



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Monday, January 29, 2024 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

2. APPROVAL OF AGENDA

3. APPROVAL OF MINUTES

- [a.](#) December 27, 2023, Utilities Meeting Minutes

4. UTILITY AND SMMPA BILLS

- [a.](#) Approval of accounts payable in the amount of **\$1,076,848.82** and the SMMPA billing of **\$523,375.89**.

5. FINANCIAL REPORTS

- [a.](#) Investment Report
- [b.](#) Financial Report
- [c.](#) Water and Kilowatt Hours Sales

6. APPROVAL OF 2023 PROPOSED WRITE-OFF'S

- [a.](#) Water

7. ADOPTING THE NEW PRAGUE UTILITY COMMISSION'S DISTRIBUTED ENERGY RESOURCE INTERCONNECTION PROCESS AND AVERAGE RETAIL UTILITY ENERGY RATE

- [a.](#) Schedule 1 & Schedule 2

8. APPROVAL OF 2024 WATER CAPITAL EQUIPMENT EXPENDITURE

- [a.](#) Chevrolet Silverado 3500

9. APPROVAL OF OFFICIAL CITY DEPOSITORIES

- [a.](#) First Bank & Trust of New Prague, Minnwest of New Prague, Wells Fargo Bank N.A. of New Prague, Wells Fargo Advisors of New Prague, and Minnesota Municipal Money Market Fund (4M Fund)

10. APPROVAL OF OFFICIAL NEWSPAPER

- [a.](#) New Prague Times

11. ELECTION OF UTILITIES COMMISSION OFFICERS

- [a.](#) President/Chairman
- [b.](#) Vice President
- [c.](#) Secretary
- [d.](#) Treasurer

12. PROFESSIONAL SERVICES WATER MODELING STUDY

a. Bolton & Menk

13. SMMPA BOARD OF DIRECTORS MEETING

a. December 13, 2023

14. GENERAL MANAGER'S REPORT

15. OTHER BUSINESS

16. ADJOURNMENT

NEXT COMMISSION MEETING – Monday, February 26, 2024



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Wednesday, December 27, 2023 at 8:30 AM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Commission President Dan Bishop on Wednesday, December 27, 2023, at 8:30 a.m.

Commissioners present: Dan Bishop, Dick Jordan, Paul Busch, Tom Ewert, 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 and seconded by Commissioner Ewert to approve the agenda. Motion carried (5-0).

3. APPROVAL OF MINUTES

- a. November 27, 2023, Utilities Meeting Minutes
Motion made by Commissioner Wolf, seconded by Commissioner Busch, to approve the November minutes. Motion carried (5-0).

4. UTILITY AND SMMPA BILLS

- a. Approval of accounts payable in the amount of **\$161,110.78** and the SMMPA billing of **\$458,752.64**.
Motion made by Commissioner Ewert, seconded by Commissioner Wolf, to approve the SMMPA and utility bills. Motion carried (5-0).

5. FINANCIAL REPORTS

- a. Investment Report
- b. Financial Report
- c. Water and Kilowatt Hours Sales
Motion made by Commissioner Jordan and seconded by Commissioner Ewert to approve the financial reports as presented. Motion carried (5-0).

6. APPROVAL OF 2023 PROPOSED WRITE-OFF'S

- a. Memo
Motion made by Commissioner Bishop, seconded by Commissioner Jordan, to approve the 2023 write-offs in the amount of \$1,768.98.

7. APPROVE THE HIRING OF GENERATION OPERATOR POSITION

- a. Zachary Schelhaas
GM Reimers informed the commission that staff had conducted two interviews out of seven applicants for the power operator position and pending satisfactory outcomes of a background check and drug testing, he would recommend the commission approve the full-time hire of Zachary Schelhaas. Motion

made by Commissioner Ewert, seconded by Commissioner Wolf, approving the hiring. Motion carried (5-0).

8. SMMPA BOARD OF DIRECTORS MEETING

- a. November 8, 2023 (Enclosed)
- b. December 13, 2023 (Bruce)

GM Reimers informed the commission on the following:
 SMMPA staff informed the board on future generation needs along with potential types of generation and locations that would be suitable for gas supply and access to transmission facilities. The board directed SMMPA staff to start preliminary work with the engineering firm DGR on a site located in Owatonna. SMMPA staff also informed the board and member representatives that SMMPA would be offering quick start contracts for members who would like to install more generation in their communities and final pricing will be in the \$7.00/Kw range. GM Reimers told the commission that he felt New Prague should consider installing a minimum of 6 mw of new generation and that he had put money in the 2024 budget to start the engineering process to give some preliminary cost estimates for additional generation facilities. After further discussion, the commission agreed that New Prague has benefited from being able to have enough local generation to carry the community during local transmission outages and provide generation support to the MISO transmission network at a cost that is beneficial to the City of New Prague and SMMPA. A motion was made by Commissioner Wolf and seconded by Commissioner Jordan directing GM Reimers to start preliminary planning for additional generation facilities. Motion carried (5-0).

9. GENERAL MANAGER'S REPORT

GM Reimers reported on the following:

- Electric staff is finishing fall projects with the extended nice weather allowing new services to be installed at MVE Biological and Jeff Belzer’s Chevrolet. The water department has also been working on GIS mapping and treatment plant maintenance.

10. OTHER BUSINESS

None.

11. ADJOURNMENT

Motion made by Commissioner Jordan, seconded by Commissioner Busch to adjourn the December 27, 2023, meeting at 9:53 a.m. Motion carried (5-0).

