



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Tuesday, May 27, 2025 at 3:30 PM

Power Plant - 300 East Main St

-
1. **CALL TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **APPROVAL OF MINUTES**
 - [a.](#) April 28, 2025 Utilities Meeting Minutes
 4. **UTILITY AND SMMPA BILLS**
 - [a.](#) Approval of accounts payable in the amount of **\$291,320.69** and the SMMPA billing of **\$483,543.35**.
 5. **FINANCIAL REPORTS**
 - [a.](#) Investment Report
 - [b.](#) Financial Report
 - [c.](#) Water and Kilowatt Hours Sales
 6. **PROFESSIONAL SERVICES AGREEMENT WITH SEH FOR CONSULTANT WORK ON LEAD SERVICE LINE REPLACEMENTS**
 - [a.](#) Lead Line Service Replacement Proposal
 7. **SMMPA BOARD OF DIRECTORS MEETING**
 - [a.](#) April 9, 2025
 8. **GENERAL MANAGER'S REPORT**
 9. **OTHER BUSINESS**
 10. **ADJOURNMENT**

NEXT COMMISSION MEETING – Monday, June 30, 2025



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, April 28, 2025 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Commission President Dan Bishop on Monday, April 28th, 2025, at 3:31 pm.

Commissioners Present: Dan Bishop, Chuck Nickolay, Tom Ewert, Paul Busch and Bruce Wolf

Staff Present: General Manager Bruce Reimers, OES Ken Zweber and Finance Director Robin Pikal

2. APPROVAL OF AGENDA

Motion made by Commissioner Nickolay, seconded by Commissioner Ewert, to approve the agenda as presented.

Motion carried (5-0)

3. APPROVAL OF MINUTES

a. March 31, 2025 Utilities Meeting Minutes

Motion made by Commissioner Ewert, seconded by Commissioner Wolf, to approve the March minutes as presented.

Motion carried (5-0)

4. UTILITY AND SMMPA BILLS

a. Approval of accounts payable in the amount of **\$193,954.56** and the SMMPA billing of **\$452,860.23**.

Motion made by Commissioner Busch, seconded by Commissioner Ewert, to approve the accounts payable as presented.

Motion carried (5-0)

5. FINANCIAL REPORTS

a. Investment Report

b. Financial Report

c. Water and Kilowatt Hours Sales

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the financial reports as presented.

Motion carried (5-0)

6. FOLDING MACHINE CONTRACT RENEWAL

a. Memo

Motion made by Commissioner Ewert, seconded by Commissioner Wolf, to approve the folding machine service contract renewal.

Motion carried (5-0)

7. SCHOLARSHIP DISCUSSION

- a. Criteria
- b. Application

After reviewing the application that was submitted, General Manager Reimers recommended that the Commission foregoes awarding the SMMPA / NPUC scholarship due to the applicant not meeting the application requirements on pursuing a degree in a utility-related field.

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to forego awarding the 2025 college scholarship program.

Motion carried (5-0)

8. REVIEW OF 2024 AUDIT

- a. Abdo Presentation
- b. NPUC Audited Financials
- c. 2024 Final Executive Governance Summary

Finance Director Pikal and GM Reimers presented the results of the 2025 audit, and reviewed some of the findings and recommendations.

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to accept the 2025 audit as presented.

Motion carried (5-0)

9. SMMPA BOARD OF DIRECTORS MEETING

- a. March 12, 2025

GM Reimers informed the Commission that the SMMPA board had reviewed the rough draft of the generation quick start contract and that a final draft will be available for the city attorney to review in a few weeks.

10. GENERAL MANAGER'S REPORT

GM Reimers informed the Commission on the following:

Neighboring cities have asked if New Prague would consider raising the price of bulk filling of water supply trucks to limit the number of complaints from contractors saying that New Prague was selling water at lower cost and to prevent contractors from filling in NP and then hauling the water to their community. GM Reimers recommended that the Commission consider raising the price of bulk water sales to \$35/ 1000 gallons to match other local communities.

Motion made by Commissioner Ewert, seconded by Commissioner Nickolay, to raise the bulk fill price to \$35/1000 and to have GM Reimers bring the fee schedule change to the City Council for approval.

Motion carried (5-0)

GM Reimers informed the Commission that it has been brought to his attention that the city sewer department will be charging for water that is discharged from the water treatment #2 plant. GM Reimers said that he will be looking into what would be fair charges for the water utility to provide metering data to the sewer department for billing, being there will no longer be offsetting services. Commissioner Wolf said the charge for service would probably be better that way everyone knows the actual cost for each department.

GM Reimers informed the Commission that staff has been meeting with engineers on the generation project and that everything is progressing on schedule and that the utility has received the air permit from the MNEPA.

11. OTHER BUSINESS

None

12. ADJOURNMENT

Motion by Commissioner Ewert, seconded by Commissioner Busch, to adjourn the meeting at 4:23 pm.

Motion carried (5-0)

Respectfully Submitted,

Bruce Reimers
General Manager

Vendor Name	Net Invoice Amount
AMAZON CAPITAL SERVICES	
LAMINATING SHEETS	\$10.69
OFFICE SUPPLIES	\$23.38
BEVCOMM	
TELEPHONE	\$162.93
TELEPHONE/COMMUNICATIONS	\$59.95
BLACKBURN MFG. CO.	
BLUE MARKING FLAGS	\$436.01
RED MARKING FLAGS	\$436.02
CENTERPOINT ENERGY	
NATURAL GAS	\$58.34
COMPUTER TECHNOLOGY SOLUTIONS	
SERVER UPGRADE	\$17,461.84
COMPUTERSHARE TRUST COMPANY	
2013B INTEREST PAYMENT	\$880.00
CROSS NURSERIES INC	
TREES	\$191.85
GOPHER STATE ONE CALL	
LINE LOCATES	\$52.65
GREATAMERICA FINANCIAL SERVICES	
POSTAGE MACHINE LEASE	\$108.60
HOLTMEIER CONSTRUCTION INC	
2025 CIP PAY AP#1	\$142,509.64
LAKERS NEW PRAGUE SANITARY	
TRASH - ELECTRIC	\$34.35
TRASH - POWER PLANT	\$89.32
TRASH - WATER	\$34.35
METRO SALES INC	
COPIER LEASE	\$126.69
NEON LINK	
ONLINE PAYMENT FEES	\$577.33
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	\$1,836.69
SMMPA - NORTH SOFTNER	\$233.66
WATER PUMPING	\$14,218.70
WATER UTILITIES	\$1,019.08
QUILL CORPORATION	
COPY PAPER	\$39.89
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$372.60
US BANK CREDIT CARD	
BUSINESS CARDS - PHIL	\$22.74
CONTROL	\$550.00
DOMAIN RENEWAL	\$42.16
PCB TESTING	\$14.33
PPE	\$157.22
SAMPLES	\$20.74
SMMPA MEETING	\$100.00
TOOL REPAIR	\$27.06
TOOLBOX	\$4,698.23
VESTS	\$150.47
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$549.80
USI CONSULTING GROUP	
GASB 75 - ACTUARIAL VALUATION	\$976.00
VERIZON WIRELESS	
IPADS	\$65.12

Vendor Name	Net Invoice Amount
VETERAN SHREDDING	
CONTRACTED SERVICES	\$17.00
WM. MUELLER & SONS INC.	
ASPHALT - WATER MAIN REPAIR	\$295.97
Grand Totals	<u>\$188,661.40</u>

