



**Agenda**  
**Lake City Utility Board Meeting**  
**February 29, 2024**  
**5:30 PM**  
**City Hall 1st Floor Conference**

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1. Call to Order/Introductions/Disclose conflicts
  2. Review and adopt/amend agenda
  3. Public Forum
  4. Consent Agenda
    - a. Utility Board Minutes January 17, 2024
    - b. 2023 Year-End Financials
  5. Informational Reports
    - a. Xcel Energy Proposed Rate Structure
    - b. DGR Electric System Study
  6. New Business
    - a. Designate Chair and Vice Chair
    - b. Annual Distributed Energy Resources (DER) Reporting
  7. Next Regular Meeting: March 20, 2024
  8. Adjourn



**REQUEST FOR**  
**Utility Board Meeting, February 29, 2024**

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**Agenda Item Description:** Utility Board Minutes January 17, 2024

**Meeting:** Utility Board Meeting, 2/29/2024

**Originating Department:** Utility

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**Action Requested:**

Utility Board minutes January 17, 2024.

**Background:**

None

**Budgetary/Fiscal Impact:**

None

**Reviewed By:** Public Works

**Preparer:** Public Works Director Scott Jensen

**ATTACHMENTS:**

**Description**

- ☐ **Minutes**



**Minutes**  
**Lake City Utility Board Meeting**  
**January 17, 2024**  
**5:30 PM**  
**City Hall 1st Floor Conference**

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1. Call to Order/Introductions

Chair Hawryluk called the meeting to order at 5:30pm with a quorum present.

Members present: Justin Hawryluk, John Falvey, Bill Steine, Peter Coyle, Brent Blattner

Others present: Council liaison Megan Kramer, Public Works Director Scott Jensen

2. Review and adopt/amend agenda

Liaison Kramer asked to add discussion on the 2024 Council Work Plan under Informational Reports, item 5. d.

**Motion Steine, second Falvey to approve agenda as amended. All ayes, motion carried.**

3. Public Forum

None

4. Consent Agenda

a. Utility Board Minutes November 15, 2023

b. Utility Financials through November 2023

With financials not complete through the end of 2023, they were not reviewed.

**Motion Falvey, second Blattner to approve consent agenda. All ayes, motion carried.**

5. Informational Reports

a. 2024 Electric Utility Focuses

- Areas of underground conductor replacement - Peter's Addition - W Marion
- DGR system study
- Block 15 (includes other utilities)

Jensen shared details on the above projects that are high priority for 2024.

Questions were addressed on various portions of each project including replacement of certain equipment and the use of dual voltage transformers.

b. Public Works Project Updates

- Eaglewood Pond dredging and expansion
- Water meter replacement
- Hok Si La Park sewer extension
- N Garden reconstruction

The Eaglewood Pond project is substantially complete with removal and restoration of the temporary road to be completed in the spring.

The water meter project is also substantially complete. A small number of meters are still being replaced including several commercial meters. A number of properties will be addressed when owners are back in the spring. Hok Si La Park sewer extension and N Garden reconstruction are both under design and are planned for construction in 2025.

c. SMMPA Updates

- Battery energy storage - competitive in price with quick start diesel
- 100-hour discharge flow batteries - demo at Sherco (Xcel)
- Physical Security Workshop - June 2024

Jensen reviewed several highlights from the January SMMPA board meeting and addressed questions.

d. Council Work Plan

Liaison Kramer asked the Board if there are any issues they believe the Council should include in its 2024 work plan. Jensen reviewed items that are on the proposed plan. No items were identified.

6. Next Regular Meeting Date: February 21, 2024

This meeting will be prepared if necessary.

7. Adjourn

**Motion Blattner, second Steine to adjourn at 6:31pm. All ayes, motion carried.**

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Justin Hawryluk, Chair

Minutes submitted by Public Works Director Scott Jensen



## **REQUEST FOR**

### **Utility Board Meeting, February 29, 2024**

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**Agenda Item Description:** 2023 Year-End Financials

**Meeting:** Utility Board Meeting, 2/29/2024

**Originating Department:** Utility

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**Action Requested:**

Review 2023 year-end financials.

**Background:**

None

**Budgetary/Fiscal Impact:**

None

**Reviewed By:** Public Works

**Preparer:** Public Works Director Scott Jensen

**ATTACHMENTS:**

**Description**

- ▣ **Financials**

# CITY OF LAKE CITY

## Electric Fund Balance Sheet December 31, 2023

### ASSETS

701-11010	Cash & Investments	7,290,328.63	
701-11190	Accounts Receivable	974,369.06	
701-11220	Due from Other Funds	20,000.00	
701-11250	Inventories	456,781.26	
701-11450	Prepaid Insurance	51,864.54	
701-11610	Capital-Land	9,899.85	
701-11611	Capital-Land Improvements	33,166.80	
701-11618	Capital-Dist/Collect System	13,532,243.66	
701-11620	Capital-Buildings	2,025,136.60	
701-11642	Capital-Machinery/Equipment	1,566,311.00	
701-11661	Accumulated Depreciation	( 11,731,509.10)	
701-18600	Deferred Pension Outflows	246,106.00	
Total Assets			14,474,698.30

### LIABILITIES AND EQUITY

#### LIABILITIES

701-22040	Accounts Payable	737,097.47	
701-22100	PTO Liability	19,563.34	
701-22300	Refundable Customer Deposits	57,563.70	
701-22326	Sales Tax Payable	29,134.02	
701-22550	Unavailable Revenue	( 59.14)	
701-22835	Net Pension Liability	806,443.00	
701-25300	Deferred Pension Inflows	11,501.00	
Total Liabilities			1,661,243.39

