



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Tuesday, May 26, 2026 at 3:30 PM

Power Plant - 300 East Main St

1. **CALL TO ORDER**
2. **APPROVAL OF AGENDA**
3. **SCHOLARSHIP AWARD**
4. **PARAMETERS RESOLUTION FOR WES BONDING**
 - a. [Resolution #UC-26-05-26-01](#) - Providing for the Issuance and Sale of Electric Revenue Bonds, Series 2026A
5. **APPROVAL OF MINUTES**
 - a. [April 27, 2026 Utilities Meeting Minutes](#)
6. **UTILITY AND SMMPA BILLS**
 - a. Approval of accounts payable in the amount of **\$798,040.87** and the SMMPA billing of **\$424,151.53**.
7. **FINANCIAL REPORTS**
 - a. Investment Report
 - b. Financial Report
 - c. Water and Kilowatt Hours Sales
8. **REVIEW OF 2025 AUDIT**
 - a. Abdo Presentation
 - b. NPUC Audited Financials
 - c. 2025 Final Executive Governance Summary
9. **LEAD SERVICE LINE REPLACEMENT PROJECT FUNDING RESOLUTION**
 - a. [Resolution #UC-26-05-26-02](#) - Application for Funding
10. **SMMPA BOARD OF DIRECTORS MEETING**
 - a. April 8, 2026
11. **GENERAL MANAGER'S REPORT**
12. **OTHER BUSINESS**
13. **ADJOURNMENT**

NEXT COMMISSION MEETING – Monday, June 29, 2026

NEW PRAGUE UTILITIES COMMISSION

RESOLUTION #UC-26-05-26-01

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ELECTRIC REVENUE BONDS, SERIES 2026A, BY THE CITY OF NEW PRAGUE, MINNESOTA, SUBJECT TO CERTAIN PARAMETERS; ESTABLISHING A PRICING COMMITTEE IN CONNECTION THEREWITH; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the Board of Commissioners (the “Board”) of the New Prague Utilities Commission (the “Commission”) as follows:

Section 1. Sale of Series 2026A Bonds.

1.01 Background.

(a) The City of New Prague, Minnesota (the “City”), acting through 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 heretofore determined that it is necessary and expedient 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 “Project”).

(b) Under the provisions of Minnesota Statutes, Chapter 453, as amended (the “Municipal Electric Power Act”), a municipal power agency is authorized to finance and acquire facilities for the generation or transmission of electric energy, or interests in such facilities or rights to part or all of the capacity thereof, to issue its bonds to pay the costs of such projects and to pledge to the repayment of the bonds all or a portion of the revenues derived from the facilities. Pursuant to Section 453.58 of the Municipal Electric Power Act and a resolution of the City Council of the City (the “Council”) adopted on February 17, 2026, the City is authorized, and has elected to exercise, the powers of a municipal power agency under the Act in respect of the Electric Utility, as it now exists and as it may be expanded or improved from time to time.

1.02. Authorization.

(a) It is necessary and expedient to the sound financial management of the affairs of the City for the City to issue its Electric Revenue Bonds, Series 2026A (the “Series 2026A Bonds”), in the maximum aggregate principal amount of \$17,455,000, pursuant to the Municipal Electric Power Act and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), to provide financing for the Project.

(b) The Commission is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Series 2026A Bonds, it being determined that the City and the Commission have retained Ehlers and Associates, Inc. (the “Municipal Advisor”) as an independent municipal advisor in connection with such sale. The actions of City and Commission staff and the Municipal Advisor in negotiating the sale of the Series 2026A Bonds are ratified and confirmed in all respects.

(c) On April 7, 2025, the Council adopted Resolution No. 25-04-07-07, ordering the Project, authorizing the issuance of bonds to finance the Project, directing the execution and delivery of documents by the officials of the City, and authorizing cooperation with the Commission to carry out the intentions and activities contemplated therein.

1.03. Pricing Committee. A pricing committee consisting of the General Manager of the Commission, the Vice President of the Commission, and the Finance Director of the City, or their designees (the "Pricing Committee"), is hereby established to consider proposals with respect to the purchase of the Series 2026A Bonds. The Pricing Committee is authorized and directed, with the advice of the Municipal Advisor, to (a) review proposals for the sale of the Series 2026A Bonds; and (b) award the sale of the Series 2026A Bonds to the prospective purchaser with a proposal conforming to the terms of proposal to be prepared by the Municipal Advisor and distributed by the City (including any adjustment of principal amount) and offering a true interest cost not to exceed 5.50% and in a maximum aggregate principal amount of \$17,455,000. The Commission hereby approves the sale of the Series 2026A Bonds to the purchaser selected by the Pricing Committee (the "Purchaser") at the price, principal amount, and rates to be determined by the Pricing Committee.

1.04. Pricing Committee Certificate. The Pricing Committee shall meet on July 15, 2026, or another date selected by the Pricing Committee, upon the advice of the Municipal Advisor, to award the sale of the Series 2026A Bonds to the Purchaser. Upon approval of the sale of the Series 2026A Bonds to the Purchaser, the Pricing Committee shall complete and sign a certificate (the "Pricing Committee Certificate") in substantially the form set forth in EXHIBIT A attached hereto. The Pricing Committee Certificate, when complete and executed, shall be attached to this resolution.

1.05. Purchase Contract. Any amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Sinking and Interest Account hereinafter created or deposited in the Capital Expenditure Account hereinafter created, as determined by the Finance Director in consultation with the Municipal Advisor. The good faith deposit of the Purchaser shall be retained and deposited until the Series 2026A Bonds have been delivered and shall be deducted from the purchase price paid at settlement. The Mayor, the City Administrator, and the Finance Director, or any of them, are directed to execute a contract with the Purchaser on behalf of the City, if requested by the Purchaser.

1.06. Terms, Interest Rates, and Principal Amounts of the Series 2026A Bonds. The City will forthwith issue and the Commission will sell the Series 2026A Bonds pursuant to the Act, originally dated the date of delivery, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as determined by the Pricing Committee, and maturing serially on the dates and in the amounts as determined by the Pricing Committee.

1.07. Optional Redemption. The City may elect on December 1, 2035, and on any day thereafter to prepay Series 2026A Bonds due on or after December 1, 2036, unless otherwise determined by the Pricing Committee. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Series 2026A Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

1.08. Mandatory Redemption; Term Bonds. The Series 2026A Bonds may be subject to mandatory sinking fund redemption if so requested by the Purchaser and approved by the Pricing Committee.

Section 2. Registration and Payment.

2.01. Registered Form. The Series 2026A Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Series 2026A Bond, the principal amount thereof, is payable by check, draft, or wire issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Series 2026A Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2026A Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Series 2026A Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Series 2026A Bond will be dated as of the date of original issue. The interest on the Series 2026A Bonds is payable on June 1 and December 1 of each year, commencing June 1, 2027, or as otherwise determined by the Pricing Committee, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar” and “Paying Agent”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

(a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Series 2026A Bonds entitled to be registered, transferred or exchanged.

(b) Transfer of Bonds. Upon surrender for transfer of a Series 2026A Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2026A Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.

(c) Exchange of Series 2026A Bonds. Whenever any Series 2026A Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Series 2026A Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing.

(d) Cancellation. All Series 2026A Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(e) Improper or Unauthorized Transfer. When a Series 2026A Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2026A Bond until the Registrar is satisfied that the endorsement on the Series 2026A Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Series 2026A Bond is registered in the bond register as the absolute owner of the Series 2026A Bond, whether the Series 2026A Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2026A Bond and for all other purposes and payments so made to the registered owner or upon the registered owner's order will be valid and effectual to satisfy and discharge the liability upon the Series 2026A Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Series 2026A Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Series 2026A Bonds. If a Series 2026A Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Series 2026A Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Series 2026A Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2026A Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2026A Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Series 2026A Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Series 2026A Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Series 2026A Bonds are called for redemption, notice thereof identifying the Series 2026A Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Series 2026A Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to registered owners, or any defect therein, will not affect the validity of the proceedings for the redemption of Series 2026A Bonds. Series 2026A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints Zions Bancorporation, National Association, Chicago, Illinois, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Series 2026A Bonds in its possession to the successor Registrar and deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the Council or the Board, there shall be transmitted to the Registrar money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Series 2026A Bonds will be prepared under the direction of the Treasurer of the Commission and executed on behalf of the City by the signatures of the Mayor and City Administrator of the City and the President and the Treasurer of the Commission, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Series 2026A Bonds ceases to be such officer before the delivery of a Series 2026A Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Series 2026A Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Series 2026A Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2026A Bonds need not be signed by the same representative. The executed certificate of authentication on a Series 2026A Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Series 2026A Bonds have been so prepared, executed and authenticated, the Treasurer of the Commission will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Series 2026A Bond.

3.01. Execution of the Bonds. The Series 2026A Bonds will be printed or typewritten in substantially the form as attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The City Administrator is directed to obtain a copy of the proposed approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota, and to cause the opinion to be printed on or accompany each Series 2026A Bond.

Section 4. Pledges; Security; and Covenants.

4.01. Electric Utility Fund. For the convenient and proper administration of the Electric Utility, including the revenues thereof and proceeds of the Series 2026A Bonds and any Additional Bonds (hereinafter defined) to be issued (collectively, the “Bonds”), and to make adequate and specific security to the purchasers and holders of the Bonds from time to time, the City, acting through the Commission, agrees that there shall continue to be maintained on the books and records of the City so long as any Bonds are outstanding a separate bookkeeping account designated the Electric Utility Fund. Within the Electric Utility Fund there shall be continued and maintained as separate permanent accounts (the “Accounts”) of the Commission until all Bonds herein authorized or similarly authorized and issued are paid and retired or, if the Bonds are refunded, adequate funds are placed in escrow to retire the Bonds when due and to pay all interest to the date when the Bonds are due or are called for payment, and all income and receipts from the operation of the municipal Electric Utility, including all additions thereto and extensions thereof, will be credited to the proper account as follows:

- (a) A Capital Expenditure Account to be used only to pay costs and expenses that under generally accepted accounting principles constitute capital costs necessarily incurred for the acquisition and betterment of electric utility properties, including but not limited to land, easements, buildings, structures, machinery, and equipment, and the costs of architectural, engineering, legal and other professional services, printing and publication and other costs reasonably necessary and incidental thereto in connection with the Project or any future project to be financed with proceeds of the Bonds. Upon completion of the construction and installation of the Project and a determination by the Commission that all costs thereof have been paid, any balance remaining in the Capital Expenditure Account shall be transferred to the Sinking and Interest Account. There is also appropriated to the Capital Expenditure Account any amount over the minimum purchase price of the Series 2026A Bonds paid by the Purchaser, to the extent designated for deposit in the Capital Expenditure Account. Upon

delivery of the Series 2026A Bonds, the Commission shall credit to the Capital Expenditure Account proceeds of the Series 2026A Bonds, less accrued interest and any premium or unused discount, if any, for payment the costs of issuance of the Series 2026A Bonds and the costs of constructing the Project. To the Capital Expenditure Account shall also be credited the proceeds of any Additional Bonds or other funds appropriated thereto for financing future projects and improvements to the Electric Utility. Any balance remaining in the Capital Expenditure Account after the Project (or additional improvements to the Electric Utility financed with proceeds of Additional Bonds) is completed and the costs thereof have been paid shall be deposited in the Sinking and Interest Account.

(b) An Operation and Maintenance Account into which will be paid all Gross Revenues as received. From the Operation and Maintenance Account there will be paid all, but only, current Operating Expenses of the Electric Utility. All money remaining in the Operation and Maintenance Account after paying or providing for the foregoing items will constitute and are referred to herein as “Net Revenues.” 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, and are defined as 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 under this resolution.

(c) A Sinking and Interest Account for payment of principal of and interest on the Bonds. There will be deposited to the Sinking and Interest Account accrued interest received from purchasers of the Bonds, if any, and any premium or unused discount with respect to the Bonds. There will also be created and there is hereby irrevocably pledged to the Sinking and Interest Account (i) capitalized interest financed by the Bonds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Sinking and Interest Account in accordance with this resolution (or another resolution with respect to Additional Bonds); and (iii) from the Net Revenues on hand in the Sinking and Interest Account an amount equal to not less than one-sixth (1/6) of the interest due within the next six (6) months on all outstanding Bonds and one-twelfth (1/12) of the principal due within the next twelve (12) months on all outstanding Bonds; provided that no payments need be made to the Sinking and Interest Account when the moneys held in the Sinking and Interest Account are sufficient for the payment of all principal due on the Bonds on or before the next principal payment date and all interest due on the Bonds, payable from the Sinking and Interest Account on the next interest payment date. No money may be paid out of the Sinking and Interest Account except to pay principal and interest on the Bonds. The payments due pursuant to this paragraph must be adjusted to ensure that sufficient funds are on hand in the Sinking and Interest Account to make the initial principal and interest payments on the Bonds.

(d) A Reserve Account to be used only when and if money in the Sinking and Interest Account is insufficient to pay principal of and interest on the outstanding Bonds; provided, however, that any amounts in the Reserve Account in excess of the maximum amount of principal and interest due in any succeeding fiscal year on then outstanding Bonds 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. There will be credited and appropriated to the Reserve Account at the time of delivery of the Bonds from funds available to the Commission, which may include proceeds of the Bonds and/or City cash or other sources, an amount (1) that is determined to be a reasonably required reserve or replacement for the Bonds; and (2) of sale

proceeds of the Bonds not in excess of ten percent (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). The amount in the Reserve Account (the “Reserve Requirement”) will always be the least of (i) ten percent (10%) of the original 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) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, consistent with the size limitation for reasonably required reserve or replacement funds under Treasury Regulations, section 1.148-2(f)(2). The Reserve Requirement for the Series 2026A Bonds is set forth in the Pricing Committee Certificate. The Reserve Account will be maintained in that amount 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. When the Reserve Account is used to pay principal and interest, the Reserve Account must be restored from the next available Net Revenues in the Operation and Maintenance Account. Investments made with funds on hand in the Reserve Account will be valued at cost.

(e) A Surplus Account, into which Net Revenues in excess of those to be maintained in the foregoing Accounts shall be deposited and which may be used for such other purpose and at such times as may be permitted by law.

(f) Moneys on deposit in the Sinking and Interest Account and the Reserve Account may be invested in any securities described in Minnesota Statutes, Chapter 118, as amended. The investments may be liquidated at any time and the proceeds thereof applied for the purpose or purposes for which the respective account was created. Income derived from the investments constitute Net Revenues of the electric utility system and must be deposited in the Electric Utility Fund.

(g) The money in the Electric Utility Fund must be paid to the various Accounts and continued in the order in which those accounts are listed on a cumulative basis, and if in any month the money in the Fund is insufficient to place the required amount in any Account, the deficiency must be made up in the following month or months after payment to all other Accounts having a prior claim on the Net Revenues has been made in full.

(h) All money held in any of the Accounts must be kept separate and apart from all other municipal funds and accounts and must be deposited in any bank or banks selected by the Commission, subject to provisions of applicable law.

4.02. Additional Bonds. Obligations in addition to the Series 2026A Bonds (the “Additional Bonds”) may be issued on a parity of lien with the Series 2026A Bonds herein authorized, if and only if each of the following conditions is satisfied prior to the issuance thereof, such satisfaction to be shown by a certificate of the Mayor and the City Administrator of the City and the President and the Treasurer of the Commission and resolutions of the Council and the Board authorizing the issuance thereof:

(a) There has been procured and filed with the General Manager of the Commission a statement by an independent accountant, reciting that the annual average of Net Revenues of the Electric Utility for the two (2) fiscal years immediately preceding the issuance of such Additional Bonds, adjusted for any additional Net Revenues from rate increases that become effective prior to the issuance of the Additional Bonds as provided herein, shall not have been less than one hundred twenty-five percent (125%) of the average of the unpaid annual debt service requirements on the outstanding Bonds (including the Additional Bonds to be issued). For purposes of this test, the Net Revenues of the Electric Utility may also be adjusted by including the additional revenues, as determined by a

competent feasibility study or rate engineer, to be realized from the area to be served by the facilities to be constructed, provided that the debt service on the proposed parity lien Additional Bonds is funded until the dates of completion of the project to be constructed with the proceeds of the parity lien Additional Bonds.

(b) The payments required to be made into the Accounts provided for in this resolution have been made.

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

(d) The Additional Bonds must have principal maturing on December 1 of each year and interest falling due on June 1 and December 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 those purposes.

To the extent the conditions provided above are not met, Additional Bonds that are not parity bonds may be issued only if their lien and pledge is junior and subordinate to the Series 2026A Bonds and any other Additional Bonds previously issued and outstanding that are parity bonds.

4.03. Refunding Bonds. The City and Commission also reserve the right to issue Additional Bonds if and to the extent needed to refund maturing Bonds payable from the Sinking and Interest Account in case the moneys in the Sinking and Interest Account are insufficient to pay the same at maturity, which refunding obligations may be on a parity with the Bonds as to interest payments, but may mature subsequent to all obligations which are payable from the revenues of the Sinking and Interest Account and which are still outstanding upon completion of such refunding.

4.04. Consent of Holders. Except as authorized in Sections 4.02 and 4.03 hereof, the City for itself and acting through the Commission covenants and agree that there will not be issued or incurred any obligations payable from the Net Revenues of all or a part of the Electric Utility or constituting in any manner a lien thereon, unless such obligations are expressly made junior and subordinate to the lien and charge of the Bonds herein authorized on the Net Revenues, provided that the Bonds, or any part thereof, may be refunded with the consent of the holders thereof (except as to maturing Bonds or Bonds duly called for redemption in accordance with their terms, in which case such consent is not required) and the refunding obligations issued will enjoy complete equality of lien with the portion of the Bonds not refunded. If only a portion of the outstanding Bonds is so refunded and if such Bonds are refunded in such manner that the interest rate of any refunding obligation is greater than the interest rate of any corresponding refunded Bond, or that the maturity date of any refunding obligation is earlier than the maturity date of the corresponding refunded Bond, then such Bonds may not be refunded without the consent of the holders of the unrefunded portion of the Bonds issued hereunder and any other Bonds then outstanding payable from the Sinking and Interest Account.

4.05. Priority of Payment. In the event that the money in the Sinking and Interest Account is insufficient at any time to pay the principal then due and interest then accrued on all Bonds payable therefrom, the moneys must first be applied to the payment pro rata of the accrued interest on all such Bonds, and any balance must be applied first in payment of maturing principal; as between Bonds having different maturity dates, the earlier maturing Bonds must be paid first; as between Bonds of different series maturing on the same date, the Bonds of the series first issued must be paid first; and as between Bonds of the same series maturing on the same date, the Bonds will be paid pro rata.

4.06. Default; Remedies. In the event of default, the holders from time to time of the Bonds have all the remedies, powers and privileges granted by the laws of the State of Minnesota for the enforcement of their rights and for the collection of principal and interest. The holders of fifty percent (50%) or more in aggregate principal amount of Bonds at any time outstanding may, in the event of default, declare all outstanding Bonds to be immediately due and payable. The holders of twenty percent (20%) or more in aggregate principal amount of Bonds at any time outstanding may, either at law or in equity, by suit, action, or other proceeding, protect and enforce the rights of all holders of Bonds issued hereunder and then outstanding, or enforce or compel the performance of any and all of the covenants and duties specified in this resolution to be performed by the Commission or City or their officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof.

4.07. Covenants. For the protection of the holders of the Bonds, the Commission, on behalf of the City and for itself, covenants and agrees to and with the holders thereof from time to time as follows:

(a) It will adequately maintain and efficiently operate the Electric Utility as a municipal electric system. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the Electric Utility so that it may at all times be operated properly and advantageously, and whenever any equipment of the Electric Utility has been worn out, destroyed or otherwise become insufficient for proper use, it will be promptly replaced or repaired so that the value and efficiency of the facilities will be at all times fully maintained and its revenues unencumbered by reason thereof.

