



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Tuesday, May 28, 2024 at 3:30 PM

Power Plant - 300 East Main St

-
1. **CALL TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **APPROVAL OF MINUTES**
 - [a.](#) April 29, 2024, Utilities Meeting Minutes
 4. **UTILITY AND SMMPA BILLS**
 - [a.](#) Approval of accounts payable in the amount of **\$83,781.99** and the SMMPA billing of **\$479,805.51**.
 5. **FINANCIAL REPORTS**
 - [a.](#) Investment Report
 - [b.](#) Financial Report
 - [c.](#) Water and Kilowatt Hours Sales
 6. **INTRODUCTION OF BILLING CLERK**
 7. **APPROVAL OF DEVELOPER SERVICE AGREEMENTS**
 - [a.](#) Residential Development Street Light Agreement
 - [b.](#) Residential Developer Electric Service Agreement
 - [c.](#) Commercial & Industrial Electric Service Agreement
 8. **REVIEW OF 2023 AUDIT**
 - [a.](#) Abdo Presentation
 - [b.](#) NPUC Audited Financials
 - [c.](#) 2023 Final Executive Governance Summary
 9. **SMMPA BOARD OF DIRECTORS MEETING**
 - [a.](#) April 10, 2024
 - [b.](#) May 9, 2024 (Bruce)
 10. **GENERAL MANAGER'S REPORT**
 11. **OTHER BUSINESS**
 12. **ADJOURNMENT**

NEXT COMMISSION MEETING – Monday, June 24, 2024



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, April 29, 2024 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Commission President Dan Bishop on Monday, April 29, 2024, at 3:29 p.m.

Commissioners present: Dan Bishop, Dick Jordan, Tom Ewert, Paul Busch, and Bruce Wolf
Staff present: GM Bruce Reimers, EOS Ken Zweber, and Finance Director Robin Pikal

2. APPROVAL OF AGENDA

Motion made by Commissioner Jordan, seconded by Commissioner Wolf, to approve the agenda as presented. Motion carried (5-0).

3. APPROVAL OF MINUTES

a. March 25, 2024, Utilities Meeting Minutes

Motion made by Commissioner Jordan, seconded by Commissioner Ewert, to approve the March minutes. Motion carried (5-0).

4. UTILITY AND SMMPA BILLS

a. Approval of accounts payable in the amount of **\$146,478.65** and the SMMPA billing of **\$484,044.84**.

Motion made by Commissioner Ewert, seconded by Commissioner Busch, to approve the SMMPA and utility bills as presented. Motion carried (5-0).

5. FINANCIAL REPORTS

- a. Investment Report
- b. Financial Report
- c. Water and Kilowatt Hours Sales

Motion made by Commissioner Ewert, seconded by Commissioner Busch, to approve the financial reports as presented. Motion carried (5-0).

6. APPROVE HIRING OF UTILITY BILLING CLERK

a. Memo

GM Reimers and Finance Director Pikal informed the commission that due to the resignation of the Utility Billing Clerk a temporary staff position has been secured through the Robert Half staffing agency on a temporary basis. GM Reimers requested that the commission approve the hiring of a replacement Billing Clerk prior to the next commission meeting in May and that management will provide the commission with the final negotiated pay step in the designated pay grade and name of the candidate at next month's meeting. A motion to allow management staff to hire a replacement Billing Clerk was made by Commissioner Jordan and seconded by Commissioner Busch. Motion carried (5-0).

7. **SMMPA BOARD OF DIRECTORS MEETING**

- a. March 13, 2024
- GM Reimers informed the commission on the following:
- SMMPA staff has been working on acquiring energy contracts for the upcoming season.
 - A performance report was given on the operation of the SHERCO power plant and future maintenance of the unit.

8. **GENERAL MANAGER'S REPORT**

- GM Reimers reported on the following:
- The generation department hosted the MMUA Generation School at the plant and it was well attended.
 - The water department has completed the annual hydrant flushing with over 500 hydrants being operated.
 - Staff is working with our well contractor on the replacement of a failed pump.
 - Electric distribution staff has been working on the NE overhead to the underground project.
 - Utilities will be energizing a new 2,000 amp service to be used for car charging at Jeff Belzer’s Ford.

9. **OTHER BUSINESS**

None.

10. **ADJOURNMENT**

Motion made by Commissioner Ewert, seconded by Commissioner Jordan, to adjourn the April 29, 2024, meeting at 4:18 p.m. Motion carried (5-0).

NEXT COMMISSION MEETING – Monday, May 28, 2024

Respectfully Submitted,

Bruce Reimers
General Manager

Vendor Name	Net Invoice Amount
ABDO	
2023 AUDIT SERVICES-NPUC	\$9,600.00
ACE HARDWARE & PAINT	
SUPPLIES	\$33.17
AMAZON CAPITAL SERVICES	
AED INSIDE STICKERS	\$5.99
DISPLAY PORTS	\$6.98
HIGHLIGHTER	\$4.34
MAILING LABELS	\$24.97
BEVCOMM	
TELEPHONE	\$161.31
TELEPHONE/COMMUNICATIONS	\$59.95
BLACKBURN MFG. CO.	
BLUE MARKING FLAGS	\$205.61
RED MARKING FLAGS	\$411.24
CENTERPOINT ENERGY	
NATURAL GAS	\$117.98
COMPUTER TECHNOLOGY SOLUTIONS	
MEMORY MODULE	\$56.00
COMPUTERSHARE TRUST COMPANY	
BOND INTEREST PAYMENT	\$1,230.00
FASTENAL	
BLUE MARKING PAINT	\$68.89
RED MARKING PAINT	\$137.78
WHITE MARKING PAINT	\$68.89
GOPHER STATE ONE CALL	
LINE LOCATES	\$58.72
GRAINGER	
BATTERIES	\$4.53
GREATAMERICA FINANCIAL SERVICES	
POSTAGE MACHINE LEASE	\$113.85
LAKERS NEW PRAGUE SANITARY	
TRASH - ELECTRIC	\$35.03
TRASH - POWER PLANT	\$88.35
TRASH - WATER	\$35.03
METRO SALES INC	
COPIER LEASE	\$160.96
MSC INDUSTRIAL SUPPLY CO	
FIRE EXTINGUISHER SIGN	\$8.44
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	\$966.62
WATER UTILITIES	\$28.03
RIVER COUNTRY COOP	
GAS	\$1,520.48
ROBERT HALF	
TEMP UTILITY BILLING EMPLOYEE	\$3,454.50
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$372.60
S&P GLOBAL RATINGS	
2024A WATER IMPROVEMENTS	\$2,924.00
SUEL PRINTING	
ENVELOPES	\$1,086.05
TRENCHERS PLUS INC	
CHIPPER - STARTER	\$130.20
CREDIT - WINCH ROPE	\$81.00-
WOODCHIPPER BLADE SHARPEN	\$11.33

Section 4, Item a.

Vendor Name	Net Invoice Amount
US BANK CREDIT CARD	
BORING MACHINE HOSE	\$227.99
GATEWAY	\$36.14
LOSS CONTROL WORKSHOP	\$10.00
MNRW CONFERENCE	\$1,023.04
SHIPPING	\$14.30
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$741.03
VERIZON WIRELESS	
IPADS	\$2,509.52
TELEPHONE	\$711.84
VETERAN SHREDDING	
CONTRACTED SERVICES	\$17.00
Grand Totals	\$28,401.68

Vendor / Description	Invoice Amount
ACE HARDWARE	
SUPPLIES	\$67.40
AIRGAS USA LLC	
NITROGEN GAS	\$19.50
TORCH TANKS	\$78.05
AMARIL UNIFORM COMPANY	
FR CLOTHING - LOGAN	\$156.21
FR VEST	\$138.45
RETURN - VEST	\$273.70-
AMAZON CAPITAL SERVICES	
BUILBS	\$12.39
CAULK GUN	\$25.79
IPAD CHARGERS	\$32.78
OFFICE SUPPLIES	\$34.19
RECEIPT PAPER	\$121.98
RENTAL HOUSE REPAIR - WASHER	\$19.77
SHOP VAC BAGS	\$15.98
TOWELS	\$179.06
ZIP TIES & SEALANT	\$99.99
AMERICAN MESSAGING SERVICES	
RADIO TOWER LEASE	\$2,000.00
BLACKBURN MFG	
CLEAR BLUE FLAGS	\$132.86
WHITE MARKING FLAGS	\$132.86
BORDER STATES ELECTRIC SUPPLY	
2" PVC LB	\$66.43
BRADY O'NEILL	
BRADY UND SCHOOL	\$99.24
CORE & MAIN	
SMMPA PO 781 - HYMAX	\$622.50
SMMPA PO 781- BUTTERFLY VALVE	\$4,738.12
DGR ENGINEERING	
WEST SUB RTU	\$324.00
DITCH WITCH OF MINNESOTA	
TURBO TIP - VAC MACHINE	\$197.97
FASTENAL COMPANY	
BLUE MARKING PAINT	\$68.89
GRAINGER	
TRIANGLE WARNING KIT	\$63.62
HAWKINS INC	
WATER PURIFICATION	\$5,213.69
HEITZ, COREY	
COREY - UND SCHOOL	\$138.73
LAKER'S NEW PRAGUE SANITARY	
APRIL REFUSE BILLING FEE	\$533.00-
APRIL REFUSE REIMBURSEMENT	\$11,285.50
LUBE-TECH & PARTNERS LLC	
OIL SAMPLE KITS	\$1,599.99
MACH LUMBER COMPANY	
PLYWOOD	\$219.42
SCOFFOLD	\$60.84
MCMASTER-CARR SUPPLY CO	
BUSHING, REDUCER 1/4 X 1/2	\$10.78
STREET ELL 1/2 X 90 DEG	\$52.02
VALVE, BRONZE 1/4 TURN	\$314.56

Section 4, Item a.