#### FUND EQUITY

701-22602	Assigned Fund Balance	1,117,500.00	
701-26100	Net Invest in Capital Assets	5,435,248.81	
Unappropriated Fund Balance:			
701-22600	Unrestricted Net Position	6,111,237.69	
	Revenue over Expenditures - YTD	149,468.41	
Balance - Current Date		6,260,706.10	
Total Fund Equity			12,813,454.91
Total Liabilities and Equity			14,474,698.30

CITY OF LAKE CITY  
Revenues with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Electric Fund

	Period Actual	YTD Actual	Budget	Unearned	Pcnt
<u>ELECTRIC REVENUES</u>					
701-37010-33091 Transfers In	.00	.00	35,598.00	35,598.00	.0
701-37010-33130 Interest on Investments	501.92	501.92	100,000.00	99,498.08	.5
701-37010-33180 Miscellaneous Refund/Reimb	.00	2,355.88	5,000.00	2,644.12	47.1
701-37010-33190 Insurance Dividend	3,117.08	3,117.08	5,000.00	1,882.92	62.3
701-37010-33501 Residential Revenue	228,146.44	2,926,157.95	2,750,000.00	( 176,157.95)	106.4
701-37010-33502 Commercial Revenue	212,089.00	2,271,812.75	2,100,000.00	( 171,812.75)	108.2
701-37010-33503 Industrial Revenue	382,285.03	5,451,894.88	5,240,000.00	( 211,894.88)	104.0
701-37010-33504 Rural Residential Revenue	639.73	7,635.96	6,500.00	( 1,135.96)	117.5
701-37010-33505 Rural Commercial Revenue	67.18	806.16	800.00	( 6.16)	100.8
701-37010-33506 Wind Power Energy	.00	.00	50.00	50.00	.0
701-37010-33507 Penalty	3,376.14	26,424.50	15,000.00	( 11,424.50)	176.2
701-37010-33508 Electric Car Chargers	.00	2,446.74	2,500.00	53.26	97.9
701-37010-33510 Internal Use Chargebacks	20,205.99	271,893.92	240,000.00	( 31,893.92)	113.3
701-37010-33511 SMMPA Rebate Revenue	4,193.00	217,159.71	225,000.00	7,840.29	96.5
701-37010-33520 Service Line Protection	1,066.00	12,761.00	12,000.00	( 761.00)	106.3
701-37010-33722 Materials Sold	267.10	7,443.97	1,000.00	( 6,443.97)	744.4
701-37010-33724 Tapping & Connection Fees	375.00	15,395.00	18,000.00	2,605.00	85.5
701-37010-33728 Rental Revenue	.00	.00	2,000.00	2,000.00	.0
701-37010-33737 NSF Check Charge	70.00	1,190.00	350.00	( 840.00)	340.0
701-37010-33774 Surcharges	.00	4,225.00	4,500.00	275.00	93.9
701-37010-33952 Substation Surcharges	2,674.74	20,200.89	27,500.00	7,299.11	73.5
Total ELECTRIC REVENUES	859,074.35	11,243,423.31	10,790,798.00	( 452,625.31)	104.2
Total Fund Revenue	859,074.35	11,243,423.31	10,790,798.00	( 452,625.31)	104.2

CITY OF LAKE CITY  
Expenditures with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Electric Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>Electric Fund</u>					
701-41401-391 Electric SMMPA Power Contract	639,160.24	8,679,355.55	8,750,000.00	70,644.45	99.2
Total Electric Fund	639,160.24	8,679,355.55	8,750,000.00	70,644.45	99.2

ELECTRIC ADMINISTRATION

701-41920-100 Electric Salaries-Regular	44,870.44	549,524.53	537,205.00	( 12,319.53)	102.3
701-41920-110 Electric Salaries-Overtime	5,582.25	21,296.90	15,000.00	( 6,296.90)	142.0
701-41920-120 Electric Salaries-Temporary	.00	.00	13,000.00	13,000.00	.0
701-41920-130 Electric Salaries-On Call	3,200.00	37,500.00	36,500.00	( 1,000.00)	102.7
701-41920-140 Electric PERA	4,023.97	45,686.20	50,525.00	4,838.80	90.4
701-41920-150 Electric FICA	3,858.71	44,635.49	51,550.00	6,914.51	86.6
701-41920-160 Electric Group Health Ins	7,570.25	73,125.62	96,520.00	23,394.38	75.8
701-41920-170 Electric Longevity	.00	2,150.74	2,244.00	93.26	95.8
701-41920-210 Electric Operating Supplies	17,532.29	137,523.79	125,000.00	( 12,523.79)	110.0
701-41920-230 Electric Tools/Equip	3,463.29	22,628.46	25,000.00	2,371.54	90.5
701-41920-300 Electric Professional Svcs	.00	3,826.04	20,000.00	16,173.96	19.1
701-41920-310 Electric Communication	702.55	5,947.73	13,000.00	7,052.27	45.8
701-41920-320 Electric Travel, Conf, School	186.39	23,798.27	22,500.00	( 1,298.27)	105.8
701-41920-340 Electric Printing/Publish	.00	1,294.11	1,200.00	( 94.11)	107.8
701-41920-360 Electric Utilities	7,624.21	56,292.58	80,000.00	23,707.42	70.4
701-41920-370 Electric Maint/Repair	3,406.69	115,042.75	145,000.00	29,957.25	79.3
701-41920-371 Electric Service Lines	.00	.00	4,300.00	4,300.00	.0
701-41920-381 Electric Admin Allocation	.00	130,000.00	130,000.00	.00	100.0
701-41920-390 Electric Contractual	10,176.07	126,570.57	125,000.00	( 1,570.57)	101.3
701-41920-400 Electric Miscellaneous	74.93	4,123.05	.00	( 4,123.05)	.0
701-41920-410 Electric Workers Comp Ins	.00	11,123.50	12,500.00	1,376.50	89.0
701-41920-420 Electric Vehicle Insurance	.00	2,455.00	3,000.00	545.00	81.8
701-41920-430 Electric General Liability	.00	56,912.35	55,000.00	( 1,912.35)	103.5
701-41920-530 Electric Capital-Machin/Equip	238,272.53	509,172.04	777,500.00	268,327.96	65.5
701-41920-700 Transfers Out	.00	210,000.00	210,000.00	.00	100.0
701-41920-830 Electric Rebate Payments	6,339.01	223,969.63	225,000.00	1,030.37	99.5
Total ELECTRIC ADMINISTRATION	356,883.58	2,414,599.35	2,776,544.00	361,944.65	87.0
Total Fund Expenditures	996,043.82	11,093,954.90	11,526,544.00	432,589.10	96.3
Net Revenue Over Expenditures	( 136,969.47)	149,468.41	( 735,746.00)	( 885,214.41)	20.3



