



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
April 22, 2026 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 – April 1, 2026
 - b. Certification of Accounts Payable
5. **Reports**
 - a. General Manager Report
 - i. Office Manager Report
 - ii. Water/Power Plant Superintendent Report
 - iii. Electric Superintendent Report
 - b. Other Reports
 - i. SMMPA and EV Chargers
6. **Regular Agenda**
 - a. Commercial Deposit Policy (Cunningham)
 - i. Memo 26-13: Commercial Deposits
 - b. 2026 Bonding – Electric Cap Plan (Phase II) (Butcher)
 - c. General Ledger Discussion (Ohman)
 - i. Memo 26-14: General Ledger Re-design
 - ii. General Ledger Policy Manual
 - d. 2026 Joint Meeting (Butcher)
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

April 1, 2026, 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 April 1, 2026, at 1:00 p.m.

Meeting was called to order by Vice-Chair Nowak at 1:00 p.m.

1. CALL TO ORDER / ROLL CALL

Commissioners: Nick Nowak, Tom Jackson, and Richard Schwartz.

Absent: None

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: City Councilor Nick Taylor and Ed Yost.

2. WELCOME COMMISSIONER RICHARD SCHWARTZ

Mr. Nowak welcomed and swore in Commissioner Richard Schwartz.

3. APPROVAL OF AGENDA

Mr. Nowak called for additions or deletions to the agenda.

Mr. Schwartz made a motion to approve the agenda of the April 1, 2026, Regular PUC Meeting. Mr. Jackson seconded. Motion carried.

4. ELECTION OF OFFICERS

Commissioner Richard Schwartz brought up a discussion on the appointment of the chair position. Commissioner Richard Schwartz made a motion to add Chair under Election of Officers to the agenda. Mr. Jackson seconded. Motion carried. The requested addition to the agenda is as follows:

4. Election of Officers:
 - a. Chair
 - b. Vice-Chair

a. CHAIR

There was a discussion on the chair position. Mr. Jackson made a motion to appoint Commissioner Nick Nowak as PUC Commission Chair for the year 2026. Mr. Schwartz seconded. Motion carried.

b. VICE-CHAIR

There was a discussion on the vice-chair position. Mr. Nowak made a motion to appoint Commissioner Tom Jackson as PUC Commission Vice-Chair for the year 2026. Mr. Schwartz seconded. Motion carried.

5. PUBLIC COMMENTS:

There were no Public Comments.

6. CONSENT AGENDA:

- a. Public Utilities Commission Regular Meeting Minutes – February 25, 2026
- b. Certification of Accounts Payable

Mr. Jackson made a motion to approve the Consent Agenda of the April 1, 2026 Regular PUC Meeting. Mr. Schwartz seconded. Motion carried.

7. REPORTS:

- a. General Manager Report
 - i. Office Manager Report
 - ii. Water/Power Plant Superintendent Report
 - iii. Electric Superintendent Report
- b. Other Reports
 - i. SMMPA and EV Reports

8. REGULAR AGENDA

a. FINANCIAL REPORT DISCUSSION

Secretary/Treasurer Kathy Ohman presented *Memo 26-10: Financial Reports* regarding ongoing financial report needs of the Princeton Public Utilities Commission. Included in the memo was potential reports and periods the reports will be provided.

Discussion.

b. WINTER STORM FERN UPDATE

General Manager Keith Butcher presented *Memo 26-11: Winter Storm Fern Update* reporting on the impacts due to Winter Storm Fern.

Discussion.

c. EV CHARGING RATES

General Manager Keith Butcher presented *Memo 26-12: EV Charging Rate Changes* to update the EV charging rates as required under state statute.

Discussion.

Mr. Schwartz made a motion to update the fee schedule to a DCFC rate of \$0.40 / kWh and an L2 rate of \$0.25 / kWh. Mr. Jackson seconded. Motion carried.

d. FUTURE COMMISSION MEETING

General Manager Keith Butcher proposed rescheduling June 24, 2026, Regular PUC Meeting to June 17, 2026, at 1:00 PM due to a scheduling conflict.

Discussion.

Mr. Jackson made a motion to reschedule the June 24, 2026, Regular PUC Meeting to June 17, 2026, at 1:00 PM. Mr. Schwartz seconded. Motion carried.

There being no further business, Mr. Jackson made a motion to adjourn the meeting at 1:40 p.m. Mr. Schwartz seconded. Motion carried.

Chair

Secretary/Treasurer

Report Criteria:
 Summary report type printed

| Vendor Number | Name | Invoice Number | Description | Invoice Date | Invoice Amount | Check Amount | Check Number | Check Issue Date |
|---------------|----------------------|----------------|---|--------------|----------------|--------------|--------------|------------------|
| 7 | ADP, INC. | 715269506 | 3-6-26 Payroll Processing Fees | 03/06/2026 | 197.62 | 197.62 | 3132026 | 03/13/2026 |
| | | 716375091 | 3-20-26 Payroll Processing Fees | 03/20/2026 | 228.06 | 228.06 | 3272026 | 03/27/2026 |
| Total 7: | | | | | 425.68 | 425.68 | | |
| 29 | AMARIL UNIFORM COMP | IV295041 | FR Rated Clothing C. Zahner | 03/27/2026 | 376.72 | 376.72 | 20260068 | 04/01/2026 |
| Total 29: | | | | | 376.72 | 376.72 | | |
| 60 | AT&T MOBILITY | 2873130172 | Monthly Cell Phones | 02/25/2026 | 382.32 | 382.32 | 45620 | 03/17/2026 |
| Total 60: | | | | | 382.32 | 382.32 | | |
| 93 | BLUE WATER PLUMBING, | 110465043 | Annual RPZ Testing on Backflow Prevente | 03/05/2026 | 190.00 | 190.00 | 45622 | 03/17/2026 |
| Total 93: | | | | | 190.00 | 190.00 | | |
| 95 | BOLTON & MENK, INC. | 0388577 | Engineer Fees PFAS Management/Reduct | 02/25/2026 | 1,531.50 | 1,531.50 | 20260054 | 03/09/2026 |
| Total 95: | | | | | 1,531.50 | 1,531.50 | | |
| 97 | BORDER STATES ELEC. | 5136-022026 | PO 365574 Inventory Elbows, Junctions, | 03/01/2026 | 27,531.29 | 27,531.29 | 45600 | 03/06/2026 |
| Total 97: | | | | | 27,531.29 | 27,531.29 | | |
| 136 | CARD SERVICES | HB638-2026 | Supplies | 02/28/2026 | 145.78 | 145.78 | 45623 | 03/17/2026 |
| Total 136: | | | | | 145.78 | 145.78 | | |
| 138 | CARDMEMBER SERVICE | 7274-022026 | Pens & Shipping Scale | 02/11/2026 | 772.06 | 772.06 | 45589 | 02/27/2026 |
| | | 7318-022026 | Food during Power Plant Run Winter Stor | 02/11/2026 | 243.21 | 243.21 | 45590 | 02/27/2026 |
| Total 138: | | | | | 1,015.27 | 1,015.27 | | |
| 153 | CENTERPOINT ENERGY | 10856562-3- | 2-26 Natural Gas 101 S 9th Ave. | 02/23/2026 | 432.77 | 432.77 | 45602 | 03/06/2026 |
| | | 5848750-5-2 | 2-26 Natural Gas Gen. Plant O&M | 02/23/2026 | 2,603.50 | 2,603.50 | 45603 | 03/06/2026 |
| | | 7559455-6-2 | 2-26 Natural Gas 1001 S Rum River Dr. | 02/23/2026 | 909.56 | 909.56 | 45604 | 03/06/2026 |
| | | 9481273-2-2 | 2-26 Natural Gas Shop | 02/23/2026 | 761.24 | 761.24 | 45605 | 03/06/2026 |
| Total 153: | | | | | 4,707.07 | 4,707.07 | | |
| 175 | CITY OF PRINCETON | 12120 | 2-26 Sewer Billing & Late Charges | 03/30/2026 | 142,329.24 | 142,329.24 | 20260070 | 04/01/2026 |
| Total 175: | | | | | 142,329.24 | 142,329.24 | | |
| 176 | CITY OF PRINCETON | 551 | 2-26 IT Support Services | 03/17/2026 | 1,012.48 | 1,012.48 | 20260063 | 03/20/2026 |
| Total 176: | | | | | 1,012.48 | 1,012.48 | | |
| 186 | COMPLETE MERCHANT | 5430930900 | Monthly Credit Card Fees | 02/28/2026 | 58.69 | 58.69 | 322026 | 03/02/2026 |
| Total 186: | | | | | 58.69 | 58.69 | | |
| 188 | CONNEXUS ENERGY | 444352-1796 | Monthly Utilities 1100 Watertower Dr. S | 02/12/2026 | 199.97 | 199.97 | 45591 | 02/27/2026 |