Vendor / Description	Invoice Amount
MN MUNICIPAL UTILITIES ASSOC	
UNDERGROUND SCHOOL - BRADY & COREY	\$1,070.00
OLSON, LOGAN	
SAFETY BOOT - LOGAN	\$60.00
POLZIN GLASS	
SMMPA PO 773 - WINDOW REPLACEMENT	\$19,600.00
RDO EQUIPMENT CO.	
PRODRILL	\$259.80
RIVER COUNTRY CO-OP	
MOTORS FUEL	\$1,362.79
SALTCO	
MONTHLY SALT	\$370.57
MONTHLY SALT FEE	\$35.00
SILHOUETTES	
EMBROIDERY -ZACH	\$23.62
STAR GROUP LLC.	
FILTER / AIR CHUCK	\$25.95
HYD. OIL	\$95.36
STASNEY ELECTRIC	
CONTACTOR	\$60.46
STUART C. IRBY CO.	
GLOVES	\$1,526.43
SUEL PRINTING	
WATER METER FORMS	\$107.48
TIETZ, TUCKER	
SAFETY BOOTS- TUCKER	\$60.00
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$209.76
UTILITY CONSULTANTS	
SAMPLES	\$92.96
VOYAGER FLEET	
FUEL	\$107.62
ZAHL PETROLEUM MAINTENANCE CO	
FUEL ALARM	\$2,775.65
Grand Totals	\$55,380.31



Southern Minnesota Municipal Power
Agency
500 First Ave SW
Rochester MN 55902-3303
United States

Power Sales

Section 4, Item a.

#INV1336

4/30/2024

Bill To

New Prague Municipal Utilities
118 N Central Avenue
New Prague MN 56071
United States

Due Date: 5/28/2024

BILLING PERIOD	kWh	kW	DATE / TIME
Apr 2024	5,056,695	8,711	Apr 2, 2024 1:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	5,056,695	8,711	
BASE RATE BILLING DEMAND CAP	N/A	0	
SUMMER SEASON BASE RATE DEMAND	N/A	15,667	Aug 23, 2023 5:00:00 PM
BASE RATE RATCHET DEMAND	N/A	11,594	Aug 23, 2023 5:00:00 PM

Description	Quantity	Rate	Amount	TOTAL
BASE RATE POWER SUPPLY				
Demand Charge (kW)	11,594	\$10.95	\$126,954.30	\$126,954.30
On Peak Energy Charge (kWh)	2,459,343	\$0.06431	\$158,160.35	\$158,160.35
Off Peak Energy Charge (kWh)	2,597,352	\$0.04808	\$124,880.68	\$124,880.68
Cost Adjustment (kWh)	5,317,688	\$0.005249	\$27,912.54	\$27,912.54
BASE RATE SUBTOTAL				\$437,907.87
TRANSMISSION				
Transmission Charge - CP (kW)	11,594	\$1.00	\$11,594.00	\$11,594.00
Transmission Charge - Ratchet (kW)	15,667	\$1.934234	\$30,303.64	\$30,303.64

OTHER CHARGES

Total \$479,805.51

NEW PRAGUE UTILITIES COMMISSION										
SMMPA										
04/30/2024										
		PURCHASED	ENERGY	2024				PURCHASED	ENERGY	2023
MONTH	KWH	POWER	COST ADJ	Price/KWH		MONTH	KWH	POWER	COST ADJ	Price/KWH
January	6,076,702	\$ 492,817.06	\$ (14,666.30)	\$ 0.08351		January	6,074,429	500,013		\$ 0.08231
February	5,236,987	\$ 458,820.82	\$ (1,385.49)	\$ 0.08788		February	5,418,152	470,219		\$ 0.08679
March	5,317,688	\$ 484,044.84	\$ 21,047.45	\$ 0.08707		March	5,727,100	501,121	\$ 12,245.02	\$ 0.08536
April	5,056,695	\$ 479,805.51	\$ 27,912.54	\$ 0.08937		April	5,245,499	477,287	\$ 18,251.67	\$ 0.08751
May						May	5,710,038	496,162	\$ (7,480.08)	\$ 0.08820
June						June	6,997,617	574,274	\$ (10,614.96)	\$ 0.08358
July						July	7,101,113	608,890	\$ 14,338.12	\$ 0.08373
August						August	7,423,203	639,770	\$ 5,368.44	\$ 0.08546
September						September	6,153,035	543,661	\$ 20,673.62	\$ 0.08500
October						October	5,407,912	428,039	\$ (52,140.82)	\$ 0.08879
November						November	5,340,198	458,753	\$ (7,798.21)	\$ 0.08737
December						December	5,662,663	523,376	\$ 42,107.46	\$ 0.08499
Total	21,688,072	1,915,488.23	32,908.20	0.08832		Total	72,260,959	6,221,566	\$ 34,950.26	\$ 0.08610

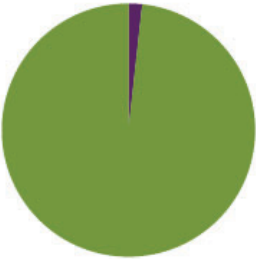
NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
3/31/2024			
First Bank and Trust			
Checking - Cash Balance			
Electric		\$	2,148,687.90
Water		\$	1,151,647.37
Subtotal		\$	3,300,335.27
Money Market		\$	2,026,002.06
Wells Fargo			
F.I.S.T. (Market Value per Wells Select report)		\$	3,184,979.00
Electric (74% of account)	\$ 2,356,884.46		
Water (26% of account)	\$ 828,094.54		
Total		\$	8,511,316.33
Invested			
F.I.S.T. original investment - 6/21/2012	\$ 1,050,000		
F.I.S.T. Add'l investment - 7/19/2012	\$ 730,000		
F.I.S.T. Add'l investment - 8/22/2014	\$ 470,000		
F.I.S.T. Add'l Investment - 7/31/2015	\$ 500,000		
F.I.S.T. Add'l Investment - 11/16/2015	\$ 100,000		
	\$ 2,850,000		

Managed Asset Allocation Summary

As of April 15, 2024

April 16, 2024
Trade Date Basis
NEW PRAGUE UTILITIES
COMMISSION
221880
Investment Objective Is Fixed Income

	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
Cash Alternatives	55,522	55,522	0	2,895	5.21	1.7
Fixed Income	3,129,457	3,364,396	(234,939)	98,914	3.16	98.3
Total Portfolio	\$3,184,979	\$3,419,918	\$(234,939)	\$101,809	3.20%	100.0%



NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
March 31, 2024

WATER FUND						
25.00% of year completed						
	2023 Thru 3/31/2023	Current Month	Actual Thru 3/31/2024	2023/2024 Variance YTD	2024 Fiscal Budget	% Received or Expended Based on Actual Budget
REVENUES						
Unbilled Accounts Receivable	(21,831.17)	(3,038.10)	(4,057.66)	17,773.51	-	0.00%
Residential	\$ 265,742.27	\$ 91,908.33	\$ 281,389.27	\$ 15,647.00	\$ 1,167,088.00	24.11%
Commercial	109,277.50	29,118.31	85,512.84	(23,764.66)	619,473.00	13.80%
Water Hook-up Fees	\$ 8,190.00	\$ 11,601.00	\$ 23,908.00	\$ 15,718.00	\$ 20,000.00	119.54%
Interest Income	2,227.02	418.73	3,778.85	1,551.83	15,000.00	25.19%
Other Income	\$ 14,009.41	\$ 1,244.73	\$ 9,600.08	\$ (4,409.33)	\$ 56,400.00	17.02%
TOTAL REVENUES	\$ 377,615.03	\$ 131,253.00	\$ 400,131.38	\$ 22,516.35	\$ 1,877,961.00	21.31%
EXPENSES						
Power Used	28,177.74	8,909.58	26,221.65	(1,956.09)	117,500.00	22.32%
Purification	4,527.52	246.47	13,341.59	8,814.07	58,000.00	23.00%
Distribution	12,040.90	33.77	459.21	(11,581.69)	70,500.00	0.65%
Depreciation	108,681.52	43,543.11	130,864.32	22,182.80	431,460.00	30.33%
Debt & Other Interest	52,272.75	10.29	55,532.61	3,259.86	101,948.00	54.47%
Salary & Benefits	131,990.45	79,401.95	182,917.94	50,927.49	647,468.00	28.25%
Admin & General	\$ 52,219.37	\$ 7,601.07	\$ 48,735.73	\$ (3,483.64)	\$ 163,028.00	29.89%
TOTAL EXPENSES	\$ 389,910.25	\$ 139,746.24	\$ 458,073.05	\$ 68,162.80	\$ 1,589,904.00	28.81%
EXCESS REVENUES OVER EXPENSES	\$ (12,295.22)	\$ (8,493.24)	\$ (57,941.67)	\$ (45,646.45)	\$ 288,057.00	

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2024

Section 5, Item b.

WATER

ASSETS

604-10101	CLAIM ON CASH	1,151,647.37	
604-10125	MONEY MARKET-4M	400,901.15	
604-10406	F.I.S.T. INVESTMENTS	881,850.46	
604-10407	INVEST ALLOW-UNREALIZED LOS	(44,321.78)	
604-11500	ACCOUNTS RECEIVABLE	711.07	
604-11502	ACCOUNTS RECEIVABLE - NSF	660.06	
604-11525	ACCRUED REVENUE	88,871.79	
604-11600	ALLOWANCE DOUBTFUL ACC'T	(4,000.00)	
604-11710	CUSTOMER ACCOUNTS RECEIVABL	118,467.54	
604-12100	SPECIAL ASSESS. REC.-CURRENT	150.00	
604-12200	SPECIAL ASSESS. REC.-DELINQUENT	183.96	
604-12300	SPECIAL ASSESS. REC.-DEFERRED	478,878.00	
604-14100	MATERIAL INVENTORY	50,621.15	
604-15696	DEFERRED OUTFLOW - OPEB	3,872.00	
604-15699	GERF DEFERRED OUTFLOWS	75,379.00	
604-16100	LAND	79,519.50	
604-16200	BUILDINGS	2,449,284.55	
604-16201	WELLS, PUMPS & PUMP HOUSE	2,197,186.11	
604-16202	WATER TREATMENT	53,116.88	
604-16203	WATER TREATMENT EQUIPMENT	1,253,269.45	
604-16211	ACCUM DEPR-PRODUCTION PLANT	(4,273,616.48)	
604-16301	ELEVATED TOWER	1,988,569.68	
604-16303	RESERVOIR	732,530.15	
604-16304	DISTRIBUTION TO SYSTEM	7,212,617.25	
604-16305	PRU VALVES	902.95	
604-16306	MAIN STREET TREATMENT UPGRADE	215,848.13	
604-16308	WATER METERS	1,123,147.08	
604-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	(4,426,508.18)	
604-16312	ACCUM. DEPR-GENERAL PLANT	(278,858.09)	
604-16314	SCADA	218,511.67	
604-16401	BLDG IMPROVEMENT OFFICE	5,533.95	
604-16402	DEFERRED MAINTENANCE CHARGE	24,794.02	
604-16403	OFFICE FUNITURE & FIXTURES	29,980.37	
604-16404	TRANSPORTATION/EQUIPMENT	266,271.51	
604-16405	MISCELLANEOUS EQUIPMENT	39,308.45	
604-16406	SHOP EQUIPMENT	1,417.62	
604-16507	SCADA UPGRADE	133,434.07	
604-16508	10TH AVE WATER MAIN	81,459.69	
TOTAL ASSETS			12,331,592.10

LIABILITIES AND EQUITY

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2024

Section 5, Item b.