Vendor / Description	Invoice Amount
1000 BULBS.COM	
LED DRIVERS - WAREHOUSE	\$196.81
ACE HARDWARE	
SUPPLIES	\$203.31
AIRGAS USA LLC	
WELDING GAS	\$112.62
AMAZON CAPITAL SERVICES	
ADAPTER	\$25.83
BACKUP LIGHT	\$79.90
EARMUFFS	\$26.70
FLAP DISC	\$64.64
HEATER	\$136.99
LAMINATING POUCHES	\$17.43
LOCATOR PARTS	\$78.65
PHONE CORD	\$7.99
USB CABLES	\$38.71
USB CONNECTOR	\$26.72-
ARVIG ANSWERING SOLUTIONS	
ANSWERING SERVICE	\$80.21
BOB HRABE	
UNDERGROUND SCHOOL	\$84.70
BORDER STATES ELECTRIC SUPPLY	
90 ELBOWS	\$115.12
FITTINGS	\$30.98
CANNON TECHNOLOGIES INC	
WATER NODE/READER	\$15,288.00
CENTERPOINT ENERGY	
NATURAL GAS	\$4,036.44
CURTIS NOVOTNY	
MEAL - CURT & ZACH	\$51.90
DGR ENGINEERING	
FUTURE GENERATION	\$45,891.65
FERGUSON ENTERPRISES LLC #1657	
8" FLANGE	\$138.06
PIPE FITTING	\$44.73
PIPE FITTINGS	\$78.65
SMPA PO 782	\$295.17-
FS3 INC.	
CONDUIT, 2" INNERDUCT (SMOOTH)	\$4,160.00
GB TECHNOLOGIES	
SPRINKLER & FIRE ALARM MONITOR	\$977.50
GRAINGER	
BATTERIES	\$62.52
COOLING TOWER - PLUG	\$23.91
HAWKINS INC	
PURIFICATION	\$3,860.92
WATER PURIFICATION	\$7,179.45
KURITA AMERICA INC	
BROMICIDE TABLETS	\$7,130.00
MCMASTER-CARR SUPPLY CO	
FITTING	\$126.40
METERING & TECHNOLOGY SOLUTIONS	
BOHEMIA FLATS METER	\$3,253.82
OLSON, LOGAN	
UNDERGROUND SCHOOL	\$66.60
OLYMPIC FIRE PROTECTION CORP	
FIRE SPRINKLER INSPECTION	\$240.00

Vendor / Description	Invoice Amount
O'REILLY AUTOMOTIVE INC	
FILTERS	\$52.28
POSTMASTER OF NEW PRAGUE	
POSTAGE PERMIT	\$350.00
UTILITY BILL POSTAGE	\$1,258.52
R & R METALWORKS INC	
FILTER PLANT #2 - METAL	\$30.00
RIVER COUNTRY CO-OP	
FORKLIFT PROPANE	\$35.75
MOTORS FUEL	\$1,380.14
SALTCO	
MONTHLY SALT	\$375.73
STAR GROUP LLC.	
ANTI- SEIZE / PARTS CLEANER	\$84.45
BATTERY	\$193.64
BRAKE PADS/ BULB	\$144.02
CONNECTORS - MINI EXCAVATOR	\$14.23
EQUIPMENT REPAIRS	\$34.33-
FILTERS	\$44.85
SHOP MAINTENANCE	\$54.08
SHOP SUPPLIES	\$14.20
VEHICLE MAINTENANCE	\$43.41
TIETZ, TUCKER	
UNDERGROUND SCHOOL	\$110.08
TRAVIS SCHEFFLER	
WASTEWATER CERT	\$23.00
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$167.18
UTILITY CONSULTANTS	
SAMPLES	\$105.57
VOYAGER FLEET	
MOTORS FUEL	\$190.23
WESCO RECEIVABLES CORP.	
ELBOW, LOADBREAK 1/0 SOL 15KV 200A	\$3,445.80
METER SOCKET U7040XL	\$934.68
ZORO TOOLS	
MUFFLER, PRESSURE GAUGE	\$52.53
Grand Totals	\$102,659.29



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

Power Sales

Section 4, Item a.

#INV1740
4/30/2025

Bill To

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

Due Date: 5/27/2025

BILLING PERIOD	kWh	kW	DATE / TIME
Apr 2025	5,065,852	8,555	Apr 28, 2025 1:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	5,065,852	8,555	
BASE RATE BILLING DEMAND CAP	N/A	0	
SUMMER SEASON BASE RATE DEMAND	N/A	15,725	Aug 26, 2024 4:00:00 PM
BASE RATE RATCHET DEMAND	N/A	11,637	Aug 26, 2024 4:00:00 PM

Description	Quantity	Rate	Amount	TOTAL
BASE RATE POWER SUPPLY				
Demand Charge (kW)	11,637	\$10.95	\$127,425.15	\$127,425.15
On Peak Energy Charge (kWh)	2,458,371	\$0.06431	\$158,097.84	\$158,097.84
Off Peak Energy Charge (kWh)	2,607,481	\$0.04808	\$125,367.69	\$125,367.69
Cost Adjustment (kWh)	5,394,698	\$0.007159	\$38,620.64	\$38,620.64
BASE RATE SUBTOTAL				\$449,511.32
TRANSMISSION				
Transmission Charge - CP (kW)	8,555	\$2.20	\$18,821.00	\$18,821.00
Transmission Charge - Ratchet (kW)	15,725	\$0.967315	\$15,211.03	\$15,211.03

OTHER CHARGES

Total \$483,543.35

NEW PRAGUE UTILITIES COMMISSION										
SMMPA										
4/30/2025										
		PURCHASED	ENERGY	2025				PURCHASED	ENERGY	2024
MONTH	KWH	POWER	COST ADJ	Price/KWH		MONTH	KWH	POWER	COST ADJ	Price/KWH
January	6,264,257	\$ 508,086.73	\$ (7,460.01)	\$ 0.08230		January	6,076,702	\$ 492,817.06	\$ (14,666.30)	\$ 0.08351
February	5,565,759	\$ 473,427.73	\$ 281.89	\$ 0.08501		February	5,236,987	\$ 458,820.82	\$ (1,385.49)	\$ 0.08788
March	5,394,698	\$ 452,860.23	\$ (7,641.79)	\$ 0.08536		March	5,317,688	\$ 484,044.84	\$ 21,047.45	\$ 0.08707
April	5,065,852	\$ 483,543.35	\$ 38,620.64	\$ 0.08783		April	5,056,695	\$ 479,805.51	\$ 27,912.54	\$ 0.08937
May						May	5,482,934	\$ 533,610.64	\$ 57,883.99	\$ 0.08676
June						June	6,281,542	\$ 528,546.50	\$ 8,257.30	\$ 0.08283
July						July	7,292,531	\$ 593,245.07	\$ (6,319.23)	\$ 0.08222
August						August	6,961,253	\$ 639,976.21	\$ 31,831.90	\$ 0.08736
September						September	6,407,296	\$ 546,056.39	\$ (4,141.95)	\$ 0.08587
October						October	5,359,459	\$ 486,387.81	\$ 15,710.69	\$ 0.08782
November						November	5,269,409	\$ 524,731.77	\$ 64,254.55	\$ 0.08739
December						December	5,987,170	\$ 529,434.00	\$ 28,691.93	\$ 0.08364
Total	22,290,566	\$ 1,917,918.04	\$ 23,800.73	\$ 0.08497		Total	70,729,666	\$ 6,297,476.62	\$ 229,077.38	\$ 0.08580

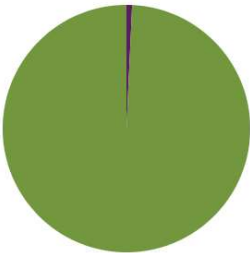
NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
3/31/2025			
First Bank and Trust			
Checking - Cash Balance			
Electric		\$	3,411,153.52
Water		\$	928,753.32
Subtotal		\$	4,339,906.84
Money Market		\$	2,111,589.65
Wells Fargo			
F.I.S.T. (Market Value per Wells Select report)		\$	3,388,574.00
Electric (74% of account)	\$ 2,507,544.76		
Water (26% of account)	\$ 881,029.24		
Total		\$	9,840,070.49
Invested			
F.I.S.T. original investment - 6/21/2012	\$ 1,050,000		
F.I.S.T. Add'l investment - 7/19/2012	\$ 730,000		
F.I.S.T. Add'l investment - 8/22/2014	\$ 470,000		
F.I.S.T. Add'l Investment - 7/31/2015	\$ 500,000		
F.I.S.T. Add'l Investment - 11/16/2015	\$ 100,000		
	\$ 2,850,000		