| Vendor Number | Name | Invoice Number | Description | Invoice Date | Invoice Amount | Check Amount | Check Number | Check Issue Date |
|---------------|------------------------|----------------|---|--------------|----------------|--------------|--------------|------------------|
| | | 444352-2972 | Monthly Power for Pumping 1001 Rum Riv | 02/12/2026 | 2,282.79 | 2,282.79 | 45591 | 02/27/2026 |
| Total 188: | | | | | 2,482.76 | 2,482.76 | | |
| 201 | CURRENT COMPASS, IN | 1 | Service Territory Consulting Service | 03/02/2026 | 862.50 | 862.50 | 45606 | 03/06/2026 |
| Total 201: | | | | | 862.50 | 862.50 | | |
| 228 | DEHN OIL COMPANY | 25255188 | PO 365586 Inventory Mobilgard | 02/23/2026 | 1,505.28 | 1,505.28 | 20260044 | 02/27/2026 |
| | | 25256103 | 1,100 Gal. MobilGard 410NC Oil Gen. Pla | 03/16/2026 | 29,005.65 | 29,005.65 | 20260071 | 04/01/2026 |
| Total 228: | | | | | 30,510.93 | 30,510.93 | | |
| 240 | DGR ENGINEERING | 00281685 | Engineer Fees CAP (Ph1) - Final Phase (T | 02/16/2026 | 211.50 | 211.50 | 20260045 | 02/27/2026 |
| | | 00281686 | Engineer Fees CAP (Ph2) - Final Design & | 02/16/2026 | 53,986.00 | 53,986.00 | 20260046 | 02/27/2026 |
| | | 00281687 | Engineer Fees CAP (Ph2) - Bidding & Prel | 02/16/2026 | 15,452.82 | 15,452.82 | 20260047 | 02/27/2026 |
| Total 240: | | | | | 69,650.32 | 69,650.32 | | |
| 292 | FAIRVIEW HEALTH SERVI | 3852321-202 | Random Drug & Alcohol Testing K. Elton O | 01/21/2026 | 90.00 | 90.00 | 20260033 | 02/13/2026 |
| Total 292: | | | | | 90.00 | 90.00 | | |
| 301 | FINKEN WATER SOLUTIO | 14832TP | Bottled Water | 01/30/2026 | 31.45 | 31.45 | 20260034 | 02/13/2026 |
| | | 18829TP | Bottled Water | 02/27/2026 | 31.45 | 31.45 | 20260055 | 03/09/2026 |
| Total 301: | | | | | 62.90 | 62.90 | | |
| 324 | GOPHER STATE ONE CA | 6021391 | Monthly Locates | 02/28/2026 | 9.45 | 9.45 | 20260056 | 03/09/2026 |
| Total 324: | | | | | 9.45 | 9.45 | | |
| 329 | GREAT AMERICA FINANC | 41401504 | Postage Meter Rental | 03/02/2026 | 164.95 | 164.95 | 45608 | 03/06/2026 |
| Total 329: | | | | | 164.95 | 164.95 | | |
| 330 | GREAT RIVER OFFICE P | 002252-2026 | Monthly Supplies | 02/28/2026 | 43.24 | 43.24 | 20260057 | 03/09/2026 |
| Total 330: | | | | | 43.24 | 43.24 | | |
| 339 | HEALTHPARTNERS | 0412803288 | 3-26 Employee Health Insurance | 02/05/2026 | 27,434.04 | 27,434.04 | 3022026 | 03/02/2026 |
| Total 339: | | | | | 27,434.04 | 27,434.04 | | |
| 362 | INSTRUMENTAL RESEAR | 6969 | Monthly Water Testing | 03/01/2026 | 108.20 | 108.20 | 45609 | 03/06/2026 |
| Total 362: | | | | | 108.20 | 108.20 | | |
| 402 | JIM'S MILLE LACS DISPO | 3940154-202 | Monthly Trash Service | 02/28/2026 | 241.37 | 241.37 | 20260058 | 03/09/2026 |
| | | 4343342-202 | Dumpsters for Disposal of Empty Reels | 02/28/2026 | 1,200.00 | 1,200.00 | 20260058 | 03/09/2026 |
| Total 402: | | | | | 1,441.37 | 1,441.37 | | |
| 490 | LEAGUE OF MN CITIES I | 10002814-20 | 2026 Work Comp Insurance | 01/30/2026 | 10,459.00 | 10,459.00 | 45570 | 02/11/2026 |
| | | 10002991-20 | 1/1/26 to 1/1/27 G&A Prop. & Liab. Insura | 01/20/2026 | 88,806.00 | 88,806.00 | 45541 | 01/30/2026 |

| Vendor Number | Name | Invoice Number | Description | Invoice Date | Invoice Amount | Check Amount | Check Number | Check Issue Date |
|---------------|------------------------|----------------|---|--------------|----------------|--------------|--------------|------------------|
| Total 490: | | | | | 99,265.00 | 99,265.00 | | |
| 493 | LINCOLN FINANCIAL GR | 4939434440 | 3-26 Employee Life & Disability Insurance | 02/10/2026 | 460.74 | 460.74 | 20260049 | 02/27/2026 |
| Total 493: | | | | | 460.74 | 460.74 | | |
| 523 | MARV'S TRUE VALUE | 2252-202602 | Hole Saw Kit | 02/28/2026 | 150.62 | 150.62 | 45610 | 03/06/2026 |
| Total 523: | | | | | 150.62 | 150.62 | | |
| 534 | MCDOWALL COMPANY | 24828 | 1-1-26 to 12-31-26 Roofing Mgmt. Agreem | 02/04/2026 | 650.00 | 650.00 | 45572 | 02/11/2026 |
| | | 24829 | 1-1-26 to 12-31-26 Roofing Mgmt. Agreem | 02/04/2026 | 400.00 | 400.00 | 45572 | 02/11/2026 |
| Total 534: | | | | | 1,050.00 | 1,050.00 | | |
| 550 | METRO SALES INCORPO | CW5091 | 2-26 Managed Technical Services | 02/02/2026 | 3,097.06 | 3,097.06 | 45594 | 02/27/2026 |
| Total 550: | | | | | 3,097.06 | 3,097.06 | | |
| 562 | MIDCONTINENT COMMU | 13072950115 | Monthly Internet | 03/01/2026 | 225.66 | 225.66 | 45611 | 03/06/2026 |
| | | 13096360115 | Monthly Telephone Water Treatment Plant | 03/01/2026 | 53.96 | 53.96 | 45612 | 03/06/2026 |
| Total 562: | | | | | 279.62 | 279.62 | | |
| 585 | MN DEPT. OF HEALTH | 1480008-320 | Qrtly. \$15.22 State Water Fee | 02/06/2026 | 6,807.00 | 6,807.00 | 45614 | 03/06/2026 |
| Total 585: | | | | | 6,807.00 | 6,807.00 | | |
| 588 | MN DEPT. OF REVENUE | 8024684-012 | 1-26 State Sales Tax Billed | 03/20/2026 | 31,042.00 | 31,042.00 | 53454025 | 03/20/2026 |
| Total 588: | | | | | 31,042.00 | 31,042.00 | | |
| 591 | MN MUNICIPAL UTILITIES | 68452 | Reg. Fee 2026 MMUA Legislative Confere | 02/20/2026 | 420.00 | 420.00 | 20260050 | 02/27/2026 |
| | | 68484 | MMUA Generation School Early Bird 4-7-2 | 02/24/2026 | 300.00 | 300.00 | 20260064 | 03/20/2026 |
| | | 68485 | MMUA Generation School 4-7-26 S. Schm | 02/24/2026 | 1,755.00 | 1,755.00 | 20260064 | 03/20/2026 |
| Total 591: | | | | | 2,475.00 | 2,475.00 | | |
| 594 | MN STATE RETIREMENT | 032026 | 3-20-26 Payroll MNDPCP Contribution | 03/20/2026 | 50.00 | 50.00 | 11562607 | 03/31/2026 |
| | | 12119 | 2026 MNDPCP PUC Contributions | 03/30/2026 | 5,513.08 | 5,513.08 | 11562558 | 03/31/2026 |
| Total 594: | | | | | 5,563.08 | 5,563.08 | | |
| 605 | NAPA CENTRAL MN | 2648-202602 | Oil & Filteres Truck #26 & #4 | 02/28/2026 | 302.49 | 302.49 | 20260059 | 03/09/2026 |
| | | 2774-202602 | Anti Freeze Vac Truck | 02/28/2026 | 25.96 | 25.96 | 20260059 | 03/09/2026 |
| Total 605: | | | | | 328.45 | 328.45 | | |
| 610 | NCPERS GROUP LIFE IN | 7016020320 | 2-26 Employee Life Insurance | 02/01/2026 | 64.00 | 64.00 | 45595 | 02/27/2026 |
| Total 610: | | | | | 64.00 | 64.00 | | |
| 614 | NEON LINK | 3291 | Monthly Online Management Fees | 02/02/2026 | 565.60 | 565.60 | 20260039 | 02/13/2026 |
| | | 3314 | Monthly Online Management Fees | 02/28/2026 | 571.60 | 571.60 | 20260060 | 03/09/2026 |