NEXT COMMISSION MEETING – Monday, January 29, 2024

Respectfully Submitted,

Bruce Reimers
 General Manager



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

Power Sales Contract
#INV1205
 12/31/2023

Bill To

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

Due Date: 1/25/2024

BILLING PERIOD	kWh	kW	DATE / TIME
Dec 2023	5,662,663	9,626	Dec 18, 2023 12:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	5,662,663	9,626	
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)	2,410,703	\$0.06431	\$155,032.31	\$155,032.31
Off Peak Energy Charge (kWh)	3,251,960	\$0.04808	\$156,354.24	\$156,354.24
Cost Adjustment (kWh)	5,340,198	\$0.007885	\$42,107.46	\$42,107.46
BASE RATE SUBTOTAL				\$480,448.31
TRANSMISSION				
Transmission Demand Charge (kW)	15,667	\$2.74	\$42,927.58	\$42,927.58
OTHER CHARGES				

Total \$523,375.89

NEW PRAGUE UTILITIES COMMISSION										
SMPA										
12/31/2023										
MONTH	KWH	PURCHASED POWER	ENERGY COST ADJ	2023 Price/KWH	MONTH	KWH	YTD KWH	PURCHASED POWER	YTD PURCHASE PWR	2022 Price/KWH
January	6,074,429	\$ 500,013.36		\$ 0.08231	January	6,349,342	6,349,342	\$ 472,403.93	\$ 472,403.93	\$ 0.07440
February	5,418,152	\$ 470,218.94		\$ 0.08679	February	5,586,356	11,935,698	\$ 436,519.04	\$ 908,922.97	\$ 0.07814
March	5,727,100	\$ 501,121.24	\$ 12,245.02	\$ 0.08536	March	5,655,082	17,590,780	\$ 433,861.15	\$ 1,342,784.12	\$ 0.07672
April	5,245,499	\$ 477,287.37	\$ 18,251.67	\$ 0.08751	April	5,180,840	22,771,620	\$ 411,904.27	\$ 1,754,688.39	\$ 0.07951
May	5,710,038	\$ 496,161.90	\$ (7,480.08)	\$ 0.08820	May	5,531,743	28,303,363	\$ 437,597.31	\$ 2,192,285.70	\$ 0.07911
June	6,997,617	\$ 574,273.89	\$ (10,614.96)	\$ 0.08358	June	6,692,547	34,995,910	\$ 525,496.57	\$ 2,717,782.27	\$ 0.07852
July	7,101,113	\$ 608,890.20	\$ 14,338.12	\$ 0.08373	July	7,482,903	42,478,813	\$ 551,066.41	\$ 3,268,848.68	\$ 0.07364
August	7,423,203	\$ 639,769.84	\$ 5,368.44	\$ 0.08546	August	7,046,831	49,525,644	\$ 528,929.83	\$ 3,797,778.51	\$ 0.07506
September	6,153,035	\$ 543,660.78	\$ 20,673.62	\$ 0.08500	September	6,028,466	55,554,110	\$ 471,340.54	\$ 4,269,119.05	\$ 0.07819
October	5,407,912	\$ 428,039.47	\$ (52,140.82)	\$ 0.08879	October	5,253,162	60,807,272	\$ 410,341.44	\$ 4,679,460.49	\$ 0.07811
November	5,340,198	\$ 458,752.64	\$ (7,798.21)	\$ 0.08737	November	5,414,350	66,221,622	\$ 461,672.71	\$ 5,141,133.20	\$ 0.08527
December	5,662,663	\$ 523,375.89	\$ 42,107.46	\$ 0.08499	December	6,181,499	72,403,121	\$ 508,337.53	\$ 5,649,470.73	\$ 0.08224
Total	72,260,959	6,221,565.52	34,950.26	0.08610	Total	72,086,211		\$ 5,427,726.95		\$ 0.07529

Vendor / Description	Invoice Amount
AAI GARAGE DOOR	
GARAGE DOOR REPLACEMENT	\$30,900.00
ACE HARDWARE	
SUPPLIES	\$92.22
ACME TOOLS	
TOOLS	\$4,106.00
AIRGAS USA LLC	
CARBON DIOXIDE	\$40.06
AMARIL UNIFORM COMPANY	
FR CLOTHING - BOB BREZINA	\$662.19
FR CLOTHING - BOB HRABE	\$612.89
FR CLOTHING - BRADY	\$638.86
FR CLOTHING - COREY	\$738.39
FR CLOTHING - CURT	\$290.61
FR CLOTHING - GREG	\$227.61
FR CLOTHING - LOGAN	\$832.09
FR CLOTHING - ZACH	\$572.94
FR CLOTHING- TUCKER TIETZ	\$734.25
AMAZON CAPITAL SERVICES	
CALENDAR	\$6.99
LABEL MAKER TAPE	\$34.98
LUG ALL RATCHED WITH WINCH	\$226.48
PAINT MARKERS	\$35.29
PHONE CASE & SCREEN PROTECTORS	\$37.98
PLANT DOOR ALARM - BUTTONS	\$47.98
UPS BACKUP	\$169.99
ARVIG ANSWERING SOLUTIONS	
ANSWERING SERVICE	\$212.26
BORDER STATES ELECTRIC SUPPLY	
METER SOCKET HQ-13T	\$2,110.01
CC DAY COMPANY	
FUEL FILTERS	\$7,856.02
COMPUTER TECHNOLOGY SOLUTIONS INC	
PO 511 - PLANT DOOR	\$1,600.00
PO 511 - PLANT DOOR	\$1,440.00
PO 511- PLANT DOOR	\$1,020.00
DELEGARD TOOL CO.	
ZIP TIES	\$43.03
DGR ENGINEERING	
EAST SUB RTU	\$613.00
FASTENAL COMPANY	
NUTS	\$25.36
GRAINGER	
FUEL FILTER PARTS	\$68.02
TOWELS	\$88.10
HAWKINS INC	
PURIFICATION	\$1,430.90
INDUSTRIAL PNEUMATIC SYSTEMS	
AIR COMPRESSOR PIPING	\$455.65
JEFF BELZER NEW PRAGUE	
REBATE - LED FIXTURES	\$3,891.00
LAKER'S NEW PRAGUE SANITARY	
DECEMBER REFUSE BILLING FEE	\$532.60-
DECEMBER REFUSE REIMBURSEMENT	\$15,327.64
MANSFIELD OIL COMPANY OF GAINESVILLE INC	
DIESEL	\$22,425.55
MCMASTER-CARR SUPPLY CO	
HYDRAULIC HOSE FITTINGS	\$55.26

