



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
May 27, 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 22, 2026
 - b. Certification of Accounts Payable
 - c. Resolutions and Orders
5. **Reports**
 - a. General Manager Report
 - i. Office Manager Report
 - ii. Water/Power Plant Superintendent Report
 - iii. Electric Superintendent Report
 - b. Financial Reports – Cash Reserves
 - c. Other Reports
 - i. SMMPA and EV Chargers
6. **Regular Agenda**
 - a. City Report (Taylor)
 - b. ECA Adjustment (Butcher)
 - i. Memo 26-16: ECA Review
 - c. 2026 Joint Meeting Discussion (Butcher)
 - i. Memo 26-17: Joint Meeting
 - ii. City Invitation

*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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- iii. City Memo – Franchise Fee
- iv. City Memo – Stormwater Management Fee

7. Adjournment

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PUBLIC UTILITIES COMMISSION

REGULAR MEETING

April 22, 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 22, 2026, at 1:00 p.m.

Meeting was called to order by 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 Liaison Nick Taylor and Ed Yost.

Also in attendance: Jenny Gerold.

2. APPROVAL OF AGENDA

Mr. Nowak called for additions or deletions to the agenda. General Manager Keith Butcher requested an addition to the agenda:

4. Consent Agenda:
 - c. Resolution 26-04 – Regarding the Phase 2 Electric Meter Cutover Bid Ads for Bid Opening on June 9, 2026

Commissioner Richard Schartz requested an addition to the agenda:

5. Reports:
 - c. Nick Taylor, City Councilor Liaison

Mr. Schwartz made a motion to add Liaison Report on a regular basis to the Regular PUC Meeting Agenda under Reports. Mr. Jackson seconded. Motion carried.

Mr. Jackson made a motion to approve the agenda of the April 22, 2026, Regular PUC Meeting with additions. Mr. Schwartz seconded. Motion carried.

3. PUBLIC COMMENTS:

There were no Public Comments.

4. **CONSENT AGENDA:**

- a. Public Utilities Commission Regular Meeting Minutes – February 25, 2026
- b. Certification of Accounts Payable
- c. Resolution 26-04 – Regarding the Phase 2 Electric Meter Cutover Bid Ads for Bid Opening on June 9, 2026

Mr. Schwartz brought up a question regarding the Certification of Accounts Payable. Certification of Accounts Payable was removed from the Consent Agenda and added to the Regular Agenda:

- 6. Regular Agenda:
 - e. Certification of Accounts Payable

Mr. Jackson made a motion to approve the Consent Agenda of the April 22, 2026 Regular PUC Meeting with changes. Mr. Schwartz seconded. Motion carried.

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 Reports
- c. Liaison Report
City Councilor Nick Taylor reported on activities with the City of Princeton which included the re-zoning of properties within city limits.

6. **REGULAR AGENDA**

a. **COMMERCIAL DEPOSIT POLICY**

Office Manager Christina Cunningham presented *Memo 26-13: Commercial Deposits* regarding a review of the Commercial Deposit policy which included a survey conducted by SMMPA of their members regarding commercial deposit policies. A letter submitted by Ashly Hughes, a PUC customer, was also presented to the PUC Commission.

Discussion.

b. **2026 BONDING – ELECTRIC CAP PLAN (PHASE II)**

General Manager Keith Butcher reported on the bonding scheduled in 2026 for Phase II of the CAP Plan.

Discussion.

c. GENERAL LEDGER DISCUSSION

Secretary/Treasurer Kathy Ohman presented *Memo 26-14: General Ledger Re-Design* regarding creating a new General Ledger structure which will be consistent across funds and departments. The change will also increase transparency and facilitate better financial reports.

Discussion.

d. 2026 JOINT MEETING

General Manager Keith Butcher brought up the discussion of a Joint Meeting with Princeton City Council. Prior to scheduling a Joint Meeting, Mr. Butcher is looking for topics, questions and concerns the PUC Commissioners would like to discuss with the City.

Discussion.

e. CERTIFICATION OF ACCOUNTS PAYABLE

Commissioner Richard Schwartz brought up a question regarding the Certification of Accounts Payable on the Consent Agenda. It was noted that auditors have fully endorsed PUC Policies regarding the Certification of Accounts Payable.

Discussion.

Mr. Jackson made a motion to approve the Certification of Accounts Payable for the period of March 1, 2026 through March 31, 2026. Mr. Schwartz seconded. Motion carried.

There being no further business, Mr. Schwartz made a motion to adjourn the meeting at 2:15 p.m. Mr. Jackson 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.	717666434	4-3-26 Payroll Processing Fees	04/03/2026	226.94	226.94	4102026	04/10/2026
		718792500	4-17-26 Payroll Processing Fees	04/17/2026	197.62	197.62	4242026	04/24/2026
Total 7:					424.56	424.56		
29	AMARIL UNIFORM COMP	IV296034	FR Rated Clothing T. Berg	04/14/2026	257.44	257.44	20260094	04/30/2026
Total 29:					257.44	257.44		
60	AT&T MOBILITY	2873130172	Monthly Cell Phones	03/25/2026	396.08	396.08	45647	04/10/2026
Total 60:					396.08	396.08		
74	BATTERIES PLUS BULBS	P90596084	AED Replacement Batteries	03/25/2026	322.55	322.55	45633	03/31/2026
Total 74:					322.55	322.55		
95	BOLTON & MENK, INC.	0390397	Engineer Fees PFAS Management/Reduct	03/23/2026	4,428.00	4,428.00	20260069	04/01/2026
Total 95:					4,428.00	4,428.00		
97	BORDER STATES ELEC.	5136-032026	Inventory Elbows, Junctions, Term. Risers,	04/01/2026	20,455.29	20,455.29	45648	04/10/2026
Total 97:					20,455.29	20,455.29		
138	CARDMEMBER SERVICE	4844-032026	Vapor Recovery Filters Gen Plant Eng. #4	03/11/2026	1,393.99	1,393.99	45634	03/31/2026
		7274-032026	Strobe Light Bulb Truck #8	03/11/2026	156.39	156.39	45635	03/31/2026
		8855-032026	MRWA Conference Registration Fee S. Sc	03/11/2026	700.00	700.00	45636	03/31/2026
Total 138:					2,250.38	2,250.38		
153	CENTERPOINT ENERGY	10856562-3-	3-26 Natural Gas 101 S 9th Ave.	03/24/2026	339.11	339.11	45649	04/10/2026
		5848750-5-0	3-26 Natural Gas Gen. Plant O&M	03/24/2026	1,870.97	1,870.97	45650	04/10/2026
		7559455-6-0	3-26 Natural Gas 1001 S Rum River Dr.	03/24/2026	717.70	717.70	45651	04/10/2026
		9481273-2-0	3-26 Natural Gas Shop	03/24/2026	488.45	488.45	45652	04/10/2026
Total 153:					3,416.23	3,416.23		
175	CITY OF PRINCETON	12127	3-26 Sewer Billing & Late Charges	04/29/2026	138,601.41	138,601.41	20260095	04/30/2026
Total 175:					138,601.41	138,601.41		
176	CITY OF PRINCETON	557	4-26 IT Support Services	04/20/2026	1,012.48	1,012.48	20260096	04/30/2026
Total 176:					1,012.48	1,012.48		
177	CITY OF PRINCETON	12128	1-26 to 3-26 City of Princeton Franchise F	04/29/2026	22,406.68	22,406.68	20260097	04/30/2026
Total 177:					22,406.68	22,406.68		
188	CONNEXUS ENERGY	44352-17963	Monthly Utilities 1100 Watertower Dr. S	03/13/2026	198.96	198.96	45637	03/31/2026
		444352-2972	Monthly Power for Pumping 1001 Rum Riv	03/13/2026	2,007.98	2,007.98	45637	03/31/2026

