



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Monday, April 27, 2026 at 3:30 PM

Power Plant - 300 East Main St

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **DISCUSS ACCEPTABLE PARAMETERS OF THE TERMS OF THE WES BOND AND PROPOSED COVENANTS**
 - [a.](#) Discussion Memo
 - [b.](#) Covenants for Electric Revenue Bonds - Clean Copy
 - [c.](#) Covenants for Electric Revenue Bonds - Marked/Edited Copy
 - [d.](#) Debt Service Assumptions
4. **APPROVAL OF MINUTES**
 - [a.](#) March 30, 2026 Utilities Meeting Minutes
5. **UTILITY AND SMMPA BILLS**
 - [a.](#) Approval of accounts payable in the amount of **\$402,828.06** and the SMMPA billing of **\$426,839.63**.
6. **FINANCIAL REPORTS**
 - [a.](#) Investment Report
 - [b.](#) Financial Report
 - [c.](#) Water and Kilowatt Hours Sales
7. **SMMPA BOARD OF DIRECTORS MEETING**
 - [a.](#) March 11, 2026
 - [b.](#) Resolution #UC-26-04-27-01 - Change of Alternate Representative to SMMPA
8. **GENERAL MANAGER'S REPORT**
9. **OTHER BUSINESS**
10. **ADJOURNMENT**

NEXT COMMISSION MEETING – Monday, May 26, 2026



New Prague Utilities Commission

In the Counties of Scott & Le Sueur

118 CENTRAL AVENUE NORTH • NEW PRAGUE, MINNESOTA 56071 •
PHONE (952) 758-4401 • www.ci.new-prague.mn.us • FAX (952) 758-1149

Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager
Robin Pikal, Finance Director

DATE: April 23, 2026

SUBJECT: **DISCUSS ACCEPTABLE PARAMETERS OF THE TERMS OF THE WES BOND**

- Determine maximum aggregate principal amount of the bonds of \$_____ for May 25th for Commission
- Determine true interest cost not to exceed _____% for May 25th Commission
- Determine Pricing Committee members: _____
 - The Pricing Committee will consider all proposals with Ehlers and award the sale of the bonds to the winning bidder. Once awarded, we will complete the form of Certificate of Pricing Committee attached as Exhibit A to the parameters resolution, which will state the final terms of the bonds, for execution by the Pricing Committee members. This process basically delegates the authority to review and award the sale of bonds from the City Council/Commission to the Pricing Committee.

RECOMMENDATION

Staff would recommend that Commission discusses the acceptable parameters of the WES Bond.

New Prague Utilities Commission

Covenants for Electric Revenue Bonds

INTRODUCTION

The City of New Prague, Minnesota (the “City”), acting through the New Prague Utilities Commission (the “Commission”), owns and operates facilities for the generation and distribution of electric energy (the “Electric Utility”) in the City and elsewhere. The Commission and the City have determined to undertake the construction and operation of an expanded and new electric generation facility and construction of one or more reciprocating engine generating units thereon (the “2026 Project”). The Commission proposes to finance the 2026 Project with the proceeds of the City’s Electric Revenue Bonds, Series 2026A (the “Series 2026A Bonds”).

The covenants set forth herein will help ensure that the Electric Utility generates sufficient revenues to repay the Series 2026A Bonds and any additional bonds to be issued on a parity basis with the Series 2026A Bonds (collectively, the “Bonds”), thereby reducing risk to investors and lowering interest costs for the City and the Commission. The Commission proposes to include such covenants in a resolution of the Commission to be adopted at an upcoming meeting, which shall provide for the issuance and sale of the Series 2026A Bonds, subject to certain parameters, and establishing a pricing committee in connection therewith (the “Commission Resolution”).

AUTHORITY AND SECURITY AUTHORITY

The Series 2026A Bonds are proposed to be issued by the City in cooperation with Commission pursuant to Minnesota Statutes, Chapters 453, 475, as amended, and a resolution of the City Council adopted February 17, 2026 and published February 26, 2026, authorizing the City to exercise the powers of a municipal power agency under Minnesota Statutes, Chapter 453, a resolution to be adopted by the City Council at an upcoming meeting, concurring in the action of the Commission in providing for the issuance and sale of the Series 2026A Bonds, and the Commission Resolution.

SECURITY AND SOURCES OF PAYMENT

The Series 2026A Bonds will be special obligations of the City payable solely from Net Revenues of the Electric Utility and funds available in the Reserve Account established by the Commission Resolution. Annual Net Revenues of the Electric Utility will be sufficient to pay principal of and interest on the Bonds as they become due.

The term “Net Revenues” means Gross Revenues of the Electric Utility, less Operating Expenses of the Electric Utility. The term “Gross Revenues” means all revenues and receipts derived from

the operation of the Electric System and investment income thereof. The term “Operating Expenses” means the current expenses of the Electric Utility, including the reasonable and necessary costs of operation, maintenance and insurance of the Electric Utility, salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items which by generally accepted accounting principles, constitute normal, reasonable and current costs of operation and maintenance, but excluding any allowance for depreciation, extraordinary repairs, transfers to other City funds, and payments into the Sinking and Interest Account established by the Commission Resolution.

Available funds, which may include proceeds of the Series 2026A Bonds and/or City cash, will be deposited on the date of issuance of the Series 2026A Bonds into the Reserve Account in an amount not exceeding the lesser of (i) 10% of the stated principal amount of the Bonds (or issue price of the Bonds if the Bonds have more than a de minimis amount of original issue discount or premium); (ii) the maximum annual debt service on the Bonds; or (iii) 125% of the average annual debt service on the Bonds (the “Reserve Requirement”). The Reserve Requirement for the Series 2026A Bonds is expected to be maximum annual debt service on the Series 2026A Bonds, or approximately \$1,300,000. For further information see “Reserve Account” herein.

The Commission, on behalf of the City and for itself, covenants that it will maintain rates and charges at a level which will provide sufficient revenues to pay operation and maintenance expenses, and 150% of the maximum annual principal and interest requirements of the Bonds and any other bonds payable from the Sinking and Interest Account. The Commission does not have any additional debt outstanding payable from Net Revenues of the Electric Utility.

The Commission, on behalf of the City, and for itself further covenants to: maintain the Electric Utility in efficient operating condition; to employ an experienced manager to operate and maintain the system; to charge reasonable and just rates for all customers; to maintain proper billing procedures; to carry insurance; to keep proper books and records; to cause an audit to be prepared annually; and to faithfully and punctually perform all duties with reference to the Electric Utility required by Constitution and laws of the State of Minnesota, the Charter of the City and the Commission Resolution. The Commission also covenants, on behalf of the City and for itself, not to sell, lease, mortgage, or in any manner dispose of the Electric Utility or any part thereof until all of the Bonds and any additional bonds have been paid in full, provided that the Commission, on behalf of the City and for itself, may sell the Electric Utility as a whole if there is simultaneously deposited with the Registrar the amount necessary to retire all of the outstanding Bonds, including interest to accrue to the date of maturity or earlier optional redemption; and grant no franchise to any competing electric utility.

Funds and Accounts

The Commission Resolution provides for the establishment and continuation of the Electric Utility Fund and of the accounts therein as described below. All revenues of the Electric Utility will be deposited into the Electric Utility Fund. Within the Electric Utility Fund, the Commission shall maintain the following accounts:

Capital Expenditure Account into which the proceeds of the Bonds, less accrued interest and any premium or unused discount, will be deposited to pay the costs of issuance of the Bonds and to pay for the costs of constructing the 2026 Project and any future project to be financed with Bonds (collectively, the "Project"), including construction costs, engineering, legal and fiscal fees. Any funds remaining after payment of such costs will be transferred to the Sinking and Interest Account.

Operation and Maintenance Account into which will be deposited all Gross Revenues as received. From this account will be paid all, but only, current Operating Expenses of the Electric Utility, as further described in the Commission Resolution. All moneys remaining in this account after providing for the foregoing items are Net Revenues.

Sinking and Interest Account into which there will be deposited the accrued interest received from the purchaser of the Bonds, if any, and any premium or unused discount with respect to the Bonds. The Commission shall deposit Net Revenues monthly in an amount equal to at least one-twelfth of the total principal payment chargeable against the account on the next February 1 and one-sixth of the total interest payment chargeable against the account on the next semi-annual interest payment date; provided that no payments need be made to this account when the moneys held therein are sufficient for the payment of the principal of and interest on the Bonds on the next applicable payment date. No money will be paid out of the Sinking and Interest Account except to pay principal of and interest on the Bonds.

Reserve Account into which shall be deposited, from available Electric Utility funds, the Reserve Requirement.

Money on hand in the Reserve Account shall be used only to pay principal of and interest on the Bonds when money in the Sinking and Interest Account is insufficient therefor. Any amounts in the Reserve Account in excess of the Reserve Requirement may be used to purchase and retire any of the outstanding Bonds at a price not to exceed par and accrued interest, or to call and redeem such outstanding Bonds as may then be subject to redemption prior to maturity. When the Reserve Account is used to pay principal and interest, it must be restored to the Reserve Requirement from the next available Net Revenues in the Operation and Maintenance Account. The Reserve Account will be funded to the Reserve Requirement until all Bonds have been paid and retired; provided, however, that at any time when the amount on deposit in the Reserve Account is sufficient to pay in full the principal of all Bonds then outstanding and all interest

accrued or to accrue on all Bonds then outstanding to the date of maturity or earlier redemption, it may be used for such purpose.

Surplus Account into which Net Revenues in excess of those to be maintained in the foregoing funds and accounts of the Electric Utility under the Commission Resolution shall be deposited, and may be used for such other purpose and at such times as may be permitted by law.

Additional Bonds

Additional obligations may be issued on a parity basis as to pledge and lien with the Bonds (“Additional Bonds”) if all of the following conditions are met:

- (a) The annual average of Net Revenues of the Electric Utility for the two fiscal years immediately preceding the issuance of such additional bonds, adjusted for any additional net revenues as provided in the Commission Resolution, shall not have been less than 125% of the average of the unpaid annual debt service requirements on the outstanding Bonds and any Additional Bonds (including those to be issued).
- (b) The payments required to be made into various accounts provided for in the Commission Resolution have been made.
- (c) The resolution authorizing the Additional Bonds provides for the pledge and payment into the Reserve Account of an amount sufficient to raise the balance therein to the new Reserve Requirement upon issuance of the Additional Bonds.
- (d) The Additional Bonds must have principal maturing on February 1 of each year and interest falling due on August 1 and February 1 of each year.
- (e) The proceeds of the Additional Bonds must be used for the purpose of making improvements, additions, extensions, renewals or replacements to the Electric Utility or to refund Bonds issued for such purposes.