| Vendor Number | Name | Invoice Number | Description | Invoice Date | Invoice Amount | Check Amount | Check Number | Check Issue Date |
|---------------|-----------------------|----------------|--|--------------|----------------|--------------|--------------|------------------|
| Total 614: | | | | | 1,137.20 | 1,137.20 | | |
| 630 | NORTHLAND BOND SER | PRINCETON | 3-26 Elec. 23A Revenue Bond Principal P | 02/01/2026 | 363,370.00 | 363,370.00 | 2026001 | 03/20/2026 |
| Total 630: | | | | | 363,370.00 | 363,370.00 | | |
| 637 | ONLINE INFORMATION S | 1377800 | Monthly Online Credit & ID Checks | 02/28/2026 | 97.64 | 97.64 | 20260061 | 03/09/2026 |
| Total 637: | | | | | 97.64 | 97.64 | | |
| 638 | OPTUM | 030626 | 3-6-26 Payroll Employee HSA Contribution | 03/06/2026 | 2,894.25 | 2,894.25 | 3102026 | 03/10/2026 |
| | | 3262026 | 3-20-26 Payroll Employee HSA Contributio | 03/20/2026 | 2,894.25 | 2,894.25 | 3262026 | 03/26/2026 |
| Total 638: | | | | | 5,788.50 | 5,788.50 | | |
| 651 | PERA | 701602-3062 | 3-6-26 Payroll PERA | 03/06/2026 | 6,606.46 | 6,606.46 | 840797 | 03/09/2026 |
| | | 701602-3202 | 3-20-26 Payroll PERA | 03/20/2026 | 6,576.06 | 6,576.06 | 842981 | 03/24/2026 |
| Total 651: | | | | | 13,182.52 | 13,182.52 | | |
| 654 | PETTY CASH | 12122 | Supplies | 03/30/2026 | 258.23 | 258.23 | 45643 | 03/31/2026 |
| Total 654: | | | | | 258.23 | 258.23 | | |
| 661 | POSTMASTER | 0331326 | Monthly Billing | 03/31/2026 | 1,119.39 | 1,119.39 | 3312026 | 03/31/2026 |
| Total 661: | | | | | 1,119.39 | 1,119.39 | | |
| 682 | PUBLIC UTILITIES COMM | 022626 | Monthly Utilities | 02/26/2026 | 2,534.09 | 2,534.09 | 45596 | 02/27/2026 |
| Total 682: | | | | | 2,534.09 | 2,534.09 | | |
| 701 | RESCO | 3102777 | PO 365526 Inventory Ground Sleeve | 02/13/2026 | 2,686.10 | 2,686.10 | 45615 | 03/06/2026 |
| | | 3103455 | PO 365526 Transformers | 02/20/2026 | 142,455.00 | 142,455.00 | 45615 | 03/06/2026 |
| | | 3103457 | PO 365526 Transformers | 02/20/2026 | 55,180.00 | 55,180.00 | 45615 | 03/06/2026 |
| | | 3104154 | PO 365526 Inventory Transformers | 02/26/2026 | 28,048.70 | 28,048.70 | 45626 | 03/17/2026 |
| Total 701: | | | | | 228,369.80 | 228,369.80 | | |
| 783 | SMMPA | INV2071 | 2-26 Purchased Power | 02/28/2026 | 436,872.10 | 436,872.10 | 226 | 03/25/2026 |
| Total 783: | | | | | 436,872.10 | 436,872.10 | | |
| 789 | SPENCER FANE LLP | 1504989 | Legal Fees Electric Service Territory Conn | 03/06/2026 | 2,914.00 | 2,914.00 | 20260065 | 03/20/2026 |
| Total 789: | | | | | 2,914.00 | 2,914.00 | | |
| 795 | STINSON LLP | 3521068.000 | Legal Fees General Matters | 02/12/2026 | 150.00 | 150.00 | 20260051 | 02/27/2026 |
| Total 795: | | | | | 150.00 | 150.00 | | |
| 796 | STUART C. IRBY CO. | 115155-2026 | PO 365524 Inventory Primary Cable | 02/28/2026 | 184,832.96 | 184,832.96 | 45616 | 03/06/2026 |
| Total 796: | | | | | 184,832.96 | 184,832.96 | | |
| 813 | TASC | IN3706095 | 5-1-26 to 5-31-26 COBRA Admin Fees | 03/17/2026 | 32.50 | 32.50 | 45645 | 03/31/2026 |