(b) In order to ensure the efficient and economical operation of the Electric Utility and the proper maintenance thereof, the Commission on behalf of the City will employ a manager with utility experience to operate and maintain the system. The manager must be employed on a full-time basis and the compensation will be paid as an operating expense of the system.

(c) It will permit no free electric service to any consumer. The rates for all electric service provided and the charges for all electricity supplied by the system and the charges for all electricity supplied by the system to the City and its residents and to all consumers must be reasonable and just, taking into account the cost and value of the system, the cost of maintaining and operating the system and the proper and necessary allowances for depreciation and amounts required for the payment of principal and interest on all bonds payable from the revenues. Charges to all customers must be uniform for all users of the same class. The system must be operated on a fully metered basis. The Commission will bill its customers and the City on a monthly basis and, to the extent permitted by law, will discontinue electric service only in accordance with established City ordinance and policy.

(d) It will establish, maintain and collect such charges and rates as will produce revenues sufficient to pay the reasonable cost of operation and maintenance of the system and to produce annually Net Revenues equal to one hundred fifty percent (150%) of the maximum annual principal and interest requirements of the Bonds payable from the Sinking and Interest Account. Rates and charges may not be reduced unless the Electric Utility Fund and the Accounts therein created by this resolution are funded to the levels required by this resolution and the Commission receives the written certification of a consulting engineer to the effect that the proposed rate reduction will not adversely affect the ability of the Commission to meet all requirements of this resolution, including the covenant requiring the rates to produce annually Net Revenues equal to one hundred fifty percent (150%) of the maximum annual principal and interest requirements of all outstanding Bonds payable from the Sinking and Interest Account. Rates and charges will be increased from time to time whenever necessary to carry out the obligations of this resolution.

(e) It will not sell, lease, mortgage, or in any manner dispose of the Electric Utility or any equipment financed with proceeds of the Bonds or any part thereof including any and all extensions and additions that may be made thereto until all of the Bonds have been paid in full; provided, however, that the City may sell the Electric Utility as a whole if there is, simultaneously with the sale of the Electric Utility, deposited with the Registrar, the amount necessary to retire all of the outstanding Bonds payable from the revenues of the Electric Utility including interest to accrue to the date when the Bonds are callable, or if the Bonds are then called in accordance with their terms, to the date of redemption. This covenant is not to be construed to prevent the sale by the City at fair market value of real estate, equipment or other non-revenue-producing properties that in the judgment of the City or Commission and its consulting engineer has become unnecessary, uneconomical or inexpedient to use in connection with the system, provided suitable facilities are obtained in place thereof and any cash balance from the transaction is deposited in the Electric Utility Fund.

(f) It will procure and keep in force insurance upon the Electric Utility of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing, and it will keep in full force and effect fiduciary bonds on employees in charge of the system. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds must be used to make good such loss or to repair or restore the system. Insurance premiums will be paid as a cost of operation. The proceeds of insurance, except the proceeds of public liability insurance, received by the Commission on behalf of the City must be placed in the Electric Utility Fund.

(g) It will keep proper books, records and accounts adapted to the Electric Utility, separate from other accounts of the Commission and City and cause such books, records and accounts to be audited at the end of each fiscal year by a qualified firm of public accountants. The expense of preparing the audit must be paid as a current operating expense of the Electric Utility. The audit must be prepared in accordance with generally accepted accounting principles as applied to municipal electric utilities.

The holders of the Bonds from time to time may at all reasonable times inspect the Electric Utility and the books, records, accounts and data relating thereto. The City shall cause the Commission to furnish copies of such audit to any holder or holders of the Bonds at their request within a reasonable time after the close of each fiscal year.

(h) It will faithfully and punctually perform all duties with reference to the Electric Utility required by the Constitution and laws of the State of Minnesota, the charter of the City, and this resolution.

(i) It will grant no franchise to any competing electric utility.

4.08. Filing of Resolution. The City Administrator is authorized and directed to file a certified copy of this resolution, including the executed Pricing Committee Certificate, with the County Auditor-Treasurer of Le Sueur County, Minnesota and the County Auditor of Scott County, Minnesota and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. Proceedings and Records. The officers of the City and the Commission are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Series 2026A Bonds certified copies of proceedings and records of the City relating to the Series 2026A Bonds and to the financial condition and affairs of the City and the Commission, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Series 2026A Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City and the Commission as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Series 2026A Bonds and that to the best of their knowledge and belief the Official Statement, as of the date thereof, is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement, as it relates to the City and the Commission.

5.03. Other Certificates. The Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Series 2026A Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director of the City and the Treasurer of the Commission, or either of them, shall also execute and deliver a certificate as to payment for and delivery of the Series 2026A Bonds. If an officer whose signature or a facsimile of whose signature appears on any aforementioned certificate or other similar document ceases to be such officer before the delivery of such document, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

5.04. Electronic Signatures. The electronic signature of the Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, to this resolution or to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Series 2026A Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2026A Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Series 2026A Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Series 2026A Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Series 2026A Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Series 2026A Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Series 2026A Bonds, and the rebate of excess investment earnings to the United States (unless the City qualifies for any exception to the rebate requirements based on timely expenditure of proceeds of the Bonds, in accordance with the Code and applicable Treasury Regulations).

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Series 2026A Bonds or the Project financed by the Series 2026A Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. No Designation of Qualified Tax-Exempt Obligations. The Series 2026A Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Series 2026A Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Series 2026A Bond for each of the maturities set forth in the Pricing Committee Certificate. Upon initial issuance, the ownership of each Series 2026A Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Series 2026A Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Series 2026A Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds the Series 2026A Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Series 2026A Bonds, including but not limited to any responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Series 2026A Bonds;

(ii) the delivery to any Participant or any other person (other than a registered owner of Series 2026A Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Series 2026A Bonds, including any notice of redemption; or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2026A Bonds, of any amount with respect to principal of, premium, if any, or interest on the Series 2026A Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2026A Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2026A Bond for the purpose of payment of principal, premium and interest with respect to such Series 2026A Bond, for the purpose of registering transfers with respect to such Series 2026A Bond, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Series 2026A Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Series 2026A Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Series 2026A Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator is directed to promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Series 2026A Bonds and notices with respect to the Series 2026A Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Series 2026A Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the Council, determines that it is in the best interests of the persons having beneficial interests in the Series 2026A Bonds that they be able to obtain Series 2026A Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Series 2026A Bond certificates. In such event the City will issue, transfer and exchange Series 2026A Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the Series 2026A Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Series 2026A Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Series 2026A Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on such Series 2026A Bond and notices with respect to such Series 2026A Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and the City Administrator of the City and by the President and the Treasurer of the Commission and dated the date of issuance and delivery of the Series 2026A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City and Commission Compliance with Provisions of Continuing Disclosure Certificate. The Commission, on behalf of the City, and the Commission, for itself, covenants and agrees that they will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution or resolution of the City with respect to the Series 2026A Bonds, failure of the City or the Commission to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Series 2026A Bonds; however, any holder of the Series 2026A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Commission to comply with their obligations hereunder this section.

Section 9. Defeasance. When all Bonds (including but not limited to the Series 2026A Bonds) and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

(The remainder of this page is intentionally left blank.)

Adopted by the New Prague Utilities Commission on this 26th day of May, 2026.

Dan Bishop, President

ATTEST:

Bruce Reimers, General Manager

EXHIBIT A

PRICING COMMITTEE CERTIFICATE

\$ _____
City of New Prague, Minnesota
Electric Revenue Bonds
Series 2026A

CERTIFICATE OF PRICING COMMITTEE

_____, 2026

On behalf of the New Prague Utilities Commission (the “Commission”) and the City of New Prague, Minnesota (the “City”), the undersigned hereby certify in connection with the issuance and sale of the Electric Revenue Bonds, Series 2026A (the “Series 2026A Bonds”), in the original aggregate principal amount of \$ _____, as follows:

1. Authorization. Pursuant to a resolution adopted by the Board of Commissioners of the Commission on May 26, 2026 (the “Parameters Resolution”), a pricing committee consisting of the General Manager of the Commission, the Vice President of the Commission, and the Finance Director of the City, or their designees (the “Pricing Committee”), was established to consider the proposals for the purchase of the Series 2026A Bonds. The Pricing Committee was authorized to act as the authorized representatives of the City and the Commission with respect to the sale of the Series 2026A Bonds and to make such determinations, approvals, authorizations, and consents and to take such other actions on behalf of the City and the Commission as provided in the Parameters Resolution and with the advice of Ehlers and Associates, Inc., the municipal advisor of the City and the Commission. Such authorization has not been revoked, withdrawn, or otherwise modified. The issuance of the Series 2026A Bonds was authorized by a resolution adopted by the City Council of the City on April 7, 2025.

2. Duties. The Pricing Committee is to participate in the pricing of the Series 2026A Bonds and approve the terms of the Series 2026A Bonds. The Series 2026A Bonds are to be awarded by the Pricing Committee on behalf of the City and the Commission, based on the conformity of the proposals with the parameters and terms set forth in Section 1.03 of the Parameters Resolution.

3. Award and Terms. The bids received by the City and the Commission are set forth in ATTACHMENT A attached hereto and are in accordance with the official terms of proposal. In accordance with applicable terms of the Parameters Resolution, the Pricing Committee has approved the sale of the Series 2026A Bonds to _____, _____, _____ (the “Purchaser”), at a purchase price of \$ _____ (par amount of \$ _____, [plus original issue premium of \$ _____,] [less original issue discount of \$ _____,] less an underwriter’s discount of \$ _____). The Pricing Committee has agreed with the Purchaser to the following terms of the Series 2026A Bonds:

(a) The original aggregate principal amount of the Series 2026A Bonds is \$ _____, which is equal to or less than the maximum of \$17,455,000.

(b) The true interest cost of the Series 2026A Bonds is _____%, which is equal to or less than 5.50%.

4. Defined Terms. Capitalized terms used herein that are otherwise not defined shall have the meanings assigned to such terms in the Parameters Resolution.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the undersigned members of the Pricing Committee have executed this Certificate of Pricing Committee as of the date and year first written above.

PRICING COMMITTEE

By: _____
Title: General Manager of the New Prague Utilities Commission, or designee

By: _____
Title: Vice President of the New Prague Utilities Commission, or designee

By: _____
Title: Finance Director of the City of New Prague, Minnesota, or designee

ATTACHMENT A TO PRICING COMMITTEE CERTIFICATE

BID TABULATION

ATTACHMENT B TO PRICING COMMITTEE CERTIFICATE

MATURITY SCHEDULE

The Series 2026A Bonds shall bear interest at the rates per annum set forth below and shall mature serially on December 1 in the years and amounts as follows:

<u>Year</u>	<u>Rate</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Amount</u>
	%	\$		%	\$

EXHIBIT B
FORM OF BOND

No. R-__ UNITED STATES OF AMERICA \$_____
STATE OF MINNESOTA
COUNTIES OF LE SUEUR AND SCOTT
CITY OF NEW PRAGUE

ELECTRIC REVENUE BOND
SERIES 2026A

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____%	December 1, 20__	_____, 2026	

Registered Owner: Cede & Co.

The City of New Prague, Minnesota, a duly organized and existing municipal corporation in Le Sueur and Scott Counties, Minnesota (the “City”), acknowledges itself to be specially indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum set forth above on the Maturity Date specified above with interest thereon from the date hereof at the annual Interest Rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable June 1 and December 1 in each year, commencing June 1, 2027, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check, draft, or wire by Zions Bancorporation, National Association, Chicago, Illinois, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein.

The City may elect on December 1, 2035, and on any date thereafter to prepay Bonds due on or after December 1, 2036. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company, New York, New York (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest

[Insert Term Bond language, if applicable]

This Bond is one of an issue in the original aggregate principal amount of \$_____ all of like original issue date and tenor, except as to number, maturity date, interest rate and redemption privilege, all issued pursuant to a resolution adopted by the Board of Commissioners of the New Prague Utilities Commission on May 26, 2026 (the “Resolution”), and authorized by a resolution adopted by the City Council of the City on April 7, 2025, for the purpose of providing money to finance various improvements to the municipal electric utility (the “Electric Utility”), including the construction and operation of an expanded and new electric generation facility and construction of one or more reciprocating engine generating units thereon, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto

enabling, including Minnesota Statutes, Chapters 453 and 475, as amended, and the Charter of the City. The Bonds of this issue and interest thereon are payable solely from Net Revenues of the Electric Utility that have been pledged and appropriated to the payment thereof pursuant to and in accordance with the provisions of the Resolution, to which reference is hereby made for a complete statement of the pledge of revenues and covenants of the City, through the Commission, the nature of the security thereby created, the rights and limitation of the rights of the City and the Commission and holders with respect thereto, and the conditions under which additional bonds may be issued on a parity with the Bonds of this issue. Capitalized terms used herein that are otherwise not defined shall have the meanings provided in the Resolution. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has not designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and none of the City, the Commission or the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the home rule charter of the City and the Constitution and laws of the State of Minnesota, to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding special obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, charter or statutory limitation of indebtedness.

IT IS HEREBY FURTHER CERTIFIED, RECITED, COVENANTED AND AGREED that in and by the Resolution the City, through the Commission, has covenanted and agreed that it will operate the Electric Utility free from all liens thereon; that suitable insurance and fidelity bonds on employees will be carried; that proper and adequate books of account will be kept showing receipts and disbursements; that a Sinking and Interest Account will be maintained into which will be paid out of the Net Revenues of the Electric Utility a sum sufficient to pay principal of and interest on all Bonds of this issue when due; that an Operation and Maintenance Account and a Reserve Account will be created and maintained; that rates and charges for electric service sufficient to maintain those Accounts will be imposed; and that no additional obligations will be issued payable ratably from and secured by the Net Revenues of the Electric Utility except in accordance with the terms of the Resolution.

In the event of default, the holders from time to time of the Bonds have all the remedies, powers and privileges granted by the laws of the State of Minnesota for the enforcement of their rights and for the collection of principal and interest, as more specifically set forth in the Resolution.

The principal of and interest on this Bond are payable solely from Net Revenues of the Electric Utility. The Bonds do not constitute a debt of the City within the meaning of any constitutional or statutory limitation of indebtedness, and the full faith and credit and taxing power of the City are not pledged to the payment of the principal of or interest on the Bonds. Additional bonds may be issued, which are payable on a parity of lien from the Net Revenues of the Electric Utility, upon the terms and conditions provided in the Resolution.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of New Prague, Le Sueur and Scott Counties, Minnesota, has caused this Bond to be executed on its behalf by the manual or facsimile signatures of the Mayor and City Administrator of the City and the President and the Treasurer of the Commission and has caused this Bond to be dated as of the date set forth below.

Dated: Date of Original Issue

CITY OF NEW PRAGUE, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

(Facsimile)
President
New Prague Utilities Commission

(Facsimile)
Treasurer
New Prague Utilities Commission

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT

_____ Custodian _____

(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to Minors Act, State of _____

JT TEN -- as joint tenants with right of survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP"), the New York Stock Exchange, Inc. Medallion Signatures Program ("MSP") or other such "signature guarantee program" as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of Registrar

Cede & Co.
Federal ID #13-2555119

NEW PRAGUE UTILITIES COMMISSION

RESOLUTION #26-_____

RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF ELECTRIC REVENUE BONDS, SERIES 2026A, BY THE CITY OF NEW PRAGUE, MINNESOTA, SUBJECT TO CERTAIN PARAMETERS; ESTABLISHING A PRICING COMMITTEE IN CONNECTION THEREWITH; FIXING THEIR FORM AND SPECIFICATIONS; DIRECTING THEIR EXECUTION AND DELIVERY; AND PROVIDING FOR THEIR PAYMENT

BE IT RESOLVED By the Board of Commissioners (the “Board”) of the New Prague Utilities Commission (the “Commission”) as follows:

Section 1. Sale of Series 2026A Bonds.

1.01 Background.

(a) The City of New Prague, Minnesota (the “City”), acting through 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 heretofore determined that it is necessary and expedient 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 “Project”).

(b) Under the provisions of Minnesota Statutes, Chapter 453, as amended (the “Municipal Electric Power Act”), a municipal power agency is authorized to finance and acquire facilities for the generation or transmission of electric energy, or interests in such facilities or rights to part or all of the capacity thereof, to issue its bonds to pay the costs of such projects and to pledge to the repayment of the bonds all or a portion of the revenues derived from the facilities. Pursuant to Section 453.58 of the Municipal Electric Power Act and a resolution of the City Council of the City (the “Council”) adopted on February 17, 2026, the City is authorized, and has elected to exercise, the powers of a municipal power agency under the Act in respect of the Electric Utility, as it now exists and as it may be expanded or improved from time to time.

1.02. Authorization.

(a) It is necessary and expedient to the sound financial management of the affairs of the City for the City to issue its Electric Revenue Bonds, Series 2026A (the “Series 2026A Bonds”), in the maximum aggregate principal amount of \$~~_____~~17,455,000, pursuant to the Municipal Electric Power Act and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”), to provide financing for the Project.

(b) The Commission is authorized by Section 475.60, subdivision 2(9) of the Act to negotiate the sale of the Series 2026A Bonds, it being determined that the City and the Commission have retained Ehlers and Associates, Inc. (the “Municipal Advisor”) as an independent municipal advisor in connection with such sale. The actions of City and Commission staff and the Municipal Advisor in negotiating the sale of the Series 2026A Bonds are ratified and confirmed in all respects.

(c) On April 7, 2025, the Council adopted Resolution No. 25-04-07-07, ordering the Project, authorizing the issuance of bonds to finance the Project, directing the execution and delivery of documents by the officials of the City, and authorizing cooperation with the Commission to carry out the intentions and activities contemplated therein.

1.03. Pricing Committee. A pricing committee consisting of the General Manager of the Commission, the Vice President of the Commission, and the Finance Director of the City, or their designees (the "Pricing Committee"), is hereby established to consider proposals with respect to the purchase of the Series 2026A Bonds. The Pricing Committee is authorized and directed, with the advice of the Municipal Advisor, to (a) review proposals for the sale of the Series 2026A Bonds; and (b) award the sale of the Series 2026A Bonds to the prospective purchaser with a proposal conforming to the terms of proposal to be prepared by the Municipal Advisor and distributed by the City (including any adjustment of principal amount) and offering a true interest cost not to exceed ~~_____~~ 5.50% and in a maximum aggregate principal amount of \$ ~~_____~~ 17,455,000. The Commission hereby approves the sale of the Series 2026A Bonds to the purchaser selected by the Pricing Committee (the "Purchaser") at the price, principal amount, and rates to be determined by the Pricing Committee.

1.04. Pricing Committee Certificate. The Pricing Committee shall meet on ~~_____~~ July 15, 2026, or another date selected by the Pricing Committee, upon the advice of the Municipal Advisor, to award the sale of the Series 2026A Bonds to the Purchaser. Upon approval of the sale of the Series 2026A Bonds to the Purchaser, the Pricing Committee shall complete and sign a certificate (the "Pricing Committee Certificate") in substantially the form set forth in EXHIBIT A attached hereto. The Pricing Committee Certificate, when complete and executed, shall be attached to this resolution.

1.05. Purchase Contract. Any amount proposed by the Purchaser in excess of the minimum bid shall be credited to the Sinking and Interest Account hereinafter created or deposited in the Capital Expenditure Account hereinafter created, as determined by the Finance Director in consultation with the Municipal Advisor. The good faith deposit of the Purchaser shall be retained and deposited until the Series 2026A Bonds have been delivered and shall be deducted from the purchase price paid at settlement. The Mayor, the City Administrator, and the Finance Director, or any of them, are directed to execute a contract with the Purchaser on behalf of the City, if requested by the Purchaser.

