



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Monday, October 30, 2023 at 3:30 PM

Power Plant - 300 East Main St

-
1. **CALL TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **APPROVAL OF MINUTES**
 - [a.](#) September 25, 2023, Utilities Meeting Minutes
 4. **UTILITY AND SMMPA BILLS**
 - [a.](#) Approval of accounts payable in the amount of **\$584,724.92** and the SMMPA billing of **\$543,660.78**.
 5. **FINANCIAL REPORTS**
 - [a.](#) Investment Report
 - [b.](#) Financial Report
 - [c.](#) Water and Kilowatt Hours Sales
 6. **REVIEW AND APPROVAL OF 2024 BUDGETS AND RATES**
 - [a.](#) Electric
 - [b.](#) Water
 7. **APPROVAL OF LIABILITY COVERAGE WAIVER FORM**
 - [a.](#) Liability Coverage Waiver Form
 8. **SMMPA BOARD OF DIRECTORS MEETING**
 - [a.](#) September 13, 2023
 - [b.](#) October 13, 2023
 9. **GENERAL MANAGER'S REPORT**
 10. **OTHER BUSINESS**
 11. **ADJOURNMENT**

NEXT COMMISSION MEETING - Monday, November 27, 2023



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, September 25, 2023 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, September 25, 2023, at 3:30 p.m.

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

2. APPROVAL OF AGENDA

General Manager Reimers asked that the amount in the Utility and SMMPA bills be changed from \$367,259.18 to \$242,386.90. Motion made by Commissioner Jordan and seconded by Commissioner Busch to approve the agenda as amended. Motion carried (5-0).

3. REVIEW OF 2023 RATE STUDY

- a. By: Dave Berg Consulting
Rate Consultant Dave Berg presented the 2023 Water and Electric Rate Study Analysis. This information will be used to provide financial and rate guidance for the 2024 budget.

4. APPROVAL OF MINUTES

- a. August 28, 2023, Utilities Meeting Minutes
Motion made by Commissioner Jordan, seconded by Commissioner Busch, to approve the August meeting minutes. Motion carried (5-0).

5. UTILITY AND SMMPA BILLS

- a. Approval of accounts payable in the amount of **\$242,386.90** and the SMMPA billing of **\$639,769.84**.
Motion made by Commissioner Ewert, seconded by Commissioner Busch to approve. Motion carried (5-0).

6. FINANCIAL REPORTS

- a. Investment Summary
- b. Financial Report (Note: Finance system set up has continued in September. Current financial reports through July 31st will be prepared as soon as possible and provided to Commission members via email prior to the October Commission meeting. The October Commission meeting packet will include financial documents through August 31st.)
- c. Water and Kilowatt Hours Sales
Motion made by Commissioner Wolf, seconded by Commissioner Ewert, to approve all reports as presented. Motion carried (5-0).

7. SMMPA BOARD OF DIRECTORS MEETING

- a. August 9, 2023
- b. September 13, 2023

General Manager Reimers informed the Commission that the following was discussed at the September SMMPA Board Meeting:

- SMMPA staff has started work on resource planning, stating that there is a need for nearly 60 MW of new base load generation needed over the next 5 years and that they will be working with members to see if they are interested in installing new generation in their communities.
- SMMPA will be hosting a budget workshop in Owatonna on September 26, 2023. Wholesale rates for 2024 are looking to stay the same as 2023.

8. GENERAL MANAGER'S REPORT

General Manager Reimers informed the Commission on the following:

- The water main replacement along 10th Avenue NE has begun and it is scheduled to be completed in about 3 weeks.
- The electric department is working with several new commercial projects and continuing work on the NE CIP project.

9. OTHER BUSINESS

General Manager Reimers asked that the Commission look at their calendars for the November 27, 2023, meeting date and suggested that one option would be to hold the meeting at 9:00 a.m. instead of 3:30 p.m. A final decision will be made at the October meeting.

10. ADJOURNMENT

A motion was made by Commissioner Jordan and seconded by Commissioner Ewert to adjourn the September 25, 2023, meeting at 5:18 p.m. Motion carried (5-0).

NEXT COMMISSION MEETING - Monday, October 30, 2023

Respectfully Submitted,

Bruce Reimers
General Manager

Vendor Name	Net Invoice Amount
AMAZON CAPITAL SERVICES	
OFFICE SUPPLIES	68.00
BEVCOMM	
TELEPHONE	156.51
CIVIC SYSTEMS LLC	
2023 CIVIC SYSTEM SOFTWARE	1,700.00
COMPUTER TECHNOLOGY SOLUTIONS	
COMPUTER SUPPORT	3,623.64
OFFICE 365 / FIREWALL	602.85
GOPHER STATE ONE CALL	
LINE LOCATES	69.53
KENNEDY & GRAVEN CHARTERED	
UTILITIES COMMISSION - GENERAL MATTERS	488.80
LE SUEUR COUNTY RECORDER	
RECORDING FEE - UTILITY ASSESSMENTS	31.97
MINNESOTA MUNICIPAL UTILITY	
MMUA CONSORTIUM	367.50
NEON LINK	
ONLINE PAYMENT FEES	515.74
ONLINE PAYMENT FEES - LAKERS	7.27
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	1,026.69
WATER UTILITIES	41.61
QUILL CORPORATION	
OFFICE SUPPLIES	23.33
SCOTT COUNTY RECORDER	
RECORDING FEE - UTILITY ASSESSMENTS	31.97
US BANK EQUIPMENT FINANCE	
COPIER LEASE	400.95
VERIZON WIRELESS	
TELEPHONE	554.79
VETERAN SHREDDING	
SHREDDING SERVICE	17.00
VOYAGER FLEET SYSTEMS	
FUEL	2,054.30
Grand Totals	11,782.45

Vendor / Description	Invoice Amount
1000 BULBS.COM	
CORN COB LED LAMP, 45W, 4000K	\$10,848.00
ACE HARDWARE	
SUPPLIES	\$124.22
ALDEN POOL AND MUNICIPAL SUPPLY CO	
CHLORINE INJECTOR	\$450.00
AMARIL UNIFORM COMPANY	
FR CLOTHING - LOGAN	\$79.37
AMAZON CAPITAL SERVICES	
HITCH	\$328.31
PHONE CASE	\$96.96
AP TUPY MECHANICAL	
DRIVEWAY REPAIRS	\$185.00
ARVIG ANSWERING SOLUTIONS	
ANSWERING SERVICE	\$210.59
BELLE PLAINE BLOCK & TILE INC	
4" TILE	\$152.00
BORDER STATES ELECTRIC SUPPLY	
ADAPTOR, TERMINAL 4" PVC	\$21.07
COUPLING, 2" PVC	\$6.93
COUPLING, 4" PVC	\$32.17
ELBOW, 4" 90 DEG MED RADIUS	\$78.56
ELBOW, 4" 90DEG	\$194.17
FUSE, 10AMP TIME DELAY FLM-10	\$48.90
FUSEHOLDER, WATERPROOF HEB-AA	\$880.60
GROUND ROD, 5/8 X 8' COPPER	\$576.00
DAVE BERG CONSULTING LLC	
ELECTRIC/WATER RATE STUDY	\$15,165.06
DGR ENGINEERING	
EAST SUB RTU	\$8,774.50
WEST SUB SCADA	\$1,339.00
EGAN COMPANY	
PLC REPLACEMENT	\$61,600.00
G AND H READY MIX LLC	
PO 628 - CONCRETE	\$4,072.46
GENERATION BUILDING CENTER	
POWER PLANT DRIVEWAY	\$15.98
GRAINGER	
REPAIR KIT	\$152.10
HACH COMPANY	
TESTING SUPPLIES	\$223.28
HAWKINS INC	
METER	\$453.50
WATER PURIFICATION	\$7,770.26
INTERSTATE BATTERY	
BATTERY - BUCKET TRUCK	\$339.90
KODRU-MOONEY	
REPAIR KITS	\$370.00
KURITA AMERICA INC	
PROCLEAN	\$517.60
LAKER'S NEW PRAGUE SANITARY	
SEPTEMBER REFUSE BILLING FEE	-\$532.20
SEPTEMBER REFUSE REIMBURSEMENT	\$15,105.60
LE SUEUR COUNTY AUDITOR-TREASURER	
PROPERTY TAXES	\$1,150.00
MCMASTER-CARR SUPPLY CO	
PRESSURE GAUGE	\$36.69
METERING & TECHNOLOGY SOLUTIONS	
WATER METER, 3/4" HRE	\$823.14

Vendor / Description	Invoice Amount
MN DEPT OF COMMERCE	
UNCLAIMED FUNDS	\$948.65
MN DEPT OF HEALTH	
3RD QTR CONNECTION FEES	\$7,226.00
MN MUNICIPAL UTILITIES ASSOC	
NORTHWEST LINEMAN- COREY, LOGAN	\$1,490.00
T&O CONFERENCE	\$1,120.00
MSC INDUSTRIAL SUPPLY CO	
FITTINGS	\$6.16
NEON LINK	
ONLINE PAYMENT FEES	\$538.32
ONLINE PAYMENT FEES - LAKERS	\$7.58
POSTMASTER OF NEW PRAGUE	
October Utility Bill Postage	\$996.33
QUILL CORPORATION	
COPY PAPER	\$182.55
R & R METALWORKS INC	
SERVICE TRUCK PARTS	\$100.00
RDO EQUIPMENT CO.	
PRODRILL & EXTENSION	\$468.61
WAND	\$766.63
SALTCO	
MONTHLY SALT	\$320.36
SEH	
10TH AVE WATER MAIN	\$2,074.22
SOUTHERN MINNESOTA INSPECTION	
PO 514 - CRANE	\$21,641.29
STAR GROUP LLC.	
MINI EXCAVATOR - HOSE	\$45.22
STASNEY ELECTRIC	
PO 514 - CRANE	\$335.59
PO 628 - STAPLES	\$203.80
TIM'S SMALL ENGINE	
CHOP SAW REPAIR	\$49.48
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$180.08
USA BLUE BOOK	
DIAPHRAM	\$88.64
DIAPHRAM / VALVE	\$621.52
TESTING SUPPLIES	\$92.25
UTILITY CONSULTANTS	
SAMPLES	\$90.24
WATER CONSERVATION SERVICES INC.	
LEAK LOCATE - 7TH ST NW	\$678.18
WESCO RECEIVABLES CORP.	
1000 KVA 480/277 #	\$66,100.00
750KVA 480Y/208 #	\$46,391.43
SECONDARY PEDESTAL, NORDIC PRMC150	\$6,873.84
WIDMER CONSTRUCTION LLC	
10TH AVE WATER MAIN	\$281,010.00
ZORO TOOLS	
EMERGENCY TRIANGLE	\$31.49
HOLE PUNCH	\$185.34
KNOCKOUT STUD	\$38.69
PACKING SEAL	\$22.27
SOLENOID VALVE - FILTER #2	\$327.99
Grand Totals	\$572,942.47



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

Section 4, Item a.

Power Sales Contract

#INV1119
9/30/2023

Bill To

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

Due Date: 10/25/2023

BILLING PERIOD	kWh	kW	DATE / TIME
Sep 2023	6,153,035	12,818	Sep 5, 2023 3:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	6,153,035	12,818	
BASE RATE BILLING DEMAND CAP	N/A	0	
SUMMER SEASON BASE RATE DEMAND	N/A	15,560	Jun 20, 2022 5:00:00 PM
BASE RATE RATCHET DEMAND	N/A	11,514	Jun 20, 2022 5:00:00 PM

Description	Quantity	Rate	Amount	TOTAL
BASE RATE POWER SUPPLY				
Demand Charge (kW)	12,818	\$10.95	\$140,357.10	\$140,357.10
On Peak Energy Charge (kWh)	2,720,748	\$0.06431	\$174,971.30	\$174,971.30
Off Peak Energy Charge (kWh)	3,432,287	\$0.04808	\$165,024.36	\$165,024.36
Cost Adjustment (kWh)	7,423,203	\$0.002785	\$20,673.62	\$20,673.62
BASE RATE SUBTOTAL				\$501,026.38
TRANSMISSION				
Transmission Demand Charge (kW)	15,560	\$2.74	\$42,634.40	\$42,634.40
OTHER CHARGES				

Total \$543,660.78

[illegible]

NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
8/31/2023			
First Bank and Trust			
Checking - Cash Balance			
Electric		\$	1,674,844.62
Water		\$	1,862,255.62
Subtotal		\$	3,537,100.24
Money Market		\$	1,980,885.56
Wells Fargo			
F.I.S.T. (Market Value per Wells Select report)		\$	3,113,811.00
Electric (74% of account)	\$ 2,304,220.14		
Water (26% of account)	\$ 809,590.86		
Total		\$	8,631,796.80
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		

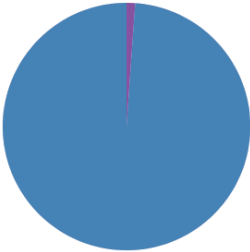


Managed Asset Allocation Summary

As of October 13, 2023

October 16, 2023
Trade Date Basis
NEW PRAGUE UTILITIES
COMMISSION- AGY
65866500
Investment Objective Is Fixed Income

	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
Cash Alternatives	34,778	34,778	0	1,813	5.21	1.1
Fixed Income	3,064,949	3,340,961	(276,011)	98,601	3.22	98.9
Total Portfolio	\$3,099,727	\$3,375,739	\$(276,011)	\$100,414	3.24%	100.0%



CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
August 31, 2023

Section 5, Item b.