If the above conditions are not met, additional obligations may be issued only if their lien and pledge is junior and subordinate to the Bonds.

New Prague ~~Municipal Utilities~~ Commission

~~DRAFT:~~ Covenants for Electric Revenue Bonding Bonds

INTRODUCTION

The City of New Prague, Minnesota (the “City”), acting through the New Prague Utilities Commission (the “Commission”), owns and operates facilities for the generation and distribution of electric energy (the “Electric Utility”) in the City and elsewhere. The Commission and the City have determined to undertake the construction and operation of an expanded and new electric generation facility and construction of one or more reciprocating engine generating units thereon (the “2026 Project”). The Commission proposes to finance the 2026 Project with the proceeds of the City’s Electric Revenue Bonds, Series 2026A (the “Series 2026A Bonds”).

The covenants set forth herein will help ensure that the Electric Utility generates sufficient revenues to repay the Series 2026A Bonds and any additional bonds to be issued on a parity basis with the Series 2026A Bonds (collectively, the “Bonds”), thereby reducing risk to investors and lowering interest costs for the City and the Commission. The Commission proposes to include the covenants set forth below in a resolution of the Commission to be adopted at an upcoming meeting, which shall provide for the issuance and sale of the Series 2026A Bonds, subject to certain parameters, and establishing a pricing committee in connection therewith (the “Commission Resolution”).

AUTHORITY AND SECURITY AUTHORITY

The Series 2026A Bonds are being proposed to be issued by the City in cooperation with the City’s ~~Municipal Utilities~~ Commission (the “~~PUC Commission~~”) pursuant to Minnesota Statutes, Chapters 453, 475, as amended, and a resolution (the “Resolution”) of the City Council adopted February 17, 2026 and published February 26, 2026, authorizing the City to exercise the powers of a municipal power agency under Minnesota Statutes, Chapter 453, a resolution to be adopted by the City Council at an upcoming meeting, concurring in the action of the Commission in providing for the issuance and sale of the Series 2026A Bonds, and the Commission Resolution. The Bonds are being issued by the City, acting through the Commission, to benefit the ~~PUC Commission~~ which operates the electric, water and wastewater utilities of the City.

SECURITY AND SOURCES OF PAYMENT

The Series 2026A Bonds will be special obligations of the City payable solely from Net Revenues of the Electric Utility of the City Commission and funds available in the Reserve

Account established by the Commission Resolution. Annual Net Revenues of the Electric Utility will be sufficient to pay principal of and interest on the Bonds as they become due.

~~The term “Net Revenues” of the Electric Utility are means defined as gross Gross revenues Revenues of the Electric Utility, less and earnings derived from the operation Operating Expenses of the electric plant and system Electric Utility, less current expenses. The term “Gross Revenues” means all revenues and receipts derived from the operation of the Electric System and investment income thereof. The term “Operating Expenses” means Current the current expenses of the Electric Utility, including are defined as~~ the reasonable and necessary costs of operation, maintenance and insurance of the Electric Utility, ~~including but not limited to~~ salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items which by generally accepted accounting principles, constitute normal, reasonable and current costs of operation and maintenance, but excluding any allowance for depreciation, extraordinary repairs, transfers to other City funds, and payments into the Sinking and Interest Account established by the Commission Resolution.

Available ~~Electric Utility~~ funds, ~~which may include proceeds of the Series 2026A Bonds and/or City cash~~, will be deposited ~~on the date of issuance of the Series 2026A Bonds~~ into the Reserve Account in an amount not exceeding the lesser of (i) 10% of the stated principal amount of the Bonds (or issue price of the Bonds if the Bonds have more than a de minimis amount of original issue discount or premium); (ii) the maximum annual debt service on the Bonds; or (iii) 125% of the average annual debt service on the Bonds (the “Reserve Requirement”). The Reserve Requirement for the Series 2026A Bonds is expected to be maximum annual debt service on the Series 2026A Bonds, or approximately **\$1,300,000**. For further information see “Reserve Account” herein.

The City Commission, on behalf of the City and for itself, ~~will pledge covenants~~ that it will maintain rates and charges at a level which will provide sufficient revenues to pay operation and maintenance expenses, and 150% of the maximum annual principal and interest requirements of the Bonds and any other bonds payable from the Sinking and Interest Account. The City Commission does not have any additional debt outstanding payable from Net Revenues of the Electric Utility.

~~The City Commission will fund a Reserve Fund with available City cash-~~

The City Commission, on behalf of the City, and for the Commission itself further covenants to: maintain ~~its the~~ Electric Utility in efficient operating condition; to employ an experienced manager to operate and maintain the system; to charge reasonable and just rates for all customers; to maintain proper billing procedures; to carry insurance; to keep

proper books and records; to cause an audit to be prepared annually; and to faithfully and punctually perform all duties with reference to the Electric Utility required by Constitution and laws of the State of Minnesota, the Charter of the City and the Commission Resolution. The City-Commission also covenants, on behalf of the City and for itself, not to sell, lease, mortgage, or in any manner dispose of the Electric Utility or any part thereof until all of the Bonds and any additional bonds have been paid in full, provided that the City-Commission, on behalf of the City and for itself, may sell the Electric Utility as a whole if there is simultaneously deposited with the Registrar the amount necessary to retire all of the outstanding ~~bonds Bonds, payable from revenues of the Electric Utility~~ including interest to accrue to the date of maturity or earlier optional redemption; and grant no franchise to any competing electric utility.

Funds and Accounts

The Commission Resolution provides for the establishment and continuation of the Electric Utility Fund and of the accounts therein as described below. All revenues of the Electric Utility will be deposited into the Electric Utility Fund. Within the Electric Utility Fund, the City-Commission shall maintain the following accounts:

Capital Expenditure Account into which the proceeds of the Bonds, less accrued interest and any premium or unused discount, will be deposited to pay the costs of issuance of the Bonds and to pay for the costs of constructing the 2026 Project and any future project to be financed with Bonds (collectively, the “Project”), including construction costs, engineering, legal and fiscal fees. Any funds remaining after payment of such costs will be transferred to the Sinking and Interest Account.

Operation and Maintenance Account into which will be ~~paid-deposited~~ all ~~gross-Gross revenues-Revenues and earnings derived from the operation of the Electric Utility~~ as received. From this account will be paid all, but only, current Operating expenses Expenses of the Electric Utility, as further described in the Commission Resolution. All moneys remaining in this account after providing for the foregoing items are Net Revenues.

Sinking and Interest Account into which there will be ~~paid from deposited the accrued interest received from the purchaser of the Bonds~~ proceeds all accrued interest, if any, and any premium or unused discount with respect to the Bonds. The City-Commission shall deposit Net Revenues monthly in an amount equal to at least one-twelfth of the total principal payment chargeable against the account on the next February 1 and one-sixth of the total interest payment chargeable against the account on the next semi-annual interest payment date; provided that no payments need be made to this account when the moneys held therein are sufficient for the payment of the principal of and interest on the Bonds and

~~on any additional bonds payable therefrom~~ on the next applicable payment date. No money will be paid out of the Sinking and Interest Account except to pay principal of and interest on the Bonds ~~and any additional bonds payable from this account~~.

Reserve Account into which shall be deposited, from available Electric Utility funds, ~~the Reserve Requirement~~ the lesser of (i) 10% of the stated principal amount of the Bonds (or issue price of the Bonds if the Bonds have more than a de minimis amount of original issue discount or premium); (ii) the maximum annual debt service on the Bonds; or (iii) 125% of the average annual debt service on the Bonds. The Reserve Requirement for the Bonds is ~~expected to be maximum annual debt service on the Bonds, or approximately \$4,300,000~~.

Money on hand in the Reserve Account shall be used only to pay principal of and interest on the Bonds ~~and any additional bonds payable from the Sinking and Interest Account~~ when money in the Sinking and Interest Account is insufficient therefor. Any amounts in the Reserve Account in excess of the Reserve Requirement may be used to purchase and retire any of the outstanding Bonds ~~and bonds issued on a parity therewith~~ at a price not to exceed par and accrued interest, or to call and redeem such outstanding ~~bonds~~ Bonds as may then be subject to redemption prior to maturity. When the Reserve Account is used to pay principal and interest, it must be restored to the Reserve Requirement from the next available Net Revenues. The Reserve Account will be funded to the Reserve Requirement until all Bonds have been paid and retired; provided, however, that at any time when the amount on deposit in the Reserve Account is sufficient to pay in full the principal of all Bonds then outstanding and all interest accrued or to accrue on all Bonds then outstanding to the date of maturity or earlier redemption, it may be used for such purpose.

Surplus Account into which Net Revenues in excess of those to be maintained in the foregoing funds and accounts of the Electric Utility under the Commission Resolution shall be deposited, and may be used for such other purpose and at such times as may be permitted by law.

Additional Bonds

Additional obligations may be issued on a parity basis as to pledge and lien with the Bonds (“Additional Bonds”) if all of the following conditions are met:

- (a) The annual average of Net Revenues of the Electric Utility for the two fiscal years immediately preceding the issuance of such additional bonds, adjusted for any additional net revenues as provided in the Commission Resolution, shall not have been less than 125% of the average of the unpaid annual debt service requirements on the outstanding Bonds and any ~~additional~~ Additional bonds Bonds (including those to be issued).

(b) The payments required to be made into various accounts provided for in the Commission Resolution have been made.

(c) The resolution authorizing the ~~additional~~Additional bonds~~Bonds~~ provides for the pledge and payment into the Reserve Account of an amount sufficient to raise the balance therein to the new Reserve Requirement upon issuance of the ~~additional~~Additional bonds~~Bonds~~.

(d) The ~~additional~~Additional bonds~~Bonds~~ must have principal maturing on February 1 of each year and interest falling due on August 1 and February 1 of each year.

(e) The proceeds of the ~~additional~~Additional bonds~~Bonds~~ must be used for the purpose of making improvements, additions, extensions, renewals or replacements to the Electric Utility or to refund ~~bonds~~Bonds issued for such purposes.

If the above conditions are not met, additional obligations may be issued only if their lien and pledge is junior and subordinate to the Bonds.