1.06. Terms, Interest Rates, and Principal Amounts of the Series 2026A Bonds. The City will forthwith issue and the Commission will sell the Series 2026A Bonds pursuant to the Act, originally dated the date of delivery, in the denomination of \$5,000 each or any integral multiple thereof, numbered No. R-1, upward, bearing interest as determined by the Pricing Committee, and maturing serially on the dates and in the amounts as determined by the Pricing Committee.

1.07. Optional Redemption. ~~†The City may elect on FebruaryDecember 1, 20—2035, and on any day thereafter to prepay Series 2026A Bonds due on or after February 1, 20—.†~~ ~~The Series 2026A Bonds will be prepayable at the election of the City on the dates~~ December 1, 2036, unless otherwise determined by the Pricing Committee. ~~†~~ Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Series 2026A Bonds of a maturity are called for redemption, the City will notify DTC (as defined in Section 7 hereof) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest.

1.08. Mandatory Redemption; Term Bonds. The Series 2026A Bonds may be subject to mandatory sinking fund redemption if so requested by the Purchaser and approved by the Pricing Committee.

Section 2. Registration and Payment.

2.01. Registered Form. The Series 2026A Bonds will be issued only in fully registered form. The interest thereon and, upon surrender of each Series 2026A Bond, the principal amount thereof, is payable by check, draft, or wire issued by the Registrar described herein.

2.02. Dates; Interest Payment Dates. Each Series 2026A Bond will be dated as of the last interest payment date preceding the date of authentication to which interest on the Series 2026A Bond has been paid or made available for payment, unless (i) the date of authentication is an interest payment date to which interest has been paid or made available for payment, in which case the Series 2026A Bond will be dated as of the date of authentication, or (ii) the date of authentication is prior to the first interest payment date, in which case the Series 2026A Bond will be dated as of the date of original issue. The interest on the Series 2026A Bonds is payable on ~~February~~ June 1 ~~AND August and December~~ 1 of each year, commencing ~~June 1, 20~~ June 1, 2027, or as otherwise determined by the Pricing Committee, to the registered owners of record thereof as of the close of business on the fifteenth day of the immediately preceding month, whether or not that day is a business day.

2.03. Registration. The City will appoint a bond registrar, transfer agent, authenticating agent and paying agent (the “Registrar” and “Paying Agent”). The effect of registration and the rights and duties of the City and the Registrar with respect thereto are as follows:

- (a) Register. The Registrar will keep at its principal corporate trust office a bond register in which the Registrar provides for the registration of ownership of Bonds and the registration of transfers and exchanges of Series 2026A Bonds entitled to be registered, transferred or exchanged.
- (b) Transfer of Bonds. Upon surrender for transfer of a Series 2026A Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar will authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 2026A Bonds of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may, however, close the books for registration of any transfer after the fifteenth day of the month preceding each interest payment date and until that interest payment date.
- (c) Exchange of Series 2026A Bonds. Whenever any Series 2026A Bonds are surrendered by the registered owner for exchange the Registrar will authenticate and deliver one or more new Series 2026A Bonds of a like aggregate principal amount and maturity as requested by the registered owner or the owner’s attorney in writing.
- (d) Cancellation. All Series 2026A Bonds surrendered upon any transfer or exchange will be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.
- (e) Improper or Unauthorized Transfer. When a Series 2026A Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the Series 2026A Bond until the Registrar is satisfied that the endorsement on the Series 2026A Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar will incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owners. The City and the Registrar may treat the person in whose name a Series 2026A Bond is registered in the bond register as the absolute owner of the Series 2026A Bond, whether the Series 2026A Bond is overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on the Series 2026A Bond and for all other purposes and payments so made to the registered owner or upon the registered owner's order will be valid and effectual to satisfy and discharge the liability upon the Series 2026A Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. The Registrar may impose a charge upon the owner thereof for a transfer or exchange of Series 2026A Bonds sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to the transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Series 2026A Bonds. If a Series 2026A Bond becomes mutilated or is destroyed, stolen or lost, the Registrar will deliver a new Series 2026A Bond of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Series 2026A Bond destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2026A Bond destroyed, stolen or lost, upon filing with the Registrar of evidence satisfactory to it that the Series 2026A Bond was destroyed, stolen or lost, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance and amount satisfactory to it and as provided by law, in which both the City and the Registrar must be named as obligees. Series 2026A Bonds so surrendered to the Registrar will be cancelled by the Registrar and evidence of such cancellation must be given to the City. If the mutilated, destroyed, stolen or lost Series 2026A Bond has already matured or been called for redemption in accordance with its terms it is not necessary to issue a new Bond prior to payment.

(i) Redemption. In the event any of the Series 2026A Bonds are called for redemption, notice thereof identifying the Series 2026A Bonds to be redeemed will be given by the Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) to the registered owner of each Series 2026A Bond to be redeemed at the address shown on the registration books kept by the Registrar and by publishing the notice if required by law. Failure to give notice by publication or by mail to registered owners, or any defect therein, will not affect the validity of the proceedings for the redemption of Series 2026A Bonds. Series 2026A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

2.04. Appointment of Initial Registrar. The City appoints _____, _____, ~~Minnesota~~ Zions Bancorporation, National Association, Chicago, Illinois, as the initial Registrar. The Mayor and the City Administrator are authorized to execute and deliver, on behalf of the City, a contract with the Registrar. Upon merger or consolidation of the Registrar with another corporation, if the resulting corporation is a bank or trust company authorized by law to conduct such business, the resulting corporation is authorized to act as successor Registrar. The City agrees to pay the reasonable and customary charges of the Registrar for the services performed. The City reserves the right to remove the Registrar upon thirty (30) days' notice and upon the appointment of a successor Registrar, in which event the predecessor Registrar must deliver all cash and Series 2026A Bonds in its possession to the successor Registrar and deliver the bond register to the successor Registrar. On or before each principal or interest due date, without further order of the Council or the Board, there shall be transmitted to the Registrar money sufficient for the payment of all principal and interest then due.

2.05. Execution, Authentication and Delivery. The Series 2026A Bonds will be prepared under the direction of the Treasurer of the Commission and executed on behalf of the City by the signatures of the Mayor and City Administrator of the City and the President and the Treasurer of the Commission, provided that those signatures may be printed, engraved or lithographed facsimiles of the originals. If an officer whose signature or a facsimile of whose signature appears on the Series 2026A Bonds ceases to be such officer before the delivery of a Series 2026A Bond, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, a Series 2026A Bond will not be valid or obligatory for any purpose or entitled to any security or benefit under this resolution unless and until a certificate of authentication on the Series 2026A Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on different Series 2026A Bonds need not be signed by the same representative. The executed certificate of authentication on a Series 2026A Bond is conclusive evidence that it has been authenticated and delivered under this resolution. When the Series 2026A Bonds have been so prepared, executed and authenticated, the Treasurer of the Commission will deliver the same to the Purchaser upon payment of the purchase price in accordance with the contract of sale heretofore made and executed, and the Purchaser is not obligated to see to the application of the purchase price.

Section 3. Form of Series 2026A Bond.

3.01. Execution of the Bonds. The Series 2026A Bonds will be printed or typewritten in substantially the form as attached hereto as EXHIBIT B.

3.02. Approving Legal Opinion. The City Administrator is directed to obtain a copy of the proposed approving legal opinion of Kutak Rock LLP, Minneapolis, Minnesota, and to cause the opinion to be printed on or accompany each Series 2026A Bond.

Section 4. Pledges; Security; and Covenants.

4.01. Electric Utility Fund. For the convenient and proper administration of the Electric Utility, including the revenues thereof and proceeds of the Series 2026A Bonds and any Additional Bonds (hereinafter defined) to be issued (collectively, the “Bonds”), and to make adequate and specific security to the purchasers and holders of the Bonds from time to time, the City, acting through the Commission, agrees that there shall continue to be maintained on the books and records of the City so long as any Bonds are outstanding a separate bookkeeping account designated the Electric Utility Fund. Within the Electric Utility Fund there shall be continued and maintained as separate permanent accounts (the “Accounts”) of the Commission until all Bonds herein authorized or similarly authorized and issued are paid and retired or, if the Bonds are refunded, adequate funds are placed in escrow to retire the Bonds when due and to pay all interest to the date when the Bonds are due or are called for payment, and all income and receipts from the operation of the municipal Electric Utility, including all additions thereto and extensions thereof, will be credited to the proper account as follows:

- (a) A Capital Expenditure Account to be used only to pay costs and expenses that under generally accepted accounting principles constitute capital costs necessarily incurred for the acquisition and betterment of electric utility properties, including but not limited to land, easements, buildings, structures, machinery, and equipment, and the costs of architectural, engineering, legal and other professional services, printing and publication and other costs reasonably necessary and incidental thereto in connection with the Project or any future project to be financed with proceeds of the Bonds. Upon completion of the construction and installation of the Project and a determination by the Commission that all costs thereof have been paid, any balance remaining in the Capital Expenditure Account shall be transferred to the Sinking and Interest Account. There is

also appropriated to the Capital Expenditure Account any amount over the minimum purchase price of the Series 2026A Bonds paid by the Purchaser, to the extent designated for deposit in the Capital Expenditure Account. Upon delivery of the Series 2026A Bonds, the Commission shall credit to the Capital Expenditure Account proceeds of the Series 2026A Bonds, less accrued interest and any premium or unused discount, if any, for payment the costs of issuance of the Series 2026A Bonds and the costs of constructing the Project. To the Capital Expenditure Account shall also be credited the proceeds of any Additional Bonds or other funds appropriated thereto for financing future projects and improvements to the Electric Utility. Any balance remaining in the Capital Expenditure Account after the Project (or additional improvements to the Electric Utility financed with proceeds of Additional Bonds) is completed and the costs thereof have been paid shall be deposited in the Sinking and Interest Account.

(b) An Operation and Maintenance Account into which will be paid all Gross Revenues as received. From the Operation and Maintenance Account there will be paid all, but only, current Operating Expenses of the Electric Utility. All money remaining in the Operation and Maintenance Account after paying or providing for the foregoing items will constitute and are referred to herein as “Net Revenues.” 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, and are defined as 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 under this resolution.

(c) A Sinking and Interest Account for payment of principal of and interest on the Bonds. There will be deposited to the Sinking and Interest Account accrued interest received from purchasers of the Bonds, if any, and any premium or unused discount with respect to the Bonds. There will also be created and there is hereby irrevocably pledged to the Sinking and Interest Account (i) capitalized interest financed by the Bonds, if any; (ii) amounts over the minimum purchase price of the Bonds paid by the Purchaser, to the extent designated for deposit in the Sinking and Interest Account in accordance with this resolution (or another resolution with respect to Additional Bonds); and (iii) from the Net Revenues on hand in the Sinking and Interest Account an amount equal to not less than one-sixth (1/6) of the interest due within the next six (6) months on all outstanding Bonds and one-twelfth (1/12) of the principal due within the next twelve (12) months on all outstanding Bonds; provided that no payments need be made to the Sinking and Interest Account when the moneys held in the Sinking and Interest Account are sufficient for the payment of all principal due on the Bonds on or before the next principal payment date and all interest due on the Bonds, payable from the Sinking and Interest Account on the next interest payment date. No money may be paid out of the Sinking and Interest Account except to pay principal and interest on the Bonds. The payments due pursuant to this paragraph must be adjusted to ensure that sufficient funds are on hand in the Sinking and Interest Account to make the initial principal and interest payments on the Bonds.

(d) A Reserve Account to be used only when and if money in the Sinking and Interest Account is insufficient to pay principal of and interest on the outstanding Bonds; provided, however, that any amounts in the Reserve Account in excess of the maximum amount of principal and interest due in any succeeding fiscal year on then outstanding Bonds 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. There will be credited and appropriated to the Reserve Account at the time of delivery of the Bonds from funds available to the Commission, which may include proceeds of the Bonds and/or City cash or other sources, an amount (i) that is determined to be a reasonably required reserve or replacement for the Bonds; and (ii) of sale proceeds of the Bonds not in excess of ten percent (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). The amount in the Reserve Account (the “Reserve Requirement”) will always be the least of (i) ten percent (10%) of the original 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) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds, consistent with the size limitation for reasonably required reserve or replacement funds under Treasury Regulations, section 1.148-2(f)(2). The Reserve Requirement for the Series 2026A Bonds is set forth in the Pricing Committee Certificate. The Reserve Account will be maintained in that amount 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. When the Reserve Account is used to pay principal and interest, the Reserve Account must be restored from the next available Net Revenues in the Operation and Maintenance Account. Investments made with funds on hand in the Reserve Account will be valued at cost.

(e) A Surplus Account, into which Net Revenues in excess of those to be maintained in the foregoing Accounts shall be deposited and which may be used for such other purpose and at such times as may be permitted by law.

(f) Moneys on deposit in the Sinking and Interest Account and the Reserve Account may be invested in any securities described in Minnesota Statutes, Chapter 118, as amended. The investments may be liquidated at any time and the proceeds thereof applied for the purpose or purposes for which the respective account was created. Income derived from the investments constitute Net Revenues of the electric utility system and must be deposited in the Electric Utility Fund.

(g) The money in the Electric Utility Fund must be paid to the various Accounts and continued in the order in which those accounts are listed on a cumulative basis, and if in any month the money in the Fund is insufficient to place the required amount in any Account, the deficiency must be made up in the following month or months after payment to all other Accounts having a prior claim on the Net Revenues has been made in full.

(h) All money held in any of the Accounts must be kept separate and apart from all other municipal funds and accounts and must be deposited in any bank or banks selected by the Commission, subject to provisions of applicable law.

4.02. Additional Bonds. Obligations in addition to the Series 2026A Bonds (the “Additional Bonds”) may be issued on a parity of lien with the Series 2026A Bonds herein authorized, if and only if each of the following conditions is satisfied prior to the issuance thereof, such satisfaction to be shown by a certificate of the Mayor and the City Administrator of the City and the President and the Treasurer of the Commission and resolutions of the Council and the Board authorizing the issuance thereof:

(a) There has been procured and filed with the Secretary General Manager of the Commission a statement by an independent accountant, ~~not in the regular employ of the Commission~~, reciting that

the annual average of Net Revenues of the Electric Utility for the two (2) fiscal years immediately preceding the issuance of such Additional Bonds, adjusted for any additional Net Revenues from rate increases that become effective prior to the issuance of the Additional Bonds as provided herein, shall not have been less than one hundred twenty-five percent (125%) of the average of the unpaid annual debt service requirements on the outstanding Bonds (including the Additional Bonds to be issued). For purposes of this test, the Net Revenues of the Electric Utility may also be adjusted by including the additional revenues, as determined by a competent feasibility study or rate engineer, to be realized from the area to be served by the facilities to be constructed, provided that the debt service on the proposed parity lien Additional Bonds is funded until the dates of completion of the project to be constructed with the proceeds of the parity lien Additional Bonds.

- (b) The payments required to be made into the Accounts provided for in this resolution have been made.
- (c) The resolution authorizing the issuance of the Additional Bonds provides for the pledge and payment into the Reserve Account of an amount sufficient to increase the balance therein to the new Reserve Requirement upon issuance of the Additional Bonds.
- (d) The Additional Bonds must have principal maturing on ~~February~~December 1 of each year and interest falling due on ~~February~~June 1 and ~~August~~December 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 those purposes.

To the extent the conditions provided above are not met, Additional Bonds that are not parity bonds may be issued only if their lien and pledge is junior and subordinate to the Series 2026A Bonds and any other Additional Bonds previously issued and outstanding that are parity bonds.

4.03. Refunding Bonds. The City and Commission also reserve the right to issue Additional Bonds if and to the extent needed to refund maturing Bonds payable from the Sinking and Interest Account in case the moneys in the Sinking and Interest Account are insufficient to pay the same at maturity, which refunding obligations may be on a parity with the Bonds as to interest payments, but may mature subsequent to all obligations which are payable from the revenues of the Sinking and Interest Account and which are still outstanding upon completion of such refunding.

4.04. Consent of Holders. Except as authorized in Sections 4.02 and 4.03 hereof, the City for itself and acting through the Commission covenants and agree that there will not be issued or incurred any obligations payable from the Net Revenues of all or a part of the Electric Utility or constituting in any manner a lien thereon, unless such obligations are expressly made junior and subordinate to the lien and charge of the Bonds herein authorized on the Net Revenues, provided that the Bonds, or any part thereof, may be refunded with the consent of the holders thereof (except as to maturing Bonds or Bonds duly called for redemption in accordance with their terms, in which case such consent is not required) and the refunding obligations issued will enjoy complete equality of lien with the portion of the Bonds not refunded. If only a portion of the outstanding Bonds is so refunded and if such Bonds are refunded in such manner that the interest rate of any refunding obligation is greater than the interest rate of any corresponding refunded Bond, or that the maturity date of any refunding obligation is earlier than the maturity date of the corresponding refunded Bond, then such Bonds may not be refunded without the consent of the holders of the unrefunded portion of the Bonds issued hereunder and any other Bonds then outstanding payable from the Sinking and Interest Account.

4.05. Priority of Payment. In the event that the money in the Sinking and Interest Account is insufficient at any time to pay the principal then due and interest then accrued on all Bonds payable therefrom, the moneys must first be applied to the payment pro rata of the accrued interest on all such Bonds, and any balance must be applied first in payment of maturing principal; as between Bonds having different maturity dates, the earlier maturing Bonds must be paid first; as between Bonds of different series maturing on the same date, the Bonds of the series first issued must be paid first; and as between Bonds of the same series maturing on the same date, the Bonds will be paid pro rata.

4.06. Default; Remedies. In the event of default, the holders from time to time of the Bonds have all the remedies, powers and privileges granted by the laws of the State of Minnesota for the enforcement of their rights and for the collection of principal and interest. The holders of fifty percent (50%) or more in aggregate principal amount of Bonds at any time outstanding may, in the event of default, declare all outstanding Bonds to be immediately due and payable. The holders of twenty percent (20%) or more in aggregate principal amount of Bonds at any time outstanding may, either at law or in equity, by suit, action, or other proceeding, protect and enforce the rights of all holders of Bonds issued hereunder and then outstanding, or enforce or compel the performance of any and all of the covenants and duties specified in this resolution to be performed by the Commission or City or their officers and agents, including the fixing and maintaining of rates and charges and the collection and proper segregation of revenues and the application and use thereof.

4.07. Covenants. For the protection of the holders of the Bonds, the Commission, on behalf of the City and for itself, covenants and agrees to and with the holders thereof from time to time as follows:

- (a) It will adequately maintain and efficiently operate the Electric Utility as a municipal electric system. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the Electric Utility so that it may at all times be operated properly and advantageously, and whenever any equipment of the Electric Utility has been worn out, destroyed or otherwise become insufficient for proper use, it will be promptly replaced or repaired so that the value and efficiency of the facilities will be at all times fully maintained and its revenues unencumbered by reason thereof.
- (b) In order to ensure the efficient and economical operation of the Electric Utility and the proper maintenance thereof, the Commission on behalf of the City will employ a manager with utility experience to operate and maintain the system. The manager must be employed on a full-time basis and the compensation will be paid as an operating expense of the system.
- (c) It will permit no free electric service to any consumer. The rates for all electric service provided and the charges for all electricity supplied by the system and the charges for all electricity supplied by the system to the City and its residents and to all consumers must be reasonable and just, taking into account the cost and value of the system, the cost of maintaining and operating the system and the proper and necessary allowances for depreciation and amounts required for the payment of principal and interest on all bonds payable from the revenues. Charges to all customers must be uniform for all users of the same class. The system must be operated on a fully metered basis. The Commission will bill its customers and the City on a monthly basis and, to the extent permitted by law, will discontinue electric service only in accordance with established City ordinance and policy.
- (d) It will establish, maintain and collect such charges and rates as will produce revenues sufficient to pay the reasonable cost of operation and maintenance of the system and to produce annually Net Revenues equal to one hundred fifty percent (150%) of the maximum annual principal and interest requirements of the Bonds payable from the Sinking and Interest Account. Rates and

charges may not be reduced unless the Electric Utility Fund and the Accounts therein created by this resolution are funded to the levels required by this resolution and the Commission receives the written certification of a consulting engineer to the effect that the proposed rate reduction will not adversely affect the ability of the Commission to meet all requirements of this resolution, including the covenant requiring the rates to produce annually Net Revenues equal to one hundred fifty percent (150%) of the maximum annual principal and interest requirements of all outstanding Bonds payable from the Sinking and Interest Account. Rates and charges will be increased from time to time whenever necessary to carry out the obligations of this resolution.

