



MEETING MINUTES

NEW PRAGUE UTILITIES COMMISSION

Thursday, December 27, 2018

The regular meeting of the New Prague Utilities Commission was held on Thursday, December 27, 2018, 3:30 p.m. at Power Plant - 300 East Main Street, New Prague, MN 56071.

PRESENT: Commissioners Dan Bishop, Paul Busch, Richard Jordan, and Chuck Nickolay

ABSENT: Brian Skok

OTHERS PRESENT: General Manager Bruce Reimers, Finance Director Patty Solheid, Distribution Supervisor Ken Zweber and Dave Berg, Dave Berg Consulting LLC

1. **CALL TO ORDER:** The meeting was called to order by President Bishop on Thursday, December 27, 2018 at 3:30 p.m.
2. **APPROVAL OF AGENDA:** A motion was made by Commissioner Jordan to approve the agenda and seconded by Commissioner Nickolay. Motion carried.
3. **MEETING MINUTES:** A motion was made by Commissioner Nickolay and seconded by Commissioner Busch to approve the November 26, 2018 meeting minutes. Motion carried.
4. **REVIEW OF COST OF SERVICE STUDY BY DAVE BERG:** Dave Berg of Dave Berg Consulting presented the Electric Cost of Service and Rate Study to the Commission. Overall, the study showed that the Utility was keeping rates in line with the cost for all of the Customer Classes. However, the Industrial Class will need to have some adjustments to the Demand portion of the rate. Dave and Staff recommended minor changes to the Residential and Commercial Classes that can be adjusted in the next couple of years should the same trend continue. For now, suggested waiting a year to see what, if any, impact the new service territory will have on these rate classes.
5. **UTILITY & SMMPA BILLS:** A motion was made by Commissioner Nickolay on the approval of:
 - A. Accounts Payable in the amount of \$216,000.88
 - B. The SMMPA claim for payment in the amount of \$444,614.34Seconded by Commissioner Busch. Motion carried.
6. **FINANCIAL REPORTS A – C (Enclosed):**
 - A. Investment Report – The Investment Report was presented for review and approval.
 - B. Financial Report – The Financial Reports for November were presented for review and approval.
 - C. Water & Kilowatt Hour Sales – The kilowatt and water sales were reviewed.

A motion was made by Commissioner Busch and seconded by Commissioner Jordan to approve the Financial Reports as presented. Motion carried.

7. **REVIEW PROPOSED RATE CHANGES:**

The Commission reviewed the rate changes that were proposed in the rate study. A motion was made by Commissioner Jordan and seconded by Commissioner Busch to change the Industrial Demand Rate from \$10.93 to \$11.53 per KW for 2019. General Manager Reimers informed the Commission that the rate change will only result in a 1.7% to 2% change in the customers overall energy bill. The Commission decided to wait until the 2020 budget to make any changes to the Residential or Commercial Rates due to the projected 20% increase in Energy Sales in those two rate classes from the acquired service territory.

8. MEMO TO ACCEPT BID TO REPLACE 2009 F250 SERVICE TRUCK:

The Commission reviewed the two bids for the replacement of a 2009 water service truck. A motion was made by Commissioner Nickolay and seconded by Commissioner Busch to accept the bid from Belzer's New Prague Ford for the amount of \$30,000 for a Ford F350 Chassis with an 8' box and allow the sale of the 2009 truck to a private party or trade it in to Belzer's New Prague Ford for the amount of \$7,500.00.

9. SMMPA BOARD OF DIRECTORS MEETING – November 14, 2018: Informational only.

10. SMMPA BOARD OF DIRECTORS MEETING- December 12, 2018 - GM Reimers informed the Commission of the following:

- SMMPA Staff are working on securing approximately 17 mega watts of needed capacity
- SMMPA Staff will be looking into new Sherco Coal Contracts that will need to be in place for 2020 shipments
- SMMPA Board approved Sherco Outage Insurance Contracts and Transmission Project Agreements with the cities of Austin and Rochester

11. GENERAL MANAGERS REPORT - GM Reimers reported on the following:

- Repairs have been made to the #6 Well Spool and is back in service
- There was a water main break at the intersection of Sunrise Ave N and Main Street
- All customers involved with the MVEC Service Territory Acquisition have been transferred to NPUC
- The MNPUC gave final approval to the new Service Territory Map Boundaries on 12/12/2018

12. OTHER BUSINESS:

None

13. CLOSED SESSION: It was moved by Commissioner Dick Jordan, seconded by Commissioner Paul Busch to go into a closed session at 4:51 p.m. pursuant to Minnesota Statutes Section 13D.05, Subd.3 (c) (3) concerning real property and to develop or consider offers or counteroffers for the purchase or sale of real or personal property and to review confidential appraisal data for such real property for the following parcel:

A. Property ID#24.002.0752

All voted in favor of the motion. Motion passed. (4-0)

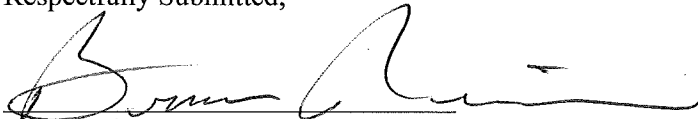
The Commissioners came out of Closed Session at 5:14 p.m. No additional action taken by the New Prague Utilities Commission.

14. ADJOURN:

A motion was made by Commissioner Jordan and seconded by Commissioner Busch to adjourn the December 27th meeting at 4:51 p.m.

NEXT COMMISSION MEETING - MONDAY, FEBRUARY 25, 2019

Respectfully Submitted,



Bruce Reimers
General Manager