



# UTILITIES COMMISSION MEETING AGENDA

## City of New Prague

Monday, August 28, 2023 at 3:30 PM

Power Plant - 300 East Main St

- 
1. **CALL TO ORDER**
  2. **APPROVAL OF AGENDA**
  3. **APPROVAL OF MINUTES**
    - [a.](#) July 31, 2023, Utilities Meeting Minutes
  4. **UTILITY AND SMMPA BILLS**
    - [a.](#) Approval of accounts payable in the amount of \$73,232.48 and the SMMPA billing of \$608,890.20.
  5. **FINANCIAL REPORTS**
    - [a.](#) Finance System Update (Note: This information is not available this month due to software change.)
    - [b.](#) Investment Summary (Note: This information is not available this month due to software change.)
    - [c.](#) Water and Kilowatt Hours Sales
  6. **APPROVAL OF ELECTRIC CAPITAL EQUIPMENT EXPENDITURE**
    - [a.](#) Ford F550 Cab Chassis Truck
  7. **SMMPA BOARD OF DIRECTORS MEETING**
    - [a.](#) July 12, 2023
    - [b.](#) August 9, 2023
  8. **GENERAL MANAGER'S REPORT**
    - [a.](#) Comprehensive Plan
  9. **OTHER BUSINESS**
  10. **ADJOURNMENT**

**NEXT COMMISSION MEETING - Monday, September 25, 2023**



# MEETING MINUTES

## NEW PRAGUE UTILITIES COMMISSION

### Monday, July 31, 2023

The regular meeting of the New Prague Utilities Commission (NPUC) was held on Monday, July 31, 2023, at 300 East Main Street.

**PRESENT:** Commissioners Dan Bishop, Paul Busch, Dick Jordan, Tom Ewert, and Bruce Wolf

**STAFF PRESENT:** General Manager (GM) Bruce Reimers and Electric Operations Superintendent (EOS) Ken Zweber

1. **CALL TO ORDER** - The meeting was called to order by Commission President Dan Bishop on Monday, July 31, 2023, at 3:33 pm.
2. **APPROVAL OF AGENDA** – Motion made by Commissioner Jordan and seconded by Commissioner Busch to approve the agenda as presented. Motion carried (5-0).
3. **MEETING MINUTES** - Motion made by Commissioner Jordan and seconded by Commissioner Ewert to approve the June 26, 2023, Meeting Minutes. Motion carried (5-0).
4. **UTILITY & SMMPA BILLS:** Motion made by Commissioner Ewert and seconded by Commissioner Wolf on the approval of:
  - A. Accounts Payable in the amount of **\$227,003.57**; and
  - B. The SMMPA Claim for Payment in the amount of **\$574,273.89**.Motion carried (5-0).
5. **FINANCIAL REPORTS:**
  - A. Investment Report – The Investment Report was presented for review and approval.
  - B. Financial Report – The Financial Report was presented for review and approved.
  - C. Water & Kilowatt Hour Sales – The kilowatt and water sales were reviewed.Motion made by Commissioner Busch and seconded by Commissioner Ewert to approve all reports as presented. Motion carried (5-0).
6. **SMMPA BOARD OF DIRECTORS MEETING – June 14, 2023**  
Informational only, no action needed.
7. **SMMPA BOARD OF DIRECTORS MEETING – July 12, 2023**  
GM Reimers informed the Commission on the following:
  - SMMPA staff and consultants from TEA presented the forecasted risk analysis that will be used in the budget process going forward.
  - SMMPA staff also provided an update on projected load forecast stating that loads are projected to grow less than 1% over the next year.
8. **GENERAL MANAGERS REPORT:**  
GM Reimers informed the Commission on the following:
  - Water sales are trending nearly 10 million gallons above the same period last year with daily pumping averaging around the 1.4 million gallons per day.
  - All CIP water main and service work on the NE project has been completed.
  - Water main replacement on the 10<sup>th</sup> Ave. project is expected to start in September.
  - The electric department has been working on services in the Industrial Park and has started work on the 2024 NE CIP overhead to underground project.
9. **OTHER BUSINESS:**  
None

**10. ADJOURN:**

A motion was made by Commissioner Jordan and seconded by Commission President Bishop to adjourn the July 31, 2023, meeting at 3:59 p.m. Motion carried (5-0).

