



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Monday, April 28, 2025 at 3:30 PM

Power Plant - 300 East Main St

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1. **CALL TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **APPROVAL OF MINUTES**
 - [a.](#) March 31, 2025 Utilities Meeting Minutes
 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**.
 5. **FINANCIAL REPORTS**
 - [a.](#) Investment Report
 - [b.](#) Financial Report
 - [c.](#) Water and Kilowatt Hours Sales
 6. **FOLDING MACHINE CONTRACT RENEWAL**
 - [a.](#) Memo
 7. **SCHOLARSHIP DISCUSSION**
 - [a.](#) Criteria
 - [b.](#) Application
 8. **REVIEW OF 2024 AUDIT**
 - [a.](#) Abdo Presentation
 - [b.](#) NPUC Audited Financials
 - [c.](#) 2024 Final Executive Governance Summary
 9. **SMMPA BOARD OF DIRECTORS MEETING**
 - [a.](#) March 12, 2025
 10. **GENERAL MANAGER'S REPORT**
 11. **OTHER BUSINESS**
 12. **ADJOURNMENT**

NEXT COMMISSION MEETING – Tuesday, May 27, 2025



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, March 31, 2025 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Commission Vice President Chuck Nickolay on Monday, March 31st, 2025, at 3:35 pm.

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

Commissioners Absent: Dan Bishop

Staff Present: General Manager Bruce Reimers, OES Ken Zweber, Finance Director Robin Pikal, Administrative Assistant Alyssa Schapekahm and Billing Specialist Jessica Lambrecht.

2. APPROVAL OF AGENDA

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

Motion carried (4-0)

3. APPROVAL OF MINUTES

a. February 24, 2025 Utilities Commission Meeting Minutes

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the February minutes as presented.

Motion carried (4-0)

4. UTILITY AND SMMPA BILLS

a. Approval of accounts payable in the amount of **\$173,109.47** and the SMMPA billing of **\$462,430.97**.

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

Motion carried (4-0)

5. FINANCIAL REPORTS

a. Investment Report

b. Financial Report

c. Water and Kilowatt Hours Sales

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

Motion carried (4-0)

6. SMMPA BOARD OF DIRECTORS MEETING

a. February 12, 2025

GM Reimers informed the Commission on the following:

- Board reviewed future debt retirement and rates
- Member Quick start contracts were reviewed and will be presented to the working group one more time before the board meeting in April.
- GM Reimers was appointed to the officer position of treasurer due to board seat changes by Lake City.

7. GENERAL MANAGER'S REPORT

GM Reimers informed the Commission of the following:

- Staff have been meeting with DGR engineers on the design of the new power plant
- The Generation department has been working on new oil and jacket water coolers for engine #6
- Breaker and relay testing has been completed at the power plant and the West substation
- A leak has been discovered on treatment plant number three's main filter and staff have been working with SEH engineering as to the next steps to make the repairs

8. OTHER BUSINESS

a. 2025 CIP Funding Discussion

GM Reimers and Finance Director Pikal went over financing options for the 2025 CIP projects. The question was raised by the City's financial consultant whether the Commission would want to consider paying cash this year, being the cost came in somewhat lower than was estimated. The commission decided it would be best to bond for the project.

b. Review of Resolutions for Council Meeting

GM Reimers reviewed the resolutions that he will present at the council meeting on Monday, the 7th of April, that will cover the future bonding and refunding for the West Side Energy Station.

9. ADJOURNMENT

Motion made by Commissioner Ewert, seconded by Commissioner Busch, to adjourn the meeting at 4:35pm.

Motion carried (4-0)

Respectfully Submitted,

Bruce Reimers
General Manager

Vendor Name	Net Invoice Amount
AMAZON CAPITAL SERVICES	
OFFICE SUPPLIES	\$8.98
RECEIVED STAMP	\$16.05
SCREEN PROTECTOR	\$7.96
WOOD CHIPPER - CONTROL	\$11.10
BEVCOMM	
TELEPHONE	\$162.11
TELEPHONE/COMMUNICATIONS	\$59.95
CENTERPOINT ENERGY	
NATURAL GAS	\$89.82
COMPUTER TECHNOLOGY SOLUTIONS	
COMPUTER SUPPORT	\$1,996.06
OFFICE 365 / FIREWALL	\$545.91
FASTENAL	
BLUE MARKING PAINT	\$413.34
RED MARKING PAINT	\$413.34
GOPHER STATE ONE CALL	
LINE LOCATES	\$47.25
GREATAMERICA FINANCIAL SERVICES	
POSTAGE MACHINE LEASE	\$92.78
KENNEDY & GRAVEN CHARTERED	
ELECTRICAL FACILITY	\$2,181.20
LAKERS NEW PRAGUE SANITARY	
TRASH - ELECTRIC	\$34.53
TRASH - POWER PLANT	\$89.32
TRASH - WATER	\$34.52
LEAGUE OF MN CITIES INSURANCE	
2025 WORKERS COMP	\$22,930.59
METRO SALES INC	
COPIER LEASE	\$49.50
MINNESOTA MUNICIPAL UTILITIES ASSOC	
MMUA CONSORTIUM	\$315.00
MINNESOTA UI	
UNEMPLOYMENT BENEFITS - NOVOTNY	\$3,672.63
NEON LINK	
ONLINE PAYMENT FEES	\$585.95
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	\$1,016.16
WATER UTILITIES	\$30.29
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$372.60
SCHILLING SUPPLY COMPANY	
PAPER ORDER	\$184.34
SUEL PRINTING	
CHECKS	\$143.94
US BANK CREDIT CARD	
ANTENNA	\$227.45
METAL	\$1,409.29
METAL / SAMPLES	\$390.35
MNRW CONFERENCE	\$743.34
MPCA PERMIT	\$18.04
PAPER ORDER	\$64.29
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$713.84
VERIZON WIRELESS	
IPAD	\$5.16-
IPADS	\$70.28
TELEPHONE	\$544.25

Vendor Name	Net Invoice Amount
VETERAN SHREDDING	
CONTRACTED SERVICES	\$17.00
ZIEGLER INC.	
GENERATOR #7 REPAIRS	\$2,250.81
Grand Totals	\$41,949.00

Vendor / Description	Invoice Amount
ACE HARDWARE	
SUPPLIES	\$146.57
AMAZON CAPITAL SERVICES	
AIRFLOW TAPE	\$18.94
PHONE CASE -ZACH	\$.04-
AMERICAN MAILING MACHINES	
FOLDING MACHINE MAINTENACE	\$1,295.08
ARVIG ANSWERING SOLUTIONS	
ANSWERING SERVICE	\$93.10
BORDER STATES ELECTRIC SUPPLY	
CONDUIT, 2" PVC SCH 80	\$220.73
CONDUIT, 4" PVC WH	\$648.22
CONN, COMP 3/0 LUG 2-HOLE COPPER	\$134.13
METER SOCKET DUAL U6035-O	\$4,887.60
PHOTOCELL, STREETLIGHT (DARK TO LIG	\$213.95
CANNON TECHNOLOGIES INC	
DISCONNECT METER 12S CL200 C2SXD	\$22,776.00
LCR6700 1-5 AMP, 2-30 AMP DUAL	\$5,965.44
CENTERPOINT ENERGY	
NATURAL GAS	\$3,118.76
CENTRAL MCGOWAN INC	
RETURNED	\$48.54-
CHART INDUSTRIES	
REBATE - AIR LEAK REPAIRS	\$800.00
REBATE - COMPRESSED AIR LEAK	\$750.00
CORE & MAIN	
KERF CUTTER	\$3,250.00
RED HYDRANT PAINT	\$482.28
TESTING SUPPLIES	\$260.78
DANFOSS LLC	
PO 782 - ENGINE #6	\$41,101.02
DENNY / DOTTY VONBANK	
WIPING RAGS	\$120.00
DGR ENGINEERING	
FUTURE GENERATION	\$20,413.00
JOB #9 -FUTURE GENERATION	\$1,200.00
DITCH WITCH OF MINNESOTA	
VAC MACHINE - FITTINGS	\$116.85
VAC MACHINE - HOSE & TURBO TIPS	\$1,447.47
HAWKINS INC	
PURIFICATION	\$30.00
WATER PURIFICATION	\$1,373.90
HOSE USA INC	
SMMPA PO 782	\$965.69
INNOVATIVE OFFICE SOLUTION	
BILLING PAPER	\$678.33
MCMMASTER-CARR SUPPLY CO	
FORKLIFT - VALVE	\$40.24
SMMPA PO 782	\$112.41
SOUTH COOLING TOWER	\$82.72
METERING & TECHNOLOGY SOLUTIONS	
BADGER MOD 35 BOTTOM PLATE	\$60.00
DISPLAY METER	\$167.26
METER COUPLING 1"	\$132.00
WATER METER REGISTER, 1" HRE MODEL 70	\$533.10
MINNESOTA VALVE & FITTING CO INC	
SS FITTINGS - #6	\$96.69

