

City of Ada
Meeting of the City Council
Tuesday, February 2, 2021 6:00 P.M. – Council Chambers

Agenda

- I. Call to Order**
- II. Pledge of Allegiance**
- III. Roll Call**
- IV. Citizen Forum** – *Individuals may address the council about any item of concern. A maximum of 15 minutes is allotted for the forum. If the full 15 minutes are not needed for the forum, the City Council will continue with the agenda. The City Council will take no official action on items discussed at the forum, with the exception of referral to staff or commission for future report.*

- V. Consent Agenda** – *These items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member or citizen so requests, in which event the item will be removed from the Consent Agenda and placed elsewhere on the agenda.*
 - A.** November 10 Council Meeting minutes
 - B.** City Pre-paid checks in the amount of \$171,056.61
 - C.** City Accounts payables in the amount of \$29,316.29
 - D.** City Accounts Payable update from January \$60,464.14 (was \$60,547.54)
 - E.** Ada Borup West After Prom Party Donation Request

- VI. Approve Agenda** – *No item of business shall be considered unless it appears on the agenda for the meeting. Council Members may add items to the agenda by a majority vote of the council.*

- VII. Presentations with possible discussion and decision.**
 - A.** Moore Engineering Update
 - a. Capital Improvement Plan

- VIII. Reports of Department Heads and Committees**
 - A.** Mayors Report
 - 1) Committees
 - 2) Blight

 - B.** Administrator / Clerk / Treasurer Report.
 - 1) Department Updates
 - 2) Housing Rehabilitation Grant Opportunity

IX. Old Business

XII. New Business

- A.** Kaleidoscope Guests, February - Casey/Josh, March – Scott/Mike
- B.** Contract with Brady Martz and Associates for 2020 Audit
- C.** MISO Contract Expansion
- D.** Committee Updates
 - A.** Public Works
 - B.** Public Safety
 - C.** Beautification
 - D.** EDA

XIII. Adjournment

City of Ada
City Council Special Session
January 21, 2021 at 6:00 p.m.
City Hall

- I. Call to Order
- II. Pledge of Allegiance
- III. Roll Call

Members Present: Erickson, Mathsen, Roux, Lewis. Members Absent: Nelson, Stene, Krieger.

- IV. Moore Engineering
 - a. LRIP West Main Street
 - i. Task Order

Dan Hanson from Moore Engineering presented Task order No. 5 for CIP Planning Assistance in the amount not to exceed \$5000 for time and labor. This specific project is to prepare and lead a workshop with Council and Staff to determine potential projects.

Motion by Member Mathsen and seconded by Member Erickson to approve Task Order No 5. Voting For: Mathsen, Erickson, Roux, Lewis. Against NONE Motion passed

- b. Projects 2023-2024
- c. Projects 2025-2026
- d. Projects 2027-2028

Dan Hanson and Cavin Berube from Moore Engineering presented to the Council a Capital Improvement Plan that was drafted by Moore Engineering representatives and City Staff. This CIP plan focused on infrastructure improvements over the next 10 years with specific projects estimated to be accomplished when current City debt is retired in the years 2023, 2025, and 2027.

Plan outlines was as follows:

Year 2023-2024, 3 bonds totaling an annual payment of \$173,674 will be retiring. Opening up the City to be financially stable to take on roughly a \$2 million project. Sanitary sewers and RAGE 2 Addition will be first priority.

Year 2025-2026, 1 bond totaling \$153,164 will be retiring, opening up the City to be financially stable to take on roughly a \$1.5 million project. Road reconstruction will be priority at this time.

Year 2027-2028, 2 bonds totaling \$146,000 will be retiring, opening the City to be financially stable to take on roughly a \$1.5 million project. Watermains, and road reconstruction projects will be priority at this time.

No decisions were made. The Council would like to review all information.

V. Dekko Center Contract with Delta Design - Hold Harmless Agreement.

Motion by member Mathsen and seconded by member Roux to approve the Hold Harmless Agreement from Delta Design. Voting for: Mathsen, Erickson, Roux, Lewis. Voting Against, none. Motion Passed.

