

**NEW PRAGUE UTILITIES COMMISSION
MEETING MINUTES**

5/21/07

The regular meeting of the New Prague Utilities Commission was held on May 21, 2007 at 3:30 p.m., at 118 Central Avenue North, New Prague, MN 56071.

PRESENT: Commissioners Dan Bishop, Jon Bergquist, Richard Jordan, and Duane Jirik.

OTHERS PRESENT: Public Works Director Dennis Seurer and Paul Donna.

ABSENT: Chuck Wann

1. **CALL TO ORDER:** The meeting was called to order by Vice-President Bishop on May 21, 2007 at 3:34 p.m. Vice President Bishop recognized former Commissioners Rob Babione and Craig Turner for years of commitment of service to the Utilities Commission.
2. **APPROVAL OF AGENDA:** Motion made by Jirik to approve agenda as presented. Second by Jordan. Motion carried.
3. **MEETING MINUTES:** Motion by Bergquist to approve the April 16, 2007 meeting minutes with the following correction, "Agenda Item 10) ~~Second by Jordan.~~ Second by Bergquist." Second by Jordan. Motion carried.
4. **UTILITY & SMMPA BILLS:** Motion by Bergquist to approve claims for payment in the amount of \$268,127.53 and SMMPA claim of payment in the amount of \$339,305.06. Second by Jordan. Motion carried.
5. **FINANCIAL REPORTS A-C:**
 - A. Investment Report – The investment report was presented for review and approval.
 - B. Financial Report – The financial report was presented for review and approval.
 - C. Kilowatt & Water Sales – The kilowatt and water sales were reviewed. No action needed.

Motion by Jordan to accept the Investment and Financial Reports as presented. Second by Bergquist. Motion carried.

6. **FINANCING OF WATER TREATMENT PLANT #3 IMPROVEMENT AND WELL #6:** Paul Donna of Northland Securities presented information regarding the water revenue bonds for the financing of Well #6 and the improvements to Water Treatment Plant #3. After a discussion Jirik introduced the following resolution number 05-24-07 and moved its adoption. Second by Bergquist. Motion carried.

RESOLUTION NO. 05-24-07

RESOLUTION RECOMMENDING SALE OF \$600,000 GENERAL OBLIGATION WATER REVENUE BONDS, SERIES 2007B, OF THE CITY OF NEW PRAGUE AND ADOPTION OF BOND SALE RESOLUTION

WHEREAS:

A. To provide funds for the financing of the costs of various improvements (the Project) to the City’s municipal water treatment system (the System), the City has solicited bids for the purchase of \$600,000 in principal amount of its General Obligation Water Revenue Bonds, Series 2007B (the Series 2007B Bonds), pursuant to Minnesota Statutes, Section 444.075 and Chapter 475; and

B. Pursuant to said solicitation, a proposal has been received from Northland Securities, Inc. in Mpls., Minnesota and associates (the Purchaser), to purchase the Series 2007B Bonds, when, as and if issued, at a price of \$600,000 plus accrued interest on all Series 2007B Bonds to the day of delivery and payment, and at the rates of interest set forth in said proposal; and

C. There has been presented to this Commission a bond sale resolution (the Bond Resolution) entitled “Resolution Authorizing the Issuance, Awarding Sale, Prescribing the Form and Details and Providing for the Payment of \$600,000 General Obligation Water Revenue Bonds, Series 2007B,” proposed to be adopted by the City Council awarding the sale of the Series 2007B Bonds to the Purchaser upon the terms set forth therein.

NOW, THEREFORE, BE IT RESOLVED by the New Prague Utilities Commission that the Commission hereby (i) recommends acceptance of the bid submitted by the Purchaser, (ii) recommends adoption of the Bond Resolution and (iii) agrees to cooperate with the City, and carry out on behalf of the City, the covenants made in the Bond Resolution relating to the operation of the System.

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
COUNTY OF SCOTT AND LE SUEUR)
CITY OF NEW PRAGUE)

The undersigned, being the duly qualified and acting Vice President of the New Prague Utilities Commission, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes of a meeting of the Commission, held on May 21, 2007, with the original thereof on file and of record in my office and that the same is a full, true and complete transcript insofar as the resolution relates to providing for the issuance and sale of the Series 2007B Bonds.

WITNESS my hand officially as such _____ on _____, 2007.

Dan Bishop, Vice-President, New Prague Utilities Commission

7. **SMMPA BOARD OF DIRECTORS MEETING; APRIL 11, 2007:** Seurer presented minutes from the April 11, 2007 SMMPA Board of Directors meeting. No action needed.
8. **SMMPA BOARD OF DIRECTORS MEETING; MAY 9, 2007:** Seurer presented minutes from the May 9, 2007 SMMPA Board of Directors meeting. No action needed.
9. **WATER TOWER PAY REQUEST #6:** Seurer presented pay request #6 in the amount of \$51,300.00 from Maguire Iron, Inc. for work completed on the water tower. After a discussion a motion was made by Bergquist to approve the pay request as presented. Second by Jordan. Motion carried.
10. **ELECTRIC COST OF SERVICE STUDY:** Seurer presented proposals from RW Beck at a cost of \$30,000.00 and DGR at a cost of \$9,900.00. After a discussion a motion was made by Jirik to accept the proposal from DGR. Second by Bergquist. Motion carried.
11. **WATER LEAK SURVEY:** Seurer presented the results of the April 2007 Water Leak Survey for information only.
12. **RATE COMPARISON STUDY:** Seurer presented results of the Electric and Water Rate Survey that was conducted by the Owatonna Public Utilities for information only.
13. **OPERATIONS REPORT:** Seurer reported the following information:
 1. The development phase of Well #6 has been recently completed, the next step is to conduct a pumping test.
 2. The radium 226 and 228 test results for Treatment Plant #2 were received today. The results indicate an improvement from the previous test results but they still exceed the maximum contaminate level. The latest result is 5.9 pCi/L and the previous test result was 6.3 pCi/L, the MCL is 5.4 pCi/L. Staff is waiting for the results from Bolton and Menk's test study to determine what necessary corrective actions are needed to get into compliance. A Public Notice of Violation will need to be published for this quarter.

With no further business, motion Jordan to adjourn the meeting at 4:48 p.m. Second by Jirik. Motion carried.

Attested:
Dennis Seurer