Vendor / Description	Invoice Amount
MN DEPT OF HEALTH	
1ST QTR CONNECTION FEE	\$7,205.00
MN MUNICIPAL UTILITIES ASSOC	
JT&S TRAINING	\$1,018.75
NORTHWEST LINEMAN- COREY	\$300.00
NORTHWEST LINEMAN- TUCKER	\$300.00
NORTHWEST LINEMAN-LOGAN	\$300.00
MN POLLUTION CONTROL AGENCY	
ANNUAL AIR EMISSIONS FEE	\$2,105.18
MPCA	
ANNUAL WATER PERMIT	\$345.00
POSTMASTER OF NEW PRAGUE	
UTILITY BILL POSTAGE	\$1,247.47
RIVER COUNTRY CO-OP	
DIESEL FUEL - ENGINES	\$20,310.00
GASOLINE	\$934.06
SALTCO	
MONTHLY SALT FEE	\$35.00
SCHELHAAS, ZACH	
GENERATION SCHOOL	\$20.00
STASNEY ELECTRIC	
FAN MOTOR	\$295.74
TIETZ, TUCKER	
SAFETY BOOTS- TUCKER	\$60.00
UPS MIDSTREAM SERVICES INC	
GASKET, LT-9-AA (DRAWER SHELF #9)	\$812.88
LINER O RING, 2-2-015-000-000	\$406.92
TEFLON RING, 1-2-01S-000-000	\$466.89
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$165.54
UTILITY CONSULTANTS	
WATER SAMPLES	\$105.57
VOYAGER FLEET	
FUEL	\$182.83
MOTORS FUEL	\$38.45
WESCO RECEIVABLES CORP.	
SECONDARY BLOCK ENCAP PED CONN 8 P	\$1,666.60
Grand Totals	\$152,005.56



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

Power Sales

Section 4, Item a.

#INV1705

3/31/2025

Bill To

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

Due Date: 4/25/2025

BILLING PERIOD	kWh	kW	DATE / TIME
Mar 2025	5,394,698	9,119	Mar 19, 2025 2:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	5,394,698	9,119	
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)	2,367,650	\$0.06431	\$152,263.57	\$152,263.57
Off Peak Energy Charge (kWh)	3,027,048	\$0.04808	\$145,540.47	\$145,540.47
Cost Adjustment (kWh)	5,565,759	\$-0.001373	\$-7,641.79	\$-7,641.79
BASE RATE SUBTOTAL				\$417,587.40
TRANSMISSION				
Transmission Charge - CP (kW)	9,119	\$2.20	\$20,061.80	\$20,061.80
Transmission Charge - Ratchet (kW)	15,725	\$0.967315	\$15,211.03	\$15,211.03

OTHER CHARGES

Total \$452,860.23

NEW PRAGUE UTILITIES COMMISSION										
SMMPA										
03/31/2025										
		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						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	17,224,714	\$ 1,434,374.69	\$ (14,819.91)	\$ 0.08413		Total	70,729,666	\$ 6,297,476.62	\$ 229,077.38	\$ 0.08580

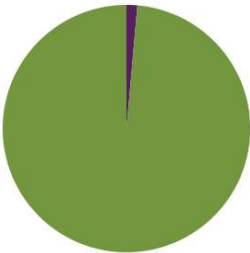
NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
2/28/2025			
First Bank and Trust			
Checking - Cash Balance			
Electric		\$	3,081,754.59
Water		\$	847,885.26
Subtotal		\$	3,929,639.85
Money Market		\$	2,105,807.67
Wells Fargo			
F.I.S.T. (Market Value per Wells Select report)		\$	3,375,686.00
Electric (74% of account)	\$ 2,498,007.64		
Water (26% of account)	\$ 877,678.36		
Total		\$	9,411,133.52
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 March 14, 2025

March 17, 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	47,747	47,747	0	2,023	4.24	1.4
Fixed Income	3,327,938	3,446,699	(118,761)	102,880	3.09	98.6
Total Portfolio	\$3,375,686	\$3,494,446	\$(118,761)	\$104,904	3.11%	100.0%



NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
February 28, 2025

WATER FUND						
<i>16.67% of year completed</i>						
REVENUES	2024 Thru 2/29/2024	Current Month	Actual Thru 2/28/2025	2024/2025 Variance YTD	2025 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	(1,019.56)	(3,407.59)	(901.11)	118.45	-	0.00%
Residential	\$ 189,480.94	\$ 105,489.62	\$ 201,723.78	\$ 12,242.84	\$ 1,297,761.00	15.54%
Commercial	56,394.53	30,480.38	59,039.37	2,644.84	691,090.00	8.54%
Water Hook-up Fees	\$ 12,307.00	\$ 2,227.00	\$ 75,127.00	\$ 62,820.00	\$ 23,000.00	326.64%
Interest Income	3,360.12	4,796.19	9,335.09	5,974.97	15,000.00	62.23%
Other Income	\$ 8,355.35	\$ 2,018.62	\$ 3,966.85	\$ (4,388.50)	\$ 30,110.00	13.17%
TOTAL REVENUES	\$ 268,878.38	\$ 141,604.22	\$ 348,290.98	\$ 79,412.60	\$ 2,056,961.00	16.93%
EXPENSES						
Power Used	17,312.07	9,587.31	19,099.01	1,786.94	117,500.00	16.25%
Purification	12,556.90	8,428.61	8,889.11	(3,667.79)	58,000.00	15.33%
Distribution	425.44	1,111.81	1,860.32	1,434.88	64,500.00	2.88%
Depreciation	87,321.21	45,165.75	90,393.45	3,072.24	525,000.00	17.22%
Debt & Other Interest	58,722.32	29.26	75,402.58	16,680.26	141,088.00	53.44%
Salary & Benefits	103,515.99	80,351.86	126,633.35	23,117.36	639,341.00	19.81%
Admin & General	\$ 41,529.21	\$ 19,113.47	\$ 48,113.92	\$ 6,584.71	\$ 169,670.00	28.36%
TOTAL EXPENSES	\$ 321,383.14	\$ 163,788.07	\$ 370,391.74	\$ 49,008.60	\$ 1,715,099.00	21.60%
EXCESS REVENUES OVER EXPENSES	\$ (52,504.76)	\$ (22,183.85)	\$ (22,100.76)	\$ 30,404.00	\$ 341,862.00	

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
February 28, 2025

Section 5, Item b.

ELECTRIC FUND						
						<i>16.67% of year completed</i>
REVENUES	2024 Thru 2/29/2024	Current Month	Actual Thru 2/28/2025	2024/2025 Variance YTD	2025 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ (44,484.30)	\$ (76,382.76)	\$ (60,703.10)	\$ (16,218.80)	\$ -	0.00%
Residential Revenue	\$ 676,333.97	\$ 356,330.75	\$ 719,520.08	\$ 43,186.11	\$ 4,186,223.00	17.19%
Commercial	\$ 107,384.51	\$ 59,405.54	\$ 118,708.31	\$ 11,323.80	\$ 628,951.00	18.87%
Small Industrial	\$ 308,509.63	\$ 159,012.43	\$ 319,558.28	\$ 11,048.65	\$ 1,861,047.00	17.17%
Industrial	\$ 379,078.17	\$ 190,265.13	\$ 378,640.73	\$ (437.44)	\$ 2,424,913.00	15.61%
Streetlights	\$ 13,176.68	\$ 5,110.22	\$ 12,735.75	\$ (440.93)	\$ 63,443.00	20.07%
Other Departments	\$ 23,217.12	\$ 12,191.89	\$ 25,636.48	\$ 2,419.36	\$ 160,583.00	15.96%
SMMPA LOR Reimbursement	\$ 34,062.72	\$ 17,862.35	\$ 35,308.36	\$ 1,245.64	\$ 205,075.00	17.22%
SMMPA O&M Revenue	\$ 154,716.13	\$ 124,819.27	\$ 174,062.25	\$ 19,346.12	\$ 676,033.00	25.75%
Reimbursement - SMMPA Rebates	\$ 2,645.44	\$ 339.45	\$ 3,836.93	\$ 1,191.49	\$ -	0.00%
Interest Income	\$ 12,502.20	\$ 6,627.33	\$ 10,976.77	\$ (1,525.43)	\$ 25,000.00	43.91%
Other Income	\$ 161,989.87	\$ 15,589.44	\$ 23,899.59	\$ (138,090.28)	\$ 173,800.00	13.75%
TOTAL REVENUES	\$ 1,829,132.14	\$ 871,171.04	\$ 1,762,180.43	\$ (66,951.71)	\$ 10,405,068.00	16.94%
EXPENSES						
Production	\$ 1,147.29	\$ 19,455.81	\$ 19,797.40	\$ 18,650.11	\$ 44,000.00	44.99%
Purchased Power	\$ 951,637.88	\$ 462,430.97	\$ 970,517.70	\$ 18,879.82	\$ 6,196,036.00	15.66%
SMMPA O&M Expenses	\$ 80,856.53	\$ 22,535.64	\$ 89,391.67	\$ 8,535.14	\$ 332,295.00	26.90%
Distribution/Transmission	\$ (8,604.43)	\$ 6,498.82	\$ 47,909.64	\$ 56,514.07	\$ 133,313.00	35.94%
Energy Conservation - Rebates	\$ 2,645.44	\$ 50.00	\$ 3,836.93	\$ 1,191.49	\$ 12,500.00	30.70%
Depreciation	\$ 126,194.09	\$ 62,243.21	\$ 124,486.42	\$ (1,707.67)	\$ 701,323.00	17.75%
Salary & Benefits	\$ 222,695.68	\$ 113,238.54	\$ 225,000.90	\$ 2,305.22	\$ 1,859,346.00	12.10%
MVEC LOR Payment	\$ 68,125.43	\$ 35,724.69	\$ 70,616.70	\$ 2,491.27	\$ 410,150.00	17.22%
Admin & General	\$ 76,712.34	\$ 29,648.70	\$ 100,863.96	\$ 24,151.62	\$ 295,321.00	34.15%
Payment in Lieu of Taxes	\$ 6,666.66	\$ 3,333.33	\$ 6,666.70	\$ 0.04	\$ 40,000.00	16.67%
TOTAL EXPENSES	\$ 1,528,076.91	\$ 755,159.71	\$ 1,659,088.02	\$ 131,011.11	\$ 10,024,284.00	16.55%
EXCESS REVENUES OVER EXPENSES	\$ 301,055.23	\$ 116,011.33	\$ 103,092.41	\$ (197,962.82)	\$ 380,784.00	