(e) It will not sell, lease, mortgage, or in any manner dispose of the Electric Utility or any equipment financed with proceeds of the Bonds or any part thereof including any and all extensions and additions that may be made thereto until all of the Bonds have been paid in full; provided, however, that the City may sell the Electric Utility as a whole if there is, simultaneously with the sale of the Electric Utility, deposited with the Registrar, the amount necessary to retire all of the outstanding Bonds payable from the revenues of the Electric Utility including interest to accrue to the date when the Bonds are callable, or if the Bonds are then called in accordance with their terms, to the date of redemption. This covenant is not to be construed to prevent the sale by the City at fair market value of real estate, equipment or other non-revenue-producing properties that in the judgment of the City or Commission and its consulting engineer has become unnecessary, uneconomical or inexpedient to use in connection with the system, provided suitable facilities are obtained in place thereof and any cash balance from the transaction is deposited in the Electric Utility Fund.

(f) It will procure and keep in force insurance upon the Electric Utility of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing, and it will keep in full force and effect fiduciary bonds on employees in charge of the system. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds must be used to make good such loss or to repair or restore the system. Insurance premiums will be paid as a cost of operation. The proceeds of insurance, except the proceeds of public liability insurance, received by the Commission on behalf of the City must be placed in the Electric Utility Fund.

(g) It will keep proper books, records and accounts adapted to the Electric Utility, separate from other accounts of the Commission and City and cause such books, records and accounts to be audited at the end of each fiscal year by a qualified firm of public accountants. The expense of preparing the audit must be paid as a current operating expense of the Electric Utility. The audit must be prepared in accordance with generally accepted accounting principles as applied to municipal electric utilities.

The holders of the Bonds from time to time may at all reasonable times inspect the Electric Utility and the books, records, accounts and data relating thereto. The City shall cause the Commission to furnish copies of such audit to any holder or holders of the Bonds at their request within a reasonable time after the close of each fiscal year.

(h) It will faithfully and punctually perform all duties with reference to the Electric Utility required by the Constitution and laws of the State of Minnesota, the charter of the City, and this resolution.

(i) It will grant no franchise to any competing electric utility.

4.08. Filing of Resolution. The City Administrator is authorized and directed to file a certified copy of this resolution, including the executed Pricing Committee Certificate, with the County Auditor-Treasurer of Le Sueur County, Minnesota and the County Auditor of Scott County, Minnesota and to obtain the certificate required by Section 475.63 of the Act.

Section 5. Authentication of Transcript.

5.01. Proceedings and Records. The officers of the City and the Commission are authorized and directed to prepare and furnish to the Purchaser and to the attorneys approving the Series 2026A Bonds certified copies of proceedings and records of the City relating to the Series 2026A Bonds and to the financial condition and affairs of the City and the Commission, and such other certificates, affidavits and transcripts as may be required to show the facts within their knowledge or as shown by the books and records in their custody and under their control, relating to the validity and marketability of the Series 2026A Bonds, and such instruments, including any heretofore furnished, will be deemed representations of the City and the Commission as to the facts stated therein.

5.02. Certification as to Official Statement. The Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, are hereby authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Series 2026A Bonds and that to the best of their knowledge and belief the Official Statement, as of the date thereof, is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement, as it relates to the City and the Commission.

5.03. Other Certificates. The Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, are hereby authorized and directed to furnish to the Purchaser at the closing such certificates as are required as a condition of sale. Unless litigation shall have been commenced and be pending questioning the Series 2026A Bonds or the organization of the City or incumbency of its officers, at the closing the Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, shall also execute and deliver to the Purchaser a suitable certificate as to absence of material litigation, and the Finance Director of the City and the Treasurer of the Commission, or either of them, shall also execute and deliver a certificate as to payment for and delivery of the Series 2026A Bonds. If an officer whose signature or a facsimile of whose signature appears on any aforementioned certificate or other similar document ceases to be such officer before the delivery of such document, that signature or facsimile will nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery.

5.04. Electronic Signatures. The electronic signature of the Mayor, the City Administrator, and the Finance Director of the City and the President, the Treasurer, and the General Manager of the Commission, or any of them, to this resolution or to any certificate authorized to be executed hereunder shall be as valid as an original signature of such party and shall be effective to bind the City thereto. For purposes hereof, (i) “electronic signature” means (a) a manually signed original signature that is then transmitted by electronic means or (b) a signature obtained through DocuSign or Adobe or a similarly digitally auditable signature gathering process; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Section 6. Tax Covenants.

6.01. Tax-Exempt Bonds. The City covenants and agrees with the holders from time to time of the Series 2026A Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2026A Bonds to become subject to taxation under the Internal Revenue Code of 1986, as amended (the Code), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Series 2026A Bonds. To that end, the City will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Series 2026A Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments and limitations on amounts invested at a yield greater than the yield on the Series 2026A Bonds.

6.02. Rebate. The City will comply with requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Series 2026A Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Series 2026A Bonds, and the rebate of excess investment earnings to the United States (unless the City qualifies for any exception to the rebate requirements based on timely expenditure of proceeds of the Bonds, in accordance with the Code and applicable Treasury Regulations).

6.03. Not Private Activity Bonds. The City further covenants not to use the proceeds of the Series 2026A Bonds or the Project financed by the Series 2026A Bonds or to cause or permit them or any of them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

6.04. No Designation of Qualified Tax-Exempt Obligations. The Series 2026A Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

6.05. Procedural Requirements. The City will use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designations made by this section.

Section 7. Book-Entry System; Limited Obligation of City.

7.01. DTC. The Series 2026A Bonds will be initially issued in the form of a separate single typewritten or printed fully registered Series 2026A Bond for each of the maturities set forth in the Pricing Committee Certificate. Upon initial issuance, the ownership of each Series 2026A Bond will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, and its successors and assigns (“DTC”). Except as provided in this section, all of the outstanding Series 2026A Bonds will be registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC.

7.02. Participants. With respect to Series 2026A Bonds registered in the registration books kept by the Registrar in the name of Cede & Co., as nominee of DTC, the City, the Registrar and the Paying Agent will have no responsibility or obligation to any broker dealers, banks and other financial institutions from time to time for which DTC holds the Series 2026A Bonds as securities depository (the “Participants”) or to any other person on behalf of which a Participant holds an interest in the Series 2026A Bonds, including but not limited to any responsibility or obligation with respect to (i) the

accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Series 2026A Bonds; (ii) the delivery to any Participant or any other person (other than a registered owner of Series 2026A Bonds, as shown by the registration books kept by the Registrar) of any notice with respect to the Series 2026A Bonds, including any notice of redemption; or (iii) the payment to any Participant or any other person, other than a registered owner of Series 2026A Bonds, of any amount with respect to principal of, premium, if any, or interest on the Series 2026A Bonds. The City, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2026A Bond is registered in the registration books kept by the Registrar as the holder and absolute owner of such Series 2026A Bond for the purpose of payment of principal, premium and interest with respect to such Series 2026A Bond, for the purpose of registering transfers with respect to such Series 2026A Bond, and for all other purposes. The Paying Agent will pay all principal of, premium, if any, and interest on the Series 2026A Bonds only to or on the order of the respective registered owners, as shown in the registration books kept by the Registrar, and all such payments will be valid and effectual to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, or interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of Series 2026A Bonds, as shown in the registration books kept by the Registrar, will receive a certificated Series 2026A Bond evidencing the obligation of this resolution. Upon delivery by DTC to the City Administrator of a written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." will refer to such new nominee of DTC; and upon receipt of such a notice, the City Administrator is directed to promptly deliver a copy of the same to the Registrar and Paying Agent.

7.03. Representation Letter. The City has heretofore executed and delivered to DTC a Blanket Issuer Letter of Representations (the "Representation Letter") which shall govern payment of principal of, premium, if any, and interest on the Series 2026A Bonds and notices with respect to the Series 2026A Bonds. Any Paying Agent or Registrar subsequently appointed by the City with respect to the Series 2026A Bonds will agree to take all action necessary for all representations of the City in the Representation Letter with respect to the Registrar and Paying Agent, respectively, to be complied with at all times.

7.04. Transfers Outside Book-Entry System. In the event the City, by resolution of the Council, determines that it is in the best interests of the persons having beneficial interests in the Series 2026A Bonds that they be able to obtain Series 2026A Bond certificates, the City will notify DTC, whereupon DTC will notify the Participants, of the availability through DTC of Series 2026A Bond certificates. In such event the City will issue, transfer and exchange Series 2026A Bond certificates as requested by DTC and any other registered owners in accordance with the provisions of this resolution. DTC may determine to discontinue providing its services with respect to the Series 2026A Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, if no successor securities depository is appointed, the City will issue and the Registrar will authenticate Series 2026A Bond certificates in accordance with this resolution and the provisions hereof will apply to the transfer, exchange and method of payment thereof.

7.05. Payments to Cede & Co. Notwithstanding any other provision of this resolution to the contrary, so long as a Series 2026A Bond is registered in the name of Cede & Co., as nominee of DTC, payments with respect to principal of, premium, if any, and interest on such Series 2026A Bond and notices with respect to such Series 2026A Bond will be made and given, respectively in the manner provided in DTC's Operational Arrangements, as set forth in the Representation Letter.

Section 8. Continuing Disclosure.

8.01. Execution of Continuing Disclosure Certificate. “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the Mayor and the City Administrator of the City and by the President and the Treasurer of the Commission and dated the date of issuance and delivery of the Series 2026A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

8.02. City and Commission Compliance with Provisions of Continuing Disclosure Certificate. The Commission, on behalf of the City, and the Commission, for itself, covenants and agrees that they will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution or resolution of the City with respect to the Series 2026A Bonds, failure of the City or the Commission to comply with the Continuing Disclosure Certificate is not to be considered an event of default with respect to the Series 2026A Bonds; however, any holder of the Series 2026A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Commission to comply with their obligations hereunder this section.

Section 9. Defeasance. When all Bonds (including but not limited to the Series 2026A Bonds) and all interest thereon have been discharged as provided in this section, all pledges, covenants and other rights granted by this resolution to the holders of the Bonds will cease. The City may discharge all Bonds which are due on any date by depositing with the Registrar on or before that date a sum sufficient for the payment thereof in full or by depositing irrevocably in escrow, with a suitable institution qualified by law as an escrow agent for this purpose, cash or securities which are backed by the full faith and credit of the United States of America, or any other security authorized under Minnesota law for such purpose, bearing interest payable at such times and at such rates and maturing on such dates and in such amounts as shall be required and sufficient, subject to sale and/or reinvestment in like securities, to pay said obligation(s), which may include any interest payment on such Bond and/or principal amount due thereon at a stated maturity. If any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

(The remainder of this page is intentionally left blank.)

Adopted by the New Prague Utilities Commission on this 26th day of May, 2026.

Dan Bishop, President

ATTEST:

Bruce Reimers, General Manager

EXHIBIT A

PRICING COMMITTEE CERTIFICATE

\$ _____
City of New Prague, Minnesota
Electric Revenue Bonds
Series 2026A

CERTIFICATE OF PRICING COMMITTEE

_____, 2026

On behalf of the New Prague Utilities Commission (the “Commission”) and the City of New Prague, Minnesota (the “City”), the undersigned hereby certify in connection with the issuance and sale of the Electric Revenue Bonds, Series 2026A (the “Series 2026A Bonds”), in the original aggregate principal amount of \$ _____, as follows:

1. Authorization. Pursuant to a resolution adopted by the Board of Commissioners of the Commission on May 26, 2026 (the “Parameters Resolution”), a pricing committee consisting of the General Manager of the Commission, the Vice President of the Commission, and the Finance Director of the City, or their designees (the “Pricing Committee”), was established to consider the proposals for the purchase of the Series 2026A Bonds. The Pricing Committee was authorized to act as the authorized representatives of the City and the Commission with respect to the sale of the Series 2026A Bonds and to make such determinations, approvals, authorizations, and consents and to take such other actions on behalf of the City and the Commission as provided in the Parameters Resolution and with the advice of Ehlers and Associates, Inc., the municipal advisor of the City and the Commission. Such authorization has not been revoked, withdrawn, or otherwise modified. The issuance of the Series 2026A Bonds was authorized by a resolution adopted by the City Council of the City on April 7, 2025.

2. Duties. The Pricing Committee is to participate in the pricing of the Series 2026A Bonds and approve the terms of the Series 2026A Bonds. The Series 2026A Bonds are to be awarded by the Pricing Committee on behalf of the City and the Commission, based on the conformity of the proposals with the parameters and terms set forth in Section 1.03 of the Parameters Resolution.

3. Award and Terms. The bids received by the City and the Commission are set forth in ATTACHMENT A attached hereto and are in accordance with the official terms of proposal. In accordance with applicable terms of the Parameters Resolution, the Pricing Committee has approved the sale of the Series 2026A Bonds to _____, _____, _____ (the “Purchaser”), at a purchase price of \$ _____ (par amount of \$ _____, [plus original issue premium of \$ _____,] [less original issue discount of \$ _____,] less an underwriter’s discount of \$ _____). The Pricing Committee has agreed with the Purchaser to the following terms of the Series 2026A Bonds:

(a) The original aggregate principal amount of the Series 2026A Bonds is \$ _____, which is equal to or less than the maximum of \$ ~~_____~~ 17,455,000.

(b) The true interest cost of the Series 2026A Bonds is _____%, which is equal to or less than ~~_____~~ 5.50%.

maximum annual debt service on the Bonds; or (c) one hundred twenty-five percent (125%) of the average annual debt service on the Bonds.

4. Defined Terms. Capitalized terms used herein that are otherwise not defined shall have the meanings assigned to such terms in the Parameters Resolution.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the undersigned members of the Pricing Committee have executed this Certificate of Pricing Committee as of the date and year first written above.

PRICING COMMITTEE

By: _____
Title: General Manager of the New Prague Utilities Commission, or designee

By: _____
Title: Vice President of the New Prague Utilities Commission, or designee

By: _____
Title: Finance Director of the City of New Prague, Minnesota, or designee

ATTACHMENT A TO PRICING COMMITTEE CERTIFICATE

BID TABULATION

ATTACHMENT B TO PRICING COMMITTEE CERTIFICATE

MATURITY SCHEDULE

The Series 2026A Bonds shall bear interest at the rates per annum set forth below and shall mature serially on ~~February~~December 1 in the years and amounts as follows:

<u>Year</u>	<u>Rate</u>	<u>Amount</u>	<u>Year</u>	<u>Rate</u>	<u>Amount</u>
	%	\$		%	\$

EXHIBIT B
FORM OF BOND

No. R-__ UNITED STATES OF AMERICA \$_____
STATE OF MINNESOTA
COUNTIES OF LE SUEUR AND SCOTT
CITY OF NEW PRAGUE
ELECTRIC REVENUE BOND
SERIES 2026A

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____%	February <u>December</u> r 1, 20__	_____, 2026	

Registered Owner: Cede & Co.

The City of New Prague, Minnesota, a duly organized and existing municipal corporation in Le Sueur and Scott Counties, Minnesota (the “City”), acknowledges itself to be specially indebted and for value received hereby promises to pay to the Registered Owner specified above or registered assigns, the principal sum set forth above on the Maturity Date specified above with interest thereon from the date hereof at the annual Interest Rate specified above (calculated on the basis of a 360 day year of twelve 30 day months), payable ~~February~~June 1 and ~~August~~December 1 in each year, commencing ~~_____~~June 1, ~~20__~~2027, to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a business day) of the immediately preceding month. The interest hereon and, upon presentation and surrender hereof, the principal hereof are payable in lawful money of the United States of America by check, draft, or wire by _____, _____, ~~Minnesota~~Zions Bancorporation, National Association, Chicago, Illinois, as Bond Registrar, Paying Agent, Transfer Agent and Authenticating Agent, or its designated successor under the Resolution described herein.

The City may elect on ~~February~~December 1, ~~20__~~2035, and on any date thereafter to prepay Bonds due on or after ~~February~~December 1, ~~20__~~2036. Redemption may be in whole or in part and if in part, at the option of the City and in such manner as the City will determine. If less than all Bonds of a maturity are called for redemption, the City will notify The Depository Trust Company, New York, New York (“DTC”) of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. Prepayments will be at a price of par plus accrued interest

[Insert Term Bond language, if applicable]

This Bond is one of an issue in the original aggregate principal amount of \$_____ all of like original issue date and tenor, except as to number, maturity date, interest rate and redemption privilege, all issued pursuant to a resolution adopted by the Board of Commissioners of the New Prague Utilities Commission on May 26, 2026 (the “Resolution”), and authorized by a resolution adopted by the City Council of the City on April 7, 2025, for the purpose of providing money to finance various improvements

to the municipal electric utility (the “Electric Utility”), including the construction and operation of an expanded and new electric generation facility and construction of one or more reciprocating engine generating units thereon, pursuant to and in full conformity with the Constitution and laws of the State of Minnesota thereunto enabling, including Minnesota Statutes, Chapters 453 and 475, as amended, and the Charter of the City. The Bonds of this issue and interest thereon are payable solely from Net Revenues of the Electric Utility that have been pledged and appropriated to the payment thereof pursuant to and in accordance with the provisions of the Resolution, to which reference is hereby made for a complete statement of the pledge of revenues and covenants of the City, through the Commission, the nature of the security thereby created, the rights and limitation of the rights of the City and the Commission and holders with respect thereto, and the conditions under which additional bonds may be issued on a parity with the Bonds of this issue. Capitalized terms used herein that are otherwise not defined shall have the meanings provided in the Resolution. The Bonds of this series are issued only as fully registered Bonds in denominations of \$5,000 or any integral multiple thereof of single maturities.

The City Council has not designated the issue of Bonds of which this Bond forms a part as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

As provided in the Resolution and subject to certain limitations set forth therein, this Bond is transferable upon the books of the City at the principal office of the Bond Registrar, by the registered owner hereof in person or by the owner’s attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or the owner’s attorney; and may also be surrendered in exchange for Bonds of other authorized denominations. Upon such transfer or exchange the City will cause a new Bond or Bonds to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The City and the Bond Registrar may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether this Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and none of the City, the Commission or the Bond Registrar will be affected by any notice to the contrary.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the home rule charter of the City and the Constitution and laws of the State of Minnesota, to be done, to exist, to happen and to be performed preliminary to and in the issuance of this Bond in order to make it a valid and binding special obligation of the City in accordance with its terms, have been done, do exist, have happened and have been performed as so required, and that the issuance of this Bond does not cause the indebtedness of the City to exceed any constitutional, charter or statutory limitation of indebtedness.