| Vendor Number | Name | Invoice Number | Description | Invoice Date | Invoice Amount | Check Amount | Check Number | Check Issue Date |
|---------------|-----------------------|----------------|---|--------------|----------------|--------------|--------------|------------------|
| Total 813: | | | | | 32.50 | 32.50 | | |
| 841 | TRAVELERS | 7388D2015-2 | Gen. Plant Boiler & Machinery Insurance 2 | 02/23/2026 | 137,834.00 | 137,834.00 | 45617 | 03/06/2026 |
| Total 841: | | | | | 137,834.00 | 137,834.00 | | |
| 858 | U.S. BANK EQUIPMENT F | 576717995 | Monthly Ricoh IM4510 Color Copier Lease | 03/01/2026 | 751.09 | 751.09 | 45627 | 03/17/2026 |
| Total 858: | | | | | 751.09 | 751.09 | | |
| 860 | ULTEIG ENGINEERS, INC | ARIV108453 | GIS Consulting Services & Support 2026 | 02/24/2026 | 1,069.00 | 1,069.00 | 20260052 | 02/27/2026 |
| Total 860: | | | | | 1,069.00 | 1,069.00 | | |
| 867 | VERICHECK | 022826 | Monthly eCheck Charges | 02/28/2026 | 292.25 | 292.25 | 3112026 | 03/11/2026 |
| Total 867: | | | | | 292.25 | 292.25 | | |
| 868 | VERIZON WIRELESS | 6137473135 | Remote Internet WTP #1 & WTP #2 Scad | 03/01/2026 | 415.21 | 415.21 | 45628 | 03/17/2026 |
| Total 868: | | | | | 415.21 | 415.21 | | |
| 869 | VESTIS | 220844240-2 | Cleaning Supplies O&M | 02/28/2026 | 381.78 | 381.78 | 45629 | 03/17/2026 |
| Total 869: | | | | | 381.78 | 381.78 | | |
| 873 | VOYANT COMMUNICATIO | 010558-2026 | Monthly Telephones | 03/01/2026 | 429.75 | 429.75 | 45618 | 03/06/2026 |
| Total 873: | | | | | 429.75 | 429.75 | | |
| 886 | WESCO RECEIVABLES C | 62289-20260 | Inventory Meter Sockets, Connectors, Gro | 02/28/2026 | 48,275.70 | 48,275.70 | 45619 | 03/06/2026 |
| Total 886: | | | | | 48,275.70 | 48,275.70 | | |
| 889 | WEX BANK | 110818209 | Vehicle Fuel | 02/25/2026 | 415.89 | 415.89 | 45630 | 03/17/2026 |
| Total 889: | | | | | 415.89 | 415.89 | | |
| 895 | WSB | R-024490-00 | Engineer Fees LSL Replacement | 02/24/2026 | 155.00 | 155.00 | 45598 | 02/27/2026 |
| Total 895: | | | | | 155.00 | 155.00 | | |
| 897 | WW GRAINGER, INC. | 9815382040 | Thermostat WTP #2 Chemical Room | 02/20/2026 | 178.42 | 178.42 | 20260053 | 02/27/2026 |
| Total 897: | | | | | 178.42 | 178.42 | | |
| 901 | ZIEGLER INC. | IN002302352 | PO 365573 Inventory Filters & O-Rings G | 02/18/2026 | 1,097.44 | 1,097.44 | 45599 | 02/27/2026 |
| Total 901: | | | | | 1,097.44 | 1,097.44 | | |
| 915 | C. EMERY NELSON, INC. | 44949 | PO 365571 Inventory Fuel Filters & O-Rin | 02/09/2026 | 884.23 | 884.23 | 45588 | 02/27/2026 |
| | | 45025 | PO 365585 Inventory Filters Eng. #6 O&M | 02/23/2026 | 2,488.18 | 2,488.18 | 45601 | 03/06/2026 |
| Total 915: | | | | | 3,372.41 | 3,372.41 | | |
| 968 | FIRST UNUM LIFE INSUR | 0989161-001 | 3-26 Employee Life Insurance | 02/26/2026 | 131.35 | 131.35 | 45592 | 02/27/2026 |

| Vendor Number | Name | Invoice Number | Description | Invoice Date | Invoice Amount | Check Amount | Check Number | Check Issue Date |
|---------------|-----------------------|----------------|---|--------------|----------------|--------------|--------------|------------------|
| | | 0989161-001 | 1-26 MN PFML Employees | 02/01/2026 | 528.70 | 528.70 | 45624 | 03/17/2026 |
| | Total 968: | | | | 660.05 | 660.05 | | |
| 990 | EAST SIDE OIL COMPANI | R122750 | Disposal of Oil Filters O&M | 02/27/2026 | 135.00 | 135.00 | 20260076 | 03/20/2026 |
| | Total 990: | | | | 135.00 | 135.00 | | |
| 991 | ALLEN FILTERS, INC. | 20926-1 | Oil Filters & O-Rings Gen. Plant Eng. #4 O | 02/09/2026 | 3,227.40 | 3,227.40 | 45587 | 02/27/2026 |
| | Total 991: | | | | 3,227.40 | 3,227.40 | | |
| 992 | DAVE BERG CONSULTIN | 3 | Consulting Services Electric Service Territ | 03/02/2026 | 1,250.00 | 1,250.00 | 45607 | 03/06/2026 |
| | Total 992: | | | | 1,250.00 | 1,250.00 | | |
| 993 | BENJAMIN CHORN | 12117 | Res. Energy Star Appliance Rebate Clothe | 03/17/2026 | 25.00 | 25.00 | 45621 | 03/17/2026 |
| | Total 993: | | | | 25.00 | 25.00 | | |
| 994 | HANSEN AUCTION GROU | L609-305-01 | Pallet Fork Extensions | 03/16/2026 | 79.14 | 79.14 | 45625 | 03/17/2026 |
| | Total 994: | | | | 79.14 | 79.14 | | |
| 995 | AUTUMN RIDGE LANDSC | 12121 | Used 16' Dump Box | 03/30/2026 | 9,000.00 | 9,000.00 | 45632 | 03/31/2026 |
| | Total 995: | | | | 9,000.00 | 9,000.00 | | |
| | Grand Totals: | | | | 1,912,852.73 | 1,912,852.73 | | |

Report Criteria:
 Summary report type printed

REPORT GM-26-04



TO: Princeton Public Utilities Commission
FROM: Keith R. Butcher, General Manager
SUBJECT: General Manager Report
DATE: April 1, 2026

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 from each of PPU's Senior Leadership Team.

FINANCIAL UPDATE

Staff continue to work with Caselle to update all financial reports.

LEGAL AND REGULATORY

Regulatory

The 2025 Consumer Confidence Report has been published. Notifications will go out on this month's bill message.

ADMINISTRATION/STAFF

Safety

The quarterly safety committee meeting was postponed until April 21 due to conflicting schedules.

COMMUNITY INVOLVEMENT

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

Industry Partnerships

- Attended both the SMMPA Finance and Audit Committee Meeting and the Board Meeting on April 8
- Chair Nowack, Mayor Edmonds, and I toured the Sherco facility on April 13.
- Attending MMUA's weekly Government Relations Committee meetings.

CONCLUSION

Let me know if you have any questions or require additional information on any of the topics mentioned in this report.

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

Future Meetings and Special Events

May 27: Commission Meeting

June 17: Commission Meeting
July 22: Commission Meeting

REPORT OM-4



TO: Keith Butcher, General Manager
FROM: Christina Cunningham, Office Manager
SUBJECT: April Office Manager Report
DATE: April 22, 2026

I am pleased to present the monthly update report for the month of April. 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, 836 phone calls have been taken.

Current call volumes have leveled out this past month. We have been receiving lots of support from our customers and understanding as they have experienced a complete software change.

We are continuing to work with customers during Cold Weather Rule. We follow strict disconnection guidelines set forth by the State of Minnesota and are working with customers who are struggling to make their utility payments.

BILLING

Payment Processing: Payments were processed as due date was 4/12/26. Penalties were applied and payments continue to be processed as they come in.

We are continuing to work with the new software. We discovered that customers who received Energy Assistance prior to our last data import from Power Manager on 12/31/25 had their awarded funds duplicated in Caselle. All affected customers were notified and adjustments were made to their accounts. The CSR and Billing Clerk did an amazing job at completing the adjustments, notifying customers and working with them to contact Lakes and Pines, explaining what happened and how we can work with them to bring the account current.

Last month, 37% of our customers received their bills electronically. We have customers who have chosen to get bills both by mail and electronically.

MARKETING / PUBLIC RELATIONS

We do not have any public events planned for the next month but we are looking forward to working with the Mille Lacs County Historical Society on a joint event during Public Power Week in October. Our next event will be the Rum River Days Parade and Duckorating.

CONCLUSION

We remain committed to upholding our standards of excellence in customer service, billing accuracy, financial management, and marketing.