WATER

LIABILITIES

604-20210	ACCOUNTS PAYABLE	11,486.10	
604-21503	ACCRUED INTEREST	45,129.04	
604-21650	ACCRUED WAGES-VAC & COMP	53,414.10	
604-21712	DUE WATER TESTING PROGRAM	.69	
604-21717	OPEB LIABILITY	19,420.00	
604-22000	DEPOSITS	34,116.37	
604-22296	OPEB DEFERRED INFLOW	7,329.00	
604-22299	DEFERRED (GERF) INFLOW	95,644.00	
604-22500	BOND PAYABLE - CUR PORT	34,999.97	
604-23400	BOND PREMIUM	353,397.35	
604-23511	2011 CIP	44,455.00	
604-23516	2013B-REFUNDING 2005-2007	80,000.00	
604-23517	CIP 2014	60,000.00	
604-23518	2020A - REFUNDING	319,923.58	
604-23519	CIP 2020-2021	1,360,000.00	
604-23520	2021 UTILITY BUILDING	415,000.00	
604-23521	CIP 2022	275,000.00	
604-23522	CIP 2023	460,000.00	
604-23523	CIP 2024	(150.00)	
604-23999	GERF PENSION LIABILITY	293,737.00	
TOTAL LIABILITIES			3,962,902.20

FUND EQUITY

604-25999	PRIOR PERIOD ADJUSTMENT	(274,691.48)	
604-26730	RESERVED FOR INVESTMENT AL	(.40)	
604-27200	FUND BALANCE-UNDESIGNATED	7,413,634.52	
604-28000	INVESTED IN UTILITY PLANT	1,287,688.93	
UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD		(57,941.67)	
BALANCE - CURRENT DATE		(57,941.67)	
TOTAL FUND EQUITY			8,368,689.90
TOTAL LIABILITIES AND EQUITY			12,331,592.10

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
March 31, 2024

Section 5, Item b.

ELECTRIC FUND						
						<i>25.00% of year completed</i>
REVENUES	2023 Thru 3/31/2023	Current Month	Actual Thru 3/31/2024	2023/2024 Variance YTD	2024 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ (240,939.59)	\$ (16,861.90)	\$ (61,346.20)	\$ 179,593.39	\$ -	0.00%
Residential Revenue	\$ 1,049,827.75	\$ 296,699.51	\$ 973,033.48	\$ (76,794.27)	\$ 4,230,849.00	23.00%
Commercial	\$ 162,336.35	\$ 52,241.64	\$ 159,626.15	\$ (2,710.20)	\$ 606,240.00	26.33%
Small Industrial	\$ 467,035.62	\$ 146,125.60	\$ 454,635.23	\$ (12,400.39)	\$ 1,837,352.00	24.74%
Industrial	\$ 579,923.53	\$ 185,009.48	\$ 564,087.65	\$ (15,835.88)	\$ 2,374,761.00	23.75%
Streetlights	\$ 19,960.97	\$ 5,291.40	\$ 18,468.08	\$ (1,492.89)	\$ 58,529.00	31.55%
Other Departments	\$ 34,171.13	\$ 11,344.61	\$ 34,561.73	\$ 390.60	\$ 162,901.00	21.22%
SMMPA LOR Reimbursement	\$ 52,780.66	\$ 15,633.02	\$ 49,695.74	\$ (3,084.92)	\$ 180,000.00	27.61%
SMMPA O&M Revenue	\$ 215,934.82	\$ 68,065.53	\$ 222,781.66	\$ 6,846.84	\$ 654,740.00	34.03%
Reimbursement - SMMPA Rebates	\$ 9,742.58	\$ 25.00	\$ 2,670.44	\$ (7,072.14)	\$ -	0.00%
Interest Income	\$ 8,317.39	\$ 1,578.92	\$ 14,081.12	\$ 5,763.73	\$ 25,000.00	56.32%
Other Income	\$ 29,618.22	\$ 11,790.43	\$ 173,780.30	\$ 144,162.08	\$ 343,700.00	50.56%
TOTAL REVENUES	\$ 2,388,709.43	\$ 776,943.24	\$ 2,606,075.38	\$ 217,365.95	\$ 10,474,072.00	24.88%
EXPENSES						
Production	\$ 1,572.19	\$ 143.27	\$ 1,290.56	\$ (281.63)	\$ 26,000.00	4.96%
Purchased Power	\$ 1,471,353.54	\$ 484,044.84	\$ 1,435,682.72	\$ (35,670.82)	\$ 6,401,508.00	22.43%
SMMPA O&M Expenses	\$ 113,684.82	\$ 3,052.82	\$ 83,874.00	\$ (29,810.82)	\$ 486,740.00	17.23%
Distribution/Transmission	\$ 12,835.13	\$ 2,331.61	\$ (11,010.38)	\$ (23,845.51)	\$ 114,000.00	-9.66%
Energy Conservation - Rebates	\$ 18,541.67	\$ 1,171.70	\$ 3,817.14	\$ (14,724.53)	\$ 12,500.00	30.54%
Depreciation	\$ 171,470.33	\$ 63,083.28	\$ 189,277.37	\$ 17,807.04	\$ 680,160.00	27.83%
Salary & Benefits	\$ 285,027.42	\$ 175,370.32	\$ 398,066.00	\$ 113,038.58	\$ 1,697,681.00	23.45%
MVEC LOR Payment	\$ 105,561.32	\$ 31,266.03	\$ 99,391.46	\$ (6,169.86)	\$ 357,793.00	27.78%
Admin & General	\$ 89,316.92	\$ 13,094.59	\$ 89,639.34	\$ 322.42	\$ 260,278.00	34.44%
Payment in Lieu of Taxes	\$ 10,000.03	\$ 3,333.33	\$ 9,999.99	\$ (0.04)	\$ 40,000.00	25.00%
TOTAL EXPENSES	\$ 2,279,363.37	\$ 776,891.79	\$ 2,300,028.20	\$ 20,664.83	\$ 10,076,660.00	22.83%
EXCESS REVENUES OVER EXPENSES	\$ 109,346.06	\$ 51.45	\$ 306,047.18	\$ 196,701.12	\$ 397,412.00	

Note: "Other Income" includes metal recycling

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2024

Section 5, Item b.

ELECTRIC

ASSETS

605-10101	CLAIM ON CASH	2,148,387.90
605-10125	MONEY MARKET-4M	1,473,782.81
605-10200	PETTY CASH	300.00
605-10405	MONEY MARKET-FIRST BK & TRUST	151,318.10
605-10406	F.I.S.T. INVESTMENT	2,509,882.07
605-10407	INVEST ALLOW-UNREALIZED LOS	(126,146.61)
605-11500	ACCOUNTS RECEIVABLE	6,042.00
605-11502	ACCOUNTS RECEIVABLE - NSF	5,478.06
605-11510	ACCOUNTS RECEIVABLE - SMMPA	100,853.97
605-11525	ACCRUED REVENUE	506,996.11
605-11530	CLEARING ACCOUNT	163.99
605-11531	BANK CLEARING ACCT	948.65
605-11600	ALLOWANCE DOUBTFUL ACC'T	(10,000.05)
605-11710	CUSTOMER ACCOUNTS RECEIVABL	710,629.10
605-11720	BUDGET A/R	223.58
605-12100	SPECIAL ASSESS. REC.-CURRENT	150.00
605-12200	SPECIAL ASSESS. REC.-DELINQUEN	661.88
605-14100	MATERIAL INVENTORY	1,183,566.68
605-15501	PREPAID OTHER	858.06
605-15696	DEFERRED OUTFLOW - OPEB	5,538.00
605-15699	GERF DEFERRED OUTFLOWS	185,794.00
605-16100	LAND	41,647.88
605-16205	STRUCTURE & IMPROV. BLDGS	3,787,143.00
605-16206	GENERATORS	5,527,533.57
605-16211	ACCUM DEPR-PRODUCTION PLANT	(6,743,954.21)
605-16301	TRANSMISSION STATION EQUIPMENT	601,832.72
605-16302	TRANSMISSION POLES & CONDUCTOR	87,734.24
605-16303	DISTRIBUTION STATION EQUIPMENT	832,233.96
605-16304	POLES-TOWERS-FIXTURES	204,140.34
605-16305	OVERHEAD CONDUCTORS-DEVICES	678,998.06
605-16306	UNDERGROUND CONDUCTORS-DEVICE	6,038,780.12
605-16307	LINE TRANSFORMERS	2,057,276.01
605-16308	SERVICES	379,201.70
605-16309	ELECTRIC METERS	1,073,652.50
605-16310	FIBER OPTIC	89,759.87
605-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	(7,727,634.86)
605-16312	ACCUM DEPR - GEN PLANT	(1,555,459.82)
605-16313	LOAD MANAGEMENT	97,714.51
605-16314	SCADA	123,864.82
605-16315	STREET LIGHTS	1,717,237.14
605-16316	STRUCTURE & IMPROVEMENTS E	224,058.67
605-16403	TOOLS & WORK EQUIPMENT	237,583.03
605-16404	TRANSPORTATION/EQUIPMENT	1,840,995.77
605-16405	MISCELLANEOUS EQUIPMENT	97,109.01
605-16406	SHOP EQUIPMENT	56,994.23
605-16420	OFFICE EQUIPMENT	89,730.18
605-16510	JOB #2 (URD) GIS MAPPING	15,837.34
605-16511	JOB #2 (TRAN) GIS MAPPING	106.23
605-16512	JOB #2 (SERV) GIS MAPPING	355.18
605-16518	JOB #3 (URD) NE STREET RECONS	323.55
605-16519	JOB #3 (TRANS) NE STREET RECON	268.32
605-16522	JOB #3 (S.L.) NE STREET RECONS	626.08
605-16525	JOB #4 (OH) FEEDER #1	4,441.14
605-16526	JOB #4 (URD) FEEDER #1	128,417.08
605-16527	JOB #4 (TRANS) FEEDER #1	8,208.28
605-16528	JOB #4 (SERV) FEEDER #1	35,757.15
605-16529	JOB #4 (METER) FEEDER #1	230.33
605-16530	JOB #4 (S.L.) FEEDER #1	9,428.26

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2024

Section 5, Item b.