**NEXT COMMISSION MEETING – MONDAY, AUGUST 28, 2023, 3:30 PM.**

Respectfully Submitted,

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Bruce Reimers  
General Manager

Vendor Name	Description	Net Invoice Amount
ACE HARDWARE & PAINT	SUPPLIES	12.92
AMAZON CAPITAL SERVICES	HEADSET	26.40
AMAZON CAPITAL SERVICES	HEADSET	17.59
BEVCOMM	TELEPHONE	102.25
BEVCOMM	TELEPHONE	53.48
CENTERPOINT ENERGY	NATURAL GAS	4.06
CENTERPOINT ENERGY	NATURAL GAS	4.07
COMPUTER TECHNOLOGY SOLUTI	OFFICE 365 / FIREWALL	102.50
COMPUTER TECHNOLOGY SOLUTI	OFFICE 365 / FIREWALL	89.22
COMPUTER TECHNOLOGY SOLUTI	OFFICE 365 / FIREWALL	108.06
COMPUTER TECHNOLOGY SOLUTI	OFFICE 365 / FIREWALL	988.26
COMPUTER TECHNOLOGY SOLUTI	OFFICE 365 / FIREWALL	247.07
COMPUTER TECHNOLOGY SOLUTI	OFFICE 365 / FIREWALL	576.49
COMPUTER TECHNOLOGY SOLUTI	AUTHPOINT FOR VPN	172.80
COMPUTER TECHNOLOGY SOLUTI	AUTHPOINT FOR VPN	43.20
COMPUTER TECHNOLOGY SOLUTI	AUTHPOINT FOR VPN	100.80
LAKERS NEW PRAGUE SANITARY	TRASH	85.33
LAKERS NEW PRAGUE SANITARY	TRASH	34.82
LAKERS NEW PRAGUE SANITARY	TRASH	34.81
LAKERS NEW PRAGUE SANITARY	TRASH	565.00
METRO SALES, INC	COIPER LEASE	28.81
METRO SALES, INC	COIPER LEASE	28.81
METRO SALES, INC	COPIER LEASE	26.88
METRO SALES, INC	COIPER LEASE	26.87
NEW PRAGUE UTILITIES	UTILITIES	1,009.88
NEW PRAGUE UTILITIES	UTILITIES	36.73
RIVER COUNTRY COOP	FUEL	191.08
SEH	ENGINEERING FEES	632.00
SUEL PRINTING	WATER MAIN BIDS	560.00
US BANK CREDIT CARD	LIGHT - LIBRARY SCULPTURE	167.91
US BANK CREDIT CARD	SAMPLES	13.16
US BANK CREDIT CARD	PLANT DRIVEWAY	3,516.06
US BANK CREDIT CARD	PULLING ROPE	79.26
US BANK CREDIT CARD	WEST SUB PARTS	43.19
US BANK CREDIT CARD	APPA CONFERENCE	41.08
US BANK EQUIPMENT FINANCE	COPIER LEASE	259.10
US BANK EQUIPMENT FINANCE	COPIER LEASE	64.77
VERIZON WIRELESS	IPADS	25.03
VERIZON WIRELESS	IPADS	30.04
VERIZON WIRELESS	TELEPHONE	369.66
VERIZON WIRELESS	TELEPHONE	169.90
VETERAN SHREDDING	SHREDDING SERVICE	8.50
VETERAN SHREDDING	SHREDDING SERVICE	8.50
VOYAGER FLEET SYSTEMS	FUEL	2.07-
VOYAGER FLEET SYSTEMS	FUEL	2.07-
VOYAGER FLEET SYSTEMS	FUEL	99.68
VOYAGER FLEET SYSTEMS	FUEL	652.96
VOYAGER FLEET SYSTEMS	FUEL	912.15
WM. MUELLER & SONS, INC.	BLACKTOP	80.00
Grand Totals:		12,447.00