Note: "Other Income" includes metal recycling

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		52,140	19,050	129,082
GAL SOLD	15,702	15,702	15,411	15,411	GAL SOLD		45,672	16,581	108,730
GAL USED	461	461	280	280	GAL USED		1,115	456	2,490
GAL(LOSS)/GAIN	(1,264)	(1,264)	(2,313)	(2,313)	GAL(LOSS)/GAIN	0	(5,353)	(2,013)	(17,862)
PERCENTAGE	7.3%	7.3%	12.8%	12.8%	PERCENTAGE	#DIV/0!	10.3%	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		52,140	25,675	154,757
GAL SOLD	14,773	30,475	14,979	30,390	GAL SOLD		45,672	22,609	131,339
GAL USED	335	796	343	623	GAL USED		1,115	757	3,247
GAL(LOSS)/GAIN	(2,183)	(3,447)	(2,189)	(4,502)	GAL(LOSS)/GAIN	0	(5,353)	(2,309)	(20,171)
PERCENTAGE	12.6%	9.9%	12.5%	12.7%	PERCENTAGE	#DIV/0!	10.3%	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		52,140	27,535	182,292
GAL SOLD	15,197	45,672	14,823	45,213	GAL SOLD		45,672	23,306	154,645
GAL USED	319	1,115	330	953	GAL USED		1,115	785	4,032
GAL(LOSS)/GAIN	(1,906)	(5,353)	(1,671)	(6,173)	GAL(LOSS)/GAIN	0	(5,353)	(3,444)	(23,615)
PERCENTAGE	10.9%	10.3%	9.9%	11.8%	PERCENTAGE	#DIV/0!	10.3%	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		52,140	17,280	69,619	GAL PUMPED		52,140	31,996	214,288
GAL SOLD		45,672	15,301	60,514	GAL SOLD		45,672	30,099	184,744
GAL USED		1,115	311	1,264	GAL USED		1,115	1308	5,340
GAL(LOSS)/GAIN	0	(5,353)	(1,668)	(7,841)	GAL(LOSS)/GAIN	0	(5,353)	(589)	(24,204)
PERCENTAGE	#DIV/0!	10.3%	9.7%	11.3%	PERCENTAGE	#DIV/0!	10.3%	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		52,140	19,862	89,481	GAL PUMPED		52,140	23,486	237,774
GAL SOLD		45,672	14,611	75,125	GAL SOLD		45,672	21,756	206,500
GAL USED		1,115	318	1,582	GAL USED		1,115	552	5,892
GAL(LOSS)/GAIN	0	(5,353)	(4,933)	(12,774)	GAL(LOSS)/GAIN	0	(5,353)	(1,178)	(25,382)
PERCENTAGE	#DIV/0!	10.3%	24.8%	14.3%	PERCENTAGE	#DIV/0!	10.3%	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		52,140	20,551	110,032	GAL PUMPED		52,140	18,084	255,858
GAL SOLD		45,672	17,024	92,149	GAL SOLD		45,672	17,118	223,618
GAL USED		1,115	452	2,034	GAL USED		1,115	489	6,381
GAL(LOSS)/GAIN	0	(5,353)	(3,075)	(15,849)	GAL(LOSS)/GAIN	0	(5,353)	(477)	(25,859)
PERCENTAGE	#DIV/0!	10.3%	15.0%	14.4%	PERCENTAGE	#DIV/0!	10.3%	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			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	17,157,769		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
Robin Pikal, Finance Director

DATE: April 21, 2025

SUBJECT: **Approval of Folding Machine Maintenance Contract Renewal**

The current maintenance contract for our folding machine with American Mailing Machines is set to expire on May 14, 2025. The annual cost of the current agreement is \$1,195.00. This agreement covers all parts and labor, unlimited service calls, preventative maintenance, and priority dispatch service.

The proposed renewal maintains the same annual rate of \$1,195.00, with no increase in cost.

RECOMMENDATION: Staff recommends approval of a 12-month folding machine maintenance agreement with American Mailing Machines.



New Prague Utilities/SMMPA College Scholarship Program

Scholarship

The New Prague Utilities/SMMPA scholarship program awards one \$1,000 scholarship for higher education each spring.

Eligible Schools and Areas of Study

The scholarship may be used at any accredited postsecondary educational institution in the State of Minnesota. The scholarship may be used for any program that ultimately provides a degree or a diploma.

Applicant Eligibility

Applicants must be high school graduates (past or anticipated) and must be (or have a parent or legal guardian that is) a customer of New Prague Utilities. There is no age limitation, but applicants must be enrolling at a higher education institution for the first time. Individuals that participated in a PSEO program in high school are eligible.

Application Submission Requirements

To apply, applicants must submit the following materials:

1. **Application Form** – Complete the official New Prague Utilities/SMMPA Scholarship application.
2. **Activity & Experience List** – Provide a summary of any academic achievements, extracurricular activities, volunteer work, community involvement, and/or work experience you would like to be considered.
3. **Essay** – Attach a 300-word essay on the importance of public service, focusing on your personal role in serving your community and how your continued education will benefit both your community and society as a whole. The essay must be:
 - Double-spaced
 - Font size 12
 - Submitted in Word (doc/docx) or PDF format
4. **Optional Supporting Materials** – Applicants may submit a letter of recommendation from a teacher, employer, or community leader, as well as transcripts or other documentation to support their application.

Submission Methods:

All materials must be submitted by **April 21st, 2025** via one of the following methods:

In Person: New Prague Utilities (118 Central Ave N, New Prague, MN 56071)

Mail: New Prague Utilities, Attn: Scholarship Committee, 118 Central Ave N, New Prague,

MN 56071

Email: Klee@ci.new-prague.mn.us (If submitting by email, a confirmation email will be sent. If not received, please call 952-758-4401 before the deadline.)

Selection

A local selection committee, consisting of New Prague Utilities staff and New Prague Utilities Commission board members, will review applications and announce the award by May 9th, 2025.

While academic success, extracurricular activities, volunteerism, community involvement, and work experience will be considered, the selection committee will place significant emphasis on applicants pursuing a degree or diploma in a utility-related field, such as:

- Electric line work
- Water operations
- Skilled trades (plumbing, electrical, HVAC, welding, mechanics)
- Business, accounting, or engineering

Disbursement Details

The scholarship will be paid in full directly to the recipient's educational institution upon receipt of an invoice from the institution confirming the recipient's enrollment.

- The invoice must show that the recipient is officially enrolled at the institution.
- If the scholarship recipient does not enroll at an eligible educational institution within two years, the scholarship award will expire.
- If the recipient chooses to defer enrollment, they must notify New Prague Utilities immediately.



RECEIVED
APR 16 2025
BY: _____



New Prague Utilities/SMMPA College Scholarship Program Application

Deadline to apply: April 21st, 2025

Scholarship Amount: \$1,000

Name

Telephone

Street Address

City, State, Zip

New Prague, Minnesota, 56071

College & Area of Study
(if known)

Minnesota State University, Mankato, biology

Graduation Year

2025

Parents Name

(if 18 or under)

Please list any academic achievements, extracurricular activities, volunteer activities, community involvement, or work experience that you would like to have considered as part of your application.

- "A" honor roll throughout highschool career
- Tutor, part of Stars tutoring program
- Clinical Assistant at Dr. Vayda's Orthodontic Office
- Community service for our Church parishioners
- Kolacky Days Volunteer
- Babysitting within and out of community

Please attach a 300-word essay on the importance of public service and how your continued education will benefit your community and society as a whole.