ELECTRIC

605-16531	JOB #4 (FIBER) FEEDER #1	571.96	
605-16542	JOB #6 (URD) FEEDER #4 & #6	370.64	
605-16550	JOB #7 (URD) FEEDER #8	3,731.75	
605-16568	JOB #9 (SERV) FUTURE GENERATIO	1,910.00	
605-16598	JOB #13 (URD) PARKS BUILDING	89.72	
605-16600	JOB #13 (SERV) PARKS BUILDING	96.40	
605-16638	JOB #18 (URD) BELZER EV CHARGE	29,075.42	
605-16646	JOB #19 (URD) WEST SUB PLC	10,139.21	
605-16648	JOB #19 (SERV) WEST SUB PLC	40,455.13	
TOTAL ASSETS			19,004,039.91
<u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
605-20200	ACCOUNTS PAYABLE-SMMPA	484,044.84	
605-20202	AP REFUSE	14,954.39	
605-20204	AP OTHER	65,576.86	
605-20210	ACCOUNTS PAYABLE	22,190.70	
605-20801	STATE SALES TAX	11.86	
605-20802	SC TRANSIT TAX	2.30	
605-20803	LS TRANSIT TAX	.08	
605-21650	ACCRUED WAGES-VAC & COMP	122,384.98	
605-21717	OPEB LIABILITY	27,780.00	
605-22000	DEPOSITS	136,877.27	
605-22001	ENERGY ASSISTANCE CONTRACTS	847.00	
605-22022	HOLDING FUNDS-DEPOSITS	2,950.00	
605-22296	OPEB DEFERRED INFLOW	10,484.00	
605-22299	DEFERRED (GERF) INFLOW	235,737.00	
605-23999	GERF PENSION LIABILITY	723,987.00	
TOTAL LIABILITIES			1,847,828.28
<u>FUND EQUITY</u>			
605-25999	PRIOR PERIOD ADJUSTMENT	(890,763.35)	
605-26300	CONTRIBUTED CAPITAL	(.19)	
605-26720	RESERVED FOR BONDS	321,700.00	
605-27200	FUND BALANCE-UNDESIGNATED	12,995,463.40	
605-28000	INVESTED IN UTILITY PLANT	4,423,834.26	
UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD		305,977.51	
BALANCE - CURRENT DATE		305,977.51	
TOTAL FUND EQUITY			17,156,211.63
TOTAL LIABILITIES AND EQUITY			19,004,039.91

NEW PRAGUE UTILITIES COMMISSON					
ELECTRIC SALES KWH					
		ACCUM			ACCUM
MONTH	2024	2024	MONTH	2023	2023
JAN	5,508,723	5,508,723	JAN	7,167,597	7,167,597
FEB	5,637,288	11,146,011	FEB	5,749,576	12,917,173
MAR	5,184,089	16,330,100	MAR	5,309,337	18,226,510
APR	5,127,034	21,457,134	APR	5,593,759	23,820,269
MAY			MAY	4,902,810	28,723,079
JUNE			JUNE	5,925,918	34,648,997
JULY			JULY	6,929,204	41,578,201
AUG			AUG	6,782,693	48,360,894
SEPT			SEPT	6,923,879	55,284,773
OCT			OCT	5,971,226	61,255,999
NOV			NOV	4,829,240	66,085,239
DEC			DEC	5,387,440	71,472,679
TOTAL	21,457,134		TOTAL	71,472,679	

***Monthly Kwh totals are not final until year-end**

									AGENDA ITEM: 5C
NEW PRAGUE UTILITIES COMMISSION									
WATER PUMPED-SOLD-USED									
2024									
YR/MO		2024		2023		YR/MO		2024	2023
	2024	YTD	2023	YTD			2024	YTD	2023
JANUARY	12/8/23-1/8/2024		12/2/22-1/10/2023		JULY	6/7/2024-7/8/2024		6/9/2023-7/11/2023	
GAL PUMPED	18,004	18,004	17,529	17,529	GAL PUMPED		69,619	44,904	160,021
GAL SOLD	15,411	15,411	14,793	14,793	GAL SOLD		60,514	41,150	142,482
GAL USED	280	280	337	337	GAL USED		1,264	981	3,391
GAL(LOSS)/GAIN	(2,313)	(2,313)	(2,399)	(2,399)	GAL(LOSS)/GAIN	0	(7,841)	(2,773)	(14,148)
PERCENTAGE	12.8%	12.8%	13.7%	13.7%	PERCENTAGE	#DIV/0!	11.3%	6.2%	8.8%
FEBRUARY	1/8/2024-2/7/2024		1/10/2023-2/8/2023		AUGUST	7/8/2024-8/7/2024		7/11/2023-8/9/2023	
GAL PUMPED	17,511	35,515	17,060	34,589	GAL PUMPED		69,619	38,624	198,645
GAL SOLD	14,979	30,390	15,323	30,116	GAL SOLD		60,514	35,725	178,207
GAL USED	343	623	325	662	GAL USED		1,264	579	3,970
GAL(LOSS)/GAIN	(2,189)	(4,502)	(1,412)	(3,811)	GAL(LOSS)/GAIN	0	(7,841)	(2,320)	(16,468)
PERCENTAGE	12.5%	12.7%	8.3%	11.0%	PERCENTAGE	#DIV/0!	11.3%	6.0%	8.3%
MARCH	2/7/2024-3/8/2024		2/8/2023-3/9/2023		SEPTEMBER	8/7/2024-9/9/2024		8/9/2023-9/8/2023	
GAL PUMPED	16,824	52,339	15,950	50,539	GAL PUMPED		69,619	37,180	235,825
GAL SOLD	14,823	45,213	14,555	44,671	GAL SOLD		60,514	34,643	212,850
GAL USED	330	953	368	1,030	GAL USED		1,264	601	4,571
GAL(LOSS)/GAIN	(1,671)	(6,173)	(1,027)	(4,838)	GAL(LOSS)/GAIN	0	(7,841)	(1,936)	(18,404)
PERCENTAGE	9.9%	11.8%	6.4%	9.6%	PERCENTAGE	#DIV/0!	11.3%	5.2%	7.8%
APRIL	3/8/2024-4/8/2024		3/9/2023-4/8/2023		OCTOBER	9/9/2024-10/8/2024		9/8/2023-10/10/2023	
GAL PUMPED	17,280	69,619	17,103	67,642	GAL PUMPED		69,619	30,086	265,911
GAL SOLD	15,301	60,514	15,509	60,180	GAL SOLD		60,514	27,240	240,090
GAL USED	311	1,264	311	1,341	GAL USED		1,264	452	5,023
GAL(LOSS)/GAIN	(1,668)	(7,841)	(1,283)	(6,121)	GAL(LOSS)/GAIN	0	(7,841)	(2,394)	(20,798)
PERCENTAGE	9.7%	11.3%	7.5%	9.0%	PERCENTAGE	#DIV/0!	11.3%	8.0%	7.8%
MAY	4/8/2024-5/8/2024		4/8/2023-5/10/2023		NOVEMBER	10/8/2024-11/7/2024		10/10/2023-11/8/2023	
GAL PUMPED		69,619	18,946	86,588	GAL PUMPED		69,619	17,838	283,749
GAL SOLD		60,514	14,860	75,040	GAL SOLD		60,514	14,855	254,945
GAL USED		1,264	373	1,714	GAL USED		1,264	330	5,353
GAL(LOSS)/GAIN	0	(7,841)	(3,713)	(9,834)	GAL(LOSS)/GAIN	0	(7,841)	(2,653)	(23,451)
PERCENTAGE	#DIV/0!	11.3%	19.6%	11.4%	PERCENTAGE	#DIV/0!	11.3%	14.9%	8.3%
JUNE	5/8/2024-6/7/2024		5/10/2023-6/9/2023		DECEMBER	11/7/2024 - 12/8/2024		11/8/2023 - 12/8/2023	
GAL PUMPED		69,619	28,529	115,117	GAL PUMPED		69,619	17,948	301,697
GAL SOLD		60,514	26,292	101,332	GAL SOLD		60,514	15,465	270,410
GAL USED		1,264	696	2,410	GAL USED		1,264	331	5,684
GAL(LOSS)/GAIN	0	(7,841)	(1,541)	(11,375)	GAL(LOSS)/GAIN	0	(7,841)	(2,152)	(25,603)
PERCENTAGE	#DIV/0!	11.3%	5.4%	9.9%	PERCENTAGE	#DIV/0!	11.3%	12.0%	8.5%



MEMORANDUM

To: New Prague Utilities Commission

From: Bruce Reimers, Utilities General Manager

Date: May 22nd, 2024

Subject: **Agreement Updates**

Staff has updated the following two agreements: Commercial Industrial Electric Service Agreement and Residential Developer Electric Service Agreement, as well as added a third agreement: Residential Development Street Light Agreement. Staff will continue to review agreements and policies and update or add as needed.

RECOMMENDATION:

Commission approves the agreements as presented.