VI. Resolution 2021-01-03 A Resolution Authorizing the Sale of Parcels of Land in the City of Ada

Administrator Larson presented a Resolution to sell Lots 16 and 17 Blk 25 First Add. To Prothero Land Holdings LLC.

Motion by member Lewis and seconded by member Mathsen to approve Resolution 2021-01-03 A Resolution Authorizing the Sale of Parcels of Land in the City of Ada. By roll call vote: For: Mathsen, Roux, Erickson, Lewis. Against. None. Motion Passed.

VII. Adjourn\

Motion by member Mathsen and seconded by member Roux to adjourn the meeting at 6:55pm. Voting for: Roux, Lewis, Erickson, and Mathsen. Against: None. Motion passed

ACCOUNT PAYABLE - JANUARY 2021
 REGULAR COUNCIL MEETING
 Tuesday, February 2, 2021

*Added or Revised Amounts

ADA-FELTON COUNTRY STORE	PW FUEL	\$ 69.24
ADA BUILDING CENTER	DEKKO- PATCH CEMENT	\$ 10.99
ADA ELECTRIC	TOWER LIFT STATION REPLACE GENERATOR OUTLET	\$ 387.50
ADVANCED BUSINESS METHODS	COPY MACHINE COPIES	\$ 1,261.89
ARAMARK	PW- MATS,MOPS, PAPER SERVICES	\$ 87.08
ARAMARK	LQR MATS, MOPS	\$ 80.30
ARAMARK	POLICE MATS	\$ 47.67
AUTO VALUE	PW-BATTERIES,SPARK PLUGS, OIL, FILTERS, BRAKE FLUID,BRAKE WHEEL/SHOE,PARTS/TOOLS, MINI LAMP	\$ 78.06
AUTO VALUE	DEKKO- SHIPPING TOOL BACK TO BISMARCK ASSOCIATED POOLS	\$ 14.84
BORDERS STATES	ELECTRIC METER	\$ 307.93
BRAUN INTERTEC	MN DOT TESTING- PARK ST & 2ND ST IMP	\$ 800.00
CINTAS	JANUARY - EVENT CENTER MATS	\$ 66.26
COCA COLA	LQR POP	\$ 98.00
ECOLAB	POLICE- RODENT/ANT PROGRAM	\$ 117.63
FERGUSON WATERWORKS	WATER METERS	\$ 1,283.11
FP MAILING SOLUTIONS	POSTAGE METER FEES	\$ 326.52
GODFATHER'S EXTERMINATING	LIQUOR-ODOR UNIT, ENV SRCH	\$ 12.48
GOPHER STATE ONE CALL	2021 ANNUAL FACILITY OPERATOR FEE	\$ 50.00
HAWKINS	DEKKO CHEMICALS	\$ 840.45
INDEPTH INSPECTION	JANUARY BLDING PERMIT SERVICES	\$ 888.89
JET-WAY MULTIPLE SERVICES	CLEAN MAIN SANITARY SEWER LINES ON 5TH AVE	\$ 1,395.00
KRJB RADIO	COUNCIL- ANNUAL,	
KRJB RADIO	DEKKO- ANNUAL	
KRJB RADIO	LIQUOR- ANNUAL,	
MCCOLLUM HARDWARE, INC	CH- VACUUM BELT	\$ 4.99
MCCOLLUM HARDWARE, INC	DEKKO-	
MCCOLLUM HARDWARE, INC	PW- BULBS, TRASH BAGS, PLOW TRUCK HEX LOCK	\$ 65.81
MCCOLLUM HARDWARE, INC	POLICE-	
MCCOLLUM HARDWARE, INC	LIQUOR-	
MID-CENTRAL ICE	LIQUOR ICE	\$ 74.80
MN DEPT. OF NATURAL RESOURCES	PW WATER PERMIT USE 2020 FOR 60,057,000 GALS, SUMMMER SRCHG	\$ 402.14
MN MUNICIPAL UTILITIES ASSOCIATION	2021 ELECTRIC UTILITY MEMBER DUES	\$ 3,561.00

