

NORTH ZUMBRO SANITARY SEWER DISTRICT
Joint Powers Executive Committee Regular Meeting
December 3rd, 2025
11:00 A.M.
Zumbrota City Council Chambers
Zumbrota, MN

I. CALL TO ORDER

II. ROLL CALL

LR___ EH ___ MB___ BG _____

JM___ TR_____ SO_____ JM _____

BA___ CB_____ RS ___ GG ___ BT _____

III. ADOPT AGENDA _____

***CONSENT AGENDA _____**

ALL ITEMS LISTED WITH AN ASTERISK (*) ARE CONSIDERED ROUTINE OR NON-CONTROVERSIAL BY THE EXECUTIVE COMMITTEE AND WILL BE APPROVED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS A DIRECTOR OR ENGINEER SO REQUESTS, IN WHICH CASE THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND BE CONSIDERED IN ITS NORMAL SEQUENCE ON THE AGENDA.

- *A) Executive Committee Minutes – 11/5/2025**
- *B) Bills-Accounts Payable 10/25/2025 – 11/21/2025**
 - 1. WHKS Invoice #56225 for \$386,902.92**
- *C) PFA Disbursement Request Form**
- *D) Technical Committee Meeting Notes – 11/18/2025**

IV. PUBLIC COMMENTS

INDIVIDUALS MAY ADDRESS THE EXECUTIVE BOARD ABOUT ANY ITEM OF CONCERN. SPEAKERS MUST STATE THEIR NAME AND LIMIT THEIR REMARKS TO FIVE MINUTES. GENERALLY, THE EXECUTIVE BOARD WILL NOT TAKE OFFICIAL ACTION ON THESE ITEMS BUT MAY REFER THE

MATTER TO STAFF FOR A FUTURE REPORT OR DIRECT THAT THE MATTER BE SCHEDULED FOR A FUTURE MEETING AGENDA.

V. OLD BUSINESS

A) Bonding Bill Update

a. House Bonding Committee visit 11/6/2025

B) Congressional Directed Spending

C) Wendt Watermain Easement

D) Regulatory Meetings

a. MPCA EAW, Anti-deg, NPDES permit – 12/3/2025

E) MN PFA Payment Update

VI. NEW BUSINESS

A) ABDO Engagement letter

VII. ADJOURN

Time: _____ Motion: _____ Second: _____

**NORTH ZUMBRO SANITARY DISTRICT
Joint Powers Executive Committee Meeting
Wednesday, November 5, 2025 11:05 A.M.
Zumbrota City Council Chambers
Zumbrota, MN**

CALL TO ORDER: Chair Elizabeth Howard.

PRESENT: Executive Committee Directors: Elizabeth Howard – Pine Island, Brian Grudem – Zumbrota, Lisa Redepenning – Goodhue, and Michael Boulton – Wanamingo
Executive Committee Alternate Directors: Jason Mandelkow – Goodhue, Todd Robertson – Pine Island, and substitute Jeff Meyers - Zumbrota

ABSENT: Executive Committee Directors: None
Executive Committee Alternate Directors: Stuart Ohr – Wanamingo

ALSO PRESENT: Bill Angerman – WHKS, Glenn Gustafson – WHKS, Craig Britton – Widseth, Reese Sudtelgte – ISG, and Brandon Theobald – WHKS

ADOPT AGENDA: Grudem motioned to approve the agenda, seconded by Redepenning. Passed 4-0-0.

CONSENT AGENDA: Boulton motioned to approve, Seconded by Grudem. Consent Agenda Items include: October 1, 2025 Executive Committee Meeting Minutes, WHKS Invoice #55942 for \$268,265.24, and PFA Disbursement Request Form. Passed 4-0-0.

PUBLIC COMMENTS: None

OLD BUSINESS:

Bonding Bill Update – House Bonding Committee Tour – November 6th – Angerman and Redepenning plan to present to the House Capital Investments Committee. Boulton stated that the final details have not been set. However, the latest is that presenters will be picked up by the bus. The presentation will be given on the bus with handouts. The City of Wabasha has requested a site visit on the bus to show their request. Boulton stated that he would speak to the Committee Administrator, Benji Brinks, to verify how the presentation will be handled and where to meet. Angerman and Britton will modify the handout and the PowerPoint slides to provide to the committee members and staff for the presentation. Boulton stated that all 2025-2026 Lobbyist Contracts with Winthrop and Weinstine have been approved and submitted. Howard stated that a legislative meeting with the JPA board is looking to get scheduled by Andrea Rau of Winthrop and Weinstine for the December 3rd meeting.

Congressional Directed Spending – Howard stated that was no update since last month. The \$1 million congressionally directed spending request is in the appropriation process.