REPORT WPPS 4-16-2026



TO: Keith R. Butcher, General Manager
FROM: Scott Schmit, Water & Power Plant Superintendent
SUBJECT: Water & Power Plant Report
DATE: April 16, 2026

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

WATER DEPARTMENT

Water quality testing

- The 6 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 testing and well draw down logs.
- Monthly fluoridation report was completed and sent to the MN Dept. of Health.
- MDH was onsite to collect quarterly PFAS samples

Other activities

- Monitored tower levels and pumps during Sylva fire.
- Continued work with WSB on upcoming project.
- Field staff with the help of the office have continued to monitor and contact customers that are flagged on the leak report.
- WTP 1 chemical room upgrades are nearing completion.
- Staff attended the Safe Assure training.
- The bucket truck to dump truck conversion project is making good progress.
- We had a well enclosure AC unit fail. Staff are working on locating a new compressor to fix the unit

POWER PLANT DEPARTMENT

- All generating units are in service.
- Shane Jayden and I attended the MMUA generation training.
- Staff are working with SMMPA to get the windows for the west and north sides of the building ordered to continue the replacement of all the windows on the original side of the building.
- Substation monthly battery maintenance was completed.
- All monthly reporting was completed.

REPORT ES-26-04



TO: Keith R. Butcher, General Manager
FROM: Jeremy Linden, Electric Superintendent
SUBJECT: April Electric Superintendent Report
DATE: April 16, 2026

I am pleased to present the monthly update report for April 2026, highlighting the activities and developments for the Electric Department.

ELECTRIC CAPITAL IMPROVEMENTS PLAN (CAP PLAN) UPDATE

- The pre-con meeting with Castrejon and DGR on March 31st went well.
- All 3 phase transformers are here and some of the single phase transformers are starting to arrive.
- More and more materials have been received for Phase 2 Construction.
- Working through the permit processes (DOT, DNR, etc) for the start of Phase 2.
- Expecting to hear from property owners about the easements for Phase 2 either today or tomorrow.
- The meter cut over process (planning/design) of Phase 2 continues to move forward.
- Continue to pull old poles and retire OH lines on Phase 1.

PROJECTS

- Working with City on Mark Park Field Lights Project.
- Repaired/moved an OH Service that was touching a business roof.
- Yukon has completed the templates and meter profiles for our incoming 3 phase meters.
- Installing cable/phasing identification tags on UG Primary in our dist. System.
- Daily service orders for lights and miscellaneous repairs.
- Monthly safety training with Safe Assure

OUTAGE REPORT

Outage Response: Had a transformer primary bushing fail in Meadowview on March 30 resulting in a hour long outage for 55 customers.

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.

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
March 11, 2026

President Moulton called the meeting to order at 9:00 a.m. at the Waseca City Hall in Waseca, Minnesota.

Mr. Sonnenberg, Waseca City Manager/Utilities & Public Works Director, welcomed the members to Waseca.

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; Thomas J. Dankert, Austin; and Timothy M. McCollough, Rochester.

Others Present:

David P. Geschwind, Executive Director & CEO; Jerry Mausbach, Blooming Prairie; Julie Zarling, Fairmont; Mike Roth, Grand Marais; Jason Halvorson, Redwood Falls; Todd Prafke, Saint Peter; Chris Rolli, Spring Valley; Carl Sonnenberg, Waseca; Craig Anderson, Wells; Beth Fondell, Naomi Goll, Joe Hoffman, Becca Schmitz, and Jeremy Sutton of the Agency staff.

Others Present Via Conference Call:

Miles Heide, Fairmont; Shane Steele, Grand Marais; Mike Geers, Litchfield; Joe Kohlgraf, Mora; and Christian Fenstermacher, Owatonna.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the February 11, 2026 board meeting minutes.

APPROVED the Rutland Substation Station Power Transformer Replacement. (Attachment A.)

#3 Fairmont Transformer Short-Term Solution-Sutton:

Mr. Sutton reported on the Fairmont transformer short-term solution.

On January 17, 2026 a fault occurred on the load side of Fairmont's southwest feeder within the Fairmont Energy Station (FES) 12.5 kV switchgear. Testing of the transformer identified

numerous issues concluding that the transformer should not be energized.

In 2023 the board authorized a cost sharing project with Fairmont to replace this transformer. The new transformer is scheduled to be delivered and energized by fall 2026. The FES plant is limited to 13 MW of output. Temporarily increasing the plant's output capability until the new transformer can be installed involves repurposing the FES to 10th Street 69 kV transmission line to a 12.5 kV dedicated distribution tie between the switchgear at FES and 10th Street.

Appreciation was expressed toward Fairmont for their efforts.

Discussion.

Action Item

Authorize FES to 10th Street temporary distribution tie using 69 kV line at a cost not to exceed \$205,000. Project expected to be in service prior to MISO summer season.

Mr. Reimers moved to authorize the Fairmont Energy Station to 10th Street temporary distribution tie using 69 kV line at a cost not to exceed \$205,000, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present. (Attachment B.)

#4 Financial Forecast Assumptions-Schmitz:

Ms. Schmitz reviewed the annual financial planning calendar and presented the proposed financial assumptions and scenarios for the upcoming financial forecast.

Financial Planning Calendar

- May – Develop short-term forecast. Budget preparation begins.
- June – Short-term forecast to board.
- July – Load forecast summary to board.
- August – Budget preparation continues.
- September – Budget and rates preview. Budget & Rates Workshop.
- October – Budget and rates for board approval.
- November – Develop long-term forecast.
- December – Long-term forecast to board.

The General Operating Reserves target includes a 2.35% inflationary increase in 2026. Data from the Bureau of Labor Statistics and Energy Information Administration (EIA) is used to apply inflation rate historical averages for the next year, and EIA forecasted inflation is used for subsequent years.

A Sherco 3 planned outage is scheduled from late February 2026 into May 2026, which will require the Agency to purchase replacement capacity. A fall outage is planned for October 10, 2026 to October 23, 2026.

Recommended Forecast Case Run Options

- Base case.
- No forward price premium case.
- High PPA costs case.

- Six-month congestion factor case.

Discussion.

It was suggested that a case be built around Sherco 3 being unavailable for 6 months and unavailable winter or summer seasons in 2028 or 2029.

These assumptions and cases will be used in the short-term forecast.

#5 Investment Policy Review-Fondell:

Ms. Fondell reported on the Investment Policy, which is reviewed every three years by the board.

The SMMPA Finance and Audit Committee reviewed the proposed changes and supports moving forward with the revised policy. The committee was thanked for their assistance.

Proposed Changes

- Extend the allowable maturity for General Reserve Account (capital reserves) to 120 months, as allowed in the senior bond resolution.
- Increase the Money Market Mutual Fund Portfolio limit from 50% to 75% to allow for increased liquidity.
- Clarify that the Agency's Trustee manages settlement of investments.
- Modify the Safekeeping section to be consistent with senior bond resolution.
- Minor grammar and formatting edits.

The Agency considered modifying the Investment Policy to align with allowable investments noted in the Minnesota Statute 118A. Any changes to authorized investments are deferred until after the adoption of the new senior bond resolution later this year.

Discussion.

Action Item

Seeking approval of the revised Investment Policy.

Mr. Dankert moved to approve the Investment Policy with proposed changes, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present. (Attachment B.)

#6 Winter Storm Fern Impact-Fondell:

Ms. Fondell reported on the Winter Storm Fern impact.

The financial impact from the storm was estimated last month as \$10 million, primarily attributed to market price fluctuations during the Sherco 3 unplanned outage. The actual Energy Cost Adjustment (ECA) for January was \$9,333,346, limited to \$4,871,521 by the \$0.02 cap and deferring the remaining \$4,461,827 in accordance with Schedule B base rates. The Sherco 3 outage was a qualifying event under the unplanned Sherco 3 outage self-insurance program. The claim amount of \$577,606.17 was applied towards the MISO net market expenses, reducing the ECA charge. The Agency's General Operating Reserves surplus could absorb the deferred

portion of the January ECA.

Discussion.

Recommendation

Seeking board approval to forego billing members for the deferred January 2026 ECA and instead reduce Agency General Operating Reserves (Rate Stabilization) by \$4,461,827.

Mr. Dankert moved to approve to forego billing members for the deferred January 2026 Energy Cost Adjustment and instead reduce Agency General Operating Reserves (Rate Stabilization) by \$4,461,827, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

#7 SMMPA Wind Turbine Repairs-Sutton:

Mr. Sutton reported on the SMMPA wind turbine repairs.