Vendor / Description	Invoice Amount
MN DEPT OF HEALTH	
4TH QTR CONNECTION FEES	\$7,222.00
MN DEPT OF PUBLIC SAFETY	
EPCRA	\$100.00
EPCRA REPORTS	\$200.00
MN DNR ECOLOGICAL & WATER	
WATER PERMIT	\$5,553.13
MN MUNICIPAL UTILITIES ASSOC	
2024 MEMBERSHIP DUES	\$14,642.00
EMERGENCY PREPAREDNESS - KEN	\$400.00
JT&S TRAINING	\$787.50
METER SCHOOL - TUCKER & LOGAN	\$1,170.00
MN RURAL WATER ASSOC.	
MRWA TECHNICAL CONFERENCE	\$550.00
MN VALLEY ELECTRIC COOPERATIVE	
KWH SERVICE TERRITORY AGRMNT	\$407,713.87
POSTMASTER OF NEW PRAGUE	
January utility bill postage	\$1,008.98
QUALITY FLOW SYSTEMS INC	
PUMP ADJUSTMENT - BOOSTER 1 &2	\$200.00
QUILL CORPORATION	
COPY PAPER	\$182.47
R & R METALWORKS INC	
TRANSFORMER PLATE	\$180.00
ROCK OIL REFINING INC	
USED OIL FILTERS	\$240.00
SALTCO	
MONTHLY SALT	\$35.00
SCHELHAAS, ZACH	
SAFETY BOOTS	\$60.00
SIGNATURE GRAPHICS	
REFLECTIVE STRIPING	\$424.58
SILHOUETTES	
EMBROIDERY	\$70.87
STAR GROUP LLC.	
OIL DRY	\$31.41
STASNEY ELECTRIC	
MOTOR	\$771.00
STATE OF MINNESOTA	
DOT INSPECTION DECALS	\$50.00
STUART C. IRBY CO.	
WIRE, 4/0 STR 15KV PRI 11/14	\$68,863.20
WIRE, 4/0-2/0-4/0 AL URD 600V (SWEE	\$12,440.00
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$464.38
UTILITY CONSULTANTS	
WATER SAMPLES	\$90.24
VOYAGER FLEET	
FUEL	\$351.08
WATER HEATERS ONLY	
115 GAL WATER HEATER	\$1,946.00
80 GALLON WATER HEATER	\$1,572.20
WESCO RECEIVABLES CORP.	
75KVA 208/120 #23JC034690052	\$22,695.00
75KVA 208/120 #23JC034690053	\$22,695.00
WIDMER CONSTRUCTION LLC	
10TH AVE WATER MAIN	\$81,459.69
ZORO TOOLS	
COUPLINGS	\$35.93
SPRAY ADHESIVE / LUBRICANT	\$78.33
Grand Totals	\$753,420.86

Vendor Name	Net Invoice Amount
AMAZON CAPITAL SERVICES	
WOOD CHIPPER - ROPE	\$10.49
BEVCOMM	
TELEPHONE	\$157.36
TELEPHONE/COMMUNICATIONS	\$59.95
COMPUTER TECHNOLOGY SOLUTIONS	
COMPUTER SUPPORT	\$1,811.82
OFFICE 365 / FIREWALL	\$303.34
COMPUTERSHARE TRUST COMPANY	
2011 BOND INTEREST	\$470.10
2011 BOND PRINCIPAL	\$14,003.00
2014 BOND INTEREST	\$1,025.00
2014 BOND PRINCIPAL	\$10,000.00
ENVIRONMENTAL SYSTEMS RESE	
ARCGIS ANNUAL SUBSCRIPTION	\$776.44
LAKERS NEW PRAGUE SANITARY	
TRASH - ELECTRIC	\$70.78
TRASH - POWER PLANT	\$86.72
TRASH - WATER	\$70.78
NEON LINK	
ONLINE PAYMENT FEES	\$1,077.07
ONLINE PAYMENT FEES - LAKERS	\$15.17
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	\$1,004.12
WATER UTILITIES	\$31.00
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$372.60
SAFEASSURE CONSULTANTS	
SAFETY TRAINING	\$5,974.22
SUEL PRINTING	
CHECKS	\$83.32
US BANK	
CIP 2020 WATER	\$112,521.51
VETERAN SHREDDING	
CONTRACTED SERVICES	\$17.00
VOYAGER FLEET SYSTEMS	
MOTOR FUELS	\$41.08
ZIEGLER INC.	
GENERATOR OIL SAMPLES	\$49.12
ZIONS BANK	
2021 BOND INTEREST PAYMENT	\$27,723.75
2021A BOND PRINCIPAL	\$105,000.00
2022A BOND INTEREST	\$3,600.00
2022A BOND PRINCIPAL	\$25,000.00
2023A BOND INTEREST	\$12,072.22
Grand Totals	<u>\$323,427.96</u>

NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
11/30/2023			
First Bank and Trust			
Checking - Cash Balance			
Electric		\$	1,914,513.09
Water		\$	1,763,052.67
Subtotal		\$	3,677,565.76
Money Market		\$	2,004,147.61
Wells Fargo			
F.I.S.T. (Market Value per Wells Select report)		\$	3,211,847.00
Electric <i>(74% of account)</i>	\$	2,376,766.78	
Water <i>(26% of account)</i>	\$	835,080.22	
Total		\$	8,893,560.37
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 December 15, 2023

December 18, 2023

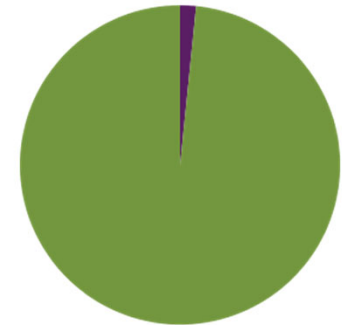
Trade Date Basis

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	51,800	51,800	0	2,701	5.21	1.6
Fixed Income	3,160,047	3,341,093	(181,047)	98,601	3.12	98.4
Total Portfolio	\$3,211,847	\$3,392,893	\$(181,047)	\$101,302	3.15%	100.0%



NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
November 30, 2023

WATER FUND						
91.67% of year completed						
REVENUES	2022 Thru 11/30/2022	Current Month	Actual Thru 11/30/2023	2022/2023 Variance YTD	2023 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	18,496.08	464.00	(17,589.56)	(36,085.64)	-	0.00%
Residential	\$ 1,049,363.30	\$ 92,662.90	\$ 1,178,137.80	\$ 128,774.50	\$ 1,136,392.00	103.67%
Commercial	506,197.76	28,906.28	565,225.43	59,027.67	534,347.00	105.78%
Water Hook-up Fees	\$ 33,005.20	\$ 4,454.00	\$ 40,647.96	\$ 7,642.76	\$ 25,000.00	162.59%
Interest Income	151.58	3,778.17	13,137.38	12,985.80	15,000.00	87.58%
Other Income	\$ 32,018.42	\$ 2,374.96	\$ 37,307.24	\$ 5,288.82	\$ 66,865.00	55.79%
TOTAL REVENUES	\$ 1,639,232.34	\$ 132,640.31	\$ 1,816,866.25	\$ 177,633.91	\$ 1,777,604.00	102.21%
EXPENSES						
Power Used	108,532.12	8,532.22	121,475.18	12,943.06	117,000.00	103.82%
Purification	42,314.93	3,734.49	53,474.59	11,159.66	78,000.00	68.56%
Distribution	49,315.17	10,245.02	46,562.92	(2,752.25)	72,000.00	64.67%
Depreciation	393,355.47	36,000.20	396,986.92	3,631.45	426,677.00	93.04%
Debt & Other Interest	97,113.54	27.34	102,657.78	5,544.24	101,948.00	100.70%
Salary & Benefits	532,153.11	48,014.42	547,667.19	15,514.08	591,764.00	92.55%
Admin & General	\$ 105,338.92	\$ 6,891.07	\$ 126,650.26	\$ 21,311.34	\$ 157,410.00	80.46%
TOTAL EXPENSES	\$ 1,328,123.26	\$ 113,444.76	\$ 1,395,474.84	\$ 67,351.58	\$ 1,544,799.00	90.33%
EXCESS REVENUES OVER EXPENSES	\$ 311,109.08	\$ 19,195.55	\$ 421,391.41	\$ 110,282.33	\$ 232,805.00	

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
November 30, 2023

Section 5, Item b.

ELECTRIC FUND

91.67% of year completed

REVENUES	2022 Thru 11/30/2022	Current Month	Actual Thru 11/30/2023	2022/2023 Variance YTD	2023 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ 60,393.87	\$ 66,487.34	\$ (184,526.79)	\$ (244,920.66)	\$ -	0.00%
Residential Revenue	\$ 3,429,694.85	\$ 262,391.12	\$ 3,891,504.69	\$ 461,809.84	\$ 4,133,213.00	94.15%
Commercial	\$ 499,869.07	\$ 41,764.06	\$ 578,301.26	\$ 78,432.19	\$ 601,454.00	96.15%
Small Industrial	\$ 1,543,295.37	\$ 131,805.99	\$ 1,690,838.42	\$ 147,543.05	\$ 1,834,345.00	92.18%
Industrial	\$ 1,931,006.39	\$ 163,796.44	\$ 2,195,110.88	\$ 264,104.49	\$ 2,283,345.00	96.14%
Streetlights	\$ 53,486.52	\$ 5,682.98	\$ 57,553.64	\$ 4,067.12	\$ 65,000.00	88.54%
Other Departments	\$ 118,925.42	\$ 10,674.38	\$ 135,392.09	\$ 16,466.67	\$ 137,230.00	98.66%
SMMPA LOR Reimbursement	\$ 175,730.52	\$ 14,269.76	\$ 191,903.91	\$ 16,173.39	\$ 190,000.00	101.00%
SMMPA O&M Revenue	\$ 554,249.79	\$ 47,953.89	\$ 621,370.60	\$ 67,120.81	\$ 611,000.00	101.70%
Reimbursement - SMMPA Rebates	\$ 22,645.56	\$ 1,667.44	\$ 28,521.03	\$ 5,875.47	\$ -	0.00%
Interest Income	\$ 874.27	\$ 13,958.89	\$ 48,819.46	\$ 47,945.19	\$ 25,000.00	195.28%
Other Income	\$ 340,461.29	\$ 128,370.92	\$ 293,508.95	\$ (46,952.34)	\$ 118,700.00	247.27%
TOTAL REVENUES	\$ 8,730,632.92	\$ 888,823.21	\$ 9,548,298.14	\$ 817,665.22	\$ 9,999,287.00	95.49%
EXPENSES						
Production	\$ 10,853.78	\$ 8,430.14	\$ 28,591.39	\$ 17,737.61	\$ 26,000.00	109.97%
Purchased Power	\$ 5,141,133.20	\$ 458,752.64	\$ 5,698,189.63	\$ 557,056.43	\$ 6,242,485.00	91.28%
SMMPA O&M Expenses	\$ 204,795.71	\$ 14,640.78	\$ 249,856.60	\$ 45,060.89	\$ 337,500.00	74.03%
Distribution/Transmission	\$ 90,272.99	\$ 13,112.49	\$ 73,130.27	\$ (17,142.72)	\$ 101,000.00	72.41%
Energy Conservation - Rebates	\$ 30,277.87	\$ 3,085.62	\$ 35,672.98	\$ 5,395.11	\$ 11,500.00	310.20%
Depreciation	\$ 563,382.07	\$ 57,092.51	\$ 627,760.08	\$ 64,378.01	\$ 606,941.00	103.43%
Salary & Benefits	\$ 1,030,344.88	\$ 100,649.13	\$ 1,120,339.23	\$ 89,994.35	\$ 1,499,862.00	74.70%
MVEC LOR Payment	\$ 351,460.99	\$ 28,539.51	\$ 383,807.78	\$ 32,346.79	\$ 379,465.00	101.14%
Admin & General	\$ 167,238.77	\$ 13,229.17	\$ 220,670.04	\$ 53,431.27	\$ 252,650.00	87.34%
Payment in Lieu of Taxes	\$ 36,666.67	\$ 3,333.33	\$ 36,666.67	\$ -	\$ 40,000.00	91.67%
TOTAL EXPENSES	\$ 7,626,426.93	\$ 700,865.32	\$ 8,474,684.67	\$ 848,257.74	\$ 9,497,403.00	89.23%
EXCESS REVENUES OVER EXPENSES	\$ 1,104,205.99	\$ 187,957.89	\$ 1,073,613.47	\$ (30,592.52)	\$ 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 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	5,971,226	61,255,999	OCT	5,768,957	59,749,174
NOV	4,829,240	66,085,239	NOV	4,781,950	64,531,124
DEC	5,387,440	71,472,679	DEC	4,373,483	68,904,607
TOTAL	71,472,679		TOTAL	68,904,607	

