completed in June 2025. The bond refunding will require approval by the board and members, planned for September 2025. Closing is expected in October 2025.

Pre-Payment Program Update

SMMPA will seek member volunteers and schedule a working session in June or July 2025 to update the prepayment program structure, subject to legal review by SMMPA Legal Counsel.

Capital Financing Policy Update

The Capital Financing Policy was reviewed and updated by the SMMPA Finance & Audit Committee and will be finalized soon.

Update SMMPA Bond Resolution

With the upcoming issuance of new bonds, there is an opportunity to amend or replace the dated SMMPA 1983 Bond Resolution. Work on this is planned for 2026.

President's Report:

Mr. Moulton reported:

- **SMMPA Staff Recognition:** SMMPA staff members recognized for their efforts were Jodie Long on the Pollinator Habitat Program; John O'Neil for providing communication on member services programs; and Dave Geschwind and the SMMPA Management Team for being awarded as one of the Best Places to Work in Southeast Minnesota.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- **Retirement Recognition:** John O'Neil, SMMPA Manager of Energy Efficiency & Member Support Programs, will be retiring and his last day in the office is July 3, 2025. SMMPA has advertised the position and will be interviewing candidates.
- **Lower Sioux Indian Community:** The Lower Sioux Indian Community (LSIC), a tribal group that operates Jackpot Junction, Morton, MN, near Redwood Falls, MN, recently contacted SMMPA. LSIC is looking at forming their own utility and are currently buying electricity from Xcel Energy. They are contemplating buying the Xcel distribution assets that serve their tribal facility (Jackpot Junction) plus other offices/buildings at approximately 18 MW of load. LSIC are talking to potential partners about buying wholesale electricity. They want to build two solar projects and list energy sovereignty as one of their key objectives. LSIC is looking for an entity to take on the responsibility for serving the power supply needs above the current WAPA allocation, or for supplemental service arrangement where a power supplier provides the remaining load. LSIC is a tribal entity and not a city and may need a legislative change to partner with a municipality. LSIC plans to attend the June SMMPA Board meeting to discuss this topic further and learn more about SMMPA membership.

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. Bakken, passed upon a unanimous vote of the board members present.

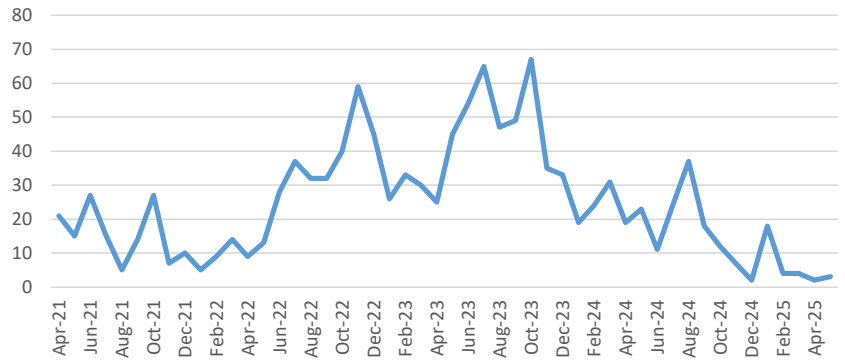
The meeting was adjourned at 12:19 p.m.

Secretary

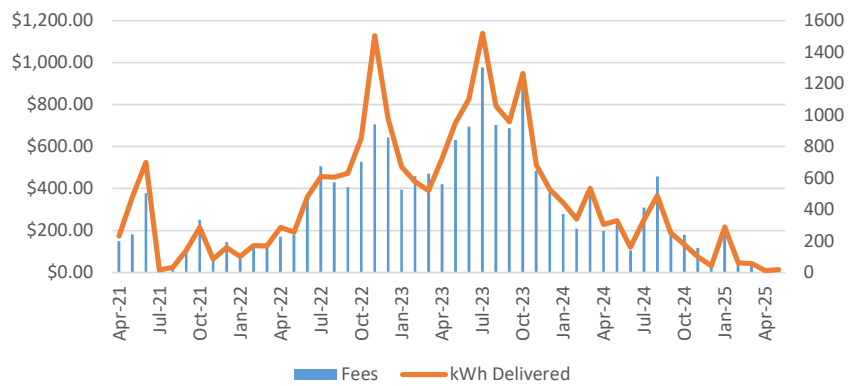
EV Usage Tracking

	Sessions	Fees	kWh Delivered
Apr-21	21	\$148.80	230
May-21	15	\$180.40	481
Jun-21	27	\$377.66	699
Jul-21	15	\$9.30	15
Aug-21	5	\$16.85	32
Sep-21	14	\$122.59	141
Oct-21	27	\$251.58	286
Nov-21	7	\$69.69	84
Dec-21	10	\$143.28	157
Jan-22	5	\$76.49	101
Feb-22	9	\$129.90	171
Mar-22	14	\$127.30	167
Apr-22	9	\$170.06	286
May-22	13	\$179.85	256
Jun-22	28	\$360.46	482
Jul-22	37	\$505.76	610
Aug-22	32	\$429.69	605
Sep-22	32	\$406.48	630
Oct-22	40	\$527.07	852
Nov-22	59	\$705.45	1502
Dec-22	45	\$642.63	976
Jan-23	26	\$394.62	669
Feb-23	33	\$458.20	578
Mar-23	30	\$470.00	520
Apr-23	25	\$419.86	720
May-23	45	\$630.76	948
Jun-23	54	\$694.77	1099
Jul-23	65	\$977.76	1519
Aug-23	47	\$702.59	1057
Sep-23	49	\$686.59	956
Oct-23	67	\$919.29	1264
Nov-23	35	\$483.85	684
Dec-23	33	\$411.24	528
Jan-24	19	\$278.67	443
Feb-24	24	\$207.51	338
Mar-24	31	\$395.59	534
Apr-24	19	\$198.00	305
May-24	23	\$226.64	328
Jun-24	11	\$105.11	159
Jul-24	24	\$309.34	333
Aug-24	37	\$457.72	487
Sep-24	18	\$204.57	251
Oct-24	12	\$179.30	176
Nov-24	7	\$117.15	99
Dec-24	2	\$47.30	42
Jan-25	18	\$226.78	289
Feb-25	4	\$55.50	60
Mar-25	4	\$46.77	57
Apr-25	2	\$2.48	11
May-25	3	\$4.80	17

EV Usage
(Number of Sessions)



EV Usage
(Fees and kWh Delivered)





SUMMARY

VALUE OF WORK COMPLETED TO DATE	\$1,963,634.25	ORIGINAL CONTRACT PRICE.....	\$1,916,197.50
LESS RETAINAGE... (5%)	\$98,181.71	EXPECTED FINAL CONTRACT COST (w/C.O.s, Additions & Deletions).....	\$1,963,634.25
TOTAL AMOUNT DUE INCLUDING THIS PAYMENT.....	\$1,865,452.54	LESS TOTAL PAYMENTS, INCLUDING THIS PAYMENT.....	\$1,865,452.54
LESS ESTIMATES PREVIOUSLY APPROVED.....		EXPECTED CONTRACT BALANCE AFTER THIS PAYMENT.....	\$98,181.71
Pay Estimate No. 1.....	\$83,102.04	% OF EXPECTED FINAL CONTRACT PRICE PAID, INCL. THIS PAYMENT.....	95%
Pay Estimate No. 2.....	\$247,344.61		
Pay Estimate No. 3.....	\$197,074.65		
Pay Estimate No. 4.....	\$179,543.59		
Pay Estimate No. 5.....	\$268,697.45		
Pay Estimate No. 6.....	\$153,867.70		
Pay Estimate No. 7.....	\$122,143.40		
Pay Estimate No. 8.....	\$137,499.67		
Pay Estimate No. 9.....	\$88,566.13		
Pay Estimate No. 10.....	\$91,316.61		
Pay Estimate No. 11.....	\$83,463.44		
Pay Estimate No. 12.....	\$43,193.65		
Pay Estimate No. 13.....	\$115,185.36		
Pay Estimate No. 14.....			
Pay Estimate No. 15.....			
TOTAL AMOUNT DUE THIS ESTIMATE.....	\$54,454.24		

The undersigned Contractor hereby certifies that payment has been made in full for all labor and materials incorporated in the project to date, in accordance with the terms of the Construction Contract.

CASTREJON INC., Contractor
 By *Amelia Castrejon* Date 06.11.2025

CERTIFICATE

THE AMOUNT OF \$ \$54,454.24 IS APPROVED FOR PAYMENT ACCORDING TO THE TERMS OF THE CONTRACT.