One of the 1650 kW wind turbines in Fairmont experienced a bearing failure in late January 2026.

The Vestas wind turbines maintenance contract only covers preventative maintenance. While the replacement of a bearing does show to be a cost-effective solution by itself, the possibility of further component failure within the next five years is high.

Recommendation Factors

- Renewable energy standard compliance achieved without the generation of the turbine.
 - Renewable Energy Credit bank balance is sufficient.
- Failure of next component imminent.
- Lease contract was reviewed and deemed to allow for the retirement of a unit.
- Cheaper alternatives are currently being explored.

Action Item

Approve retirement of the Fairmont wind turbine with no further repairs. The unit will be retired in place. Demolition or repowering options will be evaluated as additional information becomes available.

Discussion.

Mr. McCollough moved to approve retiring the Fairmont wind turbine with no further repairs with the understanding that the demolition or repowering options will be evaluated as additional information becomes available, seconded by Mr. Reimers, passed upon a unanimous vote of the board members present.

After a short break, the board reconvened at 10:20 a.m.

#8 Steele Energy Station Project Authorization-Sutton:

Mr. Sutton reported on the Steele Energy Station (SES) project authorization.

The Minnesota Pollution Control Agency flagged the air permit for further review based on the new provision in the Minnesota Statute 2161.04 defining the size-based requirements for large energy facilities capable of producing over 50 MW. SMMPA filed the air permit application for SES as a 45 MW nominal facility. During colder temperatures, the unit could exceed the 50 MW threshold, but the controls software would limit output to 49.9 MW. On February 12, 2026, SMMPA submitted an Applicability Determination form as required to the Minnesota Public Utilities Commission (MPUC), and the Agency is waiting for MPUC's decision.

Under the Combustion Turbine Procurement Contract, the Notice to Proceed deadline to Solar Turbines is April 15, 2026.

Discussion.

Next Steps

- Working with DGR Engineering on schedule impacts and permit expectations.
- Reached out to Solar Turbines for generation queue options.
- Overall industry trends on supply chain.

April Board Meeting

- DGR Engineering will attend the April Board meeting to share insights on the air permit process, timeline, and cost estimates.
- Member Representatives vote for funding the SES Project.

Government Affairs/Member Services Report-Hoffman:

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

APPA Legislative Rally

SMMPA members from Austin, Blooming Prairie, Owatonna, Rochester, and Saint Peter, along with SMMPA staff, attended the APPA Legislative Rally February 22-26, 2026 in Washington, D.C.

MMUA Legislative Conference

Members were reminded of the MMUA Legislative Conference March 24-25, 2026 in St. Paul, Minnesota.

Nuclear Energy Education Day

The Minnesota Nuclear Energy Alliance (SMMPA is a member) will hold a rally in the Minnesota State Capitol Rotunda on March 17, 2026 from 9:30 a.m. – 11:30 a.m.

AES Personal Property Tax Exemption

The Austin Energy Station personal property tax exemption has been drafted and will be introduced in legislation this week. Senator Dornink (R-Austin) has agreed to author the legislation in the Senate and Senator Hauschild (DFL-Grand Marais) as co-author. This week SMMPA will meet with Representative Mueller (R-Austin) regarding authoring the bill in the

House and Representative Liebling (DFL-Rochester) as co-author. The Steele Energy Station tax exemption bill is still active in the Senate and House.

Electric Vehicle Charging New Pricing and Signage

In 2025 a new Minnesota law required electricity sold for electric vehicles (EV) must be expressed in kilowatt-hour units. SMMPA EV charging at both the Level 2 and DCFCs have been billed by 'time used' rather than 'energy delivered'. Based on conversations with ZEF Energy and pricing around the region, SMMPA has determined the following pricing is fair:

- Public Level 2 Chargers: \$0.25/kWh
- Public DC Fast Chargers: \$0.40/kWh
- If requested by the member, an 'Idle Fee' (perhaps \$2/hour after 1 hour of idle time) can be added.

SMMPA has updated the pricing on the Level 2 at the SMMPA office. SMMPA will update the pricing on the remaining L2s and DCFCs in the member communities on April 1, 2026.

Members should contact SMMPA if they prefer a different pricing structure or would like to adjust the pricing themselves. The new law also requires signage display service expressed in kilowatts or if a fee is assessed for other services (idle time fee) must be displayed on the face of the device. SMMPA will prepare and distribute new signage to the members for both the Level 2 and DCFC chargers.

DER Technical Specification Manual Training

The DER Technical Specification Manual Training will be held on April 20, 2026 in Saint Peter, Minnesota.

Cybersecurity Board Security Brief

Firewall is a hardware device, with associated software/firmware, that serves as a security control that sits between trusted systems (like SMMPA's internal network) and untrusted networks (such as the internet) and decides what digital traffic is allowed in or out based on defined rules. During a cybersecurity incident, firewall rules can be updated quickly to isolate affected systems and stop threats from spreading and firewalls also produce logs that help IT staff spot unusual activity and support investigations, compliance, and collaboration with insurers and responders.

Operations Report-Sutton:

Mr. Sutton reported:

Sherco 3 Tours

Members will have the opportunity to tour Sherco 3 during its current planned outage. An email will be sent to the members with the tour dates, and we are aiming to keep tour groups to 10 people per day.

Sherco 3/Hedge Position

The current Sherco 3 planned outage is scheduled from late February 2026 to May 2026. Energy hedge purchases recommended by The Energy Authority are in place. TEA will re-run the analysis model to determine if SMMPA's remaining hedge budget of 25 MW (May) should be purchased.

Capacity Position

Mr. Sutton provided review of the Agency's current MISO capacity situation. Since MISO implemented the Reliability-Based Demand Curve, capacity prices in the auction have been higher. The market is tight, with not a lot of excess generation available for bilateral transactions.

Litchfield Air Permit

The Minnesota Pollution Control Agency (MPCA) requested SMMPA be a signatory on the Litchfield air permit. SMMPA submitted a letter to MPCA requesting not to be a signatory on the Litchfield air permit. More details to follow.

Market Update

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

Financial Report January 2026-Fondell:

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

SMMPA Financial Audit

The SMMPA financial audit has gone well.

SMMPA Finance & Audit Committee

The SMMPA financial audit report will be presented at the April SMMPA board meeting, and the SMMPA Finance & Audit Committee will meet prior to the board meeting. The annual review of the Audit Committee Charter and the internal controls review will be on the agenda.

Annual Review of Financial Information

Members were asked for feedback on the financial and operational reports included in monthly board books. A member suggested adding budget information to the board book income statement, which will be implemented going forward.

Bond Issuance 2027

The 2027 bond issuance timeline prepared by Public Financial Management was presented. Pricing is planned for the second week of January 2027 and closing the end of January 2027. A Member Representatives meeting will be required for approval of the debt issuance, likely in October or November 2026.

SMMPA Personnel

Ms. Fondell announced her retirement at the end of January 2027.

President's Report:

Mr. Moulton reported:

- SMMPA Staff Recognition: Congratulations to Ms. Fondell on her upcoming retirement. SMMPA staff members recognized were Beth Fondell and Becca Schmitz for their work on the January Energy Cost Adjustment issue; Jeremy Sutton and staff work with Winter

Storm Fern impacts; and Joe Hoffman and staff for coordinating events at the APPA Legislative Rally in Washington, D.C.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- APPA Board of Directors Meeting: Mr. Geschwind serves on the APPA Board of Directors as a Regional Representative. The APPA Board of Directors meetings are held three times a year during the APPA Legislative Rally, APPA National Conference, and a stand-alone meeting in October. Mr. Geschwind reported on a few items of interest from the board meeting held in conjunction with the recent Legislative Rally.
- SMMPA Board Meeting December: An email will be sent to the members proposing holding the December 2026 board meeting on December 10, 2026 to avoid conflict with the MMUA Technical & Operations Conference.
- Rochester Post-2030 Option: Rochester is exploring post-2030 options for power supply. Mr. Geschwind reported on recent conversations he has had with Rochester Public Utilities to explore the possibility of partial-requirements power supply to Rochester after 2030.
- SMMPA Member Representative Meeting: Next month a Member Representatives meeting will be held to seek financing approval for the Steele Energy Station.