Wendt Watermain Easement – Grudem meet with Jim Wendt, who is in favor of the proposed easement. The engineers and Bob Vose will work to prepare the instrument for recording the easement.

CWSRF 2026/2027 IUP change – Angerman stated that the MN PFA stated that \$28 million will be the maximum funding for the PSIG funding. Angerman stated that the financial plan has \$21 million included.

Regulatory Meetings – MPCA EAW, Anti-deg, NPDES permit – 11/5/2025 – Gustafson and Britton will attend the monthly MPCA meeting. The meeting will discuss where the project is at on the permits. They will discuss MPCA comments on the details. Angerman stated that we are waiting on response back for the EAW. The Anti-deg has been approved, waiting for formal notification. The NPDES have been submitted and waiting on details. Britton said that there are questions on SIU's (Significant industrial users) that need to be answered. Lincoln Industries in Pine Island is a categorical SIU that is not regulated by the City, but the MPCA due to

chrome plating. Angerman stated that the permitting process is where we need to be based upon the project schedule.

MN PFA Payment Update – Howard stated there is no update. Howard and Angerman met with Drew Brooksbank and his boss Steve Walter on October 1st. MN PFA recommended less details the better in the request for reimbursement. Howard and Angerman questioned the lack of full reimbursement and appealed. There has been no follow up from MN PFA since the meeting. Since July the PFA disbursements have been shorted from the request on the \$10 million grant from 2023. There is still roughly \$14,000 that has not been reimbursed. These costs include project management, executive committee meetings, and mileage. Howard will follow up with MN PFA on the appeal.

NEW BUSINESS:

City of Red Wing Inquiry – Howard stated that a request from Red Wing Deputy Director Kelsey Prall had been submitted to the NZSSD JPA. The City of Red Wing has requested the criteria on how cities were included for the sanitary sewer district. Howard said that Red Wing’s intentions were not clear. Howard stated that Red Wing wastewater treatment facility requires significant upgrades in the future. Howard did not know if there were concerns why they were not part of the NZSSD group or some other reason for the request. Grudem stated that geography and similar sized communities shaped the informal discussions on membership. Howard stated that Mazeppa was part of the original discussion, while Kenyon also looked into joining early on in the process. Angerman stated that the engineers discussed a reasonable distance for piping, which was informally set at 10 miles. Boulton moved to approve answering the City of Red Wing inquiry with the NZSSD criteria on cities being similar sized communities within 10 miles of the central location, seconded by Grudem. Passed 5-0-0.

Gustafson stated that Widseth architects are nearing the planning for finishing in the office space of the administration building. Gustafson asked if anyone from the NZSSD JPA had a strong desire to be part of deciding finishings. There was no desire from the JPA board, but a consensus to spec out normal wastewater treatment office space finishings.

*The next meeting will be December 3, 2025 at 11:30AM.

Adjourn: At 11:38AM a motion to adjourn was made by Grudem and seconded by Redepenning. Passed 4-0-0.

Signed:

Attest:

Elizabeth Howard, Chair

Michael Boulton, Secretary



engineers + planners + land surveyors

2905 South Broadway
Rochester, MN 55904-5515
Phone: 507.288.3923
Federal ID: 42-0943938

December 02, 2025

Project No: 09870.00

Invoice No: 56225

Elizabeth Howard
Executive Committee Chair
North Zumbro Joint Powers Sanitary Sewer District
250 South Main Street
Pine Island, MN 55963

Project 09870.00 North Zumbro Joint WWTF and Conveyance

Professional Engineering Services from October 25, 2025 through November 21, 2025

Phase	071	Process Preliminary Design - WHKS Lead	
Technical Services			101,228.32

Total this Phase \$101,228.32

Phase	073	Process Structural Preliminary Design	
Technical Services			11,583.04

Total this Phase \$11,583.04

Phase	075	Site Pipg & Grdg Plan Main Fac. Pre Des	
Technical Services			1,763.52

Total this Phase \$1,763.52

Phase	083	Building Struct. Prelim Design - NPR	
Technical Services			555.52

Total this Phase \$555.52

Phase	093	Wanamingo Lift Station Prelim. Design	
Technical Services			2,792.16

Total this Phase \$2,792.16

Phase	102	Zumbrota Conveyance Preliminary Design	
Technical Services			2,413.12

Total this Phase \$2,413.12

Phase	103	Wanamingo Force Main Preliminary Design	
Technical Services			24,581.92

Total this Phase \$24,581.92

Phase	111	Additional EAW Services	
-------	-----	-------------------------	--

Services incurred by Stantec Consulting Services Inc.
Per contract 2% administrative fee for subsconsultant services.