Vendor Name	Description	Net Invoice Amount
ACE HARDWARE	SUPPLIES	44.41
ACE HARDWARE	SUPPLIES	30.84
ACE HARDWARE	SUPPLIES	18.88
ACE HARDWARE	SUPPLIES	21.46
ACE HARDWARE	SUPPLIES	12.84
ACE HARDWARE	SUPPLIES	6.43
ACE HARDWARE	SUPPLIES	16.08
ACME TOOLS	HOSE	9.00
ALTERNATIVE TECHNOLOGIES, INC	OIL SAMPLES	396.00
AMAZON CAPITAL SERVICES	3-RING BINDERS	56.24
AMAZON CAPITAL SERVICES	RUNNING BOARDS - 2023 CHEVY	129.99
AMAZON CAPITAL SERVICES	LABEL MAKER & LABELS	287.92
AMAZON CAPITAL SERVICES	WEST TOWER FIBER	156.51
AMAZON CAPITAL SERVICES	FUEL TREATMENT	116.86
AMAZON CAPITAL SERVICES	TRIMMER CARBURETOR	20.99
ARVIG ANSWERING SOLUTIONS	ANSEWERING SERVICE	109.13
ARVIG ANSWERING SOLUTIONS	ANSEWERING SERVICE	109.13
BORDER STATES ELECTRIC SUPPLY	DOOR CONTROL SYSTEM	3.84
BORDER STATES ELECTRIC SUPPLY	DOOR CONTROL SYSTEM	1.92
BORDER STATES ELECTRIC SUPPLY	DOOR CONTROL SYSTEM	1.92
BORDER STATES ELECTRIC SUPPLY	FUEL LINE ALARM PROJECT	109.61
CANNON TECHNOLOGIES, INC	GATEWAY REPAIRS	1,104.00
CEMSTONE PRODUCTS CO., INC	CONCRETE SEALER	1,288.55
CENTERPOINT ENERGY	NATURAL GAS	72.44
CENTERPOINT ENERGY	NATURAL GAS	26.00
CENTERPOINT ENERGY	NATURAL GAS	56.91
CENTERPOINT ENERGY	NATURAL GAS	21.73
CENTERPOINT ENERGY	NATURAL GAS	842.39
CENTERPOINT ENERGY	NATURAL GAS	6,539.78
COMPUTER TECHNOLOGY SOLUTI	DOOR CONTROL SYSTEM - POWER PLANT	3,889.00
COMPUTER TECHNOLOGY SOLUTI	DOOR CONTROL SYSTEM - POWER PLANT	2,480.00
COMPUTER TECHNOLOGY SOLUTI	DOOR CONTROL SYSTEM - POWER PLANT	1,815.00
DENNY / DOTTY VONBANK	WIPING RAGS	76.00
DGR ENGINEERING	ARC FLASH - SCADA UPGRADES	206.00
DGR ENGINEERING	WEST SUB SCADA	515.00
DIGI-KEY ELECTRONICS	WEST TOWER FIBER	26.66
DITCH WITCH OF MINNESOTA	TURBO TIPS	214.72
GENERATION BUILDING CENTER	EXPANSION JOINT	129.95
GOPHER STATE ONE CALL	LINE LOCATES	30.71
GOPHER STATE ONE CALL	LINE LOCATES	30.71
GRAINGER	AIR PRESSURE REGULATOR	45.62
GRAINGER	INVENTORY	31.34
GRAINGER	RELIEF VALVES	238.72
GRAINGER	AIR TANK FITTINGS	126.78
GREG SOLHEID	SAFETY BOOTS	55.00
HAWKINS, INC	WAER PURIFICATION	1,596.88
HAWKINS, INC	WATER PURIFICATION	4,501.54
HAWKINS, INC	WATER PURIFICATION	10.00
INTERSTATE BATTERY	BATTERY	294.90
LAKER'S NEW PRAGUE SANITARY	REFUSE REIMBURSEMENT	15,058.85
LAKER'S NEW PRAGUE SANITARY	REFUSE BILLING FEE	266.70-
LAKER'S NEW PRAGUE SANITARY	REFUSE BILLING FEE	266.70-
MACH LUMBER COMPANY	REBAR - WAREHOUSE	279.13
MCMASTER-CARR SUPPLY CO	U BOLTS	111.89
MN POLLUTION CONTROL AGENC	WASTEWATER OPERATOR CERTIFICATE - BOB	23.00
NEON LINK	ONLINE PAYMENT FEES	447.24
NEON LINK	ONLINE PAYMENT FEES	81.99