Vendor Number	Name	Invoice Number	Description	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total 188:					2,206.94	2,206.94		
240	DGR ENGINEERING	00282235	Engineer Fees Solar DG Interconnection	03/17/2026	243.00	243.00	20260072	04/01/2026
		00282236	Engineer Fees CAP (Ph1) - Final Phase (T	03/17/2026	101.00	101.00	20260073	04/01/2026
		00282237	Engineer Fees CAP (Ph2) - Final Design,	03/17/2026	43,143.50	43,143.50	20260074	04/01/2026
		00282238	Engineer Fees CAP (Ph2) - Prelim. Design	03/17/2026	3,627.50	3,627.50	20260075	04/01/2026
Total 240:					47,115.00	47,115.00		
261	ECM PUBLISHERS, INC.	1089813	Full Page Ad 2026 Princeton Community	03/01/2026	860.00	860.00	45638	03/31/2026
Total 261:					860.00	860.00		
301	FINKEN WATER SOLUTIO	22926TP	Bottled Water	03/27/2026	40.95	40.95	20260081	04/16/2026
Total 301:					40.95	40.95		
304	FP MAILING SOLUTIONS	4222026	Postage for Postage Machine	04/22/2026	900.00	900.00	42226	04/22/2026
Total 304:					900.00	900.00		
309	FS3, INC.	98055	Extreme Standing Mats Gen. Plant O&M	03/24/2026	473.15	473.15	20260082	04/16/2026
		98077	Large Leather Gloves	03/25/2026	154.71	154.71	20260082	04/16/2026
Total 309:					627.86	627.86		
324	GOPHER STATE ONE CA	6031391	Monthly Locates	03/31/2026	33.75	33.75	20260083	04/16/2026
Total 324:					33.75	33.75		
329	GREAT AMERICA FINANC	41652465	4-25 Postage Meter Rental	04/02/2026	164.95	164.95	45654	04/10/2026
Total 329:					164.95	164.95		
330	GREAT RIVER OFFICE P	002252-0320	Monthly Supplies	03/31/2026	88.27	88.27	20260084	04/16/2026
Total 330:					88.27	88.27		
338	HAWKINS, INC.	7368558	Chemicals Chlorine & Fluoride	03/18/2026	2,488.17	2,488.17	45655	04/10/2026
Total 338:					2,488.17	2,488.17		
339	HEALTHPARTNERS	0412873874	4-26 Employe Health Insurance	03/05/2026	25,396.60	25,396.60	4012026	04/01/2026
Total 339:					25,396.60	25,396.60		
360	INDEPENDENT DEALERS	12125	Commercial Lighting Rebate	04/10/2026	5,007.18	5,007.18	45656	04/10/2026
Total 360:					5,007.18	5,007.18		
362	INSTRUMENTAL RESEAR	7026	Monthly Water Testing	04/02/2026	135.40	135.40	45657	04/10/2026
Total 362:					135.40	135.40		
402	JIM'S MILLE LACS DISPO	3940154-032	Monthly Trash Service	03/31/2026	241.37	241.37	20260085	04/16/2026

Vendor Number	Name	Invoice Number	Description	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total 402:					241.37	241.37		
476	KRISS PREMIUM PRODU	199866	Jacket Water Chemical Eng. #3-#6 O&M	03/26/2026	618.26	618.26	20260086	04/16/2026
		200066	Qrtly. Jacket Water Treatment & Maintena	04/01/2026	500.00	500.00	20260086	04/16/2026
Total 476:					1,118.26	1,118.26		
493	LINCOLN FINANCIAL GR	4949789325	4-26 Employee Disability Insurance	03/10/2026	460.74	460.74	20260077	04/01/2026
Total 493:					460.74	460.74		
523	MARV'S TRUE VALUE	2252-032026	WTP #1 Supplies Bleach, Vinegar, Peroxid	03/31/2026	288.99	288.99	45659	04/10/2026
Total 523:					288.99	288.99		
547	MENARDS - ELK RIVER	34303	LED Light Fixture WTP #1 Chemical Roo	03/31/2026	231.46	231.46	45660	04/10/2026
Total 547:					231.46	231.46		
550	METRO SALES INCORPO	CW5233	3-26 Managed Technical Services	03/02/2026	3,097.06	3,097.06	45640	03/31/2026
Total 550:					3,097.06	3,097.06		
562	MIDCONTINENT COMMU	13072950115	Monthly Internet	04/01/2026	225.58	225.58	45661	04/10/2026
		13096360115	Monthly Telephone Water Treatment Plant	04/01/2026	53.88	53.88	45662	04/10/2026
Total 562:					279.46	279.46		
583	MN DEPT. OF COMMERC	1000054977	4th Qtr. FY 2026 Indirect Assessments	03/02/2026	1,255.14	1,255.14	45613	03/06/2026
		1000055098	Joint Request of PPU & ECE Modify Servi	04/01/2026	101.32	101.32	45663	04/10/2026
Total 583:					1,356.46	1,356.46		
588	MN DEPT. OF REVENUE	0226	2-26 State Sales Tax Billed	04/21/2026	32,818.00	32,818.00	35171944	04/21/2026
Total 588:					32,818.00	32,818.00		
591	MN MUNICIPAL UTILITIES	68572	MMUA Underground School C. Zahner & J	03/16/2026	1,170.00	1,170.00	20260078	04/01/2026
		68588	DER Technical Specification Manual Traini	03/20/2026	950.00	950.00	20260078	04/01/2026
Total 591:					2,120.00	2,120.00		
594	MN STATE RETIREMENT	040326	4-3-26 Payroll MNDCP Contribution	04/03/2026	50.00	50.00	11603817	04/07/2026
		042126	4-17-26 Payroll MNDCP Contribution	04/21/2026	50.00	50.00	11693021	04/21/2026
Total 594:					100.00	100.00		
601	MPCA	1000022917	Hazardous Waste Fee Parts Washer O&M	03/16/2026	1,279.49	1,279.49	45641	03/31/2026
Total 601:					1,279.49	1,279.49		
605	NAPA CENTRAL MN	2648-032026	Silicone Eng. #6 Oil Filter Housing O&M	03/31/2026	200.59	200.59	20260088	04/16/2026
		2774-032026	Oil, Air Filters & Oil Filters Water Truck #2	03/31/2026	71.79	71.79	20260088	04/16/2026
Total 605:					272.38	272.38		