Member Forum:

None.

Other Business:

There was no other business.

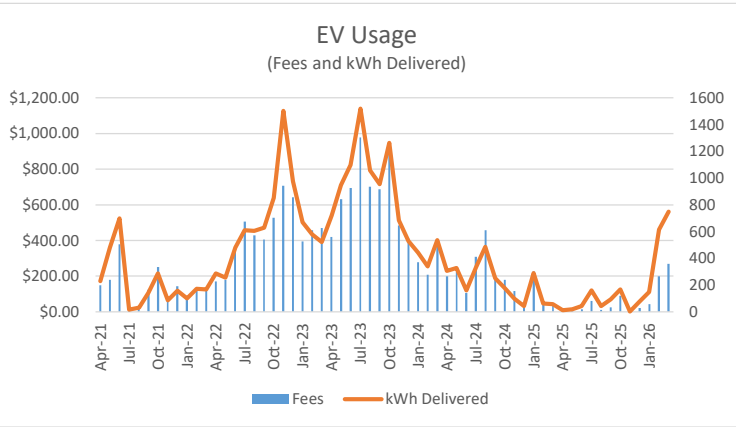
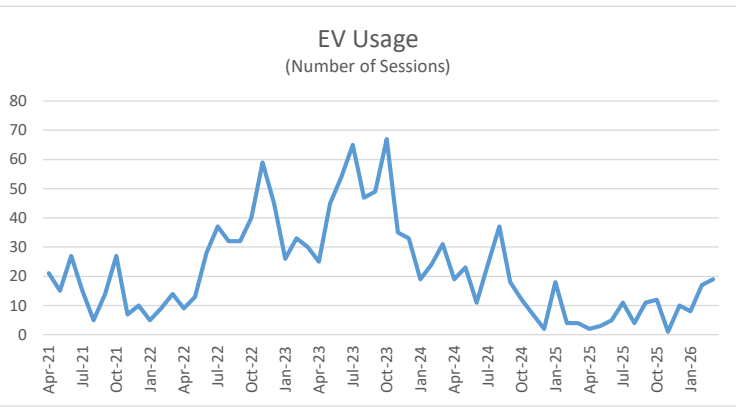
Adjourn:

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

The meeting was adjourned at 12:02 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 |
| Jun-25 | 5 | \$12.59 | 42 |
| Jul-25 | 11 | \$59.41 | 159 |
| Aug-25 | 4 | \$10.36 | 41 |
| Sep-25 | 11 | \$25.34 | 93 |
| Oct-25 | 12 | \$89.52 | 165 |
| Nov-25 | 1 | \$1.27 | 2 |
| Dec-25 | 10 | \$20.74 | 76 |
| Jan-26 | 8 | \$42.79 | 147 |
| Feb-26 | 17 | \$198.82 | 614 |
| Mar-26 | 19 | \$269.26 | 748 |



MEMORANDUM 26-13



TO: Princeton Public Utilities Commission
FROM: Chrissy Cunningham, Office Manager
SUBJECT: Commercial Deposits
DATE: April 22, 2026

ITEM SUMMARY

A review of Commercial Deposits.

BACKGROUND INFORMATION

Due to a customer question shared at the February 25, 2026 meeting, the Commission instructed staff to conduct a review of the Commercial Deposit Policy.

ISSUES

The collection of commercial deposits is an issue with conflicting goals.

To encourage business growth and economic development, lower deposits can result in a lower cost of entry into the marketplace. Overly burdensome deposit policies may temper growth. Utility deposits are also usually one of the last expenditures made by a new business owner and are often overlooked. This places the utility in an unfortunate situation. The first interaction between the new business owner and the utility is at a time when a business owner is already tapped out from various start-up costs (permits, security deposits, installation fees, sunk administrative costs, etc...).

However, it is important to note that 20% of small businesses fail within the first year. Approximately half of all new small businesses survive five years or more. When a business fails, it is extremely difficult to collect arrears for past due bills, especially from those renting spaces. Unlike residential accounts which are secured with social security numbers allowing for collections through programs such as Minnesota's Recapture Program, no such commercial recapture program exists. Due to the higher risk, higher deposits can be justified. PPU does not currently run credit checks on businesses given the large costs (approximately \$30-\$50 per applicant) and wouldn't address the risks noted above regarding new businesses.

It should also be stated that water and sewer can be assessed to the property owners once a year. Electric assessments are much more limited (ie. excludes renters). For this reason, water and sewer deposits can be lower than a simple two-month calculation while electric deposits can be higher.

FINDINGS

In a review of the historical record, staff note the following items.

- The deposit for commercial accounts in 2018 was \$700 for all commercial customers

- In 2023, the Commission split the commercial deposit into three groups
 - o Group one for Electric, Water and Sewer customers remained at \$700
 - o Group two for Electric only customers and reduced to \$600
 - o Group three for Water and Sewer only customers and reduced to \$150
- Staff's recollection is this change was implemented to soften the burden on businesses that were electric only.

A review of 2025 actual commercial data reveals the following results per month. Please note that this table does not include fees or taxes.

| Electric | | Water | | Sewer | |
|--------------------|------------|--------------------|----------|---------------------|----------|
| Average Max Charge | | Average Max Charge | | Average Flat Charge | |
| SGS | \$209.35 | Commercial | \$187.41 | Commercial | \$215.95 |
| LGS | \$2,012.26 | | | | |

Using these numbers and referencing the policy of looking at the two highest months of the year, the deposit for each utility would be: Electric (\$418.70) – based on SGS Rate, Water (\$374.82) – based on Commercial Rate, and Sewer (\$431.90) – based on Commercial Rate. Using the current deposit methodology this would be close to:

| | |
|---|------------|
| Commercial (Electric, Water, and Sewer) | \$1,250.00 |
| Commercial (Electric only) | \$425.00 |
| Commercial (Water and Sewer only) | \$825.00 |

SURVEY

Staff reached out (through SMMPA) to conduct a survey of member commercial business deposit practices. We received feedback from five municipal utilities.

The questions asked were:

#1: How do you determine if a deposit is needed on a new commercial account application?

#2: How do you determine the amount of the deposit for a new commercial account?

#3: Do you have a process for returning the deposit? If so, please describe the conditions under which a deposit is returned.

| | Q1 | Q2 | Q3 |
|---|--|--|---|
| 1 | No deposit if existing business is in good standing. Required for all new businesses. | Commercial deposit is \$300. | Returned after 12 consecutive on-time payments. |
| 2 | Required on all new accounts | Monthly average of the last 12 months for that location. If new construction, then based on business of similar size/type. | Returned after 12 consecutive on-time payments. |
| 3 | No deposit if existing business in good standing. Will accept a credit reference letter. | Highest monthly bill or \$500, whichever is greater. | Returned after 12 consecutive on-time payments |
| 4 | Required if renting. Typically no deposit if they are the property owner. | \$200 deposit if renting. Typically no deposit if they are the property owner. If disconnected, deposit is 2x the highest month in last 12 months. | Returned after 24 months if there were no notices or disconnections. Required if customer becomes delinquent. |
| 5 | All pay a deposit | \$100 | Only returned when the account is closed. |

RECOMMENDATION

Staff are looking for direction from the Commission.

MEMORANDUM 26-14



TO: Princeton Public Utilities Commission
FROM: Kathy Ohman, Bookkeeper
SUBJECT: Commercial Deposits
DATE: April 22, 2026

ITEM SUMMARY

Introduction of the new General Ledger structure

BACKGROUND INFORMATION

With the conversion to the new Billing/Accounting Software, the old General Ledger (GL) codes were not conducive to creating standard financial statements. Staff developed a new GL system that should work seamlessly with the new software while creating a consistent structure across funds and departments. This change should increase transparency and facilitate better financial reports for the Commission.