RESIDENTIAL DEVELOPMENT STREET LIGHT AGREEMENT

Developer: _____

Mailing Address: _____

Phone #: _____ Email: _____

(Hereinafter called the Developer), in accordance with the following terms and conditions:

The Developer hereby requests the installation of streetlights at the following development:

- 1. Location and name of development: _____
- 2. The following fees, terms and conditions shall apply:
 - A) Developer shall complete a Street Light Agreement.
 - B) Streetlights will be furnished and installed by NPUC.
 - C) Streetlights are required at all intersections and at end of all cul-de-sacs and at mid-block provided that no lights are spaced farther than 400 feet.
 - D) Street light layout shall be approved by NPUC and shall be consistent with the standard type of lighting currently being utilized by the City to provide for a uniform street lighting system. Should the developer want to install a decorative pole and fixture NPUC will offer decorative options and associated cost that will be the responsibility of the developer.
 - E) The streetlight shall remain the property of NPUC and the payment by the Owner shall not entitle Owner to ownership interest or rights therein.
 - F) Developer agrees to pay the sum of the following per the NPUC fee schedule, plus applicable tax:

Description	Quantity	Price per Pole	Total
Decorative Pole w/ Fixture	_____ x \$	_____	\$ _____
NPUC standard Pole w/ Fixture	_____ x \$	_____	\$ _____
		Sales Tax	\$ _____
		Total Amount Due	\$ _____

By signing below, Developer confirms that Developer has read, understands, and agrees to the terms and conditions set forth above.

Developer

Date

NPUC Representative

Date

RESIDENTIAL DEVELOPER ELECTRIC SERVICE AGREEMENT

The New Prague Utilities (NPUC) does hereby agree to install underground electric service extension lines and transformer for the purpose of furnishing electric service to the residential development owned by:

Owner/ Developer: _____
Mailing Address: _____

Phone #: _____ Email: _____

(Hereinafter called the Owner or Developer), in accordance with the following terms and conditions:

- 1. Location and name of addition: _____
- 2. The Developer shall pay to the Utilities _____ units x \$_____ = \$_____
or submit an irrevocable letter of credit prior to the initial installation of electrical service to the development.
- 3. Installation shall commence upon receipt by NPUC from the Developer of the following:
 - A) Preliminary and final plats; both regular scale and 11x17.
 - B) Two weeks’ notice of when we can start the project.
 - C) Coordination with developer to install road crossings at no additional cost to NPUC.
 - D) Project is to be within 4” of final grade and curb and road surface has been installed.
 - E) Lot corners are in; either temporary or permanent.
 - F) Storm sewers, catch basins, manholes, and main water valves are located and shown to us.
 - G) Water and sewer stubs into individual lots are marked.
- 4. Winter installation will require prior approval from NPUC. Between November 1st and April 15th, the Utilities will provide frost trenching for an additional charge per fee schedule. Frost trenching must be done by NPUC or its contractors unless prior Utility approval is given.
- 5. The electric line, transformer and associated equipment installed by the Utilities shall remain the property of NPUC and the payment by the Owner shall not entitle Owner to ownership interest or rights therein.
- 6. NPUC shall not be responsible for delays in making installation caused by inability to obtain materials, strikes or other unusual conditions not under its control.

By signing below, Owners confirms that Owner has read, understands, and agrees to the terms and conditions set forth above.

_____ Owner	_____ Date
_____ NPUC Representative	_____ Date

COMMERCIAL & INDUSTRIAL ELECTRIC SERVICE AGREEMENT

The New Prague Utilities Commission (NPUC) does hereby agree to install underground electric service extension lines and transformer for the purpose of furnishing electric service to commercial or industrial building owned by:

Owner/ Developer: _____

Mailing Address: _____

Phone #: _____ Email: _____

(Hereinafter called the Owner or Developer), in accordance with the following terms and conditions listed.

1. Address of building: _____

2. The Developer shall pay to the Utilities \$ _____ or submit an irrevocable letter of credit prior to the initial installation of electrical service to the building.

3. Installation shall commence upon receipt by NPUC from the Developer of the following:

- A) Preliminary and final site plan showing electric and water service location, scaled on 11x17.
- B) Two weeks' notice of when we can start the project.
- C) A one-week window of time to install project prior to curb and gutter, blacktop placement.
- D) Project is to be within 4" of final grade and obstructions have been removed.
- E) Transformer pad specifications will be provided by NPUC, and installation will be the responsibility of the developer. The location of the transformer pad must be accessible via a hard surface.
- F) All costs billed to the developer will be based on the current market price of materials. NPUC will provide all labor and equipment needed to install feeder wiring, transformers, and related metering.
- G) Meters will be banked and located as near as possible to the service entrance and on the **OUTSIDE OF THE BUILDING** so it can be accessible without entering the premises.
- H) Services over 200 amps will be required to have CT metering cabinets located on the pad next to the transformer or mounted on the building in a location approved by the NPUC.

SERVICE SIZE: _____ Amps SERVICE VOLTAGE: _____

OF ELECTRIC METERS REQUESTED: _____ CT METERING: _____ Primary METERING: _____

4. Between November 1ST and April 15th, the Utilities will provide frost trenching for an additional charge per fee schedule. Frost trenching must be done by NPUC or its contractors unless prior Utility approval is given.

5. The electric line, transformer and associated equipment installed by the Utilities shall remain the property of NPUC and the payment by the Owner shall not entitle Owner to ownership interest or rights therein.

6. NPUC shall not be responsible for delays in making installation caused by inability to obtain materials, strikes or other unusual conditions not under its control.

By signing below, Owners confirms that Owner has read, understands, and agrees to the terms and conditions set forth above.

Owner

Date

NPUC Representative

Date



City of New Prague

2023 Financial Statement Audit





Water Utility Fund

Cash Flows from Operations and Cash Balances



Electric Utility Fund

Cash Flows from Operations and Cash Balances

City of New Prague, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2023

Section 8, Item b.

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities Commission	602	Other Enterprise Funds	Totals
	Water Utility	Electric Utility		Sewer Utility		
Assets						
Current Assets						
Cash and temporary investments						
Undesignated	\$ 2,657,056	\$ 3,611,086	\$ 6,268,142	\$ 8,223,860	\$ 1,654,191	\$ 16,146,193
Designated	-	2,383,735	2,383,735	210,000	-	2,593,735
Receivables						
Accounts, net of allowance	208,297	1,554,895	1,763,192	276,133	40,920	2,080,245
Special assessments - current portion	479,215	812	480,027	258,520	-	738,547
Intergovernmental	3,665	78,527	82,192	10,961	2,389	95,542
Inventories	49,666	1,126,713	1,176,379	-	57,888	1,234,267
Prepaid items	-	2,244	2,244	-	-	2,244
Total Current Assets	3,397,899	8,758,012	12,155,911	8,979,474	1,755,388	22,890,773
Noncurrent Assets						
Capital assets						
Land	79,520	41,648	121,168	56,980	-	178,148
Construction in progress	133,434	247,252	380,686	-	-	380,686
Land improvements	-	-	-	-	910,290	910,290
Buildings	5,952,857	9,314,677	15,267,534	27,964,822	1,094,511	44,326,867
Infrastructure	11,492,127	14,206,486	25,698,613	7,897,920	8,282,527	41,879,060
Machinery and equipment	367,306	2,321,987	2,689,293	13,906,584	1,589,834	18,185,711
Less accumulated depreciation	(8,848,119)	(15,837,772)	(24,685,891)	(22,636,107)	(6,791,484)	(54,113,482)
Total Capital Assets (net of accumulated depreciation)	9,177,125	10,294,278	19,471,403	27,190,199	5,085,678	51,747,280
Total Assets	12,575,024	19,052,290	31,627,314	36,169,673	6,841,066	74,638,053
Deferred Outflows of Resources						
Deferred other post employment benefit resources	3,872	5,538	9,410	3,889	1,497	14,796
Deferred pension resources	75,379	185,794	261,173	101,203	85,889	448,265
Total Deferred Outflows of Resources	79,251	191,332	270,583	105,092	87,386	463,061
Liabilities						
Current Liabilities						
Accounts and contracts payable	5,525	1,112,539	1,118,064	32,087	78,482	1,228,633
Due to other governments	7,215	-	7,215	22,959	3,112	33,286
Accrued interest payable	45,129	-	45,129	337,861	25,022	408,012
Accrued wages payable	8,699	21,431	30,130	12,744	5,986	48,860
Accrued compensated absences payable	15,925	27,467	43,392	10,151	6,718	60,261
Customer deposits payable	32,775	139,042	171,817	63,037	65,711	300,565
Unearned revenue	-	-	-	-	118,663	118,663
Current portion of bonds payable	290,976	-	290,976	1,418,577	174,348	1,883,901
Total Current Liabilities	406,244	1,300,479	1,706,723	1,897,416	478,042	4,082,181
Noncurrent Liabilities						
Accrued compensated absences payable	37,489	94,918	132,407	19,815	4,488	156,710
Bonds payable - net of current portion	3,367,777	-	3,367,777	24,836,756	1,681,963	29,886,496
Net pension liability	293,737	723,987	1,017,724	323,468	264,423	1,605,615
Other post employment benefits	19,420	27,780	47,200	19,506	7,509	74,215
Total Noncurrent Liabilities	3,718,423	846,685	4,565,108	25,199,545	1,958,383	31,723,036
Total Liabilities	4,124,667	2,147,164	6,271,831	27,096,961	2,436,425	35,805,217
Deferred Inflows of Resources						
Deferred other post employment benefit resources	7,329	10,484	17,813	7,361	2,834	28,008
Deferred pension resources	95,644	235,737	331,381	103,397	75,667	510,445
Total Deferred Inflows of Resources	102,973	246,221	349,194	110,758	78,501	538,453
Net Position						
Net investment in capital assets	5,518,967	10,294,278	15,813,245	934,866	3,248,827	19,996,938
Unrestricted	2,907,668	6,555,959	9,463,627	8,132,180	1,164,699	18,760,506
Total Net Position	\$ 8,426,635	\$ 16,850,237	\$ 25,276,872	\$ 9,067,046	\$ 4,413,526	\$ 38,757,444

The notes to the financial statements are an integral part of this statement.

City of New Prague, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2023

Section 8, Item b.