Consultants

Widseth Smith Nolting & Assoc., Inc.			2,613.25	
Total Consultants	1.02 times		2,613.25	2,665.52
		Total this Phase		\$2,665.52

Phase 200 Subconsultants
 Per contract 2% administrative fee for subconsultant services.

Consultants

Chosen Valley Testing			92,200.00	
I & S Group, Inc.			86,850.00	
Widseth Smith Nolting & Assoc., Inc.			55,577.25	
Total Consultants	1.02 times		234,627.25	239,319.80
		Total this Phase		\$239,319.80

Billing Limits

	Current	Prior	To-Date	
Total Billings	386,902.92	3,638,451.35	4,025,354.27	
Limit			8,638,950.00	
Remaining			4,613,595.73	
			Total this Invoice	\$386,902.92

Billings to Date

	Current	Prior	Total
Labor	144,917.60	2,418,604.78	2,563,522.38
Consultant	241,985.32	1,206,643.24	1,448,628.56
Expense	0.00	10,937.27	10,937.27
Expense - Unit	0.00	2,266.06	2,266.06
Totals	386,902.92	3,638,451.35	4,025,354.27



Chosen Valley Testing, Inc.

414 37th Ave N
 St. Cloud, MN 56303
 Phone # 507-281-0968

Invoice

Date	Invoice #
10/28/2025	54312

www.chosenvalleytesting.com

Bill To
Mr. Glenn Gustafson WHKS & Co. 2905 S. Broadway Rochester, MN 55904-5515 ggustafson@whks.com

Project Description
Geotechnical Services North Zumbro WWTF Zumbrota, Minnesota

PO Number	Terms	Project Mgr	Project No.	Date Completed
	Net 30	DE	7-22947-24MNR	April 19, 2025

Description	Qty	Rate	Amount
UTILITY LOCATE MEET SERVICES			
Vehicle Trip Charge	5	100.00	500.00
One Call, coordination, and site meet, per hour	56	100.00	5,600.00
DRILLING SERVICES			
Drill Rig and Support Vehicle, per day	16	1,200.00	19,200.00
Drilling, Sampling & Sealing, per 25ft or refusal	37	400.00	14,800.00
Drilling, Sampling & Sealing, per 14 ft or refusal	152	225.00	34,200.00
MDH Borehole Sealing Record, per form	2	200.00	400.00
LABORATORY SERVICES			
Moisture Content and Pocket Penetrometer, lump sum	1	2,500.00	2,500.00
GEOTECHNICAL ENGINEERING SERVICES			
Logging & Preliminary Report, lump sum	1	15,000.00	15,000.00

Please remit payments to:
 Chosen Valley Testing, Inc.
 1410 7th ST NW
 Rochester, MN 55901

Total	\$92,200.00
Payments/Credits	\$0.00
Balance Due	\$92,200.00



I & S Group, Inc.
 115 E. Hickory St.
 Suite 300
 Mankato, MN 56001
 507-387-6651
 www.ISGInc.com

WHKS
 1412 6th St SW
 PO Box 1467
 Mason City, IA 50402-1467

Invoice Number 125604
 Date 10/31/2025

**Project 23-30164 North Zumbro
 Sanitary Sewer District WWTF -
 Goodhue, MN**

Progress billing for professional services provided through date of invoice

Invoice Dates: October 1, 2025 - October 31, 2025

Description	Current Billed
Phase 7: Preliminary & Final Plant Design WHKS lead	
7.4 Process Electrical & Control Instrumentation	\$ 45,305.00
Phase 9: Lift Station Design	
9.4 Goodhue	\$ 10,050.00
Phase 10: Forcemain & Local Collection System Design	
10.4 Forcemain and Local Collection System Design	\$ 31,495.00
	\$ 86,850.00
Invoice Amount	<u>\$86,850.00</u>

Payment Terms: Net 30 days from invoice date. Past due balances are subject to late fees in the amount of 1.5% per month.
 If you have a question regarding your invoice or are interested in receiving invoices electronically, please e-mail AR@ISGInc.com

Automated Clearing House (ACH) Instructions

Account Name: I&S Group, Inc.
ABA/Routing Number: 073000642
Account Number: 2348642289
Send Remittance to: AR@ISGInc.com

Aging Summary

Invoice Number	Invoice Date	0 - 30	31 - 60	61-90	Over 90	Balance
124247	9/30/2025	\$0.00	\$50,760.00	\$0.00	\$0.00	\$50,760.00
125604	10/31/2025	\$86,850.00				\$86,850.00
Total Outstanding		\$86,850.00	\$50,760.00	\$0.00	\$0.00	\$137,610.00