*Monthly Kwh totals are not final until year-end

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	30,086	265,911	29,291	233,915
GAL SOLD	15,509	60,180	14,374	59,111	GAL SOLD	27,240	240,090	26,668	209,129
GAL USED	311	1,341	328	1,770	GAL USED	452	5,023	1066	7,292
GAL(LOSS)/GAIN	(1,283)	(6,121)	(1,590)	(5,890)	GAL(LOSS)/GAIN	(2,394)	(20,798)	(1,557)	(17,494)
PERCENTAGE	7.5%	9.0%	9.8%	8.8%	PERCENTAGE	8.0%	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	17,838	283,749	19,688	253,603
GAL SOLD	14,860	75,040	15,438	74,549	GAL SOLD	14,855	254,945	17,167	226,296
GAL USED	373	1,714	1,815	3,585	GAL USED	330	5,353	329	7,621
GAL(LOSS)/GAIN	(3,713)	(9,834)	(2,084)	(7,974)	GAL(LOSS)/GAIN	(2,653)	(23,451)	(2,192)	(19,686)
PERCENTAGE	19.6%	11.4%	10.8%	9.3%	PERCENTAGE	14.9%	8.3%	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	17,948	301,697	16,950	270,553
GAL SOLD	26,292	101,332	17,082	91,631	GAL SOLD	15,465	270,410	15,664	241,960
GAL USED	696	2,410	405	3,990	GAL USED	331	5,684	346	7,967
GAL(LOSS)/GAIN	(1,541)	(11,376)	(1,384)	(9,358)	GAL(LOSS)/GAIN	(2,152)	(25,603)	(940)	(20,626)
PERCENTAGE	5.4%	9.9%	7.3%	8.9%	PERCENTAGE	12.0%	8.5%	5.5%	7.6%



MEMORANDUM

DATE: January 24, 2024
TO: New Prague Utilities Commission
FROM: Bruce Reimers, General Manager
Robin Pikal, Finance Director
RE: 2023 Proposed Write-Off – Water

The proposed water write-off for 2023 is \$0.10.

Recommendation:

Staff recommends the New Prague Utilities Commission consider approval of the 2023 water write-off in the amount of \$0.10.



New Prague Utilities Commission

In the Counties of Scott & Le Sueur

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PHONE (952) 758-4401 • www.ci.new-prague.mn.us • FAX (952) 758-1149

Bruce Reimers, General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager

DATE: January 29, 2024

SUBJECT: **Resolution Adopting the New Prague Utilities Commission’s Distributed Energy Resource Interconnection Process and Average Retail Utility Energy Rate**

In 2018, the New Prague Utilities Commission (NPUC) adopted a Model Distributed Generation Policy and rule, and subsequently New Prague Utilities Commission submitted a Cogeneration and Small Power Production Tariff. This process was undertaken to comply with state statute and provide for local resolution dispute related to distributed generation.

On August 13, 2018, the Minnesota Public Utilities Commission (MPUC) adopted an updated Interconnection Process for Distributed Energy Resources (the new name for Distributed Generation.) The Interconnection Process is part of the Cogeneration and Small Power Production Tariff. The main thrust of the order was to create three “tracks” for processing Distributed Energy Resource Interconnection requests and set specific timelines and fees.

The MPUC order requires that new policies and rules be adopted that conform with the new interconnection process. Attached are uniform documents that were developed by the Minnesota Municipal Utilities Association that would meet this requirement. We are requesting the New Prague Utilities Commission formally adopt the new policy and rules.

Attached for adoption include:

- **SCHEDULE 1** – Calculation of the average retail utility energy rates
- **SCHEDULE 2** – The estimated average incremental energy costs by seasonal, peak, and off-peak periods and annual avoided capacity costs from Southern Minnesota Municipal Power Agency.

As required under the prior policy and rules, we will continue to file annually an updated Average Retail Energy Rate – Schedule 1, Average Incremental Cost – Schedule 2, a Qualifying Facilities Report and publish a Cogeneration and Small Power Generation notice to customers.

At the Commission Meeting, I will review the new Distributed Energy Resource Interconnection process and go through the required documents that will be available to customers.

RECOMMENDATION:

New Prague Utilities Commission review and approval of Resolution.

SCHEDULE 1 – AVERAGE RETAIL UTILITY ENERGY RATE

Net Energy Billing: Available to any QF of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

New Prague Utility Commission (NPUC) shall bill QF for any excess of energy supplied by NPUC above energy supplied by the QF during each billing period according to NPUC’s applicable rate schedule. NPUC shall pay the customer for the energy generated by the QF that exceeds that supplied by NPUC during a billing period at the “average retail utility energy rate.” “Average retail utility energy rate” means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation. The “average retail utility energy rates” are as follows:

Customer Class	Average Retail Utility Energy Rate
Residential	.1337
Commercial	.1276
Industrial	.0736
Large Industrial	.0736

SCHEDULE 2 – AVERAGE INCREMENTAL COST

Estimated Marginal Energy Costs (\$/MWh)						
		2024	2025	2026	2027	2028
Summer	On Peak	39.89	41.13	39.42	41.38	41.12
	Off Peak	22.77	23.65	22.80	22.54	22.15
	All Hours	30.65	31.69	30.44	31.20	30.88
Winter	On Peak	37.62	40.05	40.28	42.41	42.37
	Off Peak	26.88	28.47	28.85	30.99	30.63
	All Hours	31.82	33.80	34.11	36.24	36.03
Annual	On Peak	38.76	40.59	39.85	41.89	41.75
	Off Peak	24.82	26.06	25.83	26.76	26.39
	All Hours	31.23	32.75	32.28	33.72	33.45
Annual number of hours in the on-peak period:						

Description of season and on-peak and off-peak periods	
Summer:	April through September
Winter:	October through March
On-peak period:	6 am to 10 pm Monday through Friday except holiday (New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day)
Off-peak period:	All other hours

Estimated Marginal Energy Costs

The estimated system average incremental energy costs are calculated by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs are averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs are increased by a factor equal to 50 percent of the line losses.