ELECTRIC FUND

66.67% of year completed

REVENUES	2022 Thru 8/31/2022	Current Month	Actual Thru 8/31/2023	2022/2023 Variance YTD	2023 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ 95,009.56	\$ -	\$ (57,646.38)	\$ (152,655.94)	\$ -	0.00%
Residential Revenue	\$ 2,553,663.97	\$ 436,329.35	\$ 2,848,434.94	\$ 294,770.97	\$ 4,133,213.00	68.92%
Commercial	\$ 371,403.85	\$ 57,798.63	\$ 426,079.35	\$ 54,675.50	\$ 601,454.00	70.84%
Small Industrial	\$ 1,127,050.08	\$ 162,018.77	\$ 1,232,805.29	\$ 105,755.21	\$ 1,834,345.00	67.21%
Industrial	\$ 1,378,908.98	\$ 214,161.18	\$ 1,598,524.33	\$ 219,615.35	\$ 2,283,345.00	70.01%
Streetlights	\$ 38,542.58	\$ 3,921.86	\$ 41,777.10	\$ 3,234.52	\$ 65,000.00	64.27%
Other Departments	\$ 87,532.65	\$ 14,628.32	\$ 102,631.42	\$ 15,098.77	\$ 137,230.00	74.79%
SMMPA LOR Reimbursement	\$ 130,078.17	\$ 20,044.31	\$ 139,291.36	\$ 9,213.19	\$ 190,000.00	73.31%
SMMPA O&M Revenue	\$ 423,892.38	\$ 51,456.59	\$ 465,617.19	\$ 41,724.81	\$ 611,000.00	76.21%
Reimbursement - SMMPA Rebates	\$ 12,858.77	\$ -	\$ 21,602.59	\$ 8,743.82	\$ -	0.00%
Interest Income	\$ 668.56	\$ 8,862.35	\$ 30,537.07	\$ 29,868.51	\$ 25,000.00	122.15%
Other Income	\$ 315,389.25	\$ 42,779.17	\$ 122,366.05	\$ (193,023.20)	\$ 118,700.00	103.09%
TOTAL REVENUES	\$ 6,534,998.80	\$ 1,012,000.53	\$ 6,972,020.31	\$ 437,021.51	\$ 9,999,287.00	69.73%
EXPENSES						
Production	\$ 3,535.38	\$ 1,061.09	\$ 6,565.46	\$ 3,030.08	\$ 26,000.00	25.25%
Purchased Power	\$ 3,797,778.51	\$ 639,769.84	\$ 4,267,736.74	\$ 469,958.23	\$ 6,242,485.00	68.37%
SMMPA O&M Expenses	\$ 169,301.96	\$ 18,407.14	\$ 196,549.72	\$ 27,247.76	\$ 337,500.00	58.24%
Distribution/Transmission	\$ 47,172.63	\$ 7,048.37	\$ 41,792.08	\$ (5,380.55)	\$ 101,000.00	41.38%
Energy Conservation - Rebates	\$ 19,885.32	\$ 1,249.08	\$ 27,279.56	\$ 7,394.24	\$ 11,500.00	237.21%
Depreciation	\$ 410,777.56	\$ -	\$ 399,375.18	\$ (11,402.38)	\$ 606,941.00	65.80%
Salary & Benefits	\$ 796,298.23	\$ 110,232.65	\$ 812,426.36	\$ 16,128.13	\$ 1,499,862.00	54.17%
MVEC LOR Payment	\$ 260,156.29	\$ 40,088.62	\$ 278,582.71	\$ 18,426.42	\$ 379,465.00	73.41%
Admin & General	\$ 124,897.18	\$ 8,462.03	\$ 166,456.93	\$ 41,559.75	\$ 252,650.00	65.88%
Payment in Lieu of Taxes	\$ 26,666.68	\$ -	\$ 23,333.35	\$ (3,333.33)	\$ 40,000.00	58.33%
TOTAL EXPENSES	\$ 5,656,469.74	\$ 826,318.82	\$ 6,220,098.09	\$ 563,628.35	\$ 9,497,403.00	65.49%
EXCESS REVENUES OVER EXPENSES	\$ 878,529.06	\$ 185,681.71	\$ 751,922.22	\$ (126,606.84)	\$ 501,884.00	

Note: "Other Income" includes metal recycling and SMMPA Credit Excess Capital Reserves of 152,210 received in February, 2022

NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
August 31, 2023

WATER FUND						
66.67% of year completed						
REVENUES	2022 Thru 8/31/2022	Current Month	Actual Thru 8/31/2023	2022/2023 Variance YTD	2023 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	41,926.08	-	46,214.14	4,288.06	-	0.00%
Residential	\$ 756,061.00	\$ 134,972.03	\$ 837,911.66	\$ 81,850.66	\$ 1,136,392.00	73.73%
Commercial	344,977.83	78,388.15	404,060.81	59,082.98	534,347.00	75.62%
Water Hook-up Fees	\$ 26,030.20	\$ 4,545.00	\$ 33,763.96	\$ 7,733.76	\$ 25,000.00	135.06%
Interest Income	151.58	2,394.89	8,195.89	8,044.31	15,000.00	54.64%
Other Income	\$ 25,885.72	\$ 2,048.49	\$ 30,109.40	\$ 4,223.68	\$ 66,865.00	45.03%
TOTAL REVENUES	\$ 1,195,032.41	\$ 222,348.56	\$ 1,360,255.86	\$ 165,223.45	\$ 1,777,604.00	76.52%
EXPENSES						
Power Used	80,313.63	13,603.85	92,349.00	12,035.37	117,000.00	78.93%
Purification	26,406.69	4,798.92	39,821.12	13,414.43	78,000.00	51.05%
Distribution	44,559.49	4,704.40	32,746.24	(11,813.25)	72,000.00	45.48%
Depreciation	286,150.37	-	252,986.12	(33,164.25)	426,677.00	59.29%
Debt & Other Interest	95,173.75	39.20	100,910.57	5,736.82	101,948.00	98.98%
Salary & Benefits	384,815.92	46,358.60	381,642.99	(3,172.93)	591,764.00	64.49%
Admin & General	\$ 79,524.25	\$ 5,457.55	\$ 100,376.54	\$ 20,852.29	\$ 157,410.00	63.77%
TOTAL EXPENSES	\$ 996,944.10	\$ 74,962.52	\$ 1,000,832.58	\$ 3,888.48	\$ 1,544,799.00	64.79%
EXCESS REVENUES OVER EXPENSES	\$ 198,088.31	\$ 147,386.04	\$ 359,423.28	\$ 161,334.97	\$ 232,805.00	

AGENDA ITEM: 5C									
NEW PRAGUE UTILITIES COMMISSION									
WATER PUMPED-SOLD-USED									
2023									
YR/MO	2023		2022		YR/MO	2023		2022	
	2023	YTD	2022	YTD		2023	YTD	2022	YTD
JANUARY	12/8/22-1/10/2023		12/8/21-1/10/2022		JULY	6/9/2023-7/11/2023		6/9/2022-7/11/2022	
GAL PUMPED	17,529	17,529	18,195	18,195	GAL PUMPED	44,904	160,021	37,244	142,223
GAL SOLD	14,793	14,793	16,160	16,160	GAL SOLD	41,150	142,482	33,614	125,245
GAL USED	337	337	405	405	GAL USED	981	3,391	1,131	5,121
GAL(LOSS)/GAIN	(2,399)	(2,399)	(1,630)	(1,630)	GAL(LOSS)/GAIN	(2,773)	(14,148)	(2,499)	(11,857)
PERCENTAGE	13.7%	13.7%	9.0%	9.0%	PERCENTAGE	6.2%	8.8%	6.7%	8.3%
FEBRUARY	1/10/2023-2/8/2023		1/10/2022-2/8/2022		AUGUST	7/11/2023-8/9/2023		7/11/2022-8/9/2022	
GAL PUMPED	17,060	34,589	16,173	34,368	GAL PUMPED	38,624	198,645	35,368	177,591
GAL SOLD	15,323	30,116	14,286	30,446	GAL SOLD	35,725	178,207	32,641	157,886
GAL USED	325	662	625	1,030	GAL USED	579	3,970	609	5,730
GAL(LOSS)/GAIN	(1,412)	(3,811)	(1,262)	(2,892)	GAL(LOSS)/GAIN	(2,320)	(16,468)	(2,118)	(13,975)
PERCENTAGE	8.3%	11.0%	7.8%	8.4%	PERCENTAGE	6.0%	8.3%	6.0%	7.9%
MARCH	2/8/2023-3/9/2023		2/8/2022-3/9/2022		SEPTEMBER	8/9/2023-9/8/2023		8/9/2022-9/8/2022	
GAL PUMPED	15,950	50,539	16,111	50,479	GAL PUMPED	37,180	235,825	27,033	204,624
GAL SOLD	14,555	44,671	14,291	44,737	GAL SOLD	34,643	212,850	24,575	182,461
GAL USED	368	1,030	412	1,442	GAL USED	601	4,571	496	6,226
GAL(LOSS)/GAIN	(1,027)	(4,838)	(1,408)	(4,300)	GAL(LOSS)/GAIN	(1,936)	(18,404)	(1,962)	(15,937)
PERCENTAGE	6.4%	9.6%	8.7%	8.5%	PERCENTAGE	5.2%	7.8%	7.3%	7.8%
APRIL	3/9/2023-4/8/2023		3/9/2022-4/8/2022		OCTOBER	9/8/2023-10/10/2023		9/8/2022-10/10/2022	
GAL PUMPED	17,103	67,642	16,292	66,771	GAL PUMPED		235,825	29,291	233,915
GAL SOLD	15,509	60,180	14,374	59,111	GAL SOLD		212,850	26,668	209,129
GAL USED	311	1,341	328	1,770	GAL USED		4,571	1066	7,292
GAL(LOSS)/GAIN	(1,283)	(6,121)	(1,590)	(5,890)	GAL(LOSS)/GAIN	0	(18,404)	(1,557)	(17,494)
PERCENTAGE	7.5%	9.0%	9.8%	8.8%	PERCENTAGE	#DIV/0!	7.8%	5.3%	7.5%
MAY	4/8/2023-5/10/2023		4/8/2022-5/10/2022		NOVEMBER	10/10/2023-11/8/2023		10/10/2022-11/8/2022	
GAL PUMPED	18,946	86,588	19,337	86,108	GAL PUMPED		235,825	19,688	253,603
GAL SOLD	14,860	75,040	15,438	74,549	GAL SOLD		212,850	17,167	226,296
GAL USED	373	1,714	1,815	3,585	GAL USED		4,571	329	7,621
GAL(LOSS)/GAIN	(3,713)	(9,834)	(2,084)	(7,974)	GAL(LOSS)/GAIN	0	(18,404)	(2,192)	(19,686)
PERCENTAGE	19.6%	11.4%	10.8%	9.3%	PERCENTAGE	#DIV/0!	7.8%	11.1%	7.8%
JUNE	5/10/2023-6/9/2023		5/10/2022-6/9/2022		DECEMBER	11/8/2023 - 12/8/2023		11/8/2022 - 12/8/2022	
GAL PUMPED	28,529	115,117	18,871	104,979	GAL PUMPED		235,825	16,950	270,553
GAL SOLD	26,292	101,332	17,082	91,631	GAL SOLD		212,850	15,664	241,960
GAL USED	696	2,410	405	3,990	GAL USED		4,571	346	7,967
GAL(LOSS)/GAIN	(1,541)	(11,375)	(1,384)	(9,358)	GAL(LOSS)/GAIN	0	(18,404)	(940)	(20,626)
PERCENTAGE	5.4%	9.9%	7.3%	8.9%	PERCENTAGE	#DIV/0!	7.8%	5.5%	7.6%

NEW PRAGUE UTILITIES COMMISSON					
ELECTRIC SALES KWH					
		ACCUM			ACCUM
MONTH	2023	2023	MONTH	2022	2022
JAN	7,167,597	7,167,597	JAN	6,306,063	6,306,063
FEB	5,749,576	12,917,173	FEB	5,734,640	12,040,703
MAR	5,309,337	18,226,510	MAR	5,471,112	17,511,815
APR	5,593,759	23,820,269	APR	5,217,929	22,729,744
MAY	4,902,810	28,723,079	MAY	5,250,578	27,980,322
JUNE	5,925,918	34,648,997	JUNE	5,289,709	33,270,031
JULY	6,929,204	41,578,201	JULY	7,393,362	40,663,393
AUG	6,782,693	48,360,894	AUG	6,831,846	47,495,239
SEPT	6,923,879	55,284,773	SEPT	6,484,978	53,980,217
OCT			OCT	5,768,957	59,749,174
NOV			NOV	4,781,950	64,531,124
DEC			DEC	4,373,483	68,904,607
TOTAL	55,284,773		TOTAL	68,904,607	

*Monthly Kwh totals are not final until year-end

New Prague, Minnesota

A Tradition of Progress



NEW PRAGUE UTILITIES COMMISSION 2024 PROPOSED ELECTRIC BUDGET REPORT

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MANAGEMENT STATEMENT

The overall management goal of the New Prague Utilities Electric Department is to provide safe, reliable, and economical public electric service with a focus on customer needs, infrastructure enhancements, growth, and responsible resource management. 2023 was a very busy year starting out with the NE residential Project that involved the utility installing nearly 10,000' of underground conductor and 68 underground house services. The utility also worked with several commercial customers upgrading or installing new services.