Vendor Number	Name	Invoice Number	Description	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
610	NCPERS GROUP LIFE IN	7016020420	3-26 Employee Life Insurance	03/01/2026	64.00	64.00	45642	03/31/2026
Total 610:					64.00	64.00		
637	ONLINE INFORMATION S	1383207	Monthly Online Credit & ID Checks	03/31/2026	115.44	115.44	20260090	04/16/2026
Total 637:					115.44	115.44		
638	OPTUM	04032026	4-3-26 Payroll Employee HSA Contribution	04/03/2026	2,894.25	2,894.25	472026	04/07/2026
		4222026	4-17-26 Payroll Employee HSA Contributio	04/22/2026	2,894.25	2,894.25	4222026	04/22/2026
Total 638:					5,788.50	5,788.50		
651	PERA	701602-4032	4-3-26 Payroll PERA	04/03/2026	6,576.06	6,576.06	844575	04/06/2026
		7016-02-417	4-17-26 Payroll PERA	04/17/2026	6,576.06	6,576.06	846633	04/20/2026
Total 651:					13,152.12	13,152.12		
654	PETTY CASH	12129	Fuel for Traverse	04/29/2026	199.47	199.47	45687	04/30/2026
Total 654:					199.47	199.47		
661	POSTMASTER	042926	Monthly Billing	04/29/2026	1,107.14	1,107.14	4302026	04/30/2026
Total 661:					1,107.14	1,107.14		
674	PRINCETON RENTAL, IN	1-581610	Chain Guard for Chainsaw	03/24/2026	5.39	5.39	45665	04/10/2026
Total 674:					5.39	5.39		
682	PUBLIC UTILITIES COMM	033026	Monthly Utilities	03/30/2026	1,569.72	1,569.72	45644	03/31/2026
Total 682:					1,569.72	1,569.72		
701	RESCO	11639-03202	Inventory Transformers & Ground Sleeves	03/31/2026	273,127.00	273,127.00	45666	04/10/2026
Total 701:					273,127.00	273,127.00		
783	SMMPA	IVN2114	3-26 Purchased Power	03/31/2026	364,138.15	364,138.15	326	04/27/2026
Total 783:					364,138.15	364,138.15		
813	TASC	IN3729122	6-1-26 to 6-30-26 COBRA Admin Fees	04/17/2026	32.50	32.50	45691	04/30/2026
Total 813:					32.50	32.50		
858	U.S. BANK EQUIPMENT F	578995060	3-26 Ricoh IM4500 Color Copier Lease Py	04/01/2026	470.00	470.00	45668	04/10/2026
Total 858:					470.00	470.00		
860	ULTEIG ENGINEERS, INC	ARIV108617	GIS Consulting Services & Support 2026	03/24/2026	788.00	788.00	20260079	04/01/2026
Total 860:					788.00	788.00		
864	UTILITY LOGIC	16030	Repair Locator Clamp	03/04/2026	343.75	343.75	45646	03/31/2026

Vendor Number	Name	Invoice Number	Description	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total 864:					343.75	343.75		
867	VERICHECK	033126	Monthly eCheck Charges	03/31/2026	308.75	308.75	41026	04/10/2026
Total 867:					308.75	308.75		
868	VERIZON WIRELESS	6140011492	Remote Internet WTP #1 & WTP #2 Scad	04/01/2026	415.27	415.27	45669	04/10/2026
Total 868:					415.27	415.27		
869	VESTIS	220844240-0	Cleaning Supplies O&M	03/31/2026	412.23	412.23	45670	04/10/2026
Total 869:					412.23	412.23		
873	VOYANT COMMUNICATIO	010558-0320	Monthly Telephones	04/01/2026	425.95	425.95	45671	04/10/2026
Total 873:					425.95	425.95		
886	WESCO RECEIVABLES C	62289-03202	Inventory Meter Sockets, Lugs, Pedestals	03/31/2026	19,505.42	19,505.42	Multiple	Multiple
Total 886:					19,505.42	19,505.42		
889	WEX BANK	111461118	Vehicle Fuel	03/25/2026	1,188.90	1,188.90	45672	04/10/2026
Total 889:					1,188.90	1,188.90		
897	WW GRAINGER, INC.	9842797665	Batteries & Tape Measurer Gen. Plant Eng	03/16/2026	49.20	49.20	20260080	04/01/2026
Total 897:					49.20	49.20		
929	CASELLE, LLC	CVC25530	Civic Systems Billing/Account Software	04/24/2025	25,390.00	25,390.00	20260062	03/20/2026
Total 929:					25,390.00	25,390.00		
968	FIRST UNUM LIFE INSUR	0989161-001	4-26 Employee Life Insurance	03/17/2026	131.35	131.35	45639	03/31/2026
		0989162-001	3-26 MN PFML	03/19/2026	520.71	520.71	45639	03/31/2026
Total 968:					652.06	652.06		
969	PALMER BUS SERVICE	12087-2	Commercial Lighting Rebate Replaces Ck	04/29/2026	8,439.00	8,439.00	45686	04/30/2026
Total 969:					8,439.00	8,439.00		
996	TREVIPAY	410B662B	Gen. Plant Wrench Set, U-Joint Set & Soc	03/04/2026	166.38	166.38	20260092	04/16/2026
Total 996:					166.38	166.38		
997	STEVEN & GINA WOOD	12118	Res. Cooling Equip. Central A/C & Efficien	04/10/2026	250.00	250.00	45667	04/10/2026
Total 997:					250.00	250.00		
998	DANIELLE CHURCHILL	12123	F/B Customer Meter Deposit Refund & Int	04/10/2026	444.46	444.46	45653	04/10/2026
Total 998:					444.46	444.46		
999	OLSEN PROPERTIES, LL	12124	F/B Customer Meter Deposit Refund & Int	04/10/2026	706.19	706.19	45664	04/10/2026

Vendor Number	Name	Invoice Number	Description	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total 999:					706.19	706.19		
1001	NICOLE HOLLENKAMP	12126	Refund Overpayment on Final Bill 501 S 4	04/29/2026	631.85	631.85	45683	04/30/2026
Total 1001:					631.85	631.85		
Grand Totals:					1,042,586.68	1,042,586.68		

Report Criteria:

Summary report type printed

REPORT GM-26-05



TO: Princeton Public Utilities Commission
FROM: Keith R. Butcher, General Manager
SUBJECT: General Manager Report
DATE: May 27, 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

Software

Staff continue to work on integrating Caselle with our administrative tasks. We expect this to continue for the next 6-12 months.

Caselle is working on the GL conversion and provided a completion data of 5/29. This conversion is needed in order to provide quarterly financial reports. First draft of financial reports are expected to be included in the June packet.

Rebates

Lighting rebates issued to Independent Dealers United. We are at 105% of our energy savings goal for this year.

Bonds

Staff continue to work with Northland Securities and DGR Engineering on a 2026 bonding effort for Phase II. We anticipate bringing this matter to the Commission in June for approval.

LEGAL AND REGULATORY

Regulatory

I attended the MMUA seminar on DER interconnections on April 20 in St. Peter. The session was very informative. I plan to present the new manuals and forms to the Commission for approval later this year.

Completed the Consumer Confidence Report Certification due July 1. The direct link is <https://tinyurl.com/4ypuvehs>.

ADMINISTRATION/STAFF

Safety

The safety committee met on April 21. There were no reported incidents. Updates were provided on routine safety checks.

Benefits

Bookkeeper Ohman and I attended MMUA's webinar entitled, "Early Lessons from Minnesota's new Paid Family and Medical Leave program." We made note of a few items that the Commission may want to consider clarifying. We hope to bring some information before the Commission later this year.

EV Chargers

Staff continue to struggle with timely responses from ZEF Energy (the EV charger provider and operator). We have learned that other SMMPA members are experiencing similar challenges. The problems are two-fold. One, equipment is not being repaired in a timely manner. Our DCFC has been offline for months. In addition, ZEF has not been paying members for energy sold in a timely manner. ZEF is currently three months behind with our payments.

COMMUNITY INVOLVEMENT

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

Industry Partnerships

- Attended the MMUA Board Meeting on May 5
- Attended the SMMPA Board Meeting on May 14
- Attending MMUA's weekly Government Relations Committee meetings.