New Prague Utilities Commission, Minnesota

\$16,890,000 Electric Revenue Bonds, Series 2026
Assumes Current Market Non-BQ "A1" Rates plus 25bps
20 Years

Sources & Uses

Dated 07/15/2026 | Delivered 07/15/2026

Sources Of Funds

| | |
|----------------------|------------------------|
| Par Amount of Bonds | \$16,890,000.00 |
| Total Sources | \$16,890,000.00 |

Uses Of Funds

| | |
|---|------------------------|
| Total Underwriter's Discount (1.000%) | 168,900.00 |
| Costs of Issuance | 169,000.00 |
| Deposit to Debt Service Reserve Fund (DSRF) | 1,549,099.39 |
| Deposit to Project Construction Fund | 15,000,000.00 |
| Rounding Amount | 3,000.61 |
| Total Uses | \$16,890,000.00 |

New Prague Utilities Commission, Minnesota

\$16,890,000 Electric Revenue Bonds, Series 2026

Assumes Current Market Non-BQ "A1" Rates plus 25bps

20 Years

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|------------------------|----------|-----------------------|------------------------|--------------|
| 07/15/2026 | - | - | - | - | - |
| 06/01/2027 | - | - | 572,673.19 | 572,673.19 | - |
| 12/01/2027 | - | - | 326,206.25 | 326,206.25 | 898,879.44 |
| 06/01/2028 | - | - | 326,206.25 | 326,206.25 | - |
| 12/01/2028 | 550,000.00 | 2.800% | 326,206.25 | 876,206.25 | 1,202,412.50 |
| 06/01/2029 | - | - | 318,506.25 | 318,506.25 | - |
| 12/01/2029 | 565,000.00 | 2.900% | 318,506.25 | 883,506.25 | 1,202,012.50 |
| 06/01/2030 | - | - | 310,313.75 | 310,313.75 | - |
| 12/01/2030 | 580,000.00 | 3.000% | 310,313.75 | 890,313.75 | 1,200,627.50 |
| 06/01/2031 | - | - | 301,613.75 | 301,613.75 | - |
| 12/01/2031 | 600,000.00 | 3.050% | 301,613.75 | 901,613.75 | 1,203,227.50 |
| 06/01/2032 | - | - | 292,463.75 | 292,463.75 | - |
| 12/01/2032 | 615,000.00 | 3.150% | 292,463.75 | 907,463.75 | 1,199,927.50 |
| 06/01/2033 | - | - | 282,777.50 | 282,777.50 | - |
| 12/01/2033 | 635,000.00 | 3.250% | 282,777.50 | 917,777.50 | 1,200,555.00 |
| 06/01/2034 | - | - | 272,458.75 | 272,458.75 | - |
| 12/01/2034 | 660,000.00 | 3.300% | 272,458.75 | 932,458.75 | 1,204,917.50 |
| 06/01/2035 | - | - | 261,568.75 | 261,568.75 | - |
| 12/01/2035 | 680,000.00 | 3.400% | 261,568.75 | 941,568.75 | 1,203,137.50 |
| 06/01/2036 | - | - | 250,008.75 | 250,008.75 | - |
| 12/01/2036 | 700,000.00 | 3.550% | 250,008.75 | 950,008.75 | 1,200,017.50 |
| 06/01/2037 | - | - | 237,583.75 | 237,583.75 | - |
| 12/01/2037 | 725,000.00 | 3.600% | 237,583.75 | 962,583.75 | 1,200,167.50 |
| 06/01/2038 | - | - | 224,533.75 | 224,533.75 | - |
| 12/01/2038 | 755,000.00 | 3.700% | 224,533.75 | 979,533.75 | 1,204,067.50 |
| 06/01/2039 | - | - | 210,566.25 | 210,566.25 | - |
| 12/01/2039 | 780,000.00 | 3.800% | 210,566.25 | 990,566.25 | 1,201,132.50 |
| 06/01/2040 | - | - | 195,746.25 | 195,746.25 | - |
| 12/01/2040 | 810,000.00 | 3.900% | 195,746.25 | 1,005,746.25 | 1,201,492.50 |
| 06/01/2041 | - | - | 179,951.25 | 179,951.25 | - |
| 12/01/2041 | 845,000.00 | 3.950% | 179,951.25 | 1,024,951.25 | 1,204,902.50 |
| 06/01/2042 | - | - | 163,262.50 | 163,262.50 | - |
| 12/01/2042 | 875,000.00 | 4.050% | 163,262.50 | 1,038,262.50 | 1,201,525.00 |
| 06/01/2043 | - | - | 145,543.75 | 145,543.75 | - |
| 12/01/2043 | 910,000.00 | 4.150% | 145,543.75 | 1,055,543.75 | 1,201,087.50 |
| 06/01/2044 | - | - | 126,661.25 | 126,661.25 | - |
| 12/01/2044 | 950,000.00 | 4.250% | 126,661.25 | 1,076,661.25 | 1,203,322.50 |
| 06/01/2045 | - | - | 106,473.75 | 106,473.75 | - |
| 12/01/2045 | 990,000.00 | 4.400% | 106,473.75 | 1,096,473.75 | 1,202,947.50 |
| 06/01/2046 | - | - | 84,693.75 | 84,693.75 | - |
| 12/01/2046 | 1,035,000.00 | 4.550% | 84,693.75 | 1,119,693.75 | 1,204,387.50 |
| 06/01/2047 | - | - | 61,147.50 | 61,147.50 | - |
| 12/01/2047 | 2,630,000.00 | 4.650% | 61,147.50 | 2,691,147.50 | 2,752,295.00 |
| Total | \$16,890,000.00 | - | \$9,603,041.94 | \$26,493,041.94 | - |

Yield Statistics

| | |
|-----------------------------------|--------------|
| Bond Year Dollars | \$233,530.67 |
| Average Life | 13.827 Years |
| Average Coupon | 4.1121117% |
| Net Interest Cost (NIC) | 4.1844363% |
| True Interest Cost (TIC) | 4.1636216% |
| Bond Yield for Arbitrage Purposes | 4.0647639% |
| All Inclusive Cost (AIC) | 4.2768753% |

IRS Form 8038

| | |
|---------------------------|--------------|
| Net Interest Cost | 4.1121117% |
| Weighted Average Maturity | 13.827 Years |

Series 2026 Elec Rev Bond | SINGLE PURPOSE | 4/23/2026 | 1:25 PM

New Prague Utilities Commission, Minnesota

\$15,320,000 Electric Revenue Bonds, Series 2026
Assumes Current Market Non-BQ "A1" Rates plus 25bps
20 Years - DSRF paid with Cash

Sources & Uses

Dated 07/15/2026 | Delivered 07/15/2026

Sources Of Funds

| | |
|---|------------------------|
| Par Amount of Bonds | \$15,320,000.00 |
| Planned Issuer Equity contribution (DSRF) | 1,404,779.54 |
| Total Sources | \$16,724,779.54 |

Uses Of Funds

| | |
|---|------------------------|
| Total Underwriter's Discount (1.000%) | 153,200.00 |
| Costs of Issuance | 166,000.00 |
| Deposit to Debt Service Reserve Fund (DSRF) | 1,404,779.54 |
| Deposit to Project Construction Fund | 15,000,000.00 |
| Rounding Amount | 800.00 |
| Total Uses | \$16,724,779.54 |

New Prague Utilities Commission, Minnesota

\$15,320,000 Electric Revenue Bonds, Series 2026

Assumes Current Market Non-BQ "A1" Rates plus 25bps

20 Years - DSRF paid with Cash

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|------------------------|----------|-----------------------|------------------------|--------------|
| 07/15/2026 | - | - | - | - | - |
| 06/01/2027 | - | - | 519,348.19 | 519,348.19 | - |
| 12/01/2027 | - | - | 295,831.25 | 295,831.25 | 815,179.44 |
| 06/01/2028 | - | - | 295,831.25 | 295,831.25 | - |
| 12/01/2028 | 500,000.00 | 2.800% | 295,831.25 | 795,831.25 | 1,091,662.50 |
| 06/01/2029 | - | - | 288,831.25 | 288,831.25 | - |
| 12/01/2029 | 515,000.00 | 2.900% | 288,831.25 | 803,831.25 | 1,092,662.50 |
| 06/01/2030 | - | - | 281,363.75 | 281,363.75 | - |
| 12/01/2030 | 525,000.00 | 3.000% | 281,363.75 | 806,363.75 | 1,087,727.50 |
| 06/01/2031 | - | - | 273,488.75 | 273,488.75 | - |
| 12/01/2031 | 545,000.00 | 3.050% | 273,488.75 | 818,488.75 | 1,091,977.50 |
| 06/01/2032 | - | - | 265,177.50 | 265,177.50 | - |
| 12/01/2032 | 560,000.00 | 3.150% | 265,177.50 | 825,177.50 | 1,090,355.00 |
| 06/01/2033 | - | - | 256,357.50 | 256,357.50 | - |
| 12/01/2033 | 580,000.00 | 3.250% | 256,357.50 | 836,357.50 | 1,092,715.00 |
| 06/01/2034 | - | - | 246,932.50 | 246,932.50 | - |
| 12/01/2034 | 595,000.00 | 3.300% | 246,932.50 | 841,932.50 | 1,088,865.00 |
| 06/01/2035 | - | - | 237,115.00 | 237,115.00 | - |
| 12/01/2035 | 615,000.00 | 3.400% | 237,115.00 | 852,115.00 | 1,089,230.00 |
| 06/01/2036 | - | - | 226,660.00 | 226,660.00 | - |
| 12/01/2036 | 635,000.00 | 3.550% | 226,660.00 | 861,660.00 | 1,088,320.00 |
| 06/01/2037 | - | - | 215,388.75 | 215,388.75 | - |
| 12/01/2037 | 660,000.00 | 3.600% | 215,388.75 | 875,388.75 | 1,090,777.50 |
| 06/01/2038 | - | - | 203,508.75 | 203,508.75 | - |
| 12/01/2038 | 685,000.00 | 3.700% | 203,508.75 | 888,508.75 | 1,092,017.50 |
| 06/01/2039 | - | - | 190,836.25 | 190,836.25 | - |
| 12/01/2039 | 710,000.00 | 3.800% | 190,836.25 | 900,836.25 | 1,091,672.50 |
| 06/01/2040 | - | - | 177,346.25 | 177,346.25 | - |
| 12/01/2040 | 735,000.00 | 3.900% | 177,346.25 | 912,346.25 | 1,089,692.50 |
| 06/01/2041 | - | - | 163,013.75 | 163,013.75 | - |
| 12/01/2041 | 765,000.00 | 3.950% | 163,013.75 | 928,013.75 | 1,091,027.50 |
| 06/01/2042 | - | - | 147,905.00 | 147,905.00 | - |
| 12/01/2042 | 795,000.00 | 4.050% | 147,905.00 | 942,905.00 | 1,090,810.00 |
| 06/01/2043 | - | - | 131,806.25 | 131,806.25 | - |
| 12/01/2043 | 825,000.00 | 4.150% | 131,806.25 | 956,806.25 | 1,088,612.50 |
| 06/01/2044 | - | - | 114,687.50 | 114,687.50 | - |
| 12/01/2044 | 860,000.00 | 4.250% | 114,687.50 | 974,687.50 | 1,089,375.00 |
| 06/01/2045 | - | - | 96,412.50 | 96,412.50 | - |
| 12/01/2045 | 895,000.00 | 4.400% | 96,412.50 | 991,412.50 | 1,087,825.00 |
| 06/01/2046 | - | - | 76,722.50 | 76,722.50 | - |
| 12/01/2046 | 935,000.00 | 4.550% | 76,722.50 | 1,011,722.50 | 1,088,445.00 |
| 06/01/2047 | - | - | 55,451.25 | 55,451.25 | - |
| 12/01/2047 | 2,385,000.00 | 4.650% | 55,451.25 | 2,440,451.25 | 2,495,902.50 |
| Total | \$15,320,000.00 | - | \$8,704,851.94 | \$24,024,851.94 | - |