2023 also brought on continued challenges dealing with supply chain shortages for construction materials, metering electronics, and delays on equipment orders forcing staff to move project dates and pre-order material as much as two years in advance for upcoming projects.

FORECAST

The 2024 Electric Department budget is projected to forecast the financial operation of the New Prague Utilities Commission. Southern Minnesota Municipal Power Agency (SMPA) is predicting that wholesale energy cost will remain stable throughout 2024 with only slight changes in transmission rates starting in February of 2024.

REVENUE

The 2024 Revenue budget reflects a 2% increase on residential energy rates, 1% on Commercial and 2.3% on industrial and demand rates. Residential customer service charges will not change in 2024. These increases are primarily driven by escalating labor, material and equipment cost and the ongoing operational cost of building and maintaining an electric distribution system that is both reliable and capable of serving future growth.

EXPENSES

Personnel Costs:

- Wages Full-Time and Part-Time – Reflects a 4% COLA wage adjustment and step increases.
- Health Insurance – There is a 6.25% increase in health insurance premiums for 2024. Note: 2024 is year 2 of a two-year rate guarantee, 2023 was an 11.08% decrease. Employer cost share remains at 80% and HSA contribution will remain at \$1000 (family) and \$500 (single).
- Dental Insurance – There is an 8.07% increase in dental insurance premiums for 2024. This increase is due to dental trend increases and inflation.
- Life, Long-Term Disability and Short-Term Disability – 0% change in 2024 as part of the 36-month rate guarantee established in 2023.

Operating Expenses:

- Purchase Power is up due to increased service loads and slightly higher off-season demand cost.
- Capital improvement costs remain higher than prior years due to increased material costs and planned 2024 construction projects.

2024 KEY BUDGET AND OPERATIONAL CHALLENGES

2024 will bring several budget and operation challenges while maintaining and providing reliable and affordable electric service to its current and new customers.

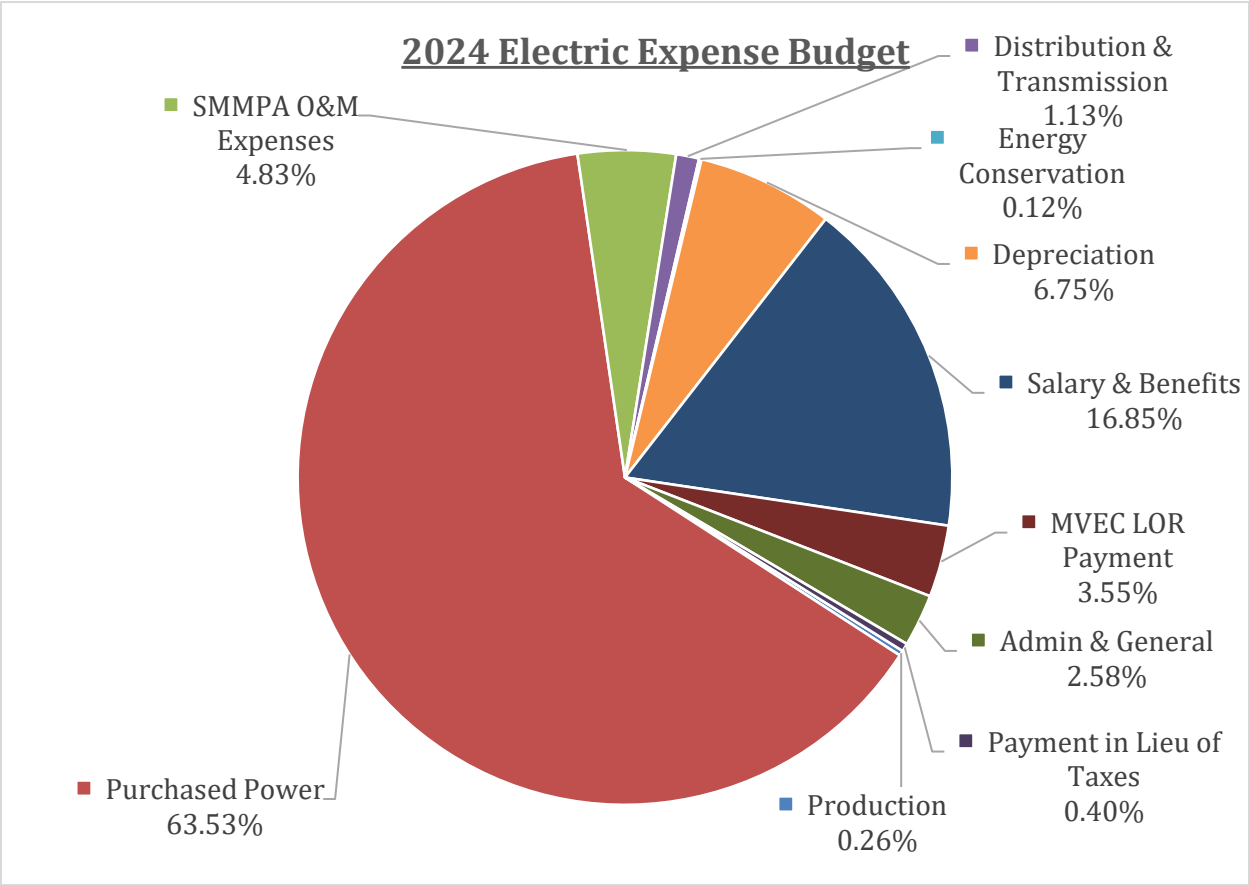
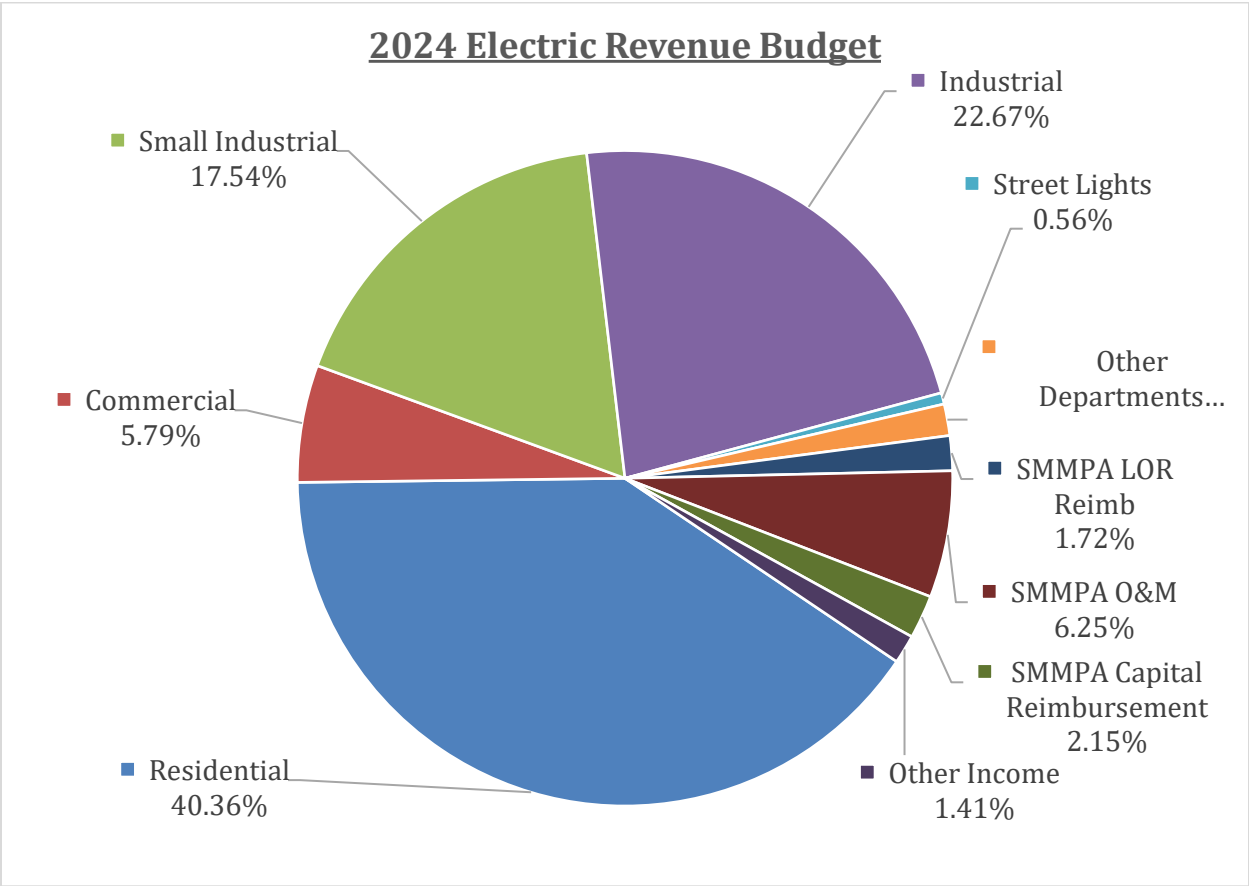
- Continue working with SMMPA to explore future expansion of New Prague's generation facilities to meet continued growth and to meet base load requirements of New Prague's power supplier (SMMPA)
- Distribution replacements and upgrades to our distribution system and the extension of underground distribution lines to keep moving toward our goal of having all residential distribution lines underground.
- Continued refinement and development of energy programs that are offered to new and existing customers to promote energy sales and cost efficiency.
- Strengthen current and future workforce and career development needs so that the utility can retain a skilled labor force and be prepared for future workforce retirements.
- Implementation of new GIS program and mapping tools

2023 NPUC KEY ACCOMPLISHMENTS

- Completed work on 14,000 sq. ft. addition and remodel of existing building to accommodate the growing needs of the water and electric maintenance departments.
- Installed 10,000 feet of new underground distribution lines, 26 distribution Transformers and 68 house services furthering the goal to have all residential lines underground.
- Installed commercial distribution services to MVE Biological Solutions and Bricks Boat works.
- Updated meter reading and load control servers.
- Implemented new software programs for customer billing, accounting, payroll, purchasing & inventory management.
- Installed 5,800 ft. of underground fiber optic cable serving the utilities West water Tower and City compost site.
- Applied for the APPA RP3 Award in excellence for system reliability this award can be received every three years. Out of 2,000 Public Power Utilities, NPU was one of 275 recipients across the country to receive this award in the past.