MN PUBLIC FACILITIES AUTHORITY	GO BOND LOAN REPAYMENT	\$ 6,067.80
MOORE ENGINEERING	WASTEWATER IMPROVEMENTS	\$ 2,845.00
MOORE ENGINEERING	WATER TOWER	\$ 1,257.50
NORMAN COUNTY ATTORNEY	JANUARY CRIMINAL FEES	\$ 833.33
NIHCA	DEKKO- 2021 ANNUAL MEMBERSHIP INVESTMENT	\$ 399.00
NORMAN COUNTY INDEX	CH-	
NORMAN COUNTY INDEX	LIQUOR- ADV	
OFFICE SUPPLIES	DEKKO- PLANNER, OFFICE SUPLS,FACE MASKS,INK CART	\$ 135.76
OFFICE SUPPLIES	CITY HALL- PAPER, NOTE PADS, CLIPS,	\$ 15.96
OFFICE SUPPLIES	LIQUOR- BAGS,TONER,PAPER	\$ 268.01
OFFICE SUPPLIES	FIRE- REPORT PAPER	\$ 6.00
OFFICE SUPPLIES	PW- FACE MASKS	\$ 15.99
OFFICE SUPPLIES	COUNCIL- ERICKSON NAME PLATE	\$ 37.50
OLSON POOLS SPAS	DEKKO- SUPERFLO PUMP	\$ 651.70
OVERHEAD DOOR COMPANY	PW OVERHEAD DOOR REPAIR	\$ 1,597.00
PETRO SERVE	POLICE- FUEL	\$ 66.18
PETRO SERVE	PW FUEL	\$ 102.22
PRODUCTIVITY PLUS- TITAN	PW- PUMPS, OIL	\$ 486.98
RMB ENV LAB	WATERSEWER TESTS	\$ 35.00
SORENSEN ELECTRIC	PW- CONVERT TO LED IN TRUCK STORAGE BLDING	\$ 1,189.36
SUNNY COMMUNICATIONS	FIRE- SPEAKERS, RADIO PARTS	\$ 412.00
SUPERMARKET FOODS	LIQUOR- JUICE, POP	\$ 24.92
TRANE	DEKKO REPAIRS	\$ 476.50
WATER & LIGHT FUND	UTILITIES	
WAUBUN STEEL	DEKKO- FIX POOL SHUT OFFS	\$ 60.00
TOTALS		\$ 29,316.29