PRINCETON PUBLIC UTILITIES, Owner
 By _____
 Title _____
 Date _____

DGR ENGINEERING, Engineer
 By *Stas Vafar*
 Title Design Technician
 Date 6/12/2025

PAY ESTIMATE NO. 14

PHASE 1 ELECTRIC DISTRIBUTION IMPROVEMENTS
 PRINCETON PUBLIC UTILITIES
 PRINCETON, MINNESOTA
 DGR Project Number 427603

For Period From: 5/7/2024 To: 6/2/2025
 Contractor: CASTREJON INC.
 Bid Date: 3/14/2023



Unit No.	Name and Description of Construction Unit	No. of Units	UNIT PRICE				WORK COMPLETED TO DATE (Including this Pay Period)			WORK COMPLETED THIS PERIOD		
			Labor	Material	L & M	Ext. Price L & M	Units Comp.	% Comp.	Value of Comp. Work	Units Comp.	% Comp.	Value of Comp. Work
UD-1/0	Primary cable, 15 kV, 1/0 Sol. Al. (Mft.)	77.640	\$1,750.00		\$1,750.00	\$135,870.00	79.424	102%	\$138,992.00	1.740	2%	\$3,045.00
UD-4/0	Primary cable, 15 kV, 4/0 Str. Al. (Mft.)	28.370	1,750.00		1,750.00	49,647.50	30.567	108%	\$53,492.25			
UD-350	Primary cable, 15 kV, 350 MCM Str. Al. (Mft.)	0.120	4,000.00		4,000.00	480.00	3.723	3103%	\$14,892.00			
UD-750	Primary cable, 15 kV, 750 MCM Str. Al. (Mft.)	25.560	4,000.00		4,000.00	102,240.00	25.431	99%	\$101,724.00	7.116	28%	\$28,464.00
UD-4/0 TPLX	Secondary cable, 600 V, 2-#4/0, 1-#2/0 Str. Al. (Mft.)	53.600	1,250.00		1,250.00	67,000.00	52.526	98%	\$65,657.50	0.813	2%	\$1,016.25
UD-350 TPLX	Secondary cable, 600 V, 2-#350, 1-#4/0 Str. Al. (Mft.)	1.330	4,000.00		4,000.00	5,320.00	1.644	124%	\$6,576.00	0.142	11%	\$568.00
UD-4/0 QPLX	Secondary cable, 600 V, 3-#4/0, 1-#2/0 Str. Al. (Mft.)	0.450	4,000.00		4,000.00	1,800.00	0.469	104%	\$1,876.00			
UD-350 QPLX	Secondary cable, 600 V, 3-#350, 1-#4/0 Str. Al. (Mft.)	0.780	4,000.00		4,000.00	3,120.00	0.537	69%	\$2,148.00			
UG-BP	1Ø transformer box pad (ea.)	111	525.00		525.00	58,275.00	110	99%	\$57,750.00	4	4%	\$2,100.00
UG3-BP	3Ø transformer box pad (ea.)	6	800.00		800.00	4,800.00	5	83%	\$4,000.00			
UM3-30GS	1Ø sectionalizing enclosure ground sleeve (ea.)	5	600.00		600.00	3,000.00	5	100%	\$3,000.00			
UM33-66GS	3Ø sectionalizing enclosure ground sleeve (ea.)	9	600.00		600.00	5,400.00	9	100%	\$5,400.00			
UPS-BP	Padmount switch box pad (ea.)	8	700.00		700.00	5,600.00	8	100%	\$5,600.00			
UK5	Secondary pedestal (ea.)	112	125.00		125.00	14,000.00	109	97%	\$13,625.00	3	3%	\$375.00
UR3-(42)	Trenching-special backfill, 42" Deep (Mft.)	0.050	25,000.00		25,000.00	1,250.00						
UR3R-(42)	Trenching-rock, shale or limestone, 42" deep (Mft.)	0.050	30,000.00		30,000.00	1,500.00						
UR4-(1)1.5P	Conduit in trench/bore, (1)1.5" (Mft.)	4.160	3,000.00		3,000.00	12,480.00	11.518	277%	\$34,554.00	0.751	18%	\$2,253.00
UR4-(1)2P	Conduit in trench/bore, (1)2" (Mft.)	8.010	4,000.00		4,000.00	32,040.00	8.535	107%	\$34,140.00			
UR4-(1)3P	Conduit in trench/bore, (1)3" (Mft.)	1.230	6,500.00		6,500.00	7,995.00	1.613	131%	\$10,484.50	0.142	12%	\$923.00
UR5-(1)1.5P	Bore with conduit, (1)1.5" (Mft.)	4.340	12,000.00		12,000.00	52,080.00	3.894	90%	\$46,728.00			
UR5-(1)2P	Bore with conduit, (1)2" (Mft.)	6.890	\$13,000.00		\$13,000.00	\$89,570.00	8.221	119%	\$106,873.00	0.094	1%	\$1,222.00
UR5-(2)2P	Bore with conduit, (2)2" (Mft.)	0.210	18,000.00		18,000.00	3,780.00	0.193	92%	\$3,474.00			
UR5-(3)2P	Bore with conduit, (3)2" (Mft.)	3.220	23,000.00		23,000.00	74,060.00	3.933	122%	\$90,459.00			
UR5-(4)2P	Bore with conduit, (4)2" (Mft.)	0.160	27,000.00		27,000.00	4,320.00	0.429	268%	\$11,583.00			
UR5-(1)3P	Bore with conduit, (1)3" (Mft.)	0.450	20,000.00		20,000.00	9,000.00	0.442	98%	\$8,840.00			
UR5-(3)3P	Bore with conduit, (3)3" (Mft.)	0.970	28,000.00		28,000.00	27,160.00	1.279	132%	\$35,812.00	0.078	8%	\$2,184.00
UR6-(30)	Bore without conduit, 30" deep (Mft.)	33.570	10,000.00		10,000.00	335,700.00	32.193	96%	\$321,925.00	0.458	1%	\$4,580.00
UR6-(42)	Bore without conduit, 42" deep (Mft.)	65.780	10,000.00		10,000.00	657,800.00	65.160	99%	\$651,600.00	0.713	1%	\$7,130.00
UR8-(6)	Core drill, 6" diameter (ea.)	25	120.00		120.00	3,000.00	18	72%	\$2,160.00			
UR9-S	Shallow crossing (Mft.)	0.050	100,000.00		100,000.00	5,000.00						
UR-LDS	Lawn damage seeding (Mft.)	3.690	3,000.00		3,000.00	11,070.00	3.420	93%	\$10,260.00	0.090	2%	\$270.00
UR-PIT	Splice/Grounding connection pit (ea.)	15	500.00		500.00	7,500.00	15	100%	\$7,500.00	1	7%	\$500.00
ASP-REM	Asphalt pavement removal (sq. yd.)	50.0	260.00		260.00	13,000.00	27.1	54%	\$7,046.00	4.0	8%	\$1,040.00
ASP-REP	Asphalt replacement (ton)	20.0	330.00		330.00	6,600.00	6.0	30%	\$1,980.00	5.0	25%	\$1,650.00
PCC-REM	Concrete pavement removal (sq. yd.)	14.0	150.00		150.00	2,100.00	18.6	133%	\$2,790.00			
PCC-REP	Portland cement concrete replacement (cu. yd.)	8.0	330.00		330.00	2,640.00	2.1	26%	\$693.00			
MOB	Mobilization (as req'd)	1	100,000.00		100,000.00	100,000.00	1	100%	\$100,000.00			

CONTRACT TOTAL

TOTAL CONTRACT PRICE: \$1,916,197.50 TOTAL TO DATE: \$1,963,634.25 THIS PERIOD: \$57,320.25



SUMMARY

VALUE OF WORK COMPLETED TO DATE	\$103,194.58	ORIGINAL CONTRACT PRICE.....	<u>\$279,196.16</u>
LESS RETAINAGE....(5%).....	<u>\$5,159.73</u>	EXPECTED FINAL CONTRACT COST (w/C.O.s, Additions & Deletions).....	\$227,032.16
TOTAL AMOUNT DUE INCLUDING THIS PAYMENT.....	\$98,034.85	LESS TOTAL PAYMENTS, INCLUDING THIS PAYMENT.....	<u>\$98,034.85</u>
LESS ESTIMATES PREVIOUSLY APPROVED.....		EXPECTED CONTRACT BALANCE AFTER THIS PAYMENT.....	<u>\$128,997.31</u>
Pay Estimate No. 1.....	\$36,208.47	% OF EXPECTED FINAL CONTRACT PRICE PAID, INCL. THIS PAYMENT....	43%
Pay Estimate No. 2.....	\$40,572.98		
Pay Estimate No. 3.....	\$11,385.75		
Pay Estimate No. 4.....			
Pay Estimate No. 5.....			
Pay Estimate No. 6.....			
Pay Estimate No. 7.....			
Pay Estimate No. 8.....			
Pay Estimate No. 9.....			
Pay Estimate No. 10.....			
Pay Estimate No. 11.....			
TOTAL AMOUNT DUE THIS ESTIMATE.....	<u>\$9,867.65</u>		

The undersigned Contractor hereby certifies that payment has been made in full for all labor and materials incorporated in the project to date, in accordance with the terms of the Construction Contract.

HUNT ELECTRIC CORPORATION, Contractor

By Adam Scheel Digitally signed by Adam Scheel
 DN: C=US, E=ascheel@huntelec.com, O=Hunt
 Elec, CN=Adam Scheel
 Date: 2025.06.11.10:11:23-05'00' Date 6/11/2025

CERTIFICATE

THE AMOUNT OF \$ \$9,867.65 IS APPROVED FOR PAYMENT ACCORDING TO THE TERMS OF THE CONTRACT.