New Prague Utilities Essay

During high-school, I've had various opportunities inside and outside the community of New Prague that I've taken advantage of. It all started in the beginning of high-school when I was getting confirmed at St. Wenceslaus. In the process of getting confirmed, you need to volunteer and be part of the church. Helping people within the church has definitely encouraged me to keep serving others, even when I was done with confirmation.

So I continued to serve people by babysitting and dogs sitting within the community. I also started to venture out into other communities like Montgomery. Specifically, I helped out with Montgomery's Kolacky Days. I helped set up for the weekend celebration and volunteered at the car show, where I met the most generous people. My most recent service has been tutoring people at NPHS. I enjoy working with other students to teach them effective study skills and learning complex material. If I am not tutoring students after school, I am working at Dr. Vayda Orthodontist. This is where I learn the importance of working together and communication.

Furthermore, I am continuing my education at Minnesota State University, Mankato. This is where I will major in biology. In my future, I will be working somewhere in the healthcare field. Ever since I was young, I always knew I wanted to go into this field. In healthcare, you have so many opportunities to meet new people and make a difference within an individual's life.

So I will take everything I have learned from the New Prague community to put my best foot forward when stepping into my future. This proves the importance of community work. It helps to better shape people to who they are today. Community service can possibly teach people the importance of working with others and effectively overcome obstacles.

District Name: NEW PRAGUE AREA SCHOOLS

District Number: 0721

New Prague High School Official Transcript

School CEEB Code: 241820 Tel: (952)758-1200 Fax: (952)758-1299

221 12th St. NE, New Prague, MN 56071

1400 12th St SE, New Prague, MN 56071

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Student Information		#29 New Prague High School		
		Course	Mark	Weight Credit
		2023-2024 Grade 11 Term 1		
		Psychology	A	1.0000 1
		US Literature & Composition A	A	1.0000 1
		Credit: 6.000 GPA: 3.972		
		2023-2024 Grade 11 Term 2		
		Business and Criminal Law	A	1.0000 1
		Chemistry B	A-	1.0000 1
		Economics Hybrid	A	1.0000 1
		Human Geography	A	1.0000 1
		Pre-Calculus B	A	1.0000 1
		US Literature & Composition B	A	1.0000 1
		Credit: 6.000 GPA: 3.944		
		2024-2025 Grade 12 Term 1		
		AP Statistics A	A	1.0000 1
		CIS Public Speaking	A-	1.0000 1
		College Biology 100	A	1.0000 1
		College Political Science	A-	1.0000 1
		Diverse Perspectives	A	1.0000 1
		Credit: 5.000 GPA: 4.268		
GPA Summary		Credit Summary		
Cumulative GPA (Weighted)	3.966			
Class Rank	32 of 306			
Enrollment Summary				
Start/End Date	Grade	School		
08/26/2019-05/28/2020	07	New Prague Middle School		
09/03/2020-05/27/2021	08	New Prague Middle School		
08/30/2021-05/26/2022	09	New Prague High School		
08/29/2022-05/25/2023	10	New Prague High School		
08/28/2023-01/12/2024	11	New Prague High School		
01/16/2024-05/23/2024	11	New Prague High School		
08/26/2024-01/17/2025	12	New Prague High School		
01/21/2025-	12	New Prague High School		
#29 New Prague High School				
Course	Mark	Weight	Credit	
2021-2022 Grade 09 Term 1				
9 Literature and Composition A	A	1.0000	1	
Ceramics: Wheel Throwing	A	1.0000	1	
Freshman Social Seminar	A	1.0000	1	
Geometry 9A	B+	1.0000	1	
Intro To Physics	A-	1.0000	1	
Spanish I A	A	1.0000	1	
Technology Exploration	A	1.0000	1	
Credit: 7.000 GPA: 3.857				
2021-2022 Grade 09 Term 2				
9 Literature and Composition B	A	1.0000	1	
Fitness For Life	A	1.0000	1	
Geometry 9B	A	1.0000	1	
Intro To Chemistry	A	1.0000	1	
Spanish I B	B+	1.0000	1	
World History	A-	1.0000	1	
Credit: 6.000 GPA: 3.833				
2022-2023 Grade 10 Term 1				
10 Literature and Composition	A	1.0000	1	
Biology Macro	A	1.0000	1	
Foods I	A	1.0000	1	
Growth Of America	A	1.0000	1	
Honors Algebra IIA	A	1.0000	1	
Spanish II A	A	1.0000	1	
Wellness	A	1.0000	1	
Credit: 7.000 GPA: 4.000				
2022-2023 Grade 10 Term 2				
10 Communication Studies	A	1.0000	1	
Biology Micro	A	1.0000	1	
Ceramics: Hand Building	A	1.0000	1	
Honors Algebra IIB	A	1.0000	1	
Intro To Business	A-	1.0000	1	
Modern America	A	1.0000	1	
Spanish II B	A	1.0000	1	
Credit: 7.000 GPA: 3.952				
2023-2024 Grade 11 Term 1				
Chemistry A	A-	1.0000	1	
CIS Psychology	A	1.0000	1	
Human Anatomy & Physiology	A-	1.0000	1	
Pre-Calculus A	A	1.0000	1	
HS Credits				
Business Education	3.000	3.000		
Fine Arts	2.000	2.000		
Language Arts	7.000	7.000		
Mathematics	7.000	7.000		
Physical Education	2.000	2.000		
Science	8.000	8.000		
Social Studies	10.000	10.000		
Vocational Arts	1.000	1.000		
World Language	4.000	4.000		
Total	44.000	44.000		
Total Credits	44.000	44.000		
Comments				
Note: Grades that are documented during the time period of March 16 through June 30 of 2020 reflect the distance learning period resulting from the COVID-19 pandemic. Future use of these grades for academic placement, admission, acceleration, or remediation is discouraged and should only be used with caution after balancing the information against student performance in other grading periods.				

Official's Signature

November 20, 2024

To whom it may concern,

This is a letter of recommendation for [redacted] I am Dr. Douglas Vayda, a practicing orthodontist. [redacted] has worked at my office for the past 3½ years. She has worked with myself, my associate, Dr. Zach Slama, and 10 staff members; consisting of the office manager, receptionist and dental assistants.

[redacted] is a clinical assistant for the office. Her responsibilities include organizing the clinical supplies, light cleaning, disinfecting dental operatories, aiding the staff and sterilizing the dental instruments for the clinic. She has worked after school throughout the academic year and full days during school breaks and the summer break.

Let me begin by saying that [redacted] is a terrific employee in every possible way and that it has been a pleasure to have her work at the office. I will try to summarize her positive attributes. She is always on time and arrives in a good mood with a positive attitude. I don't believe that she has missed a single day of work since she started. She is a quick learner and willing to take on any new task. [redacted] has an attention to detail and follows through with her assignments. She is a self starter and hard worker.

In conclusion, [redacted] has all of the personal attributes needed to accomplish her goals in life. I am confident that she will be successful in whatever field that she chooses.

Sincerely,

A handwritten signature in black ink that reads 'Doug Vayda'.

Douglas Vayda, DDS., DMSc.