IT IS HEREBY FURTHER CERTIFIED, RECITED, COVENANTED AND AGREED that in and by the Resolution the City, through the Commission, has covenanted and agreed that it will operate the Electric Utility free from all liens thereon; that suitable insurance and fidelity bonds on employees will be carried; that proper and adequate books of account will be kept showing receipts and disbursements; that a Sinking and Interest Account will be maintained into which will be paid out of the Net Revenues of the Electric Utility a sum sufficient to pay principal of and interest on all Bonds of this issue when due; that an Operation and Maintenance Account and a Reserve Account will be created and maintained; that rates and charges for electric service sufficient to maintain those Accounts will be imposed; and that no additional obligations will be issued payable ratably from and secured by the Net Revenues of the Electric Utility except in accordance with the terms of the Resolution.

In the event of default, the holders from time to time of the Bonds have all the remedies, powers and privileges granted by the laws of the State of Minnesota for the enforcement of their rights and for the collection of principal and interest, as more specifically set forth in the Resolution.

The principal of and interest on this Bond are payable solely from Net Revenues of the Electric Utility. The Bonds do not constitute a debt of the City within the meaning of any constitutional or statutory limitation of indebtedness, and the full faith and credit and taxing power of the City are not pledged to the payment of the principal of or interest on the Bonds. Additional bonds may be issued, which are payable on a parity of lien from the Net Revenues of the Electric Utility, upon the terms and conditions provided in the Resolution.

This Bond is not valid or obligatory for any purpose or entitled to any security or benefit under the Resolution until the Certificate of Authentication hereon has been executed by the Bond Registrar by manual signature of one of its authorized representatives.

IN WITNESS WHEREOF, the City of New Prague, Le Sueur and Scott Counties, Minnesota, has caused this Bond to be executed on its behalf by the manual or facsimile signatures of the Mayor and City Administrator of the City and the President and the Treasurer of the Commission and has caused this Bond to be dated as of the date set forth below.

Dated: Date of Original Issue

CITY OF NEW PRAGUE, MINNESOTA

(Facsimile)
Mayor

(Facsimile)
City Administrator

(Facsimile)
President
New Prague Utilities Commission

(Facsimile)
Treasurer
New Prague Utilities Commission

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds delivered pursuant to the Resolution mentioned within.

~~_____ [BOND]~~
~~REGISTRAR~~
ZIONS BANCORPORATION, NATIONAL
ASSOCIATION

By _____
Authorized Representative

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Bond, will be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT
_____ Custodian _____
(Cust) (Minor)

TEN ENT -- as tenants by entireties

under Uniform Gifts or Transfers to Minors
Act, State of _____

JT TEN -- as joint tenants with right of
survivorship and not as tenants in common

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Bond on the books kept for registration of the within Bond, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a financial institution that is a member of the Securities Transfer Agent Medallion Program (“STAMP”), the Stock Exchange Medallion Program (“SEMP”), the New York Stock Exchange, Inc. Medallion Signatures Program (“MSP”) or other such “signature guarantee program” as may be determined by the Registrar in addition to, or in substitution for, STAMP, SEMP or MSP, all in accordance with the Securities Exchange Act of 1934, as amended.

The Bond Registrar will not effect transfer of this Bond unless the information concerning the assignee requested below is provided.

Name and Address: _____

(Include information for all joint owners if this Bond is held by joint account.)

Please insert social security or other identifying number of assignee

PROVISIONS AS TO REGISTRATION

The ownership of the principal of and interest on the within Bond has been registered on the books of the Registrar in the name of the person last noted below.

Date of Registration

Registered Owner

Signature of Registrar

Cede & Co.
Federal ID #13-2555119

Summary report:	
Litera Compare for Word 11.12.0.83 Document comparison done on 5/20/2026 2:25:45 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4922-4216-0536/2/New Prague Electric 2026A Parameters Resolution.doc	
Modified DMS: nd://4922-4216-0536/3/New Prague Electric 2026A Parameters Resolution.doc	
Changes:	
<u>Add</u>	57
Delete	61
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	118



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, April 27, 2026 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Commission President Dan Bishop on Monday, April 27th, 2026, at 3:31 p.m.

Commissioners Present: Dan Bishop, Paul Busch, Charles Nickolay and Bruce Wolf

Commissioners Absent: Tom Ewert

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

Others Present: Rebecca Kurtz for 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. 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

Rebecca Kurtz from Ehlers Municipal Advisors went over parameters and proposed covenants for the preparation of the bond sale for WES that will take place in late summer or early fall. After discussion and a couple minor wording changes, a motion was made by Commissioner Bishop, and seconded by Commissioner Busch, to approve the proposed covenants and acceptable parameters of terms for the sale of bonds for WES.

Motion carried (4-0)

4. APPROVAL OF MINUTES

- a. March 30, 2026 Utilities Meeting Minutes

Motion made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the March meeting minutes as presented.

Motion carried (4-0)

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**.

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

Motion carried (4-0)

7. SMMPA BOARD OF DIRECTORS MEETING

- a. March 11, 2026

GM Reimers informed the Commission of the following:

-SMMPA Board and member representatives voted to authorize funding in the amount of 84 million for the Owatonna Steel Energy Station.

-The Board approved limiting economic development credit to 2-megawatt load limits and will be setting a large customer market rates.

- b. Resolution #UC-26-04-27-01 - Change of Alternate Representative to SMMPA

Motion was made by Commissioner Wolf, seconded by Commissioner Nickolay, to approve Ken Zweber to be the alternate Representative to the SMMPA.

Motion carried (4-0)

8. GENERAL MANAGER'S REPORT

GM Reimers informed the Commission of the following:

-Filter Plant #3 rehab is progressing and should be in service by the end of May

-WES foundation work is progressing and on schedule

9. OTHER BUSINESS

None

10. ADJOURNMENT

Motion made by Commissioner Busch, seconded by Commissioner Nickolay, to adjourn the April Commission meeting at 4:50 p.m.

Motion carried (4-0)

Respectfully Submitted,

Bruce Reimers
General Manager

Vendor / Description	Invoice Amount
ABM EQUIPMENT & SUPPLY LLC	
DIGGER TRUCK REPAIRS	\$3,662.68
ACE HARDWARE	
BUILDING MAINTENANCE	\$62.05
DISTRIBUTION	\$10.83
EQUIPMENT MAINTENANCE	\$79.49
FILTER PLANT #3	\$93.08
FILTER PLANT MAINTENANCE	\$61.70
SHOP SUPPLIES	\$16.25
SMMPA PLANT MAINTENANCE	\$30.31
STREETLIGHTS	\$30.32
SWITCHES	\$198.23
AMAZON CAPITAL SERVICES	
AIR FILTER	\$19.04
APPAREL	\$98.28
APPAREL	\$68.54
APPAREL - RETURNED	\$64.14-
EYEWASH	\$3.19
FACE SHIELDS	\$39.99
LENS - WELDING HELMETS	\$11.97
PAINT TIP	\$42.05
PHONE CASE	\$13.99
SANDING DISCS	\$18.99
ARVIG ANSWERING SOLUTIONS	
ANSWERING SERVICE	\$62.51
CENTERPOINT ENERGY	
NATURAL GAS	\$4,286.21
CITY OF NEW PRAGUE	
2025 CIP ASSESSMENT	\$15,240.08
COMPUTER TECHNOLOGY SOLUTIONS INC	
HARD DRIVE	\$195.00
DGR ENGINEERING	
JOB #9 -FUTURE GENERATION	\$40,315.00
SOLOR INSTALL	\$345.00
ELECTRIC PUMP	
SLEEVE - FILTER PLANT #2	\$385.00
FASTENAL COMPANY	
BOLTS	\$60.00
FERGUSON ENTERPRISES LLC #1657	
SMMPA PO 1142	\$274.28
GRAINGER	
GASKETS	\$12.16
GREYSTONE CONSTRUCTION COMPANY	
FUTURE GEN - JOB #9	\$357,851.18
HAWKINS INC	
WATER PURIFICATION	\$2,451.70
INNOVATIVE OFFICE SOLUTION	
BILLING PAPER	\$737.44
K.A. WITT CONSTRUCTION	
LSL REPLACEMENT	\$138,274.16
KURITA AMERICA INC	
CHEMICALS	\$92.54
LE SUEUR COUNTY AUDITOR-TREASURER	
PROPERTY TAXES	\$20.00
MACH LUMBER COMPANY	
#6 CLEANING	\$82.85
CONCRETE	\$450.74
RISER	\$99.19

Vendor / Description	Invoice Amount
MAGNEY CONSTRUCTION INC	
FILTER PLANT #3 - REHAB	\$166,164.50
MCMASTER-CARR SUPPLY CO	
SLEDGEHAMMER HANDLE	\$51.89-
OLYMPIC FIRE PROTECTION CORP	
FIRE SPRINKLER INSPECTION	\$245.00
POSTMASTER OF NEW PRAGUE	
POSTAGE PERMIT	\$370.00
R & R METALWORKS INC	
STREETLIGHT REPAIRS	\$70.00
RESCO	
FIXTURE, EVLUMA ROADMAX, RX1	\$2,273.28
RIVER COUNTRY CO-OP	
MOTOR FUEL	\$2,878.50
SALTCO	
MONTHLY RENTAL FEE	\$35.00
SCOTT COUNTY	
STREET ASSESSMENT	\$1,936.57
SEH	
FILTER PLANT #3 REHAB	\$9,280.00
LSL REPLACEMENTS	\$16,697.34
SILHOUETTES	
CAPS	\$640.00
STAR GROUP LLC.	
V-BELT - ROOF FAN	\$74.04
STASNEY ELECTRIC	
MOTOR - FILTER PLANT #2	\$4,463.75
STUART C. IRBY CO.	
CONN, COPPER 2-250 GRD/GRID	\$598.50
SUEL PRINTING	
LOG SHEETS	\$125.22
TEMPLE ELECTRIC MOTOR	
FILTER PLANT #2	\$125.00
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$174.93
UTILITY CONSULTANTS	
SAMPLES	\$242.71
VOYAGER FLEET	
MOTORS FUEL	\$145.50
WESCO RECEIVABLES CORP.	
JOB 9 - FUTURE GEN	\$31.25
WM MUELLER & SONS INC.	
WATER MAIN BREAK - CENTRAL S	\$510.00
ZORO TOOLS	
GASKETS	\$37.58
PVC GLUE	\$19.29
SOLENOID VALVE - #9	\$517.99
Grand Total:	<u><u>\$773,335.94</u></u>

Vendor Name	Net Invoice Amount
AMAZON CAPITAL SERVICES	
APPAREL	\$4.58
APPAREL	\$8.22
APPAREL	\$10.34
APPAREL	\$10.88
OFFICE SUPPLIES	\$1.51
COMPUTERSHARE TRUST COMPANY	
2013B INTEREST PAYMENT	\$450.00
METRO SALES INC	
COPIER LEASE	\$122.70
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	\$2,538.07
SMMPA - NORTH SOFTNER	\$97.24
WATER PUMPING - E	\$10,816.46
WATER PUMPING - W/S/S	\$1,774.27
WATER UTILITIES	\$606.96
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$377.30
US BANK CREDIT CARD	
BOILER PARTS	\$57.52
CHIPPER PARTS	\$1.23
DOOR THRESHOLD	\$31.34
GOLF	\$25.35
HOSES	\$151.64
IPAD CASE	\$75.96
JESSI TRAINING	\$16.00
JOB 9 - FUTURE GEN	\$289.00
NPU DOMAIN	\$42.18
REEL TRAIL PART	\$149.86
SMMPA PO 1142	\$111.20
TARA SUPPLIES	\$43.67
TENT PARTS	\$376.68
THERMOSTAT	\$79.99
TIRE MACHINE CONE	\$82.48
TOOLS	\$910.12
ZIP TIES	\$27.98
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$528.23
Grand Total:	<u>\$19,818.96</u>

Vendor Name	Net Invoice Amount
AIRGAS USA LLC	
CYLINDER RENTAL	\$22.30
AMAZON CAPITAL SERVICES	
APPAREL	\$10.19
APPAREL	\$4.83
APPAREL	\$20.72
OFFICE SUPPLIES	\$13.30
BEVCOMM	
TELEPHONE	\$167.02
TELEPHONE/COMMUNICATIONS	\$59.95
CENTERPOINT ENERGY	
NATURAL GAS	\$49.10
COMPUTER TECHNOLOGY SOLUTIONS	
COMPUTER SUPPORT	\$2,105.87
OFFICE 365 / FIREWALL	\$785.01
GOPHER STATE ONE CALL	
LINE LOCATES	\$70.88
GREATAMERICA FINANCIAL SERVICES	
POSTAGE MACHINE LEASE	\$98.23
LAKERS NEW PRAGUE SANITARY	
TRASH - ELECTRIC	\$37.01
TRASH - POWER PLANT	\$101.98
TRASH - WATER	\$37.01
METRO SALES INC	
COPIER LEASE	\$49.50
NEON LINK	
ONLINE PAYMENT FEES	\$586.93
QUILL CORPORATION	
COPY PAPER	\$83.98
VERIZON WIRELESS	
IPADS	\$85.16
TELEPHONE	\$480.00
VETERAN SHREDDING	
CONTRACTED SERVICES	\$17.00
Grand Total:	<u>\$4,885.97</u>



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

Power Sales

Section 6, Item a.

#INV2138
 4/30/2026

Bill To

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

Due Date: 5/26/2026

BILLING PERIOD	kWh	kW	DATE / TIME
Apr 2026	5,111,435	9,615	Apr 22, 2026, 6:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	5,111,435	9,615	
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)	2,467,906	\$0.05736	\$141,559.09	\$141,559.09
Off Peak Energy Charge (kWh)	2,643,529	\$0.04288	\$113,354.52	\$113,354.52
Cost Adjustment (kWh)	5,491,488	\$0.007485	\$41,103.79	\$41,103.79
BASE RATE SUBTOTAL				\$391,460.53
TRANSMISSION				
Transmission Charge - CP (kW)	9,615	\$3.40	\$32,691.00	\$32,691.00
Transmission Charge - Ratchet (kW)	1	\$0.00	\$0.00	\$0.00
OTHER CHARGES				

Total	\$424,151.53
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NEW PRAGUE UTILITIES COMMISSION

SMMPA

3/31/2026

		PURCHASED	ENERGY	2026			PURCHASED	ENERGY	2025	
MONTH	KWH	POWER	COST ADJ	Price/KWH		MONTH	KWH	POWER	COST ADJ	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	5,491,488	\$ 426,839.63	\$ 26,989.42	\$ 0.07281		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	17,138,110	\$ 1,486,052.53	\$ 197,947.71	\$ 0.07516		Total	72,880,975	\$ 6,244,431.69	\$ 119,236.46	\$ 0.08404

NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
3/31/2026			
First Bank and Trust / 4M			
Checking - Cash Balance			
Electric		\$	3,561,429.09
Water		\$	792,703.73
Subtotal		\$	4,354,132.82
Money Market		\$	3,272,604.20
4M Fund			
F.I.S.T. (Market Value per 4M Fund Report)		\$	3,534,297.77
Electric (74% of account)	\$ 2,615,380.35		
Water (26% of account)	\$ 918,917.42		
Total		\$	11,161,034.79
Historical F.I.S.T.			
<i>F.I.S.T. original investment - 6/21/2012</i>	\$ 1,050,000		
<i>F.I.S.T. Add'l investment - 7/19/2012</i>	\$ 730,000		
<i>F.I.S.T. Add'l investment - 8/22/2014</i>	\$ 470,000		
<i>F.I.S.T. Add'l Investment - 7/31/2015</i>	\$ 500,000		
<i>F.I.S.T. Add'l Investment - 11/16/2015</i>	\$ 100,000		
	\$ 2,850,000		

NEW PRAGUE UTILITIES COMMISSION, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
WATER FUND (UNAUDITED)
March 31, 2026

WATER FUND						
<i>25.00% of year completed</i>						
REVENUES	2025 Thru 3/31/2025	Current Month	Actual Thru 3/31/2026	2025/2026 Variance YTD	2026 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	554.77	(4,916.47)	\$ 583.09	28.32	-	0.00%
Residential	(308,593.04)	(117,641.86)	\$ (348,176.45)	(39,583.41)	(1,584,718.00)	21.97%
Commercial	(90,258.89)	(32,739.27)	\$ (94,742.64)	(4,483.75)	(584,646.00)	16.21%
Water Hook-up Fees	(75,127.00)	(2,412.00)	\$ (2,412.00)	72,715.00	(25,000.00)	9.65%
Interest Income	(13,890.23)	(6,691.15)	\$ (12,091.52)	1,798.71	(45,000.00)	26.87%
Other Income	(23,830.94)	(3,273.95)	\$ (8,062.83)	15,768.11	(35,500.00)	22.71%
TOTAL REVENUES	\$ (511,145.33)	\$ (167,674.70)	\$ (464,902.35)	\$ 46,242.98	\$ (2,274,864.00)	20.44%
EXPENSES						
Power Used	20,026.29	12,632.74	39,532.09	19,505.80	117,500.00	33.64%
Purification	9,357.54	3,115.29	7,323.45	(2,034.09)	58,000.00	12.63%
Distribution	5,861.99	555.91	2,724.17	(3,137.82)	65,000.00	4.19%
Depreciation	136,420.80	42,368.32	128,669.96	(7,750.84)	530,003.00	24.28%
Debt & Other Interest	75,457.82	7.65	79,168.80	3,710.98	131,863.00	60.04%
Salary & Benefits	202,858.00	52,470.05	176,150.53	(26,707.47)	687,259.00	25.63%
Admin & General	\$ 52,965.56	\$ 29,133.73	\$ 53,432.79	\$ 467.23	\$ 177,290.00	30.14%
TOTAL EXPENSES	\$ 502,948.00	\$ 140,283.69	\$ 487,001.79	\$ (15,946.21)	\$ 1,766,915.00	27.56%
EXCESS REVENUES OVER EXPENSES	\$ (8,197.33)	\$ (27,391.01)	\$ 22,099.44	\$ 30,296.77	\$ (507,949.00)	

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2026

WATER

ASSETS

604-10101	CLAIM ON CASH	792,703.73
604-10125	MONEY MARKET-4M	1,403,185.59
604-10126	MONEY MARKET-4M 2024 BOND	109,598.38
604-10406	F.I.S.T. INVESTMENTS	926,224.40
604-10407	INVEST ALLOW-UNREALIZED LOS	(11,283.04)
604-11500	ACCOUNTS RECEIVABLE	1,162.80
604-11502	ACCOUNTS RECEIVABLE - NSF	660.06
604-11525	ACCRUED REVENUE	113,119.46
604-11710	CUSTOMER ACCOUNTS RECEIVABL	155,270.67
604-12100	SPECIAL ASSESS. REC.-CURRENT	.05
604-12300	SPECIAL ASSESS. REC.-DEFERRED	910,835.40
604-14100	MATERIAL INVENTORY	119,098.32
604-15696	DEFERRED OUTFLOW - OPEB	1,145.00
604-15699	GERF DEFERRED OUTFLOWS	37,254.00
604-16100	LAND	79,519.50
604-16200	BUILDINGS	2,454,932.92
604-16201	WELLS, PUMPS & PUMP HOUSE	2,286,390.96
604-16202	WATER TREATMENT	68,116.88
604-16203	WATER TREATMENT EQUIPMENT	1,259,836.19
604-16211	ACCUM DEPR-PRODUCTION PLANT	(4,591,223.13)
604-16301	ELEVATED TOWER	1,988,569.68
604-16303	RESERVOIR	732,530.15
604-16304	DISTRIBUTION TO SYSTEM	8,099,391.30
604-16305	PRU VALVES	902.95
604-16306	MAIN STREET TREATMENT UPGRADE	215,848.13
604-16308	WATER METERS	1,134,853.29
604-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	(5,126,196.32)
604-16312	ACCUM. DEPR-GENERAL PLANT	(307,461.40)
604-16314	SCADA	351,945.74
604-16401	BLDG IMPROVEMENT OFFICE	5,533.95
604-16402	DEFERRED MAINTENANCE CHARGE	24,794.02
604-16403	OFFICE FUNITURE & FIXTURES	35,536.41
604-16404	TRANSPORTATION/EQUIPMENT	264,699.45
604-16405	MISCELLANEOUS EQUIPMENT	39,308.45
604-16406	SHOP EQUIPMENT	1,417.62
604-16511	CIP 2024	(.28)
604-16512	CIP 2025	830,243.65
604-16705	LEAD SERVICE LINE REPLACEMENT	42,213.66
604-16706	FILTER PLANT #3 REHAB	328,501.67
	TOTAL ASSETS	<u><u>14,779,180.26</u></u>

LIABILITIES AND EQUITY

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2026

WATER

<u>LIABILITIES</u>		
604-20210	ACCOUNTS PAYABLE	163,416.38
604-20610	CIP RETAINAGE	316.67
604-21503	ACCRUED INTEREST	60,254.59
604-21650	ACCRUED WAGES-VAC & COMP	63,491.10
604-21712	DUE WATER TESTING PROGRAM	(4,099.51)
604-21717	OPEB LIABILITY	18,086.00
604-22000	DEPOSITS	26,985.20
604-22296	OPEB DEFERRED INFLOW	8,196.00
604-22299	DEFERRED (GERF) INFLOW	99,508.00
604-22500	BOND PAYABLE - CUR PORT	39,999.97
604-23400	BOND PREMIUM	391,293.84
604-23511	2011 CIP	15,321.00
604-23517	CIP 2014	40,000.00
604-23518	2020A - REFUNDING	116,569.44
604-23519	CIP 2020-2021	1,190,000.00
604-23520	2021 UTILITY BUILDING	365,000.00
604-23521	CIP 2022	225,000.00
604-23522	CIP 2023	415,000.00
604-23523	CIP 2024	780,000.00
604-23524	CIP 2025	485,000.00
604-23999	GERF PENSION LIABILITY	151,305.00
		4,650,643.68
<u>FUND EQUITY</u>		
604-25999	PRIOR PERIOD ADJUSTMENT	(274,691.48)
604-26730	RESERVED FOR INVESTMENT AL	(.40)
604-27200	FUND BALANCE-UNDESIGNATED	9,137,638.97
604-28000	INVESTED IN UTILITY PLANT	1,287,688.93
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	(22,099.44)
	BALANCE - CURRENT DATE	(22,099.44)
	TOTAL FUND EQUITY	10,128,536.58
	TOTAL LIABILITIES AND EQUITY	14,779,180.26

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
March 31, 2026

Section 7, Item b.