PRINCETON PUBLIC UTILITIES, Owner

DGR ENGINEERING, Engineer

By _____

By 

Title _____

Title Design Technician

Date _____

Date 6/11/2025

PAY ESTIMATE NO. 4

PHASE 1 ELECTRIC METER CUTOVER
 PRINCETON PUBLIC UTILITIES
 PRINCETON, MINNESOTA
 DGR Project Number 427603

For Period From: 5/9/2025 To: 6/10/2025
 Contractor: HUNT ELECTRIC CORPORATION, FORMERLY GRANITE LEDGE
 Bid Date: 6/13/2024



Unit No.	Name and Description of Construction Unit	No. of Units	UNIT PRICE				WORK COMPLETED TO DATE (Including this Pay Period)			WORK COMPLETED THIS PERIOD		
			Labor	Material	L & M	Ext. Price L & M	Units Comp.	% Comp.	Value of Comp. Work	Units Comp.	% Comp.	Value of Comp. Work
UD-1Ø	Conductor Installation, 1Ø (ea.)	201	\$72.00	\$2.00	\$74.00	\$14,874.00	120	60%	\$8,880.00	13	6%	\$962.00
UD-3Ø	Conductor Installation, 3Ø (ea.)	3	97.00	2.00	99.00	297.00						
UM8-MS-DIS-(200)	Meter Socket w/Main Disconnect, 1Ø, 200 amp (ea.)	2	234.00	17.00	251.00	502.00						
UM8-MPMS (2)	Meter Socket Installation, 2 position, 1Ø (ea.)	4	457.00	32.00	489.00	1,956.00	1	25%	\$489.00			
UM8-MS (200)	Meter Socket Installation, 1Ø, 200A (ea.)	193	234.00	17.00	251.00	48,443.00	117	61%	\$29,367.00	13	7%	\$3,263.00
UM8-MS (320)	Meter Socket Installation, 1Ø, 320A (ea.)	2	450.00	48.00	498.00	996.00	1	50%	\$498.00			
UM8-3MS (320)	Meter Socket Installation, 3Ø, 320A (ea.)	3	468.00	47.00	515.00	1,545.00						
UM8-PW	Plywood Meter Backing (ea.)	5	69.00	35.00	104.00	520.00	2	40%	\$208.00			
UM8-RM	Remove and Reinstall Existing Meter (ea.)	207	30.00		30.00	6,210.00	120	58%	\$3,600.00	13	6%	\$390.00
UR12-(2)P	Conduit to Service Point, 2 in. diameter, Plastic (ft.)	1544	34.56	13.44	48.00	74,112.00	620	40%	\$29,760.00	65	4%	\$3,120.00
UR12-(3)P	Conduit to Service Point, 3 in. diameter, Plastic (ft.)	32	37.49	17.64	55.13	1,764.16						
ID-OHS	Removal of Existing Overhead Service (ea.)	184	59.00	20.00	79.00	14,536.00	107	58%	\$8,453.00	13	7%	\$1,027.00
IUD-UGS	Removal of Existing Underground Service (ea.)	14	62.00	3.00	65.00	910.00	13	93%	\$845.00			
IUM8-MS	Removal of Existing Meter Socket (ea.)	207	84.00	5.00	89.00	18,423.00	119	57%	\$10,591.00	13	6%	\$1,157.00
USW	Special Service Entrance Work (hr.)	280.0	122.50		122.50	34,300.00	48.2	17%	\$5,907.58			
IF (MN)	Inspection Fee (ea.)	204	XXX	XXX	36.00	7,344.00	119.3	58%	\$4,296.00	13.0	6%	\$468.00
MOB	Mobilization (as req'd)	1	200.00	100.00	300.00	300.00	1	100%	\$300.00			

TOTAL CONTRACT PRICE: \$227,032.16

TOTAL TO DATE: \$103,194.58

CONTRACT TOTAL

THIS PERIOD: \$10,387.00

PRINCETON PUBLIC UTILITIES COMMISSION

FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND 2023

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PRINCETON PUBLIC UTILITIES COMMISSION

**FINANCIAL STATEMENTS
For the Year Ended December 31, 2024**

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
List of Elected and Appointed Officials	i
INDEPENDENT AUDITOR'S REPORT	1-3
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis (MD&A)	4-8
BASIC FINANCIAL STATEMENTS	
Balance Sheets	9-10
Statements of Revenues, Expenses, and Changes in Net Position	11
Statements of Cash Flows	12-13
Notes to the Financial Statements	14-31
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Commission Pension Contributions	32
Schedule of Commission and Non-Employer Proportionate Share of Net Pension Liability	33
SUPPLEMENTARY INFORMATION	
Schedules of Operating Revenues	34
Schedules of Operating Expenses	35
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS	36-37

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PRINCETON PUBLIC UTILITIES COMMISSION
INTRODUCTORY SECTION
DECEMBER 31, 2024 AND 2023

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PRINCETON PUBLIC UTILITIES COMMISSION
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2024

Public Utilities Commission

Daniel Erickson
Jack Edmonds
Vacant

Chair
Commissioner
Commissioner

Keith R. Butcher

General Manager

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Princeton Public Utilities Commission

Opinion

We have audited the financial statements of the business-type activities and each major fund of Princeton Public Utilities Commission, a component unit of the City of Princeton, Minnesota, as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise Princeton Public Utilities Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of Princeton Public Utilities Commission, a component unit of the City of Princeton, Minnesota, as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Princeton Public Utilities Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As discussed in Note 1, the financial statements of Princeton Public Utilities Commission, a component unit of the City of Princeton, Minnesota, are intended to present the financial position, changes in net position and cash flows that are attributable to transactions of the Commission. They do not purport to, and do not, present fairly the financial position of the City of Princeton, Minnesota, as of December 31, 2024 and 2023, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Responsibilities of Management for the Financial Statements

Princeton Public Utilities Commission's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Princeton Public Utilities Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Princeton Public Utilities Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Princeton Public Utilities Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Princeton Public Utilities Commission's basic financial statements. The introductory section and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare basic the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2025 on our consideration of Princeton Public Utilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Princeton Public Utilities Commission's internal control over financial reporting and compliance.

Minneapolis, Minnesota
April 29, 2025

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PRINCETON PUBLIC UTILITIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

DECEMBER 31, 2024

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PRINCETON PUBLIC UTILITIES COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Princeton Public Utilities Commission we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities of the Commission for the fiscal year ended December 31, 2024.

FINANCIAL STATEMENTS

The financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Under this method of accounting the economic resources measurement focus and the accrual basis of accounting is used.

Revenue is recorded when earned and expenses are recorded when incurred. The financial statements include balance sheets, statements of revenues, expenses and changes in net position, and statements of cash flows. These statements are followed by the notes to the financial statements.

Following is a summary of the information included in the various financial statements:

- The balance sheet presents information on the Commission's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.
- The statement of revenues, expenses, and changes in net position reports the operating and non-operating revenues and expenses of the Commission for the fiscal year. The net income or loss for the year combined with the previous year-end net position reconciles to the net position at the end of the year.
- The statement of cash flows reports cash and cash equivalents activity for the year resulting from operating activities, non-capital financial activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year cash and cash equivalents balance reconciles to the cash and cash equivalents balance at the end of the year.
- The notes to the financial statements include all required disclosures under applicable accounting standards.

**PRINCETON PUBLIC UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CONDENSED FINANCIAL INFORMATION

Condensed financial information from the Electric Fund's balance sheets and statements of revenues, expenses and changes in net position is presented below.

Electric Fund	2024	2023
Assets		
Current assets	\$ 9,998,725	\$ 11,752,277
Capital assets, net	9,937,642	8,222,160
Noncurrent assets (restricted)	693,000	535,625
Total Assets	<u>20,629,367</u>	<u>20,510,062</u>
Deferred Outflows of Resources		
Deferred outflows from pension activity	93,828	201,743
Total Assets and Deferred Outflows of Resources		
	<u>\$ 20,723,195</u>	<u>\$ 20,711,805</u>
Liabilities		
Current liabilities	\$ 1,449,347	\$ 1,316,626
Net pension liability	360,093	634,773
Noncurrent liabilities	6,303,902	6,479,625
Total Liabilities	<u>8,113,342</u>	<u>8,431,024</u>
Deferred Inflows of Resources		
Deferred credits rate stabilization	1,334,123	1,334,123
Deferred inflows from pension activity	334,024	282,000
Deferred solar subscriptions	4,232	5,558
Total deferred inflows of resources	<u>1,672,379</u>	<u>1,621,681</u>
Net Position		
Net investment in capital assets	4,813,695	4,961,448
Restricted for debt service	693,000	535,625
Unrestricted	5,430,779	5,162,027
Total Net Position	<u>10,937,474</u>	<u>10,659,100</u>
Total Liabilities, Deferred Inflows of Resources and Net Position		
	<u>\$ 20,723,195</u>	<u>\$ 20,711,805</u>
Operating revenues	\$ 7,927,962	\$ 7,819,785
Operating expenses, excluding depreciation	7,008,530	7,138,515
Depreciation expense	707,206	672,713
Operating income	<u>212,226</u>	<u>8,557</u>
Nonoperating revenue (expenses) including transfers	66,148	32,085
Change in net position	<u>278,374</u>	<u>40,642</u>
Net Position, Beginning	<u>10,659,100</u>	<u>10,618,458</u>
Net Position, Ending	<u>\$ 10,937,474</u>	<u>\$ 10,659,100</u>

PRINCETON PUBLIC UTILITIES COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS - ELECTRIC FUND

- The electric fund's net position totaled \$10,934,961 at December 31, 2024. Net position increased by \$278,374 in fiscal year 2024.
- The electric fund's total operating revenues were \$7,927,962. The total cost of operating the electrical system, including purchased power and depreciation was \$7,715,736.
- For the year, the electric fund reported operating income of \$212,226, an increase of \$203,669 from the previous year.
- Operating expenses decreased by 1% from 2023 to 2024.