Managed Asset Allocation Summary

As of April 14, 2025

April 15, 2025
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	24,543	24,543	0	1,039	4.24	0.7
Fixed Income	3,364,031	3,476,526	(112,495)	105,166	3.13	99.3
Total Portfolio	\$3,388,574	\$3,501,070	\$(112,495)	\$106,205	3.13%	100.0%



NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
March 31, 2025

WATER FUND						
<i>25.00% of year completed</i>						
	2024 Thru 3/31/2024	Current Month	Actual Thru 3/31/2025	2024/2025 Variance YTD	2025 Fiscal Budget	% Received or Expended Based on Actual Budget
<u>REVENUES</u>						
Unbilled Accounts Receivable	(4,057.66)	(1,136.81)	(554.77)	3,502.89	-	0.00%
Residential	\$ 281,389.27	\$ 106,869.26	\$ 308,593.04	\$ 27,203.77	\$ 1,297,761.00	23.78%
Commercial	85,512.84	31,219.52	90,258.89	4,746.05	691,090.00	13.06%
Water Hook-up Fees	\$ 23,908.00	\$ -	\$ 75,127.00	\$ 51,219.00	\$ 23,000.00	326.64%
Interest Income	3,778.85	4,555.14	13,890.23	10,111.38	15,000.00	92.60%
Other Income	\$ 9,866.68	\$ 19,864.09	\$ 23,830.94	\$ 13,964.26	\$ 30,110.00	79.15%
TOTAL REVENUES	\$ 400,397.98	\$ 161,371.20	\$ 511,145.33	\$ 110,747.35	\$ 2,056,961.00	24.85%
<u>EXPENSES</u>						
Power Used	27,375.27	927.28	20,026.29	(7,348.98)	117,500.00	17.04%
Purification	12,803.37	468.43	9,357.54	(3,445.83)	58,000.00	16.13%
Distribution	900.48	4,001.67	5,861.99	4,961.51	64,500.00	9.09%
Depreciation	130,864.32	46,027.35	136,420.80	5,556.48	525,000.00	25.98%
Debt & Other Interest	58,732.61	55.24	75,457.82	16,725.21	141,088.00	53.48%
Salary & Benefits	182,917.94	76,230.28	202,863.63	19,945.69	639,341.00	31.73%
Admin & General	\$ 49,179.45	\$ 5,272.28	\$ 53,086.20	\$ 3,906.75	\$ 169,670.00	31.29%
TOTAL EXPENSES	\$ 462,773.44	\$ 132,982.53	\$ 503,074.27	\$ 40,300.83	\$ 1,715,099.00	29.33%
EXCESS REVENUES OVER EXPENSES	\$ (62,375.46)	\$ 28,388.67	\$ 8,071.06	\$ 70,446.52	\$ 341,862.00	

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2025

Section 5, Item b.

WATER

ASSETS

604-10101	CLAIM ON CASH	928,753.32	
604-10125	MONEY MARKET-4M	419,074.63	
604-10126	MONEY MARKET-4M 2024 BOND	917,197.04	
604-10406	F.I.S.T. INVESTMENTS	902,829.11	
604-10407	INVEST ALLOW-UNREALIZED LOS	(41,666.69)	
604-11500	ACCOUNTS RECEIVABLE	1,060.77	
604-11502	ACCOUNTS RECEIVABLE - NSF	660.06	
604-11525	ACCRUED REVENUE	95,525.34	
604-11600	ALLOWANCE DOUBTFUL ACC'T	(4,000.00)	
604-11710	CUSTOMER ACCOUNTS RECEIVABL	131,723.08	
604-12100	SPECIAL ASSESS. REC.-CURRENT	111.05	
604-12300	SPECIAL ASSESS. REC.-DEFFERED	673,456.40	
604-14100	MATERIAL INVENTORY	79,633.09	
604-15696	DEFERRED OUTFLOW - OPEB	2,308.00	
604-15699	GERF DEFERRED OUTFLOWS	33,130.00	
604-16100	LAND	79,519.50	
604-16200	BUILDINGS	2,454,932.92	
604-16201	WELLS, PUMPS & PUMP HOUSE	2,197,186.11	
604-16202	WATER TREATMENT	68,116.88	
604-16203	WATER TREATMENT EQUIPMENT	1,253,269.45	
604-16211	ACCUM DEPR-PRODUCTION PLANT	(4,440,724.53)	
604-16301	ELEVATED TOWER	1,988,569.68	
604-16303	RESERVOIR	732,530.15	
604-16304	DISTRIBUTION TO SYSTEM	8,099,391.30	
604-16305	PRU VALVES	902.95	
604-16306	MAIN STREET TREATMENT UPGRADE	215,848.13	
604-16308	WATER METERS	1,127,316.01	
604-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	(4,759,528.16)	
604-16312	ACCUM. DEPR-GENERAL PLANT	(289,666.05)	
604-16314	SCADA	351,945.74	
604-16401	BLDG IMPROVEMENT OFFICE	5,533.95	
604-16402	DEFERRED MAINTENANCE CHARGE	24,794.02	
604-16403	OFFICE FUNITURE & FIXTURES	29,980.37	
604-16404	TRANSPORTATION/EQUIPMENT	264,699.45	
604-16405	MISCELLANEOUS EQUIPMENT	39,308.45	
604-16406	SHOP EQUIPMENT	1,417.62	
604-16512	CIP 2025	51,782.00	
TOTAL ASSETS			13,636,921.14

LIABILITIES AND EQUITY

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2025

Section 5, Item b.

WATER

LIABILITIES

604-20210	ACCOUNTS PAYABLE	32,502.82	
604-21503	ACCRUED INTEREST	56,455.63	
604-21650	ACCRUED WAGES-VAC & COMP	71,103.53	
604-21712	DUE WATER TESTING PROGRAM	(.43)	
604-21717	OPEB LIABILITY	18,078.00	
604-22000	DEPOSITS	25,429.16	
604-22296	OPEB DEFERRED INFLOW	4,913.00	
604-22299	DEFERRED (GERF) INFLOW	112,639.00	
604-22500	BOND PAYABLE - CUR PORT	39,999.97	
604-23400	BOND PREMIUM	387,300.91	
604-23511	2011 CIP	30,080.00	
604-23516	2013B-REFUNDING 2005-2007	40,000.00	
604-23517	CIP 2014	50,000.00	
604-23518	2020A - REFUNDING	215,746.51	
604-23519	CIP 2020-2021	1,275,000.00	
604-23520	2021 UTILITY BUILDING	390,000.00	
604-23521	CIP 2022	250,000.00	
604-23522	CIP 2023	440,000.00	
604-23523	CIP 2024	820,000.00	
604-23999	GERF PENSION LIABILITY	168,984.00	
TOTAL LIABILITIES			4,428,232.10

FUND EQUITY

604-25999	PRIOR PERIOD ADJUSTMENT	(274,691.48)	
604-26730	RESERVED FOR INVESTMENT AL	(.40)	
604-27200	FUND BALANCE-UNDESIGNATED	8,187,620.93	
604-28000	INVESTED IN UTILITY PLANT	1,287,688.93	
UNAPPROPRIATED FUND BALANCE:			
REVENUE OVER EXPENDITURES - YTD		8,071.06	
BALANCE - CURRENT DATE		8,071.06	
TOTAL FUND EQUITY			9,208,689.04
TOTAL LIABILITIES AND EQUITY			13,636,921.14

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
March 31, 2025

Section 5, Item b.