ELECTRIC FUND

25.00% of year completed

REVENUES	2025 Thru 3/31/2025	Current Month	Actual Thru 3/31/2026	2025/2026 Variance YTD	2026 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ 98,416.57	\$ 57,056.70	\$ 130,924.14	\$ 32,507.57	\$ -	0.00%
Residential Revenue	\$ (1,073,749.72)	\$ (375,276.81)	\$ (1,187,278.70)	\$ (113,528.98)	\$ (4,269,950.00)	27.81%
Commercial	\$ (178,608.60)	\$ (80,332.65)	\$ (245,685.44)	\$ (67,076.84)	\$ (725,602.00)	33.86%
Small Industrial	\$ (482,018.61)	\$ (197,573.77)	\$ (567,077.90)	\$ (85,059.29)	\$ (1,898,268.00)	29.87%
Industrial	\$ (576,242.90)	\$ (212,130.43)	\$ (621,391.40)	\$ (45,148.50)	\$ (2,473,410.00)	25.12%
Streetlights	\$ (18,186.34)	\$ (5,708.19)	\$ (19,975.94)	\$ (1,789.60)	\$ (57,814.00)	34.55%
Other Departments	\$ (26,085.96)	\$ (441.00)	\$ (1,314.28)	\$ 24,771.68	\$ (61,199.00)	2.15%
SMMPA LOR Reimbursement	\$ (53,106.66)	\$ (15,248.82)	\$ (51,968.07)	\$ 1,138.59	\$ (212,185.00)	24.49%
SMMPA O&M Revenue	\$ (294,523.02)	\$ (130,957.53)	\$ (411,449.65)	\$ (116,926.63)	\$ (717,500.00)	57.34%
Reimbursement - SMMPA Rebates	\$ (8,348.07)	\$ (562.91)	\$ (774.91)	\$ 7,573.16	\$ -	0.00%
Interest Income	\$ (15,532.82)	\$ (7,982.97)	\$ (14,020.55)	\$ 1,512.27	\$ (75,000.00)	18.69%
Other Income	\$ (52,291.26)	\$ (18,345.81)	\$ (102,469.79)	\$ (50,178.53)	\$ (200,500.00)	51.11%
TOTAL REVENUES	\$ (2,680,277.39)	\$ (987,504.19)	\$ (3,092,482.49)	\$ (412,205.10)	\$ (10,691,428.00)	28.92%
EXPENSES						
Production	\$ 20,528.30	\$ 617.70	\$ 1,779.95	\$ (18,748.35)	\$ 46,500.00	3.83%
Purchased Power	\$ 1,423,377.93	\$ 426,839.63	\$ 1,486,052.53	\$ 62,674.60	\$ 5,638,135.00	26.36%
SMMPA O&M Expenses	\$ 125,329.55	\$ 87,061.75	\$ 246,423.11	\$ 121,093.56	\$ 360,000.00	68.45%
Distribution/Transmission	\$ 54,659.29	\$ 4,908.68	\$ 40,458.11	\$ (14,201.18)	\$ 153,000.00	26.44%
Energy Conservation - Rebates	\$ 10,473.50	\$ 1,895.37	\$ 2,245.96	\$ (8,227.54)	\$ 13,000.00	17.28%
Depreciation	\$ 188,381.88	\$ 61,645.14	\$ 186,713.07	\$ (1,668.81)	\$ 741,656.00	25.18%
Salary & Benefits	\$ 418,340.61	\$ 125,051.18	\$ 452,427.29	\$ 34,086.68	\$ 1,936,420.00	23.36%
MVEC LOR Payment	\$ 106,213.29	\$ 30,497.63	\$ 103,936.12	\$ (2,277.17)	\$ 424,370.00	24.49%
Admin & General	\$ 115,223.16	\$ 50,858.13	\$ 118,922.61	\$ 3,699.45	\$ 319,500.00	37.22%
Payment in Lieu of Taxes	\$ 10,000.03	\$ 3,333.33	\$ 9,999.99	\$ (0.04)	\$ 40,000.00	25.00%
TOTAL EXPENSES	\$ 2,472,527.54	\$ 792,708.54	\$ 2,648,958.74	\$ 176,431.20	\$ 9,672,581.00	27.39%
EXCESS REVENUES OVER EXPENSES	\$ (207,749.85)	\$ (194,795.65)	\$ (443,523.75)	\$ (235,773.90)	\$ (1,018,847.00)	

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

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2026

ELECTRIC

<u>ASSETS</u>		
605-10101	CLAIM ON CASH	3,561,129.09
605-10125	MONEY MARKET-4M	1,759,820.23
605-10200	PETTY CASH	300.00
605-10406	F.I.S.T. INVESTMENT	2,636,177.12
605-10407	INVEST ALLOW-UNREALIZED LOS	(32,113.28)
605-11500	ACCOUNTS RECEIVABLE	45,496.55
605-11502	ACCOUNTS RECEIVABLE - NSF	5,478.06
605-11510	ACOUNTS RECEIVABLE - SMMPA	165,543.65
605-11525	ACCRUED REVENUE	569,824.16
605-11530	CLEARING ACCOUNT	792.43
605-11600	ALLOWANCE DOUBTFUL ACC'T	(.05)
605-11710	CUSTOMER ACCOUNTS RECEIVABL	984,187.75
605-12100	SPECIAL ASSESS. REC.-CURRENT	.28
605-14100	MATERIAL INVENTORY	983,328.46
605-15501	PREPAID OTHER	1,661.26
605-15696	DEFERRED OUTFLOW - OPEB	2,213.00
605-15699	GERF DEFERRED OUTFLOWS	111,483.00
605-16100	LAND	41,647.88
605-16205	STRUCTURE & IMPROV. BLDGS	3,825,409.38
605-16206	GENERATORS	5,527,533.57
605-16211	ACCUM DEPR-PRODUCTION PLANT	(6,934,743.36)
605-16301	TRANSMISSION STATION EQUIPMENT	601,832.72
605-16302	TRANSMISSION POLES & CONDUCTOR	87,734.24
605-16303	DISTRIBUTION STATION EQUIPMENT	832,233.96
605-16304	POLES-TOWERS-FIXTURES	204,140.34
605-16305	OVERHEAD CONDUCTORS-DEVICES	679,804.58
605-16306	UNDERGROUND CONDUCTORS-DEVICE	6,480,524.46
605-16307	LINE TRANSFORMERS	2,259,047.77
605-16308	SERVICES	548,524.77
605-16309	ELECTRIC METERS	1,105,339.74
605-16310	FIBER OPTIC	99,427.98
605-16311	ACCUM DEPR.-TRANS-DISTRIBUTI	(8,717,926.88)
605-16312	ACCUM DEPR - GEN PLANT	(1,847,547.39)
605-16313	LOAD MANAGEMENT	104,472.67
605-16314	SCADA	123,864.82
605-16315	STREET LIGHTS	1,805,577.11
605-16316	STRUCTURE & IMPROVEMENTS E	224,058.67
605-16403	TOOLS & WORK EQUIPMENT	237,583.03
605-16404	TRANSPORTATION/EQUIPMENT	2,074,659.98
605-16405	MISCELLANEOUS EQUIPMENT	97,109.01
605-16406	SHOP EQUIPMENT	56,994.23
605-16420	OFFICE EQUIPMENT	101,635.82
605-16505	JOB #1 (METER) LOAD CONTROL	(9,041.53)
605-16510	JOB #2 (URD) GIS MAPPING	47,275.69
605-16512	JOB #2 (SERV) GIS MAPPING	3,029.13
605-16514	JOB #2 (S.L.) GIS MAPPING	586.08
605-16516	JOB #3 (POLE) 10TH AVE SE	759.92
605-16517	JOB #3 (OH) 10TH AVE SE	8,669.68
605-16518	JOB #3 (URD) 10TH AVE SE	13,463.58
605-16519	JOB #3 (TRANS) 10TH AVE SE	866.56
605-16520	JOB #3 (SERV) 10TH AVE SE	539.41
605-16522	JOB #3 (S.L.) 10TH AVE SE	28,348.33
605-16542	JOB #6 (URD) FEEDER #4 & #6	4,117.56
605-16543	JOB #6 (TRANS) FEEDER #4 & #6	359.80
605-16549	JOB #7 (OH) FEEDER #8	386.54
605-16550	JOB #7 (URD) FEEDER #8	176,814.94
605-16551	JOB #7 (TRAN) FEEDER #8	20,231.10
605-16552	JOB #7 (SERV) FEEDER #8	721.33

CITY OF NEW PRAGUE
BALANCE SHEET
MARCH 31, 2026

ELECTRIC

605-16555	JOB #7 (FBR) FEEDER #8	3,045.57	
605-16558	JOB #8 (URD) INDUSTRIAL PARK	436.90	
605-16566	JOB #9 (URD) FUTURE GENERATION	240,755.46	
605-16567	JOB #9 (TRANS) FUTURE GENERATI	470.05	
605-16568	JOB #9 (SERV) FUTURE GENERATIO	1,272,475.41	
605-16570	JOB #9 (S.L.) FUTURE GENERATIO	191.36	
605-16605	JOB #14 (OH) POLICE STATION	171.08	
605-16606	JOB #14 (URD) POLICE STATION	8,585.95	
605-16607	JOB #14 (TRANS) POLICE STATION	28,905.36	
605-16614	JOB #15 (URD) POLICE STATION	177.25	
605-16615	JOB #15 (TRANS) POLICE STATION	114.48	
605-16616	JOB #15 (SERV) POLICE STATION	214.50	
605-16622	JOB #16 (URD) GREAT RIVER ENER	228.52	
605-16623	JOB #16 (TRANS) GREAT RIVER EN	189.19	
	TOTAL ASSETS		22,267,350.01
	 <u>LIABILITIES AND EQUITY</u>		
	<u>LIABILITIES</u>		
605-20200	ACCOUNTS PAYABLE-SMMPA	426,839.63	
605-20202	AP REFUSE	(.04)	
605-20204	AP OTHER	69,172.22	
605-20210	ACCOUNTS PAYABLE	160,781.62	
605-20801	STATE SALES TAX	22.47	
605-20802	SC TRANSIT TAX	1.57	
605-20803	LS TRANSIT TAX	1.11	
605-21650	ACCRUED WAGES-VAC & COMP	235,655.13	
605-21717	OPEB LIABILITY	34,955.00	
605-22000	DEPOSITS	105,457.40	
605-22001	ENERGY ASSISTANCE CONTRACTS	2,392.08	
605-22022	HOLDING FUNDS-DEPOSITS	950.00	
605-22296	OPEB DEFERRED INFLOW	15,839.00	
605-22299	DEFERRED (GERF) INFLOW	297,774.00	
605-23999	GERF PENSION LIABILITY	452,774.00	
	TOTAL LIABILITIES		1,802,615.19
	 <u>FUND EQUITY</u>		
605-25999	PRIOR PERIOD ADJUSTMENT	(890,763.35)	
605-26300	CONTRIBUTED CAPITAL	(.19)	
605-26720	RESERVED FOR BONDS	321,700.00	
605-27200	FUND BALANCE-UNDESIGNATED	16,166,440.35	
605-28000	INVESTED IN UTILITY PLANT	4,423,834.26	
	UNAPPROPRIATED FUND BALANCE: REVENUE OVER EXPENDITURES - YTD	443,523.75	
	BALANCE - CURRENT DATE	443,523.75	
	TOTAL FUND EQUITY		20,464,734.82
	TOTAL LIABILITIES AND EQUITY		22,267,350.01

AGENDA ITEM: 5C									
NEW PRAGUE UTILITIES COMMISSION WATER PUMPED-SOLD-USED 2026									
YR/MO	2026		2025		YR/MO	2026		2025	
	2026	YTD	2025	YTD		2026	YTD	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	67,734		
GAL SOLD	15,347	15,347	15,702	15,702	GAL SOLD	0	58,642	21,686	122,825
OUTSIDE SALES	161	161			OUTSIDE SALES	0	161		
GAL(LOSS)/GAIN	(1,967)	(1,967)			GAL(LOSS)/GAIN	0	(8,931)		
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	67,734		
GAL SOLD	14,776	30,124	14,773	30,475	GAL SOLD	0	58,642	21,383	144,208
OUTSIDE SALES	0.50	161			OUTSIDE SALES	0	161		
GAL(LOSS)/GAIN	(2,238)	(4,206)			GAL(LOSS)/GAIN	0	(8,931)		
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	67,734		
GAL SOLD	14,408	44,532	15,197	45,672	GAL SOLD	0	58,642	21,338	165,546
OUTSIDE SALES	0	161			OUTSIDE SALES	0	161		
GAL(LOSS)/GAIN	(2,607)	(6,813)			GAL(LOSS)/GAIN	0	(8,931)		
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	16,228	67,734			GAL PUMPED	0	67,734		
GAL SOLD	14,110	58,642	14,108	59,780	GAL SOLD	0	58,642	21,459	187,005
OUTSIDE SALES	0	161			OUTSIDE SALES	0	161		
GAL(LOSS)/GAIN	(2,118)	(8,931)			GAL(LOSS)/GAIN	0	(8,931)		
PERCENTAGE	13.0%	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	67,734			GAL PUMPED	0	67,734		
GAL SOLD	0	58,642	16,117	75,897	GAL SOLD	0	58,642	15,283	202,288
OUTSIDE SALES	0	161			OUTSIDE SALES	0	161		
GAL(LOSS)/GAIN	0	(8,931)			GAL(LOSS)/GAIN	0	(8,931)		
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	67,734			GAL PUMPED	0	67,734		
GAL SOLD	0	58,642	25,242	101,139	GAL SOLD	0	58,642	15,167	217,455
OUTSIDE SALES	0	161			OUTSIDE SALES	0	161		
GAL(LOSS)/GAIN	0	(8,931)			GAL(LOSS)/GAIN	0	(8,931)		
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	5,495,002	17,879,033	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	17,879,033		TOTAL	69,973,171	

*Monthly Kwh totals are not final until year-end



2025 Financial Statement Audit

City of New Prague



AUDIT RESULTS

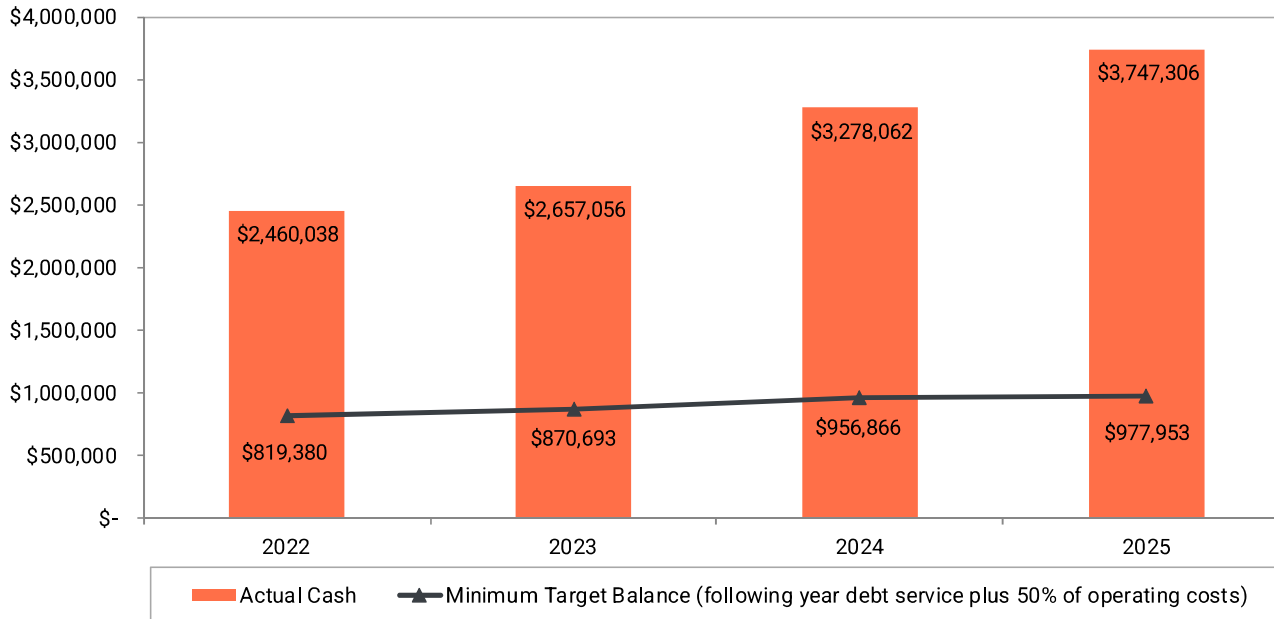
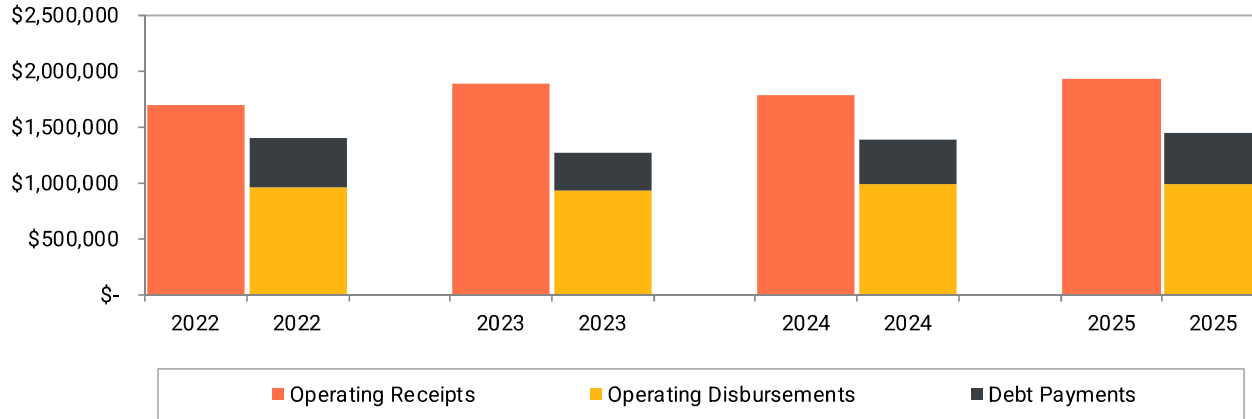
Fiscal Year 2025 Findings