EDEN PRAIRIE

8200 Commonwealth Dr.
Eden Prairie, MN 55344
(952) 829-0686

SHAKOPEE

1335 10TH Ave East
Shakopee, MN 55379
(952) 445-7700

NEW PRAGUE

101 Central Ave. N
New Prague, MN 56071
(952) 758-6999

CHASKA

1475 White Oak Dr.
Chaska, MN 55318
(952) 361-5550



City of New Prague

2024 Financial Statement Audit

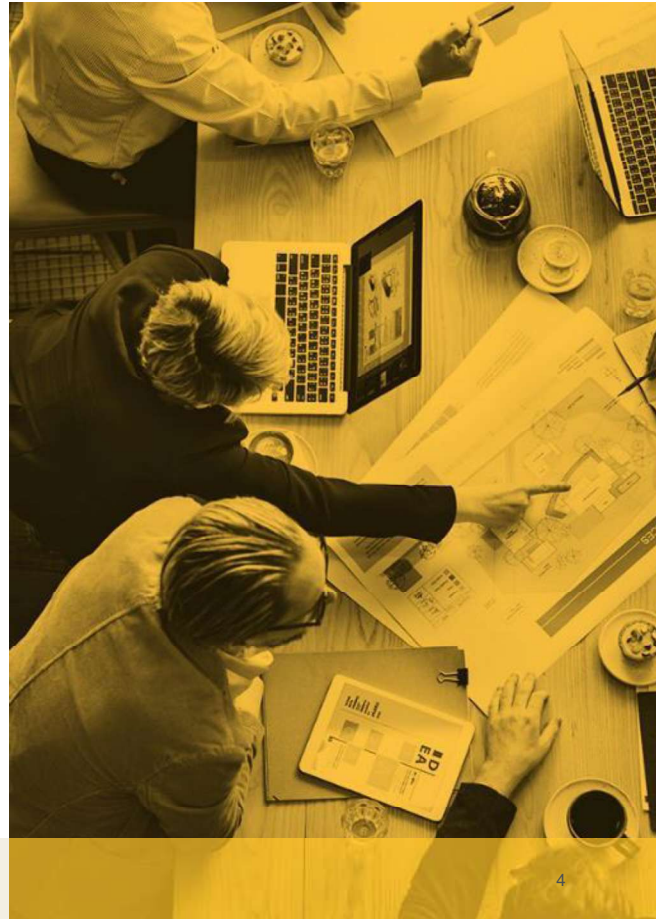


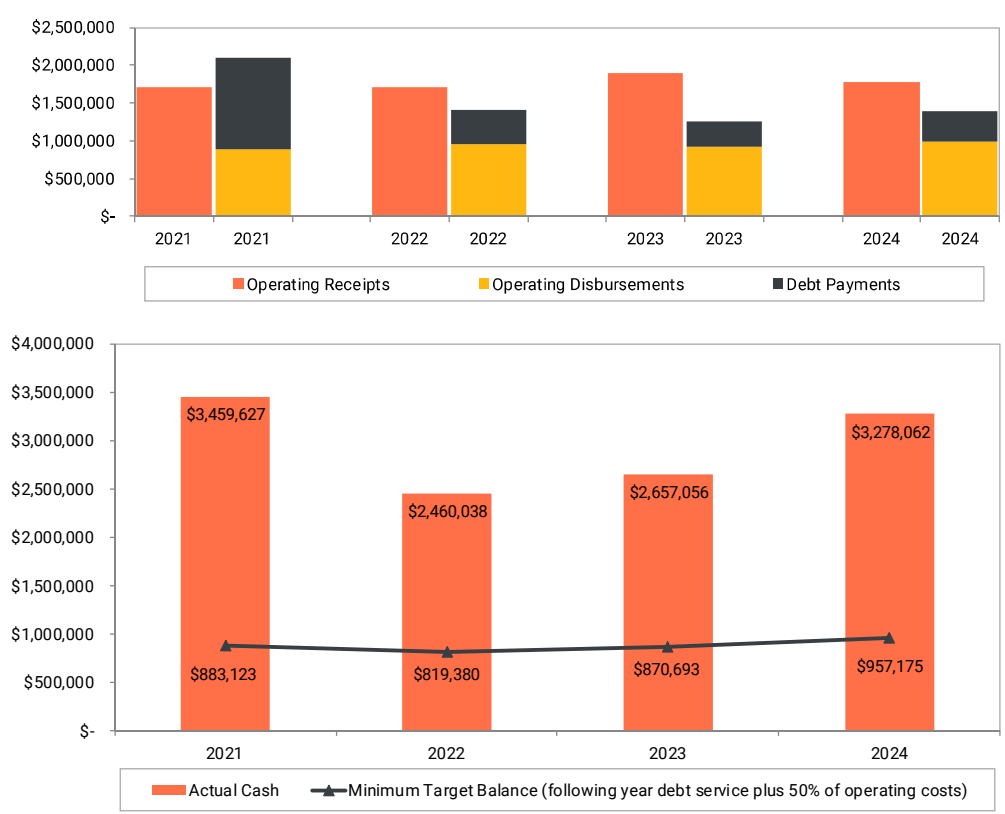
Audit Results

2024 Audit Findings

- Limited Segregation of Duties
 - Internal Control Finding
- Material Audit Adjustments
 - Internal Control Finding
- Enrollment within PERA system finding
 - Internal Control Finding

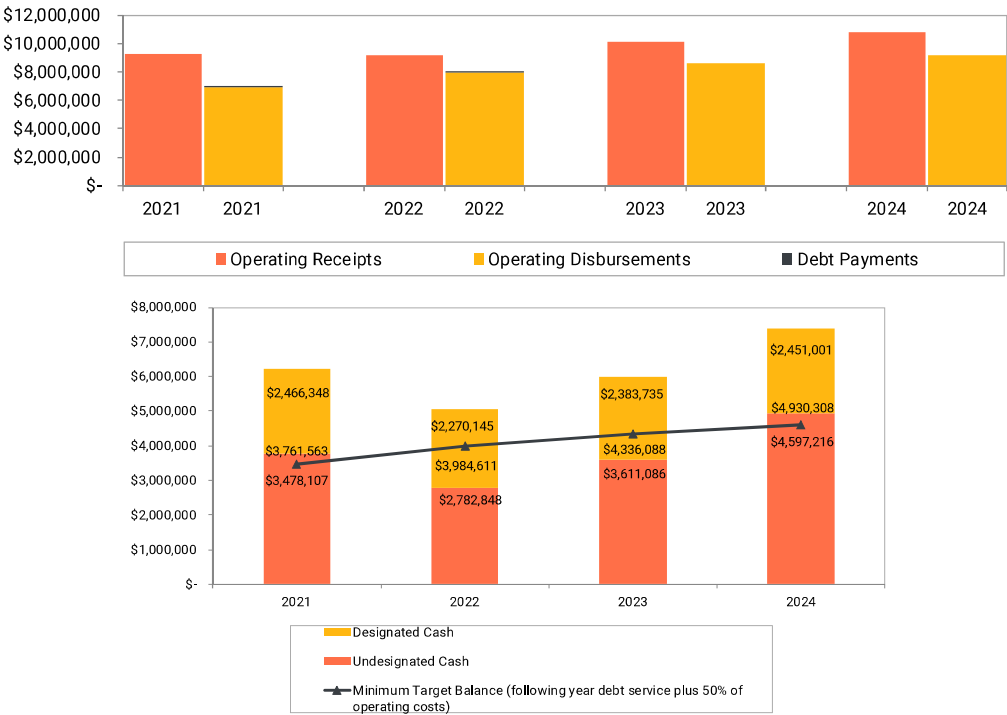
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Water Utility Fund

Cash Flows from Operations and Cash Balances



Electric Utility Fund

Cash Flows from Operations and Cash Balances

City of New Prague, Minnesota
Statement of Net Position
Proprietary Funds
December 31, 2024

Section 8, Item b.

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Other Enterprise Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Assets						
Current Assets						
Cash and temporary investments						
Undesignated	\$ 3,278,062	\$ 4,930,308	\$ 8,208,370	\$ 7,816,268	\$ 1,937,623	\$ 17,962,261
Designated	-	2,451,001	2,451,001	870,000	-	3,321,001
Receivables						
Accounts, net of allowance	215,610	1,502,140	1,717,750	288,080	35,244	2,041,074
Special assessments - current portion	38,876	705	39,581	21,646	-	61,227
Intergovernmental	3,236	76,681	79,917	9,261	2,177	91,355
Inventories	79,718	1,175,700	1,255,418	-	72,328	1,327,746
Prepaid items	-	1,227	1,227	-	-	1,227
Total Current Assets	<u>3,615,502</u>	<u>10,137,762</u>	<u>13,753,264</u>	<u>9,005,255</u>	<u>2,047,372</u>	<u>24,805,891</u>
Noncurrent Assets						
Special assessments receivable - net of current portion	634,609	-	634,609	376,568	-	1,011,177
Capital assets						
Land	79,520	41,648	121,168	56,980	-	178,148
Construction in progress	51,632	579,472	631,104	100,312	23,875	755,291
Land improvements	-	-	-	-	910,290	910,290
Buildings	5,973,505	9,320,325	15,293,830	27,964,822	1,094,511	44,353,163
Infrastructure	12,516,466	14,416,301	26,932,767	8,571,632	8,777,601	44,282,000
Machinery and equipment	367,306	2,401,553	2,768,859	13,932,438	1,807,088	18,508,385
Less accumulated depreciation	(9,365,070)	(16,567,723)	(25,932,793)	(24,245,847)	(7,085,381)	(57,264,021)
Total Capital Assets (net of accumulated depreciation)	<u>9,623,359</u>	<u>10,191,576</u>	<u>19,814,935</u>	<u>26,380,337</u>	<u>5,527,984</u>	<u>51,723,256</u>
Total Noncurrent Assets	<u>10,257,968</u>	<u>10,191,576</u>	<u>20,449,544</u>	<u>26,756,905</u>	<u>5,527,984</u>	<u>52,734,433</u>
Total Assets	<u>13,873,470</u>	<u>20,329,338</u>	<u>34,202,808</u>	<u>35,762,160</u>	<u>7,575,356</u>	<u>77,540,324</u>
Deferred Outflows of Resources						
Deferred other post employment benefit resources	2,308	4,870	7,178	2,723	1,470	11,371
Deferred pension resources	33,130	100,865	133,995	51,169	40,206	225,370
Total Deferred Outflows of Resources	<u>35,438</u>	<u>105,735</u>	<u>141,173</u>	<u>53,892</u>	<u>41,676</u>	<u>236,741</u>
Liabilities						
Current Liabilities						
Accounts and contracts payable	9,138	949,362	958,500	88,623	25,601	1,072,724
Due to other governments	7,275	983	8,258	26,689	3,312	38,259
Accrued interest payable	56,456	-	56,456	332,725	37,326	426,507
Accrued wages payable	12,579	33,358	45,937	12,718	7,403	66,058
Accrued compensated absences payable	31,644	59,637	91,281	24,744	5,239	121,264
Customer deposits payable	25,529	109,043	134,572	48,189	66,592	249,353
Unearned revenue	-	-	-	-	153,093	153,093
Other post employment benefits	1,193	2,517	3,710	1,408	759	5,877
Current portion of bonds payable	323,552	-	323,552	1,474,774	204,206	2,002,532
Total Current Liabilities	<u>467,366</u>	<u>1,154,900</u>	<u>1,622,266</u>	<u>2,009,870</u>	<u>503,531</u>	<u>4,135,667</u>
Noncurrent Liabilities						
Accrued compensated absences payable	39,460	95,841	135,301	38,587	9,984	183,872
Bonds payable - net of current portion	3,898,127	-	3,898,127	24,140,510	2,118,177	30,156,814
Net pension liability	168,984	514,464	683,448	199,362	148,402	1,031,212
Other post employment benefits	16,885	35,626	52,511	19,920	10,753	83,184
Total Noncurrent Liabilities	<u>4,123,456</u>	<u>645,931</u>	<u>4,769,387</u>	<u>24,398,379</u>	<u>2,287,316</u>	<u>31,455,082</u>
Total Liabilities	<u>4,590,822</u>	<u>1,800,831</u>	<u>6,391,653</u>	<u>26,408,249</u>	<u>2,790,847</u>	<u>35,590,749</u>
Deferred Inflows of Resources						
Deferred other post employment benefit resources	4,913	10,366	15,279	5,796	3,128	24,203
Deferred pension resources	112,639	342,924	455,563	147,060	122,699	725,322
Total Deferred Inflows of Resources	<u>117,552</u>	<u>353,290</u>	<u>470,842</u>	<u>152,856</u>	<u>125,827</u>	<u>749,525</u>
Net Position						
Net investment in capital assets	5,401,680	10,191,576	15,593,256	765,053	3,205,601	19,563,910
Unrestricted	3,798,854	8,089,376	11,888,230	8,489,894	1,494,757	21,872,881
Total Net Position	<u>\$ 9,200,534</u>	<u>\$ 18,280,952</u>	<u>\$ 27,481,486</u>	<u>\$ 9,254,947</u>	<u>\$ 4,700,358</u>	<u>\$ 41,436,791</u>