ELECTRIC FUND						
					25.00% of year completed	
REVENUES	2024 Thru 3/31/2024	Current Month	Actual Thru 3/31/2025	2024/2025 Variance YTD	2025 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ (61,346.20)	\$ (44,364.13)	\$ (98,416.57)	\$ (37,070.37)	\$ -	0.00%
Residential Revenue	\$ 973,033.48	\$ 354,186.19	\$ 1,073,706.27	\$ 100,672.79	\$ 4,186,223.00	25.65%
Commercial	\$ 159,626.15	\$ 59,900.29	\$ 178,608.60	\$ 18,982.45	\$ 628,951.00	28.40%
Small Industrial	\$ 454,635.23	\$ 162,460.33	\$ 482,018.61	\$ 27,383.38	\$ 1,861,047.00	25.90%
Industrial	\$ 564,087.65	\$ 197,602.17	\$ 576,242.90	\$ 12,155.25	\$ 2,424,913.00	23.76%
Streetlights	\$ 18,468.08	\$ 5,450.59	\$ 18,186.34	\$ (281.74)	\$ 63,443.00	28.67%
Other Departments	\$ 34,561.73	\$ 449.48	\$ 26,085.96	\$ (8,475.77)	\$ 160,583.00	16.24%
SMMPA LOR Reimbursement	\$ 49,695.74	\$ 17,798.30	\$ 53,106.66	\$ 3,410.92	\$ 205,075.00	25.90%
SMMPA O&M Revenue	\$ 222,781.66	\$ 120,662.57	\$ 294,724.82	\$ 71,943.16	\$ 676,033.00	43.60%
Reimbursement - SMMPA Rebates	\$ 2,670.44	\$ 4,511.14	\$ 8,348.07	\$ 5,677.63	\$ -	0.00%
Interest Income	\$ 14,081.12	\$ 4,556.05	\$ 15,532.82	\$ 1,451.70	\$ 25,000.00	62.13%
Other Income	\$ 174,046.90	\$ 28,391.67	\$ 52,291.26	\$ (121,755.64)	\$ 173,800.00	30.09%
TOTAL REVENUES	\$ 2,606,341.98	\$ 911,604.65	\$ 2,680,435.74	\$ 74,093.76	\$ 10,405,068.00	25.76%
EXPENSES						
Production	\$ 1,912.19	\$ 677.25	\$ 20,474.65	\$ 18,562.46	\$ 44,000.00	46.53%
Purchased Power	\$ 1,435,682.72	\$ 452,860.23	\$ 1,423,377.93	\$ (12,304.79)	\$ 6,196,036.00	22.97%
SMMPA O&M Expenses	\$ 116,371.63	\$ 35,816.88	\$ 125,208.55	\$ 8,836.92	\$ 332,295.00	37.68%
Distribution/Transmission	\$ 940.15	\$ 6,749.65	\$ 54,659.29	\$ 53,719.14	\$ 133,313.00	41.00%
Energy Conservation - Rebates	\$ 3,817.14	\$ 6,636.57	\$ 10,473.50	\$ 6,656.36	\$ 12,500.00	83.79%
Depreciation	\$ 189,277.37	\$ 63,895.46	\$ 188,381.88	\$ (895.49)	\$ 701,323.00	26.86%
Salary & Benefits	\$ 398,066.00	\$ 193,348.15	\$ 418,349.05	\$ 20,283.05	\$ 1,859,346.00	22.50%
MVEC LOR Payment	\$ 99,391.46	\$ 35,596.59	\$ 106,213.29	\$ 6,821.83	\$ 410,150.00	25.90%
Admin & General	\$ 90,440.76	\$ 14,813.33	\$ 115,377.29	\$ 24,936.53	\$ 295,321.00	39.07%
Payment in Lieu of Taxes	\$ 9,999.99	\$ 3,333.33	\$ 10,000.03	\$ 0.04	\$ 40,000.00	25.00%
TOTAL EXPENSES	\$ 2,345,899.41	\$ 813,727.44	\$ 2,472,515.46	\$ 126,616.05	\$ 10,024,284.00	24.67%
EXCESS REVENUES OVER EXPENSES	\$ 260,442.57	\$ 97,877.21	\$ 207,920.28	\$ (52,522.29)	\$ 380,784.00	

Note: "Other Income" includes metal recycling

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2025

Section 5, Item b.

ELECTRIC

ASSETS

605-10101	CLAIM ON CASH	3,410,853.52
605-10125	MONEY MARKET-4M	1,540,742.35
605-10200	PETTY CASH	300.00
605-10405	MONEY MARKET-FIRST BK & TRUST	151,772.67
605-10406	F.I.S.T. INVESTMENT	2,569,590.53
605-10407	INVEST ALLOW-UNREALIZED LOS	(118,589.82)
605-11500	ACCOUNTS RECEIVABLE	1,042.00
605-11502	ACCOUNTS RECEIVABLE - NSF	5,478.06
605-11510	ACCOUNTS RECEIVABLE - SMMPA	156,525.02
605-11525	ACCRUED REVENUE	501,596.91
605-11600	ALLOWANCE DOUBTFUL ACC'T	(10,000.05)
605-11710	CUSTOMER ACCOUNTS RECEIVABL	725,494.69
605-12100	SPECIAL ASSESS. REC.-CURRENT	1,124.28
605-14100	MATERIAL INVENTORY	1,204,608.79
605-15501	PREPAID OTHER	1,740.19
605-15696	DEFERRED OUTFLOW - OPEB	4,870.00
605-15699	GERF DEFERRED OUTFLOWS	100,865.00
605-16100	LAND	41,647.88
605-16205	STRUCTURE & IMPROV. BLDGS	3,792,791.38
605-16206	GENERATORS	5,527,533.57
605-16211	ACCUM DEPR-PRODUCTION PLANT	(6,839,084.25)
605-16301	TRANSMISSION STATION EQUIPMENT	601,832.72
605-16302	TRANSMISSION POLES & CONDUCTOR	87,734.24
605-16303	DISTRIBUTION STATION EQUIPMENT	832,233.96
605-16304	POLES-TOWERS-FIXTURES	204,140.34
605-16305	OVERHEAD CONDUCTORS-DEVICES	678,998.06
605-16306	UNDERGROUND CONDUCTORS-DEVICE	6,130,180.47
605-16307	LINE TRANSFORMERS	2,104,995.37
605-16308	SERVICES	432,135.18
605-16309	ELECTRIC METERS	1,074,740.16
605-16310	FIBER OPTIC	98,856.02
605-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	(8,219,605.34)
605-16312	ACCUM DEPR - GEN PLANT	(1,697,415.81)
605-16313	LOAD MANAGEMENT	104,472.67
605-16314	SCADA	123,864.82
605-16315	STREET LIGHTS	1,719,957.76
605-16316	STRUCTURE & IMPROVEMENTS E	224,058.67
605-16403	TOOLS & WORK EQUIPMENT	237,583.03
605-16404	TRANSPORTATION/EQUIPMENT	1,975,055.19
605-16405	MISCELLANEOUS EQUIPMENT	97,109.01
605-16406	SHOP EQUIPMENT	56,994.23
605-16420	OFFICE EQUIPMENT	89,730.18
605-16510	JOB #2 (URD) GIS MAPPING	18,840.28
605-16512	JOB #2 (SERV) GIS MAPPING	799.20
605-16514	JOB #2 (S.L.) GIS MAPPING	586.08
605-16517	JOB #3 (OH) NE STREET RECONS	4,252.03
605-16518	JOB #3 (URD) NE STREET RECONS	9,722.15
605-16519	JOB #3 (TRANS) NE STREET RECON	866.56
605-16522	JOB #3 (S.L.) NE STREET RECONS	2,245.36
605-16525	JOB #4 (OH) FEEDER #1	696.08
605-16526	JOB #4 (URD) FEEDER #1	280,015.56
605-16527	JOB #4 (TRANS) FEEDER #1	37,700.33
605-16528	JOB #4 (SERV) FEEDER #1	113,560.28
605-16529	JOB #4 (METER) FEEDER #1	531.66
605-16530	JOB #4 (S.L.) FEEDER #1	53,756.95
605-16531	JOB #4 (FIBER) FEEDER #1	571.96
605-16542	JOB #6 (URD) FEEDER #4 & #6	370.64
605-16550	JOB #7 (URD) FEEDER #8	3,759.33

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2025

Section 5, Item b.