Vendor Name	Description	Net Invoice Amount
NEON LINK	ONLINE PAYMENT FEES - LAKERS	7.46
R & R METALWORKS, INC	DIGGER TRUCK BRACKET	40.00
R & R METALWORKS, INC	FILTER PLANT #1 RAILING	80.00
RDO EQUIPMENT CO.	PRODRILL & GREASE	186.13
RIVERS EDGE CONCRETE, LLC	CONCRETE	2,425.00
SALTCO	SALT	35.00
SEH	10TH AVE WATER MAIN	6,363.63
SILHOUETTES	EMBROIDERY	82.68
SILHOUETTES	EMBROIDERY	23.62
SILHOUETTES	EMBROIDERY	118.11
STAR GROUP, LLC.	SUPPLIES	42.40
STAR GROUP, LLC.	SUPPLIES	13.65
STAR GROUP, LLC.	SUPPLIES	76.08
STAR GROUP, LLC.	SUPPLIES	98.77
STASNEY ELECTRIC	LOAD CONTROL INSTALL	119.08
STUART C. IRBY CO.	ARC FLASH HOOD W/ SHIELD	1,170.00
TRI-STATE BOBCAT	MINI BACKHOE REPAIR	1,140.47
TRI-STATE BOBCAT	MINI BACKHOE REPAIR	1,140.48
UTILITY CONSULTANTS	SAMPLES	90.24
WATER CONSERVATION SERVICES, INC.	2023 WATER LEAK SURVEY	3,540.00
WATER CONSERVATION SERVICES, INC.	LEAK LOCATE 6TH AVE & 5TH ST	409.24
ZORO TOOLS	DOOR CLOSER - WAREHOUSE	56.99
ZORO TOOLS	LIFTING STRAPS	55.80
ZORO TOOLS	LEVEL MOUNTS	29.40
ZORO TOOLS	LIFTING STRAPS	28.04
ZORO TOOLS	ANTI-SPLATTER	18.18
Grand Totals:		60,785.48



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

Power Sales Contract  
#INV1060  
7/31/2023

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

**Due Date:** 8/25/2023

BILLING PERIOD	kWh	kW	DATE / TIME
Jul 2023	7,101,113	14,394	Jul 27, 2023 2:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	7,101,113	14,394	
BASE RATE BILLING DEMAND CAP	N/A	0	
SUMMER SEASON BASE RATE DEMAND	N/A	15,560	Jun 20, 2022 5:00:00 PM
BASE RATE RATCHET DEMAND	N/A	11,514	Jun 20, 2022 5:00:00 PM

Description	Quantity	Rate	Amount	TOTAL
<b>BASE RATE POWER SUPPLY</b>				
Demand Charge (kW)	14,394	\$10.95	\$157,614.30	\$157,614.30
On Peak Energy Charge (kWh)	3,258,279	\$0.06431	\$209,539.92	\$209,539.92
Off Peak Energy Charge (kWh)	3,842,834	\$0.04808	\$184,763.46	\$184,763.46
Cost Adjustment (kWh)	6,997,617	\$0.002049	\$14,338.12	\$14,338.12
BASE RATE SUBTOTAL				\$566,255.80
<b>TRANSMISSION</b>				
Transmission Demand Charge (kW)	15,560	\$2.74	\$42,634.40	\$42,634.40
<b>OTHER CHARGES</b>				