# CITY OF LAKE CITY

## Water Fund Balance Sheet December 31, 2023

### ASSETS

702-11010	Cash & Investments	376,375.60	
702-11160	Special Assessments-Delinquent	75.51	
702-11170	Special Assessments-Deferred	8,379.85	
702-11190	Accounts Receivable	111,840.67	
702-11450	Prepaid Insurance	7,003.84	
702-11610	Capital-Land	4,273.30	
702-11612	Capital-CIP	465.00	
702-11613	Capital-Land Improvements	34,892.16	
702-11618	Capital-Dist/Collect Systems	5,258,692.29	
702-11620	Capital-Buildings	49,744.09	
702-11642	Capital-Machinery/Equipment	368,244.63	
702-11661	Accumulated Depreciation	( 2,902,733.17)	
702-18600	Deferred Pension Outflows	73,881.00	
Total Assets			3,391,134.77

### LIABILITIES AND EQUITY

#### LIABILITIES

702-22040	Accounts Payable	35,690.74	
702-22100	PTO Liability	26,274.37	
702-22250	Bonds Payable-Current	42,500.00	
702-22260	Accrued Interest Payable	2,775.00	
702-22326	Sales Tax Payable	1,471.86	
702-22333	MDH Safe Water Payable	2,150.96	
702-22350	Bonds Payable-Non Current	392,750.00	
702-22351	Discount on Bonds	( 1,931.50)	
702-22352	Premium on Bonds	17,033.51	
702-22550	Deferred Revenue	37.75	
702-22835	Net Pension Liability	231,404.00	
702-25300	Deferred Pension Inflows	3,297.00	
Total Liabilities			753,453.69

#### FUND EQUITY

702-22602	Assigned Fund Balance	437,500.00
702-26100	Net Invest in Capital Assets	2,630,509.80

#### Unappropriated Fund Balance:

702-22600	Unrestricted Net Position	( 399,436.88)	
	Revenue over Expenditures - YTD	( 30,891.84)	
Balance - Current Date		( 430,328.72)	
Total Fund Equity			2,637,681.08
Total Liabilities and Equity			3,391,134.77

CITY OF LAKE CITY  
Revenues with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Water Fund

	Period Actual	YTD Actual	Budget	Unearned	Pcnt
<u>WATER REVENUES</u>					
702-37020-33018 Special Assessments-Current	.00	2,914.65	.00	( 2,914.65)	.0
702-37020-33130 Interest on Investments	.00	.00	3,000.00	3,000.00	.0
702-37020-33162 Water Donations	.00	1,500.00	.00	( 1,500.00)	.0
702-37020-33180 Miscellaneous Refund/Reimb	4,214.40	5,029.41	.00	( 5,029.41)	.0
702-37020-33190 Insurance Dividend	360.16	360.16	500.00	139.84	72.0
702-37020-33501 Residential Revenue	39,514.49	579,030.83	454,750.00	( 124,280.83)	127.3
702-37020-33502 Commercial Revenue	9,151.44	126,003.28	94,500.00	( 31,503.28)	133.3
702-37020-33503 Industrial Revenue	14,508.25	195,403.22	161,000.00	( 34,403.22)	121.4
702-37020-33507 Penalty	484.47	4,039.15	3,500.00	( 539.15)	115.4
702-37020-33510 Internal Use Chargebacks	923.20	12,412.72	9,150.00	( 3,262.72)	135.7
702-37020-33520 Service Line Protection	3,157.50	37,928.00	40,000.00	2,072.00	94.8
702-37020-33724 Tapping & Connection Fees	.00	47,200.47	10,000.00	( 37,200.47)	472.0
Total WATER REVENUES	72,313.91	1,011,821.89	776,400.00	( 235,421.89)	130.3
Total Fund Revenue	72,313.91	1,011,821.89	776,400.00	( 235,421.89)	130.3