JANUARY 2021 PRE-PAID CHECKS

Paid Chk# 0823355	ARTISAN BEER COMPANY	1/19/2021	\$73.80	LIQUOR
Paid Chk# 0823356	ARVIG	1/19/2021	\$2,008.46	PHONE, INTERNET
Paid Chk# 0823357	ARVIG ENTERPRISES	1/19/2021	\$760.07	JAN RENT
Paid Chk# 0823358	BANK OF ZUMBROTA	1/19/2021	\$48,263.50	PRINCIPAL- T.E. MICRO LOANS
Paid Chk# 0823359	BEVERAGE WHOLESALERS, INC	1/19/2021	\$478.48	BEER
Paid Chk# 0823360	BREAKTHRU BEVERAGE	1/19/2021	\$1,111.94	LIQUOR
Paid Chk# 0823361	BUREAU OF CRIM. APPREHENSION	1/19/2021	\$150.00	POLICE- CJDN ACCESS FEE
Paid Chk# 0823362	CARDMEMBER SERVICES	1/19/2021	\$116.03	ADOBE ACROPRO SUBS
Paid Chk# 0823363	D-S BEVERAGES	1/19/2021	\$12,600.60	BEER
Paid Chk# 0823364	GARDEN VALLEY TELEPHONE CO.	1/19/2021	\$28.99	SOFTWARE BACKUP
Paid Chk# 0823365	JOHNSON BROS WHLSE LIQUOR CO	1/19/2021	\$3,090.44	LIQUOR
Paid Chk# 0823366	MCKINNON CO., INC.	1/19/2021	\$3,707.50	BEER CREDIT
Paid Chk# 0823367	MINNCOR INDUSTRIES	1/19/2021	\$150.00	ATV PERMIT STICKERS
Paid Chk# 0823368	MN ENERGY RESOURCES CORP.	1/19/2021	\$2,999.23	UTILITIES
Paid Chk# 0823369	NATIONAL ASSN. OF TOWN WATCH	1/19/2021	\$35.00	POLICE NATW MEMBERSHIP
Paid Chk# 0823370	PAUSTIS WINE COMPANY	1/19/2021	\$201.53	LIQUOR
Paid Chk# 0823371	PHILLIPS WINE & SPIRITS CO.	1/19/2021	\$4,107.81	LIQUOR
Paid Chk# 0823372	READITECH SOLUTIONS	1/19/2021	\$488.50	MING SERVICES,RTS HOSTED
Paid Chk# 0823373	RED RIVER,VALLEY CO-OP POWER	1/19/2021	\$7,750.00	JAN MNT
Paid Chk# 0823374	SOUTHERN GLAZERS OF MN	1/19/2021	\$702.32	LIQUOR
Paid Chk# 0823375	VINOCOPIA, INC	1/19/2021	\$650.75	LIQUOR
Paid Chk# 0823376	WINE MERCHANTS	1/19/2021	\$1,133.89	LIQUOR
Paid Chk# 0823377	NORTHLAND TRUST SERVICES	1/27/2021	\$44,885.00	BOND PRINCIPAL, INTEREST 2015A
Paid Chk# 0823394	ARTISAN BEER COMPANY	1/28/2021	\$53.50	BEER
Paid Chk# 0823395	BELLBOY CORPORATION	1/28/2021	\$593.00	LIQUOR
Paid Chk# 0823396	BOOM ISLAND BREWING CO, LLC	1/28/2021	\$163.00	BEER
Paid Chk# 0823397	BREAKTHRU BEVERAGE	1/28/2021	\$538.71	LIQUOR
Paid Chk# 0823398	CITY OF ADA GENERAL FUND	1/28/2021	\$11.15	PSTG- BOND PAYMENT
Paid Chk# 0823399	DELTA DESIGN & CONSTRUCTION, I	1/28/2021	\$24,000.00	DEKKO CONSTRUCTION DOWN PAYMEN
Paid Chk# 082400	D-S BEVERAGES	1/28/2021	\$2,482.45	BEER
Paid Chk# 082401	EGGEN, BRIANNA	1/28/2021	\$57.95	DEKKO- FLOOR RUGS,USB DRIVES,SCRUBBERS
Paid Chk# 082402	GUNDERSON, KELLY	1/28/2021	\$1,000.00	CIP REPORTABLE-HEAT PUMPS
Paid Chk# 082403	JOHNSON BROS WHLSE LIQUOR CO	1/28/2021	\$992.91	LIQUOR
Paid Chk# 082404	MCKINNON CO., INC.	1/28/2021	\$2,044.45	LIQUOR
Paid Chk# 082405	MN STATE FIRE CHIEF ASSOC.	1/28/2021	\$100.00	2021 MEMBERSHIP RENEWAL

Paid Chk# 082406	PEMBERTON, SORLIE, RUFER, KERSHINE	1/28/2021	\$424.00	DEC 2020 GENERAL LEGAL FEES
Paid Chk# 082407	PHILLIPS WINE & SPIRITS CO.	1/28/2021	\$2,584.85	LIQUOR
Paid Chk# 082408	WINE MERCHANTS	1/28/2021	\$536.80	LIQUOR
			\$171,056.61	

MINUTES OF THE PUBLIC WORKS BOARD MEETING

January, 25, 2021

Members present: Casey Krieger, Bruce Visser, Shawn Roux, Pete Fetting

Also present: Brian Rasmusson

Members Absent: Bob Ramstad

Call meeting to order. 5:33 pm

Casey Krieger called the meeting to order.

Approve minutes: No meeting was held in December, did not have a quorum

Items added to agenda: Election of Officers

Approve agenda: Motion- Visser and 2nd Roux. All in favor, motion passed.