NEW PRAGUE UTILITIES COMMISSION
PROPOSED ELECTRIC BUDGET
As of 8/31/2023

REVENUES	2022	2023	2023	2024	2023-2024	
	ACTUAL	Y-T-D ACTUAL	CURRENT BUDGET	PROPOSED BUDGET	\$ DIFFERENCE	% DIFFERENCE
Unbilled Accounts Receivable	\$ 183,486.08	\$ (57,646.38)	\$ -	\$ -	\$ -	0.00%
Residential	\$ 3,673,465.68	\$ 2,848,368.55	\$ 4,130,213.00	\$ 4,226,849.00	\$ 96,636.00	2.34%
Commercial	\$ 537,197.07	\$ 419,905.95	\$ 601,454.00	\$ 606,240.00	\$ 4,786.00	0.80%
Small Industrial	\$ 1,675,374.40	\$ 1,232,805.29	\$ 1,834,345.00	\$ 1,837,352.00	\$ 3,007.00	0.16%
Industrial	\$ 2,086,969.34	\$ 1,598,524.33	\$ 2,283,345.00	\$ 2,374,761.00	\$ 91,416.00	4.00%
Large Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Streetlights	\$ 58,622.54	\$ 41,777.10	\$ 65,000.00	\$ 58,529.00	\$ (6,471.00)	-9.96%
Other Departments	\$ 132,125.37	\$ 102,631.42	\$ 137,230.00	\$ 162,901.00	\$ 25,671.00	18.71%
SMMPA LOR Reimbursement	\$ 188,104.95	\$ 139,291.36	\$ 190,000.00	\$ 180,000.00	\$ (10,000.00)	-5.26%
SMMPA O&M Revenue	\$ 628,151.96	\$ 465,617.19	\$ 611,000.00	\$ 654,740.00	\$ 43,740.00	7.16%
SMMPA Capital Reimbursement	\$ -	\$ -	\$ -	\$ 225,000.00	\$ 225,000.00	0.00%
Other Income	\$ 239,698.70	\$ 186,389.00	\$ 146,700.00	\$ 147,700.00	\$ 1,000.00	0.68%
TOTAL REVENUES	\$ 9,403,196.09	\$ 6,977,663.81	\$ 9,999,287.00	\$ 10,474,072.00	\$ 474,785.00	4.75%
EXPENSES						
Production	\$ 11,012.61	\$ 6,682.33	\$ 26,000.00	\$ 26,000.00	\$ -	0.00%
Purchased Power	\$ 5,649,470.73	\$ 4,267,736.74	\$ 6,242,485.00	\$ 6,401,508.00	\$ 159,023.00	2.55%
SMMPA O&M Expenses	\$ 254,501.09	\$ 196,549.72	\$ 337,500.00	\$ 486,740.00	\$ 149,240.00	44.22%
Distribution/Transmission	\$ 190,992.39	\$ 72,749.15	\$ 101,000.00	\$ 114,000.00	\$ 13,000.00	12.87%
Energy Conservation	\$ 33,032.31	\$ 27,279.56	\$ 11,500.00	\$ 12,500.00	\$ 1,000.00	8.70%
Depreciation	\$ 638,527.97	\$ 399,375.18	\$ 606,941.00	\$ 680,160.00	\$ 73,219.00	12.06%
Salary & Benefits	\$ 1,185,298.93	\$ 755,701.42	\$ 1,499,862.00	\$ 1,697,681.00	\$ 197,819.00	13.19%
MVEC LOR Payment	\$ 376,209.84	\$ 278,582.71	\$ 379,465.00	\$ 357,793.00	\$ (21,672.00)	-5.71%
Admin & General	\$ 192,013.10	\$ 168,908.94	\$ 252,650.00	\$ 260,278.00	\$ 7,628.00	3.02%
Payment in Lieu of Taxes	\$ 40,000.00	\$ 23,333.35	\$ 40,000.00	\$ 40,000.00	\$ -	0.00%
TOTAL EXPENSES	\$ 8,571,058.97	\$ 6,196,899.10	\$ 9,497,403.00	\$ 10,076,660.00	\$ 579,257.00	6.10%
EXCESS REVENUES OVER EXPENSES	\$ 832,137.12	\$ 780,764.71	\$ 501,884.00	\$ 397,412.00	\$ (104,472.00)	-20.82%



ELECTRIC DEPARTMENT
SMMPA PURCHASE POWER

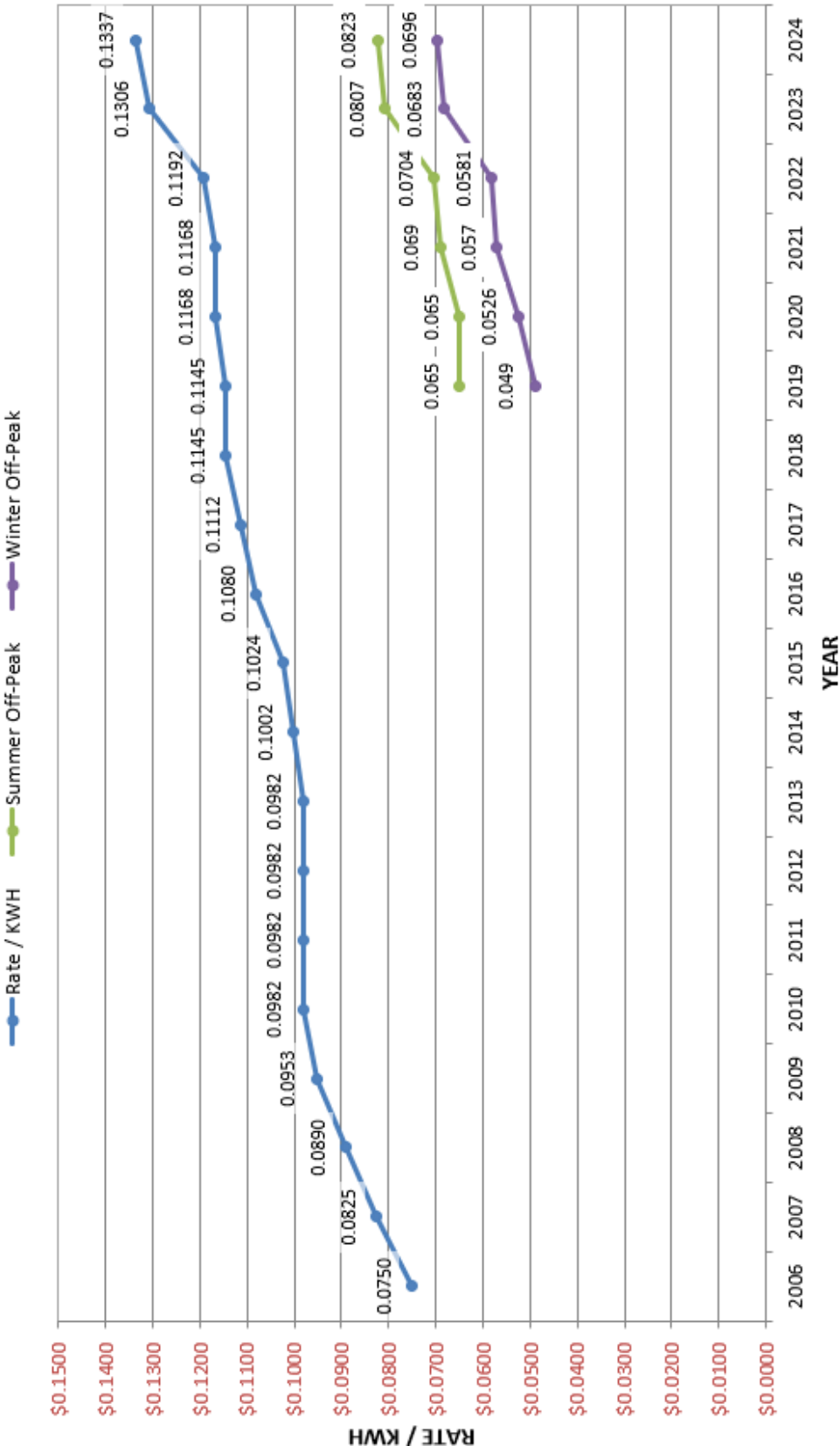
The 2024 purchased wholesale net power rate is projected to be \$0.0870 per kilowatt-hour (kWh).

The budget projects the energy purchase to be 73,580,555 kWh for New Prague.

	Purchased kWh	Cost kWh	Total Cost
*2024	73,580,555	\$0.0870	\$6,401,508
*2023	72,574,628	\$0.0867	\$6,292,220
2022	72,086,211	\$0.0753	\$5,427,726
2021	72,006,211	\$0.0754	\$5,427,727
2020	61,433,726	\$0.0847	\$5,200,945
2019	77,305,672	\$0.0744	\$5,752,796

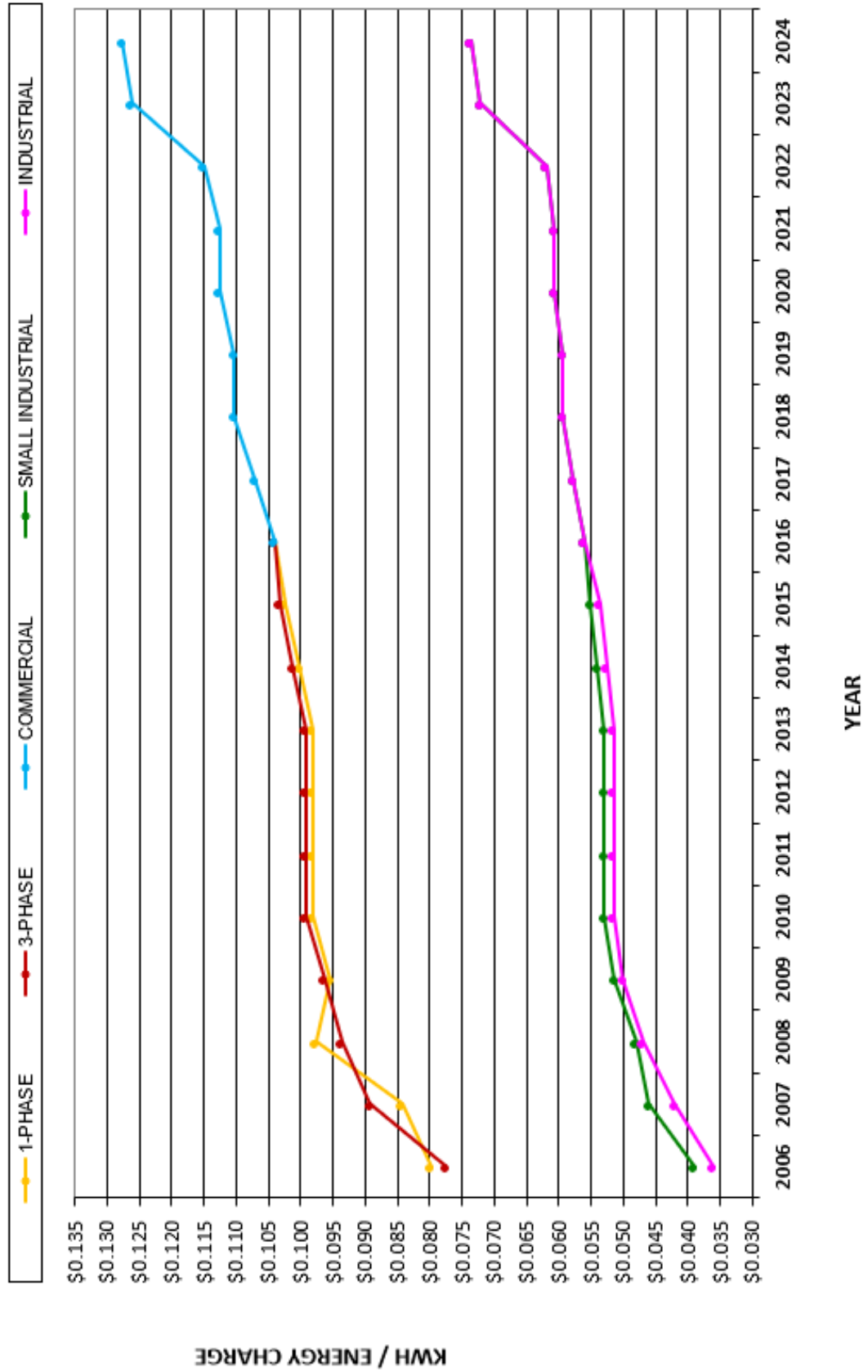
* Represents projections

NEW PRAGUE UTILITIES COMMISSION
RESIDENTIAL ELECTRIC RATES
(2006 - 2024)



* An average residential customer using 650 kWh will see an increase of \$2.02 per month with 2024 rate increase
* An average residential customer using 1200 kWh will see an increase of \$3.72 per month with 2024 rate increase

NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC RATE INFORMATION (2006 - 2024)