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities Commission	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility		Sewer Utility		
Operating Revenues						
Sales	\$ -	\$ -	\$ -	\$ -	\$ 512,000	\$ 512,000
Cost of sales	-	-	-	-	(235,609)	(235,609)
Gross profit	-	-	-	-	276,391	276,391
Charges for services	1,878,048	10,150,856	12,028,904	3,476,553	1,304,579	16,810,036
Miscellaneous	-	-	-	-	21,233	21,233
Total Operating Revenues	1,878,048	10,150,856	12,028,904	3,476,553	1,602,203	17,107,660
Operating Expenses						
Purchases and generation	131,814	7,130,071	7,261,885	-	-	7,261,885
Transmission and distribution	420,890	180,945	601,835	-	-	601,835
Administration and general	407,828	1,395,282	1,803,110	-	-	1,803,110
Salaries and benefits	-	-	-	659,944	775,657	1,435,601
Supplies	-	-	-	311,751	195,429	507,180
Other services and charges	-	-	-	143,262	177,616	320,878
Insurance	-	-	-	56,763	17,189	73,952
Utilities	-	-	-	369,254	119,636	488,890
Depreciation	433,405	695,512	1,128,917	1,546,781	338,034	3,013,732
Total Operating Expenses	1,393,937	9,401,810	10,795,747	3,087,755	1,623,561	15,507,063
Operating Income (Loss)	484,111	749,046	1,233,157	388,798	(21,358)	1,600,597
Nonoperating Revenues (Expenses)						
Intergovernmental	36	90	126	40	33	199
Investment income (loss)	91,256	218,175	309,431	253,829	49,308	612,568
Miscellaneous income	16,537	193,027	209,564	8,815	-	218,379
Water meter income	6,752	-	6,752	-	-	6,752
Refunds and reimbursements	-	-	-	2,088	-	2,088
Gain (loss) on disposal of capital assets	-	19,650	19,650	-	4,295	23,945
Bond issuance expense	(15,057)	-	(15,057)	(9,497)	(18,039)	(42,593)
Interest expense	(106,812)	(4,867)	(111,679)	(936,174)	(57,048)	(1,104,901)
Amortization of bond premium	31,041	-	31,041	22,713	18,156	71,910
Total Nonoperating Revenues (Expenses)	23,753	426,075	449,828	(658,186)	(3,295)	(211,653)
Income (Loss) Before Contributions and Transfers	507,864	1,175,121	1,682,985	(269,388)	(24,653)	1,388,944
Capital Contributions						
Hookup charges	33,896	-	33,896	111,753	-	145,649
Special assessments	92,960	-	92,960	72,210	-	165,170
Water access charges	4,052	-	4,052	-	-	4,052
Other entities	-	26,795	26,795	-	-	26,795
Total Capital Contributions	130,908	26,795	157,703	183,963	-	341,666
Transfers In	-	-	-	-	121,270	121,270
Transfers Out	-	(40,000)	(40,000)	-	-	(40,000)
Total Transfers	-	(40,000)	(40,000)	-	121,270	81,270
Change in Net Position	638,772	1,161,916	1,800,688	(85,425)	96,617	1,811,880
Net Position, January 1	7,787,863	15,688,321	23,476,184	9,152,471	4,316,909	36,945,564
Net Position, December 31	\$ 8,426,635	\$ 16,850,237	\$ 25,276,872	\$ 9,067,046	\$ 4,413,526	\$ 38,757,444

The notes to the financial statements are an integral part of this statement.

City of New Prague, Minnesota
Statement of Cash Flows (Continued on the Following Pages)
Proprietary Funds
For the Year Ended December 31, 2023

Section 8, Item b.

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,874,589	\$ 10,001,071	\$ 11,875,660	\$ 3,441,653	\$ 1,819,234	\$ 17,136,547
Payments to suppliers and vendors	(331,984)	(7,443,251)	(7,775,235)	(874,792)	(677,127)	(9,327,154)
Payments to and on behalf of employees	(598,183)	(1,228,924)	(1,827,107)	(613,137)	(725,787)	(3,166,031)
Other receipts	16,537	193,027	209,564	10,903	21,233	241,700
Net Cash Provided (Used) by Operating Activities	960,959	1,521,923	2,482,882	1,964,627	437,553	4,885,062
Cash Flows from Noncapital Financing Activities						
State grants received	36	90	126	40	33	199
Transfers from other funds	-	-	-	-	121,270	121,270
Transfers to other funds	-	(40,000)	(40,000)	-	-	(40,000)
Net Cash Provided (Used) by Noncapital Financing Activities	36	(39,910)	(39,874)	40	121,303	81,469
Cash Flows from Capital Financing Activities						
Special assessment receipts	28,880	-	28,880	5,500	-	34,380
Capital contributions from other entities	-	26,795	26,795	-	-	26,795
Payments on advances from other funds	-	-	-	-	(23,187)	(23,187)
Proceeds from bonds issued, net of discount/premiums	492,636	-	492,636	326,742	583,548	1,402,926
Acquisition and construction of capital assets	(1,062,214)	(799,938)	(1,862,152)	(389,922)	(776,589)	(3,028,663)
Proceeds from the disposal of capital assets	-	19,650	19,650	-	4,295	23,945
Principal paid on bonds	(234,710)	-	(234,710)	(883,360)	(197,616)	(1,315,686)
Interest paid on bonds and notes	(102,676)	(4,867)	(107,543)	(943,194)	(59,287)	(1,110,024)
Issuance costs paid on bonds	(15,057)	-	(15,057)	(9,497)	(18,039)	(42,593)
Hookup charges	33,856	-	33,856	111,753	-	145,609
Water access charges	4,052	-	4,052	-	-	4,052
Net Cash Provided (Used) by Capital Financing Activities	(855,233)	(758,360)	(1,613,593)	(1,781,978)	(486,875)	(3,882,446)
Cash Flows From Investing Activities						
Interest received	91,256	218,175	309,431	253,829	49,308	612,568
Net Increase (Decrease) in Cash and Cash Equivalents	197,018	941,828	1,138,846	436,518	121,289	1,696,653
Cash and Cash Equivalents, January 1,	2,460,038	5,052,993	7,513,031	7,997,342	1,532,902	17,043,275
Cash and Cash Equivalents, December 31,	<u>\$ 2,657,056</u>	<u>\$ 5,994,821</u>	<u>\$ 8,651,877</u>	<u>\$ 8,433,860</u>	<u>\$ 1,654,191</u>	<u>\$ 18,739,928</u>
Cash and Cash Equivalents						
Undesignated	\$ 2,657,056	\$ 3,611,086	\$ 6,268,142	\$ 8,223,860	\$ 1,654,191	\$ 16,146,193
Designated	-	2,383,735	2,383,735	210,000	-	2,593,735
Total Cash and Cash Equivalents	<u>\$ 2,657,056</u>	<u>\$ 5,994,821</u>	<u>\$ 8,651,877</u>	<u>\$ 8,433,860</u>	<u>\$ 1,654,191</u>	<u>\$ 18,739,928</u>

New Prague Utilities Commission
New Prague, Minnesota
Electric Utility Fund
Schedules of Operating Revenues
(Unaudited)
For the Years Ended December 31, 2023 and 2022

Section 8, Item b.

	2023		
	K.W.H. Sold	Income	Average Income Per K.W.H. Sold
Type of Service			
Residential	28,311,052	\$ 4,209,140	\$ 0.14867
Commercial phase 1	2,104,161	615,990	0.29275
Commercial phase 3	1,874,274	-	-
Commercial interruptible	123,000	11,623	0.09450
Small industrial	15,530,382	1,835,814	0.11821
Industrial	21,835,800	2,383,440	0.10915
Other departments	1,265,866	142,813	0.11282
Street lights	424,992	64,064	0.15074
Security lights	-	5,011	-
Unbilled revenue	-	(101,666)	-
Total Sales	<u>71,469,527</u>	<u>\$ 9,166,229</u>	<u>\$ 0.12825</u>
Total K.W.H. - Generated	807,700		
Total K.W.H. - Purchases	<u>72,260,959</u>		
Total K.W.H.	<u>73,068,659</u>		
Distribution Lost	<u>1,599,132</u>		
Percentage of Distribution Lost	<u>2.2%</u>		
Cost of Power Purchased	<u>\$ 6,638,267</u>		
Average Cost Per K.W.H. Purchased	<u>\$ 0.09187</u>		

2022		
K.W.H. Sold	Income	Average Income Per K.W.H. Sold
27,036,908	\$ 3,695,866	\$ 0.13670
2,028,451	524,872	0.25876
1,723,479	-	-
147,600	12,325	0.08350
15,095,979	1,675,374	0.11098
21,316,380	2,086,969	0.09790
1,134,476	127,921	0.11276
421,334	58,623	0.13914
-	4,204	-
-	183,486	-
<u>68,904,607</u>	<u>\$ 8,369,640</u>	<u>\$ 0.12147</u>
914,600		
<u>72,403,121</u>		
<u>73,317,721</u>		
<u>4,413,114</u>		
<u>6.0%</u>		
<u>\$ 6,025,681</u>		
<u>\$ 0.08322</u>		

New Prague Utilities Commission
New Prague, Minnesota
Water Fund
Schedules of Operations Statement Per 1,000 Gallons
(Unaudited)
For the Years Ended December 31, 2023 and 2022

	2023	2022
Operating Revenues		
Water sales		
Residential	\$ 4.34940	\$ 4.72787
Commercial	2.03273	2.25680
Other departments	0.00868	0.00857
Unbilled revenue	(0.03489)	0.08849
Other operating revenues	0.06265	0.07443
Total Operating Revenues	<u>6.41857</u>	<u>7.15615</u>
Operating Expenses		
Power for pumping	0.45050	0.49624
Maintenance - wells, pumps, and storage facilities	0.04559	0.05285
Maintenance - water main	0.08237	0.06494
Purification	0.23528	0.28387
Distribution	1.07523	1.06980
Salaries	0.60732	0.77069
General expenses	0.20082	0.23668
Professional fees	0.05838	0.16307
Insurance	0.07595	0.06625
Employee pension and benefits	0.38763	0.78470
Maintenance - general property	0.06373	0.09490
Depreciation	1.48124	1.81048
Total Operating Expenses	<u>4.76404</u>	<u>5.89447</u>
Operating Income	<u>1.65453</u>	<u>1.26168</u>
Nonoperating Income (Expenses)		
Investment income (loss)	0.31188	(0.24743)
State aid	0.00012	0.00854
Other income	0.05652	0.04896
Water meter income	0.02308	0.02969
Hookup fees	0.11585	0.10904
Water access charges	0.01385	-
Special assessments	0.31771	0.41832
Interest expense	(0.36505)	(0.43351)
Bond issuance costs	(0.05146)	(0.03101)
Amortization expense	0.10609	0.00933
Total Nonoperating Income (Expenses)	<u>0.52859</u>	<u>(0.08807)</u>
Change in Net Position	<u>\$ 2.18312</u>	<u>\$ 1.17361</u>
1,000 Gallons Sold	<u>292,596</u>	<u>237,904</u>



Executive Governance Summary

City of New Prague
New Prague, Minnesota

For the year ended December 31, 2023



Edina Office
5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

Mankato Office
100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

Scottsdale Office
14500 N Northsight Blvd, Ste 233
Scottsdale, AZ 85260
P 480.864.5579

April 30, 2024

Management, Honorable Mayor and City Council
City of New Prague, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of New Prague, Minnesota (the City), for the year ended December 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 5, 2023. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Findings

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify one deficiency in internal control that we consider to be material weaknesses described in the following pages as item 2023-002, and 2023-001 that we consider to be a significant deficiency.