City Activities

- Utility staff met with City Staff and WSB to discuss the inspection process related to building permits / new construction water activities. The goal is for the city to have a consistent process that can be communicated with the public. The plan is for WSB to conduct the inspections on more complex projects while Utility staff will conduct the simpler hook-up inspections.
- Due to a delay from State Aid, the City postponed the 3rd Street bid opening which was scheduled to occur on May 22. The delay is expected to last about two weeks. WSB anticipates providing the Commission with bid selection recommendations at the June meeting.

Customer Inquiry

The Commission received correspondence from a customer regarding the state flag displayed in front of the Power Plant. This topic has generated differing perspectives within communities across Minnesota. In addressing this matter, the Utility intends to follow the City's established policy and direction, recognizing the City's role in addressing broader community matters. The Utility will continue to focus on its core mission of providing safe, reliable, and cost-effective utility services to its customers.

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

June 17: Commission Meeting – Audit Presentation (tentative)

July 22: Commission Meeting

August 26: Commission Meeting

REPORT OM-5



TO: Keith Butcher, General Manager
FROM: Christina Cunningham, Office Manager
SUBJECT: May Office Manager Report
DATE: May 27, 2026

I am pleased to present the monthly update report for the month of May. 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, 845 phone calls have been taken.

The City of Princeton sewer rates were calculated and added to bills. Many stayed the same, but we usually field several calls when the rates change due to winter water averages. We continue to answer questions when we are able but do refer customers to the city for more involved questions and issues.

The Cold Weather Rule has ended. We did not have any incomplete payment plans.

BILLING

Payment Processing: Payments were processed as due date was 5/12/26. Penalties were applied and payments continue to be processed as they come in.

We have been working through billing software issues affecting a small number of customers. Those errors were addressed and we have made the necessary updates to our internal process to make sure they do not happen again.

We have also had issues with our online portal. We send a Daily Balance File every night updating customer accounts from Caselle. This transmission has been interrupted. We believe this was due to a Caselle update. Metro Sales has been working directly with Caselle to verify the issue so that we can get the file sent successfully every day.

Last month, 38% 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 will be participating in the parade for Rum River Festival on June 4, 2026. We have decorated our duck, and I am again astounded with how talented our staff are.

CONCLUSION

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

REPORT WPPS 5-21-2026



TO: Keith R. Butcher, General Manager
FROM: Scott Schmit, Water & Power Plant Superintendent
SUBJECT: Water & Power Plant Report
DATE: May 21, 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.
- Staff collected nitrate and fluoride samples for the MDH

Other activities

- Well 7 flow meter was having an intermittent loss of reading that has been corrected.
- 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 completed.
- The bucket truck to dump truck conversion project is completed and in use.
- Well 9 pump control A/C unit was repaired and back in service.
- Assisted the middle school in a lack of water pressure issue that turned out to be a faulty water softener.
- Spring hydrant flushing is in progress

- Attended the preconstruction meeting for the Cook project that is getting ready to start.

POWER PLANT DEPARTMENT

- All generating units are in service.
- All units were run for a monthly test run.
- The windows for the remaining replacement project are on order.
- Substation monthly battery maintenance was completed.
- All monthly reporting was completed.
- Pressure vessel and boiler inspections were completed.
- Staff is assisting Litchfield with injector testing for one of there units.
- Spring roof inspection were completed on all flat roofs.

REPORT ES-26-05



TO: Keith R. Butcher, General Manager
FROM: Jeremy Linden, Electric Superintendent
SUBJECT: May Electric Superintendent Report
DATE: May 21, 2026

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

ELECTRIC CAPITAL IMPROVEMENTS PLAN (CAP PLAN) UPDATE

- Castrejon has been here for about 3 weeks and is working on the North end of Phase 2.
- Continue to work through the permit processes (DOT, DNR, etc) for Phase 2.
- Working with property owners and Mille Lacs county about the easements for Phase 2
- The meter cut over for Phase 2 bid opening is set for June 9th.
- All pole and wire to be tore down for Phase 1 is complete.

PROJECTS

- Truck testing and Protective equipment testing is complete for the year.
- Brought a bucket truck to the ECFE fair.
- Corey and Jaden attended The MMUA underground School.
- Sent out Transfer of Assets letters to Communication Companies for PPU abandoned poles.
- Installing cable/phasing identification tags on UG Primary in our dist. System.
- Daily service orders for lights and miscellaneous repairs.

OUTAGE REPORT

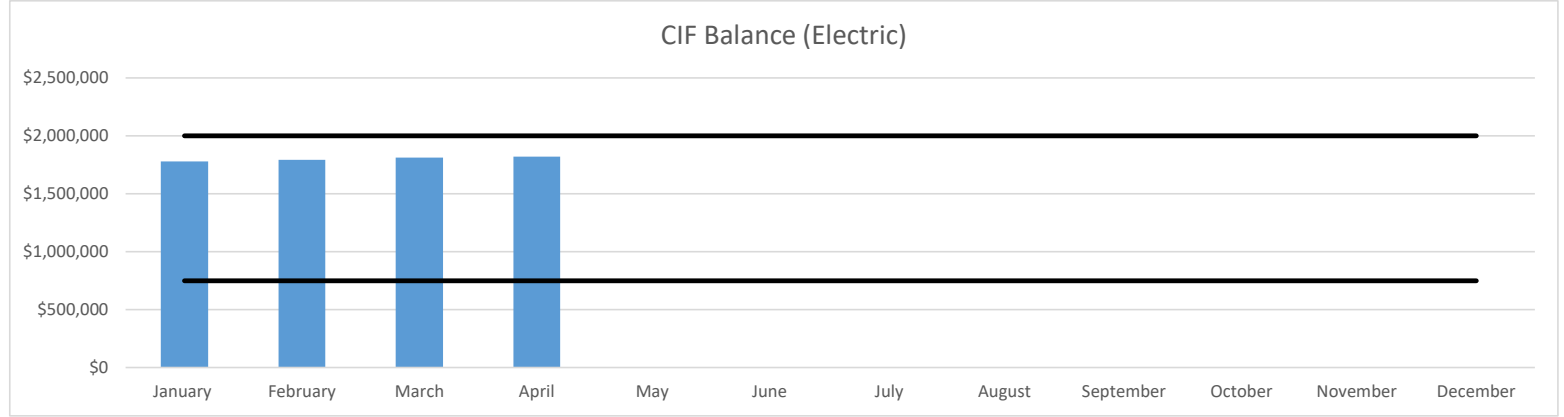
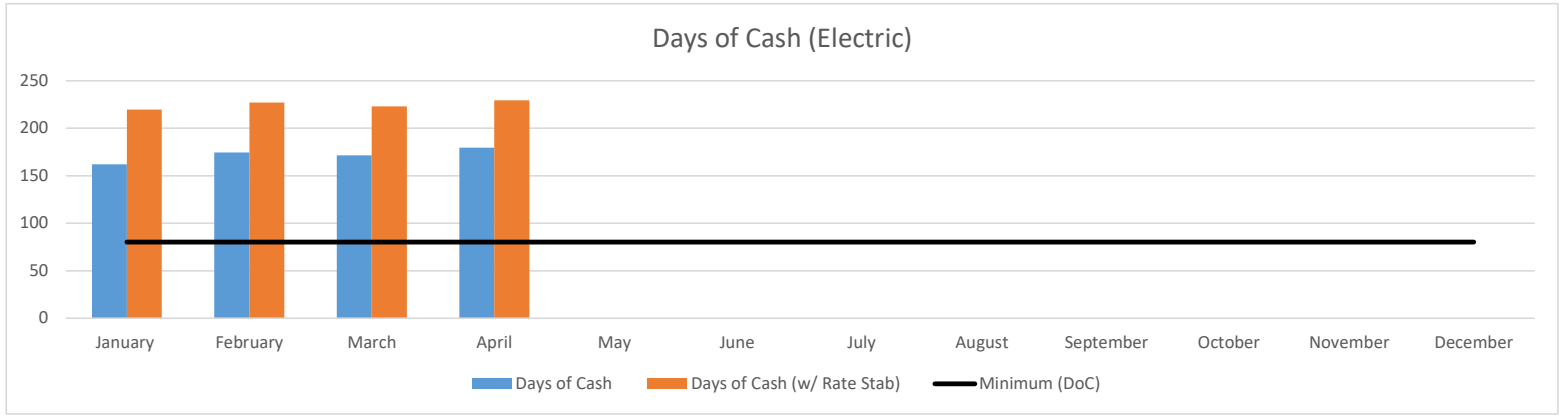
Outage Response: We have had no outages since the last meeting.