The energy needs of NPUC are served through its membership in Southern Minnesota Municipal Power Agency (SMMPA). SMMPA, in turn, is a member of the Midcontinent ISO (MISO). As a result, the municipal’s incremental energy cost is equivalent to the MISO hourly Locational Marginal Price (LMP). Actual hourly LMP will vary significantly based on several parameters such as weather, energy demand, and generation availability. The table above represents a forecast of the MISO hourly LMP values averaged over each specific time period at the MISO Minnesota Hub.

Capacity Payment for Firm Power (Net annual avoided capacity cost)

A capacity payment will be made for energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum on-peak metered capacity delivered to the utility during the month. The capacity component applies only to deliveries during on-peak hours.

Capacity Payment (\$/kWh)	
2024	
Capacity Value per kWh (on-peak hours)	\$0.007
Capacity Value per kWh (all hours)	\$0.005



MEMORANDUM

To: New Prague Utilities Commission

From: Bruce Reimers, Utilities General Manager

Date: January 23, 2024

Subject: **Approval of 2024 Water Department Capital Equipment Expenditure**

In the 2024 Water Department Capital improvement budget, the New Prague Utilities Commission (NPUC) has budgeted to purchase a 2024 pickup truck, which will replace a 2015 Ford F350. We had originally scheduled for the 2015 Ford F350 to be replaced in 2025, but due to mechanical and rusting issues staff has suggested it would be in our best interest to replace it one year ahead of schedule.

Cost Comparison:

Jeff Belzer’s Chevrolet Silverado 3500HD Work Truck \$47,070.00

Jeff Belzer’s Ford F350 XL Super Duty \$49,885.00

Minnesota State Bid is not taking orders for Ford or Chevy due to factory allocation shortages.

RECOMMENDATION:

Purchase one Chevrolet Silverado 3500 work Truck from Jeff Beler’s for \$47,070.



New Prague Utilities Commission

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Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager

DATE: January 29, 2024

SUBJECT: **2024 Official Depositories**

Under Minnesota State Statute 118A.02, the governing body of each government entity shall designate, as a depository of its funds, one or more financial institutions.

Below is the list of official depositories currently utilized by the City:

- First Bank & Trust of New Prague
- Minnwest of New Prague
- Wells Fargo Bank N.A. of New Prague
- Wells Fargo Advisors of New Prague
- Minnesota Municipal Money Market Fund (4M Fund)



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Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager

DATE: January 29, 2024

SUBJECT: **2023 Official Newspaper: New Prague Times**

In accordance with Minnesota State Statute 412.831, the Council was required to designate a legal newspaper of general circulation in the City as its official newspaper, in which shall be published such ordinances and other matters as are required by law to be so published and such other matters as the Council may deem it advisable and in the public interest to have published in this manner.

City Staff has approved the New Prague Times be designated as the “2024 Official Newspaper” for the City.



New Prague Utilities Commission

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Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission
FROM: Bruce Reimers, Utilities General Manager
DATE: January 29, 2024
SUBJECT: Professional Services Water Modeling Study

Over the past several months NPUC staff have been working with consulting engineers to develop a scope of work and tasks that will provide the NPUC with a water mode that is specifically centered around the future growth of New Prague’s water treatment and distribution system.

The cost of this study was budgeted at \$40,000 and will be covered by funding that was part of the American Rescue Plan Act (ARPA) given to the City of New Prague back in 2021.

Attached is a proposal from Bolton & Menk to provide the study according to the task that were outlined by utilities staff and management.

Recommendation

Approval of Professional services agreement with Bolton & Menk at an estimated cost of \$29,826



Real People. Real Solutions.

Ph: (507) 625-4171
Fax: (507) 625-4177
Bolton-Menk.com

December 7, 2023

Bruce Reimers, General Manager
New Prague Utilities
300 E. Main St.
New Prague MN 56071

RE: Proposal for Professional Services – Water Modeling

Dear Bruce,

Bolton & Menk is pleased to submit the following proposal to assist New Prague Utilities in preparing a water model specifically for growth areas immediately surrounding the city (NE, NW, SE, SW) and preparing a summary report on needed improvements. Bolton & Menk's work with numerous water treatment and distribution systems provides extensive experience and knowledge to provide guidance on improvements to New Prague's drinking water infrastructure. In addition, we are currently providing similar modeling services in these exact areas to update the city's sanitary sewer comprehensive plan model. This coincidental work area provides the Utility with savings versus a stand-alone project. We have accounted for this aspect in our scope and the associated fee below.

Scope of Work

Bolton & Menk will provide the following scope of work separated into four major tasks. It is anticipated that this study will mirror the schedule of the city's sanitary modeling, with completion in May 2024.

Task 1 – Meetings and Communications

An initial meeting will be scheduled upon receiving a notice to proceed. We anticipate this meeting will be in person at your office. The purpose will be to review existing plans and models, confirm goals and priorities, establish communication protocols, and formulate a mutually acceptable schedule.

Task 2 – Existing Water System Plan and Model Review

Bolton & Menk will review existing information, studies, and GIS data of the city's distribution system. Piping location(s) and size(s) will be verified and updated. Water demand in the model will also be reviewed and compared to existing plans.

Task 3 – Water Modeling Updates

Bolton & Menk personnel will meet with city staff to conduct hydrant flow testing in select key areas of the community. The hydrant flow test results will be used to aid in the hydraulic model's calibration.

Task 4 – Cost Estimates and Final Report

Upon agreement of the modeling updates, Bolton & Menk will determine various itemized quantities and develop associated cost opinions associated with potential system improvements. The final report will include these cost opinions, along with a summary of the recommended improvements and sequencing. Figures showing system pressure, fire flow, and flow direction will also be included in the summary report.