WIDSETH SMITH NOLTING & ASSOC., INC.
216 S MAIN ST
CROOKSTON, MN 56716
T. 218-281-6522



INVOICE

WHKS & Co
ggustafson@whks.com
2905 Broadway Avenue S
Rochester, MN 55904

Invoice Number: 240834
Date: September 29, 2025
Project Number: 2023-11919

North Zumbro Sanitary District

For Professional Services Rendered Through: September 12, 2025

Between August 9th, 2025 and September 12th, 2025

02 - MPCA Coordination/Permitting

026 - Prepare EAW List Tasks	\$17,935.25
Labor	\$15,322.00
Stantec Consulting Services Inc	\$2,613.25

02 - MPCA Coordination/Permitting Total: \$17,935.25

04 - Topographical Survey

041 - Main Site Topo Survey	\$50.00
Labor	\$50.00
042 - Lift Stations and Forcemains Topo Survey	\$50.00
Labor	\$50.00

04 - Topographical Survey Total: \$100.00

08 - WWTF Building Architecture, MEP, Structural

081 - Building Architectural	\$7,398.00
Labor	\$7,398.00
082 - Mechanical, Electrical, Plumbing	\$13,202.50
Labor	\$13,202.50
083 - Building Structural Design - Non Process Related	\$3,990.00
Labor	\$3,990.00

08 - WWTF Building Architecture, MEP, Structural Total: \$24,590.50

09 - Lift Station Design

091 - Pine Island Lift Station Design	\$1,294.00
Labor	\$1,294.00

09 - Lift Station Design Total: \$1,294.00

10 - Forcemain and Local Collection System Design

-	\$1,773.75
Labor	\$1,773.75

101 - Pine Island	\$12,497.00
Labor	\$12,497.00

10 - Forcemain and Local Collection System Design Total: \$14,270.75

Historical Billings to Date

	Previously Billed	Current Billing	Billed To Date
Labor	\$595,084.25	\$55,577.25	\$650,661.50
Outside Consultants	\$137,193.40	\$2,613.25	\$139,806.65
Reimbursable	\$4,182.40	\$0.00	\$4,182.40
	\$736,460.05	\$58,190.50	\$794,650.55

Invoice Total \$58,190.50

Invoice Number	2445713
Invoice Date	August 29, 2025
Purchase Order	227707080
Customer Number	223001
Project Number	227707080

Bill To	<u>EFT/ACH Remit To (Preferred)</u>	Alternative Remit To
Widseth Smith Nolting (WSN)	Stantec Consulting Services Inc. (SCSI)	Stantec Consulting Services Inc. (SCSI)
Accounts Payable	Bank of America	13980 Collections Center Drive
610 Filmore Street	ABA No. : 111000012	Chicago IL 60693
Alexandria MN 56308	Account No: 3752096026	United States
United States	Email Remittance: eft@stantec.com	

Project	Widseth Smith Nolting: Air Quality EAW Assistance for North Zumbro Sanitary District WWTP		
Project Manager	Taylor, Luke	For Period Ending	August 22, 2025
Current Invoice Total (USD)	2,613.25		

Top Task	500	Complete Air Dispersion Modeling		
<u>Professional Services</u>				
Category/Employee			Current Hours	Current Rate
				Current Amount
		Cronister, Samantha Helal (Sam)	2.25	176.00
		Cronister, Samantha Helal (Sam)	6.25	189.00
		Kuphal, Stephanie Lynn	1.00	214.00
		Taylor, Lucas N (Luke)	3.00	274.00
		Subtotal Professional Services	<u>12.50</u>	<u>2,613.25</u>

Top Task Subtotal	Complete Air Dispersion Modeling	2,613.25
	Total Fees & Disbursements	<u>2,613.25</u>
	INVOICE TOTAL (USD)	2,613.25

Net due upon payment from end client or in accordance with terms of the contract
Stantec will not change our banking information. If you receive a request noting our banking information has changed, please contact your Stantec Project Manager



MINNESOTA

PUBLIC FACILITIES AUTHORITY

Water Infrastructure Project Disbursement Request Form

Recipient - Contract ID: **North Zumbro SSD_SPAP_01**

Project Title: North Zumbro Sanitary District Project

Disbursement request details: Request Number: **19** Amount: **\$386,902.92**

notes:

Prepared by: **Elizabeth R. Howard**

Authorized by: Name (print) **Elizabeth R. Howard**

Title/phone **City Administrator - 507-356-4591 ext. 9**

Sign/date  **12/02/25**

I hereby certify that this request for disbursement is, to the best of my knowledge and belief, true and accurate and made in accordance with the conditions of the project agreement, and that I am authorized to request disbursements on behalf of the recipient.