			<b>Total</b>	\$608,890.20
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NEW PRAGUE UTILITIES COMMISSION								
SMPMA								
07/31/2023								
MONTH	KWH	PURCHASED POWER	ENERGY COST ADJ	2023 Price/KWH	MONTH	KWH	PURCHASED POWER	2022 Price/KWH
January	6,074,429	\$ 500,013.36		\$ 0.08231	January	6,349,342	\$ 472,403.93	\$ 0.07440
February	5,418,152	\$ 470,218.94		\$ 0.08679	February	5,586,356	\$ 436,519.04	\$ 0.07814
March	5,727,100	\$ 501,121.24	\$ 12,245.02	\$ 0.08536	March	5,655,082	\$ 433,861.15	\$ 0.07672
April	5,245,499	\$ 477,287.37	\$ 18,251.67	\$ 0.08751	April	5,180,840	\$ 411,904.27	\$ 0.07951
May	5,710,038	\$ 496,161.90	\$ (7,480.08)	\$ 0.08820	May	5,531,743	\$ 437,597.31	\$ 0.07911
June	6,997,617	\$ 574,273.89	\$ (10,614.96)	\$ 0.08358	June	6,692,547	\$ 525,496.57	\$ 0.07852
July	7,101,113	\$ 608,890.20	\$ 14,338.12	\$ 0.08373	July	7,482,903	\$ 551,066.41	\$ 0.07364
August					August	7,046,831	\$ 528,929.83	\$ 0.07506
September					September	6,028,466	\$ 471,340.54	\$ 0.07819
October					October	5,253,162	\$ 410,341.44	\$ 0.07811
November					November	5,414,350	\$ 461,672.71	\$ 0.08527
December					December	6,181,499	\$ 508,337.53	\$ 0.08224
Total	42,273,948	3,627,966.90	26,739.77	0.08582	Total	72,086,211	\$ 5,427,726.95	\$ 0.07529



WELLS  
FARGO

# Managed Asset Allocation Summary

As of August 15, 2023

August 16, 2023

Trade Date Basis

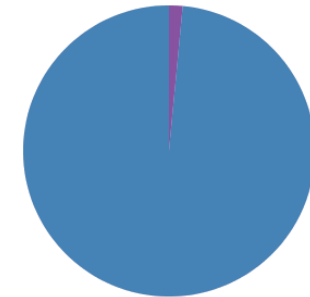
NEW PRAGUE UTILITIES

COMMISSION- AGY

65866500

Investment Objective Is Fixed Income

	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
Cash Alternatives	46,677	46,677	0	2,423	5.19	1.5
Fixed Income	3,065,660	3,321,982	(256,322)	97,696	3.19	98.5
<b>Total Portfolio</b>	<b>\$3,112,337</b>	<b>\$3,368,659</b>	<b>\$(256,322)</b>	<b>\$100,119</b>	<b>3.22%</b>	<b>100.0%</b>



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		160,021	35,368	177,591
GAL SOLD	15,323	30,116	14,286	30,446	GAL SOLD		142,482	32,641	157,886
GAL USED	325	662	625	1,030	GAL USED		3,391	609	5,730
GAL(LOSS)/GAIN	(1,412)	(3,811)	(1,262)	(2,892)	GAL(LOSS)/GAIN	0	(14,148)	(2,118)	(13,975)
PERCENTAGE	8.3%	11.0%	7.8%	8.4%	PERCENTAGE	#DIV/0!	8.8%	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		160,021	27,033	204,624
GAL SOLD	14,555	44,671	14,291	44,737	GAL SOLD		142,482	24,575	182,461
GAL USED	368	1,030	412	1,442	GAL USED		3,391	496	6,226
GAL(LOSS)/GAIN	(1,027)	(4,838)	(1,408)	(4,300)	GAL(LOSS)/GAIN	0	(14,148)	(1,962)	(15,937)
PERCENTAGE	6.4%	9.6%	8.7%	8.5%	PERCENTAGE	#DIV/0!	8.8%	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		160,021	29,291	233,915
GAL SOLD	15,509	60,180	14,374	59,111	GAL SOLD		142,482	26,668	209,129
GAL USED	311	1,341	328	1,770	GAL USED		3,391	1066	7,292
GAL(LOSS)/GAIN	(1,283)	(6,121)	(1,590)	(5,890)	GAL(LOSS)/GAIN	0	(14,148)	(1,557)	(17,494)
PERCENTAGE	7.5%	9.0%	9.8%	8.8%	PERCENTAGE	#DIV/0!	8.8%	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		160,021	19,688	253,603
GAL SOLD	14,860	75,040	15,438	74,549	GAL SOLD		142,482	17,167	226,296
GAL USED	373	1,714	1,815	3,585	GAL USED		3,391	329	7,621
GAL(LOSS)/GAIN	(3,713)	(9,834)	(2,084)	(7,974)	GAL(LOSS)/GAIN	0	(14,148)	(2,192)	(19,686)
PERCENTAGE	19.6%	11.4%	10.8%	9.3%	PERCENTAGE	#DIV/0!	8.8%	11.1%	7.8%
JUNE	5/10/2023-6/9/2023		5/10/2022-6/9/2022		DECEMBER	11/8/2023 - 12/8/2023		11/8/2022 - 12/8/2022	
GAL PUMPED	28,529	115,117	18,871	104,979	GAL PUMPED		160,021	16,950	270,553
GAL SOLD	26,292	101,332	17,082	91,631	GAL SOLD		142,482	15,664	241,960
GAL USED	696	2,410	405	3,990	GAL USED		3,391	346	7,967
GAL(LOSS)/GAIN	(1,541)	(11,375)	(1,384)	(9,358)	GAL(LOSS)/GAIN	0	(14,148)	(940)	(20,626)
PERCENTAGE	5.4%	9.9%	7.3%	8.9%	PERCENTAGE	#DIV/0!	8.8%	5.5%	7.6%