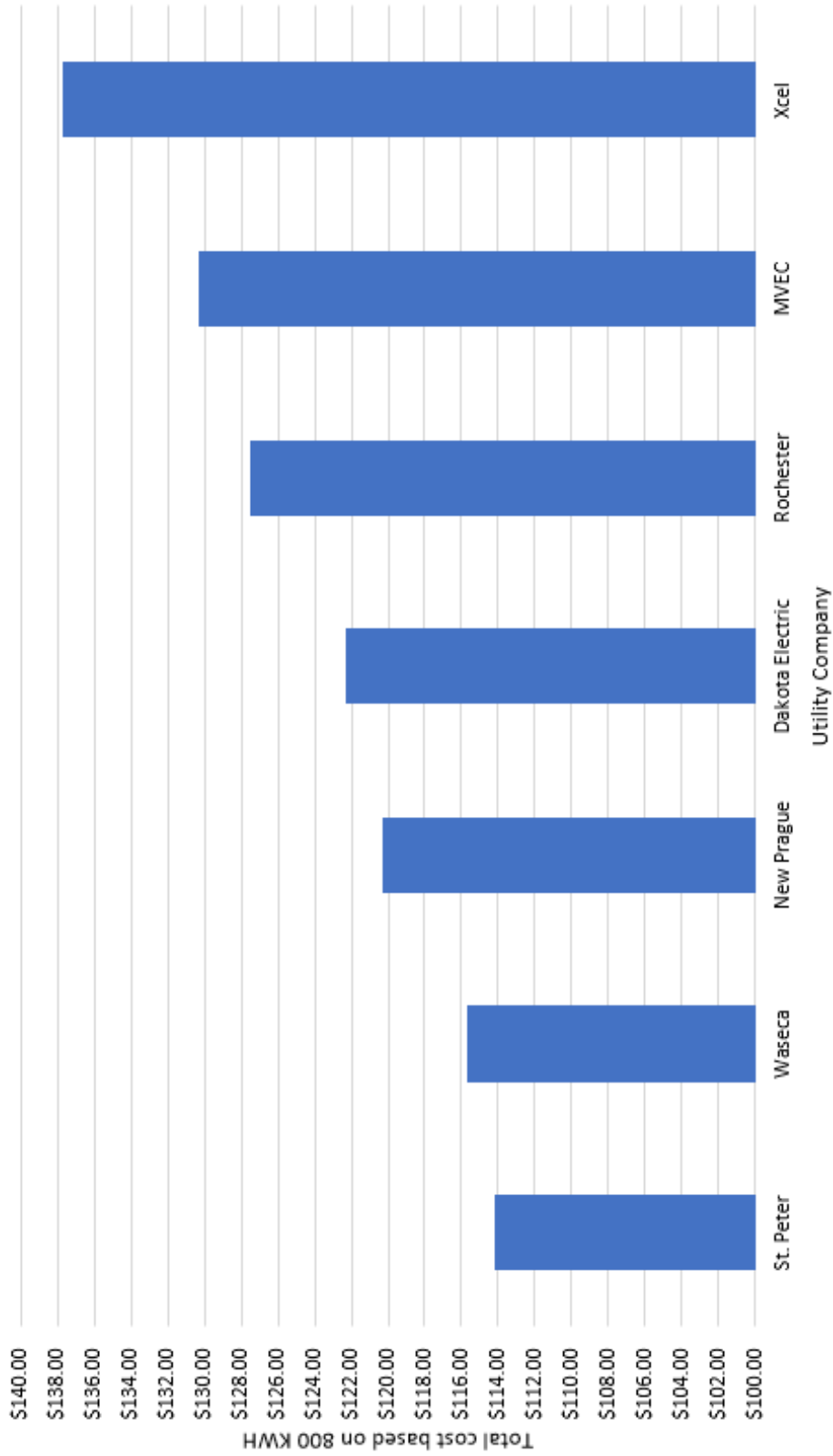
NEW PRAGUE UTILITIES COMMISSION
COMMERCIAL ELECTRIC BASE RATE INFORMATION
(2006 - 2024)



NEW PRAGUE UTILITIES COMMISSION COMMERCIAL ELECTRIC DEMAND RATE INFORMATION (2006 - 2024)



New Prague Utilities Commission
2023 Summer Rate Comparison



Projects By Department/Division

	Previous Years	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Later Years	Project Total
Electric													
Digger Truck Replacement (org. 2021)	\$280,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$280,000
Directional Drill	\$235,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$385,000
Distribution Systems Upgrades	\$1,280,000	\$400,000	\$450,000	\$463,000	\$477,000	\$491,000	\$506,000	\$522,000	\$537,000	\$553,000	\$569,590	\$0	\$6,248,590
Miscellaneous Equipment	\$40,000	\$25,000	\$27,000	\$29,000	\$31,000	\$33,000	\$35,000	\$37,000	\$39,000	\$41,000	\$43,000	\$0	\$380,000
SCADA / Switch Gear	\$50,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0	\$350,000
Service Truck Replacement	\$108,000	\$0	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$168,000
Tractor Backhoe	\$55,000	\$0	\$0	\$0	\$0	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$105,000
Vac Machine Replacement	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$65,000
West Substation Upgrade-Control/Gear	\$175,000	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$325,000
#5 Generator Replacement	\$0	\$300,000	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$600,000
Dump Truck	\$0	\$90,000	\$0	\$0	\$0	\$65,000	\$0	\$0	\$0	\$0	\$0	\$0	\$155,000
Locate Truck Replacement	\$0	\$45,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$45,000
Bucket Truck #1	\$0	\$0	\$350,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$350,000
Mini Excavator Backhoe	\$0	\$0	\$35,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$35,000
Trencher/Plow	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Subtotal - Electric	\$2,288,000	\$890,000	\$1,462,000	\$582,000	\$538,000	\$819,000	\$571,000	\$589,000	\$606,000	\$624,000	\$642,590	\$0	\$9,611,590
Grand Total:	\$2,288,000	\$890,000	\$1,462,000	\$582,000	\$538,000	\$819,000	\$571,000	\$589,000	\$606,000	\$624,000	\$642,590	\$0	\$9,611,590

Section 6, Item a.

Proposed 2024 Rates

Section 6, Item a.

<u>Class</u>	2024	
	<u>Current Rate</u>	<u>Proposed Rate</u>
Residential Service		
Customer (per month)	\$ 15.82	\$ 15.82
Energy - all kWh	\$ 0.1306	\$ 0.1337
Off Peak Control Credit (per month)	\$ 5.00	\$ 5.00
Off Peak Summer Energy - all kWh	\$ 0.0807	\$ 0.0823
Off Peak Winter Energy - all kWh	\$ 0.0682	\$ 0.0696
Commercial Service		
Customer (per month)	\$ 30.85	\$ 30.85
Energy - all kWh	\$ 0.1261	\$ 0.1276
Interruptible - all kWh	\$ 0.0917	\$ 0.0926
Small Industrial		
Customer (per month)	\$ 66.04	\$ 66.04
Demand - all kW	\$ 13.17	\$ 13.45
Energy - all kWh	\$ 0.0721	\$ 0.0736
Industrial		
Customer (per month)	\$ 66.04	\$ 91.00
Demand - all kW	\$ 13.50	\$ 13.82
Energy - all kWh	\$ 0.0721	\$ 0.0736
Large Industrial		
Customer (per month)	\$ 66.04	\$ 100.00
Demand - all kW	\$ 16.61	\$ 16.91
Energy - all kWh	\$ 0.0721	\$ 0.0736
Peak Alert		
Customer (per month)	\$ 136.60	\$ 136.60
Demand - all kW	\$ 3.18	\$ 3.81
Energy - all kWh	\$ 0.0779	\$ 0.0779
Interruptible		
Customer (per month)	\$ 30.86	\$ 30.86
Energy - all kWh	\$ 0.0917	\$ 0.0926

2024

<u>Class</u>	<u>Current Rate</u>	<u>Proposed Rate</u>
Street Lighting (current fixtures)		
Customer (per month)	\$ 11.07	\$ 11.29
Energy - all kWh	\$ 0.1440	\$ 0.1469
Street Lighting (LED fixtures)		
Energy - all kWh	\$ 0.1440	\$ 0.2000
Unmetered Lighting (per month)		
Residential LED	\$ 21.72	\$ 22.15
Commercial LED	\$ 30.23	\$ 30.83
Security lights	\$ 12.11	\$ 12.35
City LED less than 100 W	\$ 12.11	\$ 12.35
City LED more than 100 W	\$ 15.62	\$ 15.93
EV Charging		
On Peak (10 am - 10 pm) per kWh	\$ 0.2274	\$ 0.2388
Off Peak (10 pm - 10 am) per kWh	\$ 0.0806	\$ 0.0806

- Stand-alone EV charging at commercial locations
 - Separately metered
 - Customer pays for infrastructure
 - Same TOU rates as current EV charging rates
- Whole house TOU rate
 - On peak (8 am – 10 pm) - \$0.1650/kWh
 - Off peak (10 pm – 8 am) - \$0.0823/kWh
 - Customer charge - \$15.82/month
- Solar Grid Access Charge
 - Based on kW size of solar array
 - No charge for first 3 kW
 - Access charge - \$4.50/kW/month

New Prague, Minnesota

A Tradition of Progress



NEW PRAGUE UTILITIES COMMISSION 2024 PROPOSED WATER BUDGET REPORT

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MANAGEMENT STATEMENT

The overall management goal for the New Prague Utilities Water Department is our commitment to the Community in providing a safe and reliable water supply to the City of New Prague. During the past couple of years, we had to change the focus of our budget to include major CIP reconstruction projects that affect the water distribution system. That focus is forecasted to continue through 2025 with large CIP projects in the NE sector of town with total bonding estimated at nearly \$1.8 million in the next two years.

FORECAST

The 2024 water department budget is projected to forecast the financial operation of the New Prague Utilities Commission. The New Prague Utilities Commission has been able to keep rates relatively flat with an average increase of only 1.9% per year over the past 5 years. The 2024 budget reflects a change in the rate structure to include a summer seasonal rate increase to usage. This seasonal rate (June 1 through September 30) is necessary to cover the added cost of capital projects, meet budget reserve goals and the requirements set forth by the water resource departments in the state of Minnesota.

REVENUE

The 2024 Revenue budget reflects a 5% annual overall rate increase, depending on usage. Commercial and residential customers will see an estimated annual increase between 3.9% - 5.2%. Water usage during the summer months of June through September will be billed at higher rates to recover needed revenue and to meet the water conservation pricing requirement set forth by the state.

EXPENSES

Personnel Costs:

- Wages Full-Time and Part-Time – Reflects a 4% COLA wage adjustment and step increases.
- Health Insurance – There will be a 6.25% increase in health insurance premiums for 2024. Note: 2024 is year 2 of a two -year rate guarantee, 2023 was an 11.08% decrease. Employer cost share remains at 80% and HSA contributions will remain at \$1,000 (family) and \$500 (single).
- Dental Insurance – There is an 8.07% increase in dental insurance premiums for 2024. This increase is due to dental trend increases and inflation.
- Life, Long-Term Disability and Short-Term Disability – 0% change in 2024 as part of the 36-month rate guarantee established in 2023.

Operating Expenses:

- Projected decrease by 20% in water hook-up fees due to fewer homes being built in 2024.
- Debt service interest increased slightly by 1.12% due to the cost of CIP projects.
- Purification decreased by 25.6% primarily due to lower cost of chemicals.
- Distribution decreased slightly by 2.08% due to the cost of planned projects.