MPFA approvals:

MPFA Loan Officer	date	MPFA Executive Director	date
#N/A			

The remainder of this form is reserved for MPFA Disbursement Coding.

The Note for this project is: **N/A-grant only**

Loan Officer - please check this box IFF this is the final request on this project:

MN Public Facilities Authority - Water Infrastructure Project Disbursement Request Form

Instructions

Disbursement requests must be received by PFA no later than the 15th of each month in order to be paid during that month. Generally, disbursements will be processed on the Wed following the 4th Tue. Recipients are advised to include a provision in their contracts specifying contractor deadlines for invoice submittal, so that local approval can be coordinated with the PFA disbursement schedule.

To request funds, an authorized official of the recipient entity must sign a completed Project Disbursement Request Form, to be submitted by mail, e-mail or fax (**ONLY ONE**) to your MPFA loan officer. Copies of invoices and supporting documents must be submitted with the request. Retain a copy of the request and all documentation for your files.

The request form contains a certification. Each certification relates to the request and related back-up for expenditures, as to accuracy and compliance with agreement conditions.

In addition, if the PFA project funding includes or may include federal monies, the certification also includes language regarding labor standards compliance. U. S. Department of Labor Davis Bacon regulations at 29CFR 5.5(a)(1) require that covered employees are properly paid the full amount of required wages and fringes, that workers are compensated for the type of work being performed according to the classification, and additional classifications, if needed, were sought and employees paid the approved rate. For full text of 29 CFR 5.5(a)(1) see hyperlink below:

[29 CFR 5.5\(a\)\(1\)](#)

<-- this is the hyperlink; below is the full web url:

<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&rgn=div5&view=text&node=29:1.1.1.1.6&idno=29#29:1.1.1.1.6.1.27.4>

If the Recipient has hired a consulting engineer or other consultant for labor standards compliance, obtain a signed and dated certification from that entity that states "To the best of our knowledge, the certified payroll records received in connection with invoice number (identify number) from (identify contractor(s)) are in compliance with the U.S. Department of Labor prevailing wage requirements of 29 CFR 5.5(a)(1)." Keep the signed certifications on file with the disbursement request.

The *Summary of Project Costs* form may be useful to track project costs through the disbursement phase. Please submit this form with the Disbursement Request Form and supporting documents.

Submit completed and signed the Project Disbursement Request Form and all supporting invoices and other documentation, by **ONLY ONE** of the following methods:

mail: Minnesota Public Facilities Authority
#N/A
332 Minnesota Street, W820
1st National Bank Building
Saint Paul, MN 55101-1378

OR e-mail: [#N/A](#)

OR fax: 651-296-8833

MN Public Facilities Authority
Project Disbursement Request - Summary of Project Costs

Recipient - Contract ID: **North Zumbro SSD_SPAP_01**

SPAP: MPFA-SPAP-G-061-FY24 \$ 10,000,000
 \$ 10,000,000

note to recipient: complete the yellow-highlighted boxes below for each request:

The costs detailed below relate to **Project Disbursement Request #:** 19

Cost descriptions	Amounts
A. Non-Construction: Engineering	\$ 384,237.40
Legal/Finance	-
Administration	\$ -
Other	\$ 2,665.52
Total Non-Construction	\$ 386,902.92
B. Construction:	
<u>Clean Water...</u> Treatment Facilities	\$ -
<u>Drinking Water...</u> Treatment	-
Collector Systems	\$ -
Transmission & Distribution	-
Interceptor	\$ -
Source (Wells/surface water intakes)	-
Lift Station	\$ -
Storage / Water Tower	-
Equipment	\$ -
Other	\$ -
Total Construction	\$ -
C. Total disbursement request (A + B):	\$ 386,902.92
D. Total of previous requests submitted to PFA ** (see pg 2 for detail):	\$ 4,325,594.96
E. Total requested to date (C + D):	\$ 4,712,497.88
F. Original award total from above:	\$ 10,000,000.00
G. Remaining un-drawn balance (F – E):	\$ 5,287,502.12

Notes:

page 2 may be used by the recipient for tracking past disbursement requests on this project