CONCLUSION

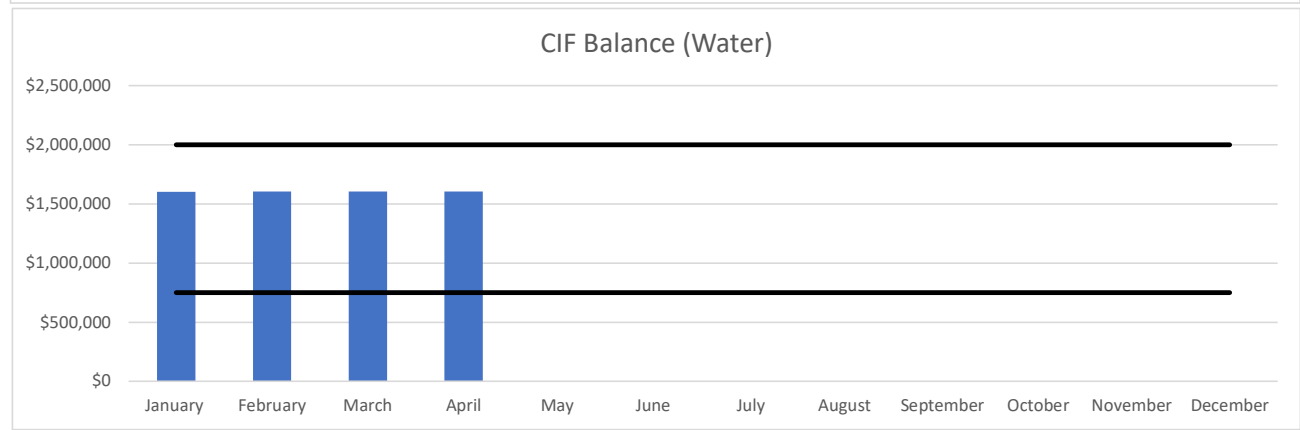
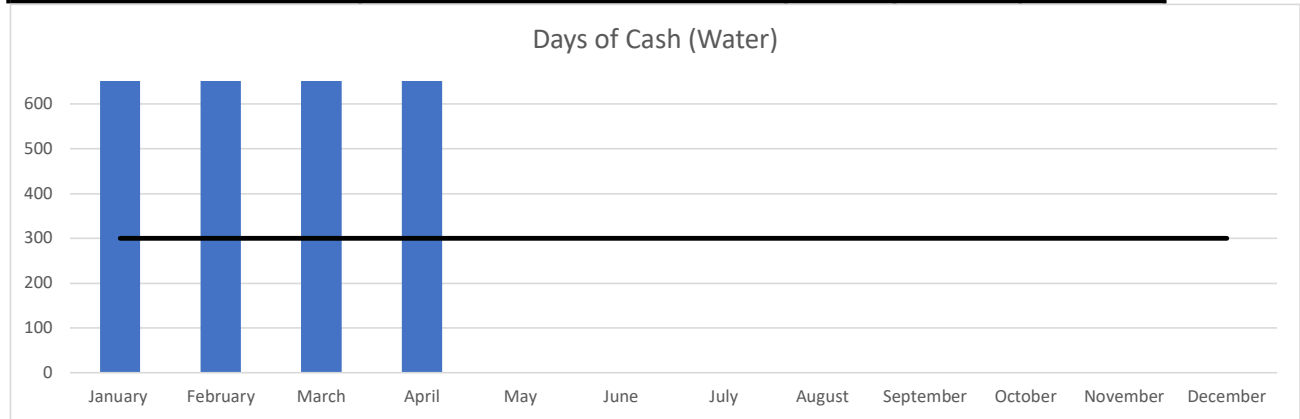
In summary, the Electric Department continues to make strides in enhancing our infrastructure, ensuring dependable service, and expanding service coverage to new customers. Our dedication to safety, customer service, and infrastructure development remains steadfast.

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.

Month	Annual Operating Expenses (2025)	Depreciation (2025)	Electric					Minimum (DoC)	Minimum (CIF)	Maximum (CIF)
			Cash	CIF	Rate Stab	Days of Cash	Days of Cash (w/ Rate Stab)			
January	\$8,012,014	\$739,738	\$3,227,093	\$1,779,254	\$1,148,081	162	220	80	\$750,000	\$2,000,000
February	\$8,012,014	\$739,738	\$3,478,439	\$1,792,388	\$1,046,505	175	227	80	\$750,000	\$2,000,000
March	\$8,012,014	\$739,738	\$3,414,558	\$1,811,746	\$1,024,366	171	223	80	\$750,000	\$2,000,000
April	\$8,012,014	\$739,738	\$3,577,795	\$1,818,885	\$990,717	180	229	80	\$750,000	\$2,000,000
May	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
June	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
July	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
August	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
September	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
October	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
November	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000
December	\$8,012,014	\$739,738				0	0	80	\$750,000	\$2,000,000



WATER							
Annual Operating Costs (2025)	Depreciation (2025)	Cash	CIF	Days of Cash	Minimum (DoC)	Minimum (CIF)	Maximum (CIF)
\$1,175,034	\$451,357	\$1,402,125	\$1,603,547	707	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357	\$1,430,065	\$1,605,101	721	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357	\$1,418,547	\$1,605,548	715	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357	\$1,420,373	\$1,605,548	716	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000
\$1,175,034	\$451,357			0	300	\$750,000	\$2,000,000



SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
April 8, 2026

President Moulton called the meeting to order at 9:00 a.m. at the Wells Community Center in Wells, Minnesota.

Mr. Anderson, Wells Public Utilities Manager, welcomed the members and guests to Wells and introduced Ms. Ann Schuster, Wells Public Utilities Commissioner.

Mr. Geschwind provided a medical update on Mr. Warehime. He also introduced Mr. Sam Mack, SMMPA IT. Mr. Hoffman, Mr. Jay Lutz, Austin, and Owatonna Mayor Jessop were meeting with the House Tax Committee today to hear the introductions of the Austin Energy Station and Steele Energy Station Property Tax Exemption Bill.

President Moulton welcomed Mr. Butcher to the SMMPA Board.

Mr. Butcher expressed his appreciation for the opportunity to serve on the SMMPA Board.