Yield Statistics

| | |
|-----------------------------------|--------------|
| Bond Year Dollars | \$211,712.56 |
| Average Life | 13.819 Years |
| Average Coupon | 4.1116371% |
| Net Interest Cost (NIC) | 4.1839993% |
| True Interest Cost (TIC) | 4.1631569% |
| Bond Yield for Arbitrage Purposes | 4.0642608% |
| All Inclusive Cost (AIC) | 4.2861724% |

IRS Form 8038

| | |
|---------------------------|--------------|
| Net Interest Cost | 4.1116371% |
| Weighted Average Maturity | 13.819 Years |

Series 2026 Elec Rev Bond | SINGLE PURPOSE | 4/23/2026 | 1:28 PM



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, March 30, 2026 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Utilities Commission Vice President Charles Nickolay on Monday, March 30th, 2026, at 3:27 p.m.

Commissioners Present: Charles Nickolay, Tom Ewert, Paul Busch and Bruce Wolf

Commissioners Absent: Dan Bishop

Staff Present: General Manager Bruce Reimers, Finance Director Robin Pikal and EOS Ken Zweber

Others Present: Rebecca Kurtz and Keith Dahl from Ehlers Municipal Advisors

2. APPROVAL OF AGENDA

Motion made by Commissioner Busch, seconded by Commissioner Nickolay, to approve the agenda as presented.

Motion carried (4-0)

3. COVENANTS FOR BONDING

a. Covenants for Bonding Draft

Rebecca and Keith from Ehlers Municipal Advisors went over a draft of bonding covenants for the anticipated bond sale that will take place this fall for funding for the West Side Energy Station. The Commission asked for some clarification on the wording of the covenants as it pertained to the City and NPUC'S obligations that are listed in the Covenants. Ehlers will consult with the bonding attorney and make revisions accordingly with a final draft to be presented at the April meeting.

4. APPROVAL OF MINUTES

a. February 23, 2026 Utilities Meeting Minutes

Motion made by Commissioner Ewert, seconded by Commissioner Busch, to approve the February meeting minutes as presented.

Motion carried (4-0)

5. UTILITY AND SMMPA BILLS

a. Approval of accounts payable in the amount of **\$548,342.56** and the SMMPA billing of **\$518,961.92**.

GM Reimers went over the SMMPA billing to review the ECA charges caused by winter storm Fern, stating the SMMPA board approved using \$5,000,000 in cash reserves to reduce by half the amount that would have been passed on to customers in ECA charges, limiting the storm impact to \$.02 for only one month.

Motion made by Commissioner Ewert, seconded by Commissioner Busch, to approve the accounts payable as presented.

Motion carried (4-0)

6. FINANCIAL REPORTS

- a. Investment Report
- b. Financial Report
- c. Water and Kilowatt Hours Sales

Motion made by Commissioner Nickolay, seconded by Commissioner Wolf, to approve the financial reports as presented.

Motion carried (4-0)

7. SMMPA BOARD OF DIRECTORS MEETING

- a. February 11, 2026

GM Reimers informed the Commission of the following:

-The Board approved moving forward with authorizing bond sales for the Owatonna power plant in an estimated amount of \$75,000,000.

-SMMPA operations staff reviewed MISO changes in reliability demand curves that will be part of capacity seasonal credits moving forward.

8. AWARD OF SCHOLARSHIP

- a. College Scholarship Program Application

GM Reimers informed the Commission that only one scholarship application was received that met the criteria requirements and recommended that the Commission award the scholarship to Cole Rezac, as he will be majoring in Computer and Electrical Engineering at NDSU.

Motion was made by Commissioner Nickolay, seconded by Commissioner Busch, to award the scholarship to Cole Rezac.

Motion carried (4-0)

9. GENERAL MANAGER'S REPORT

GM Reimers informed the Commission of the following:

-Filter Plant #3 rehab is progressing on schedule as contractors continue to sandblast and paint the interior of the filter

-Staff met with contractors of the WES and were informed that footing work has been delayed until the week of April 6th due to weather, but they do not anticipate that it will affect the completion schedule.

10. OTHER BUSINESS

None

11. ADJOURNMENT

Motion made by Commissioner Nickolay, seconded by Commissioner Ewert, to adjourn the March Commission meeting at 4:44 p.m.

Motion carried (4-0)

Respectfully Submitted,

Bruce Reimers
General Manager

| Vendor / Description | Invoice Amount |
|--|----------------|
| ACE HARDWARE | |
| PARKS | \$18.43 |
| SUPPLIES | \$431.05 |
| AMAZON CAPITAL SERVICES | |
| AIR HOSE REEL | \$158.82 |
| APPAREL | \$23.04 |
| APPAREL | \$23.04 |
| CLEARANCE LIGHT | \$25.99 |
| FLAP DISC | \$41.36 |
| JACK MODULE | \$41.05 |
| LUG NUT COVER | \$53.17 |
| MOUSE PAD | \$5.98 |
| OFFICE SUPPLIES | \$36.36 |
| ZIP TIES | \$27.86 |
| ARVIG ANSWERING SOLUTIONS | |
| ANSWERING SERVICE | \$84.74 |
| BRIDGETOWER MEDIA | |
| FILTER PLANT #3 REHAB | \$335.92 |
| DENNY / DOTTY VONBANK | |
| WIPING RAGS | \$140.00 |
| DGR ENGINEERING | |
| JOB #9 -FUTURE GENERATION | \$45,405.50 |
| DIVAL SAFETY EQUIPMENT INC | |
| RAINGEAR | \$221.35 |
| FERGUSON ENTERPRISES LLC #1657 | |
| BLACK PIPE FITTINGS | \$317.32 |
| GRAINGER | |
| BATTERIES | \$78.13 |
| OVERBOOTS | \$56.28 |
| HACH COMPANY | |
| TESTING SUPPLIES | \$382.50 |
| HAWKINS INC | |
| WATER PURIFICATION | \$2,871.43 |
| IMPERIAL DADE | |
| HAND SOAP | \$68.17 |
| PAPER ORDER | \$204.79 |
| INNOVATIVE OFFICE SOLUTION | |
| BILLING PAPER | \$737.44 |
| KURITA AMERICA INC | |
| FILTER PLANT #3 | \$6,825.62 |
| PROCLEAN | \$1,086.40 |
| KURZ INDUSTRIAL SOLUTIONS INC | |
| PO 1226 - #6 GEN CLEANING | \$20,260.00 |
| LE SUEUR COUNTY AUDITOR-TREASURER | |
| PROPERTY TAXES | \$1,238.00 |
| LEAGUE OF MN CITIES INS TRUST | |
| PROPERTY & CASUALTY INSURANCE | \$69,717.00 |
| PROPERTY/CASUALTY INSURANCE | \$45,456.00 |
| MAGNEY CONSTRUCTION INC | |
| FILTER PLANT #3 - REHAB | \$94,828.05 |
| MCMASTER-CARR SUPPLY CO | |
| FILTER PLANT #3 | \$129.70 |
| FITTINGS | \$241.56 |
| HOSE FITTING | \$17.34 |
| PIPE FITTINGS | \$85.34 |
| REEL TRAILER FITTINGS | \$78.53 |
| SLEDGEHAMMER HANDLE | \$51.89 |
| STEEL FITTINGS | \$429.46 |

| Vendor / Description | Invoice Amount |
|--------------------------------------|---------------------|
| MN DEPT OF HEALTH | |
| 1ST QTR CONNECTION FEE | \$11,357.93 |
| MN MUNICIPAL UTILITIES ASSOC | |
| JT&S TRAINING | \$1,068.75 |
| NOVASPECT INC | |
| GAS PILOT VALVE - #2 | \$160.92 |
| R & R METALWORKS INC | |
| STREETLIGHT REPAIRS | \$1,600.00 |
| RIVER COUNTRY CO-OP | |
| GAS | \$1,539.63 |
| SALTCO | |
| MONTHLY SALT | \$35.00 |
| SCHELHAAS, ZACH | |
| GENERATION SCHOOL | \$68.22 |
| SEH | |
| FILTER PLANT #3 REHAB | \$34,800.00 |
| LSL REPLACEMENTS | \$14,775.60 |
| SHERWIN WILLIAMS | |
| BLUE PAINT - PLANT 1 | \$290.05 |
| SOUTHERN MINNESOTA INSPECTION | |
| CRANE & HOIST INSPECTION | \$563.75 |
| CRANE HOIST INSPECTION | \$523.75 |
| STAR GROUP LLC. | |
| EQUIPMENT SUPPLIES | \$205.04 |
| FILTERS | \$18.91 |
| GEN #8 | \$11.18 |
| SMMPA - ENGINES | \$62.47 |
| STUART C. IRBY CO. | |
| CONN, COPPER 2-250 GRD/GRID | \$638.40 |
| TEMPLE ELECTRIC MOTOR | |
| 5 HP MOTOR | \$605.00 |
| UNIQUE PAVING MATERIALS CORP. | |
| 7TH ST NW - WATER BREAK | \$273.00 |
| US BANK EQUIPMENT FINANCE | |
| COPIER LEASE | \$155.71 |
| UTILITY CONSULTANTS | |
| WATER TESTING | \$107.64 |
| WESCO RECEIVABLES CORP. | |
| BUCKET TOOL BAG | \$243.58 |
| CABLE CLEANER NOVEC-CC 3M | \$195.09 |
| CADWELD - JOB 9 | \$228.60 |
| ZORO TOOLS | |
| BATTERY -- FILTER PLANT #2 PLC | \$39.19 |
| FILTER PLANT #3 | \$103.99 |
| SAFETY GLASSES | \$54.62 |
| STOBE LIGHT | \$49.81 |
| Grand Totals | <u>\$362,010.44</u> |