** History of payment requests submitted to PFA:

Req #	Dated	Notes	\$ amount Requested	\$ amount Paid by PFA
1	05/16/24		\$ 894,082.89	\$ 894,082.89
2	06/11/24		\$ 97,365.45	\$ 97,365.45
3	08/14/24		\$ 145,397.77	\$ 145,397.77
4	09/16/24		\$ 60,053.89	\$ 60,053.89
5	10/15/24		\$ 1,029,827.54	\$ 1,029,827.54
6	11/14/24		\$ 124,868.17	\$ 124,868.17
7	12/12/24		\$ 117,642.42	\$ 117,642.42
8	01/16/25		\$ 110,208.82	\$ 110,208.82
9	02/05/25		\$ 152,346.73	\$ 152,346.73
10	03/07/25		\$ 201,612.18	\$ 201,612.18
11	04/01/25		\$ 127,879.70	\$ 127,879.70
12	05/06/25		\$ 202,153.06	\$ 202,153.06
13	06/04/25		\$ 183,347.99	\$ 183,347.99
14	07/02/25		\$ 162,117.49	\$ 147,140.89
15	08/05/25		\$ 265,266.74	\$ 280,207.84
16	09/03/25		\$ 230,143.27	\$ 212,378.85
17	10/01/25		\$ 239,080.77	\$ 239,080.77
18	11/05/25		\$ 268,265.24	
19	12/02/25		\$ 386,902.92	
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
<i>total requested / paid prior to this request:</i>			\$ 4,998,563.04	\$ 4,325,594.96

TECHNICAL COMMITTEE MEETING MINUTES

North Zumbro Sanitary Sewer District

Goodhue, Pine Island, Wanamingo, Zumbrota

MEETING DATE: November 18, 2025

MEETING TIME: 10:00 AM

MEETING LOCATION: Zumbrota City Hall

AGENDA ITEMS:

1. Sign In – See Sign in Sheet

2. Status Updates

a. Bonding Bill update

- i. *Bonding bill was passed in 2025, but there were no special appropriations.*
- ii. *House representatives indicated to Bill at the House bonding tour last week that they're planning on a 2026 Bonding Bill.*
- iii. *Goodhue's and Pine Island's WWTF's are in need of replacement and can't wait much longer before they need to be replaced.*

b. MPCA update

- i. EAW
 1. *Comments were received by the MPCA and a revised draft was submitted at the middle of October. The MPCA is reviewing the submittal and we're expecting comments in the next couple of weeks. At a meeting with the MPCA last week they indicated that the review comments should be minimal and they feel the EAW is close to being accepted. Once accepted the MPCA will send it out for public comment. The public comment period is open 30 days.*
- ii. Anti-deg
- iii. NPDES Permit

3. 75% Plans

a. Site Layout

- i. *Glenn reviewed the preliminary site and grading plans.*
- ii. *Watermain will be extended across the Wendt property (through an easement) and will enter the NZSSD property near the administration building. There is one planned water meter for the water use on the property.*
- iii. *Craig will work on getting the link to a shared folder and Glenn will upload the plan set.*

b. Pretreatment

- i. *Removal of coarse and fine grit.*
- ii. *Headcell – Gravity style for grit removal.*
- iii. *Chemical room with Micro C (carbon source) for better Phosphorus removal.*
- iv. *Contains odor control unit, electrical room and sampling room.*

- v. *There are two planned garage doors. Consensus from Technical Committee members is that openers should be installed on garage doors that are used regularly. Doors that aren't used often don't need openers.*
- c. Secondary Treatment
 - i. *Ferric or Alum can be used for enhanced phosphorus removal.*
 - ii. *Will have concrete cover over the anaerobic zones on the oxidation ditches.*
 - iii. *Contains subsurface mixers.*
 - iv. *There was a question about the use of Davit cranes. Technical Committee members would like to see them included in the design, but they could be removed if there are budget concerns. Engineer's will review the possibility of using a truck and crane.*
 - v. *5 MGD maximum for secondary treatment.*
- d. Tertiary Treatment
 - i. *Contains cloth media filters for enhanced phosphorus removal.*
 - ii. *Planning on having slanted UV panels.*
- e. Admin Building
- f. Questions from the design team
 - i. Garage Door Openers – All powered or just the ones that would get used frequently
 - 1. *Administration building will have garage door openers on all overhead doors. Consensus from Technical Committee members is that openers should be installed on garage doors that are used regularly. Doors that aren't used often don't need openers.*
 - ii. Interior Painting of Walls and Ceilings
 - 1. *Coating is easier to clean and brightens rooms, but does require maintenance (re-coating). General consensus is to paint the interior walls and ceilings.*
 - iii. Hoists for Ditch Mixers – Provide one hoist for each mixer or have a couple that get moved around with fixed bases at each mixer? There are 10 mixers and each hoist is \$5,000.
 - 1. *General consensus is that they should be included in the plans. Engineers will look into the possibility of using a truck and crane in lieu of the Davit cranes.*
 - iv. Clarifier Dome Sidewalls – with or without?
 - 1. *Sidewalls would allow the ability to walk out on launders. However, that can be dangerous, so could have hatches in areas to wash down clarifiers in lieu of having sidewalls. Adding sidewalls would add hundreds of thousands of dollars to the project. General consensus is to NOT include sidewalls.*