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

City of New Prague, Minnesota
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

Section 8, Item b.

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Operating Revenues						
Sales	\$ -	\$ -	\$ -	\$ -	\$ 499,714	\$ 499,714
Cost of sales	-	-	-	-	(242,775)	(242,775)
Gross profit	-	-	-	-	256,939	256,939
Charges for services	1,773,289	10,667,220	12,440,509	3,591,797	1,353,571	17,385,877
Miscellaneous	-	-	-	-	20,704	20,704
Total Operating Revenues	1,773,289	10,667,220	12,440,509	3,591,797	1,631,214	17,663,520
Operating Expenses						
Purchases and generation	108,844	7,244,488	7,353,332	-	-	7,353,332
Transmission and distribution	389,838	93,997	483,835	-	-	483,835
Administration and general	406,814	1,629,790	2,036,604	-	-	2,036,604
Salaries and benefits	-	-	-	653,854	790,421	1,444,275
Supplies	-	-	-	322,736	142,230	464,966
Other services and charges	-	-	-	200,912	186,571	387,483
Insurance	-	-	-	56,327	16,904	73,231
Utilities	-	-	-	354,940	89,743	444,683
Depreciation	516,951	750,696	1,267,647	1,609,740	406,747	3,284,134
Total Operating Expenses	1,422,447	9,718,971	11,141,418	3,198,509	1,632,616	15,972,543
Operating Income (Loss)	350,842	948,249	1,299,091	393,288	(1,402)	1,690,977
Nonoperating Revenues (Expenses)						
Intergovernmental	37,523	23,433	60,956	28,879	95,083	184,918
Investment income	120,226	222,950	343,176	351,020	80,187	774,383
Miscellaneous income	12,940	101,263	114,203	297	-	114,500
Water meter sales	5,820	-	5,820	-	-	5,820
Refunds and reimbursements	-	-	-	226	-	226
Gain (loss) on disposal of capital assets	-	8,015	8,015	-	142,237	150,252
Bond issuance expense	(16,687)	-	(16,687)	(14,988)	(12,400)	(44,075)
Interest expense	(125,956)	(8,988)	(134,944)	(922,192)	(81,871)	(1,139,007)
Amortization of bond premium	34,425	-	34,425	23,372	23,052	80,849
Total Nonoperating Revenues (Expenses)	68,291	346,673	414,964	(533,386)	246,288	127,866
Income (Loss) Before Contributions and Transfers	419,133	1,294,922	1,714,055	(140,098)	244,886	1,818,843
Capital Contributions						
Hookup charges	46,566	-	46,566	131,289	-	177,855
Special assessments	308,200	-	308,200	196,710	-	504,910
Other entities	-	175,793	175,793	-	-	175,793
Total Capital Contributions	354,766	175,793	530,559	327,999	-	858,558
Transfers In	-	-	-	-	41,946	41,946
Transfers Out	-	(40,000)	(40,000)	-	-	(40,000)
Total Transfers	-	(40,000)	(40,000)	-	41,946	1,946
Change in Net Position	773,899	1,430,715	2,204,614	187,901	286,832	2,679,347
Net Position, January 1	8,426,635	16,850,237	25,276,872	9,067,046	4,413,526	38,757,444
Net Position, December 31	\$ 9,200,534	\$ 18,280,952	\$ 27,481,486	\$ 9,254,947	\$ 4,700,358	\$ 41,436,791

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

City of New Prague, Minnesota
Statement of Cash Flows (Continued on the Following Pages)
Proprietary Funds
For the Year Ended December 31, 2024

Section 8, Item b.

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,772,877	\$ 10,721,928	\$ 12,494,805	\$ 3,581,550	\$ 1,892,787	\$ 17,969,142
Payments to suppliers and vendors	(421,517)	(7,817,567)	(8,239,084)	(946,728)	(745,344)	(9,931,156)
Payments to and on behalf of employees	(563,737)	(1,376,864)	(1,940,601)	(649,501)	(795,568)	(3,385,670)
Other receipts	12,940	101,263	114,203	523	22,401	137,127
Net Cash Provided (Used) by Operating Activities	800,563	1,628,760	2,429,323	1,985,844	374,276	4,789,443
Cash Flows from Noncapital Financing Activities						
Grants received	37,523	23,433	60,956	28,879	95,083	184,918
Transfers from other funds	-	-	-	-	41,946	41,946
Transfers to other funds	-	(40,000)	(40,000)	-	-	(40,000)
Net Cash Provided (Used) by Noncapital Financing Activities	37,523	(16,567)	20,956	28,879	137,029	186,864
Cash Flows from Capital Financing Activities						
Special assessment receipts	113,930	-	113,930	57,016	-	170,946
Capital contributions from other entities	-	175,793	175,793	-	-	175,793
Proceeds from bonds issued, net of discount/premiums	888,331	-	888,331	801,900	663,472	2,353,703
Acquisition and construction of capital assets	(963,185)	(623,475)	(1,586,660)	(742,647)	(706,816)	(3,036,123)
Proceeds from the disposal of capital assets	-	8,015	8,015	-	-	8,015
Principal paid on bonds	(290,980)	-	(290,980)	(1,418,577)	(174,348)	(1,883,905)
Interest paid on bonds and notes	(114,629)	(8,988)	(123,617)	(927,328)	(77,968)	(1,128,913)
Issuance costs paid on bonds	(16,687)	-	(16,687)	(14,988)	(12,400)	(44,075)
Hookup charges	45,914	-	45,914	131,289	-	177,203
Net Cash Provided (Used) by Capital Financing Activities	(337,306)	(448,655)	(785,961)	(2,113,335)	(308,060)	(3,207,356)
Cash Flows From Investing Activities						
Interest received	120,226	222,950	343,176	351,020	80,187	774,383
Net Increase (Decrease) in Cash and Cash Equivalents	621,006	1,386,488	2,007,494	252,408	283,432	2,543,334
Cash and Cash Equivalents, January 1,	2,657,056	5,994,821	8,651,877	8,433,860	1,654,191	18,739,928
Cash and Cash Equivalents, December 31,	<u>\$ 3,278,062</u>	<u>\$ 7,381,309</u>	<u>\$ 10,659,371</u>	<u>\$ 8,686,268</u>	<u>\$ 1,937,623</u>	<u>\$ 21,283,262</u>
Cash and Cash Equivalents						
Undesignated	\$ 3,278,062	\$ 4,930,308	\$ 8,208,370	\$ 7,816,268	\$ 1,937,623	\$ 17,962,261
Designated	-	2,451,001	2,451,001	870,000	-	3,321,001
Total Cash and Cash Equivalents	<u>\$ 3,278,062</u>	<u>\$ 7,381,309</u>	<u>\$ 10,659,371</u>	<u>\$ 8,686,268</u>	<u>\$ 1,937,623</u>	<u>\$ 21,283,262</u>

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

New Prague Utilities Commission
New Prague, Minnesota
Electric Utility Fund
Schedules of Operating Revenues
(Unaudited)
For the Years Ended December 31, 2024 and 2023

Section 8, Item b.