Board Members Present:

President Peter T. Moulton, Saint Peter; Secretary James R. Bakken, Preston; Thomas J. Dankert, Austin; Keith R. Butcher, Princeton; and Timothy M. McCollough, Rochester.

Board Members Absent:

Vice President Roger E. Warehime, Owatonna; and Treasurer Bruce A. Reimers, New Prague.

Others Present:

David P. Geschwind, Executive Director & CEO; Alex Bumgardner, Austin; Jerry Mausbach, Blooming Prairie; Christian Fenstermacher, Owatonna; Jason Halvorson, Redwood Falls; Todd Prafke, Saint Peter; Chris Rolli, Spring Valley; Craig Anderson, Ann Schuster, Wells; Dan La Haye, Baker Tilly; Chad Rasmussen, Travis Zipf, DGR Engineering; Beth Fondell, Naomi Goll, Sam Mack, and Jeremy Sutton of the Agency staff.

Others Present Via Conference Call:

Julie Zarling, Fairmont; Shane Steele, Grand Marais; Mike Geers, Litchfield; and Joe Kohlgraf, Mora.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the March 11, 2026 board meeting minutes.

APPROVED the Weighted Votes. (Attachment A.)

#3 Financial Audit-Fondell/Baker Tilly:

The Agency's financial statements along with the Independent Auditors' Report and required communication related to the conduct of the audit were distributed electronically prior to the meeting.

Ms. Fondell introduced Mr. Dan La Haye, Baker Tilly Director, to report on the 2025 audit results.

Baker Tilly met with SMMPA Finance & Audit Committee members, Mr. Butcher (Princeton) and Mr. Rolli (Spring Valley), along with the SMMPA team members on April 8, 2026, prior to the board meeting, to review the audit results.

Mr. La Haye presented an overview of SMMPA's audited financial statements for the year ended December 31, 2025. Baker Tilly stated that the audit went well, and they are providing an unmodified (clean) audit opinion.

Mr. La Haye appreciated the opportunity to work with SMMPA and thanked Ms. Fondell, Ms. Julie Beth and her team for their efforts.

Ms. Fondell thanked Mr. La Haye and Baker Tilly for a very well-run audit and thanked Ms. Julie Beth for coordinating the audit and to her team for helping the audit run smoothly.

Mr. Rolli reported that the SMMPA Finance & Audit Committee met prior to today's board meeting and recommended acceptance to the board of directors.

Mr. McCollough moved to accept the audit as presented by Baker Tilly for the year ended December 31, 2025, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

#4 FES & OES Annual Performance Review-Sutton:

Mr. Sutton reported on the 2025 performance review of Fairmont Energy Station (FES) and Owatonna Energy Station (OES).

Information on actual hours of operation, capacity factor, energy production, availability, and forced outage rates were reviewed.

The FES and OES MISO market financial performance will be presented quarterly in the future.

Discussion.

Summary

- Both plants had operational impacts due to leaking cylinder heads.
- Staff did their best to limit the MISO capacity credit impacts from forced outages.
- Both plants ran for energy, reliability, and ancillary services.
- Combined positive operating margins of over \$.5 million.
- Continue to refine strategy to ensure units are available for reliability and adequately compensated to cover O&M.

#5 RES Compliance Outlook-Sutton:

Mr. Sutton reported on the Renewable Energy Standard (RES) Compliance.

Each year the Agency is required to retire Renewable Energy Certificates (RECs) to meet the requirements of Minnesota's RES as outlined in Minn. Stat. §216B.1691. The types of resources that meet the renewable requirements were described. A history of how the Agency has met the RES requirements was provided.

Mr. Sutton reviewed the process by which RECs can be banked for future use and outlined how the Agency plans to meet the renewable and carbon-free requirements, assuming new wind and solar resources are added.

Discussion.

Summary

- Current renewable resource portfolio would meet 25% RES requirement through life of Stoneray agreement.
- With addition of new wind and solar in the Integrated Resource Plan, portfolio would meet new RES and carbon-free requirements through 2038.
- SMMPA will continue to evaluate the number of excess RECs available for sale to member customers.
- Continue to work with utilities and policymakers on carbon-free standards implementation.
- Assess timing of new renewable additions.
- Assess mix of solar, wind, and REC purchases.

#6 Steele Energy Station Project Authorization-Sutton/DGR Engineering:

Mr. Geschwind reported that the board will be asked to authorize the Steele Energy Station (SES) project and financing up to \$84 million, and if approved, the member representatives will be asked to approve the resolution authorizing the SES project financing.

Mr. Sutton reported on the Steele Energy Station project and introduced Mr. Chad Rasmussen and Mr. Travis Zipf, DGR Engineering.

Mr. Rasmussen, DGR Engineering, provided an overview of the SES project. The project will include three 15 MW turbines (45 MW nominal) with dual-fuel capacity (natural gas or diesel).

Construction is anticipated to begin in spring 2027. The turbine delivery is planned for later in 2027, and the transformer is scheduled for delivery in July 2028. The air permit process has taken longer than anticipated and must be completed prior to breaking ground. The current project estimate is \$73 million.

Mr. Zipf, DGR Engineering, reported on the permitting strategy. The MPCA permitting process began approximately 16 months ago. The modeling protocol triggered the need for an applicability determination regarding the Owatonna Public Utilities Turbine #7. The outcome was successful, with the results noting that it should be permitted separately from OES and SES. Another MPCA-related delay occurred during the environmental assessment with successful results noting that SES is not considered a large energy or electric power generating plant. The MPCA permit application will be submitted May 2026 and anticipate the permit issuance in January 2027.

Mr. Sutton reported that the Solar Turbines Procurement Contract has a Notice to Proceed (NTP) provision. The NTP is due 12 months from execution of the procurement contract (mid-April). Upon providing NTP, the initial payment is \$3,768,575 and 90 days later an additional \$11,305,725 is due. If the NTP deadline is extended by three months, the cost would be an additional \$508,000.

Discussion.

Action Item

Seeking board and member representatives approval of the resolutions provided in the meeting materials authorizing the SES project and financing.

Resolutions Authorizing the Project

The proposed resolution would authorize the construction of the SES project.

Resolutions Authorizing Financing

The proposed financing resolution would authorize the issuance of debt for the SES project in an amount not to exceed \$84 million.

Mr. Bakken moved to approve the resolutions authorizing the Steele Energy Station project and financing up to \$84 million, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present. (Attachment B.)

Temporary Recess to Member Representatives Meeting:

At 10:36 a.m., the board meeting recessed to the member representatives meeting, and following establishment of a quorum by the member representatives and completion of that agenda, the board meeting reconvened.

Board of Directors:

After a short break, the board reconvened at 10:56 a.m.

#7 Economic Development Credit Program Cap-Geschwind:

Mr. Geschwind reported on the continued discussion on the Economic Development Credit Program Cap.

The Agency has been evaluating the potential advantages of expanding its membership by adding new members. Capacity markets have undergone significant changes accompanied by increases in the cost of new generation. The economics of serving new electric loads that require additional Agency resources are not as favorable as they were when the Economic Development Credit program was created.

Due to the potential for very large load additions, from data center or cryptocurrency miners, the board discussed at the November SMMPA Board Retreat setting a maximum load size that would be eligible for economic development credits.

Discussion.

Mr. Dankert moved to approve a 2 MW cap effective today or as soon as possible on a qualifying retail customer's load eligible for economic development credits, seconded by Mr. Butcher, passed upon a unanimous vote of the board members present.

#8 Large Customer Market Rate-Geschwind:

Mr. Geschwind reported on the large customer market rate.