4. Open Discussion

- a. *The cost of a septage receiving station is approximately \$750k - \$1M. Technical Committee members will provide further input on whether or not a receiving station should be included. Each community will work on getting input to the design team (email to Glenn and Bill). Monitoring of the receiving station is required. Bill mentioned that the receiving station could be planned, but could be installed at a later date. Technical Committee members acknowledge that there is a need for it, but agree that it could be installed later.*

5. Next Meeting – TBD



November 25, 2025

Members

North Zumbro Sanitary Sewer District
Pine Island, Minnesota

We are pleased to confirm our understanding of the services we are to provide the North Zumbro Sanitary Sewer District (the District) for the year ended December 31, 2025.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities, and the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended December 31, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management’s Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the District’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 GAAS, 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:

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- Introductory Section

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor’s report that includes our opinion about whether your financial statements are fairly presented in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

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

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and will include tests of your accounting records of the District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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 government or to acts by management or employees acting on behalf of the government. 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 or 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, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS 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 any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of certain assets, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

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.

Our audit of financial statements does not relieve you of your responsibilities.



Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. 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 District'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.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility 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 accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). 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, such as records, documentation, identification of all related parties and all related party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will 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 GAAS and Government Auditing Standards.

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 of each opinion unit 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 government 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 District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government 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 report.

With regard to including the auditor's report in an exempt offering document, you agree that the aforementioned auditor's report, or reference to Abdo, will not be included in any such offering document without our prior permission or consent. Any agreement to perform work in connection with an exempt offering document, including an agreement to provide permission or consent, will be a separate engagement.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). 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 include the audited financial statements with any presentation of the supplementary information that includes 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 GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (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.

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.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. You are 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 Scope and 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.

Other Services

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the general ledger into a working trial balance. As part of the audit, we will assist with preparation of your financial statements and related notes. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them.

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 financial statement services previously defined. 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 financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.



Engagement Administration, Fees, and Other

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

We will provide electronic copies of our reports to the District; 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 Abdo and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to any Regulator or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the 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 Abdo 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 seven years after the report release date or for any additional period requested by the Regulator. 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.

Brad J. Falteysek, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in March 2026, and to issue our reports no later than June 30, 2026.

Our fee for these services will be as follows:

Audit	\$10,500.00
2025 Office of the State Auditor's Reporting Form	<u>\$350.00</u>
Total	<u><u>\$10,850.00</u></u>

Our invoices for these fees will be rendered as follows: 25% at engagement letter signing, 50% once fieldwork is complete and 25% at Report Delivery.

There have been several new accounting standards issued in recent years which will begin taking effect in the current and following years. These new standards may require substantial changes to your financial statements. We will review with you during the planning stage and if changes are substantial and you would like our firm to complete this work we will agree at that time to a separate fee and engagement to complete that work.

To assist with the post-implementation accounting for GASB statement numbers 87 - Leases and 96 - Subscription Based Information Technology Agreements (SBITA's), Abdo has partnered with an accounting software known as Crunchafi (formerly known as LeaseCrunch) to ensure you are in compliance with the standards. The cost of this service is a discounted price of \$81.90 per lease/SBITA that is in the Crunchafi system and is billed directly to Abdo from Crunchafi on an annual basis. Abdo will bill you the same amount charged from Crunchafi based on the number of leases/SBITA's in your account. Abdo plans to utilize this software as part of our procedures and Abdo can either enter information into the system for you to review or we can give you access to the system to input your own data for which we will review and ensure it is correct. We will discuss this with you as part of our planning procedures.

In an effort to reduce environmental impact, you will receive printable, downloadable PDFs of your report. To receive one (1) paper report, you will be charged \$150 for a set-up fee. Additional paper copies will be charged at the rate of \$50 per report.



You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

You may also be billed for travel and other out-of-pocket costs such as report production, typing, postage, etc. if not included in the fee listed above. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee before we incur the additional costs. Amounts not paid within 30 days from the invoice date will be subject to a late payment charge of .66 percent per month (8 percent per year). If for any reason the account is turned over to collections, additional fees will be added to cover collections cost. In accordance with our Firm policies, work may be suspended if your account becomes 60 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. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We will schedule the engagement based in part on deadlines, working conditions, and the availability of your key personnel. We will plan the engagement based on the assumption that your personnel will cooperate and provide assistance by performing tasks such as preparing requested schedules, retrieving supporting documents, and preparing confirmations. If, for whatever reason, your personnel are unavailable to provide the necessary assistance in a timely manner, it may substantially increase the work we have to do to complete the engagement within the established deadlines, resulting in an increase in fees over our original fee estimate.