FINDINGS

Please refer to the attached General Ledger Manual. Staff are always interested in feedback.

RECOMMENDATION

No action is needed as this for informational purposes only.



General Ledger Manual

Effective TBD

Section 1: PURPOSE

This General Ledger (GL) Manual establishes standards for recording, classifying, and reporting financial transactions for Princeton Public Utilities. It ensures accuracy, consistency, transparency in cost allocation, and compliance with audit requirements.

Section 2: SCOPE

This policy applies to all financial transactions within the following areas:

- Electric Fund (01) – Enterprise Fund
- Water Fund (02) – Enterprise Fund
- Wastewater Fund (03) – Optional

Section 3: ACCOUNTING FRAMEWORK

Princeton Public Utilities follows accrual-based accounting and enterprise fund accounting principles in accordance with applicable governmental standards.

Section 4: GENERAL LEDGER STRUCTURE

The GL format is:

Fund – Department – Source (XX-XXXX-XXXX)

4.1 Fund Codes

- 01 – Electric
- 02 – Water
- 03 – Wastewater (Future)
- 99 – Clearing Fund

4.2 Department Codes

- 0001 Current Asset, Fixed Asset, Liability and Equity (to be updated at a later date)
- 4000 Revenue
 - 4000 Revenue - Non-Operating
 - 4100 Production / Treatment
 - 4200 Distribution
 - 4300 General and Administrative (G&A)
- 5000 Expense
 - 5000 Expense - Non-Operating
 - 5100 Production / Treatment
 - 5200 Distribution
 - 5300 General and Administrative (G&A)
- 9300 Shared Services / Admin Cost Pool

4.3 Source

4.3.1 Expenses

- 0000-0099 Non-Operating Expense
- 1000-1099 Utilities
 - Wholesale Power (SMMPA)
 - Wholesale Fuel (Diesel for Generators)
 - Electric
 - Natural Gas
 - Water
 - Wastewater
 - Telecom
 - Gasoline
- 1100-1199 Major Components
 - 1100-1109 Substations/Towers
 - 1110-1119 Transformers/Curb Stops
 - 1120-1129 Buildings and Grounds
 - 1130-1139 Fleet
- 1200-1299 Minor Components
 - 1200-1209 Feeders/Mains
 - 1210-1219 Meters
 - 1220-1229 Street Lights/Hydrants
 - 1230-1239 Security Lights
 - 1240-1249 Service Lines
 - 1250-1259 Miscellaneous
- 1300-1399 Parts and Materials
 - 1300-1309 Consumables
 - 1310-1319 Non-consumables
 - 1320-1329 Postage
 - 1330-1339 Tools, Equipment, Furniture
- 1400-1499 IT
 - SCADA
 - GIS
 - Workstations
 - Network
 - AMI
 - Billing Accounting
 - Website
- 1500-1599 Services and Consultants
 - 1500-1509 Engineering Services
 - 1510-1519 Legal Services
 - 1520-1529 Administrative Services

- 1530–1539 Inspections
- 1540–1549 Other Services
- 1600–1699 Regulatory
 - Licenses and Permits
 - State and Federal Assessments
 - PILOT
 - Sales Tax
 - Insurance
- 1700–1799 Major Events and Projects
 - 1500–1509 Outage Claims
- 1800–1899 Labor
 - 1800–1819 Salaries and Benefits
 - 1820–1829 Professional Development
- 1900–1999 Stakeholder Engagement
 - Dues and Subscriptions
 - Transportation and Meals
 - Marketing and Materials
 - Rebate Programs

4.3.2 Revenues

- 0000-0999 Non-Operating Revenue
- 1000-1999 Operating Revenue - Rates
 - 1000–1099 Residential Rates
 - 1100-1199 Commercial Rates
 - 1200-1299 Industrial Rates
 - 1300-1319 Other Rates
 - ECA
 - Community Solar
 - RECs
 - Grid Access
- 2000-2999 Operating Revenue – Fees
 - Account
 - Service Line Protection
 - Delinquencies and Penalties
 - Access Points
- 3000-3999 Operating Revenue - Development
 - Connection Fees
 - Construction Fees
 - Trunk Fees
- 5000-5999 Operating Revenue – Generation
 - SMMPA O&M
 - Quick Start

- 6000-6999 Operating Revenue – Other
 - Rate Stabilization
 - Rent/Lease
 - Merchandise Sales
 - Grants/Loans
 - Operating Funds Transfer

Section 5: ACCOUNT CREATION & MAINTENANCE

New GL codes must be approved by management and include justification and purpose. Accounts must be clearly named and consistent across funds.

Section 6: TRANSACTION RECORDING

All transactions must be accurate, timely, supported by documentation, and recorded in the correct fund and department.

Section 7: COST ALLOCATION POLICY

Shared administrative costs are accumulated in Fund 01 - Department 9300 and allocated to all benefiting funds.

7.1 Allocation Principles

- Costs are allocated based on logical drivers (customers, employees, revenue).
- Different cost types may use different allocation methodologies.
- Allocations are performed monthly and documented.
- Admin pool accounts should net to zero after allocation.

7.2 Allocation to Wastewater (Future)

Wastewater funds receive allocations of administrative costs and record revenue from the city contract to recover these costs. Pass-through amounts to the City are recorded separately.

Section 8: CAPITAL VS OPERATING EXPENSES

Operating expenses include routine costs. Capital expenditures include asset acquisitions and improvements above the capitalization threshold.

Section 9: PAYROLL CODING

Employees must code time to the appropriate fund, department, and classification. Supervisors are responsible for review.

Section 10: MONTH-END CLOSE PROCESS

Monthly close includes recording all transactions, completing allocations, reconciling accounts, and reviewing financial statements.

Section 11: FINANCIAL REPORTING

Reports include income statements by fund, budget comparisons, and allocation summaries.

Section 12: INTERNAL CONTROLS

Segregation of duties, approvals, and audit compliance are required.

Section 13: RECORD RETENTION

Records must be retained per applicable regulations and audit requirements.

Section 14: POLICY REVIEW

This policy shall be reviewed annually and updated as needed.

INTERNAL PROCEDURES

1. PURPOSE

This manual establishes standards for recording and allocating financial transactions, ensuring transparency, audit compliance, and consistency across all utility funds.

2. SCOPE

Applies to Electric (01) and Water (02).

3. GENERAL LEDGER STRUCTURE

Format: Fund – Department – Account (XX-XXXX-XXXX)

4. COST ALLOCATION POLICY (DETAILED)

4.1 Purpose of Allocation

To fairly distribute shared administrative costs to all benefiting funds based on measurable and logical cost drivers.

4.2 Admin Cost Pool

All shared administrative costs shall be recorded in Fund 01, Department 9300.

4.3 Allocation Methodologies

Different cost categories shall be allocated using the most appropriate driver. Examples are shown below:

- Customer Accounts: Number of customers
- IT / Software: Number of employees
- Finance / Admin: Revenue percentage
- General Overhead: Blended or department-based allocation

4.4 Allocation Frequency

Allocations shall be performed monthly and reviewed annually.

4.5 Documentation Requirements

Each allocation must include a worksheet showing:

- Total costs by account
- Allocation drivers and percentages
- Calculations supporting entries

5. SAMPLE JOURNAL ENTRIES

5.1 Water Allocation Example

Debit 02-5300-xxxx Admin Expense \$3,625

Credit 01-9300-xxxx Admin Pool \$3,625

5.3 Revenue Entry Example

Debit Cash

Credit Revenue (by fund)

5.4 Pass-through Entry Example

Debit Revenue

Credit Payable to City

6. MONTHLY WORKFLOW

Step 1: Record all admin expenses in 01-9300 accounts.

Step 2: Compile allocation drivers (customers, staff, revenue).

Step 3: Complete allocation worksheet.

Step 4: Prepare and post allocation journal entries.

Step 5: Verify admin pool clears to zero.

Step 6: Review financial statements.