CAPITAL ASSETS AND DEBT ADMINISTRATION - ELECTRIC FUND

Capital Assets

At the end of fiscal year 2024, the electric fund had \$9,937,642 invested in various capital assets, including land, buildings and improvements, generation and distribution systems, transportation equipment, and other equipment, net of accumulated depreciation.

Capital asset additions totaled \$2,422,688 mainly due to electric capital improvement planned expenditures.

Debt

As of December 31, 2024, Electric Revenue Note, 2023A totaling \$6,425,000 was outstanding. This note is repayable at interest rates ranging from 4.00% to 5.00% through 2043 and the proceeds are being used to finance improvements to the electrical distribution system

Deferred Inflows/Deferred Outflows – Electric Fund

Deferred outflows of resources reported by the electric fund are pension plan deferments for PERA, which decreased \$107,915 during 2024. The electric fund's balance is a result of differences between expected and actual economic experience, changes of actuarial assumptions, changes in proportion, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period.

Deferred inflows of resources reported by the electric fund increased by \$50,698 during 2024. Deferred credits (revenue), which represent rate stabilization, did not change from the prior year. Rate stabilization is a result of deposits made to the Commission's rate stabilization account, which may be used to meet unanticipated increases in revenue requirements in subsequent periods. Another type of deferred inflow of resources reported by the electric fund are pension plan deferments for PERA, which increased by \$52,024. The last type of deferred inflow of resources reported by the electric fund are deferred solar subscriptions, which decreased by \$1,326.

**PRINCETON PUBLIC UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

CONDENSED FINANCIAL INFORMATION

Condensed financial information from the Water Fund's balance sheets and statements of revenues, expenses and changes in fund net position is presented below.

Water Fund	2024	2023
Assets		
Current assets	\$ 2,691,243	\$ 2,588,459
Capital assets, net	5,682,838	5,390,343
Noncurrent assets (leases)	39,314	58,545
Noncurrent assets (restricted)	14,050	31,422
Total Assets	<u>8,427,445</u>	<u>8,068,769</u>
Deferred Outflows of Resources		
Deferred outflows from pension activity	31,751	63,657
Total Assets and Deferred Outflows of Resources		
	<u>\$ 8,459,196</u>	<u>\$ 8,132,426</u>
Liabilities		
Current liabilities	\$ 240,804	\$ 414,594
Net pension liability	121,841	153,682
Noncurrent liabilities	315,000	465,000
Total Liabilities	<u>677,645</u>	<u>1,033,276</u>
Deferred Inflows of Resources		
Deferred inflows from pension activity	113,019	103,117
Deferred inflows from leasing activity	57,001	96,427
Total Deferred Inflows of Resources	<u>170,020</u>	<u>199,544</u>
Net Position		
Net investment in capital assets	5,257,152	4,638,888
Restricted for debt service	14,050	31,422
Unrestricted	2,340,329	2,229,296
Total Net Position	<u>7,611,531</u>	<u>6,899,606</u>
Total Liabilities, Deferred Inflows of Resources and Net Position		
	<u>\$ 8,459,196</u>	<u>\$ 8,132,426</u>
Operating revenues	\$ 1,225,407	\$ 1,319,858
Operating expenses, excluding depreciation	639,873	648,370
Depreciation expense	426,893	418,229
Operating income (loss)	<u>158,641</u>	<u>253,259</u>
Nonoperating revenue (expenses) including transfers	553,284	35,224
Change in net position	<u>711,925</u>	<u>288,483</u>
Net Position, Beginning	<u>6,899,606</u>	<u>6,611,123</u>
Net Position, Ending	<u>\$ 7,611,531</u>	<u>\$ 6,899,606</u>

PRINCETON PUBLIC UTILITIES COMMISSION MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL HIGHLIGHTS - WATER FUND

- The water fund's net position totaled \$7,611,531 at December 31, 2024. Total net position increased by \$711,925 in fiscal year 2024.
- The water fund's total operating revenues were \$1,225,407. The total cost of operating the water system was \$1,066,766.
- For the year, the water fund reported an operating income of \$158,641, a decrease of \$94,618 from the previous year.
- Operating expenses were nearly flat from 2023 to 2024.

CAPITAL ASSETS AND DEBT ADMINISTRATION - WATER FUND

Capital Assets

At the end of fiscal year 2024, the water fund had \$5,682,838 invested in various capital assets, including land, buildings and improvements, wells, towers, generation and distributions systems, transportation equipment and other equipment, net of accumulated depreciation.

Total capital asset additions were \$719,388, related mainly to the LSL replacement.

Debt

At December 31, 2024, Water General Obligation Revenue Bonds, 2008A totaling \$465,000 were outstanding. These bonds are repayable at interest rates ranging from 3.95% to 4.05% through 2027 and were used to refund previously issued bonds.

Deferred Inflows/Deferred Outflows – Water Fund

Deferred outflows of resources reported by the water fund are pension plan deferments for PERA, which decreased \$32,759 during 2024. The water fund's balance is a result of differences between expected and actual economic experience, changes of actuarial assumptions, changes in proportion, and from contributions to the plan subsequent to the measurement date and before the end of the reporting period.

Deferred inflows of resources from pension activity reported by the water fund increased by \$9,902 during 2024. Deferred inflow of resources from pension activity reported by the water fund are pension plan deferments for PERA. Deferred inflows of resources from lease activity reported by the water fund decreased by \$39,426 during 2024 due to lease payments during the year. Deferred inflows of resources from lease activity reported by the water fund are equal to present value of water tower lease revenues.

PRINCETON PUBLIC UTILITIES COMMISSION
FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

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PRINCETON PUBLIC UTILITIES COMMISSION

BALANCE SHEETS

December 31, 2024 and 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Electric Fund		Water Fund	
	2024	2023	2024	2023
Current Assets				
Cash and cash equivalents	\$ 3,188,277	\$ 6,752,749	\$ 447,494	\$ 756,865
Cash and cash equivalents - capital improvements	1,496,869	1,181,618	1,425,787	1,302,049
Investments	3,220,848	1,379,170	636,755	344,792
Customer accounts receivable	722,398	772,793	84,413	88,938
Other accounts receivable	83,006	50,105	960	4,191
Inventories	1,277,456	1,588,139	76,603	51,684
Lease receivable			19,231	39,940
Prepaid insurance	9,871	27,703		
Total Current Assets	<u>9,998,725</u>	<u>11,752,277</u>	<u>2,691,243</u>	<u>2,588,459</u>
Noncurrent Assets				
Lease receivable, noncurrent			39,314	58,545
Capital Assets				
Non-depreciable	25,000	25,000	8,162	8,162
Depreciable	25,799,385	23,409,211	13,012,645	12,324,407
Less: Accumulated depreciation	15,886,743	15,212,051	7,337,969	6,942,226
Total Noncurrent Assets	<u>9,937,642</u>	<u>8,222,160</u>	<u>5,722,152</u>	<u>5,448,888</u>
Restricted Assets				
Cash and cash equivalents:				
Reserve fund	493,125	493,125		
Debt retirement	199,875	42,500	14,050	31,422
Total Restricted Assets	<u>693,000</u>	<u>535,625</u>	<u>14,050</u>	<u>31,422</u>
Deferred Outflows of Resources				
Deferred outflows from pension activity	93,828	201,743	31,751	63,657
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 20,723,195</u>	<u>\$ 20,711,805</u>	<u>\$ 8,459,196</u>	<u>\$ 8,132,426</u>

See Notes to the Financial Statements

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	Electric Fund		Water Fund	
	2024	2023	2024	2023
Current Liabilities				
Due to City	\$ 156,698	\$ 156,923	\$	\$
Accounts payable	705,105	609,261	55,954	33,533
Accrued payroll	24,712	24,018	10,062	9,818
Accrued compensated absences	77,213	73,958		
Customer meter deposits	241,994	243,082		
Unearned revenue			23,238	23,238
Total Current Liabilities	1,205,722	1,107,242	89,254	66,589
Current Liabilities Payable from Restricted Assets:				
Accrued interest	68,625	124,384	1,550	3,005
Current maturities of bonds, loans and capital lease	175,000	85,000	150,000	345,000
Total Current Liabilities Payable from Restricted Assets	243,625	209,384	151,550	348,005
Other Liabilities				
Net pension liability	360,093	634,773	121,841	153,682
Bonds, notes, and loan payable, net of current maturities and premiums	6,303,902	6,479,625	315,000	465,000
Total Other Liabilities	6,663,995	7,114,398	436,841	618,682
Deferred Inflows of Resources				
Deferred credits rate stabilization	1,334,123	1,334,123		
Deferred inflows from pension activity	334,024	282,000	113,019	103,117
Deferred inflows from leasing activity			57,001	96,427
Deferred solar subscriptions	4,232	5,558		
Total Deferred Inflows of Resources	1,672,379	1,621,681	170,020	199,544
Total Liabilities and Deferred Inflows of Resources	9,785,721	10,052,705	847,665	1,232,820
Net Position				
Net investment in capital assets	4,813,695	4,961,448	5,257,152	4,638,888
Restricted for debt service	693,000	535,625	14,050	31,422
Unrestricted	5,430,779	5,162,027	2,340,329	2,229,296
Total Net Position	10,937,474	10,659,100	7,611,531	6,899,606
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 20,723,195	\$ 20,711,805	\$ 8,459,196	\$ 8,132,426