Old business:

Water: None

Sewer: None

Electric: None

Street: Front end loader update: Brian told the board that the loader repairs are almost complete, they didn't find anything else when they took it apart except for a couple minor repairs so we should be close to the amount they estimated for repairs.

UPDATE: 1-28-2021 We got the loader back from RDO Wednesday afternoon.

Other: None

New business:

Water: None

Sewer: None

Electric: Miso Contract annual contract renewal. Brian told the board that this is an annual contract renewal with XCEL energy and it is just forecasting the amount of power that on average that the City of Ada will use in a year, they forecast this so they can estimate how much power they will have to purchase for the year. They want to do a 3 year contract instead of just 1 year to lock us into the current price as the forecast is

that energy prices are going to rise in the next couple of years and by entering into the 3 year contract it will save the City money in the future. These contracts are very complicated so it is hard to explain everything in just a few paragraphs.

Street: None

Other: None

Next meeting: February 26, 2021, @ Ada Public Works Department 5:30 PM

Adjourn meeting: Motion –ROUX, 2nd by Fetting. All in favor, motion passed **5:53 pm.**

BradyMartz

December 28, 2020

City Council and City Administrator
City of Ada
Ada, MN 56510

We are pleased to confirm our understanding of the services we are to provide the City of Ada for the year ended December 31, 2020. We will audit the financial statements of each major fund and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Ada as of and for the year ended December 31, 2020.

We have also been engaged to report on supplementary information other than required supplementary information (RSI) that accompanies the City of Ada's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Budgetary Comparison Schedule
- 2) Combining Financial Statements
- 3) Schedule of Changes in Fund Balances and Net Position
- 4) Schedule of Indebtedness
- 5) Schedule of City Contributions
- 6) Schedule of City's Share of Net Pension Liability

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with the regulatory basis of accounting and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. No. 6.65, and will include tests of the accounting records of the City of Ada and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of the City of Ada's financial statements. Our report will be addressed to the mayor and city council of the City of Ada. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in

considering the City's internal control and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that the City of Ada is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the City of Ada's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will perform the following nonaudit services:

- 1) Proposition journal entries necessary to present the financial statements in accordance with the regulatory basis of accounting.
- 2) Assist with the drafting of the City's financial statements and related notes in accordance with the regulatory basis of accounting.
- 3) Assist with the preparation of the City Financial Reporting Form and Statement for Publication.
- 4) Assist with preparation of depreciation schedules using your estimates of useful lives and method.

These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the services listed above. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the nonaudit services and that you have reviewed and approved the nonaudit services and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably the City Administrator, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management Responsibilities

Management is responsible for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with the regulatory basis of accounting, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are responsible for including all informative disclosures that are appropriate for the regulatory basis of accounting. Those disclosures will include (1) a description of the regulatory basis of accounting, including a summary of significant accounting policies, and how the regulatory basis of accounting differs from GAAP; (2) informative disclosures similar to those required by GAAP; and (3) additional disclosures beyond those specifically required that may be necessary for the financial statements to achieve fair presentation.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the City complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to

remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we may report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the regulatory basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with the regulatory basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the regulatory basis of accounting; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the City; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brady, Martz & Associates, P.C. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request in a timely manner to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brady, Martz & Associates, P.C. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Brian Opsahl is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for the City audit is \$16,400 for the year ended December

31, 2020. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

Our fee estimate is based to a large extent on the quality, timeliness, and accuracy of the requested supporting documentation that you and your staff will prepare for the audit. It is also based on the number and complexity of proposed audit adjustments that may be required to bring your financial statements in compliance with the regulatory basis of accounting. We will prepare a detailed list of expected supporting audit documentation which you will need to prepare before we will be able to begin the audit(s). The supporting audit documentation will need to be completed and submitted to us by the corresponding due dates noted on the list. Our fee estimate does not include any accounting assistance required to assist you in properly preparing the required supporting audit documentation listed in the "Prepared by Client (PBC) audit documentation" letter. Also, it does not include additional time required to reconcile the supporting audit documentation to appropriate detail and/or to the general ledger. Additional time will be billed at our standard rates. The original fee estimate assumes that the supporting audit documentation will be completed prior to the requested due dates and will meet the following criteria:

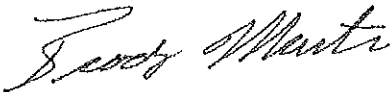
- All audit documentation will be completed and prepared in Brady, Martz & Associates, P.C. format by you and your staff by the contract deadline.
- Minimal (less than 10) year-end projects in progress in all countries.
- No unanticipated issues which would require additional accounting issues, new GAAP departures, changes in accounting results which would cause a going concern issue, or significant management, the engagement would start on time.
- No additional major funds from the audit, an additional fee will be charged per fund based on our standard rates.
- Significant accounting issues identified during the audit.
- Start date is as scheduled.

Feb. Council meeting

The fee estimate is not based on the subject to Title 2 U.S. Code of Federal Regulations (CFR) *Cost Principles, and Audit Requirements for Federal Awards*. If you have federal funds in the year ended December 31, 2018, additional procedures will be required for the program(s). An additional fee of \$2,800 will be charged per major federal program.

We appreciate the opportunity to be of service to the City of Ada. This letter accurately summarizes the significant terms of our engagement. If you have any questions, please call us. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

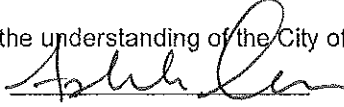
Very truly yours,



Brady, Martz & Associates, P.C.

RESPONSE:

This letter correctly sets forth the understanding of the City of Ada.

City Administrator signature: 
Date: _____

City Council signature: _____
Date: _____

Brian Rasmusson

From: Donovan, Matthew D [Matthew.D.Donovan@xcelenergy.com]
Sent: Wednesday, January 20, 2021 9:25 PM
To: Brian Rasmusson
Subject: RE: Upcoming Capacity Requirement

My apologies, Brian. The Contract Price language in my initial email was incorrect. The price should have been represented as Per ZRC, not KW/M per ZRC. I have corrected this error in the table below.

Planning Year	Quantity (# of ZRCs)	LRZ	Contract Price (\$ per ZRC)	Purchase Price (\$)
2021/2022	1.8	1	\$27,000.00	\$48,600.00
2022/2023	1.8	1	\$27,000.00	\$48,600.00
2023/2024	1.8	1	\$27,000.00	\$48,600.00
Total				\$145,800.00

From: Donovan, Matthew D
Sent: Wednesday, January 20, 2021 3:34 PM
To: 'brasmusson@adamn.gov' <brasmusson@adamn.gov>
Subject: Upcoming Capacity Requirement

Brian,

Thank you again for taking the call today. To summarize, in accordance with MISO Resource Adequacy Requirements (Module E-1 of the MISO Tariff) a component of the agreement between NSP and The City Of Ada provides for not only Energy Services, but also Capacity. As a MISO Market Member representing your load, there is a requirement for The City Of Ada to have adequate capacity to maintain compliance within the MISO market. Historically NSP has determined the volume of Capacity Credits (ZRC's) Ada needs to carry, and sold those volumes to you. As such, we are looking to extend the same agreement for the next 3 planning years. The historical sale price will remain the same, though the volume has increased marginally from 1.7 ZRC's to 1.8 ZRC's. Attached, for your reference, you will find the executed confirmation for the existing capacity sales from NSP to The City Of Ada by planning year.

Understanding you will need to present this transaction to both your Board and City Council, the time line you shared for those meetings is well before the MISO FRAP deadline of March 9th, 2021. Should you require any additional information from me, I am more than happy to set up/join a conference call to ensure we are all on the same page.

Proposed details of the transaction are as follows:

Planning Year	Quantity (# of ZRCs)	LRZ	Contract Price (\$ KW/M per ZRC)	Purchase Price (\$)
2021/2022	1.8	1	\$27,000.00	\$48,600.00
2022/2023	1.8	1	\$27,000.00	\$48,600.00
2023/2024	1.8	1	\$27,000.00	\$48,600.00
Total				\$145,800.00