Condition: During our audit we reviewed internal control procedures over payroll, disbursements, cash receipts, utility billing and investments and found the City to have limited segregation of duties in these areas as noted below.

Criteria: There are four general categories of duties: authorization, custody, record keeping and reconciliation. In an ideal system, different employees perform each of these four major functions. In other words, no one person has control of two or more of these responsibilities.

Effect: The existence of this limited segregation of duties increases the risk of fraud

Cause: Currently, the Finance Director has control of payroll checks, sets up and maintains all employee records, issues checks to employees, initiates payroll transfers for direct deposit, and approves payroll. The Accounting Technician runs the payroll, posts activity to the general ledger and prepares the payroll tax returns. The Finance Director and Accounting Technician alternate the reconciliation of bank accounts.

Recommendation: We recommend the City review the spreadsheet provided to see if any duties can be adjusted to properly segregate the four categories of duties. It is important that the Council is aware of this condition and monitors all financial information.

Management Response:

The City has already taken measures to attempt to comply even though they are relatively small and the number of clerical/bookkeeping staff they can employ is limited. The Council has addressed this circumstance by active participation in the City's affairs. This includes approval of expenditures, regular review of financial statements and budget comparisons.

Updated Progress from Prior Year:

No update from the prior year.

Internal Control Over Disbursements

Cause: The Accounting Technician maintains the signature plate, sets up and maintains vendors, posts to the general ledger, prepares checks, and maintains accounts payable records. The Planning Technician Receptionist opens mail and mails checks to vendors. The Purchase/Inventory Clerk matches invoices to purchase orders and maintains the purchase journal. The Finance Director and Accounting Technician alternate the reconciliation of the bank accounts.

Recommendation: We recommend the City review the spreadsheet provided to see if any duties can be adjusted to properly segregate the four categories of duties. It is important that the Council is aware of this condition and monitors all financial information.

Management Response:

The City has already taken measures to attempt to comply even though they are relatively small and the number of clerical/bookkeeping staff they can employ is limited. The Council has addressed this circumstance by active participation in the City's affairs. This includes approval of expenditures, regular review of financial statements, regular review of bank reconciliations and budget comparisons. The duties of setting up and maintain vendors, opening the mail, maintaining the general ledger, preparing checks, and mailing the checks have been separated as much as allowed with the limited number of staff.

Updated Progress from Prior Year:

No update from the prior year.

Internal Control Over Cash Receipts

Cause: The Planning Technician Receptionist opens mail and takes deposits to the bank. The Billing Clerk receives and endorses checks/currency and prepares the deposit.

Recommendation: We recommend the City review the spreadsheet provided to see if any duties can be adjusted to properly segregate the four categories of duties. It is important that the Council is aware of this condition and monitors all financial information.

Management Response:

The City has already taken measures to attempt to comply even though they are relatively small and the number of clerical/bookkeeping staff they can employ is limited. The Council has addressed this circumstance by active participation in the City's affairs. This includes review of deposits, regular review of financial statements, regular review of bank reconciliations and budget comparisons.

Updated Progress from Prior Year:

No update from the prior year.

Internal Control Over Utility Billing

Cause: The Billing Clerk sets up and maintains customers and rates, generates billing statements, mails billing statements, and prepares the deposit.

Recommendation: We recommend the City review the spreadsheet provided to see if any duties can be adjusted to properly segregate the four categories of duties. It is important that the Council is aware of this condition and monitors all financial information.

Management Response:

The City has already taken measures to attempt to comply even though they are relatively small and the number of clerical/bookkeeping staff they can employ is limited. The Council has addressed this circumstance by active participation in the City's affairs. This includes review of deposits, regular review of financial statements, regular review of bank reconciliations and budget comparisons.

Updated Progress from Prior Year:

No update from the prior year.

Internal Control Over Journal Entries

Cause: The accounting technician posts all journal entries, which have not been through an approval process.

Recommendation: SAS No. 145 required evaluating the design and implementation of certain controls including journal entries and other adjustments. Through our audit testing we determined there were lack of controls related to journal entries. We recommend implementing a formal approval process for all manual journal entries.

Management response:

The City will implement an approval process for manual journal entries going forward.

2023-002

Material Audit Adjustments

Condition:	Adjustments were needed to record and adjust the beginning EDA balances, coding of bond proceeds coded to the incorrect fund, debt service fund tax revenues, and capital project activity.
Criteria:	The financial statements are the responsibility of the City’s management.
Cause:	The financial statements required material audit adjustments to be reasonably stated.
Effect:	This indicated that it would be likely that a misstatement may occur and not be detected by the City’s system of internal control. The audit firm cannot serve as a compensating control over this deficiency.
Recommendation:	We recommend that management review bond proceed coding to ensure they are recorded in the proper project fund, review tax levy revenue recorded compared to the approved levy, and review large capital projects that are done in conjunction with outside agencies for portions owned by the City.

Management response:

The City will review the adjustments necessary and try to eliminate these entries in the future.

Compliance and Other Matters

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

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2023. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumption about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include depreciation on capital assets, allocation of wage expenses, liability for the City’s pension, and the liability for the City’s other postemployment benefits (OPEB).

- Management’s estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City’s budget and are derived from each employee’s estimated time to be spent serving in the respective function of the City. These allocations are also used in allocating accrued compensated absences payable.



- Management's estimate of its pension liability is based on several factors including, but not limited to, investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rates.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed several journal entries that we consider to be audit entries or corrections of management decisions of which the following we consider to be material audit adjustments:

- To correct beginning EDA balances.
- To correct the coding of tax receipts.
- To adjust capital asset balances.
- To correct the coding of bond proceeds.

Disagreements with Management

For purposes of this letter professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 30, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Written Policies and Procedures

The City has documented some of its accounting policies and procedures during the year. We recommend that the staff continue creating and adopting written accounting policies and procedures.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The following item did not materially affect the financial statements, however we feel should be brought to your attention for future improvements:

- The City’s budget did not match the budget approved by the Council.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management’s Discussion and Analysis, the Schedules of Employer’s Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer’s Contributions and the Schedule of Changes in the City’s Total OPEB Liability and Related Ratios), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements: ⁽¹⁾

GASB Statement No. 100 - <i>Accounting Changes and Error Corrections</i>	<i>Effective: 12/31/2024</i>
GASB Statement No. 101 - <i>Compensated Absences</i>	<i>Effective: 12/31/2024</i>
GASB Statement No. 102 – <i>Certain Risk Disclosures</i>	<i>Effective: 12/31/2025</i>

Further information on upcoming [GASB pronouncements](#).




Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.


Abdo
Mankato, Minnesota
April 30, 2024

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
April 10, 2024

President Reimers called the meeting to order at 9:00 a.m. at the Gustavus Adolphus College Arboretum Melva Lind Interpretive Center in Saint Peter, Minnesota.

Mr. Moulton, Saint Peter Municipal Utilities Public Works Director, welcomed the members and guests to Saint Peter, and introduced Saint Peter Finance Director/Treasurer Sally Vogel, Saint Peter Electric Superintendent Jason Lee, and Gustavus Adolphus College Director and Interpretive Naturalist Scott Moeller.

Mr. Moeller welcomed the members and guests to Saint Peter and gave a brief overview of the Gustavus Adolphus College Arboretum.

On behalf of Mayor Nowell, Mr. Prafke, Saint Peter City Administrator, welcomed the members and guests to Saint Peter. Mr. Prafke thanked SMMPA and the SMMPA Board for embracing electric industry changes to assist Saint Peter.

Mr. Geschwind introduced Mr. Craig Anderson, who was hired as the Wells Public Utilities Manager, replacing Mr. Amy who retires the end of this month.

Board Members Present:

President Bruce A. Reimers, New Prague; Vice President Peter T. Moulton, Saint Peter; Treasurer James R. Bakken, Preston; Mark E. Nibaur, Austin; T. Scott Jensen, Lake City; and Timothy M. McCollough, Rochester.

Board Member Present Via Conference Call:

Secretary Roger E. Warehime, Owatonna.

Others Present:

David P. Geschwind, Executive Director & CEO; Jerry M. Mausbach, Blooming Prairie; Miles Heide, Julie Zarling, Fairmont; Jason Halvorson, Redwood Falls; Todd Prafke, Sally Vogel, Jason Lee, Saint Peter; Chris Rolli, Spring Valley; Jeffery D. Amy, Craig Anderson, Wells; Dan La Haye, Baker Tilly; Scott Moeller, Gustavus Adolphus College; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, and Jeremy B. Sutton of the Agency staff.

Others Present Via Conference Call:

Alex Bumgardner, Austin; Mike Roth, Shane Steele, Grand Marais; Mike Geers, Litchfield; and Glenn Anderson, Joe Kohlgraf, Mora.

#1 Agenda Approval:

Mr. Moulton moved to approve the agenda, seconded by Mr. Bakken, passed upon a unanimous

vote of the board members present.

#2 Consent Agenda:

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

APPROVED the March 13, 2024 board meeting minutes.

APPROVED the Weighted Votes. (Attachment A.)

#3 Sherco 3 Operations Review-Sutton/Michelle Neal-Xcel Energy:

Mr. Sutton introduced Ms. Michelle Neal, Sherco Plant Director.

Ms. Neal reported on the Sherco 3 2023 operating performance and indicated that 2023 was not the best performance year, but first quarter 2024 had a solid performance. Sherco 3 performance improved due to the work performed during the 2023 outage.