Except in the event of your failure to make a payment when due, in the event of a dispute related in any way to our services, our Firm and you agree to discuss the dispute and, if necessary, to promptly mediate in a good faith effort to resolve. We will agree on a mediator, but if we cannot, either of us may apply to a court having personal jurisdiction over the parties for appointment of a mediator. We will share the mediator's fees and expenses equally, but otherwise will bear our own attorneys' fees and mediation cost. Participation in such mediation shall be a condition to either of us initiating litigation. In order to allow time for the mediation, any applicable statute of limitations shall be tolled for a period not to exceed 120 days from the date either of us first requests in writing to mediate the dispute. The mediation shall be confidential in all respects, as allowed or required by law, except our final settlement positions at mediation shall be admissible in litigation solely to determine the prevailing party's identify for purposes of the award of attorneys' fees. In the event you fail to make a payment for services or to reimburse for costs advanced by the Firm on your behalf, the Firm reserves the right to take all legally permissible action, including commencement of litigation in lieu of mediation, and shall have the right to collect its costs, including reasonable attorney's fees, incurred in any such collection or litigation activities.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will utilize a portal which is a collaborative, virtual workspace in a protected, online environment. The portal permits real-time collaboration across geographic boundaries and time zones and allows us and you to share data, engagement information, knowledge, and deliverables in a protected environment. In order to use the portal, you may be required by the provider of the portal to execute a client portal agreement and agree to be bound by the terms, conditions, and limitations of such agreement. You agree that we have no responsibility for the activities of the portal and agree to indemnify and hold us harmless with respect to any and all claims arising from your misuse of the portal.

We are not a host for any of your information. You are responsible for maintaining your own copy of this information. We do not provide back-up services for any of your data or records, including information we provide to you. Portals are utilized solely as a method of transferring data and are not intended for the storage of your information. Information on a portal may be deleted by us.



If you decide to transmit your confidential information to us in a manner other than a secure portal, you accept responsibility for any and all unauthorized access to your confidential information. If you request that we transmit confidential information to you in a manner other than a secure portal, you agree that we are not responsible for any liability, including but not limited to, (a) any loss or damage of any nature, whether direct or indirect, that may arise as a result of our sending confidential information in a manner other than a secure portal, and (b) any damages arising as a result of any virus being passed on or with, or arising from any alteration of, any email message.

State, federal and foreign regulators may request access to or copies of certain workpapers pursuant to applicable legal or regulatory requirements. Requests also may arise with respect to peer review, an ethics investigation, the sale of your organization, or the sale of our accounting practice. If requested, access to such workpapers will be provided under the supervision of firm personnel. Regulators may request copies of selected workpapers to distribute the copies or information contained therein to others, including other governmental agencies.

If we receive a request for copies of selected workpapers, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such request as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit the disclosure of information. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

We have the right to withdraw from this engagement, at our discretion, if you do not provide us with any information we request in a timely manner; refuse to cooperate with our reasonable requests or misrepresent any facts; we have reason to believe you may have engaged, or may be planning to engage, in conduct that is unethical and/or unlawful; you engage in conduct directed toward or affecting firm personnel that is disrespectful, inappropriate, and/or potentially unlawful; or we determine that continuing the engagement is not in the best interests of the firm or threatens legal or reputational harm to the firm. In the event of withdrawal under any of these circumstances, such withdrawal will release us from any obligation to complete your report and will constitute completion of our engagement.

Abdo, LLP and its subsidiary companies are committed to providing equal employment opportunities to all employees and applicants for employment without regard to any legally-recognized basis "protected class" including but not limited to: veteran status, uniformed services member status, race, color, religion, sex, national origin, age, physical or mental disability, sexual orientation or marital preference, genetic information or any other protected class under federal, state, or local law.

Reporting

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Members of the District. We cannot provide assurance that an unmodified opinion will be rendered. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. 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 issue reports, or we may withdraw from this engagement. You agree to include our audit report in any document containing financial statements that indicate that such financial statements have been audited by us and, prior to inclusion of our audit report, to ask our permission to do so.

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 state (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 District'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 District's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that the District 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.



Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2023 Peer Review Report accompanies this letter.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please electronically sign this letter.

Sincerely,



Abdo





REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

November 6, 2023

To the Partners of
Abdo, LLP
and the Peer Review Committee of the Minnesota Society
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Abdo, LLP (the firm) in effect for the year ended May 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act; audits of employee benefit plans, and an audit performed under FDICIA.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Abdo, LLP in effect for the year ended May 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Abdo, LLP has received a peer review rating of *pass*.



Brady Martz and Associates, P.C.
Grand Forks, North Dakota



RESPONSE:

This letter correctly sets forth the understanding of the North Zumbro Sanitary Sewer District.

Signature and Title: _____