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PRINCETON PUBLIC UTILITIES COMMISSION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended December 31, 2024 and 2023

	Electric Fund		Water Fund	
	2024	2023	2024	2023
Operating Revenues	\$ 7,927,962	\$ 7,819,785	\$ 1,225,407	\$ 1,319,858
Operating Expenses				
Production, plant and purchased power	5,589,822	5,526,002	141,324	147,513
Distribution system	522,309	511,093	156,104	192,196
Customer service	165,006	159,230	90,971	85,635
General and administrative	731,393	942,190	251,474	223,026
Depreciation	707,206	672,713	426,893	418,229
Total Operating Expenses	7,715,736	7,811,228	1,066,766	1,066,599
Operating Income	212,226	8,557	158,641	253,259
Nonoperating Revenues (Expenses)				
Interest income	310,525	138,768	52,197	38,032
Change in fair value of investments	12,741	6,935	4,386	1,567
Gain on sale of assets		7,671	5,491	
Lease revenue			41,462	40,262
Other income	31,874	28,478	480,354	364
Interest expense	(288,992)	(149,767)	(30,606)	(45,001)
Total Nonoperating Revenues (Expenses)	66,148	32,085	553,284	35,224
Change in Net Position	278,374	40,642	711,925	288,483
NET POSITION, BEGINNING	10,659,100	10,618,458	6,899,606	6,611,123
NET POSITION, ENDING	\$ 10,937,474	\$ 10,659,100	\$ 7,611,531	\$ 6,899,606

See Notes to the Financial Statements

PRINCETON PUBLIC UTILITIES COMMISSION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2024 and 2023

	Electric Fund		Water Fund	
	2024	2023	2024	2023
Cash Flows From Operating Activities				
Receipts from customers	\$ 7,943,042	\$ 7,654,409	\$ 1,275,139	\$ 1,360,103
Cash paid to suppliers	(5,505,851)	(6,926,361)	(225,845)	(243,257)
Cash paid to employees	(1,189,337)	(1,235,213)	(406,315)	(387,758)
Net Cash Provided By (Used In) Operating Activities	1,247,854	(507,165)	642,979	729,088
Cash Flows From Noncapital Financing Activities				
Other income	31,874	28,478	480,354	364
Cash Flows From Capital and Related Financing Activities				
Proceeds from sale of capital assets		7,671	5,491	
Net proceeds from issuance of bonds		6,564,625		
Acquisition of capital assets	(2,422,688)	(1,800,303)	(719,388)	(115,752)
Interest paid	(345,474)	(25,383)	(32,061)	(46,207)
Principal paid on bonds	(85,000)	(680,000)	(345,000)	(387,000)
Net Cash Provided By (Used In) Capital and Related Financing Activities	(2,853,162)	4,066,610	(1,090,958)	(548,959)
Cash Flows From Investing Activities				
Net sales (purchases) of investments	(1,828,937)	(1,101,180)	(287,577)	(275,461)
Investment income received	310,525	138,768	52,197	38,032
(Increase) decrease in restricted cash held in escrow		250,623		
Net Cash Provided By (Used In) Investing Activities	(1,518,412)	(711,789)	(235,380)	(237,429)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,091,846)	2,876,134	(203,005)	(56,936)
Cash and Cash Equivalents, Beginning of Year	8,469,992	5,593,858	2,090,336	2,147,272
Cash and Cash Equivalents, End of Year	\$ 5,378,146	\$ 8,469,992	\$ 1,887,331	\$ 2,090,336
Cash and cash equivalents	\$ 3,188,277	\$ 6,752,749	\$ 447,494	\$ 756,865
Cash and cash equivalents - capital improvements	1,496,869	1,181,618	1,425,787	1,302,049
Cash and cash equivalents - reserve fund	493,125	493,125		
Cash and cash equivalents - debt retirement	199,875	42,500	14,050	31,422
Total Cash and Cash Equivalents on Balance Sheets	\$ 5,378,146	\$ 8,469,992	\$ 1,887,331	\$ 2,090,336

See Notes to the Financial Statements

Continued	Electric Fund		Water Fund	
	2024	2023	2024	2023
Reconciliation of Operating Income to Net Cash Provided By Operating Activities				
Operating Income	\$ 212,226	\$ 8,557	\$ 158,641	\$ 253,259
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	707,206	672,713	426,893	418,229
Pension related activity	(114,741)	3,946	9,967	1,497
Change in lease receivable and deferred inflows			514	514
Lease revenue - included in nonoperating revenues			41,462	40,262
(Increase) Decrease In:				
Customer accounts receivable	50,395	(146,857)	4,525	(9,101)
Other accounts receivable	(32,901)	(6,734)	3,231	7,370
Inventories	310,683	(1,140,523)	(24,919)	2,405
Prepaid insurance	17,832	17,661		
Increase (Decrease) In:				
Due to City	(225)	17,292		
Accounts payable	95,844	105,484	22,421	12,146
Accrued payroll	694	(17,979)	244	1,307
Customer meter deposits	(1,088)	(10,460)		
Unearned revenue				1,200
Accrued compensated absences	3,255	(8,940)		
Deferred solar subscriptions	(1,326)	(1,325)		
Net Cash Provided By (Used In) Operating Activities	\$ 1,247,854	\$ (507,165)	\$ 642,979	\$ 729,088

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PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Accounting Method

The Princeton Public Utilities Commission (the Commission) is a municipal utility engaged in the generation, transmission and distribution of electric power and the supply, purification, and distribution of water.

The accounting policies of Princeton Public Utilities Commission conform to generally accepted accounting principles applicable to governmental units.

This report includes only the Electric and Water Funds which are under the jurisdiction of the Princeton Public Utilities Commission, organized under the City of Princeton, Minnesota.

The financial statements of the Princeton Public Utilities Commission, organized under the City of Princeton, Minnesota are intended to present the financial position, results of operations and cash flows, of only that portion of the City that is attributable to the transactions of the Commission. They do not purport to, and do not, present fairly the financial position of the City of Princeton, Minnesota, and its results of operations and its cash flows, where applicable, in conformity with accounting principles generally accepted in the United States of America.

The Commission applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available. Depreciation and interest expenses can be specifically identified by function and are included in the direct expenses of each function.

Government-wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) required under Statement of Governmental Accounting Standards (GASB) No. 34 and the fund basis financial statements for the Electric and Water Funds of the Commission are identical and therefore the accompanying financial statements include just one set of financial statements and no reconciliation is required.

Measurement Focus and Basis of Accounting

The Commission is comprised of proprietary funds, the Electric Enterprise and Water Enterprise Funds of the City of Princeton, Minnesota. The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Implementation of New Accounting Principles

During the year, the Commission implemented GASB Statement No. 101, *Compensated Absences*. This Statement provides guidance on accounting and financial reporting for reporting a liability for certain types of leave (compensated absences). Under this Statement, government organizations are required to recognize a liability for employee's compensated absences if the leave is attributable to employee's services already rendered, if the leave accumulates, or if it is more likely than not to be used for time off or paid in cash upon separation. The liability is measured using an employee's rate of pay at the date of the financial statements. The liability and associated expense are reported in the government-wide statements. The Statement has been implemented and a liability has been reported on the government-wide financial statements.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For the purpose of reporting cash flows, the Commission considers all demand accounts, savings accounts, and money market funds to be cash and cash equivalents.

Investments

Investments consist primarily of negotiable certificates of deposit and municipal bonds. Investments with an original maturity of less than one year are recorded at amortized cost, which approximates fair value. Investments with an original maturity of more than one year are recorded at fair value based on quoted market prices.

Accounts Receivable

Accounts receivable are recorded at the original invoice amount. Management determines bad debts by regularly evaluating individual customer accounts receivable and considering a customer's financial condition, credit history, and current economic conditions. Accounts receivable are written off when deemed uncollectible. It is the Commission's policy to charge uncollectibles directly to operations as accounts become worthless. No material losses are anticipated from present receivable balances; therefore, no allowance for uncollectibles is reflected in the accompanying financial statements.

Inventory

Inventories, which consist of supplies and replacement parts for the electrical and water systems, are stated at lower of average cost or market and are reported on the consumption method.

Interfund Transactions

Interfund transactions, including sales and transfers between funds (if any), are not eliminated for financial statement purposes.

Capital Assets

Capital assets include property, plant and equipment, and are recorded at cost. Capital assets are defined by the Commission as assets with an initial, individual cost of more than \$1,500 and an estimated useful life greater than one year.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is expensed as incurred.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

Capital Assets (continued)

Property, plant, and equipment are capitalized when acquired, and depreciation is provided using the straight-line method applied over the following estimated useful lives of the assets.

	<u>Useful Life in Years</u>
Buildings and building improvements	5 - 40
Generation and distribution system	30 - 33
Wells and related equipment	5 - 20
Transportation equipment	6 - 8
Software and other equipment	3 - 15
Water tower and tank	10 - 33

Leases

For leases with a term exceeding 12 months, the Commission recognizes a lease liability and a right to use lease asset in the government-wide financial statements.

The right to use lease asset is calculated at the initial amount of the lease liability plus any lease payments made to the lessor before the lease commencement date, plus certain initial direct costs incurred, minus any lease incentives received. Subsequently, the right to use lease asset is amortized on a straight-line basis over its useful life. The Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. Remeasurement of the right to use lease asset and lease liability occurs when certain changes occur that are likely to have a significant impact on the lease liability.