CITY OF LAKE CITY  
Expenditures with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Water Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>WATER ADMINISTRATION</u>					
702-42920-100 Water Admin Salaries-Regular	11,894.80	224,273.46	227,700.00	3,426.54	98.5
702-42920-110 Water Admin Salaries-Overtime	1,744.78	16,570.48	15,000.00	( 1,570.48)	110.5
702-42920-130 Water Admin Salaries-On Call	662.88	8,233.73	9,250.00	1,016.27	89.0
702-42920-140 Water Admin PERA	1,072.75	18,094.09	19,000.00	905.91	95.2
702-42920-150 Water Admin FICA	1,003.77	17,606.66	19,400.00	1,793.34	90.8
702-42920-160 Water Admin Group Health Ins	2,533.02	35,363.90	35,500.00	136.10	99.6
702-42920-170 Water Admin Longevity	.00	1,237.59	1,265.00	27.41	97.8
702-42920-210 Water Admin Operating Supplies	1,361.34	25,493.78	39,000.00	13,506.22	65.4
702-42920-230 Water Admin Tools/Equip	1,146.83	1,403.10	4,000.00	2,596.90	35.1
702-42920-300 Water Admin Professional Svcs	2,771.50	6,850.04	20,531.00	13,680.96	33.4
702-42920-310 Water Admin Communication	312.86	2,772.22	8,000.00	5,227.78	34.7
702-42920-320 Water Admin Travel, Conf, Sch	103.00	4,543.93	5,000.00	456.07	90.9
702-42920-340 Water Admin Printing/Publish	.00	802.00	1,500.00	698.00	53.5
702-42920-360 Water Admin Utilities	3,729.94	60,578.41	55,000.00	( 5,578.41)	110.1
702-42920-370 Water Admin Maint/Repair	8,021.23	76,616.97	77,000.00	383.03	99.5
702-42920-371 Water Admin Service Lines	15,751.38	30,124.68	40,000.00	9,875.32	75.3
702-42920-381 Water Admin Allocation	.00	30,000.00	30,000.00	.00	100.0
702-42920-390 Water Admin Contractual	1,017.68	23,067.09	23,000.00	( 67.09)	100.3
702-42920-410 Water Admin Workers Comp Ins	.00	4,874.27	5,500.00	625.73	88.6
702-42920-420 Water Admin Vehicle Insurance	.00	987.75	1,500.00	512.25	65.9
702-42920-430 Water Admin General Liability	.00	5,132.95	7,500.00	2,367.05	68.4
702-42920-530 Water Capital-Machin/Equip	27,834.35	374,396.00	547,500.00	173,104.00	68.4
702-42920-601 Debt Service-Principal Payment	.00	42,500.00	70,000.00	27,500.00	60.7
702-42920-610 Debt Service-Interest Payment	.00	5,915.63	12,000.00	6,084.37	49.3
702-42920-620 Debt Service-Paying Agent Fee	.00	275.00	500.00	225.00	55.0
702-42920-700 Transfers Out	.00	25,000.00	25,000.00	.00	100.0
Total WATER ADMINISTRATION	80,962.11	1,042,713.73	1,299,646.00	256,932.27	80.2
Total Fund Expenditures	80,962.11	1,042,713.73	1,299,646.00	256,932.27	80.2
Net Revenue Over Expenditures	( 8,648.20)	( 30,891.84)	( 523,246.00)	( 492,354.16)	( 5.9)

# CITY OF LAKE CITY

## Sewer Fund Balance Sheet December 31, 2023

### ASSETS

703-11010	Cash & Investments	555,546.78	
703-11190	Accounts Receivable	139,589.02	
703-11450	Prepaid Insurance	28,149.92	
703-11618	Capital-Dist/Collection System	5,225,294.26	
703-11620	Capital-Buildings	6,357,340.13	
703-11642	Capital-Machinery/Equipment	1,056,464.48	
703-11661	Accumulated Depreciation	( 9,593,903.91)	
703-18600	Deferred Pension Outflows	91,329.00	
	Total Assets		3,859,809.68

### LIABILITIES AND EQUITY

#### LIABILITIES

703-22040	Accounts Payable	38,210.10	
703-22050	Accrued Interest Payable	3,439.00	
703-22100	PTO Liability	32,744.73	
703-22250	Bonds Payable-Current	316,000.00	
703-22350	Bonds Payable-Non Current	250,250.00	
703-22352	Premium on Bonds	17,033.51	
703-22835	Net Pension Liability	286,542.00	
703-25300	Deferred Pension Inflows	4,086.00	
	Total Liabilities		948,305.34

#### FUND EQUITY

703-22602	Assigned Fund Balance	203,000.00
703-26100	Net Invest in Capital Assets	2,729,194.96

#### Unappropriated Fund Balance:

703-22600	Unrestricted Net Position	( 86,493.70)	
	Revenue over Expenditures - YTD	65,803.08	
	Balance - Current Date	( 20,690.62)	
	Total Fund Equity		2,911,504.34
	Total Liabilities and Equity		3,859,809.68

CITY OF LAKE CITY  
Revenues with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Sewer Fund

	Period Actual	YTD Actual	Budget	Unearned	Pcnt
<u>SEWER REVENUES</u>					
703-37030-33130 Interest on Investments	.00	.00	4,000.00	4,000.00	.0
703-37030-33180 Miscellaneous Refund/Reimb	.00	1,446.54	2,500.00	1,053.46	57.9
703-37030-33190 Insurance Dividend	1,668.90	1,668.90	2,500.00	831.10	66.8
703-37030-33501 Residential Revenue	81,871.39	899,216.36	856,850.00	( 42,366.36)	104.9
703-37030-33502 Commercial Revenue	26,940.13	318,871.13	304,450.00	( 14,421.13)	104.7
703-37030-33503 Industrial Revenue	14,782.21	253,070.03	251,250.00	( 1,820.03)	100.7
703-37030-33507 Penalty	976.95	6,954.70	7,500.00	545.30	92.7
703-37030-33510 Internal Use Chargebacks	97.16	4,819.31	3,400.00	( 1,419.31)	141.7
703-37030-33724 Tapping & Connection Fees	.00	84,580.00	35,000.00	( 49,580.00)	241.7
Total SEWER REVENUES	126,336.74	1,570,626.97	1,467,450.00	( 103,176.97)	107.0
Total Fund Revenue	126,336.74	1,570,626.97	1,467,450.00	( 103,176.97)	107.0

CITY OF LAKE CITY  
Expenditures with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Sewer Fund

	Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>WASTE WATER TREATMENT PLANT</u>					
703-43500-210 Treatment Operating Supplies	1,027.70	20,436.25	30,000.00	9,563.75	68.1
703-43500-230 Treatment Tools/Equip	.00	809.21	2,500.00	1,690.79	32.4
703-43500-300 Treatment Professional Svcs	2,390.82	21,836.11	20,000.00	( 1,836.11)	109.2
703-43500-310 Treatment Communication	188.88	2,346.86	2,500.00	153.14	93.9
703-43500-320 Treatment Travel, Conf, School	.00	1,436.44	2,500.00	1,063.56	57.5
703-43500-360 Treatment Utilities	13,328.48	154,697.51	160,000.00	5,302.49	96.7
703-43500-370 Treatment Maint/Repair	1,445.33	34,554.02	65,000.00	30,445.98	53.2
703-43500-390 Treatment Contractual	20,689.22	267,789.29	275,000.00	7,210.71	97.4
Total WASTE WATER TREATMENT PLANT	39,070.43	503,905.69	557,500.00	53,594.31	90.4
<u>SEWER ADMINISTRATION</u>					
703-43920-100 Sewer Admin Salaries-Regular	15,381.56	265,725.37	271,825.00	6,099.63	97.8
703-43920-110 Sewer Admin Salaries-Overtime	2,620.22	23,907.18	15,000.00	( 8,907.18)	159.4
703-43920-130 Sewer Admin Salaries-On Call	937.12	11,270.04	9,250.00	( 2,020.04)	121.8
703-43920-140 Sewer Admin PERA	1,420.37	21,980.00	22,300.00	320.00	98.6
703-43920-150 Sewer Admin FICA	1,328.31	21,237.99	22,750.00	1,512.01	93.4
703-43920-160 Sewer Admin Group Health Ins	3,450.07	45,722.76	47,850.00	2,127.24	95.6
703-43920-170 Sewer Admin Longevity	.00	1,237.59	1,265.00	27.41	97.8
703-43920-210 Sewer Admin Operating Supplies	1,023.89	7,649.08	12,000.00	4,350.92	63.7
703-43920-230 Sewer Admin Tools/Equip	992.72	2,025.05	2,500.00	474.95	81.0
703-43920-300 Sewer Admin Professional Svcs	2,617.50	2,730.04	8,531.00	5,800.96	32.0
703-43920-310 Sewer Admin Communication	312.87	2,563.76	6,500.00	3,936.24	39.4
703-43920-320 Sewer Admin Travel, Conf, Sch	104.00	3,013.41	3,500.00	486.59	86.1
703-43920-340 Sewer Admin Printing/Publish	.00	402.00	500.00	98.00	80.4
703-43920-360 Sewer Admin Utilities	1,457.54	21,806.75	23,000.00	1,193.25	94.8
703-43920-370 Sewer Admin Maint/Repair	21,950.08	52,778.34	61,000.00	8,221.66	86.5
703-43920-381 Sewer Admin Allocation	.00	60,000.00	60,000.00	.00	100.0
703-43920-390 Sewer Admin Contractual	990.43	18,032.20	18,000.00	( 32.20)	100.2
703-43920-410 Sewer Admin Workers Comp Ins	.00	6,773.02	8,000.00	1,226.98	84.7
703-43920-420 Sewer Admin Vehicle Insurance	.00	987.75	1,500.00	512.25	65.9
703-43920-430 Sewer Admin General Liability	.00	31,056.97	30,000.00	( 1,056.97)	103.5
703-43920-530 Sewer Capital-Machin/Equip	27,819.98	49,570.50	118,000.00	68,429.50	42.0
703-43920-601 Debt Service-Principal Payment	.00	316,000.00	334,500.00	18,500.00	94.5
703-43920-610 Debt Service-Interest	.00	9,448.40	15,448.00	5,999.60	61.2
703-43920-703 Transfers Out	.00	25,000.00	25,000.00	.00	100.0
Total SEWER ADMINISTRATION	82,406.66	1,000,918.20	1,118,219.00	117,300.80	89.5
Total Fund Expenditures	121,477.09	1,504,823.89	1,675,719.00	170,895.11	89.8
Net Revenue Over Expenditures	4,859.65	65,803.08	( 208,269.00)	( 274,072.08)	31.6

# CITY OF LAKE CITY

## Storm Water Fund Balance Sheet December 31, 2023

### ASSETS

706-11010	Cash & Investments	377,038.97	
706-11170	Special Assessments-Deferred	8,379.85	
706-11190	Accounts Receivable	22,550.80	
706-11450	Prepaid Insurance	1,087.29	
706-11610	Capital-Land	97,400.00	
706-11612	Capital-CIP	20,198.00	
706-11618	Capital-Dist/Collect Systems	2,712,687.25	
706-11642	Capital-Machinery/Equipment	360,637.84	
706-11661	Accumulated Depreciation	( 1,716,369.64)	
706-18600	Deferred Pension Outflows	8,195.00	
Total Assets			1,891,805.36

### LIABILITIES AND EQUITY

#### LIABILITIES

706-22040	Accounts Payable	6,112.31	
706-22210	Due to Other Funds	20,000.00	
706-22250	Bonds Payable-Current	42,500.00	
706-22260	Accrued Interest Payable	2,775.00	
706-22350	Bonds Payable-Non Current	357,000.00	
706-22351	Discount on Bonds	( 1,931.50)	
706-22352	Premium on Bonds	14,600.15	
706-22835	Net Pension Liability	27,764.00	
706-25300	Deferred Pension Inflows	395.00	
Total Liabilities			469,214.96

#### FUND EQUITY

706-22602	Assigned Fund Balance	46,802.00
706-26100	Net Invest in Capital Assets	1,289,553.45

#### Unappropriated Fund Balance:

706-22600	Unrestricted Net Position	21,952.62	
	Revenue over Expenditures - YTD	64,282.33	
Balance - Current Date		86,234.95	
Total Fund Equity			1,422,590.40
Total Liabilities and Equity			1,891,805.36