ELECTRIC

605-16568	JOB #9 (SERV) FUTURE GENERATIO	87,400.34	
605-16574	JOB #10 (URD) CHART	160.64	
605-16584	JOB #11 (SERV) SCOTT EQUIP	108.00	
	TOTAL ASSETS		20,344,497.08
	<u>LIABILITIES AND EQUITY</u>		
	<u>LIABILITIES</u>		
605-20200	ACCOUNTS PAYABLE-SMMPA	452,860.23	
605-20204	AP OTHER	71,321.27	
605-20210	ACCOUNTS PAYABLE	166,387.08	
605-21650	ACCRUED WAGES-VAC & COMP	155,477.59	
605-21717	OPEB LIABILITY	38,143.00	
605-22000	DEPOSITS	101,285.78	
605-22001	ENERGY ASSISTANCE CONTRACTS	1,026.04	
605-22022	HOLDING FUNDS-DEPOSITS	950.00	
605-22296	OPEB DEFERRED INFLOW	10,366.00	
605-22299	DEFERRED (GERF) INFLOW	342,924.00	
605-23999	GERF PENSION LIABILITY	514,464.00	
	TOTAL LIABILITIES		1,855,204.99
	<u>FUND EQUITY</u>		
605-25999	PRIOR PERIOD ADJUSTMENT	(890,763.35)	
605-26300	CONTRIBUTED CAPITAL	(.19)	
605-26720	RESERVED FOR BONDS	321,700.00	
605-27200	FUND BALANCE-UNDESIGNATED	14,426,601.09	
605-28000	INVESTED IN UTILITY PLANT	4,423,834.26	
	UNAPPROPRIATED FUND BALANCE:		
	REVENUE OVER EXPENDITURES - YTD	207,920.28	
	BALANCE - CURRENT DATE	207,920.28	
	TOTAL FUND EQUITY		18,489,292.09
	TOTAL LIABILITIES AND EQUITY		20,344,497.08

AGENDA ITEM: 5C									
NEW PRAGUE UTILITIES COMMISSION									
WATER PUMPED-SOLD-USED									
2025									
YR/MO	2025	2025 YTD	2024	2024 YTD	YR/MO	2025	2025 YTD	2024	2024 YTD
JANUARY	12/8/24-1/8/2025		12/8/23-1/8/2024		JULY	6/7/2025-7/8/2025		6/7/2024-7/8/2024	
GAL PUMPED	17,427	17,427	18,004	18,004	GAL PUMPED		68,615	19,050	129,082
GAL SOLD	15,702	15,702	15,411	15,411	GAL SOLD		59,780	16,581	108,730
GAL USED	461	461	280	280	GAL USED		1,334	456	2,490
GAL(LOSS)/GAIN	(1,264)	(1,264)	(2,313)	(2,313)	GAL(LOSS)/GAIN	0	(7,501)	(2,013)	(17,862)
PERCENTAGE	7.3%	7.3%	12.8%	12.8%	PERCENTAGE	#DIV/0!	10.9%	10.6%	13.8%
FEBRUARY	1/8/2025-2/7/2025		1/8/2024-2/7/2024		AUGUST	7/8/2025-8/7/2025		7/8/2024-8/7/2024	
GAL PUMPED	17,291	34,718	17,511	35,515	GAL PUMPED		68,615	25,675	154,757
GAL SOLD	14,773	30,475	14,979	30,390	GAL SOLD		59,780	22,609	131,339
GAL USED	335	796	343	623	GAL USED		1,334	757	3,247
GAL(LOSS)/GAIN	(2,183)	(3,447)	(2,189)	(4,502)	GAL(LOSS)/GAIN	0	(7,501)	(2,309)	(20,171)
PERCENTAGE	12.6%	9.9%	12.5%	12.7%	PERCENTAGE	#DIV/0!	10.9%	9.0%	13.0%
MARCH	2/7/2025-3/8/2025		2/7/2024-3/8/2024		SEPTEMBER	8/7/2025-9/9/2025		8/7/2024-9/9/2024	
GAL PUMPED	17,422	52,140	16,824	52,339	GAL PUMPED		68,615	27,535	182,292
GAL SOLD	15,197	45,672	14,823	45,213	GAL SOLD		59,780	23,306	154,645
GAL USED	319	1,115	330	953	GAL USED		1,334	785	4,032
GAL(LOSS)/GAIN	(1,906)	(5,353)	(1,671)	(6,173)	GAL(LOSS)/GAIN	0	(7,501)	(3,444)	(23,615)
PERCENTAGE	10.9%	10.3%	9.9%	11.8%	PERCENTAGE	#DIV/0!	10.9%	12.5%	13.0%
APRIL	3/8/2025-4/8/2025		3/8/2024-4/8/2024		OCTOBER	9/9/2025-10/8/2025		9/9/2024-10/8/2024	
GAL PUMPED	16,475	68,615	17,280	69,619	GAL PUMPED		68,615	31,996	214,288
GAL SOLD	14,108	59,780	15,301	60,514	GAL SOLD		59,780	30,099	184,744
GAL USED	219	1,334	311	1,264	GAL USED		1,334	1308	5,340
GAL(LOSS)/GAIN	(2,148)	(7,501)	(1,668)	(7,841)	GAL(LOSS)/GAIN	0	(7,501)	(589)	(24,204)
PERCENTAGE	13.0%	10.9%	9.7%	11.3%	PERCENTAGE	#DIV/0!	10.9%	1.8%	11.3%
MAY	4/8/2025-5/8/2025		4/8/2024-5/8/2024		NOVEMBER	10/8/2025-11/7/2025		10/8/2024-11/7/2024	
GAL PUMPED		68,615	19,862	89,481	GAL PUMPED		68,615	23,486	237,774
GAL SOLD		59,780	14,611	75,125	GAL SOLD		59,780	21,756	206,500
GAL USED		1,334	318	1,582	GAL USED		1,334	552	5,892
GAL(LOSS)/GAIN	0	(7,501)	(4,933)	(12,774)	GAL(LOSS)/GAIN	0	(7,501)	(1,178)	(25,382)
PERCENTAGE	#DIV/0!	10.9%	24.8%	14.3%	PERCENTAGE	#DIV/0!	10.9%	5.0%	10.7%
JUNE	5/8/2025-6/7/2025		5/8/2024-6/7/2024		DECEMBER	11/7/2025 - 12/8/2025		11/7/2024 - 12/8/2024	
GAL PUMPED		68,615	20,551	110,032	GAL PUMPED		68,615	18,084	255,858
GAL SOLD		59,780	17,024	92,149	GAL SOLD		59,780	17,118	223,618
GAL USED		1,334	452	2,034	GAL USED		1,334	489	6,381
GAL(LOSS)/GAIN	0	(7,501)	(3,075)	(15,849)	GAL(LOSS)/GAIN	0	(7,501)	(477)	(25,859)
PERCENTAGE	#DIV/0!	10.9%	15.0%	14.4%	PERCENTAGE	#DIV/0!	10.9%	2.6%	10.1%

NEW PRAGUE UTILITIES COMMISSON					
ELECTRIC SALES KWH					
		ACCUM			ACCUM
MONTH	2025	2025	MONTH	2024	2024
JAN	5,619,898	5,619,898	JAN	5,508,723	5,508,723
FEB	5,816,788	11,436,686	FEB	5,637,288	11,146,011
MAR	5,721,083	17,157,769	MAR	5,184,765	16,330,776
APR	5,016,537	22,174,306	APR	5,128,582	21,459,358
MAY			MAY	4,697,436	26,156,794
JUNE			JUNE	5,321,360	31,478,154
JULY			JULY	6,088,366	37,566,520
AUG			AUG	7,394,647	44,961,167
SEPT			SEPT	6,608,966	51,570,133
OCT			OCT	6,050,221	57,620,354
NOV			NOV	5,095,903	62,716,257
DEC			DEC	5,665,673	68,381,930
TOTAL	22,174,306		TOTAL	68,381,930	

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



New Prague Utilities Commission

In the Counties of Scott & Le Sueur

118 CENTRAL AVENUE NORTH • NEW PRAGUE, MINNESOTA 56071 •
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: May 21, 2025

SUBJECT: **Lead Service Line Replacements**

Over the last year, NPUC staff have been working to complete the lead service inventory. It was found that the city has approximately 100 private lead services that will need to be replaced to meet state requirements. The State of Minnesota has approved funding for New Prague to replace all lead services through the Drinking Water Revolving Fund.