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

\*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](http://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,  
Ken Zweber, Electric Operations Superintendent

DATE: August 24, 2023

SUBJECT: **APPROVAL OF ELECTRIC CAPITAL EQUIPMENT EXPENDITURE**

In the 2024 Capital improvement budget staff will be recommending to the New Prague Utilities Commission (NPUC) to purchase a 2024 Ford F550 cab chassis and dump box. Due to limited fleet and state bid orders, staff reached out to Jeff Belzer's Fleet Sales to check if there are any order slots that could be offered to Fleet and Government Sales and whether NPUC would be able to place an order under fleet pricing. Jeff Belzer's informed staff that they would be able to place an order in their Fleet Sales for purchase by the NPUC.

**Cost Comparison:**

**Jeff Belzer's – Ford F550 Cab Chassis \$58,300 (Guaranteed delivery at Fleet pricing).**

**Wolf Motors - Ford F550 Cab Chassis \$61,860 (Estimated Pricing)**

**State Bid – Currently no pricing available for the 2024 model year.**

**Note:** Jeff Belzer's informed staff that any Government purchase discounts will be applied should they be offered in 2024.

**RECOMMENDATION:**

Purchase one Ford F550 Cab Chassis truck from Jeff Belzer's for \$58,300.

**SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY**  
**Minutes of the Board of Directors' Meeting**  
**July 12, 2023**

President Reimers called the meeting to order at 9:00 a.m. at Freddie's Restaurant in Mora, Minnesota.

Mr. Anderson, Mora City Administrator/Utilities General Manager, welcomed the members to Mora and commented that Mora is grateful to be part of SMMPA.

**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; and T. Scott Jensen, Lake City.

**Board Member Absent:**

Mark R. Kotschevar, Rochester.

**Others Present:**

David P. Geschwind, Executive Director & CEO; Glenn Anderson, Joe Kohlgraf, Mora; Keith R. Butcher, Princeton; Charles B. Heins, Jason Halvorson, Redwood Falls; Chris Rolli, Spring Valley; Carl C. Sonnenberg, Waseca; Lou Rosatone, Parker Ormonde, Siobhan O'Connor, The Energy Authority; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, Mark S. Mitchell, and John P. O'Neil of the Agency staff.

**Others Present Via Conference Call:**

Jerry M. Mausbach, Blooming Prairie; Miles Heide, Julie Zarling, Fairmont; Mike Roth, Grand Marais; Michael B. Geers, Litchfield; and Chris Lewis, The Energy Authority.

**#1 Agenda Approval:**

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

**#2 Consent Agenda:**

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

APPROVED the June 14, 2023 board meeting minutes.

**#3 Risk Analysis Study Results-Mitchell/The Energy Authority:**

Mr. Mitchell introduced Mr. Lou Rosatone, Ms. Siobhan O'Connor, and Mr. Parker Ormonde,

The Energy Authority (TEA).

Mr. Lou Rosatone, TEA Account Director, provided an overview of TEA.

Mr. Parker Ormonde, TEA Portfolio Analyst, reported on the results of the semi-annual risk study. The risk study is a detailed analysis of the Agency's load and generation, and natural gas and energy market prices that evaluates many different scenarios to identify potential economic risks to the Agency. TEA's model considers Agency generation, load, fuel prices, market prices, and unit outage rates to determine the financial risk to the Agency under many different levels of these variables.