CITY OF LAKE CITY  
Revenues with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Storm Water Fund

		Period Actual	YTD Actual	Budget	Unearned	Pcnt
	<u>STORM WATER REVENUES</u>					
706-37060-33018	Special Assessments-Current	.00	2,914.64	1,000.00	( 1,914.64)	291.5
706-37060-33130	Interest on Investments	.00	.00	500.00	500.00	.0
706-37060-33162	Storm Water Donations	.00	1,000.00	500.00	( 500.00)	200.0
706-37060-33190	Insurance Dividend	69.62	69.62	100.00	30.38	69.6
706-37060-33507	Penalty	164.48	1,257.53	1,250.00	( 7.53)	100.6
706-37060-33721	Collections from Billing	18,902.01	223,743.24	195,000.00	( 28,743.24)	114.7
	Total STORM WATER REVENUES	19,136.11	228,985.03	198,350.00	( 30,635.03)	115.4
	Total Fund Revenue	19,136.11	228,985.03	198,350.00	( 30,635.03)	115.4



CITY OF LAKE CITY  
Expenditures with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Storm Water Fund

		Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>STORM WATER EXPENDITURES</u>						
706-47706-100	Storm Water Salaries-Regular	243.97	19,686.73	18,500.00	( 1,186.73)	106.4
706-47706-140	Storm Water PERA	18.30	1,251.32	1,400.00	148.68	89.4
706-47706-150	Storm Water FICA	16.99	1,419.03	1,450.00	30.97	97.9
706-47706-160	Storm Water Group Health Ins	.00	1,196.21	3,850.00	2,653.79	31.1
706-47706-210	Storm Water Operating Supplies	.00	5,094.65	8,500.00	3,405.35	59.9
706-47706-220	Storm Water Maint/Repair	68.20	5,046.65	13,000.00	7,953.35	38.8
706-47706-230	Storm Water Tools/Equip	414.79	534.69	700.00	165.31	76.4
706-47706-300	Storm Water Professional Svcs	2,636.00	3,170.40	5,741.00	2,570.60	55.2
706-47706-320	Storm Water Travel, Conf, Sch	103.00	345.01	1,000.00	654.99	34.5
706-47706-340	Storm Water Printing/Publish	.00	109.50	150.00	40.50	73.0
706-47706-381	Storm Water Admin Allocation	.00	5,000.00	5,000.00	.00	100.0
706-47706-390	Storm Water Contractual	12,620.61	42,054.27	65,000.00	22,945.73	64.7
706-47706-420	Storm Water Vehicle Insurance	.00	527.75	600.00	72.25	88.0
706-47706-430	Storm Water General Liability	.00	949.18	1,000.00	50.82	94.9
706-47706-500	Storm Water Capital-Land	595.83	29,626.68	202,302.00	172,675.32	14.6
706-47706-601	Debt Service-Principal Payment	.00	42,500.00	42,500.00	.00	100.0
706-47706-610	Debt Service-Interest Payment	.00	5,915.63	6,000.00	84.37	98.6
706-47706-620	Debt Service-Paying Agent Fee	.00	275.00	250.00	( 25.00)	110.0
706-47706-700	Repayment of Prior Yr Advance	.00	.00	10,000.00	10,000.00	.0
Total STORM WATER EXPENDITURES		16,717.69	164,702.70	386,943.00	222,240.30	42.6
Total Fund Expenditures		16,717.69	164,702.70	386,943.00	222,240.30	42.6
Net Revenue Over Expenditures		2,418.42	64,282.33	( 188,593.00)	( 252,875.33)	34.1

# CITY OF LAKE CITY

## Garbage Fund Balance Sheet December 31, 2023

### ASSETS

720-11010	Cash & Investments	176,257.16	
720-11190	Accounts Receivable	15,357.45	
720-11450	Prepaid Insurance	506.13	
720-18600	Deferred Pension Outflows	6,256.00	
	Total Assets		198,376.74

### LIABILITIES AND EQUITY

#### LIABILITIES

720-22040	Accounts Payable	52.59	
720-22326	Sales Tax Payable	556.68	
720-22835	Net Pension Liability	20,375.00	
720-25300	Deferred Pension Inflows	292.00	
	Total Liabilities		21,276.27

#### FUND EQUITY

#### Unappropriated Fund Balance:

720-22600	Unrestricted Net Position	108,140.29	
	Revenue over Expenditures - YTD	68,960.18	
	Balance - Current Date	177,100.47	
	Total Fund Equity		177,100.47
	Total Liabilities and Equity		198,376.74

CITY OF LAKE CITY  
Revenues with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Garbage Fund

		Period Actual	YTD Actual	Budget	Unearned	Pcnt
<u>GARBAGE REVENUES</u>						
720-37200-33180	Miscellaneous Refund/Reimb	.00	6,044.00	5,000.00	( 1,044.00)	120.9
720-37200-33190	Insurance Dividend	17.15	17.15	.00	( 17.15)	.0
720-37200-33720	Bag Stickers	31.59	135.84	.00	( 135.84)	.0
720-37200-33722	Compost/Leaf Vac	6,118.81	73,943.26	73,332.00	( 611.26)	100.8
720-37200-33723	Clean Up Days	5,397.91	64,657.97	63,825.00	( 832.97)	101.3
720-37200-33725	Compost Site Permits	.00	10,600.00	12,500.00	1,900.00	84.8
	Total GARBAGE REVENUES	11,565.46	155,398.22	154,657.00	( 741.22)	100.5
	Total Fund Revenue	11,565.46	155,398.22	154,657.00	( 741.22)	100.5

CITY OF LAKE CITY  
Expenditures with Comparison to Budget  
For the 12 Months Ending December 31, 2023