Right to use lease assets, if any, are reported with capital assets and lease liabilities, if any, are reported with long-term debt on the statement of net position.

The Commission leases cell tower space to external parties. Lease receivables and deferred inflows of resources are recorded based on the present value of expected receipts over the term of the respective leases. The expected payments and receipts are discounted using the interest rate charged on the lease, if available, and are otherwise discounted using the risk free rate. Variable payments are excluded from the valuations unless they are fixed in substance. For leases featuring payments tied to an index or market rate, the valuation is based on the initial index or market rate. The Commission does not have any leases subject to a residual value guarantee.

Compensated Absences

Sick leave is earned up to twelve days per year with unlimited accumulation. Employees are not compensated for unused sick leave upon termination of employment other than to pay certain employees with ten years of service, up to a maximum of 60 days. The liability for compensated absences for the four employees eligible at December 31, 2024 totaled \$77,213. The liability for compensated absences for the five employees eligible at December 31, 2023 totaled \$73,958.

Employees earn vacation days based upon the number of completed years of service. The Commission does not compensate for unused vacations upon termination of employment, other than for the current year's unused portion.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Revenue is recognized when electricity or water is used by the customer. Usage is billed on a monthly basis.

Taxes

In accordance with certain provisions of the United States Internal Revenue Code and related federal and state governing laws and regulations, the Commission is exempt from federal and state income taxes, and local property taxes.

Net Position

In the financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction or improvement of the assets.

Restricted for Debt Service– This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position – This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

Deferred Outflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses) until that time. The Commission has one item that qualifies for reporting in this category. The Commission presents deferred outflows of resources on the Statement of Net Position for deferred outflows of resources in relation to the activity of the pension funds in which Commission employees participate.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has four items that qualify for reporting in this category. The Commission presents deferred inflows of resources for deferred inflows of resources related to pensions which result from actuarial calculations. The Commission also presents deferred credits (revenue), which represent rate stabilization as a deferred inflow of resources. Rate stabilization is a result of deposits made to the Commission's rate stabilization account, which may be used to meet unanticipated increases in revenue requirements in subsequent periods. The Commission presents deferred inflows of resources related to water tower lease revenues. The last type of deferred inflow of resources reported by the Commission are deferred solar subscriptions. The Commission gives customers an option to purchase solar panel subscriptions for 5, 10 or 20 years for which they pay the entire subscription in the first year.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Summary of Significant Accounting Policies (Continued)

Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Concentration of Credit Risk

Financial instruments which expose the Commission to a concentration of credit risk consist primarily of cash, investments, and accounts receivable. Accounts receivable are concentrated geographically as amounts are due from individuals residing in and businesses located in the City of Princeton.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

Subsequent Events

In preparing these financial statements, the Commission has evaluated events and transactions for potential recognition or disclosure through April 29, 2025, the date the financial statements were available to be issued.

2. Cash and Investments

The Commission follows State statutes requiring that all deposits be protected by insurance, surety bonds or collateral. The market value of collateral pledged must equal or exceed 110% of the deposits not covered by insurance.

Authorized collateral includes U.S. government treasury bills, notes or bonds; issues of U.S. government agencies; certain rated general and revenue obligations of state and local governments; certain types of stand-by letters of credit and insured certificates of deposit. State statutes require that securities pledged as collateral be held in safekeeping by the Commission or in a financial institution other than the institution furnishing the collateral.

Custodial credit risk is the risk that in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Cash and Investments (Continued)

Investments

The Commission does not have an investment policy and is permitted to invest its idle funds as authorized by Minnesota Statutes as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- General obligations rated "A" or better.
- Revenue obligations rated "AA" or better.
- General obligations of the Minnesota Housing Finance Agency rated "A" or better.
- Any security which is an obligation of a school district with an original maturity not exceeding 13 months, and rated in the highest category by a national bond rating service or enrolled in the credit enhancement program.
- Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- Time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers' acceptances of United States banks.
- General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.
- Funds held in a debt service fund may be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms.
- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a "depository" of public funds by the government entity, with banks that are members of the Federal Reserve System with certain capitalization requirements, with a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or with a securities broker-dealer properly licensed, regulated by the SEC and with certain capitalization requirements.
- Shares of Minnesota joint powers investment trusts whose investments are restricted to securities described in A-J above or negotiable certificates of deposit; or units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency in which investments are restricted to securities described in A-J above; or shares of investment companies registered under the Federal Investment Company Act of 1940 which hold themselves out as money market funds meeting the conditions of rule 2a-7 of the SEC and rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less.
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing and with a credit quality in one of the top two highest categories by a nationally recognized rating agency.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Cash and Investments (Continued)

Investments (continued)

The Princeton Public Utilities Commission's investments are potentially subject to various risks including the following:

- Custodial credit risk - The risk that in the event of a failure of the counterparty to an investment transaction (typically a brokerage firm or financial institution) the government would not be able to recover the value of its investments or collateral securities. Although the Commission's investment policies do not directly address custodial credit risks, it typically limits its exposure by purchasing insured or registered investments or by the control of who holds the securities.
- Credit risk - The risk that an issuer or other counterparty to an investment will not fulfill its obligations.
- Concentration risk - This is the risk associated with investing a significant portion of the Commission's investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds.
- Interest rate risk - The risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The Commission's investment policies do not limit the maturities of investments; however, the Commission considers such things as interest rates and cash flow needs when purchasing investments.

The following table presents the Commission's cash and investment balances at December 31, 2024 and 2023, and information relating to potential investment risks:

December 31, 2024

<u>Cash/Investments</u>	<u>Maturity Date</u>	<u>Over 5% of Portfolio</u>	<u>Carrying Value</u>		
			<u>Electric</u>	<u>Water</u>	<u>Total</u>
Cash on hand	N/A	N/A	\$ 2,135	\$	\$ 2,135
Deposits	N/A	N/A	4,581,168	1,688,620	6,269,788
Money Market	N/A	N/A	794,843	198,711	993,554
Certificate of deposits	5/25-8/29	100%	3,220,848	636,755	3,857,603
Total cash and investments			\$ 8,598,994	\$ 2,524,086	\$ 11,123,080

December 31, 2023

<u>Cash/Investments</u>	<u>Maturity Date</u>	<u>Over 5% of Portfolio</u>	<u>Carrying Value</u>		
			<u>Electric</u>	<u>Water</u>	<u>Total</u>
Cash on hand	N/A	N/A	\$ 2,135	\$	\$ 2,135
Deposits	N/A	N/A	8,458,859	2,088,086	10,546,945
Money Market	N/A	N/A	8,998	2,250	11,248
Certificate of deposits	3/24-5/28	100%	1,379,170	344,792	1,723,962
Total cash and investments			\$ 9,849,162	\$ 2,435,128	\$ 12,284,290

N/A – Not applicable

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Cash and Investments (Continued)

Capital Improvements

In 1986 the Commission resolved that any surplus monies in the electric and water funds be transferred to a reserve account to be used for emergencies, improvements and equipment replacements. Activity in the account for 2024 and 2023 was as follows:

	<u>2024</u>	<u>2023</u>
Beginning Balance	\$ 2,483,667	\$ 2,291,567
Additions	438,989	192,100
Ending Balance	<u>\$ 2,922,656</u>	<u>\$ 2,483,667</u>

Fair Value Measurement

Fair value measurements are determined utilizing the framework established by the Governmental Accounting Standards Board. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission has the ability to access.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data. Inputs to the valuation methodology include:
 - Quoted prices for similar assets or liabilities in active markets
 - Quoted prices for identical assets or liabilities in inactive markets
 - Inputs other than quoted prices that are observable for the asset or liability
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specific (contractual) term, Level 2 input must be observable for substantially the full term of the asset or liability
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Commission's investments within the fair value hierarchy at December 31, 2024 were as follows:

	<u>December 31, 2024</u>			
	Assets	Fair Value Hierarchy Level		
	Measured at	Level 1	Level 2	Level 3
Certificate of Deposits	<u>\$ 3,857,603</u>	<u>\$</u>	<u>\$ 3,857,603</u>	<u>\$</u>

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Cash and Investments (Continued)

Fair Value Measurement (continued)

The Commission's investments within the fair value hierarchy at December 31, 2023 were as follows:

Assets Measured at	December 31, 2023		
	Fair Value Hierarchy Level		
	Level 1	Level 2	Level 3
Certificate of Deposits	\$ 1,723,962	\$ 1,723,962	\$

3. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

Electric Fund	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 25,000	\$	\$	\$ 25,000
Total capital assets, not being depreciated	25,000			25,000
Capital assets, being depreciated:				
Buildings and improvements	2,142,058	\$ 51,054		2,193,112
Generation and distribution system	19,850,261	2,367,732		22,217,993
Transportation equipment	741,305			741,305
Other equipment	675,587	3,902	32,513	646,976
Total capital assets, being depreciated	23,409,211	2,422,688	32,513	25,799,386
Less: accumulated depreciation	15,212,051	707,206	32,513	15,886,744
Total capital assets, being depreciated, net	8,197,160	1,715,482		9,912,642
Capital assets, net	\$ 8,222,160	\$ 1,715,482	\$	\$ 9,937,642

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Capital Assets (Continued)