	2024		
	K.W.H. Sold	Income	Average Income Per K.W.H. Sold
Type of Service			
Residential	26,654,741	\$ 4,220,675	\$ 0.15835
Commercial phase 1	1,965,305	659,330	0.33548
Commercial phase 3	2,021,256	-	-
Commercial interruptible	89,400	8,990	0.10056
Small industrial	14,839,544	1,892,282	0.12752
Industrial	21,451,340	2,489,544	0.11606
Other departments	1,067,624	125,246	0.11731
Street lights	292,720	53,588	-
Security lights	-	5,300	-
Unbilled revenue	-	31,671	-
Total Sales	<u>68,381,930</u>	<u>\$ 9,486,626</u>	<u>\$ 0.13873</u>
Total K.W.H. - Generated	956,100		
Total K.W.H. - Purchases	<u>71,117,207</u>		
Total K.W.H.	<u>72,073,307</u>		
Distribution Lost	<u>3,691,377</u>		
Percentage of Distribution Lost	<u>5.1%</u>		
Cost of Power Purchased	<u>\$ 6,297,477</u>		
Average Cost Per K.W.H. Purchased	<u>\$ 0.08855</u>		

2023		
K.W.H. Sold	Income	Average Income Per K.W.H. Sold
28,311,052	\$ 4,209,140	\$ 0.14867
2,104,161	615,990	0.29275
1,874,274	-	-
123,000	11,623	0.09450
15,530,382	1,835,814	0.11821
21,835,800	2,383,440	0.10915
1,265,866	142,813	0.11282
424,992	64,064	0.15074
-	5,011	-
-	(101,666)	-
<u>71,469,527</u>	<u>\$ 9,166,229</u>	<u>\$ 0.12825</u>
807,700		
<u>72,260,959</u>		
<u>73,068,659</u>		
<u>1,599,132</u>		
<u>2.2%</u>		
<u>\$ 6,638,267</u>		
<u>\$ 0.09187</u>		

New Prague Utilities Commission
New Prague, Minnesota
Water Fund
Schedules of Operations Statement Per 1,000 Gallons
(Unaudited)
For the Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Water sales		
Residential	\$ 5.67094	\$ 5.34928
Commercial	2.06843	2.50004
Other departments	0.04690	0.01067
Unbilled revenue	0.01400	(0.04291)
Other operating revenues	0.07625	0.07706
Total Operating Revenues	<u>7.87652</u>	<u>7.89415</u>
Operating Expenses		
Power for pumping	0.48346	0.55406
Maintenance - wells, pumps, and storage facilities	0.09472	0.05607
Maintenance - water main	0.02025	0.10131
Purification	0.25076	0.28937
Distribution	1.36583	1.32241
Salaries	0.79623	0.74694
General expenses	0.24001	0.24698
Professional fees	0.16463	0.07181
Insurance	0.17611	0.09341
Employee pension and benefits	0.22267	0.47674
Maintenance - general property	0.20731	0.07838
Depreciation	2.29617	1.82176
Total Operating Expenses	<u>6.31815</u>	<u>5.85924</u>
Operating Income	<u>1.55837</u>	<u>2.03491</u>
Nonoperating Income (Expenses)		
Investment income (loss)	0.53401	0.38358
State aid	0.03419	0.00015
Other income	0.05748	0.06951
Water meter income	0.02585	0.02838
Hookup fees	0.20683	0.14248
Water access charges	-	0.01703
Special assessments	1.36895	0.39075
Intergovernmental	0.13248	-
Interest expense	(0.55947)	(0.44897)
Bond issuance costs	(0.07412)	(0.06329)
Amortization expense	0.15291	0.13048
Total Nonoperating Income (Expenses)	<u>1.87911</u>	<u>0.65010</u>
Change in Net Position	<u>\$ 3.43748</u>	<u>\$ 2.68501</u>
1,000 Gallons Sold	<u>225,136</u>	<u>237,904</u>



Executive Governance Summary

City of New Prague
New Prague, Minnesota

For the year ended December 31, 2024



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

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

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

March 24, 2025

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

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of New Prague, Minnesota (the City), for the year ended December 31, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 26, 2024. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Findings

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify one deficiency in internal control that we consider to be material weaknesses described in the following pages as item 2024-002. We also identified certain significant deficiencies as items 2024-001, and 2024-003.

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

Internal Control Over Cash Receipts

Cause: The City does not have consistent oversight related to the golf course cash receipt activity.

Recommendation: We recommend the City review current controls and implement additional procedures to provide further oversight of the golf course.

Management Response:

The City is aware of the inconsistencies at the golf course and will review current procedures and implement new controls where possible.

2024-002

Material Audit Adjustments

Condition: Adjustments were needed to allocate capital project activity for the 2025 street project.

Criteria: The financial statements are the responsibility of the City's management.

Cause: The financial statements required material audit adjustments to be reasonably stated.

Effect: This indicated that it would be likely that a misstatement may occur and not be detected by the City's system of internal control. The audit firm cannot serve as a compensating control over this deficiency.

Recommendation: We recommend that management review large capital projects and obtain project breakouts from the engineer on a regular basis.

Management response:

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

2024-003

Online PERA enrollment

Condition: Employees who were terminated were not terminated within the PERA website.

Criteria: Terminated employees are required to be terminated within the PERA system upon termination from the city.

Cause: It appears the city did not review terminated employees within the PERA system. Ultimately it is the City's responsibility to ensure they are terminated within the PERA system.

Effect: As a result the City did not terminate employees within the system, showing they are still getting PERA and could be subject to penalty.

Recommendation: We recommend that management review employees within the PERA system to ensure their status is accurate.

Management response:

The City will review the employees within the PERA system and adjust status as needed.

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

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. The City changed accounting policies during the year ended December 31, 2024 related to the accounting and financial reporting for accounting changes and error corrections (GASB 100) and compensated absences (GASB 101). We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City's budget and are derived from each employee's estimated time to be spent serving in the respective function of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of future paid sick time usage is based on historical usage data.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectancy, turnover, and healthcare cost trend rates.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

- To adjust capital asset balances.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 24, 2025.

Management Consultations with Other Independent Accountants

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

Other Matters

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

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

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

Future Accounting Standard Changes

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

GASB Statement No. 102 – <i>Certain Risk Disclosures</i>	<i>Effective: 12/31/2025</i>
GASB Statement No. 103 – <i>Financial Reporting Model Improvements</i>	<i>Effective: 12/31/2026</i>
GASB Statement No. 104 – <i>Disclosure of Certain Capital Assets</i>	<i>Effective: 12/31/2026</i>

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


* * * * *

Restriction on Use

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

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

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


Abdo
Mankato, Minnesota
March 24, 2025



SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
March 12, 2025

President Moulton called the meeting to order at 9:00 a.m. at the Litchfield Eagles Club in Litchfield, Minnesota.

Mr. Geers, Litchfield Public Utilities Operations Engineer, welcomed the members to Litchfield.

Board Members Present:

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

Board Member Present Via Conference Call:

Timothy M. McCollough, Rochester.

Others Present:

David P. Geschwind, Executive Director & CEO; Mike Geers, Litchfield; Keith Butcher, Princeton; Jason Halvorson, Redwood Falls; Chris Rolli, Spring Valley; Craig Anderson, Wells; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, Seth T. Koneczny, Rebecca J. Schmitz, and Jeremy B. Sutton of the Agency staff.

Others Present Via Conference Call:

Jerry Mausbach, Blooming Prairie; Miles Heide, Julie Zarling, Fairmont; Shane Steele, Grand Marais; Mitchell Rigelman, Lake City; and Joe Kohlgraf, Mora.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the February 12, 2025 board meeting minutes.

#3 Financial Forecast Assumptions-Schmitz:

Ms. Schmitz reviewed the annual financial planning calendar and presented the proposed financial assumptions and scenarios for the upcoming financial forecast.

Financial Planning Calendar

- May – Develop short-term forecast (formerly five-year). Budget preparation begins.
- June – Short-term forecast to board.
- August – Load forecast summary to board.
- September – Budget and rates preview. Budget & Rates Workshop.
- October – Budget and rates for board approval.
- November – Develop long-term forecast.
- December – Long-term forecast to board.

Projected General Operating Reserves target includes a 3.3% inflationary increase in 2025. Data from the Bureau of Labor Statistics and Energy Information Administration (EIA) is used to apply inflation rate historical averages for the next year, and EIA forecasted inflation is used for subsequent years.