Estimated Project Cost

Bolton & Menk proposes to complete the above scope of work as a lump sum. A breakdown of the fee is as follows. Any additional professional support requested by the city and outside the scope of this proposal will be performed at our regular hourly fee schedule.

Task 1 – Meetings and Communications	\$5,096
Task 2 – Existing Water System Plan and Model Review	\$8,290
Task 3 – Water Modeling Updates	\$8,882
Task 4 – Cost Estimates and Final Report	\$7,558
Total Estimated Fee	\$29,826

We greatly appreciate the partnership and the opportunity to serve New Prague Utilities. If you have any questions or comments regarding this proposal, please feel free to call me at 507-381-9909.

Sincerely,

Bolton & Menk, Inc.



D. Joseph Duncan II, P.E.
Senior Principal



Kristopher J. Swanson, P.E.
Senior Principal

cc: Jon Peterson, P.E.
Tim Olson, P.E.
Gunnar Kern, EIT

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

President Reimers called the meeting to order at 9:00 a.m. at the Mille Lacs County Historical Society in Princeton, Minnesota.

Mr. Butcher, Princeton Public Utilities General Manager, introduced Princeton Public Utilities Commission Electric Superintendent Jeremy Linden and Princeton Public Utilities Commissioner/City Council Member Jack Edmonds.

Mr. Edmonds welcomed the members to Princeton.

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; Keith R. Butcher, Mayor Thom Walker, Jeremy Linden, Jack Edmonds, Princeton; Jason Halvorson, Redwood Falls; Chris Rolli, Spring Valley; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, Mark S. Mitchell, and Rebecca J. Schmitz of the Agency staff.

Others Present Via Conference Call:

Alex Bumgardner, Austin; Miles Heide, Julie Zarling, Fairmont; Mike Roth, Shane Steele, Grand Marais, and Mike Geers, Litchfield.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the November 8, 2023 board meeting minutes.

APPROVED the Administrative Policies Revisions. (Attachment A.)

#3 Long-Term Financial Forecast-Schmitz:

The long-term financial forecast and key assumptions packets were distributed electronically to

the members prior to the board meeting.

Ms. Schmitz presented on the long-term financial forecast for 2024-2038. The forecast and key assumptions were summarized.

Austin is evaluating their post-2030 power supply options. A scenario was included in the long-term forecast for serving 100% of Austin’s electrical load after 2030.

Debt Service Reserve dollars released in 2026 and 2027 are not included in the forecast as the plan is to utilize those funds for Sherco 3 decommissioning and lingering costs after the 2030 retirement date.

Discussion.

Continuing Evaluation

- Capital Reserves Study planned for 2025.
- Future resource timing and cost structure.
- Fixed cost reduction opportunities.
- New debt issuance timing and strategy.
- Sherco 3 decommissioning/lingering costs and funding strategy.

Welcome:

Mayor Walker welcomed the members to Princeton and expressed appreciation to SMMPA for providing reasonable rates and for SMMPA’s initiative in working hard for Princeton and the SMMPA member communities.

#4 Sherco 3 Outage Insurance-Mitchell:

Mr. Mitchell reported on the Sherco 3 outage insurance. Outage insurance helps mitigate economic risk that could arise from an unexpected outage at Sherco 3.

Insurance Coverage Proposal

- Term: Calendar year 2024.
- Capacity Coverage: 350 MW.
- Annual Coverage Limit: \$12 million.
- Event Duration Limit: Agency responsible for first 3 days of each outage. Covers 90 consecutive calendar days per outage. Covers on-peak hours only and pays difference between daily average day ahead on-peak LMP and the strike price defined in the policy.

Recommendation

The Agency recommends purchasing Sherco 3 outage insurance from Archer Insurance for 2024 at a premium cost of up to \$691,000 after consideration of The Energy Authority analysis to determine the potential reduction in cashflow at risk.

Discussion.

Mr. Nibaur moved to approve purchasing Sherco 3 outage insurance coverage from Archer

Insurance for 2024 at a premium cost of up to \$691,000, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present.

#5 Sherco 3 O&O Agreement Amendment 5-Mitchell:

Mr. Mitchell reported on the Sherco 3 Ownership and Operating Agreement (O&O).

The Agreement defines rights, responsibilities, cost sharing, and decision making of the owners (SMMPA and Xcel Energy) and the Project Manager (Sherco Plant Director).

Amendment 4 defines percentage cost responsibility for common facilities for Sherco Units 1, 2, and 3. There is no mechanism defined in Amendment 4 to automatically change the cost share percentages as units retire, so modifying the common facilities cost percentages when Unit 2 retires the end of 2023 and Unit 1 at the end of 2026 will require another amendment.

Because changing the cost percentages requires amending the O&O, the Agency has proposed additional changes to the O&O that give the Agency more direct involvement in operating and budgeting decisions for Unit 3. Xcel Energy and the Agency have been negotiating the terms of a proposed Amendment 5.

Discussion.

Next Steps

- Awaiting Xcel Energy legal counsel’s comments on draft agreement.
- Possible additional negotiations following legal review.
- Will finalize amendment as soon as possible, but no changes to Agency’s common cost shares until amendment is executed.
- Will provide summary of the final amendment when executed.

After a short break, the board reconvened at 10:39 a.m.

#6 New Resource Decision-Mitchell:

Mr. Mitchell reported on the new resource decision. He provided a summary of the information provided at previous board meetings. Because of changes in MISO’s capacity construct, the Agency will be short of capacity in both summer and winter in 2028. To meet MISO capacity requirements and State carbon-free generation requirements, the Agency will need to have additional dispatchable resources and additional renewable resources. While renewable resources can help meet MISO capacity requirements in summer, they are not effective at meeting winter requirements. Based on current forecasts, the Agency needs 63 MW of new dispatchable generation. Members have expressed interest in adding 14 MW of new quick-start diesel generation, leaving 49 MW for the Agency to develop. Dispatchable generation will be needed by 2028, and renewable generation will be needed in 2030.

Mr. Mitchell discussed siting options the Agency has evaluated for new Agency-owned natural gas generation, with the best alternatives to meet a 2028 in-service schedule being interconnected to member systems in Austin and Owatonna. To make use of an expedited MISO interconnection option, a member must have sufficient load to absorb the new generation.