2024 KEY WATER BUDGET AND OPERATIONAL CHALLENGES

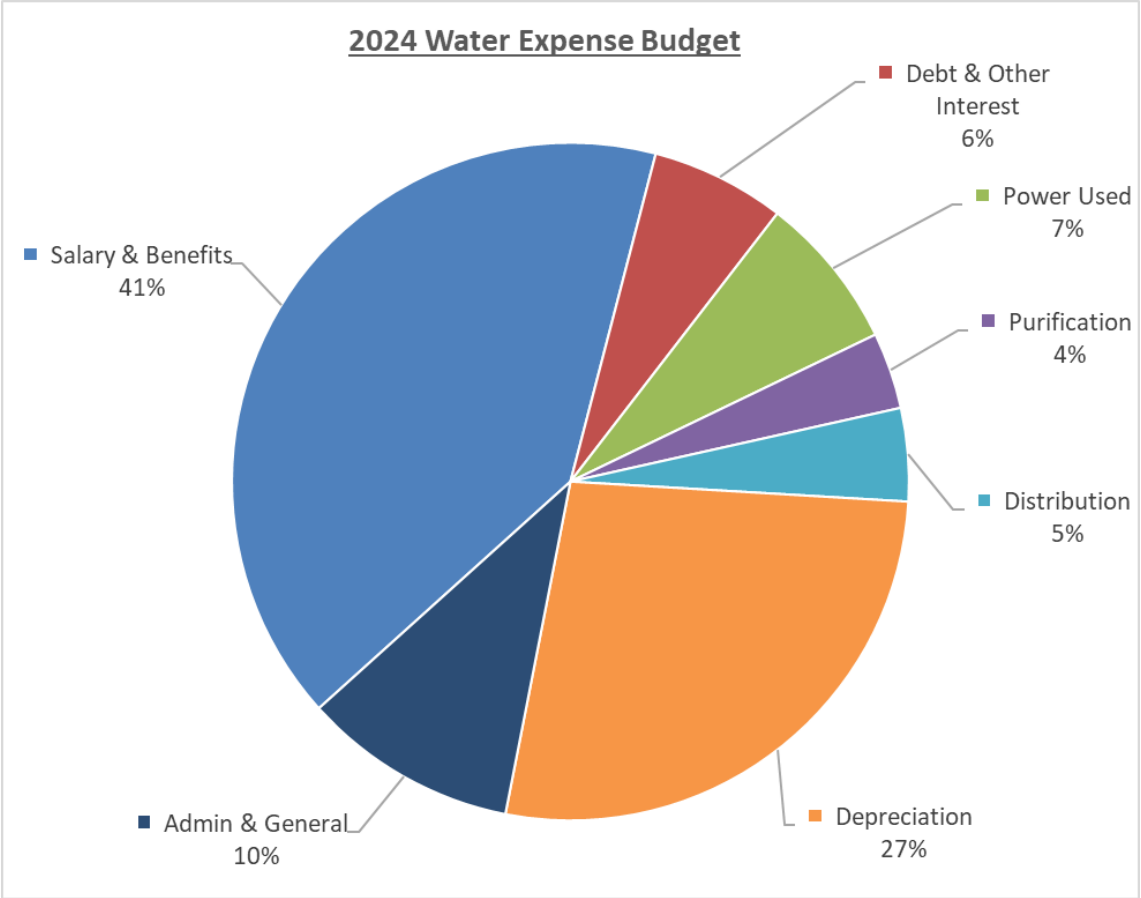
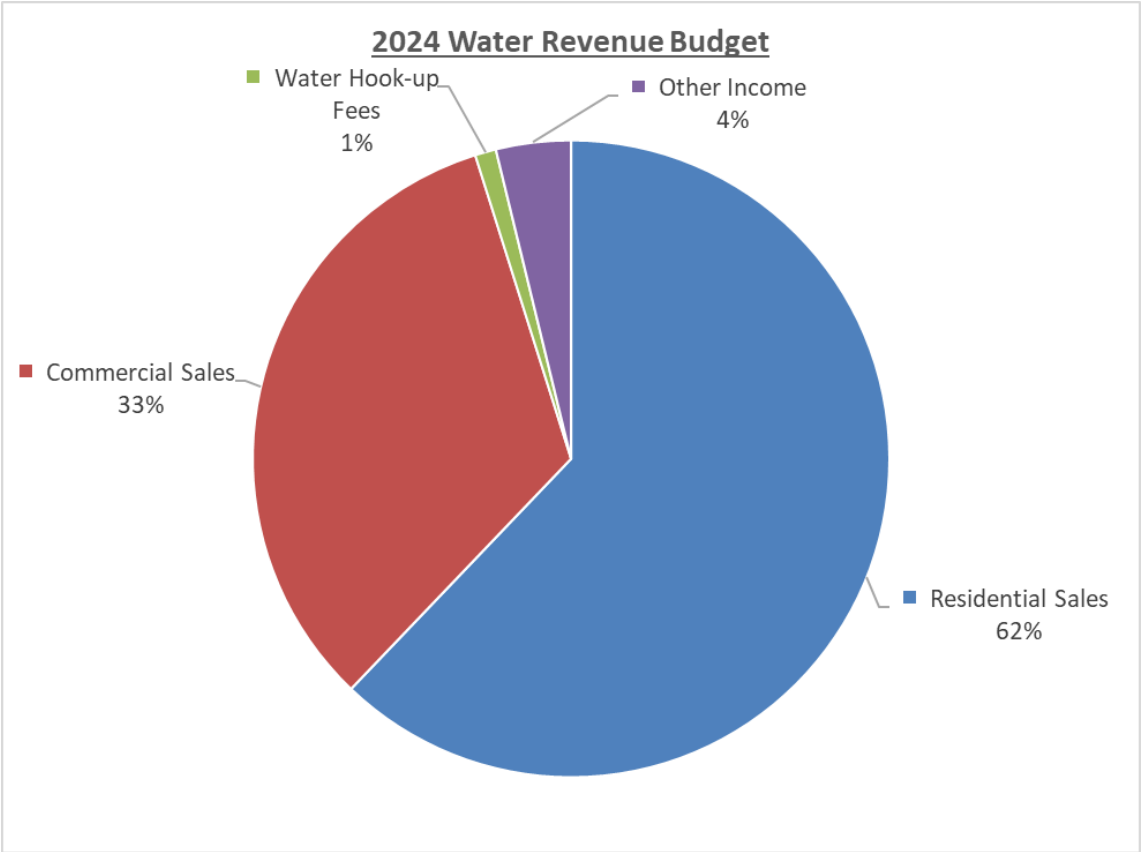
- Replace 3700' of water main and 59 service lines in the Lexington and Lyndale Ave CIP.
- Continue conversion to a new GIS mapping system.
- Continue CIP Planning for several reconstruction projects that are planned in the NW sector of town through 2025.

2023 KEY ACCOMPLISHMENTS

- Replaced 1600' feet of water main and services lines on 10th Ave NE
- Replaced 3700' of water main and 43 service lines on the Sunset and Sunrise CIP project.
- Replaced well #2 failed pump and piping.
- Replaced well #4 failed pump and piping.
- Installed fiber communication to the West Water Tower
- Finished consolidating and moving the water department maintenance operations to the new building addition at 200 7th Ave NW.
- Long and short-term planning for several reconstruction projects that are planned in the NE sector of town over the next three years.
- Conversion to new GIS mapping system.
- Implemented new software programs for customer billing, accounting, payroll, purchasing & inventory management.

NEW PRAGUE UTILITIES COMMISSION
PROPOSED WATER BUDGET
As of 8/31/2023

REVENUES	2022	2023	2023	2024	2023-2024	
	ACTUAL	Y-T-D ACTUAL	CURRENT BUDGET	PROPOSED BUDGET	\$ DIFFERENCE	% DIFFERENCE
Unbilled Accounts Receivable	\$ 21,050.94	\$ 46,214.14	\$ -	\$ -	\$ -	0.00%
Residential	\$ 1,124,777.83	\$ 837,911.66	\$ 1,136,392.00	\$ 1,167,088.00	\$ 30,696.00	2.70%
Commercial	\$ 536,901.19	\$ 404,060.81	\$ 534,347.00	\$ 619,473.00	\$ 85,126.00	15.93%
Water Hook-up Fees	\$ 33,005.20	\$ 33,763.96	\$ 25,000.00	\$ 20,000.00	\$ (5,000.00)	-20.00%
Other Income	\$ 76,300.90	\$ 38,305.29	\$ 81,865.00	\$ 71,400.00	\$ (10,465.00)	-12.78%
TOTAL REVENUES	\$ 1,792,036.06	\$ 1,360,255.86	\$ 1,777,604.00	\$ 1,877,961.00	\$ 100,357.00	5.65%
EXPENSES						
Power Used	\$ 118,056.42	\$ 92,349.00	\$ 117,000.00	\$ 117,500.00	\$ 500.00	0.43%
Purification	\$ 48,898.77	\$ 39,821.12	\$ 78,000.00	\$ 58,000.00	\$ (20,000.00)	-25.64%
Distribution	\$ 69,466.36	\$ 45,871.66	\$ 72,000.00	\$ 70,500.00	\$ (1,500.00)	-2.08%
Depreciation	\$ 430,721.57	\$ 252,986.12	\$ 426,677.00	\$ 431,460.00	\$ 4,783.00	1.12%
Debt & Other Interest	\$ 103,132.44	\$ 100,910.57	\$ 101,948.00	\$ 101,948.00	\$ -	0.00%
Salary & Benefits	\$ 627,039.41	\$ 368,517.57	\$ 591,764.00	\$ 647,468.00	\$ 55,704.00	9.41%
Loss on Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Admin & General	\$ 115,509.42	\$ 100,376.54	\$ 157,410.00	\$ 163,028.00	\$ 5,618.00	3.57%
TOTAL EXPENSES	\$ 1,512,824.39	\$ 1,000,832.58	\$ 1,544,799.00	\$ 1,589,904	\$ 45,105.00	2.92%
EXCESS REVENUES OVER EXPENSES	\$ 279,211.67	\$ 359,423.28	\$ 232,805.00	\$ 288,057.00	\$ (55,252.00)	23.73%