Key issues were highlighted related to reliability performance, environmental performance, and O&M and capital performance. Ms. Neal also provided an update on potential environmental regulations that could impact Sherco 3 operations, including the EPA's proposed Good Neighbor Rule and greenhouse gas regulations.

Ms. Neal addressed the significant capital projects that are scheduled for 2024 to 2028 to make sure Sherco 3 is reliable.

Liberty Paper, Inc.

Proposing low-pressure steam connection from Unit 3 to Liberty Paper, Inc. (LPI) to replace steam which is currently supplied by Units 1 and 2 due to retirements. Xcel Energy and SMMPA are negotiating an agreement that would address the steam connection and provision of steam to LPI.

Sherco 3 Planned Outage

A Sherco 3 planned outage will occur in fall 2024 to implement the steam connection to LPI.

Discussion.

Mr. Sutton expressed appreciation toward Ms. Neal for her efforts.

#4 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 Senior Manager, to report on the audit results.

Mr. La Haye presented an overview of SMMPA's audited financial statements for the year ended December 31, 2023. Baker Tilly stated that the audit went well, and they are providing an unmodified (clean) audit opinion.

Baker Tilly met with SMMPA Finance & Audit Committee members, Mr. Moulton (Saint Peter), Mr. Bakken (Preston), and Mr. Amy (Wells), along with the SMMPA team members on April 10, 2024, prior to the board meeting, to review the audit results.

Mr. La Haye thanked Ms. Fondell, Ms. Beth, and her team for their efforts.

Ms. Fondell thanked Mr. La Haye and Baker Tilly for a very well-run audit, and also thanked Ms. Beth for her efforts.

Mr. McCollough moved to accept the audit as presented by Baker Tilly for the year ended December 31, 2023, seconded by Mr. Moulton, passed upon a unanimous vote of the board members present.

After a short break, the board reconvened at 10:27 a.m.

#5 Revolving Credit Agreement Amendment-Fondell:

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

U.S. Bank is willing to extend the agreement for 18 months from the closing date of May 2, 2024. The Bloomberg Short-Term Bank Yield Index (BSBY) used in the current agreement will be discontinued in November 2024 and will be replaced. The amended RCA will reference the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index and Secured overnight Financing Rate (SOFR) plus basis point spreads for tax-exempt and taxable borrowing, respectively. The amended RCA terms are expected to reduce the Agency's interest expense.

Recommendation

The Agency recommends adoption of the board resolution provided in the board materials to amend the existing RCA based on the terms proposed by U.S. Bank, including replacing the BSBY index used for calculating interest rates with SIFMA and SOFR indices and extending the agreement for 18 months from the date of closing (planned for May 2, 2024).

Mr. McCollough moved to approve the Resolution, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present. (Attachment B.)

#6 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 2040.
- SMMPA will continue to evaluate the number of excess RECs available for sale to member customers.

#7 Annual Review of SMMPA's Sustainability Efforts-Hoffman:

Mr. Hoffman reported on the sustainability topic. SMMPA continues working toward goals established in the SMMPA 2.0 initiative.

SMMPA is updating the brochure that highlights the Agency's carbon reduction efforts.

Our Commitment to Sustainability - Reducing our Carbon Footprint Brochure

The carbon reduction report takes a focused look at changes in the Agency's carbon emissions. The brochure will be distributed to the members at the May board meeting, as well as electronically.

Discussion.

Solar Choice Program

The Solar Choice Program allows customers of participating members to join the solar movement without installing panels on their property. Customers agree to purchase electricity from the Agency's Lemond Solar Project located near Owatonna, Minnesota. The pricing of the Solar Choice subscriptions is unique to each member and is based on current and projected retail rates. Members were asked to contact SMMPA if their customers are interested in participating.

Pollinator Habitat

The pollinator habitat program started in 2016 to create habitat for monarch butterflies and other pollinators. Mr. Hoffman will contact the members to determine interest in ordering plants and/or seed packets for distribution in the member communities.

Mission: Renew Program

The Agency offers the Mission: Renew Renewable Energy Credits (RECs) Retirement Program geared toward residential customers. The program allows customers to determine what percent of renewable energy they would like to purchase and have RECs retired on their behalf to achieve that goal. Currently, Owatonna and Princeton offer this program to their customers. Members were asked to contact SMMPA if they would like more information about offering this program in their community.

Government Affairs/Member Services Report-Hoffman:

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

SMMPA Scholarship Program Update

SMMPA's legal counsel indicated SMMPA's funds may be used for offering a scholarship program for members. A virtual working group will explore the issue(s) and report back to the SMMPA Board.

SMMPA Member Orientation

A SMMPA member orientation will be held on April 23, 2024 from 9:30 a.m. to noon at the SMMPA office. A virtual option will be available.

Electric Vehicle Charging Retail Rate Working Group

An Electric Vehicle Charging Retail Rate Working Group will be held June 4, 2024 at the SMMPA office. Dave Berg Consulting, LLC will facilitate the DCFC's rate setting workshop. A virtual option will be available.

SMMPA Board Meetings – Microsoft Teams

Starting in May 2024, SMMPA will transition from GoToMeeting to Microsoft Teams for virtual attendance at SMMPA Board meetings.

Operations Report-Sutton:

Mr. Sutton reported:

MISO Capacity

MISO's seasonal capacity rules require four seasons to balance capacity within. SMMPA is expected to have excess capacity in the winter and be short in other seasons during the 2024/2025 planning year. SMMPA swapped capacity with Dairyland Power Cooperative and made purchases from Rochester Public Utilities. SMMPA will take a limited amount of excess zonal resource credits to the annual MISO auction on April 19, 2024.

Titan 130 Gas Turbine

SMMPA staff (Pete Reinarts and Clint Schumacher) visited Missouri for site tours of gas-fired Titan 130 generator turbines. This type of generating unit requires less O&M and is a good unit, but labor, installation, and financing are driving the costs. Seeking equipment bids which will be reviewed with the board and members once received.

Sherco 3 Outage Hedge

A planned one-week Sherco 3 outage will occur in May 2024 and the recommendation is not to hedge based on current forward prices as it is expensive for a short duration outage. However, this will continue to be monitored up to the date of the outage.

Quick Start Working Group

The Quick Start Working Group is scheduled for April 30, 2024 in New Prague starting at 10:30 a.m.

Redwood Falls Damaged Pole

A person driving a rental truck hit and damaged a SMMPA transmission pole near Redwood Falls, Minnesota. Working with the rental car company for reimbursement of replacing the damaged pole at an estimated cost of \$160,000.

NERC Compliance Update

Xcel Energy gave notice to SMMPA that MISO identified NERC standards on the Byron Substation that would change the designation of the substation from a low to medium impact facility. SMMPA staff questioned the designation, and after further review, MISO decided to keep the current low-impact designation. Mr. Sutton thanked SMMPA staff Seth Koneczny and Shawn Timbers for their efforts.

Market Price Update

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

Financial Report February 2024-Fondell:

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

De Minimis Policy Changes

SMMPA Administrative Policies may require minor changes that do not alter the fundamental policy that was approved. SMMPA Legal Counsel indicated de minimis changes are inconsequential and board approval would not be required. To clearly distinguish that a de minimis change has occurred, the approval information in the modified policy would remain intact but a modified date would be added. There was board consensus to handle de minimis policy changes in this manner.

Revolving Credit Agreement Paydown

The Revolving Credit Agreement tax-exempt paydown of \$2.5 million will be done in late April 2024 due to a \$4 million rate stabilization investment maturity.

SMMPA Finance & Audit Committee Meeting Recap

The SMMPA Finance & Audit Committee meeting was held prior to today's board meeting. Mr. Dan LaHaye, Baker Tilly Senior Manager, reported on the 2023 audit results. The SMMPA Finance & Audit Committee Charter was reviewed for updates and the only changes noted are de minimis and will therefore not require board approval. The Agency has a thorough internal control review every five years. The 2024 review will be conducted by Baker Tilly this fall in conjunction with the 2024 preliminary audit fieldwork. Mr. Amy, who plans to retire at the end of the month, was thanked for serving on the SMMPA Finance & Audit Committee for several years. The Committee will have an open seat for another member representative due to Mr. Amy's retirement. Ms. Fondell will send an email to the members asking for volunteers.

President's Report:

Mr. Reimers reported:

- Retirement Recognition: Mr. Amy, Wells Public Utilities Manager, who retires the end of this month was recognized.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- SMMPA Key Metrics: Mr. Geschwind highlighted the coal inventory reflected on the key metrics. Coal inventory has increased above the target level and SMMPA is working to slow down coal deliveries.
- Austin Post-2030: On March 25, 2024, Mr. Mitchell, Mr. Sutton, and Mr. Geschwind met with the Austin Utilities Commission to discuss post-2030. Austin is evaluating their post-2030 power supply options.
- Ground Wire Theft: Fourteen pole structures had ground wire theft in the Austin area.
- Solar Working Group: Years ago, the Solar Working Group identified a solar appetite of 7 MW, including 2 MW interest set aside for member-area projects. The Agency will work with the members to determine if there is enough interest in re-establishing a working group to consider increasing the Agency's appetite in member-area solar projects.
- MMUA Municipal Electric Distribution System Sale Resolution: North Branch and two other Minnesota municipal utilities recently sold their municipal electric distribution systems without a vote of their citizens. Minnesota Municipal Utilities Association (MMUA) has drafted a resolution to be adopted by city councils whereby electric system sales would require approval of the city council and a 2/3 vote of the municipal citizens.
- MISO Reliability Imperative: Mr. Geschwind provided a summary of the key reliability concerns outlined by MISO in a recent update to its Reliability Imperative document.
- Awards Recognition: Recently, SMMPA was recognized as one of Minnesota's 2024 Best Places to Work. On April 25, 2024 at an awards ceremony in Washington, D.C., the U.S. Environmental Protection Agency will recognize SMMPA and its members with a 2024 ENERGY STAR Partner of the Year award.
- Retirement Recognition: Mr. Geschwind recognized Mr. Amy, Wells Public Utilities Manager, who retires the end of this month, and he was thanked for his involvement in Agency matters over the years. At the June 2024 APPA National Conference, Mr. Amy will be receiving the APPA Larry Hobart Seven Hats Award, which recognizes managers of small utilities who have a small staff and must assume multiple roles.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

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

The meeting was adjourned at 11:59 a.m.

Secretary