At the Commission meeting, I will review the details to complete this project, along with proposed engineering services that will be needed.

RECOMMENDATION: Staff recommends approval of the proposed Agreement for Professional Services Lead Service Line Replacements



Building a Better World
for All of Us®

May 21, 2025

RE: Agreement for Professional Services
Lead Service Line Replacements

Bruce Reimers - NPU General Manager
New Prague Utilities Commission
300 East Main Street
New Prague, MN

Dear Bruce:

After completion of the lead service inventory within the City of New Prague by your staff, it was found that the City has approximately 100 private lead or galvanized water services. These lead services are typically located between the water shutoff near the right of way and the meter at residential properties. The State of Minnesota is providing funding for municipalities to complete replacement of these private services through grant funding administered through the Drinking Water Revolving Fund. This grant funding covers both construction and consulting engineering costs. Construction costs include the water service replacement itself along with restoration of pavement, grass, and anything else disturbed to complete that work. It should be noted that due to the City's diligence with completing capital improvements plans and replacing old water mains, lead service replacements are only expected outside of the street where grants are applicable.

In May of last year, the replacement services were phased to prioritize those near the 2025 Street and Utility Improvement Project. These 19 services, conservatively estimated to cost \$20,000 each to replace, were included in an application to the Project Priority List (PPL). This was then used for placement on the Intended Use Plan (IUP) which was approved last November and included \$380,000 in grant for the City to complete this work. Early estimates expect actual costs to be lower than the awarded grant amount.

PROJECT SCOPE AND PROPOSED FEES

Replacement of lead water services are proposed to take place as part of two phases. Below is our scope of work:

Task 1.0 – 2025 Lead Service Line Replacements

The first Phase includes replacement of the lead services directly within the 2025 Street and Utility Improvement Project Area. These services have been approved for funding already and SEH has assisted city staff with completion of a “No Plan” replacement option where the city will solicit quotes to complete this work directly with contractors. The engineering cost to complete this work is estimated at **\$38,000** and include reimbursement of costs incurred the past two weeks to complete the submittal of documents to the Minnesota Department of Health, soliciting quotes from two contractors to complete replacement of water services, and construction administration/observation. Construction observation is anticipated to be a joint effort between SEH and New Prague Utilities Water staff to ensure work is completed according to plumbing code requirements and federal guidelines. There will also be coordination with property owners to provide access within homes. While there may be assistance from on-site staff for the 2025 CIP Project, it is anticipated that an RPR will be assigned directly to work with lead service line contractor to review work and provide proper documentation for pay applications and ensure funding compliance.

Task 2.0 – 2026 Lead Service Line Replacements

The second phase of lead service replacement is expected to include approximately 80-85 water service replacements scattered throughout the City. At this time, we are proposing to provide services to assist with application to the Project Priority List (PPL) for an approximate cost of **\$2,000**.

With the larger number of service replacements expected in 2026, it will be required that the City pursue a more formal bidding document including construction drawings and specifications with public advertisement and bidding procedures followed. With this work likely to occur later this fall or over winter, it is proposed to submit a proposal to complete that work later in the year when placement on the 2026 Intended Use Plan is known (likely in November).

With completion of replacement water services, it is required to provide water filtration and testing to residents for 6-months. It is recommended that this be provided by New Prague Utilities due to proximity to these residents and the ability assist with testing if needed. It may be possible to include with the 2026 replacement as a contractor service when more residents will be affected.

PROJECT SCHEDULE

Work on this phase of the project is expected to begin immediately for application to the PPL for 2026 replacements. Some work on the 2025 replacements occurred last week to meet schedule deadlines and is expected to resume after approval by the Minnesota Department of Health with construction to occur later this year.

PROPOSED FEES:

We are proposing to provide the services outlined above as follows:

Task 1.0 - 2025 Lead Service Line Replacements	\$38,000
Task 2.0 - 2026 Lead Service Line Replacements	\$2,000
Total Proposed Fees	\$40,000

Please contact us with any questions or comments concerning this proposal/agreement.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC



Chris Knutson, PE
Client Service Manager
(Lic. MN)

Attachments

1. Supplemental Letter Agreement

cdk

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Supplemental Letter Agreement

In accordance with the [Master] Agreement for Professional Services between New Prague Utilities Commission (“Client”), and Short Elliott Hendrickson Inc. (“Consultant”), effective May 8, 2009, this Supplemental Letter Agreement dated May 21, 2025 authorizes and describes the scope, schedule, and payment conditions for Consultant’s work on the Project described as: LSL Replacements.

Client’s Authorized Representative: Bruce Reimers
Address: 118 Central Ave N, New Prague, Minnesota 56071, United States
Telephone: 952.758.4401 **email:** breimers@ci.new-prague.mn.us

Project Manager: Chris Knutson
Address: 11 Civic Center Plaza, Suite 200, Mankato, Minnesota 56001
Telephone: 507.237.8383 **email:** cknutson@sehinc.com

Scope: The Services to be provided by Consultant:
 See the attached letter dated May 21, 2025.


Resident Project Representative Services
 RPR services will be provided in accordance with attached Exhibit B.

Schedule: See the attached letter dated May 21, 2025.

Payment:
 The estimated fee is subject to a not-to-exceed amount of \$40,000 including expenses and equipment.

The payment method, basis, frequency and other special conditions are set forth in attached Exhibit A-1.
 Additional work, if required, shall be compensated in accordance with the rate schedule.

Other Terms and Conditions: Other or additional terms contrary to the Master Agreement for Professional Services that apply solely to this project as specifically agreed to by signature of the Parties and set forth herein:
 None.

Short Elliott Hendrickson Inc.	New Prague Utilities Commission
By: <u></u>	By: _____
Full Name: <u>Chris Knutson</u>	Full Name: _____
Title: <u>Client Service Manager</u>	Title: _____
	By: _____
	Full Name: _____
	Title: _____

Section 6, Item a.

Exhibit A-1
to Supplemental Letter Agreement
Between New Prague Utilities Commission (Client)
and
Short Elliott Hendrickson Inc. (Consultant)
Dated May 21, 2025

Payments to Consultant for Services and Expenses
Using the Hourly Basis Option

The Agreement for Professional Services is amended and supplemented to include the following agreement of the parties:

A. Hourly Basis Option

The Client and Consultant select the hourly basis for payment for services provided by Consultant. Consultant shall be compensated monthly. Monthly charges for services shall be based on Consultant's current billing rates for applicable employees plus charges for expenses and equipment.

Consultant will provide an estimate of the costs for services in this Agreement. It is agreed that after 90% of the estimated compensation has been earned and if it appears that completion of the services cannot be accomplished within the remaining 10% of the estimated compensation, Consultant will notify the Client and confer with representatives of the Client to determine the basis for completing the work.

Compensation to Consultant based on the rates is conditioned on completion of the work within the effective period of the rates. Should the time required to complete the work be extended beyond this period, the rates shall be appropriately adjusted.