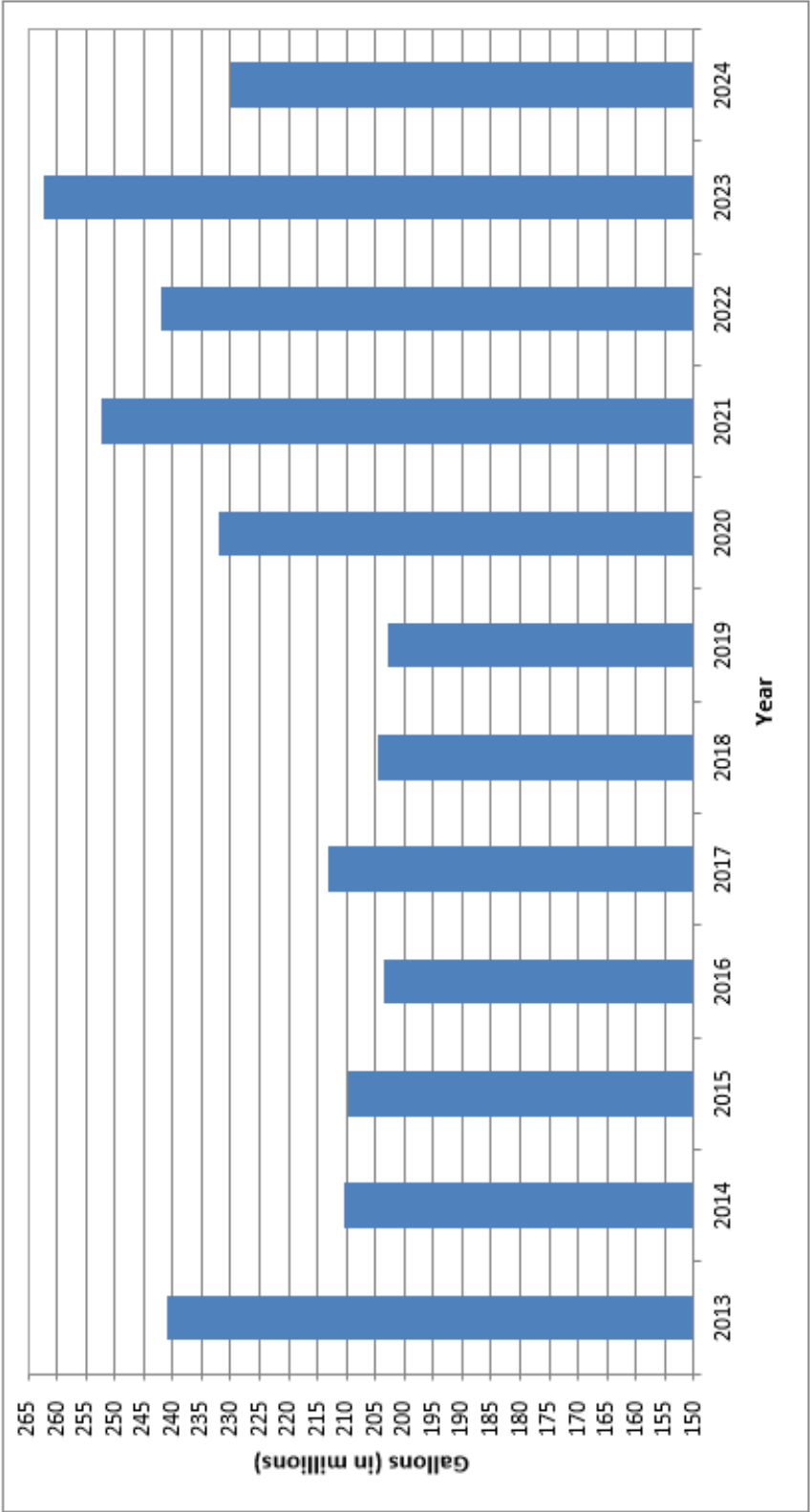
2024 Projected Water Sales

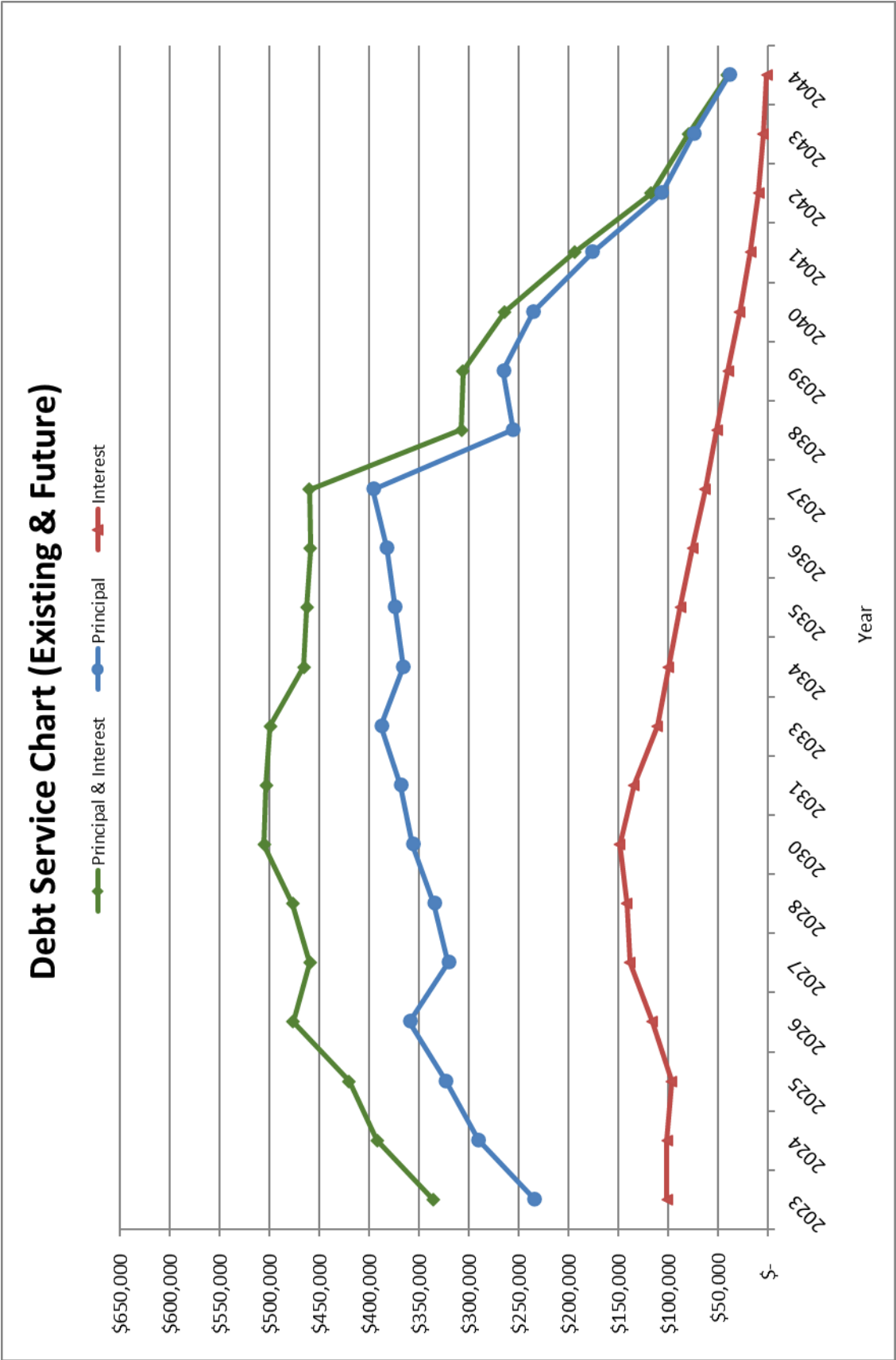
Water Sales are projected to be at 230,000,000 gallons sold for 2024. Weather has a large effect on gallons sold.

History of Water Sales:

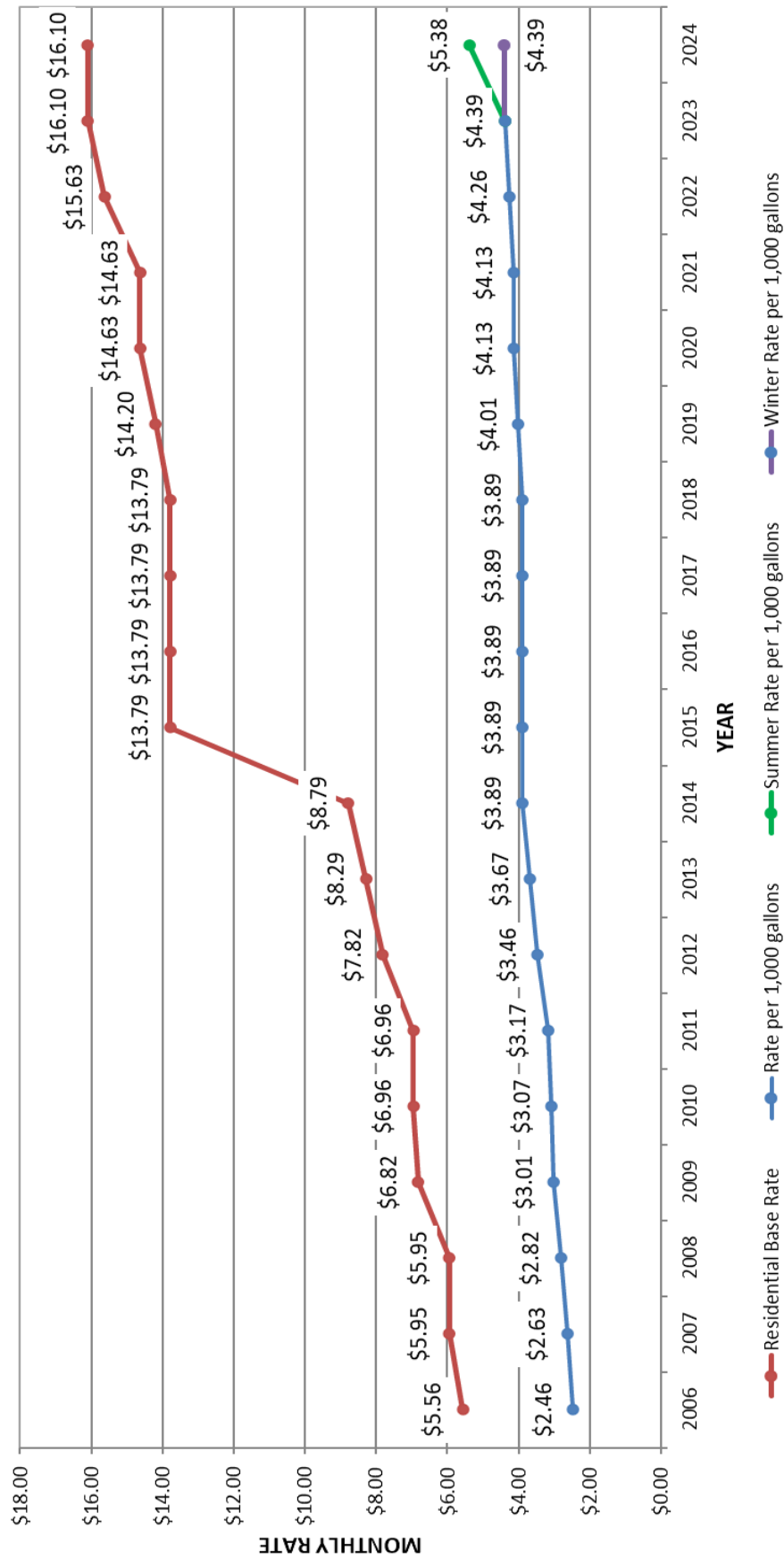
2013	241,000,000	2019	203,000,000
2014	210,547,000	2020	231,931,000
2015	209,645,000	2021	252,326,000
2016	203,679,000	2022	241,960,000
2017	213,000,000	* 2023	262,281,000
2018	204,592,000	** 2024	230,000,000

* Anticipated ** Budgeted





CITY OF NEW PRAGUE WATER RATE INFORMATION HISTORY (2006 - 2024)



* An average residential customer using 4,000 gallons will see an annual increase of \$15.84 with 2024 rate increase

* An average residential customer using 8,000 gallons will see an annual increase of \$31.68 with 2024 rate increase

New Prague Utilities Commission
Monthly water costs compared to surrounding cities
based on 5,000 gallon usage



Projects By Department/Division

	Previous Years	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Later Years	Project Total
<i>Water</i>													
10th Ave Water Main	\$430,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$430,000
Fiber Lines - Tower & 10th Ave	\$115,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000
Future CIP	\$2,575,000	\$750,000	\$830,000	\$400,000	\$420,000	\$441,000	\$463,050	\$486,200	\$510,500	\$536,000	\$0	\$0	\$7,411,750
Misc Equipment	\$20,000	\$10,000	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000
SCADA Upgrade	\$120,000	\$10,000	\$10,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$0	\$0	\$245,000
Service Truck	\$52,000	\$45,000	\$0	\$45,000	\$23,000	\$0	\$40,000	\$0	\$48,000	\$0	\$0	\$0	\$253,000
Well #2 Replacement	\$30,000	\$0	\$0	\$0	\$42,380	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,380
Well #4 Replacement Pipe / Pump	\$45,000	\$0	\$33,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$78,000
Well #5 Replacement	\$40,000	\$0	\$0	\$0	\$0	\$38,640	\$0	\$0	\$0	\$0	\$0	\$0	\$78,640
Roof Replacement - Filter Plant #1	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Well #1 Replacement	\$0	\$40,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$40,000
Mini Excavator Backhoe (1/3 of Cost)	\$0	\$0	\$15,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
Well #3 Replacement	\$0	\$0	\$18,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,000
Service Truck (1/2 Cost)	\$0	\$0	\$0	\$21,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,000
Subtotal - Water	\$3,427,000	\$885,000	\$916,000	\$491,000	\$500,380	\$494,640	\$518,050	\$501,200	\$573,500	\$551,000	\$0	\$0	\$8,957,770
Grand Total:	\$3,427,000	\$885,000	\$916,000	\$491,000	\$500,380	\$494,640	\$518,050	\$501,200	\$573,500	\$551,000	\$0	\$0	\$8,957,770

**New Prague Utilities
Existing and Proposed Water Rates**

<u>Class</u>	2024	
	<u>Current Rate</u>	<u>Proposed Rate</u>
Customer Charges		
Residential 5/8 3/4	\$ 16.10	\$ 16.10
Residential 1	\$ 16.81	\$ 16.81
Residential 1.5	\$ 16.96	\$ 16.96
Commercial 5/8 3/4	\$ 16.10	\$ 16.10
Commercial 1	\$ 16.81	\$ 16.81
Commercial 1.5	\$ 16.96	\$ 16.96
Commercial 2	\$ 37.17	\$ 37.17
Commercial 3	\$ 42.46	\$ 42.46
Commercial 4	\$ 62.83	\$ 62.83
Commercial 6	\$ 93.66	\$ 93.66
Commercial 6 no base fee	\$ -	\$ -
Residential Multi	\$ 11.27	\$ 11.27
Commercial Multi	\$ 11.27	\$ 11.27
Water Charges		
per 1000 gallons (June 1-Sept 30)	\$ 4.39	\$ 5.38
per 1000 gallons (nonsummer)	\$ 4.39	\$ 4.39
golf course per 1000 gallons (all months)	\$ 4.39	\$ 4.52

New Prague Utilities - Water Operating Results at Proposed Rates

* Note Future revenues are based on rate study recommendations and projections are estimates only, actual budget proposals may differ.

	Projected					
	2022	2023	2024	2025	2026	2027
OPERATING REVENUES						
Charges for Services	\$ 1,702,476	\$ 1,931,263	\$ 1,840,320	\$ 1,952,298	\$ 2,065,536	\$ 2,181,026
Total Operating Revenues	\$ 1,702,476	\$ 1,931,263	\$ 1,840,320	\$ 1,952,298	\$ 2,065,536	\$ 2,181,026
OPERATING EXPENSES						
Power and pumping	\$ 118,057	\$ 117,000	\$ 121,680	\$ 126,547	\$ 131,609	\$ 136,873
Transmission and distribution	350,065	150,000	156,000	162,240	168,730	175,479
Administration and general	503,473	744,174	773,941	804,899	837,095	870,578
Depreciation	430,721	464,054	493,554	524,088	540,454	557,134
Total Operating Expenses	\$ 1,402,316	\$ 1,475,228	\$ 1,545,175	\$ 1,617,773	\$ 1,677,888	\$ 1,740,064
OPERATING INCOME	\$ 300,160	\$ 456,034	\$ 295,144	\$ 334,524	\$ 387,648	\$ 440,962
NON-OPERATING REVENUE (EXPENSE)						
Intergovernmental	\$ 2,032	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	(58,865)	15,000	15,000	15,000	15,000	15,000
Miscellaneous income	11,648	18,465	18,465	18,465	18,465	18,465
Water meter income	7,064	5,000	5,000	5,000	5,000	5,000
Bond issuance expense	(7,378)	(11,313)	(18,445)	(20,412)	(9,837)	(10,329)
Interest expense	(103,133)	(101,848)	(89,563)	(97,294)	(116,817)	(139,372)
Amortization of bond premium	2,219	2,219	2,219	2,219	2,219	2,219
Total Non-Operating Revenues (Expenses)	\$ (146,413)	\$ (74,696)	\$ (69,543)	\$ (79,241)	\$ (88,189)	\$ (111,236)
Net Income before Contributions	\$ 153,747	\$ 381,338	\$ 225,602	\$ 255,283	\$ 299,459	\$ 329,726
Capital Contributions	\$ 125,463	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
CHANGE IN NET POSITION	\$ 279,210	\$ 401,338	\$ 245,602	\$ 275,283	\$ 319,459	\$ 349,726
As Percent of Revenues	16.4%	20.8%	13.3%	14.1%	15.5%	16.0%
CASH RESERVES - TOTAL						
Beginning of Year	\$ 2,460,038	\$ 2,460,038	\$ 2,550,721	\$ 2,863,899	\$ 3,251,586	\$ 3,662,349
Plus Change in Net Position		401,338	245,602	275,283	319,459	349,726
Plus Depreciation		464,054	493,554	524,088	540,454	557,134
Plus Net Bond Proceeds		460,000	750,000	830,000	400,000	420,000
Less Principal Pmts		(234,710)	(290,977)	(325,684)	(358,150)	(319,000)
Less Capital Improvements		(1,000,000)	(885,000)	(916,000)	(491,000)	(500,000)
End of Year	\$ 2,460,038	\$ 2,550,721	\$ 2,863,899	\$ 3,251,586	\$ 3,662,349	\$ 4,168,000
As a percent of Operating Revenue	144%	132%	156%	167%	177%	191%

Section 6, Item b.