Sherco 3 planned outage is scheduled from February 2026 into May 2026, which will require the Agency to purchase replacement capacity.

Recommended Forecast Case Run Options

- Base case.
- High LMPs and natural gas prices.
- Sherco 3 unavailable for 6 months.
- Large weather event LMPs.

After discussion, these assumptions and sensitivities will be used in the short-term forecast. It was suggested that a case be built around Sherco 3 being unavailable for 6 months and a large weather event occurring during that time.

#4 Debt Retirement and Future Rates Continued-Fondell:

Ms. Fondell reported on the continued debt retirement and future rates discussion.

The Agency is evaluating how to adjust rates to reflect the decrease in debt service from the maturity of the 1994 bonds used to refinance the original Sherco 3 debt, followed by cost increases from MISO capacity requirements, new bond issuances, and additional renewable resources.

There is general agreement that retail customers of the Agency's members would prefer smooth or stable rates as opposed to rates that change significantly from year to year. Accordingly, Agency-managed rate smoothing and member-managed rate smoothing options were reviewed.

Discussion.

There was board consensus for the Agency staff to proceed with further developing the member-managed rate smoothing option. Under such an approach, the Agency would adjust rates each year as necessary to reflect changes in costs, and Agency members would internally manage any rate-smoothing efforts.

Ms. Fondell will request feedback from the members to determine interest in having a

prepayment option available. If there is interest, Agency staff will begin working on updating the 1988 Power Bill Pre-Payment Program.

#5 NERC Compliance Review-Koneczny:

Mr. Koneczny reported on the NERC compliance activities. SMMPA is subject to certain mandatory standards to ensure the reliability and security of the electric grid.

2024 NERC Audit

In May 2024, Midwest Reliability Organization staff performed an audit of the Agency's compliance program and there were no findings.

SMMPA/Utility Services, Inc.

Mr. Shawn Timbers, SMMPA NERC Regulatory Compliance Program Manager, has been a valuable addition to the SMMPA team. In 2021, SMMPA contracted with Utility Services, Inc. to assist with NERC compliance efforts and in September 2024 SMMPA shifted away from Utility Services, Inc.

Wildfire Mitigation Plan

Wildfire Mitigation Plan coordination continues with facility operators (Xcel Energy, Great River Energy, and Dairyland Power Cooperative).

Discussion.

FERC Order 881 Compliance

Transmission lines are traditionally rated on two seasons (Summer and Winter), with fixed ambient temperature assumptions. FERC Order 881 requires transmission providers to begin using ambient-adjusted ratings (AAR). SMMPA will utilize various Transmission Operators as the ratings providers for submission of ratings to MISO. The FERC Order requires compliance by summer 2025.

After a short break, the board reconvened at 10:44 a.m.

#6 Quick Start Contract-Sutton:

Mr. Sutton reported on the Quick Start Contract.

The Quick Start Working Group met on February 5, 2025 to review the contract language and reflect on the change in the MISO accreditation rules and how that should be incorporated into the new contract.

The draft Quick Start Contract will be sent to the members to review.

Discussion.

This topic will be brought to the April board meeting for approval depending on feedback from the members.

#7 Vestas Maintenance Agreement-Sutton:

Mr. Sutton reported on the Vestas Maintenance Agreement.

The wind turbine service and maintenance agreement for the six Agency-owned wind turbines expired. Vestas no longer offers “full coverage” and will only cover preventative maintenance activities. Remote monitoring remains in place 24/7, responding to event codes, clearing them remotely, and having personnel onsite during normal business hours, if needed.

New Contract:

- \$66,788 per wind turbine per year.
- Contract price increases by:
 - Measured Cost Increase Percentage =
 - (Labor Increase x 0.75) + (Materials Increase x 0.25)
 - Labor = Employment Cost Index
 - Material = Producer Price Index

Discussion.

Next Steps

- Negotiate final terms of contract.
- Ensure the termination clause allows for the decommissioning of the turbine in the event repair would be deemed too costly to remain in service.
- Future repairs beyond the scope of the maintenance contract would be individually evaluated.

#8 Steele Energy Station (SES) Property Tax Exemption-Hoffman:

Mr. Hoffman reported on the Steele Energy Station (SES) property tax exemption.

SMMPA plans to construct a combustion turbine generation facility fueled by natural gas with expected capacity of 49 MW on the western edge of Owatonna, Minnesota.

The Agency met with House Tax Committee Chair Rep. Greg Davids (R-Preston) to initiate the tax exemption process. Senator Jasinski (R-Faribault) representing the Owatonna community agreed to be the chief author of the bill in the Senate.

Discussion.

SES commercial operation is anticipated in 2028, so the Agency has some flexibility regarding the timing of when the exemption is granted.

President Moulton thanked Mr. Hoffman for his efforts.

#9 SMMPA Board Treasurer-Board of Directors:

Mr. Bakken moved to appoint Mr. Reimers, New Prague, as treasurer for the Board of Directors of Southern Minnesota Municipal Power Agency replacing Mr. Jensen, seconded by

Mr. Warehime, 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.

MPCA New Carbon-Free Standard

The Minnesota Department of Commerce submitted comments that the Minnesota Public Utilities Commission should require hourly matching of RECs, as opposed to annual matching, for utilities to demonstrate compliance with the new carbon-free standard. SMMPA expects to sign the joint letter of IOUs, G&Ts, and other joint action agencies to share concerns with the proposal.

Federal Continuing Resolution

The House is proposing a “clean” Continuing Resolution to fund the government through September 30, 2025. To reduce the federal budget deficits, the Community Funding Projects may be eliminated, which earmarked projects in some member communities.

APPA Legislative Rally

SMMPA members from Austin, Blooming Prairie, Owatonna, Rochester, and Saint Peter, along with SMMPA staff, attended the APPA Legislative Rally February 24-26, 2025 in Washington, D.C.

SMMPA Member Orientation

SMMPA Member Orientation will be held April 3, 2025. A virtual meeting option will be available.

SMMPA Member Scholarship Program

Members may tailor the scholarship program to their needs and may contact SMMPA for assistance.

Operations Report-Sutton:

Mr. Sutton reported:

Solar Turbine Procurement Contract Update

The Solar Turbine Procurement Contract for the Steele Energy Station Project was signed on February 28, 2025. The total engine amount is \$37,540,806. Four generator step-up transformer bids are being reviewed. Anticipate filing full air permit before the end of the month.

Meter Replacement Project

Replacing and upgrading metering equipment at members’ power plants and substations. SMMPA will begin the project in North Branch so we can work out any obstacles that we encounter without causing issues with city loads and MISO before continuing with the other locations.

Sherco 3 Outage Capacity Replacement

The Sherco 3 planned outage is scheduled from February 21, 2026 through May 22, 2026, which will create capacity issues. This year's change at the 2025 planning resource auction is the implementation of MISO's new reliability-based demand curve. The change would make capacity more expensive, encouraging utilities to add generation. The Energy Authority (TEA) recommends having the Independent Market Manager exclude Sherco 3 from the planned resource auction and hedge the shortfall capacity exposure.

Market Price Update

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

Financial Report January 2025-Fondell:

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

Rating Agency Update

Moody's affirmed SMMPA's A1 credit rating with a stable outlook. Standard & Poor's formal review is underway and nearing completion.

Annual Review of Financial Information

Ms. Fondell asked if there was any feedback on the materials emailed to the members explaining the financial and operational reports included in monthly board books. No suggestions were noted.

ECA Budget Error

The 2025 monthly ECA budget was loaded incorrectly into the SMMPA accounting system and corrected after the board meeting materials were distributed. The actual results for January were not impacted, and the correction eliminated a \$88,581 variance between the budget and actual results.

SMMPA Finance & Audit Committee Meeting

The SMMPA Finance & Audit Committee will review the Capital Financing Policy for revisions. The SMMPA financial audit report will be presented at the April SMMPA Board meeting, and the SMMPA Finance & Audit Committee will meet prior to the board meeting.

President's Report:

Mr. Moulton reported:

- SMMPA Alternate Representative: The change of alternate representative for the City of Lake City from Travis Dunn to Mitchell Rigelman was effective January 13, 2025. (Attachment A.)
- SMMPA Alternate Representative: The change of alternate representative for the City of Owatonna from David Olson to Christian Fenstermacher was effective February 25, 2025. (Attachment B.)

- **SMMPA Staff Recognition:** SMMPA staff members recognized for their efforts were Jeremy Sutton, Joe Hoffman, and Beth Fondell for bringing information to the SMMPA Board; Becca Schmitz and Seth Koneczny for their presentations today; and Naomi Goll for her work behind-the-scenes as well as her ability to work well with others.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- **Tariffs:** Ontario, Canada, suspended announced tariffs on electricity exports to the United States. SMMPA does not purchase energy directly from Canadian utilities.
- **SMMPA Key Metrics:** The SMMPA key metrics document was modified with a new format.

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 12:10 p.m.

Secretary