- Material Audit Adjustments
 - *Internal Control Finding*

Prior Year Findings:

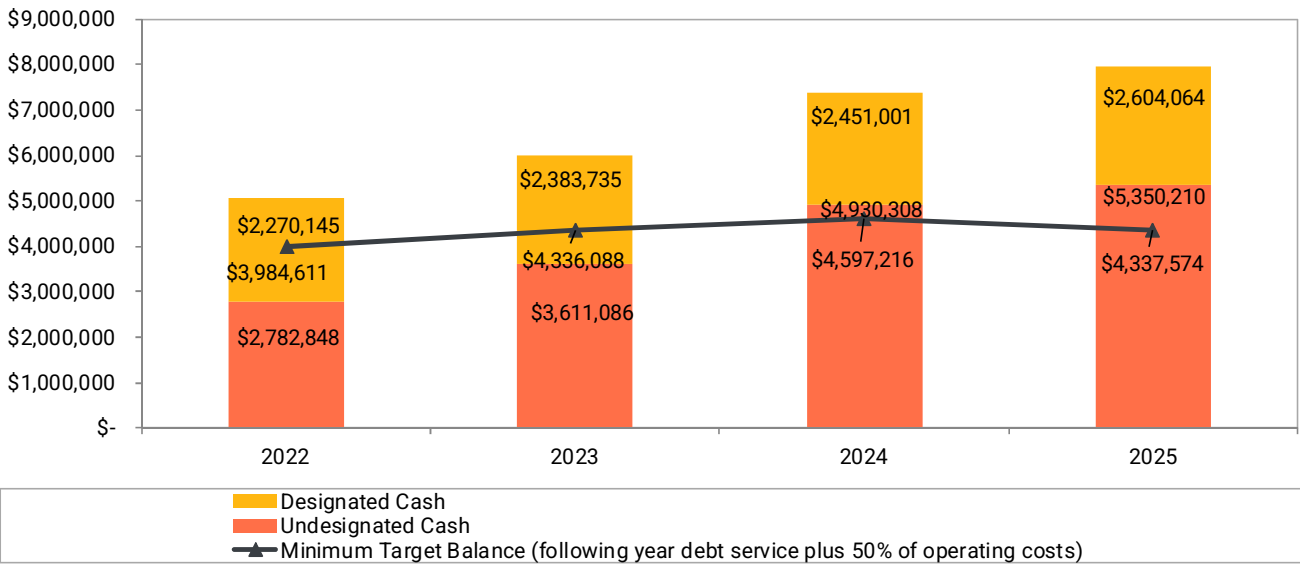
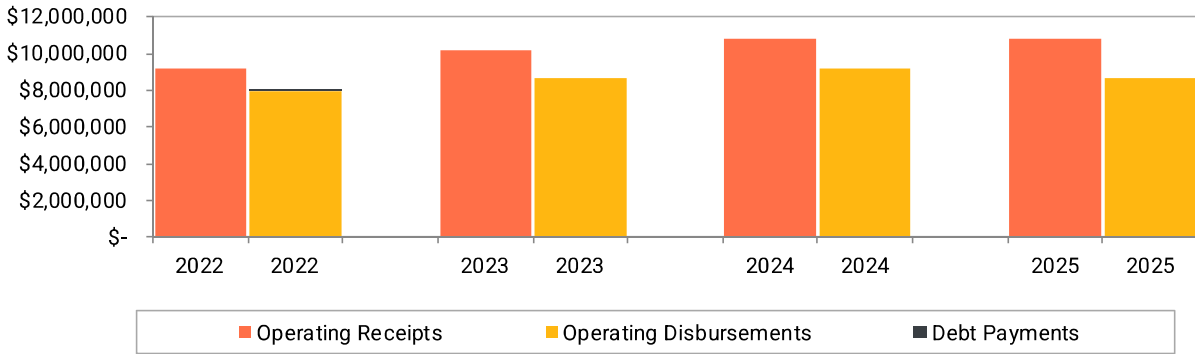
PERA system enrollment

Segregation of Duties



Water Fund

Cash Flows from Operations and Cash Balances



Electric Utility Fund

Cash Flows from Operations and Cash Balances

City of New Prague, Minnesota
 Statement of Net Position
 Proprietary Funds
 December 31, 2025

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Other Enterprise Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Assets						
Current Assets						
Cash and temporary investments						
Undesignated	\$ 3,747,306	\$ 5,350,210	\$ 9,097,516	\$ 7,194,548	\$ 1,791,771	\$ 18,083,835
Designated	-	2,604,064	2,604,064	1,050,000	-	3,654,064
Receivables						
Accounts	254,101	1,832,498	2,086,599	278,722	42,580	2,407,901
Special assessments - current portion	52,847	-	52,847	32,145	-	84,992
Intergovernmental	2,965	76,289	79,254	8,275	2,204	89,733
Inventories	113,449	962,179	1,075,628	-	62,816	1,138,444
Prepaid items	-	1,463	1,463	-	-	1,463
Total Current Assets	<u>4,170,668</u>	<u>10,826,703</u>	<u>14,997,371</u>	<u>8,563,690</u>	<u>1,899,371</u>	<u>25,460,432</u>
Noncurrent Assets						
Special assessments receivable - net of current portion	857,988	-	857,988	554,769	-	1,412,757
Capital assets						
Land	79,520	41,648	121,168	56,980	-	178,148
Construction in progress	851,740	1,568,359	2,420,099	670,245	515,439	3,605,783
Land improvements	-	-	-	-	910,290	910,290
Buildings	6,016,200	9,577,002	15,593,202	27,964,822	1,094,511	44,652,535
Infrastructure	12,524,041	14,931,700	27,455,741	8,571,631	8,777,601	44,804,973
Machinery and equipment	371,289	2,498,402	2,869,691	14,265,791	2,007,772	19,143,254
Less accumulated depreciation	(9,896,210)	(17,313,505)	(27,209,715)	(25,839,210)	(7,389,146)	(60,438,071)
Total Capital Assets (net of accumulated depreciation)	<u>9,946,580</u>	<u>11,303,606</u>	<u>21,250,186</u>	<u>25,690,259</u>	<u>5,916,467</u>	<u>52,856,912</u>
Total Noncurrent Assets	<u>10,804,568</u>	<u>11,303,606</u>	<u>22,108,174</u>	<u>26,245,028</u>	<u>5,916,467</u>	<u>54,269,669</u>
Total Assets	<u>14,975,236</u>	<u>22,130,309</u>	<u>37,105,545</u>	<u>34,808,718</u>	<u>7,815,838</u>	<u>79,730,101</u>
Deferred Outflows of Resources						
Deferred other postemployment benefit resources	1,145	2,213	3,358	1,271	567	5,196
Deferred pension resources	37,254	111,483	148,737	51,482	39,419	239,638
Total Deferred Outflows of Resources	<u>38,399</u>	<u>113,696</u>	<u>152,095</u>	<u>52,753</u>	<u>39,986</u>	<u>244,834</u>
Liabilities						
Current Liabilities						
Accounts payable	16,496	1,028,491	1,044,987	116,517	29,016	1,190,520
Due to other governments	18,134	2,425	20,559	24,783	3,080	48,422
Accrued interest payable	60,255	-	60,255	314,033	46,274	420,562
Accrued wages payable	13,471	42,662	56,133	18,439	12,342	86,914
Accrued compensated absences payable	30,350	51,095	81,445	19,417	9,616	110,478
Customer deposits payable	26,935	112,216	139,151	51,644	70,253	261,048
Unearned revenue	-	-	-	-	154,164	154,164
Other postemployment benefits	1,161	2,243	3,404	1,288	574	5,266
Current portion of bonds payable	363,936	-	363,936	1,556,621	234,419	2,154,976
Total Current Liabilities	<u>530,738</u>	<u>1,239,132</u>	<u>1,769,870</u>	<u>2,102,742</u>	<u>559,738</u>	<u>4,432,350</u>
Noncurrent Liabilities						
Accrued compensated absences payable	\$ 33,141	\$ 184,560	\$ 217,701	\$ 43,341	\$ 9,196	\$ 270,238
Bonds payable - net of current portion	4,023,184	-	4,023,184	22,558,734	2,385,943	28,967,861
Net pension liability	151,305	452,774	604,079	182,866	125,381	912,326
Other postemployment benefits	16,925	32,712	49,637	18,782	8,361	76,780
Total Noncurrent Liabilities	<u>4,224,555</u>	<u>670,046</u>	<u>4,894,601</u>	<u>22,803,723</u>	<u>2,528,881</u>	<u>30,227,205</u>
Total Liabilities	<u>4,755,293</u>	<u>1,909,178</u>	<u>6,664,471</u>	<u>24,906,465</u>	<u>3,088,619</u>	<u>34,659,555</u>
Deferred Inflows of Resources						
Deferred other postemployment benefit resources	8,196	15,839	24,035	9,094	4,048	37,177
Deferred pension resources	99,508	297,774	397,282	133,710	111,298	642,290
Total Deferred Inflows of Resources	<u>107,704</u>	<u>313,613</u>	<u>421,317</u>	<u>142,804</u>	<u>115,346</u>	<u>679,467</u>
Net Position						
Net investment in capital assets	5,559,460	11,303,606	16,863,066	1,574,904	3,296,105	21,734,075
Unrestricted	4,591,178	8,717,608	13,308,786	8,237,298	1,355,754	22,901,838
Total Net Position	<u>\$ 10,150,638</u>	<u>\$ 20,021,214</u>	<u>\$ 30,171,852</u>	<u>\$ 9,812,202</u>	<u>\$ 4,651,859</u>	<u>\$ 44,635,913</u>

The notes to the financial statements are an integral part of this statement.

City of New Prague, Minnesota
 Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds			Business-type Activities - Enterprise Funds		
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Operating Revenues						
Sales	\$ -	\$ -	\$ -	\$ -	\$ 567,493	\$ 567,493
Cost of sales	-	-	-	-	(271,872)	(271,872)
Gross profit	-	-	-	-	295,621	295,621
Charges for services	1,954,357	11,007,763	12,962,120	3,688,867	1,450,656	18,101,643
Miscellaneous	-	-	-	-	15,927	15,927
Total Operating Revenues	1,954,357	11,007,763	12,962,120	3,688,867	1,762,204	18,413,191
Operating Expenses						
Purchases and generation	118,220	7,305,737	7,423,957	-	-	7,423,957
Transmission and distribution	403,623	195,290	598,913	-	-	598,913
Administration and general	415,129	1,472,634	1,887,763	-	-	1,887,763
Salaries and benefits	-	-	-	677,171	857,666	1,534,837
Supplies	-	-	-	295,120	247,763	542,883
Other services and charges	-	-	-	160,359	175,177	335,536
Insurance	-	-	-	59,207	17,149	76,356
Utilities	-	-	-	392,189	83,668	475,857
Depreciation	542,713	745,782	1,288,495	1,644,806	425,386	3,358,687
Total Operating Expenses	1,479,685	9,719,443	11,199,128	3,228,852	1,806,809	16,234,789
Operating Income (Loss)	474,672	1,288,320	1,762,992	460,015	(44,605)	2,178,402
Nonoperating Revenues (Expenses)						
Intergovernmental	-	-	-	-	195,506	195,506
Investment income	105,429	215,162	320,591	281,003	63,588	665,182
Miscellaneous income	11,445	129,128	140,573	329	-	140,902
Water meter sales	6,666	-	6,666	-	-	6,666
Refunds and reimbursements	-	-	-	4,066	-	4,066
Gain on disposal of capital assets	17,018	1,093	18,111	24,450	10,000	52,561
Bond issuance expense	(17,942)	-	(17,942)	-	(15,467)	(33,409)
Interest expense	(144,486)	(3,109)	(147,595)	(890,380)	(101,596)	(1,139,571)
Amortization of bond premium	36,974	-	36,974	25,154	21,823	83,951
Total Nonoperating Revenues (Expenses)	15,104	342,274	357,378	(555,378)	173,854	(24,146)
Income (Loss) Before Contributions and Transfers	489,776	1,630,594	2,120,370	(95,363)	129,249	2,154,256
Capital Contributions						
Hookup charges	89,730	-	89,730	375,951	-	465,681
Special assessments	370,598	-	370,598	276,667	-	647,265
Other entities	-	149,668	149,668	-	-	149,668
Total Capital Contributions	460,328	149,668	609,996	652,618	-	1,262,614
Transfers In	-	-	-	-	29,819	29,819
Transfers Out	-	(40,000)	(40,000)	-	(207,567)	(247,567)
Total Transfers	-	(40,000)	(40,000)	-	(177,748)	(217,748)
Change in Net Position	950,104	1,740,262	2,690,366	557,255	(48,499)	3,199,122
Net Position, January 1	9,200,534	18,280,952	27,481,486	9,254,947	4,700,358	41,436,791
Net Position, December 31	\$ 10,150,638	\$ 20,021,214	\$ 30,171,852	\$ 9,812,202	\$ 4,651,859	\$ 44,635,913

The notes to the financial statements are an integral part of this statement.

City of New Prague, Minnesota
 Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2025

	Business-type Activities - Enterprise Funds		Business-type Activities - Enterprise Funds			
	604	605	Total Public Utilities	602	Total Nonmajor Funds	Totals
	Water Utility	Electric Utility	Commission	Sewer Utility		
Cash Flows from Operating Activities						
Receipts from customers	\$ 1,922,803	\$ 10,678,502	\$ 12,601,305	\$ 3,699,211	\$ 2,017,215	\$ 18,317,731
Payments to suppliers and vendors	(333,896)	(7,181,831)	(7,515,727)	(820,201)	(782,934)	(9,118,862)
Payments to and on behalf of employees	(654,385)	(1,493,317)	(2,147,702)	(698,690)	(876,371)	(3,722,763)
Other receipts	11,445	129,128	140,573	4,395	14,230	159,198
Net Cash Provided (Used) by Operating Activities	945,967	2,132,482	3,078,449	2,184,715	372,140	5,635,304
Cash Flows from Noncapital Financing Activities						
Grants received	-	-	-	-	195,506	195,506
Transfers from other funds	-	-	-	-	29,819	29,819
Transfers to other funds	-	(40,000)	(40,000)	-	(207,567)	(247,567)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(40,000)	(40,000)	-	17,758	(22,242)
Cash Flows from Capital Financing Activities						
Special assessment receipts	133,248	-	133,248	87,967	-	221,215
Capital contributions from other entities	-	149,668	149,668	-	-	149,668
Proceeds from debt instruments, net of discounts/premiums	525,967	-	525,967	-	524,009	1,049,976
Acquisition and construction of capital assets	(865,934)	(1,882,331)	(2,748,265)	(1,011,959)	(813,869)	(4,574,093)
Proceeds from the disposal of capital assets	17,018	1,093	18,111	24,450	10,000	52,561
Principal paid on bonds	(323,552)	-	(323,552)	(1,474,775)	(204,207)	(2,002,534)
Interest paid on bonds and notes	(140,687)	(3,109)	(143,796)	(909,072)	(99,804)	(1,152,672)
Issuance costs paid on debt instruments	(17,942)	-	(17,942)	-	(15,467)	(33,409)
Hookup charges	89,730	-	89,730	375,951	-	465,681
Net Cash Provided (Used) by Capital Financing Activities	(582,152)	(1,734,679)	(2,316,831)	(2,907,438)	(599,338)	(5,823,607)
Cash Flows From Investing Activities						
Interest received	105,429	215,162	320,591	281,003	63,588	665,182
Net Increase (Decrease) in Cash and Cash Equivalents	469,244	572,965	1,042,209	(441,720)	(145,852)	454,637
Cash and Cash Equivalents, January 1,	3,278,062	7,381,309	10,659,371	8,686,268	1,937,623	21,283,262
Cash and Cash Equivalents, December 31,	\$ 3,747,306	\$ 7,954,274	\$ 11,701,580	\$ 8,244,548	\$ 1,791,771	\$ 21,737,899
Cash and Cash Equivalents						
Undesignated	\$ 3,747,306	\$ 5,350,210	\$ 9,097,516	\$ 7,194,548	\$ 1,791,771	\$ 18,083,835
Designated	-	2,604,064	2,604,064	1,050,000	-	3,654,064
Total Cash and Cash Equivalents	\$ 3,747,306	\$ 7,954,274	\$ 11,701,580	\$ 8,244,548	\$ 1,791,771	\$ 21,737,899
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities						
Operating income (loss)	\$ 474,672	\$ 1,288,320	\$ 1,762,992	\$ 460,015	\$ (44,605)	\$ 2,178,402
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities						
Other income related to operations	18,111	129,128	147,239	4,395	-	151,634
Depreciation	542,713	745,782	1,288,495	1,644,806	425,386	3,358,687
(Increase) decrease in assets						
Accounts receivable	(38,491)	(330,358)	(368,849)	9,358	(7,336)	(366,827)
Intergovernmental	271	1,097	1,368	986	(27)	2,327
Inventories	(33,731)	213,521	179,790	-	9,512	189,302
Prepaid items	-	(236)	(236)	-	-	(236)
(Increase) decrease in deferred outflows of resources						
Deferred other postemployment benefit resources	1,163	2,657	3,820	1,452	903	6,175
Deferred pension resources	(4,124)	(10,618)	(14,742)	(313)	787	(14,268)
Increase (decrease) in liabilities						
Accounts payable	7,358	103,648	111,006	85,125	3,415	199,546
Due to other governments	10,859	1,442	12,301	(1,906)	(232)	10,163
Accrued wages payable	892	9,304	10,196	5,721	4,939	20,856
Accrued compensated absences payable	(7,613)	80,177	72,564	(573)	10,745	82,736
Customer deposits payable	1,406	3,173	4,579	3,455	3,661	11,695
Unearned revenue	-	-	-	-	1,071	1,071
Other postemployment benefits payable	8	(3,188)	(3,180)	(1,258)	(2,577)	(7,015)
Net pension liability	(17,679)	(61,690)	(79,369)	(16,496)	(23,021)	(118,886)
Increase (decrease) in deferred inflows of resources						
Deferred other postemployment benefit resources	3,283	5,473	8,756	3,298	920	12,974
Deferred pension resources	(13,131)	(45,150)	(58,281)	(13,350)	(11,401)	(83,032)
Net Cash Provided (Used) by Operating Activities	\$ 945,967	\$ 2,132,482	\$ 3,078,449	\$ 2,184,715	\$ 372,140	\$ 5,635,304
Noncash Investing, Capital and Financing Activities						
Amortization of bond (premium) discount	\$ (36,974)	\$ -	\$ (36,974)	\$ (25,154)	\$ (21,823)	\$ (83,951)
Bond premium issued	\$ 40,967	\$ -	\$ 40,967	\$ -	\$ 32,173	\$ 73,140

The notes to the financial statements are an integral part of this statement.