Discussion.

#### Hedge Recommendations

TEA does not currently recommend any hedge transactions during 2023. The analysis indicates potential risk reduction by selling excess power in the forward market in some months to capture forward price premiums and purchasing energy hedges in summer months if the EPA ozone rule restricts Sherco 3 operations.

President Reimers expressed appreciation to TEA for their efforts.

#### **#4 2023 Load Forecast-O'Neil:**

Mr. O'Neil reported on the 2023 load forecast.

The load forecast was developed by Mr. Jonathan Nunes of nFront Consulting Services. Mr. Nunes has been working with SMMPA staff to develop the forecast since 2010.

Discussion.

The updated member forecasts will be sent to each member.

#### **#6 SMMPA Messaging Outreach Program-Hoffman:**

Mr. Hoffman reported on the SMMPA Messaging Outreach Program.

The program educates the public on the issues that are important to all SMMPA members. Messaging also plays a vital role in keeping SMMPA visible to legislators and regulators. Online methods are becoming the way to distribute the messaging.

Discussion.

#### Budget and 2023 Plan

- Advertising budget \$165,000.
  - Working to develop new campaign themes to include reliability, carbon reduction, electric vehicles, and renewable energy.

After a short break, the board reconvened at 10:41 a.m.

## **#5 SMMPA 2.1 Resource Plan Update-Mitchell:**

Mr. Mitchell reported on the SMMPA 2.1 resource plan update.

Many things have changed since the analysis for SMMPA 2.0 and the Agency's 2021 Integrated Resource Plan was performed, including significant price increases for new conventional and renewable resources, changes in MISO's capacity accreditation process, and Minnesota's new carbon-free statute. These changes prompted the need to update the Agency's resource plan.

Mr. Mitchell reviewed the assumptions used in the analysis and reported on initial study results and the cost differences between different scenarios. He also reviewed alternative ways to meet the new carbon-free requirements. In addition, he reviewed information about how the location of renewable resources not only affects energy production, particularly for wind generation, but also affects the value of the energy due to the different energy prices at different locations. He emphasized that detailed locational analysis will be part of the process when selecting projects to participate in.

Discussion.

### **Next Steps**

- Develop scenarios that meet SMMPA 2.0 plan to be 80% carbon-free by 2030.
- Develop scenarios to address 2035 and 2040 requirements with resources, not RECs.
- Factor in carbon-free credits from MISO purchases.
- Sensitivity analyses.
  - Variations in wind and solar capacity.
  - High and low LMP and natural gas prices.
  - High and low renewable prices.
  - LMPs shaped for high penetration of renewables.
- Implementation strategies (timing and location of new resources).
- Recommendations.

## **Government Affairs/Member Services Report-Hoffman:**

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

### **Energy Reduction Public Appeals Program**

MISO may issue emergency alerts when issues impact the electric system reliability. MISO would call for necessary actions, which may include voluntary load shedding, that could impact all SMMPA member communities. SMMPA has worked with Solutionary Marketing, and they could develop a messaging plan for voluntary load shedding customized for each member. SMMPA and Solutionary Marketing could notify the designated media outlets in each community on behalf of the members, or a member could initiate the process on their own.

### **Estimated Costs To Perform Work**

- \$2,000 one-time fee for the Agency.
- \$300 one-time fee for each member.
- Ongoing costs.

There was board consensus to implement the program.

#### Emergency Alert Application – Preparis

Mr. Mitchell reported that last week SMMPA rolled out the emergency alert application, Preparis, to the members. Members were asked to install the application in order to receive emergency messages.

#### Pollinator Habitat Program for 2023

Members interested in ordering seed packets and/or plants to create habitat for monarch butterflies were asked to contact Mr. Hoffman.

#### Mission ReNew Program

The Agency rolled out a customer Renewable Energy Credits (RECs) retirement program geared toward residential customers. The program offers customers the opportunity to retire RECs that offset the carbon footprint of the electricity used in customers' homes. Currently, Owatonna and Princeton offer this program to their customers.