Because Austin is still evaluating its long-term power supply alternatives, the Agency is focusing on siting a 49 MW generating plant in Owatonna.

Requested Board Action

- Authorize the Agency to spend the \$264,000 included in the 2024 budget for preliminary engineering, siting, and permitting for a new 49 MW generating plant in Owatonna, with interconnection to the Owatonna Public Utilities system.
- Approve the Agency to proceed with developing a proposal for a 49 MW Agency-owned generating plant for future board and member consideration.
- Approve the Agency pursuing locating a new 49 MW generating plant in Owatonna, with interconnection to the Owatonna Public Utilities system.

Discussion.

Mr. McCollough moved to approve authorizing the Agency to spend the \$264,000 included in the 2024 budget for preliminary engineering, siting, and permitting for a new 49 MW generating plant in Owatonna, with interconnection to the Owatonna Public Utilities system, and authorizes technology assessment, seconded by Mr. Jensen, passed upon a unanimous vote of the board members present.

#7 Highway 14 Interchange Line Relocation-Mitchell:

Mr. Mitchell reported on the Highway 14 interchange line relocation.

The Minnesota Department of Transportation is planning a major interchange project at the intersection of Highway 14 and 60th Avenue SW on the western edge of Rochester, Minnesota.

This project will require relocation of the Agency’s 1.2 miles of double circuit 161 kV transmission lines at the Agency’s expense to be completed by 2025.

Discussion.

Next Steps

- Relocation was not included in the 2024 budget.
- Preliminary estimate of the total cost is approximately \$2.5 million, with approximately \$375,000 to be reimbursed by the State of Minnesota.
- A portion of the projected costs could be funded from the Agency’s transmission contingency budget (\$1.5 million budgeted annually for storm damage and unforeseen transmission system needs).
- The first step is to engage engineering firm (DGR Engineering) for preliminary design, surveying, easement acquisition preparation, and detailed estimate.
- Preliminary engineering (estimated at \$75,000 within CEO authority) will be funded from transmission contingency.
- Following completion of preliminary engineering, the total project will be presented to the board for approval.

#8 Board Retreat Summary-Geschwind:

Due to time constraints, President Reimers deferred the board retreat summary to the January SMMPA Board meeting.

Government Affairs/Member Services Report-Hoffman:

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

IJA/IRA Grant Opportunity Information

The next grant opportunities webinars are scheduled for December 19, 2023 at 10 a.m. and January 18, 2024 at 9 a.m.

Annual Distributed Energy Resources Reporting

Members were reminded to e-file the annual Distributed Energy Resources documents with MPUC by March 1, 2024. Members were reminded to file the reimbursement for net exports paid to a customer in 2023.

Load Acquisition Credit Reimbursement

Members were reminded to submit a summary of their load acquisition actual payment amount or an estimate by January 20, 2024.

Operations Report-Mitchell:

Mr. Mitchell reported:

Sherco 3 Status Report

Sherco 3 is running well.

SMMPA Diesel Workshop

The SMMPA Diesel Workshop was held yesterday in New Prague, Minnesota, with 33 people attending and it went very well.

Winter Emergency Operations Preparedness

As part of the emergency preparedness process, SMMPA has been working with the members to make sure units are ready for cold weather operations. SMMPA is holding weekly calls with member plant operators to verify fuel inventories and discuss/address any concerns. Members have been encouraged to follow up with their gas suppliers to verify the gas supply curtailment notification process. The Agency's emergency notification system, Preparis, is up and running and is tested regularly.

Potential Federal Grant Application for Transmission Projects

The Agency is evaluating options to pursue federal grant funds related to transmission. The Agency plans to work with a grant writing consultant to provide advice regarding pursuing federal grants. The concept papers for grant funded projects are due in January 2024.

Future Renewable Options

Meeting with Xcel Energy in mid-January to discuss renewables.

Battery Storage

In discussions with battery developer, Delorean, on small scale battery storage options that could be located in member communities and a larger scale battery storage option that could be located at Sherco.

Market Price Update

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

Financial Report October 2023-Fondell:

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

Sherco 3 Outage Insurance Claims

Total Sherco 3 outage insurance claims filed for 2023 were \$498,000. All claim proceeds have been received and have been included in the ECA calculations for September and October.

SMMPA Finance & Audit Committee Meeting

The SMMPA Finance & Audit Committee meeting will be held on December 21, 2023 via Microsoft Teams meeting. The audit fieldwork is scheduled for the week of February 5, 2024.

Revolving Credit Agreement

The Revolving Credit Agreement taxable paydown of \$2.5 million, representing half of the outstanding balance, is scheduled for December 19, 2023.

President's Report:

Mr. Reimers reported:

- SMMPA Diesel Workshop: Appreciation was expressed toward the SMMPA staff for a great SMMPA Diesel Workshop held on December 12, 2023 in New Prague, Minnesota.
- SMMPA Wisconsin LLC Board of Managers Meeting: The SMMPA Wisconsin, LLC Board of Managers meeting will be held today immediately following the SMMPA Board of Directors meeting.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- Retirement Recognitions:
 - Mr. Mitchell, SMMPA Director of Operations & COO, will retire on March 31, 2024. Mr. Jeremy Sutton, Rochester Public Utilities, replaces Mr. Mitchell and will start on March 1, 2024.

- Mr. Rick Schacht, SMMPA Metering, SCADA & Communications Associate Engineer, retires the end of December 2023. Eric Atkinson, Xcel Energy, replaces Mr. Schacht and will start on January 16, 2024.
- Mr. George Baldwin, Litchfield Public Utilities Generation Plant Supervisor, will retire the end of December 2023.
- Mr. Chris Clark, President of Xcel Energy – Minnesota, North Dakota, and South Dakota, retires on March 1, 2024.
- **SMMPA Key Metrics:** Mr. Geschwind highlighted that coal and financial performance and cooling degree days are reflected on the key metrics.

Member Forum:

Mr. McCollough announced that Mr. Malachi McNeilus was appointed to the Rochester Public Utilities Board effective January 1, 2024.

Other Business:

There was no other business.

Adjourn:

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

The meeting was adjourned at 12:08 p.m.

Secretary