| Vendor Name | Net Invoice Amount |
|--------------------------------------|-----------------------|
| AIRGAS USA LLC | |
| WELDING GASES | \$154.88 |
| AMAZON CAPITAL SERVICES | |
| FIRST AID SUPPLIES | \$33.66 |
| OFFICE SUPPLIES | \$8.72 |
| CENTERPOINT ENERGY | |
| NATURAL GAS | \$150.49 |
| GRAINGER | |
| BATTERIES | \$11.08 |
| LEAGUE OF MINNESOTA CITIES | |
| SAFETY & LOSS WORKSHOP | \$25.00 |
| LEAGUE OF MN CITIES INSURANCE | |
| PROPERTY & CASUALTY PREMIUM | \$1,998.53 |
| QUINTILLION CONSULTING LLC | |
| CONSULTING - MSP RFP SOW | \$3,520.00 |
| ROSS NESBIT AGENCIES INC. | |
| AGENCY FEE | \$377.30 |
| SCHILLING SUPPLY COMPANY | |
| FLOOR CLEANER | \$251.23 |
| US BANK EQUIPMENT FINANCE | |
| COPIER LEASE | \$491.21 |
| Grand Total | <u>\$7,022.10</u> |

| Vendor Name | Net Invoice Amount |
|--|-----------------------|
| AIRGAS USA LLC | |
| CYLINDER RENTAL | \$23.25 |
| AMAZON CAPITAL SERVICES | |
| HEADSET | \$58.11 |
| BEVCOMM | |
| TELEPHONE | \$165.52 |
| TELEPHONE/COMMUNICATIONS | \$59.95 |
| CENTERPOINT ENERGY | |
| NATURAL GAS | \$77.70 |
| COMPUTER TECHNOLOGY SOLUTIONS | |
| COMPUTER SUPPORT | \$2,105.87 |
| NEW COMPUTER | \$871.76 |
| NEW COMPUTERS | \$4,804.00 |
| OFFICE 365 / FIREWALL | \$786.16 |
| GOPHER STATE ONE CALL | |
| LINE LOCATES | \$32.40 |
| GREATAMERICA FINANCIAL SERVICES | |
| POSTAGE MACHINE LEASE | \$19.51 |
| KCHK RADIO | |
| BOARD & COMMISSION VACANCIES | \$32.50 |
| BOARDS & COMMISSION VACANCY | \$32.50 |
| KENNEDY & GRAVEN CHARTERED | |
| ELECTRICAL FACILITY | \$660.00 |
| LAKERS NEW PRAGUE SANITARY | |
| TRASH - ELECTRIC | \$17.41 |
| TRASH - POWER PLANT | \$101.42 |
| TRASH - WATER | \$17.41 |
| METRO SALES INC | |
| COPIER LEASE | \$49.50 |
| MINNESOTA UI | |
| UNEMPLOYMENT - FALCK | \$449.14 |
| NEON LINK | |
| ONLINE PAYMENT FEES | \$616.19 |
| NEW PRAGUE UTILITIES | |
| ELECTRIC UTILITIES | \$3,610.11 |
| SMMPA - NORTH SOFTNER | \$88.00 |
| WATER PUMPING - E | \$10,190.84 |
| WATER PUMPING - W/S/S | \$2,011.60 |
| WATER UTILITIES | \$944.95 |
| O'REILLY AUTOMOTIVE INC | |
| EQUIPMENT MAINTENANCE SUPPLIES | \$114.47 |
| VEHICLE MAINTENANCE | \$118.73 |
| SUEL PRINTING | |
| BOARD VACANCIES | \$166.50 |
| FUTURE GEN - JOB 9 | \$231.00 |
| NPU ENVELOPES | \$1,948.60 |
| VERIZON WIRELESS | |
| IPADS | \$2,893.56 |
| TELEPHONE | \$479.86 |
| VETERAN SHREDDING | |
| CONTRACTED SERVICES | \$17.00 |
| Grand Total: | \$33,795.52 |



Southern Minnesota Municipal Power Agency
 500 First Ave SW
 Rochester MN 55902-3303
 United States

Power Sales

Section 5, Item a.

#INV2110
 3/31/2026

Bill To

New Prague Municipal Utilities
 118 N Central Avenue
 New Prague MN 56071
 United States

Due Date: 4/27/2026

| BILLING PERIOD | kWh | kW | DATE / TIME |
|--------------------------------|------------------|--------------|-------------------------|
| Mar 2026 | 5,491,488 | 9,550 | Mar 17, 2026 9:00:00 AM |
| SOLAR PRODUCTION | 0 | 0 | |
| TOTAL | 5,491,488 | 9,550 | |
| BASE RATE BILLING DEMAND CAP | N/A | 0 | |
| SUMMER SEASON BASE RATE DEMAND | N/A | 13,202 | Jul 22, 2025 3:00:00 PM |
| BASE RATE RATCHET DEMAND | N/A | 9,769 | Jul 22, 2025 3:00:00 PM |

| Description | Quantity | Rate | Amount | TOTAL |
|------------------------------------|-----------|------------|--------------|--------------|
| BASE RATE POWER SUPPLY | | | | |
| Demand Charge (kW) | 9,769 | \$9.77 | \$95,443.13 | \$95,443.13 |
| On Peak Energy Charge (kWh) | 2,518,099 | \$0.05736 | \$144,438.16 | \$144,438.16 |
| Off Peak Energy Charge (kWh) | 2,973,389 | \$0.04288 | \$127,498.92 | \$127,498.92 |
| Cost Adjustment (kWh) | 5,301,398 | \$0.005091 | \$26,989.42 | \$26,989.42 |
| BASE RATE SUBTOTAL | | | | \$394,369.63 |
| TRANSMISSION | | | | |
| Transmission Charge - CP (kW) | 9,550 | \$3.40 | \$32,470.00 | \$32,470.00 |
| Transmission Charge - Ratchet (kW) | 13,202 | \$0.00 | \$0.00 | \$0.00 |
| OTHER CHARGES | | | | |

| | |
|--------------|---------------------|
| Total | \$426,839.63 |
|--------------|---------------------|

NEW PRAGUE UTILITIES COMMISSION

SMMPA

2/28/2026

| MONTH | KWH | PURCHASED POWER | ENERGY COST ADJ | 2026 Price/KWH | MONTH | KWH | PURCHASED POWER | ENERGY COST ADJ | 2025 Price/KWH |
|--------------|-------------------|------------------------|------------------------|-----------------------|--------------|-------------------|------------------------|------------------------|-----------------------|
| January | 6,345,224 | \$ 540,250.98 | \$ 44,053.81 | \$ 0.07820 | January | 6,264,257 | \$ 508,086.73 | \$ (7,460.01) | \$ 0.08230 |
| February | 5,301,398 | \$ 518,961.92 | \$ 126,904.48 | \$ 0.07395 | February | 5,565,759 | \$ 462,430.97 | \$ 281.89 | \$ 0.08303 |
| March | | | | | March | 5,394,698 | \$ 452,860.23 | \$ (7,641.79) | \$ 0.08536 |
| April | | | | | April | 5,065,852 | \$ 483,543.35 | \$ 38,620.64 | \$ 0.08783 |
| May | | | | | May | 5,638,392 | \$ 506,446.53 | \$ 19,635.24 | \$ 0.08634 |
| June | | | | | June | 6,571,635 | \$ 593,241.38 | \$ 25,508.09 | \$ 0.08639 |
| July | | | | | July | 7,875,486 | \$ 644,040.63 | \$ 14,510.17 | \$ 0.07994 |
| August | | | | | August | 7,179,024 | \$ 596,646.22 | \$ 2,535.91 | \$ 0.08276 |
| September | | | | | September | 6,236,484 | \$ 533,042.08 | \$ (4,523.62) | \$ 0.08620 |
| October | | | | | October | 5,574,604 | \$ 474,271.81 | \$ (25,688.08) | \$ 0.08969 |
| November | | | | | November | 5,251,803 | \$ 458,642.75 | \$ 31,479.79 | \$ 0.08134 |
| December | | | | | December | 6,262,981 | \$ 531,179.01 | \$ 31,978.23 | \$ 0.07971 |
| Total | 11,646,622 | \$ 1,059,212.90 | \$ 170,958.29 | \$ 0.07627 | Total | 72,880,975 | \$ 6,244,431.69 | \$ 119,236.46 | \$ 0.08404 |

| NEW PRAGUE UTILITIES COMMISSION | | | |
|---|-----------------|-----------|----------------------|
| INVESTMENT SUMMARY | | | |
| 2/28/2026 | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| First Bank and Trust | | | |
| Checking - Cash Balance | | | |
| Electric | | \$ | 3,708,048.08 |
| Water | | \$ | 706,236.44 |
| Subtotal | | \$ | 4,414,284.52 |
| | | | |
| Money Market | | \$ | 3,300,893.40 |
| | | | |
| Wells Fargo | | | |
| F.I.S.T. (Market Value per Wells Select report) | | \$ | 3,564,183.03 |
| Electric <i>(74% of account)</i> | \$ 2,637,495.44 | | |
| Water <i>(26% of account)</i> | \$ 926,687.59 | | |
| | | | |
| Total | | \$ | 11,279,360.95 |
| | | | |
| Invested | | | |
| F.I.S.T. original investment - 6/21/2012 | \$ 1,050,000 | | |
| F.I.S.T. Add'l investment - 7/19/2012 | \$ 730,000 | | |
| F.I.S.T. Add'l investment - 8/22/2014 | \$ 470,000 | | |
| F.I.S.T. Add'l Investment - 7/31/2015 | \$ 500,000 | | |
| F.I.S.T. Add'l Investment - 11/16/2015 | \$ 100,000 | | |
| | \$ 2,850,000 | | |

NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
February 28, 2026

| WATER FUND | | | | | | |
|--|------------------------------------|------------------------|--------------------------------------|---------------------------------------|-----------------------------------|--|
| | | | | | | <i>16.67% of year completed</i> |
| REVENUES | 2025 Thru 2/28/2025 | Current Month | Actual Thru 2/28/2026 | 2025/2026 Variance YTD | 2026 Fiscal Budget | % Received or Expended Based on Actual Budget |
| Unbilled Accounts Receivable | (582.04) | 13,528.56 | \$ 5,499.56 | 6,081.60 | - | 0.00% |
| Residential | (201,723.78) | (118,945.44) | \$ (230,534.59) | (28,810.81) | (1,584,718.00) | 14.55% |
| Commercial | (59,039.37) | (33,219.00) | \$ (62,003.37) | (2,964.00) | (584,646.00) | 10.61% |
| Water Hook-up Fees | (75,127.00) | - | \$ - | 75,127.00 | (25,000.00) | 0.00% |
| Interest Income | (9,335.09) | (3,104.82) | \$ (5,400.37) | 3,934.72 | (45,000.00) | 12.00% |
| Other Income | (3,966.85) | (2,049.28) | \$ (4,788.88) | (822.03) | (35,500.00) | 13.49% |
| TOTAL REVENUES | \$ (349,774.13) | \$ (143,789.98) | \$ (297,227.65) | \$ 52,546.48 | \$ (2,274,864.00) | 13.07% |
| EXPENSES | | | | | | |
| Power Used | 19,099.01 | 15,407.87 | 26,899.35 | 7,800.34 | 117,500.00 | 22.89% |
| Purification | 8,889.11 | 4,158.16 | 4,208.16 | (4,680.95) | 58,000.00 | 7.26% |
| Distribution | 1,860.32 | 816.16 | 2,168.26 | 307.94 | 65,000.00 | 3.34% |
| Depreciation | 90,393.45 | 43,150.82 | 86,301.64 | (4,091.81) | 530,003.00 | 16.28% |
| Debt & Other Interest | 75,402.58 | 11.74 | 79,161.15 | 3,758.57 | 131,863.00 | 60.03% |
| Salary & Benefits | 126,633.35 | 49,058.64 | 123,680.48 | (2,952.87) | 687,259.00 | 18.00% |
| Admin & General | \$ 47,813.92 | \$ 12,317.85 | \$ 24,299.06 | \$ (23,514.86) | \$ 177,290.00 | 13.71% |
| TOTAL EXPENSES | \$ 370,091.74 | \$ 124,921.24 | \$ 346,718.10 | \$ (23,373.64) | \$ 1,766,915.00 | 19.62% |
| EXCESS REVENUES OVER EXPENSES | \$ 20,317.61 | \$ (18,868.74) | \$ 49,490.45 | \$ 29,172.84 | \$ (507,949.00) | |

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
February 28, 2026

Section 6, Item b.

ELECTRIC FUND

16.67% of year completed

| REVENUES | 2025 Thru 2/28/2025 | Current Month | Actual Thru 2/28/2026 | 2025/2026 Variance YTD | 2026 Fiscal Budget | % Received or Expended Based on Actual Budget |
|--|------------------------------------|------------------------|--------------------------------------|---------------------------------------|-----------------------------------|--|
| Unbilled Accounts Receivable | \$ 54,052.44 | \$ 92,373.58 | \$ 73,867.44 | \$ 19,815.00 | \$ - | 0.00% |
| Residential Revenue | \$ (719,520.08) | \$ (405,454.62) | \$ (812,001.89) | \$ (92,481.81) | \$ (4,269,950.00) | 19.02% |
| Commercial | \$ (118,708.31) | \$ (82,805.68) | \$ (165,352.79) | \$ (46,644.48) | \$ (725,602.00) | 22.79% |
| Small Industrial | \$ (319,558.28) | \$ (198,096.37) | \$ (369,504.13) | \$ (49,945.85) | \$ (1,898,268.00) | 19.47% |
| Industrial | \$ (378,640.73) | \$ (205,942.39) | \$ (409,260.97) | \$ (30,620.24) | \$ (2,473,410.00) | 16.55% |
| Streetlights | \$ (12,735.75) | \$ (6,617.19) | \$ (14,267.75) | \$ (1,532.00) | \$ (57,814.00) | 24.68% |
| Other Departments | \$ (25,636.48) | \$ (441.00) | \$ (873.28) | \$ 24,763.20 | \$ (61,199.00) | 1.43% |
| SMMPA LOR Reimbursement | \$ (35,308.36) | \$ (17,674.53) | \$ (36,719.25) | \$ (1,410.89) | \$ (212,185.00) | 17.31% |
| SMMPA O&M Revenue | \$ (173,860.45) | \$ (64,182.64) | \$ (280,492.12) | \$ (106,631.67) | \$ (717,500.00) | 39.09% |
| Reimbursement - SMMPA Rebates | \$ (3,836.93) | \$ (102.00) | \$ (212.00) | \$ 3,624.93 | \$ - | 0.00% |
| Interest Income | \$ (10,976.77) | \$ (3,546.72) | \$ (6,037.58) | \$ 4,939.19 | \$ (75,000.00) | 8.05% |
| Other Income | \$ (23,899.59) | \$ (7,426.70) | \$ (84,123.98) | \$ (60,224.39) | \$ (200,500.00) | 41.96% |
| TOTAL REVENUES | \$ (1,768,629.29) | \$ (899,916.26) | \$ (2,104,978.30) | \$ (336,349.01) | \$ (10,691,428.00) | 19.69% |
| EXPENSES | | | | | | |
| Production | \$ 19,814.69 | \$ 441.15 | \$ 1,162.25 | \$ (18,652.44) | \$ 46,500.00 | 2.50% |
| Purchased Power | \$ 970,517.70 | \$ 518,961.92 | \$ 1,059,212.90 | \$ 88,695.20 | \$ 5,638,135.00 | 18.79% |
| SMMPA O&M Expenses | \$ 89,391.67 | \$ 12,132.16 | \$ 159,361.36 | \$ 69,969.69 | \$ 360,000.00 | 44.27% |
| Distribution/Transmission | \$ 47,909.64 | \$ 8,093.88 | \$ 35,305.85 | \$ (12,603.79) | \$ 153,000.00 | 23.08% |
| Energy Conservation - Rebates | \$ 3,836.93 | \$ 25.00 | \$ 350.59 | \$ (3,486.34) | \$ 13,000.00 | 2.70% |
| Depreciation | \$ 124,486.42 | \$ 62,528.35 | \$ 125,067.93 | \$ 581.51 | \$ 741,656.00 | 16.86% |
| Salary & Benefits | \$ 225,000.90 | \$ 126,506.90 | \$ 327,376.11 | \$ 102,375.21 | \$ 1,936,420.00 | 16.91% |
| MVEC LOR Payment | \$ 70,616.70 | \$ 35,349.05 | \$ 73,438.49 | \$ 2,821.79 | \$ 424,370.00 | 17.31% |
| Admin & General | \$ 100,546.67 | \$ 23,255.32 | \$ 68,064.48 | \$ (32,482.19) | \$ 319,500.00 | 21.30% |
| Payment in Lieu of Taxes | \$ 6,666.70 | \$ 3,333.33 | \$ 6,666.66 | \$ (0.04) | \$ 40,000.00 | 16.67% |
| TOTAL EXPENSES | \$ 1,658,788.02 | \$ 790,627.06 | \$ 1,856,006.62 | \$ 197,218.60 | \$ 9,672,581.00 | 19.19% |
| EXCESS REVENUES OVER EXPENSES | \$ (109,841.27) | \$ (109,289.20) | \$ (248,971.68) | \$ (139,130.41) | \$ (1,018,847.00) | |

Note: "Other Income" includes metal recycling and SMMPA Capital Credit

\$ (62,528.35)

| AGENDA ITEM: 5C | | | | | | | | | |
|---------------------------------|---------------------------|----------|--------------------------|----------|------------------|------------------------------|----------|------------------------------|----------|
| NEW PRAGUE UTILITIES COMMISSION | | | | | | | | | |
| WATER PUMPED-SOLD-USED | | | | | | | | | |
| 2026 | | | | | | | | | |
| YR/MO | 2026 | 2026 YTD | 2025 | 2025 YTD | YR/MO | 2026 | 2026 YTD | 2025 | 2025 YTD |
| JANUARY | 12/7/25-1/8/2026 | | 12/8/24-1/8/2025 | | JULY | 6/9/2026-7/9/2026 | | 6/9/2025-7/9/2025 | |
| GAL PUMPED | 17,475 | 17,475 | | | GAL PUMPED | 0 | 51,506 | | |
| GAL SOLD | 15,347 | 15,347 | 15,702 | 15,702 | GAL SOLD | 0 | 44,532 | 21,686 | 122,825 |
| OUTSIDE SALES | 161 | 161 | | | OUTSIDE SALES | 0 | 161 | | |
| GAL(LOSS)/GAIN | (1,967) | (1,967) | | | GAL(LOSS)/GAIN | 0 | (6,813) | | |
| PERCENTAGE | 11.3% | 11.3% | 7.3% | 7.3% | PERCENTAGE | #DIV/0! | 13.2% | 10.5% | 12.4% |
| FEBRUARY | 1/8/2026-2/7/2026 | | 1/8/2025-2/7/2025 | | AUGUST | 7/9/2026-8/8/2026 | | 7/9/2025-8/8/2025 | |
| GAL PUMPED | 17,015 | 34,490 | | | GAL PUMPED | 0 | 51,506 | | |
| GAL SOLD | 14,776 | 30,124 | 14,773 | 30,475 | GAL SOLD | 0 | 44,532 | 21,383 | 144,208 |
| OUTSIDE SALES | 0.50 | 161 | | | OUTSIDE SALES | 0 | 161 | | |
| GAL(LOSS)/GAIN | (2,238) | (4,206) | | | GAL(LOSS)/GAIN | 0 | (6,813) | | |
| PERCENTAGE | 13.2% | 12.2% | 12.6% | 9.9% | PERCENTAGE | #DIV/0! | 13.2% | 11.6% | 12.3% |
| MARCH | 2/7/2026-3/10/2026 | | 2/7/2025-3/8/2025 | | SEPTEMBER | 8/8/2026-9/8/2026 | | 8/8/2025-9/8/2025 | |
| GAL PUMPED | 17,015 | 51,506 | | | GAL PUMPED | 0 | 51,506 | | |
| GAL SOLD | 14,408 | 44,532 | 15,197 | 45,672 | GAL SOLD | 0 | 44,532 | 21,338 | 165,546 |
| OUTSIDE SALES | 0 | 161 | | | OUTSIDE SALES | 0 | 161 | | |
| GAL(LOSS)/GAIN | (2,607) | (6,813) | | | GAL(LOSS)/GAIN | 0 | (6,813) | | |
| PERCENTAGE | 15.3% | 13.2% | 10.9% | 10.3% | PERCENTAGE | #DIV/0! | 13.2% | 17.2% | 13.0% |
| APRIL | 3/10/2026-4/9/2026 | | 3/8/2025-4/9/2025 | | OCTOBER | 9/8/2026-10/8/2026 | | 9/9/2025-10/8/2025 | |
| GAL PUMPED | 0 | 51,506 | | | GAL PUMPED | 0 | 51,506 | | |
| GAL SOLD | 0 | 44,532 | 14,108 | 59,780 | GAL SOLD | 0 | 44,532 | 21,459 | 187,005 |
| OUTSIDE SALES | 0 | 161 | | | OUTSIDE SALES | 0 | 161 | | |
| GAL(LOSS)/GAIN | 0 | (6,813) | | | GAL(LOSS)/GAIN | 0 | (6,813) | | |
| PERCENTAGE | #DIV/0! | 13.2% | 13.0% | 10.9% | PERCENTAGE | #DIV/0! | 13.2% | 17.0% | 13.5% |
| MAY | 4/9/2026-5/9/2026 | | 4/9/2025-5/9/2025 | | NOVEMBER | 10/8/2026-11/7/2026 | | 10/8/2025-11/7/2025 | |
| GAL PUMPED | 0 | 51,506 | | | GAL PUMPED | 0 | 51,506 | | |
| GAL SOLD | 0 | 44,532 | 16,117 | 75,897 | GAL SOLD | 0 | 44,532 | 15,283 | 202,288 |
| OUTSIDE SALES | 0 | 161 | | | OUTSIDE SALES | 0 | 161 | | |
| GAL(LOSS)/GAIN | 0 | (6,813) | | | GAL(LOSS)/GAIN | 0 | (6,813) | | |
| PERCENTAGE | #DIV/0! | 13.2% | 23.7% | 14.0% | PERCENTAGE | #DIV/0! | 13.2% | 19.1% | 13.9% |
| JUNE | 5/9/2026-6/9/2026 | | 5/9/2025-6/9/2025 | | DECEMBER | 11/7/2026 - 12/8/2026 | | 11/7/2025 - 12/8/2025 | |
| GAL PUMPED | 0 | 51,506 | | | GAL PUMPED | 0 | 51,506 | | |
| GAL SOLD | 0 | 44,532 | 25,242 | 101,139 | GAL SOLD | 0 | 44,532 | 15,167 | 217,455 |
| OUTSIDE SALES | 0 | 161 | | | OUTSIDE SALES | 0 | 161 | | |
| GAL(LOSS)/GAIN | 0 | (6,813) | | | GAL(LOSS)/GAIN | 0 | (6,813) | | |
| PERCENTAGE | #DIV/0! | 13.2% | 9.2% | 12.8% | PERCENTAGE | #DIV/0! | 13.2% | 13.5% | 13.9% |