B. Expenses

The following items involve expenditures made by Consultant employees or professional consultants on behalf of the Client. Their costs are not included in the hourly charges made for services but instead are reimbursable expenses required in addition to hourly charges for services and shall be paid for as described in this Agreement:

1. Transportation and travel expenses.
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets.
3. Lodging and meal expense connected with the Project.
4. Fees paid, in the name of the Client, for securing approval of authorities having jurisdiction over the Project.
5. Plots, Reports, plan and specification reproduction expenses.
6. Postage, handling and delivery.
7. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Client.
8. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Client.
9. All taxes levied on professional services and on reimbursable expenses.
10. Other special expenses required in connection with the Project.
11. The cost of special consultants or technical services as required. The cost of subconsultant services shall include actual expenditure plus 10% markup for the cost of administration and insurance.

The Client shall pay Consultant monthly for expenses.

C. Equipment Utilization

The utilization of specialized equipment, including automation equipment, is recognized as benefiting the Client. The Client, therefore, agrees to pay the cost for the use of such specialized equipment on the project. Consultant invoices to the Client will contain detailed information regarding the use of specialized equipment on the project and charges will be based on the standard rates for the equipment published by Consultant.

The Client shall pay Consultant monthly for equipment utilization.

Exhibit B
to Supplemental Letter Agreement
Between New Prague Utilities Commission (Client)
and
Short Elliott Hendrickson Inc. (Consultant)
Dated May 21, 2025

**A Listing of the Duties, Responsibilities and
Limitations of Authority of the Resident Project Representative**

Through more extensive on site observations of the construction work in progress and field checks of materials and equipment by the Resident Project Representative (RPR), Consultant shall endeavor to provide further protection for Client against defects and deficiencies in the work of contractor (Work); but, the furnishing of such services will not make Consultant responsible for or give Consultant control over construction means, methods, techniques, sequences or procedures or for safety precautions or programs, or responsibility for contractor's failure to perform the Work in accordance with the Contract Documents. Contract Documents are the documents that govern or are pertinent to contractor's Work including but not limited to the agreement between Client and contractor, the contractor's bid, the bonds, specs, drawings, field orders, addenda, clarifications, interpretations, approved shop drawings and reports collectively called the Contract Documents. The duties and responsibilities of the RPR are further defined as follows:

A. General

RPR is an agent of Consultant at the site, will act as directed by and under the supervision of Consultant, and will confer with Consultant regarding RPR's actions. RPR's dealings in matters pertaining to the on site work shall in general be with Consultant and contractor keeping the Client advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of contractor. RPR shall generally communicate with Client with the knowledge of and under the direction of Consultant.

B. Duties and Responsibilities of RPR

1. Schedules: Review the progress schedule, schedule of shop drawing submittals and schedule of values prepared by Contractor and consult with Consultant concerning acceptability.
2. Conferences and Meetings: Attend meetings with contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.
3. Liaison:
 - (a) Serve as Consultant's liaison with contractor, working principally through contractor's superintendent and assist in understanding the intent of the Contract Documents; and assist Consultant in serving as Client's liaison with contractor when contractor's operations affect Client's on-site operations.
 - (b) Assist in obtaining from Client additional information, when required for proper execution of the Work.
4. Shop Drawings and Samples*:
 - (a) Record date of receipt of shop drawings and samples.
 - (b) Receive samples furnished at the site by contractor, and notify Consultant of availability of samples.
 - (c) Advise Consultant and contractor of the commencement of any Work requiring a shop drawing or sample if the submittal has not been approved by Consultant.
5. Review of Work, Observations and Tests:
 - (a) Conduct on-site observations of the Work in progress to assist Consultant in determining if the Work is in general proceeding in accordance with the Contract Documents.
 - (b) Report to Consultant whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise Consultant of

- Work that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.
- (c) Determine if tests, equipment and systems start-ups and operating and maintenance training are conducted in the presence of appropriate personnel, and that Contractor maintains adequate records thereof; and observe, record and report to Consultant appropriate details relative to the test procedures and start-ups.
 - (d) Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections and report to Consultant.
6. Interpretation of Contract Documents: Report to Consultant when clarification and interpretations of the Contract Documents are requested by contractor and transmit to contractor clarifications and interpretations as issued by Consultant.
 7. Modifications: Consider and evaluate contractor's suggestions for modifications in drawings or specifications and report with RPR's recommendations to Consultant. Transmit to contractor decisions as issued by Consultant.
 8. Records:
 - (a) Maintain at the job site orderly files for correspondence, reports of job conferences, shop drawings and samples, reproductions of original Contract Documents including all addenda, change orders, field orders, additional drawings issued subsequent to the execution of the construction contract, Consultant's clarifications and interpretations of the Contract Documents, progress reports, and other related documents.
 - (b) Keep a diary or log book, recording contractor hours on the job site, weather conditions, data relative to questions of change orders, or changed conditions, list of job site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to Consultant.
 - (c) Record names, addresses and telephone numbers of all contractors, subcontractors and major suppliers of materials and equipment.
 9. Reports:
 - (a) Furnish Consultant periodic reports as required of progress of the Work and of contractor's compliance with the progress schedule and schedule of shop drawing and sample submittals.
 - (b) Consult with Consultant in advance of scheduled major tests, inspections or start of important phases of the Work.
 - (c) Draft proposed change orders and Work, obtaining backup material from contractor and recommend to Consultant change orders, and field orders.
 - (d) Report immediately to Consultant and Client upon the occurrence of any accident.
 10. Payment Requests: Review applications for payment with contractor for compliance with the established procedure for their submission and forward with recommendations to Consultant, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and equipment delivered at the site but not incorporated in the Work.
 11. Certificates, Maintenance and Operation Manuals: During the course of the Work, verify that certificates, maintenance and operation manuals and other data required to be assembled and furnished by contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have this material delivered to Consultant for review and forwarding to Client prior to final payment for the Work.
 12. Completion:
 - (a) Before Consultant issues a certificate of substantial completion, submit to contractor a list of observed items requiring completion or correction.
 - (b) Conduct final inspection in the company of Consultant, Client, and contractor and prepare a final list of items to be completed or corrected.
 - (c) Observe that all items on final list have been completed or corrected and make recommendations to Consultant concerning acceptance.

C. Limitations of Authority

Resident Project Representative:

1. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment, unless authorized by Client.
2. Shall not exceed limitations of Consultant's authority as set forth in the Agreement for Professional Services.
3. Shall not undertake any of the responsibilities of contractor, subcontractors or contractor's superintendent.
4. Shall not advise on, issue directions regarding or assume control over safety precautions and programs in connection with the Work.
5. Shall not accept shop drawing or sample submittals from anyone other than contractor.
6. Shall not authorize Client to occupy the Project in whole or in part.
7. Shall not participate in specialized field or laboratory tests or inspections conducted by others except as specifically authorized by Consultant.

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
April 9, 2025

President Moulton called the meeting to order at 9:00 a.m. at the First Citizens Bank in Mora, Minnesota.

Mr. Kohlgraf, Mora Municipal Utilities General Manager, welcomed the members and guests to Mora.

Board Members Present:

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

Others Present:

David P. Geschwind, Executive Director & CEO; Joe Kohlgraf, Mora; Chris Rolli, Spring Valley; Craig Anderson, Wells; Dan La Haye, Baker Tilly; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, and Jeremy B. Sutton of the Agency staff.

Others Present Via Conference Call:

Alex Bumgardner, Austin; Jerry Mausbach, Blooming Prairie; Miles Heide, Julie Zarling, Fairmont; Mike Roth, Shane Steele, Grand Marais; Mike Geers, Litchfield; Keith Butcher, Princeton; Jason Halvorson, Redwood Falls; and Sam Rod, Baker Tilly.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the March 12, 2025 board meeting minutes.

APPROVED the Weighted Votes. (Attachment A.)

APPROVED the Litchfield Voltage Conversion, Land Option, and Permitting. (Attachment B.)

APPROVED the Windsor Substation Relay Replacement and Fiber Install. (Attachment C.)

#3 Financial Audit-Fondell/Baker Tilly:

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

Ms. Fondell introduced Mr. Dan La Haye, Baker Tilly Director, to report on the audit results and thanked Baker Tilly for a very well-run audit.