Water Fund	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 8,162	\$	\$	\$ 8,162
Total capital assets, not being depreciated	<u>8,162</u>			<u>8,162</u>
Capital assets, being depreciated:				
Buildings and improvements	29,765			29,765
Generation and distribution system	9,472,818	616,895	4,860	10,084,853
Wells	558,324			558,324
Transportation equipment	74,124	69,864	25,089	118,899
Other equipment	333,356	4,100	1,200	336,256
Water tower and tank	1,856,020	28,529		1,884,549
Total capital assets, being depreciated	<u>12,324,407</u>	<u>719,388</u>	<u>31,149</u>	<u>13,012,646</u>
Less: accumulated depreciation	<u>6,942,226</u>	<u>426,893</u>	<u>31,149</u>	<u>7,337,970</u>
Total capital assets, being depreciated, net	<u>5,382,181</u>	<u>292,495</u>		<u>5,674,676</u>
Capital assets, net	<u>\$ 5,390,343</u>	<u>\$ 292,495</u>	<u>\$</u>	<u>\$ 5,682,838</u>

4. Long-Term Debt

Following is a summary of debt outstanding at December 31, 2024:

Revenue Bonds	Range of Interest Rates	Final Maturity	December 31, 2024
Water General Obligation Bonds, 2008A - interest due semiannually in June and December and principal due annually in December	3.95-4.05%	2027	\$ 465,000
Electric Revenue Bonds, 2023A - interest due semiannually in April and October and principal due annually in April	4.00-5.00%	2043	<u>\$ 6,425,000</u>
Total Debt Outstanding			<u>\$ 6,890,000</u>

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Long-Term Debt (Continued)

Following is a summary of the activity in the Commission's debt during December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Electric					
Electric Revenue Note, 2023A	\$ 6,510,000	\$	\$ 85,000	\$ 6,425,000	\$ 175,000
Compensated Absences	73,958	3,255		77,213	77,213
Unamortized premium	168,550		2,231	166,319	
Less: unamortized (discount)	(113,925)		(1,508)	(112,417)	
Electric Total	6,638,583	3,255	85,723	6,556,115	252,213
Water					
General Obligation Water Revenue, 2008A	810,000		345,000	465,000	150,000
Combined Total	\$ 7,448,583	\$ 3,255	\$ 430,723	\$ 7,021,115	\$ 402,213

The annual requirements to amortize all long-term debt outstanding as of December 31, 2024 were as follows:

Years	Water Revenue Bonds		Total
	Principal	Interest and Fees	
2025	\$ 150,000	\$ 18,605	\$ 168,605
2026	155,000	12,680	167,680
2027	160,000	6,480	166,480
Totals	\$ 465,000	\$ 37,765	\$ 502,765

Years	Electric Revenue Bonds		Total
	Principal	Interest and Fees	
2025	\$ 175,000	\$ 270,125	\$ 445,125
2026	230,000	260,000	490,000
2027	245,000	248,125	493,125
2028	255,000	235,625	490,625
2029-2033	1,480,000	974,525	2,454,525
2034-2038	1,825,000	631,500	2,456,500
2039-2043	2,215,000	228,500	2,443,500
Totals	\$ 6,425,000	\$ 2,848,400	\$ 9,273,400

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Long-Term Debt (Continued)

The following restrictions on assets have been established to comply with agreements related to the outstanding revenue bonds:

Reserve fund

Bond and note covenants require a reserve account in the amount of \$493,125 be established in the electric fund.

Debt retirement

The 2008 water revenue bond and note indentures require the water fund to set aside an amount equal to not less than one-sixth of the interest due within the next six months and monthly to set aside an amount equal to not less than one-twelfth of the principal due within the next twelve months. The total set aside as of December 31, 2024 and 2023 was \$14,050 and \$31,422, respectively.

The 2023 electric revenue bond and note indenture requires the electric fund to set aside an amount equal to not less than one-sixth of the interest due within the next six months and monthly to set aside an amount equal to not less than one-twelfth of the principal due within the next twelve months. The total set aside at December 31, 2024 and 2023 was \$199,875 and \$42,500, respectively.

5. Commitments

SMMPA Capacity and Purchase Agreement

The Commission purchases power from Southern Minnesota Municipal Power Agency (SMMPA) under a power sales contract, which runs through April 2050 and thereafter unless terminated by either party upon one years' notice. Under the terms of the contract, the Commission is obligated to purchase from SMMPA all the electrical power and energy needed to operate the electric utilities through the term of the contract, unless the Commission elects to exercise an option under the contract to establish a fixed Contract Rate of Delivery upon seven years notice.

In addition, on January 2, 2001, the Commission entered into an Amended and Restated Capacity Purchase Agreement (amending the original 1995 Capacity Purchase Agreement) with SMMPA, whereby SMMPA is entitled to the exclusive use of the net electric generating capability, and associated energy, of the Diesel Generating Facilities. Under the terms of this agreement, SMMPA is responsible for all costs of operations and maintenance, including certain costs associated with generating plant personnel and renewal and replacement costs. This agreement is cancelable by either party upon a five-year notice, or by SMMPA with a one-year notice if renewal and replacement costs are deemed to make continued operation of the generation uneconomic.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Commitments (Continued)

SMMPA Quick-Start Capacity and Energy Purchase Agreement

On December 20, 2001, the Commission entered into a Quick-Start Capacity and Energy Purchase Agreement with SMMPA. Under the terms of this 20-year agreement, SMMPA pays to the Commission a monthly payment for the exclusive right to all capacity and associated energy from the quick-start generating plant (specified generation facilities that do not include the Diesel Generating Facilities referred to above) and is responsible for the cost of fuel when the plant is operated. SMMPA exercised their right under the contract to extend the terms of the contract an additional five years in 2019 and again in 2023. The Commission is responsible for all operating, maintenance, renewal and replacement costs associated with quick-start generation.

6. Leases

The Commission has entered into several lease agreements with cell phone providers. Under the agreements, the cell phone providers pay the Commission annual payments of \$40,788 in exchange for providing cell services to the City residents with antennas on top of the water towers. The receivable for these leases has been recorded in the water fund and is measured as the present value of the future rent payments expected to be received during the lease terms. The discount rate used in calculation of the receivable is 1.47%, which is the risk free rate.

7. Due to City

Due to City represents amounts owing to the City of Princeton and consisted of the following at December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Sewer collections	\$ 135,179	\$ 135,648
Franchise fee	21,519	21,275
Total	<u>\$ 156,698</u>	<u>\$ 156,923</u>

8. Risk Management

The Commission is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees or others; and natural disasters. In order to protect against these risks of loss, the Commission purchases commercial insurance through the League of Minnesota Cities Insurance Trust, a public entity risk pool. This pool currently operates common risk management and insurance programs for municipal entities. The Commission pays an annual premium to the League for its insurance coverage. The League of Minnesota Cities Insurance Trust is self-sustaining through commercial companies for excess claims. The Commission is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amounts of these deductibles are considered immaterial to the financial statements. During the years ended December 31, 2024 and 2023, there were no significant reductions in insurance coverage from the prior year. Settled claims have not exceeded the Commission's commercial coverage in any of the past three years.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Rate Stabilization Provision

The Princeton Public Utilities Commission designed its electric service rates to recover costs of providing power supply services. In order to minimize possible future rate increases, each year the Commission determines a rate stabilization amount to be charged or credited to revenues. For the years ended December 31, 2024 and 2023 there were no adjustments for rate stabilization.

10. Defined Benefit Pension Plans

Plan Description

The Princeton Public Utilities Commission participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Plan

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Defined Benefit Pension Plans (Continued)

Benefits Provided (Continued)

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

Contributions

Minnesota Statutes Chapter 353, 353E, 353G, and 356 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the Commission was required to contribute 7.50 percent for General Plan members. The Commission's contributions to the General Employees Fund for the year ended December 31, 2024, were \$83,454. The Commission's contributions were equal to the required contributions as set by state statute.

Pension Costs

At December 31, 2024, the Commission reported a liability of \$481,934 for its proportionate share of the General Employees Fund's net pension liability. The Commission's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Commission totaled \$12,462.

Commission's proportionate share of net pension liability	\$	481,934
State of Minnesota's proportionate share of the net pension liability associated with the Commission		12,462
Total	\$	<u>494,396</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The Commission's proportionate share was 0.0130 percent at the end of the measurement period and 0.0141 percent for the beginning of the period.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Defined Benefit Pension Plans (Continued)

Pension Costs (Continued)

For the year ended December 31, 2024, the Commission recognized pension expense (benefit) of \$(104,774) for its proportionate share of the General Employees Plan's pension expense. In addition, the Commission recognized an additional \$334 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The Commission recognized \$22,173 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the Commission reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 46,362	\$
Changes in actuarial assumptions	2,400	193,276
Net difference between projected and actual earnings on pension plan investments		174,981
Changes in proportion	31,680	78,786
Contributions paid to PERA subsequent to the measurement date	45,137	
Total	\$ 125,579	\$ 447,043
Reported in the financial statements as:		
Electric Fund	\$ 93,828	\$ 334,024
Water Fund	31,751	113,019
Total	\$ 125,579	\$ 447,043

The \$45,137 reported as deferred outflows of resources related to pensions resulting from the Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability during the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense Amount
2025	\$ (224,862)
2026	(29,588)
2027	(75,211)
2028	(36,940)

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Defined Benefit Pension Plans (Continued)

Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25.0%	0.75%
Private markets	25.0%	5.90%
Total	100%	

Actuarial Methods and Assumptions

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

PRINCETON PUBLIC UTILITIES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Defined Benefit Pension Plans (Continued)