Potential high-density electric loads such as data centers impact load growth and capacity needs. Occasionally, these loads inquire about being served by SMMPA members, and it would be helpful to have an applicable wholesale rate developed that could apply to this type of load.

Discussion.

SMMPA will develop a large customer market rate for future board review and consideration.

Government Affairs/Member Services Report:

Members were directed to the board book for the government affairs/member services report.

Financial Report February 2026-Fondell:

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

Financial Reserves Policy Update

Chris Lover with PFM will share results of the financial reserves study at the June 2026 board meeting with board action to approve the revised Financial Reserves Policy at the July 2026 board meeting.

Cost of Service Study

In May 2026, SMMPA staff will meet with Dave Berg Consulting to launch the Cost of Service Study, which will include evaluating rate projections for 2030.

SMMPA Finance & Audit Committee

The SMMPA Finance & Audit Committee is comprised of the Board Vice-President, Board Treasurer, and up to two member representatives. Since Mr. Butcher was elected to the SMMPA Board of Directors last month, he will be stepping down from the committee. Mr. Butcher was thanked for serving on the SMMPA Finance & Audit Committee. Ms. Fondell will email member representatives to invite volunteers to fill the vacancy.

Operations Report-Sutton:

Mr. Sutton reported:

Winter Storm Fern Update

The January 2026 Winter Storm Fern prompted review of the Agency's emergency operating plan. A meeting was held at Sherco on April 2, 2026 with plant operators and SMMPA staff to debrief on lessons learned from the event.

Sherco 3 Tour

Sherco 3 tours were offered April 6-17, 2026 for members including commissioners and council members during the Sherco 3 planned outage.

Sherco 3 Planned Outage

The Sherco 3 planned outage is currently underway and hedge purchases have been made based on recommendations from The Energy Authority (TEA). The Agency and TEA will continue to evaluate the market for additional hedge purchase opportunities throughout the outage.

President's Report:

Mr. Moulton reported:

- SMMPA Staff Recognition: SMMPA staff members recognized were Jeremy Sutton and DGR Engineering for their work on the Steele Energy Station Project, and Beth Fondell and staff for the audit process.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- TAPS Spring Conference: The Transmission Access Policy Study Group (TAPS) meets twice a year. TAPS engages in federal legislation and policy proceedings related to wholesale transmission access issues and the North American Electric Reliability Corporation (NERC) issues.
- New Ulm Public Utilities: New Ulm is interested in possible Agency membership and has issued an RFP. Proposals are due June 5, 2026. New Ulm anticipates wholesale

electric power supply beginning on January 1, 2030. SMMPA would need to model the addition of New Ulm to the Agency to determine anticipated financial impacts. This topic will be brought back next month for additional discussion.

- SMMPA Member Orientation: SMMPA Member Orientation will be held April 22, 2026. Those interested from the member communities should contact SMMPA.

Member Forum:

None.

Other Business:

There was no other business.

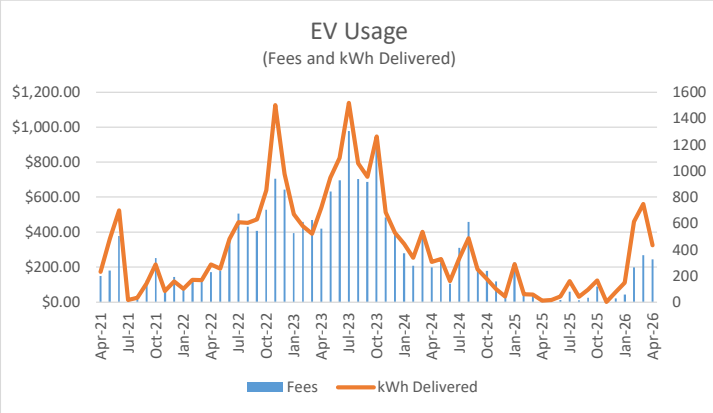
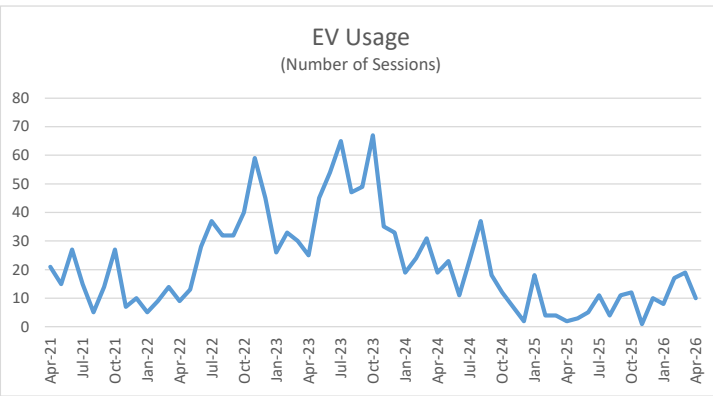
Adjourn:

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

The meeting was adjourned at 11:56 a.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
Apr-26	10	\$244.75	434



MEMORANDUM 26-16



TO: Princeton Public Utilities Commission
FROM: Keith Butcher, General Manager
SUBJECT: ECA Review
DATE: May 27, 2026

ITEM SUMMARY

Review of ECA impacts on financial reserves.

BACKGROUND

The YTD ECA impacts from SMMPA are shown in the table below.

	SMMPA ECA	Monthly Impact	Rate Stabilization Fund Balance (EOM)
End of 2025			\$1,238,054
January	\$0.007034 / kWh	\$34,825.14	\$1,203,229
February	\$0.02 / kWh	\$101,575.28	\$1,046,505
March	\$0.005091 / kWh	\$22,139.66	\$1,024,366
April	\$0.007485 / kWh	\$33,648.88	\$990,717

POTENTIAL ADJUSTMENT

Using 2025 actual numbers (which implies that the remaining sales for 2026 would be approximately 34,390,000 kWh) and assuming that SMMPA's ECA nets zero for the remainder of the year, the Commission would need to set an ECA at \$0.007192 to return the Rate Stabilization balance to what existed at the end of 2025.

Alternatively, the Commission could set a different Rate Stabilization Fund balance goal for the end of the 2026 and establish an ECA for that amount. Examples are shown in the table below.

	ECA	Rate Stabilization Fund Balance Goal
Option A	\$0.007192 / kWh	\$1,238,054
Option B	\$0.003178 / kWh	\$1,100,000
Option C	\$0.000270 / kWh	\$1,000,000
Option D	No ECA	\$950,000

This rate could begin with the June billing and remain through December (seven months).

POTENTIAL MOTION

"The Commission approves an ECA as detailed in Option <Fill in the blank> for the remainder of 2026."

MEMORANDUM 26-17



TO: Princeton Public Utilities Commission
FROM: Keith Butcher, General Manager
SUBJECT: Joint Meeting
DATE: May 27, 2026

ITEM SUMMARY

Discussion regarding a joint meeting with the City Council.

BACKGROUND

Attached is the City's invitation for a joint meeting. The full discussion can be viewed on the City's YouTube channel (<https://youtu.be/FjUvGSo0XB8>).

DISCUSSION

Staff have identified several items for Commission discussion and direction.