Garbage Fund

		Period Actual	YTD Actual	Budget	Unexpended	Pcnt
<u>CLEAN UP</u>						
720-47500-210	Clean Up Day Operating Supplie	.00	284.03	500.00	215.97	56.8
720-47500-220	Clean Up Day Maint/Repair	.00	.00	250.00	250.00	.0
720-47500-340	Clean Up Day Printing/Publish	.00	2,958.00	3,000.00	42.00	98.6
720-47500-390	Clean Up Day Contractual	14,315.75	32,450.96	38,500.00	6,049.04	84.3
	Total CLEAN UP	14,315.75	35,692.99	42,250.00	6,557.01	84.5
<u>COMPOST</u>						
720-47720-100	Compost/Leaf Vac-Salaries Reg	789.41	21,298.06	26,000.00	4,701.94	81.9
720-47720-140	Compost/Leaf Vac PERA	36.12	1,291.24	1,950.00	658.76	66.2
720-47720-150	Compost/Leaf Vac FICA	57.06	1,611.12	2,000.00	388.88	80.6
720-47720-160	Compost/Leaf Vac Group Health	12.50	420.70	1,000.00	579.30	42.1
720-47720-210	Compost/Leaf Vac Operating Sup	.00	776.68	2,500.00	1,723.32	31.1
720-47720-220	Compost/Leaf Vac Maint/Repair	.00	.00	1,500.00	1,500.00	.0
720-47720-230	Compost/Leaf Vac Small Tools	.00	.00	50.00	50.00	.0
720-47720-340	Compost/Leaf Vac Print/Publish	108.00	548.25	800.00	251.75	68.5
720-47720-360	Compost/Leaf Vac Utilities	79.59	487.05	500.00	12.95	97.4
720-47720-381	Compost/Leaf Vac Admin Allocat	.00	10,000.00	10,000.00	.00	100.0
720-47720-390	Compost/Leaf Vac Contractual	.00	12,749.90	15,000.00	2,250.10	85.0
720-47720-410	Compost/Leaf Vac Work Comp Ins	.00	1,207.25	1,450.00	242.75	83.3
720-47720-430	Compost/Leaf Vac Gen Liability	.00	354.80	500.00	145.20	71.0
	Total COMPOST	1,082.68	50,745.05	63,250.00	12,504.95	80.2
	Total Fund Expenditures	15,398.43	86,438.04	105,500.00	19,061.96	81.9
	Net Revenue Over Expenditures	( 3,832.97)	68,960.18	49,157.00	( 19,803.18)	140.3



## REQUEST FOR Utility Board Meeting, February 29, 2024

---

**Agenda Item Description:** Xcel Energy Proposed Rate Structure

**Meeting:** Utility Board Meeting, 2/29/2024

**Originating Department:** Utility

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**Action Requested:**

Review an Xcel Energy proposed rate structure. This has been provided to the MPUC. There is an opt-out provision written into the proposal.

**Background:**

### Xcel Energy's new rate structure

Xcel wants to shift from an all-day flat rate to a variable rate that shifts throughout the day.

RATES IN CENTS PER KILOWATT HOUR (KWH)

Rate Period	Time	Current summer rate (¢)	New summer rate (¢)	Current winter rate (¢)	New winter rate (¢)
Peak	3 p.m. - 8 p.m. weekdays	13.069	27.845	11.364	19.125
Base	All other hours	13.069	14.924	11.364	9.563
Off-Peak	12 a.m. - 6 a.m., all days	13.069	3.825	11.364	3.825

**Budgetary/Fiscal Impact:**

None

**Reviewed By:** Public Works

**Preparer:** Public Works Director Scott Jensen



**REQUEST FOR**  
**Utility Board Meeting, February 29, 2024**

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**Agenda Item Description:** DGR Electric System Study

**Meeting:** Utility Board Meeting, 2/29/2024

**Originating Department:** Utility

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**Action Requested:**

Update on study progress.

**Background:**

None

**Budgetary/Fiscal Impact:**

None

**Reviewed By:** Public Works

**Preparer:** Public Works Director Scott Jensen



## **REQUEST FOR**

### **Utility Board Meeting, February 29, 2024**

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**Agenda Item Description:** Designate Chair and Vice Chair

**Meeting:** Utility Board Meeting, 2/29/2024

**Originating Department:** Utility

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**Action Requested:**

Motion \_\_\_\_\_, second \_\_\_\_\_ to designate \_\_\_\_\_ as chair and \_\_\_\_\_ as vice chair for the next year.

**Background:**

Chair and vice chair positions are set annually.

**Budgetary/Fiscal Impact:**

None

**Reviewed By:** Public Works

**Preparer:** Public Works Director Scott Jensen





## REQUEST FOR Utility Board Meeting, February 29, 2024

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**Agenda Item Description:** Annual Distributed Energy Resources (DER) Reporting

**Meeting:** Utility Board Meeting, 2/29/2024

**Originating Department:** Utility

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**Action Requested:**

Motion \_\_\_\_\_, second \_\_\_\_\_ to accept the annual distributed energy resources reporting.

**Background:**

Annually the electric utility governing board is presented the attached information on distributed energy resources that are interconnected to Lake City's distribution system.

**Budgetary/Fiscal Impact:**

None

**Reviewed By:** Public Works

**Preparer:** Public Works Director Scott Jensen

**ATTACHMENTS:**

**Description**

- ▣ **DER Documents**

Lake City Utility Board  
205 W Center St  
Lake City, MN 55041

February 21, 2024

Enclosed for approval, per the Distributed Generation Rules for Lake City Utilities adopted by the Lake City, City Council on May 13, 2019 are updates to the cogeneration and small power production tariff consisting of:

**SCHEDULE 1.**

Calculation of the average retail utility energy rates.