| NEW PRAGUE UTILITIES COMMISSON | | | | | |
|---------------------------------------|-------------|--------------|--------------|-------------|--------------|
| ELECTRIC SALES KWH | | | | | |
| | | ACCUM | | | ACCUM |
| MONTH | 2026 | 2026 | MONTH | 2025 | 2025 |
| JAN | 6,122,425 | 6,122,425 | JAN | 5,619,898 | 5,619,898 |
| FEB | 6,261,606 | 12,384,031 | FEB | 5,816,788 | 11,436,686 |
| MAR | | | MAR | 5,721,083 | 17,157,769 |
| APR | | | APR | 5,016,537 | 22,174,306 |
| MAY | | | MAY | 4,912,135 | 27,086,441 |
| JUNE | | | JUNE | 5,640,596 | 32,727,037 |
| JULY | | | JULY | 6,776,567 | 39,503,604 |
| AUG | | | AUG | 7,210,554 | 46,714,158 |
| SEPT | | | SEPT | 6,720,766 | 53,434,924 |
| OCT | | | OCT | 6,155,581 | 59,590,505 |
| NOV | | | NOV | 4,930,912 | 64,521,417 |
| DEC | | | DEC | 5,451,754 | 69,973,171 |
| TOTAL | 12,384,031 | | TOTAL | 69,973,171 | |

*Monthly Kwh totals are not final until year-end

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
March 11, 2026

President Moulton called the meeting to order at 9:00 a.m. at the Waseca City Hall in Waseca, Minnesota.

Mr. Sonnenberg, Waseca City Manager/Utilities & Public Works Director, welcomed the members to Waseca.

Board Members Present:

President Peter T. Moulton, Saint Peter; Vice President Roger E. Warehime, Owatonna; Secretary James R. Bakken, Preston; Treasurer Bruce A. Reimers, New Prague; Thomas J. Dankert, Austin; and Timothy M. McCollough, Rochester.

Others Present:

David P. Geschwind, Executive Director & CEO; Jerry Mausbach, Blooming Prairie; Julie Zarling, Fairmont; Mike Roth, Grand Marais; Jason Halvorson, Redwood Falls; Todd Prafke, Saint Peter; Chris Rolli, Spring Valley; Carl Sonnenberg, Waseca; Craig Anderson, Wells; Beth Fondell, Naomi Goll, Joe Hoffman, Becca Schmitz, and Jeremy Sutton of the Agency staff.

Others Present Via Conference Call:

Miles Heide, Fairmont; Shane Steele, Grand Marais; Mike Geers, Litchfield; Joe Kohlgraf, Mora; and Christian Fenstermacher, Owatonna.

#1 Agenda Approval:

Mr. Dankert moved to approve the agenda, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present.

#2 Consent Agenda:

Mr. Bakken moved to approve the consent agenda, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present.

APPROVED the February 11, 2026 board meeting minutes.

APPROVED the Rutland Substation Station Power Transformer Replacement. (Attachment A.)

#3 Fairmont Transformer Short-Term Solution-Sutton:

Mr. Sutton reported on the Fairmont transformer short-term solution.

On January 17, 2026 a fault occurred on the load side of Fairmont's southwest feeder within the Fairmont Energy Station (FES) 12.5 kV switchgear. Testing of the transformer identified

numerous issues concluding that the transformer should not be energized.

In 2023 the board authorized a cost sharing project with Fairmont to replace this transformer. The new transformer is scheduled to be delivered and energized by fall 2026. The FES plant is limited to 13 MW of output. Temporarily increasing the plant’s output capability until the new transformer can be installed involves repurposing the FES to 10th Street 69 kV transmission line to a 12.5 kV dedicated distribution tie between the switchgear at FES and 10th Street.

Appreciation was expressed toward Fairmont for their efforts.

Discussion.

Action Item

Authorize FES to 10th Street temporary distribution tie using 69 kV line at a cost not to exceed \$205,000. Project expected to be in service prior to MISO summer season.

Mr. Reimers moved to authorize the Fairmont Energy Station to 10th Street temporary distribution tie using 69 kV line at a cost not to exceed \$205,000, seconded by Mr. Warehime, passed upon a unanimous vote of the board members present. (Attachment B.)

#4 Financial Forecast Assumptions-Schmitz:

Ms. Schmitz reviewed the annual financial planning calendar and presented the proposed financial assumptions and scenarios for the upcoming financial forecast.

Financial Planning Calendar

- May – Develop short-term forecast. Budget preparation begins.
- June – Short-term forecast to board.
- July – Load forecast summary to board.
- August – Budget preparation continues.
- September – Budget and rates preview. Budget & Rates Workshop.
- October – Budget and rates for board approval.
- November – Develop long-term forecast.
- December – Long-term forecast to board.

The General Operating Reserves target includes a 2.35% inflationary increase in 2026. Data from the Bureau of Labor Statistics and Energy Information Administration (EIA) is used to apply inflation rate historical averages for the next year, and EIA forecasted inflation is used for subsequent years.

A Sherco 3 planned outage is scheduled from late February 2026 into May 2026, which will require the Agency to purchase replacement capacity. A fall outage is planned for October 10, 2026 to October 23, 2026.

Recommended Forecast Case Run Options

- Base case.
- No forward price premium case.
- High PPA costs case.

- Six-month congestion factor case.

Discussion.

It was suggested that a case be built around Sherco 3 being unavailable for 6 months and unavailable winter or summer seasons in 2028 or 2029.

These assumptions and cases will be used in the short-term forecast.

#5 Investment Policy Review-Fondell:

Ms. Fondell reported on the Investment Policy, which is reviewed every three years by the board.

The SMMPA Finance and Audit Committee reviewed the proposed changes and supports moving forward with the revised policy. The committee was thanked for their assistance.

Proposed Changes

- Extend the allowable maturity for General Reserve Account (capital reserves) to 120 months, as allowed in the senior bond resolution.
- Increase the Money Market Mutual Fund Portfolio limit from 50% to 75% to allow for increased liquidity.
- Clarify that the Agency's Trustee manages settlement of investments.
- Modify the Safekeeping section to be consistent with senior bond resolution.
- Minor grammar and formatting edits.

The Agency considered modifying the Investment Policy to align with allowable investments noted in the Minnesota Statute 118A. Any changes to authorized investments are deferred until after the adoption of the new senior bond resolution later this year.

Discussion.

Action Item

Seeking approval of the revised Investment Policy.

Mr. Dankert moved to approve the Investment Policy with proposed changes, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present. (Attachment B.)

#6 Winter Storm Fern Impact-Fondell:

Ms. Fondell reported on the Winter Storm Fern impact.

The financial impact from the storm was estimated last month as \$10 million, primarily attributed to market price fluctuations during the Sherco 3 unplanned outage. The actual Energy Cost Adjustment (ECA) for January was \$9,333,346, limited to \$4,871,521 by the \$0.02 cap and deferring the remaining \$4,461,827 in accordance with Schedule B base rates. The Sherco 3 outage was a qualifying event under the unplanned Sherco 3 outage self-insurance program. The claim amount of \$577,606.17 was applied towards the MISO net market expenses, reducing the ECA charge. The Agency's General Operating Reserves surplus could absorb the deferred

portion of the January ECA.

Discussion.

Recommendation

Seeking board approval to forego billing members for the deferred January 2026 ECA and instead reduce Agency General Operating Reserves (Rate Stabilization) by \$4,461,827.

Mr. Dankert moved to approve to forego billing members for the deferred January 2026 Energy Cost Adjustment and instead reduce Agency General Operating Reserves (Rate Stabilization) by \$4,461,827, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

#7 SMMPA Wind Turbine Repairs-Sutton:

Mr. Sutton reported on the SMMPA wind turbine repairs.