1. June 2 is four business days away. Utility practice is for complete meeting packets to be distributed to Commissioners on the Friday prior to a meeting to allow adequate time for review and preparation. If June 2 is selected, staff would have approximately two business days to compile the requested information and distribute materials to the Commission. For comparison, last year's joint meeting occurred on September 4. Historically, joint meetings have been held between June and September.
2. Does the Commission concur with the City's list of discussion topics?
3. Does the Commission wish to add additional discussion topics?
 - a. Past joint meeting topics included: PFAS (2025), Year-In-Review (2024), Service Territory Feasibility Findings (2024), Future Planning and Service Territory (2023), and Electric Rate Study (2022).
 - b. Staff note several outstanding items that may benefit from further discussion, including:
 - i. Completion of the water and sewer rate study approved as a 2025 activity.
 - ii. Transfer of the South Storage Lot title into the Utility's name to allow evaluation of future space needs and related operational planning efforts, including potential future generation considerations.
 - c. The City has also proposed an increase to the Franchise Fee and creation of a Stormwater Management Fee (memos attached). These items may affect utility billing and administrative operations and may warrant discussion regarding implementation and customer impacts.
4. Does the Commission wish to invite outside expertise to speak on any of these topics? For example, the Commission arranged for Bolton & Menk to present on PFAS IN 2025 and DGR on the Electric Rate Study in 2022.

5. Given the breadth of the proposed discussion topics, and noting that prior joint meetings have typically focused on one or two primary items, what level of staff time and resources does the Commission wish to allocate toward preparation?

RECOMMENDATION

Staff are seeking direction from the Commission.

Invitation

From Michele McPherson <mmcpherson@princetonmn.org>

Date Fri 5/8/2026 8:19 AM

To Keith Butcher <kbutcher@princetonutilities.com>

Good morning, Keith –

On behalf of the City Council, I am extending an invitation to the Princeton Public Utilities Commission to attend the June 2, 2026 Study Session. The potential topics include:

1. A discussion of the establishment and history of Princeton Public Utilities and the relationship between the Council and the PUC. This would include the statutory authorities granted a public utility.
2. A review of the various services paid and unpaid that the PPU staff provide to the City.
3. A review of how the PUC calculates the PILOT payment. This may include examples of how PILOT programs are handled by other public utilities.
4. A discussion of the service territory acquisition process.
5. A discussion of the process to sell a public utility.
6. A discussion of a communication protocol for the City and PUC when taxpayers and ratepayers inquire about City and PUC services, issues or concerns.

In addition, it was suggested that an update on PFAs as well as the progress on the Capital Plan would be appreciated.

Please let me know how I can be of assistance in preparing any necessary background information so that the meeting can be productive and constructive. I look forward to collaborating with you on the noted topics.

In the interest of transparency and communication, I will also inform you that, with City Council concurrence, an invitation will be extended to Connexus next week to attend the July 14 Study Session. The Commission and you are also invited to attend if you wish.

Thank you and have a nice weekend.

Michele McPherson (M2)

City Administrator



705 2nd Street North
763/389-2040

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"It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions, who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

Citizenship in a Republic – Theodore Roosevelt, Paris 1910

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MEMORANDUM



TO: Mayor Edmonds and Councilors
FROM: M McPherson, City Administrator
SUBJECT: **Franchise Fee Update**
DATE: May 6, 2026

In 2018 the City implemented a Franchise Fee to help pay off bonds issued for park and trail improvements. That fee is now expiring.

The City has infrastructure improvement needs (as listed in the CIP):

Smith System/Old 18 Sewer & Road

4th Avenue South-County Road 2 Connection

13th Avenue South/Hwy 95

Roundabout

13th Avenue Extension

Trunk Water

Trunk Sewer

3rd Street North Reconstruction

2nd Street North Reconstruction

4th Avenue South Reconstruction

Some of the noted projects are not until 2034 and 2037, and some will have components that are State-aid eligible, others will not. Total near-term cost are roughly \$9 million.

Traditionally, assessments have been used to pay for the portion of improvements where no other funding sources are available. However, in recent years, it has been more and more difficult to impose assessments for an entire project which leaves a gap in funding. Franchise fees have been found to be more palatable by residents and business owners.

The current monthly franchise fee is:

Service Type	Gas (CenterPoint)	Electric (Connexus & PPU)	Monthly Total	Annual Total
Residential	\$1.50	\$1.50	\$3.00	\$36.00
Commercial A	\$2.00	\$2.00	\$4.00	\$48.00
Commercial/Industrial B	\$55.00	\$55.00	\$110.00	\$1320.00

The proposed monthly franchise fee is:

Service Type	Gas (CenterPoint)	Electric (Connexus & PPU)	Monthly Total	Annual Total
Residential	\$4.00	\$5.00	\$9.00	\$108.00
Commercial A	\$5.00	\$5.00	\$10.00	\$120.00
Commercial/Industrial B	\$110.00	\$110.00	\$220.00	\$2640.00

The total collected would be \$529,980 annually.

A franchise fee can be implemented for any number of purposes, including two at the same time and for any length of time. The previous length was identified for five years, but the Council could impose a length of 10 years with specific check-in intervals to determine if the amounts should be adjusted up or down, held flat, or include an inflationary increase annually.

There has been concern expressed regarding the lack of funding for park improvements. An additional \$1.00 could be added to the residential rate; that additional \$1.00 would generate \$32,400 annually for parks.

Direction Requested

The Council is asked to provide staff direction regarding:

1. Should the franchise fee be renewed?
2. Are the noted amounts palatable?
3. Staff is currently planning for 10 years, should the time be shorter?
4. Should the amounts be held flat, include an annual inflationary increase, or be reviewed at regular intervals.
5. Should a portion of the fee be dedicated to Parks, and if so, how much?

The franchise fee ordinance is on the books, the Council should discuss and direct staff as to the level of public engagement it would like to see relating to the increase.

MEMORANDUM



TO: Mayor Edmonds and Councilors
FROM: M McPherson, City Administrator
SUBJECT: **Stormwater Utility Fee**
DATE: May 6, 2026

In 2007, the City proposed a stormwater utility. They went so far as to adopt provisions in Title 9, Sewer and Water of the Code of Ordinances, Chapter 960 Storm Sewer Utility. Unfortunately, collection of fees was never implemented.

In 2007, the method of collections was based on land area with a “residential equivalent factor”. Staff will determine stormwater impacts based on sewer billing types in order to determine a flat rate for ease of billing implementation.

A stormwater utility can be used to pay for maintenance of the stormwater system (supplies, staff time), capital items like sweepers, MS4 permitting requirements, or other expenses related to improving stormwater quality.

Staff has identified the following revenue goals:

Table 1: Revenue Goal per Year, 3% Annual Increase

Year 1	\$300,000
Year 2	\$309,000
Year 3	\$318,270
Year 4	\$327,818
Year 5	\$337,653
Year 6	\$347,782
Year 7	\$358,216
Year 8	\$368,962
Year 9	\$380,031
Year 10	\$391,432
TOTAL	\$3,439,164

The preliminary funding breakdown, based on sewer rates would be:

Service Type	Number of Services	Monthly Rate per Service	Total Annual per Service
Residential (Rate 5)	1580	\$8.00	\$96.00
Commercial (Rate 74)	183	\$50.00	\$600.00
Industrial (Rate 7)	35	\$81.72	980.64
Fairgrounds (Rate 95)	1	\$50.00	\$600.00
Car Wash (Rate 96)	6	\$50.00	\$600.00

The total collected monthly for the first year would be \$25,000. With the proposed inflationary increase, the rates will change annually.

Direction Requested

As with the franchise fee, Council is asked to give staff direction on the following:

1. Should a fee be implemented; the ordinance is in place.
2. What type, if any, of public engagement does the Council want to see?