Actuarial Assumptions (continued)

There following changes in actuarial assumptions and plan provisions occurred in 2024:

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability in 2024 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at the rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Commission's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Sensitivity Analysis		
<i>Net Pension Liability at Different Discount Rates</i>		
	<u>General Employees Fund</u>	
1% Lower	6.00%	\$ 1,052,621
Current Discount Rate	7.00%	481,934
1% Higher	8.00%	12,492

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

**PRINCETON PUBLIC UTILITIES COMMISSION
REQUIRED SUPPLEMENTARY INFORMATION**

December 31, 2024

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PRINCETON PUBLIC UTILITIES COMMISSION
Schedule of Commission Pension Contributions
PERA General Employees Retirement Fund
Last Ten Years (presented prospectively)

Year Ended December 31	Statutorily Required Contribution (a)	Contributions in Relation to Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
2015	\$ 78,398	\$ 78,398	\$	\$ 1,045,308	7.50%
2016	85,248	85,248		1,136,646	7.50%
2017	82,805	82,805		1,104,062	7.50%
2018	86,249	86,249		1,149,985	7.50%
2019	89,748	89,748		1,196,640	7.50%
2020	90,121	90,121		1,201,613	7.50%
2021	79,680	79,680		1,062,402	7.50%
2022	79,263	79,263		1,056,837	7.50%
2023	84,446	84,446		1,125,950	7.50%
2024	83,454	83,454		1,112,723	7.50%

PRINCETON PUBLIC UTILITIES COMMISSION
Schedule of Commission and Non-Employer Proportionate Share of Net Pension Liability
PERA General Employees Retirement Fund
Last Ten Years (presented prospectively)

Fiscal Year Ended June 30	Employer's Proportionate Share (Percentage) of Net Pension Liability (Asset)	Employer's Proportionate Share (Amount) of the Net Pension Liability (Asset) (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the Utilities (b)	Employer's Proportionate Share of the Net Pension Liability Associated with the Utilities (a+b)	Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll (a+b)/c	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0170%	\$ 881,028	\$	\$ 881,028	\$ 995,180	88.53%	78.20%
2016	0.0181%	1,469,630	19,156	1,488,786	1,122,267	132.66%	68.91%
2017	0.0177%	1,129,957	14,210	1,144,167	1,140,253	100.34%	75.90%
2018	0.0163%	904,258	29,600	933,858	1,092,933	85.45%	79.53%
2019	0.0166%	917,778	28,499	946,277	1,176,240	80.45%	80.23%
2020	0.0167%	1,001,243	31,027	1,032,270	1,190,453	86.71%	79.06%
2021	0.0165%	704,624	21,513	726,137	1,184,691	61.29%	87.00%
2022	0.0133%	1,053,363	30,904	1,084,267	996,522	108.81%	76.70%
2023	0.0141%	788,455	21,752	810,207	1,118,792	72.42%	83.10%
2024	0.0130%	481,934	12,462	494,396	1,113,848	44.39%	89.10%

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PRINCETON PUBLIC UTILITIES COMMISSION

SUPPLEMENTARY INFORMATION

December 31, 2024

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PRINCETON PUBLIC UTILITIES COMMISSION

SCHEDULES OF OPERATING REVENUES

For the Years Ended December 31, 2024 and 2023

	Electric Fund		Water Fund	
	2024	2023	2024	2023
Operating Revenues				
Residential services	\$ 2,510,856	\$ 2,566,731	\$ 624,650	\$ 736,794
Commercial and industrial sales	642,331	676,518	455,334	498,556
Power and lighting	2,666,718	2,945,814		
Security lights	19,977	20,035		
Life-of-unit diesel	432,729	394,066		
Quick start	174,240	174,240		
Penalties and connection charges	160,507	186,521	82,570	32,484
Intermediate power service	967,606	681,174		
Other operating revenues	352,998	174,686	62,853	52,024
Total Operating Revenues	\$ 7,927,962	\$ 7,819,785	\$ 1,225,407	\$ 1,319,858

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PRINCETON PUBLIC UTILITIES COMMISSION

SCHEDULES OF OPERATING EXPENSES

For the Years Ended December 31, 2024 and 2023

	Electric Fund		Water Fund	
	2024	2023	2024	2023
Operating Expenses				
Production Plant				
Salaries and wages	\$ 177,871	\$ 180,354	\$ 57,120	\$ 58,373
Repairs and maintenance	215,736	209,304	45,991	47,851
Natural gas	14,301	17,632	7,965	8,387
Purchased power and for pumping	5,181,914	5,118,712	30,248	32,902
Total Production Plant	<u>5,589,822</u>	<u>5,526,002</u>	<u>141,324</u>	<u>147,513</u>
Distribution System				
Salaries and wages	386,499	374,381	116,730	110,166
Supplies and maintenance	135,810	136,712	39,374	82,030
Total Distribution System	<u>522,309</u>	<u>511,093</u>	<u>156,104</u>	<u>192,196</u>
Customer Service				
Salaries and wages	139,011	131,434	79,561	74,602
Supplies and maintenance	23,490	25,397	11,179	10,659
Bad debts	2,505	2,399	231	374
Total Customer Service	<u>165,006</u>	<u>159,230</u>	<u>90,971</u>	<u>85,635</u>
General and Administrative				
Salaries and wages	113,128	124,968	59,290	63,570
Employee pensions and benefits	262,036	401,103	103,825	83,851
Outside services	81,206	156,030	40,292	33,865
Office supplies and expense	36,006	34,812	13,677	10,773
Dues and subscriptions	11,723	10,962	2,070	2,134
Insurance	28,177	30,480	15,757	12,929
Telephone	3,975	3,812	1,432	1,200
Miscellaneous administrative	195,142	180,023	15,131	14,704
Total General and Administrative	<u>731,393</u>	<u>942,190</u>	<u>251,474</u>	<u>223,026</u>
Depreciation expense	<u>707,206</u>	<u>672,713</u>	<u>426,893</u>	<u>418,229</u>
Total Operating Expenses	<u>\$ 7,715,736</u>	<u>\$ 7,811,228</u>	<u>\$ 1,066,766</u>	<u>\$ 1,066,599</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Commissioners
Princeton Public Utilities Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of each major fund of Princeton Public Utilities Commission, as of and for the year ended December 31, 2024, and the related notes to financial statements, which collectively comprise the Princeton Public Utilities Commission's basic financial statements and have issued our report thereon dated April 29, 2025.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Princeton Public Utilities Commission's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Princeton Public Utilities Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Princeton Public Utilities Commission's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control over financial reporting that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Princeton Public Utilities Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Commissioners
Princeton Public Utilities Commission

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that Princeton Public Utilities Commission failed to comply with provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. Sec. 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Commission's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions* and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Smith, Schafu and Associates, Ltd.

Minneapolis, Minnesota
April 29, 2025

MEMORANDUM 25-25



TO: Princeton Public Utilities Commission
FROM: Keith Butcher, General Manager
SUBJECT: Municipal Facilities Space Needs Assessment
Selection
DATE: June 25, 2025

ITEM SUMMARY

The Municipal Facilities Space Needs Interview Panel recommends the selection of Leo A. Daly.

BACKGROUND

In a joint venture, Princeton Public Utilities (Utility) and the City of Princeton (City) are seeking the professional services of a qualified and experienced consulting team for a Municipal Facility Space Needs Assessment. This study will involve working with City and Utility staff and decision makers to identify needs and develop options to ensure high efficiency work places now and into the future.

The Project is to include the following tasks:

- Task 1: determine the space required to house City and Utility Administrative staff in order to improve efficiency of service delivery. The evaluation is to consider the cost benefits of remodeling versus new construction. The costs for Task 1 will be equally divided amongst the parties with each paying half (50%).
- Task 2: determine the space required to house Utility Field Services in order to improve efficiency of service delivery. The evaluation is to consider the cost benefits of renovation versus demolition and construction versus relocation. The costs for Task 2 will be paid for by the utility exclusively (100%).

The City Council approved the RFP on April 10 and the Commission on April 23.

Due to the large number and high quality of proposals, a panel was organized to interview finalists. The Interview Panel was comprised of Commissioner Nick Nowak, City Counciller Nick Taylor, City Administrator Michele McPherson, Water/Power Plant Superintendent Scott Schmit, and General Manager Keith Butcher.

PROPOSAL

The Panel conferred following presentations by the three finalists and the consensus was to select Leo A. Daly as the consultant for this joint effort. The project cost is shown in the table below.

	PPU Portion	City Portion	Total
Task 1: Administrative Needs	\$7,250	\$7,250	\$14,500
Task 2: Utility Field Services	\$14,500	\$0	\$14,500
Total	\$21,750	\$7,250	\$29,000

The 2025 capital plan approved \$10,000 for a joint Office Space Feasibility Study. The RFP expanded that scope to explore an analysis of Field Services after completing our Generation Feasibility Study with DGR earlier this year. Staff believe there are significant benefits that can be captured by conducting both tasks simultaneously.

Both the Commission and the City Council will need to approve the selection to move forward. The City Council is meeting on Thursday, June 26 and this is on their agenda.

RECOMMENDATION

The Interview Panel recommends approving the selection of Leo A. Daly to preform both Task 1 and Task 2 in the Municipal Facility Space Needs Assessment.

SUGGESTED MOTION

“The Commission selects Leo A. Daly to conduct a Municipal Space Needs Assessment for Princeton Public Utilities at a cost of \$21,750.”