One of the 1650 kW wind turbines in Fairmont experienced a bearing failure in late January 2026.

The Vestas wind turbines maintenance contract only covers preventative maintenance. While the replacement of a bearing does show to be a cost-effective solution by itself, the possibility of further component failure within the next five years is high.

Recommendation Factors

- Renewable energy standard compliance achieved without the generation of the turbine.
 - Renewable Energy Credit bank balance is sufficient.
- Failure of next component imminent.
- Lease contract was reviewed and deemed to allow for the retirement of a unit.
- Cheaper alternatives are currently being explored.

Action Item

Approve retirement of the Fairmont wind turbine with no further repairs. The unit will be retired in place. Demolition or repowering options will be evaluated as additional information becomes available.

Discussion.

Mr. McCollough moved to approve retiring the Fairmont wind turbine with no further repairs with the understanding that the demolition or repowering options will be evaluated as additional information becomes available, seconded by Mr. Reimers, passed upon a unanimous vote of the board members present.

After a short break, the board reconvened at 10:20 a.m.

#8 Steele Energy Station Project Authorization-Sutton:

Mr. Sutton reported on the Steele Energy Station (SES) project authorization.

The Minnesota Pollution Control Agency flagged the air permit for further review based on the new provision in the Minnesota Statute 2161.04 defining the size-based requirements for large energy facilities capable of producing over 50 MW. SMMPA filed the air permit application for SES as a 45 MW nominal facility. During colder temperatures, the unit could exceed the 50 MW threshold, but the controls software would limit output to 49.9 MW. On February 12, 2026, SMMPA submitted an Applicability Determination form as required to the Minnesota Public Utilities Commission (MPUC), and the Agency is waiting for MPUC’s decision.

Under the Combustion Turbine Procurement Contract, the Notice to Proceed deadline to Solar Turbines is April 15, 2026.

Discussion.

Next Steps

- Working with DGR Engineering on schedule impacts and permit expectations.
- Reached out to Solar Turbines for generation queue options.
- Overall industry trends on supply chain.

April Board Meeting

- DGR Engineering will attend the April Board meeting to share insights on the air permit process, timeline, and cost estimates.
- Member Representatives vote for funding the SES Project.

Government Affairs/Member Services Report-Hoffman:

Mr. Hoffman summarized the government affairs/member services report detailed in the board book.

APPA Legislative Rally

SMMPA members from Austin, Blooming Prairie, Owatonna, Rochester, and Saint Peter, along with SMMPA staff, attended the APPA Legislative Rally February 22-26, 2026 in Washington, D.C.

MMUA Legislative Conference

Members were reminded of the MMUA Legislative Conference March 24-25, 2026 in St. Paul, Minnesota.

Nuclear Energy Education Day

The Minnesota Nuclear Energy Alliance (SMMPA is a member) will hold a rally in the Minnesota State Capitol Rotunda on March 17, 2026 from 9:30 a.m. – 11:30 a.m.

AES Personal Property Tax Exemption

The Austin Energy Station personal property tax exemption has been drafted and will be introduced in legislation this week. Senator Dornink (R-Austin) has agreed to author the legislation in the Senate and Senator Hauschild (DFL-Grand Marais) as co-author. This week SMMPA will meet with Representative Mueller (R-Austin) regarding authoring the bill in the

House and Representative Liebling (DFL-Rochester) as co-author. The Steele Energy Station tax exemption bill is still active in the Senate and House.

Electric Vehicle Charging New Pricing and Signage

In 2025 a new Minnesota law required electricity sold for electric vehicles (EV) must be expressed in kilowatt-hour units. SMMPA EV charging at both the Level 2 and DCFCs have been billed by ‘time used’ rather than ‘energy delivered’. Based on conversations with ZEF Energy and pricing around the region, SMMPA has determined the following pricing is fair:

- Public Level 2 Chargers: \$0.25/kWh
- Public DC Fast Chargers: \$0.40/kWh
- If requested by the member, an ‘Idle Fee’ (perhaps \$2/hour after 1 hour of idle time) can be added.

SMMPA has updated the pricing on the Level 2 at the SMMPA office. SMMPA will update the pricing on the remaining L2s and DCFCs in the member communities on April 1, 2026.

Members should contact SMMPA if they prefer a different pricing structure or would like to adjust the pricing themselves. The new law also requires signage display service expressed in kilowatts or if a fee is assessed for other services (idle time fee) must be displayed on the face of the device. SMMPA will prepare and distribute new signage to the members for both the Level 2 and DCFC chargers.

DER Technical Specification Manual Training

The DER Technical Specification Manual Training will be held on April 20, 2026 in Saint Peter, Minnesota.

Cybersecurity Board Security Brief

Firewall is a hardware device, with associated software/firmware, that serves as a security control that sits between trusted systems (like SMMPA’s internal network) and untrusted networks (such as the internet) and decides what digital traffic is allowed in or out based on defined rules. During a cybersecurity incident, firewall rules can be updated quickly to isolate affected systems and stop threats from spreading and firewalls also produce logs that help IT staff spot unusual activity and support investigations, compliance, and collaboration with insurers and responders.

Operations Report-Sutton:

Mr. Sutton reported:

Sherco 3 Tours

Members will have the opportunity to tour Sherco 3 during its current planned outage. An email will be sent to the members with the tour dates, and we are aiming to keep tour groups to 10 people per day.

Sherco 3/Hedge Position

The current Sherco 3 planned outage is scheduled from late February 2026 to May 2026. Energy hedge purchases recommended by The Energy Authority are in place. TEA will re-run the analysis model to determine if SMMPA’s remaining hedge budget of 25 MW (May) should be purchased.

Capacity Position

Mr. Sutton provided review of the Agency's current MISO capacity situation. Since MISO implemented the Reliability-Based Demand Curve, capacity prices in the auction have been higher. The market is tight, with not a lot of excess generation available for bilateral transactions.

Litchfield Air Permit

The Minnesota Pollution Control Agency (MPCA) requested SMMPA be a signatory on the Litchfield air permit. SMMPA submitted a letter to MPCA requesting not to be a signatory on the Litchfield air permit. More details to follow.

Market Update

A graph of recent natural gas and on-peak electricity prices was discussed.

Financial Report January 2026-Fondell:

Ms. Fondell summarized Agency financial results through January as provided in the board book materials.

SMMPA Financial Audit

The SMMPA financial audit has gone well.

SMMPA Finance & Audit Committee

The SMMPA financial audit report will be presented at the April SMMPA board meeting, and the SMMPA Finance & Audit Committee will meet prior to the board meeting. The annual review of the Audit Committee Charter and the internal controls review will be on the agenda.

Annual Review of Financial Information

Members were asked for feedback on the financial and operational reports included in monthly board books. A member suggested adding budget information to the board book income statement, which will be implemented going forward.

Bond Issuance 2027

The 2027 bond issuance timeline prepared by Public Financial Management was presented. Pricing is planned for the second week of January 2027 and closing the end of January 2027. A Member Representatives meeting will be required for approval of the debt issuance, likely in October or November 2026.

SMMPA Personnel

Ms. Fondell announced her retirement at the end of January 2027.

President's Report:

Mr. Moulton reported:

- SMMPA Staff Recognition: Congratulations to Ms. Fondell on her upcoming retirement. SMMPA staff members recognized were Beth Fondell and Becca Schmitz for their work on the January Energy Cost Adjustment issue; Jeremy Sutton and staff work with Winter

Storm Fern impacts; and Joe Hoffman and staff for coordinating events at the APPA Legislative Rally in Washington, D.C.

Executive Director & CEO's Report:

Mr. Geschwind reported:

- APPA Board of Directors Meeting: Mr. Geschwind serves on the APPA Board of Directors as a Regional Representative. The APPA Board of Directors meetings are held three times a year during the APPA Legislative Rally, APPA National Conference, and a stand-alone meeting in October. Mr. Geschwind reported on a few items of interest from the board meeting held in conjunction with the recent Legislative Rally.
- SMMPA Board Meeting December: An email will be sent to the members proposing holding the December 2026 board meeting on December 10, 2026 to avoid conflict with the MMUA Technical & Operations Conference.
- Rochester Post-2030 Option: Rochester is exploring post-2030 options for power supply. Mr. Geschwind reported on recent conversations he has had with Rochester Public Utilities to explore the possibility of partial-requirements power supply to Rochester after 2030.
- SMMPA Member Representative Meeting: Next month a Member Representatives meeting will be held to seek financing approval for the Steele Energy Station.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

A motion to adjourn the meeting was made by Mr. Warehime, seconded by Mr. Reimers, passed upon a unanimous vote of the board members present.

The meeting was adjourned at 12:02 p.m.

Secretary

State of Minnesota
Counties of Scott & Le Sueur
City of New Prague }

**CITY OF NEW PRAGUE
RESOLUTION #UC-26-04-27-01**

**RESOLUTION CHANGING OF MEMBER REPRESENTATIVE TO SOUTHERN
MINNESOTA MUNICIPAL POWER AGENCY**

WHEREAS, the New Prague Utilities Commission is required to adopt a resolution to change the Alternate Representative to Southern Minnesota Municipal Power Agency;

WHEREAS, by adopting this resolution, Ken Zweber will be named as Alternate Representative, replacing Daniel Bishop; and

THEREFORE, BE IT RESOLVED that the New Prague Utilities Commission approves the Change of Member Representative to Southern Minnesota Municipal Power Agency as attached in Exhibit A.

Adopted by the New Prague Utilities Commission (NPUC) of the City of New Prague on this 27th day of April, 2026.

Daniel Bishop
NPUC President

ATTEST:

Bruce Reimers
General Manager



CHANGE OF MEMBER REPRESENTATIVE

TO

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY

I hereby certify that attached hereto is a true and correct copy of a resolution adopted by
New Prague Utilities Commission of the City of **New Prague**, Minnesota, at a meeting
(PUC or Council) (City)
duly called and held on **April 27th, 2026** pursuant to which:
(Date)

(a) _____ has been named Representative to Southern
(Name)
Minnesota Municipal Power Agency, replacing _____.
(Name)

And/or

(b) **Ken Zweber** has been named Alternate Representative to
(Name)
Southern Minnesota Municipal Power Agency, replacing **Dan Bishop**,
(Name)

effective on **April 27th, 2026**. Such resolution is in full force and effect on the date hereof.
(Date)

(Signed)
Utilities General Manager
(Title)

(Signed)
NPUC President
(Title)