#### **Operations Report-Mitchell:**

Mr. Mitchell reported:

#### Mora Landfill Engine Update

The Mora landfill gas unit has been out of service due to oil sample analysis showing high levels of combustible gases in the step up transformer. An internal inspection of the transformer showed some loose connections that were corrected. The Agency is discussing options with its consulting engineer for returning the transformer and generating unit to service, and for determining if a replacement transformer needs to be located.

#### EPA “Good Neighbor” Rule Update

Minnesota was granted by the Eighth Circuit Court of Appeals a stay of the Environmental Protection Agency's (EPA) disapproval of the State Implementation Plan for addressing requirements for meeting NOx emission limits. The stay means that the EPA's Federal Implementation Plan (FIP) will not be implemented in Minnesota for the 2023 ozone season. The Agency will continue working with the Minnesota Good Neighbor Coalition in the legal and regulatory processes with the goal of permanently removing Minnesota from the FIP and eliminating the unnecessary restrictions that could be imposed on Sherco 3.

#### Sherco 3 Update

The Sherco 3 unplanned outage began on June 24, 2023 to address the high vibration on the forced draft fan. Crews found several issues with the refurbished fan which were due to poor workmanship by the vendor that worked on the fan during the planned outage. The fan was completely rebuilt with an anticipated return to service on July 14, 2023. SMMPA is pursuing an outage insurance claim and anticipates insurance proceeds of \$436,000. Outage insurance only covers on-peak hours, so the Agency purchased 100 MW of on-peak energy for the week of July 10, 2023 to provide an additional price hedge.

#### Market Price Update

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



### **Financial Report May 2023-Fondell:**

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

#### **Energy Cost Adjustment Graph Budget vs. Actual**

A graph was reviewed displaying the monthly 2023 Energy Cost Adjustment (ECA) budget and actual ECA data for May. Members' May bills resulted in an ECA credit that was passed through to members.

#### **Taxable RCA Borrowing**

A taxable Revolving Credit Agreement (RCA) draw of \$5 million occurred in May 2023 to assist with cash flow needs. Beginning with May's report, the Cash, Investment, and Reserves Summary includes a new line item for the taxable RCA borrowing balance that reduces the General Operating Reserve balance to reflect amounts borrowed.

#### **Rating Agency Updates**

Fitch Ratings conducted the annual SMMPA financial review, and SMMPA will maintain the current AA- credit rating with a stable outlook. Standard & Poor's review is underway and nearing completion. Maintaining good ratings favorably impacts current RCA borrowing costs and any future interest rates on new bond issuances.

### **President's Report:**

Mr. Reimers reported:

- **APPA National Conference:** The APPA National Conference was held June 18-21, 2023 in Seattle, Washington. Representatives from Austin, Grand Marais, New Prague, Owatonna, Rochester, Saint Peter, and SMMPA attended the conference.

### **Executive Director & CEO's Report:**

Mr. Geschwind reported:

- **Federal Grant Funds:** Significant federal grant funds are available for utility projects. A challenge is knowing which projects might qualify for which particular grants. Mr. Geschwind asked the members if it would be helpful for the Agency to retain a consultant that offers assistance evaluating and pursuing grants. He indicated the Agency plans to hire a consultant to assist the Agency in pursuing these grants and the scope of work could be expanded to include assistance to the members, too.

After discussion, there was board consensus to have the Agency staff move forward with retaining a consultant to help the Agency and the members with this opportunity.

### **Member Forum:**

None.

**Other Business:**

There was no other business.

**Adjourn:**

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

The meeting was adjourned at 12:22 p.m.

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Secretary

## **NPUC Comprehensive Planning goals**

### **Water**

- **Water distribution study.**
- **Water production and filter plant planning to meet possible state mandates.**
- **Site selection and land procurement for future treatment and elevated storage.**
- **Retirement of 100+ year old treatment and well field located by power plant.**

### **Electric**

- **Distribution and system coordination study.**
- **Generation needs study to allow for continued 100% coverage and associated contracts with wholesale power supplier.**
- **Substation equipment upgrades and associated feeder additions.**
- **Site selection and land procurement for future substation.**
- **Undergrounding of industrial and mainline feeder with goal of 100% underground distribution system in five to seven years.**