New Prague Utilities Commission
 New Prague, Minnesota
 Electric Utility Fund
 Schedules of Operating Revenues
 (Unaudited)
 For the Years Ended December 31, 2025 and 2024

Type of Service	2025			2024		
	K.W.H. Sold	Income	Average Income Per K.W.H. Sold	K.W.H. Sold	Income	Average Income Per K.W.H. Sold
Residential	27,760,415	\$ 4,409,734	\$ 0.15885	26,654,741	\$ 4,220,675	\$ 0.15835
Commercial phase 1	1,977,394	757,989	0.38333	1,965,305	659,330	0.33548
Commercial phase 3	2,673,486	-	-	2,021,256	-	-
Commercial interruptible	136,800	21,641	0.15819	89,400	8,990	0.10056
Small industrial	15,334,753	1,968,101	0.12834	14,839,544	1,892,282	0.12752
Industrial	21,573,260	2,491,662	0.11550	21,451,340	2,489,544	0.11606
Other departments	1,033,967	24,747	0.02393	1,067,624	125,246	0.11731
Street lights	301,576	60,811	-	292,720	53,588	0.18307
Security lights	-	5,263	-	-	5,300	-
Unbilled revenue	-	100,735	-	-	31,671	-
Total Sales	70,791,651	\$ 9,840,683	\$ 0.13901	68,381,930	\$ 9,486,626	\$ 0.13873
Total K.W.H. - Generated	1,414,600			956,100		
Total K.W.H. - Purchases	73,628,709			71,117,207		
Total K.W.H.	75,043,309			72,073,307		
Distribution Lost	4,251,658			3,691,377		
Percentage of Distribution Lost	5.7%			5.1%		
Cost of Power Purchased	\$ 6,244,432			\$ 6,297,477		
Average Cost Per K.W.H. Purchased	\$ 0.08481			\$ 0.08855		

New Prague Utilities Commission
 New Prague, Minnesota
 Water Fund
 Schedules of Operations Statement Per 1,000 Gallons
 (Unaudited)
 For the Years Ended December 31, 2025 and 2024

	2025	2024
Operating Revenues		
Water sales		
Residential	\$ 6.59139	\$ 5.67094
Commercial	2.24346	2.06843
Other departments	0.00347	0.04690
Unbilled revenue	0.08116	0.01400
Other operating revenues	0.08159	0.07625
Total Operating Revenues	9.00107	7.87652
Operating Expenses		
Power for pumping	0.54448	0.48346
Maintenance - wells, pumps, and storage facilities	0.01600	0.09472
Maintenance - water main	0.04173	0.02025
Purification	0.24821	0.25076
Distribution	1.55300	1.36583
Salaries	0.88310	0.76204
General expenses	0.27068	0.24001
Professional fees	0.07002	0.16463
Insurance	0.09769	0.17611
Employee pension and benefits	0.49457	0.22267
Maintenance - general property	0.09588	0.20731
Depreciation	2.49954	2.29617
Total Operating Expenses	6.81490	6.28396
Operating Income	2.18617	1.59256
Nonoperating Income (Expenses)		
Investment income	0.48557	0.53401
Other income	0.05271	0.05748
Water meter income	0.03070	0.02585
Hookup fees	0.41326	0.20683
Gain (loss) on disposal of capital assets	0.07838	-
Special assessments	1.70684	1.36895
Intergovernmental	-	0.13248
Interest expense	(0.66545)	(0.55947)
Bond issuance costs	(0.08263)	(0.07412)
Amortization expense	0.17029	0.15291
Total Nonoperating Income (Expenses)	2.18967	1.84492
Change in Net Position	\$ 4.37584	\$ 3.43748
1,000 Gallons Sold	217,125	225,136



Executive Governance Summary

City of New Prague

New Prague, Minnesota

For the year ended December 31, 2025



5201 Eden Avenue, Ste 250
Edina, MN 55436
P 952.835.9090

100 Warren Street, Ste 600
Mankato, MN 56001
P 507.625.2727

14500 N Northsight Blvd, Ste 321
Scottsdale, AZ 85260
P 480.864.5579

May 5, 2026

Management, Honorable Mayor and City Council
City of New Prague, Minnesota

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of New Prague, Minnesota (the City), for the year ended December 31, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 2, 2025. Professional standards also require that we communicate the following information related to our audit.

Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did identify one deficiency in internal control that we consider to be a material weakness described in the following pages as item 2025-001.

<i>Condition:</i>	The financial statements required adjustments to accurately reflect capital asset additions, disposals, and project activity, including some material corrections to project-related accounts payable. These challenges suggest the staff should enhance their understanding in the available software tools for preparing capital asset information and that year-end invoices weren't always reviewed closely enough to ensure work performed before year-end was recorded in the right period.
<i>Criteria:</i>	The financial statements are the responsibility of the City's management.
<i>Cause:</i>	The financial statements required material audit adjustments to be reasonably stated.
<i>Effect:</i>	This indicated that it would be likely that a misstatement may occur and not be detected by the City's system of internal control. The audit firm cannot serve as a compensating control over this deficiency.
<i>Recommendation:</i>	We recommend that management attend trainings on capital asset preparation and review year-end invoices closely to ensure work performed prior to year-end is recorded in the appropriate period.

Management response:

The City will review the adjustments necessary and work to eliminate these entries in the future.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported in accordance with *Government Auditing Standards*.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2025. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumption about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements include depreciation on capital assets, allocation of wage expenses, liability for the City's pension, and the liability for the City's other postemployment benefits (OPEB).

- Management's estimate of depreciation is based on estimated useful lives of the assets. Depreciation is calculated using the straight-line method.
- Allocations of gross wages and payroll benefits are approved by the City Council within the City's budget and are derived from each employee's estimated time to be spent serving in the respective function of the City. These allocations are also used in allocating accrued compensated absences payable.
- Management's estimate of future paid sick time usage is based on historical usage data.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.
- Management's estimate of its OPEB liability is based on several factors including, but not limited to, anticipated retirement age for active employees, life expectance, turnover, and healthcare cost trend rates.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. We proposed several journal entries that we consider to be audit entries or corrections of management decisions of which the following we consider to be material audit adjustments:

- To adjust capital asset balances.
- To adjust accounts payable balances related to capital projects.

Disagreements with Management

For purposes of this letter professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 5, 2026.



Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI) (Management’s Discussion and Analysis, the Schedules of Employer’s Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability (Asset) and Related Ratios, the Schedules of Employer’s Contributions, the Schedule of Changes in the City’s Total OPEB Liability and Related Ratios), and the respective budgetary comparison schedule and related note disclosures, which is information that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information (combining and individual fund financial statements and schedules), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on them.

Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future City financial statements:

GASB Statement No. 103 – *Financial Reporting Model Improvements* *Effective: 12/31/2026*

GASB Statement No. 104 – *Disclosure of Certain Capital Assets* *Effective: 12/31/2026*

Further information on upcoming [GASB pronouncements](#).



* * * * *

Restriction on Use

This purpose of this communication is solely for the information and use of the City Council and management of the City and is not intended to be, and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



Abdo
Mankato, Minnesota
May 5, 2026



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

**NEW PRAGUE UTILITIES COMMISSION
RESOLUTION #UC-26-05-26-02**

**LSL PHASE 2
APPLICATION FOR FUNDING**

BE IT RESOLVED that the New Prague Utilities Commission is hereby applying to the Minnesota Public Facilities Authority for a loan and/or grant from the Drinking Water Revolving Fund for a lead service line replacement project as described in the application.

BE IT FURTHER RESOLVED that the New Prague Utilities Commission estimates the MPFA-Financed amount to be \$700,000 or the as-bid cost of the project.

BE IT FURTHER RESOLVED that the New Prague Utilities Commission has the legal authority to apply for the loan and/or grant, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life.

Adopted by the commission this 26th day of May, 2026.

Dan Bishop
President

ATTEST:

Bruce Reimers
General Manager

**SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors' Meeting
April 8, 2026**

President Moulton called the meeting to order at 9:00 a.m. at the Wells Community Center in Wells, Minnesota.

Mr. Anderson, Wells Public Utilities Manager, welcomed the members and guests to Wells and introduced Ms. Ann Schuster, Wells Public Utilities Commissioner.

Mr. Geschwind provided a medical update on Mr. Warehime. He also introduced Mr. Sam Mack, SMMPA IT. Mr. Hoffman, Mr. Jay Lutz, Austin, and Owatonna Mayor Jessop were meeting with the House Tax Committee today to hear the introductions of the Austin Energy Station and Steele Energy Station Property Tax Exemption Bill.

President Moulton welcomed Mr. Butcher to the SMMPA Board.

Mr. Butcher expressed his appreciation for the opportunity to serve on the SMMPA Board.

Board Members Present:

President Peter T. Moulton, Saint Peter; Secretary James R. Bakken, Preston; Thomas J. Dankert, Austin; Keith R. Butcher, Princeton; and Timothy M. McCollough, Rochester.

Board Members Absent:

Vice President Roger E. Warehime, Owatonna; and Treasurer Bruce A. Reimers, New Prague.

Others Present:

David P. Geschwind, Executive Director & CEO; Alex Bumgardner, Austin; Jerry Mausbach, Blooming Prairie; Christian Fenstermacher, Owatonna; Jason Halvorson, Redwood Falls; Todd Prafke, Saint Peter; Chris Rolli, Spring Valley; Craig Anderson, Ann Schuster, Wells; Dan La Haye, Baker Tilly; Chad Rasmussen, Travis Zipf, DGR Engineering; Beth Fondell, Naomi Goll, Sam Mack, and Jeremy Sutton of the Agency staff.

Others Present Via Conference Call:

Julie Zarling, Fairmont; Shane Steele, Grand Marais; Mike Geers, Litchfield; and Joe Kohlgraf, Mora.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the March 11, 2026 board meeting minutes.

APPROVED the Weighted Votes. (Attachment A.)

#3 Financial Audit-Fondell/Baker Tilly:

The Agency’s financial statements along with the Independent Auditors’ Report and required communication related to the conduct of the audit were distributed electronically prior to the meeting.

Ms. Fondell introduced Mr. Dan La Haye, Baker Tilly Director, to report on the 2025 audit results.

Baker Tilly met with SMMPA Finance & Audit Committee members, Mr. Butcher (Princeton) and Mr. Rolli (Spring Valley), along with the SMMPA team members on April 8, 2026, prior to the board meeting, to review the audit results.

Mr. La Haye presented an overview of SMMPA’s audited financial statements for the year ended December 31, 2025. Baker Tilly stated that the audit went well, and they are providing an unmodified (clean) audit opinion.

Mr. La Haye appreciated the opportunity to work with SMMPA and thanked Ms. Fondell, Ms. Julie Beth and her team for their efforts.

Ms. Fondell thanked Mr. La Haye and Baker Tilly for a very well-run audit and thanked Ms. Julie Beth for coordinating the audit and to her team for helping the audit run smoothly.

Mr. Rolli reported that the SMMPA Finance & Audit Committee met prior to today’s board meeting and recommended acceptance to the board of directors.

Mr. McCollough moved to accept the audit as presented by Baker Tilly for the year ended December 31, 2025, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

#4 FES & OES Annual Performance Review-Sutton:

Mr. Sutton reported on the 2025 performance review of Fairmont Energy Station (FES) and Owatonna Energy Station (OES).

Information on actual hours of operation, capacity factor, energy production, availability, and forced outage rates were reviewed.

The FES and OES MISO market financial performance will be presented quarterly in the future.

Discussion.

Summary

- Both plants had operational impacts due to leaking cylinder heads.
- Staff did their best to limit the MISO capacity credit impacts from forced outages.
- Both plants ran for energy, reliability, and ancillary services.
- Combined positive operating margins of over \$.5 million.
- Continue to refine strategy to ensure units are available for reliability and adequately compensated to cover O&M.

#5 RES Compliance Outlook-Sutton:

Mr. Sutton reported on the Renewable Energy Standard (RES) Compliance.

Each year the Agency is required to retire Renewable Energy Certificates (RECs) to meet the requirements of Minnesota’s RES as outlined in Minn. Stat. §216B.1691. The types of resources that meet the renewable requirements were described. A history of how the Agency has met the RES requirements was provided.

Mr. Sutton reviewed the process by which RECs can be banked for future use and outlined how the Agency plans to meet the renewable and carbon-free requirements, assuming new wind and solar resources are added.

Discussion.

Summary

- Current renewable resource portfolio would meet 25% RES requirement through life of Stoneray agreement.
- With addition of new wind and solar in the Integrated Resource Plan, portfolio would meet new RES and carbon-free requirements through 2038.
- SMMPA will continue to evaluate the number of excess RECs available for sale to member customers.
- Continue to work with utilities and policymakers on carbon-free standards implementation.
- Assess timing of new renewable additions.
- Assess mix of solar, wind, and REC purchases.

#6 Steele Energy Station Project Authorization-Sutton/DGR Engineering:

Mr. Geschwind reported that the board will be asked to authorize the Steele Energy Station (SES) project and financing up to \$84 million, and if approved, the member representatives will be asked to approve the resolution authorizing the SES project financing.

Mr. Sutton reported on the Steele Energy Station project and introduced Mr. Chad Rasmussen and Mr. Travis Zipf, DGR Engineering.

Mr. Rasmussen, DGR Engineering, provided an overview of the SES project. The project will include three 15 MW turbines (45 MW nominal) with dual-fuel capacity (natural gas or diesel).

Construction is anticipated to begin in spring 2027. The turbine delivery is planned for later in 2027, and the transformer is scheduled for delivery in July 2028. The air permit process has taken longer than anticipated and must be completed prior to breaking ground. The current project estimate is \$73 million.

Mr. Zipf, DGR Engineering, reported on the permitting strategy. The MPCA permitting process began approximately 16 months ago. The modeling protocol triggered the need for an applicability determination regarding the Owatonna Public Utilities Turbine #7. The outcome was successful, with the results noting that it should be permitted separately from OES and SES. Another MPCA-related delay occurred during the environmental assessment with successful results noting that SES is not considered a large energy or electric power generating plant. The MPCA permit application will be submitted May 2026 and anticipate the permit issuance in January 2027.

Mr. Sutton reported that the Solar Turbines Procurement Contract has a Notice to Proceed (NTP) provision. The NTP is due 12 months from execution of the procurement contract (mid-April). Upon providing NTP, the initial payment is \$3,768,575 and 90 days later an additional \$11,305,725 is due. If the NTP deadline is extended by three months, the cost would be an additional \$508,000.

Discussion.

Action Item

Seeking board and member representatives approval of the resolutions provided in the meeting materials authorizing the SES project and financing.

Resolutions Authorizing the Project

The proposed resolution would authorize the construction of the SES project.

Resolutions Authorizing Financing

The proposed financing resolution would authorize the issuance of debt for the SES project in an amount not to exceed \$84 million.

Mr. Bakken moved to approve the resolutions authorizing the Steele Energy Station project and financing up to \$84 million, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present. (Attachment B.)

Temporary Recess to Member Representatives Meeting:

At 10:36 a.m., the board meeting recessed to the member representatives meeting, and following establishment of a quorum by the member representatives and completion of that agenda, the board meeting reconvened.

Board of Directors:

After a short break, the board reconvened at 10:56 a.m.

#7 Economic Development Credit Program Cap-Geschwind:

Mr. Geschwind reported on the continued discussion on the Economic Development Credit Program Cap.

The Agency has been evaluating the potential advantages of expanding its membership by adding new members. Capacity markets have undergone significant changes accompanied by increases in the cost of new generation. The economics of serving new electric loads that require additional Agency resources are not as favorable as they were when the Economic Development Credit program was created.

Due to the potential for very large load additions, from data center or cryptocurrency miners, the board discussed at the November SMMPA Board Retreat setting a maximum load size that would be eligible for economic development credits.

Discussion.

Mr. Dankert moved to approve a 2 MW cap effective today or as soon as possible on a qualifying retail customer's load eligible for economic development credits, seconded by Mr. Butcher, passed upon a unanimous vote of the board members present.

#8 Large Customer Market Rate-Geschwind:

Mr. Geschwind reported on the large customer market rate.

Potential high-density electric loads such as data centers impact load growth and capacity needs. Occasionally, these loads inquire about being served by SMMPA members, and it would be helpful to have an applicable wholesale rate developed that could apply to this type of load.

Discussion.

SMMPA will develop a large customer market rate for future board review and consideration.

Government Affairs/Member Services Report:

Members were directed to the board book for the government affairs/member services report.

Financial Report February 2026-Fondell:

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

Financial Reserves Policy Update

Chris Lover with PFM will share results of the financial reserves study at the June 2026 board meeting with board action to approve the revised Financial Reserves Policy at the July 2026 board meeting.

Cost of Service Study

In May 2026, SMMPA staff will meet with Dave Berg Consulting to launch the Cost of Service Study, which will include evaluating rate projections for 2030.

SMMPA Finance & Audit Committee

The SMMPA Finance & Audit Committee is comprised of the Board Vice-President, Board Treasurer, and up to two member representatives. Since Mr. Butcher was elected to the SMMPA Board of Directors last month, he will be stepping down from the committee. Mr. Butcher was thanked for serving on the SMMPA Finance & Audit Committee. Ms. Fondell will email member representatives to invite volunteers to fill the vacancy.

Operations Report-Sutton:

Mr. Sutton reported:

Winter Storm Fern Update

The January 2026 Winter Storm Fern prompted review of the Agency’s emergency operating plan. A meeting was held at Sherco on April 2, 2026 with plant operators and SMMPA staff to debrief on lessons learned from the event.

Sherco 3 Tour

Sherco 3 tours were offered April 6-17, 2026 for members including commissioners and council members during the Sherco 3 planned outage.

Sherco 3 Planned Outage

The Sherco 3 planned outage is currently underway and hedge purchases have been made based on recommendations from The Energy Authority (TEA). The Agency and TEA will continue to evaluate the market for additional hedge purchase opportunities throughout the outage.

President’s Report:

Mr. Moulton reported:

- SMMPA Staff Recognition: SMMPA staff members recognized were Jeremy Sutton and DGR Engineering for their work on the Steele Energy Station Project, and Beth Fondell and staff for the audit process.

Executive Director & CEO’s Report:

Mr. Geschwind reported:

- TAPS Spring Conference: The Transmission Access Policy Study Group (TAPS) meets twice a year. TAPS engages in federal legislation and policy proceedings related to wholesale transmission access issues and the North American Electric Reliability Corporation (NERC) issues.
- New Ulm Public Utilities: New Ulm is interested in possible Agency membership and has issued an RFP. Proposals are due June 5, 2026. New Ulm anticipates wholesale

electric power supply beginning on January 1, 2030. SMMPA would need to model the addition of New Ulm to the Agency to determine anticipated financial impacts. This topic will be brought back next month for additional discussion.

- SMMPA Member Orientation: SMMPA Member Orientation will be held April 22, 2026. Those interested from the member communities should contact SMMPA.

Member Forum:

None.

Other Business:

There was no other business.

Adjourn:

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

The meeting was adjourned at 11:56 a.m.

DRAFT

Secretary