**SCHEDULE 4.**

The estimated average incremental energy costs by seasonal, peak and off-peak periods and annual avoided capacity costs from Southern Minnesota Municipal Power Agency.

**Lake City Utilities Cogeneration and Small Power Production Tariff**

This information is available to the public on our website at [www.ci.lake-city.mn.us](http://www.ci.lake-city.mn.us). Upon approval of the Cogeneration and Small Power Production Tariff, Lake City Utilities will publish a cogeneration and small power generation notice on its website.

Also attached is the annual QF Report as required under the Distributed Generation Rules.

## **SCHEDULE 1 – AVERAGE RETAIL UTILITY ENERGY RATE**

Net Energy Billing: Available to any QF of less than 40 kW capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing or Time of Day rates.

Lake City Utilities shall bill QF for any excess of energy supplied by Lake City Utilities above energy supplied by the QF during each billing period according to Lake City Utility's applicable rate schedule. Lake City Utilities shall pay the customer for the energy generated by the QF that exceeds that supplied by Lake City Utilities during a billing period at the "average retail utility energy rate." "Average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation. The "average retail utility energy rates" are as follows:

Rate Class	Average Retail Energy Rate
<b>Residential Urban</b>	<b>0.118162831</b>
<b>Residential Rural</b>	<b>0.117078574</b>
<b>Small Commercial Urban</b>	<b>0.110724491</b>
<b>Small Commercial Rural</b>	<b>0.111275577</b>
<b>Large Commercial</b>	<b>0.066175934</b>
<b>Small Industrial</b>	<b>0.064123736</b>
<b>Schools</b>	<b>0.062020091</b>
<b>Large Industrial</b>	<b>0.058456814</b>

## SCHEDULE 2 – AVERAGE INCREMENTAL COST

Estimated Marginal Energy Costs (\$/MWh)						
		2024	2025	2026	2027	2028
Summer	On Peak	39.89	41.13	39.42	41.38	41.12
	Off Peak	22.77	23.65	22.80	22.54	22.15
	All Hours	30.65	31.69	30.44	31.20	30.88
Winter	On Peak	37.62	40.05	40.28	42.41	42.37
	Off Peak	26.88	28.47	28.85	30.99	30.63
	All Hours	31.82	33.80	34.11	36.24	36.03
Annual	On Peak	38.76	40.59	39.85	41.89	41.75
	Off Peak	24.82	26.06	25.83	26.76	26.39
	All Hours	31.23	32.75	32.28	33.72	33.45
Annual number of hours in the on-peak period:						

Description of season and on-peak and off-peak periods	
Summer:	April through September
Winter:	October through March
On-peak period:	6 am to 10 pm Monday through Friday except holiday (New Years, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day)
Off-peak period:	All other hours

### Estimated Marginal Energy Costs

The estimated system average incremental energy costs are calculated by seasonal peak and off-peak periods for each of the next five years. For each seasonal period, system incremental energy costs are averaged during system daily peak hours, system daily off-peak hours, and all hours in the season. The energy costs are increased by a factor equal to 50 percent of the line losses.

The energy needs of [UTILITY NAME HERE] are served through its membership in Southern Minnesota Municipal Power Agency (SMMPA). SMMPA, in turn, is a member of the Midcontinent ISO (MISO). As a result, the municipal's incremental energy cost is equivalent to the MISO hourly Locational Marginal Price (LMP). Actual hourly LMP will vary significantly based on several parameters such as weather, energy demand, and generation availability. The table above represents a forecast of the MISO hourly LMP values averaged over each specific time period at the MISO Minnesota Hub.

### Capacity Payment for Firm Power (Net annual avoided capacity cost)

A capacity payment will be made for energy delivered by the qualifying facility to the utility with at least a 65 percent on-peak capacity factor in the month. The capacity factor is based upon the qualifying facility's maximum on-peak metered capacity delivered to the utility during the month. The capacity component applies only to deliveries during on-peak hours.

Capacity Payment (\$/kWh)	
	2024
Capacity Value per kWh (on-peak hours)	\$0.007
Capacity Value per kWh (all hours)	\$0.005

### **Notification to Customers**

In compliance with Lake City Utility's adopted rules relating to cogeneration and small power production, Lake City Utilities is obligated to interconnect with and purchase electricity from cogenerators and small power producers that satisfy the conditions as a qualifying facility. Lake City Utilities is obligated to provide information regarding rates and interconnection requirements free of charge to all interested customers upon request. All interconnections require an application and approval to become a qualifying facility. Any disputes over interconnection, sales, and purchases relative to qualifying facilities should be brought to the City Council of Lake City for resolution, per Lake City Utilities Distributed Generation Rules adopted May 13, 2019. Interested customers should contact Scott Jensen, 1885 Hwy 61 S, Lake City, MN 55041, [sjensen@ci.lake-city.mn.us](mailto:sjensen@ci.lake-city.mn.us) or call.

DER Capacity kW AC	DER Type	Storage	DER Status	City	Zip Code	Substation
10.64	Solar	X	Interconnected	Lake City	55041	10th Street
6.08	Solar		Interconnected	Lake City	55041	10th Street
9.28	Solar		Interconnected	Lake City	55041	10th Street
6.38	Solar		Interconnected	Lake City	55041	10th Street
9.28	Solar		Interconnected	Lake City	55041	10th Street
6	Solar		Interconnected	Lake City	55041	10th Street
36	Solar		Interconnected	Lake City	55041	10th Street
7.6	Solar		Interconnected	Lake City	55041	10th Street
8.12	Solar		Interconnected	Lake City	55041	10th Street
3.8	Solar		Interconnected	Lake City	55042	11th Street

Year Application Submitted	Year Interconnected
2014	2015
2019	2019
2019	2020
2019	2019
2019	2020
2020	2020
2020	2020
2021	2021
2021	2022
2020	2021