LIABILITY COVERAGE WAIVER FORM

Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before their effective date of coverage. [Email completed form to your city's underwriter, to **pstech@lmc.org**, or fax to 651.281.1298.](#)

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. *The decision to waive or not waive the statutory tort limits must be made annually by the member's governing body, in consultation with its attorney if necessary.* The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name: New Prague Utilities

Check one:

☒ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#).

☐ The member **WAIVES** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#), to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting: 10/30/2023

Signature: _____

Position: _____

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
September 13, 2023

President Reimers called the meeting to order at 9:00 a.m. at the Owatonna Public Utilities in Owatonna, Minnesota.

Mr. Olson, Owatonna Public Utilities Chief Financial Officer, welcomed the members to Owatonna, and introduced Owatonna Public Utilities Commissioners Mr. Randall Doyal and Mr. Greg Vetter. Mr. Olson announced that Owatonna Public Utilities will celebrate 100 years of service in 2024.

President Reimers welcomed Mr. McCollough to the SMMPA Board.

Board Members Present:

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

Others Present:

David P. Geschwind, Executive Director & CEO; Miles Heide, Julie Zarling, Fairmont; David Olson, Damian Baum, Kris Busse, Randall Doyal, Greg Vetter, Owatonna; Keith R. Butcher, Princeton; Jason Halvorson; Redwood Falls; Chris Rolli, Spring Valley; Jeffery D. Amy, Wells; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, and Mark S. Mitchell of the Agency staff.

Others Present Via Conference Call:

Jerry M. Mausbach, Blooming Prairie; Mike Roth, Shane Steele, Grand Marais; Michael B. Geers, Litchfield; and Glenn Anderson, Joe Kohlgraf, Mandi Yoder, Mora.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the August 9, 2023 board meeting minutes.

#3 2024 Budget and Rates Preview-Fondell:

Ms. Fondell presented the 2024 budget and rates preview.

Member Rates

The Agency is currently proposing no change in the Agency's wholesale power and energy rates for 2024. The transmission rates will transition from a 100% ratchet based on the prior year's summer coincident peak as approved at the May 2023 board meeting.

Discussion.

Next Steps

- Finalize proposed 2024 budget.
- Distribute detailed budget book on September 21, 2023.
- Budget and Rates Workshop on September 26, 2023.

The proposed 2024 budget and rates will be presented at the October board meeting for action by the board.

#4 MPCA Title V Air Permits-Geschwind:

Mr. Geschwind reported on the Minnesota Pollution Control Agency (MPCA) Title V air permits.

SMMPA received a request from Glencoe Light & Power Commission (Glencoe) relating to their ongoing dispute with MPCA. Glencoe had submitted a request to MPCA to renew their power plant Title V air permit. MPCA requested Glencoe use detailed air dispersion modeling to show compliance with applicable nitrogen dioxide (NO₂) limits. Glencoe is objecting to the proposed requirement and suggested that MPCA look at how nearby states Iowa and Wisconsin issue permit renewals without requiring air dispersion modeling. Glencoe desires to resolve this issue and plans to schedule another meeting with MPCA to continue discussions. Glencoe is reaching out to other utilities to see if they are interested in participating in the discussions.

The board and members discussed the issue, and there were a variety of opinions expressed.

After discussion, it was agreed that SMMPA would participate in meetings with the MPCA on this topic if other utilities are also participating. If other utilities elect not to attend the meetings, SMMPA would do the same. If SMMPA attends the meetings with Glencoe and other utilities, SMMPA will not advocate a position that is a "one-size-fits-all" approach for municipal power plants to demonstrate compliance with applicable NO₂ standards. Rather, SMMPA supports a flexible approach to demonstrating compliance that provides options during the renewal process.

After a short break, the board reconvened at 10:32 a.m.

#5 Fairmont Transmission Expansion Project-Mitchell:

Mr. Mitchell reported on the Fairmont transmission expansion project.

Fairmont Public Utilities (FPU) is updating and expanding their distribution system. Fairmont has a growing need for capacity to serve an industrial park area that is currently served from a distribution feeder out of the power plant substation. Transmission system upgrades are necessary to accommodate the distribution system expansion.

The Agency's total estimated cost is \$9.35 million and will be spent over the next four years. The estimated cost for FPU's system upgrade is \$14.4 million. The Agency's project consists of the 69 kV portion of a new power plant substation and new West Industrial Park substation, a share of a new power plant substation transformer, new 69 kV lines from the power plant substation to the industrial substation and from the industrial substation to an existing Great River Energy substation. This project will be included in the ITC transmission pricing zone for cost recovery.

Mr. Mitchell provided a summary of how costs for projects like this flow through the MISO Attachment O cost recovery process when included in another entity's transmission pricing zone and the basis for the Agency's allowed return on debt.

Discussion.

Potential Additional Costs

- Relocate Fairmont Energy Station (FES) diesel fuel tanks.
 - May be needed to accommodate new power plant substation.
 - Site survey will determine if necessary.
- Relocate switchgear for Agency's Cooper engines at FES.
 - Co-located with FPU's switchgear as part of old power plant substation.
 - FPU will install new switchgear in new power plant substation in the future.
 - Need to evaluate feasibility of keeping Cooper switchgear in original position or relocating.
- Estimated potential cost of both items = \$600,000 (not included in project costs at this time and would require separate approval).

Recommendation and Request

- FPU's load is growing and they need to expand their system, including additional delivery points from the Agency.
- Project will be funded initially using the Revolving Credit Agreement and may be included in future long-term debt issuance.
- Investment will be included in ITC transmission pricing zone for cost recovery.
- Agency recommends and requests the board approve this project at a cost of \$9.35 million to be spent over the next four years.

Mr. Nibaur moved to approve the Fairmont transmission expansion project at an estimated cost of \$9.35 million, seconded by Mr. Moulton, passed upon a unanimous vote of the board members present.

#6 Resource Planning Update-Mitchell:

Mr. Mitchell reported on the resource planning update.

MISO's capacity accreditation process and the new Minnesota carbon-free requirement has prompted the need to update the Agency's resource plan.

Various assumptions and scenarios were reviewed. The Agency expects to be approximately 60

to 65 MW short of capacity in both summer and winter by the end of the decade. A significant change from the conclusions of SMMPA 2.0 and the Agency's 2021 Integrated Resource Plan is that more new conventional generation will be required than previously thought. Changes in MISO's capacity accreditation process have significantly reduced the amount of capacity credit from renewable resources, particularly solar generation that will only get a 1% credit in the winter. In addition, accreditation for conventional generation has also been reduced. These changes have increased the amount of new capacity needed and also advanced the need from 2030 to 2028. The analysis points to the need to add 50 to 55 MW of new natural gas generation and 8 to 16 MW of quick start generation, in addition to sufficient renewable generation to meet the state carbon-free requirements.

Discussion.

Mr. Warehime entered the meeting at 11:20 a.m.

Because of the lead time to site, permit, and build conventional generation, Mr. Mitchell recommends to begin the process now to meet the 2028 capacity resource needs. The next steps in the planning process will be to perform detailed analysis to identify the type of new natural gas generation that best meets the Agency's long-term needs. The Agency will continue to meet with renewable developers and refine the type and timing of renewable additions.

Quick Start Program Update

Quick start generation is important to members and to the Agency. The modeling shows a need for 8 to 16 MW of new quick start generation by 2028. Mr. Mitchell presented information on a new quick start program, including a draft proposal for the amount of capacity payments and the term of new agreements. He also discussed permit requirements and the importance of preserving permitted run hours of existing member generation. He asked members to consider their interest in adding new generation based on the draft proposal and notify the Agency of their interest and number of units they would like to add. To move forward with this program, the Agency would seek board approval at a future board meeting.

#7 Sherco 3 MISO Coordination Agreement Termination-Mitchell:

Mr. Mitchell reported on the Sherco 3 MISO Coordination Agreement termination.

Last month, Mr. Mitchell reported that the Agency and Xcel Energy were continuing to negotiate an amendment that would allow the agreement to remain in place. However, when trying to address some final details of the agreement, it became evident that the agreement was becoming too complicated for the potential benefit that could be derived if MISO ever changes its unit commitment process in the future. The Agency decided to allow the agreement to terminate on December 1, 2023, as planned under the Agency's termination notice from November 2022.

Discussion.

SMMPA and Xcel Energy will revisit the option of jointly offering the unit for economic commitment in the future if MISO's processes are improved.

#8 2022 Board Retreat Follow-Up-Geschwind

Due to time constraints, President Reimers deferred the 2022 board retreat follow-up to the November SMMPA Board meeting.

Government Affairs/Member Services Report-Hoffman:

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

Public Power Week

Public Power Week will be held October 1-7, 2023.

Cybersecurity Issue

Microsoft will discontinue support for Windows 10 on October 14, 2025.

MISO Energy Emergency Public Appeals

The energy emergency alert radio language drafts will be emailed to the members to review. The message would be published during a public appeals situation when reducing electricity consumption is necessary.

SMMPA Member Orientation

The SMMPA member orientation session will be held October 6, 2023 from 9:30 a.m. to noon at the SMMPA headquarters.

SMMPA Annual Meeting

The SMMPA Annual Meeting will be held October 12-13, 2023 at the Sheraton Hotel, Bloomington, Minnesota.

2022 eReliability Benchmarking Report

SMMPA provides each member a subscription to APPA's eReliability software, which is an outage data tracking system. The report indicates members have shorter interruptions compared to other utilities.

Operations Report-Mitchell:

Mr. Mitchell reported:

Sherco 3 Status Report

Sherco 3 is running well.

E-ISAC Physical Security Workshop

The Electricity Information Sharing & Analysis Center (E-ISAC) will be offering a Physical Security Workshop in spring of 2024 that will be hosted by the Agency. More information to follow.

MISO EEA Event

MISO issued a step 2A energy emergency alert for our region on August 24, 2023. The Agency

notified members and staff via the new PreparaIS application. Mr. Mitchell asked for member feedback on how they felt the new notification process went, and the response was positive. He presented graphs that showed the load serving challenges MISO was trying to address with the emergency alert.

Market Price Update

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

Financial Report July 2023-Fondell:

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

Sherco 3 Outage Insurance Claims Update

Received \$436,000 on September 5, 2023 for the first Sherco 3 outage insurance claim, which will be factored into the September 2023 Energy Cost Adjustment calculation.

SMMPA Credit Rating

Standard & Poor's is still completing their review of SMMPA's credit rating.

Coal Inventory Cash Flow Impact

Coal inventory is putting strain on cash flow and SMMPA may need to do an additional taxable Revolving Credit Agreement draw.

Member Financial Metrics Update

SMMPA sent the financial metrics to each member on September 11, 2023. Members will have the option to discuss results with SMMPA staff.

President's Report:

Mr. Reimers reported:

- SMMPA Alternate Representative: The change of SMMPA alternate representative for the City of Lake City from Neil Postians to Travis Dunn was effective August 14, 2023. (Attachment A.)
- SMMPA Representative: The change of SMMPA representative for the City of Redwood Falls from Charles Heins to Jason Halvorson was effective September 1, 2023. (Attachment B.)

Executive Director & CEO's Report:

Mr. Geschwind reported:

- SMMPA Board Position: New Prague announced their candidacy for re-election for the SMMPA Board position, currently held by New Prague, with the election on October 13, 2023.

- SMPMA Coincident Peak Demand: SMPMA staff received several inquiries during recent hot weather asking if SMPMA could set a peak for billing purposes at times other than on-peak hours. Mr. Geschwind clarified that the Schedule B rate indicates a billing peak is not limited to on-peak hours, and a peak could occur on holidays, weekends, or other off-peak hours.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

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

The meeting was adjourned at 12:17 p.m.

Secretary