Baker Tilly met with SMMPA Finance & Audit Committee members, Mr. Warehime (Owatonna), Mr. Reimers (New Prague), Mr. Rolli (Spring Valley), and along with the SMMPA team members on April 9, 2025, prior to the board meeting, to review the audit results. Mr. Butcher (Princeton) participated via conference call.

Mr. La Haye presented an overview of SMMPA's audited financial statements for the year ended December 31, 2024. Baker Tilly stated that the audit went well, and they are providing an unmodified clean audit opinion.

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

Mr. McCollough moved to accept the audit as presented by Baker Tilly for the year ended December 31, 2024, seconded by Mr. Nibaur, passed upon a unanimous vote of the board members present.

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

Mr. Hoffman reported on the sustainability topic. SMMPA continues working toward goals in the SMMPA 2.0 initiative established in 2020.

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

Our Commitment to Sustainability - Reducing our Carbon Footprint Brochure

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

Solar Choice Program

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

Pollinator Habitat Program

In 2016 SMMPA and members initiated the pollinator habitat program to preserve habitat for monarch butterflies and other pollinators. Mr. Hoffman will contact the members to determine interest in ordering plants and/or seed packets for distribution in the member communities. Owatonna expressed interest in ordering plants and seed packets.

Discussion.

Mission: Renew Program

The Agency offers the Mission: Renew Renewable Energy Credits (RECs) Retirement Program geared toward residential customers. The program allows customers to determine what percent of renewable energy they would like to purchase and have RECs retired on their behalf to achieve that goal. Currently, Owatonna and Princeton offer this program to their customers, and Grand Marais offers a similar program. In 2024 the Agency partnered with three members to retire RECs for four commercial and industrial customers.

SMMPA Electric Vehicle Charging Network

In 2021 SMMPA partnered with the members to install a 50 kW Direct Current Fast Charger (DCFC) and Level 2 (L2) chargers in the member communities. Currently, there are 15 DCFC and 72 L2 chargers in the member communities.

#5 RES Compliance Outlook-Sutton:

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

Each year the Agency is required to retire Renewable Energy Certificates (RECs) to meet the requirements of Minnesota's RES as outlined in Minn. Stat. §216B.1691. The types of resources that meet the renewable requirements were described. A history of how the Agency has met the RES requirements was provided. Mr. Sutton reviewed the process by which RECs can be banked for future use and outlined how the Agency plans to meet the renewable and carbon-free requirements, assuming new wind and solar resources are added.

Discussion.

Summary

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

#6 Quick Start Contract-Sutton:

Mr. Sutton reported on the Quick Start Contract.

The Quick Start Working Group met via Microsoft Teams Meeting on April 3, 2025 to review the redline draft.

Discussion.

Timeline

- Incorporate any input from the April board meeting.
- April-May -- Allow each City to review the contract terms.
- May-June -- Contract clean-up from review period.
- July -- Present to the board for final approval.

After a short break, the board reconvened at 10:34 a.m.

#7 Steele Energy Station Generator Step-Up Transformer-Sutton:

Mr. Sutton reported on the Steele Energy Station generator step-up transformer.

In October 2024, the board authorized funds for engineering activities and for the initial payment necessary to secure the gas turbines. At that time, the expectation was that the Agency would return to the board in approximately Q1 2025 to seek authorization to procure the generator step-up transformer.

Transformer bids were received from four vendors and the bids were evaluated by DGR Engineering (DGR). Due to tariff concerns, Niagara Power Transformer was selected as their transformers are manufactured in the United States.

The air permit application has not been received yet from DGR.

Discussion.

Requested Board Action

- Approve Niagara Power Transformer for generator step-up transformer selection.
- Authorize 50% of the funds required to procure the generator step-up transformer, plus contingency to secure spot in the manufacturing queue.
 - Not to exceed \$1,047,727.
 - \$952,479 plus 10% contingency.
- Remainder of the payment on the overall project will be requested at a future board meeting.

Mr. Warehime moved to approve Niagara Power Transformer for the generator step-up transformer and authorized 50% of the funds required to procure the transformer, plus contingency not to exceed \$1,047,727, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present.

Government Affairs/Member Services Report-Hoffman:

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

SMMPA Scholarship Program

Members were reminded of the scholarship program and may contact SMMPA for assistance.

SMMPA Member IT/Cybersecurity Roundtable

SMMPA will hold an IT/Cybersecurity Roundtable for members in June or July 2025 at Austin Utilities. Additional information will be forthcoming.

Electric Vehicle Charger Repairs

SMMPA is currently working with several members to facilitate repairs to both Direct Current Fast Chargers and Level 2 chargers.

Operations Report-Sutton:

Mr. Sutton reported:

OPU 7 Combustion Turbine Update

Last year Owatonna Public Utilities Combustion Turbine Unit 7 was removed and shipped to Florida for inspection due to the damaged blades. More damage than expected was found at an additional cost of \$169,878. Last week the unit was shipped to Owatonna and is currently being re-installed.

Sherco Outage Capacity Replacement

Sherco 3 was excluded from the capacity auction for the Spring planning year 2025-2026 to preserve future accreditation. Replacement capacity was purchased from utilities, with the specific quantity and cost reported to the board.

Sherco 3 Coal Inventory

Due to too much coal on the pile, Xcel Energy suspended coal deliveries for two months.

Market Price Update

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

Financial Report February 2025-Fondell:

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

Rating Agency Updates

Moody's affirmed SMMPA's A1 credit rating with a stable outlook. Standard & Poor's formal review is nearing completion. Fitch Ratings plans to conduct the SMMPA financial review with completion in June 2025.

Rate Smoothing Spreadsheets

Members were asked if there was any feedback on the rate smoothing spreadsheet that was emailed to the members. SMMPA is willing to provide assistance to the members.

Pre-Payment Program Update

SMMPA received interest from members in using the pre-payment program and SMMPA will proceed with updating the old pre-payment program. SMMPA will seek member volunteers and schedule a meeting to update the prepayment program structure, subject to legal review by SMMPA Legal Counsel.

SMPMA Finance & Audit Committee Meeting Update

The SMPMA Finance & Audit Committee meeting was held prior to today's board meeting. Mr. Dan La Haye, Baker Tilly Director, reported on the 2024 audit results. Asset retirement obligations and Sherco decommissioning were discussed. Every five years the Agency's internal control processes are reviewed. The internal controls review report issued in 2025 will be distributed to the SMPMA Finance & Audit Committee members along with SMPMA's action plan to address the recommendations.

President's Report:

Mr. Moulton reported:

- SMPMA Recognition: SMPMA staff members recognized for their efforts were Beth Fondell, Julie Beth, and the SMPMA Accounting Department for the audit process; Jeremy Sutton for providing information on the Renewable Energy Standard Compliance Outlook and the Quick Start Contract; and Naomi Goll for board meeting planning and logistics.
- SMPMA Board of Directors Recognition: Mr. Warehime and Mr. Reimers were recognized for their time commitment with the SMPMA Finance and Audit Committee.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- APPA CEO & Utility Roundtable: The APPA CEO & Utility Roundtable was held March 16-18, 2025 in Amelia Island, Florida. Mr. Geschwind attended.
- SMPMA Office: On April 4, 2025, an individual broke into the SMPMA office, breaking the interior door panel glass, damaging office equipment, and setting a fire in the south stairwell. The individual is in custody facing charges.
- Solar Turbines Procurement Contract: On February 28, 2025, at Solar Turbines' request, SMPMA signed the Procurement Contract to purchase and install the three combustion turbines for the Steele Energy Station in Owatonna. Solar Turbines has not yet signed the contract as they are attempting to continue negotiating some of the contract terms. SMPMA staff will keep the board informed as to the resolution of the issue.
- SMPMA Fun Events: A presentation of the monthly SMPMA staff fun events was shared.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

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

The meeting was adjourned at 11:48 a.m.

Secretary

DRAFT