



UTILITIES COMMISSION MEETING AGENDA

City of New Prague

Monday, October 27, 2025 at 3:30 PM

Power Plant - 300 East Main St

-
1. **CALL TO ORDER**
 2. **APPROVAL OF AGENDA**
 3. **APPROVAL OF MINUTES**
 - [a.](#) September 29, 2025 Utilities Meeting Minutes
 4. **UTILITY AND SMMPA BILLS**
 - [a.](#) Approval of accounts payable in the amount of **\$378,792.22** and the SMMPA billing of **\$533,042.08**.
 5. **FINANCIAL REPORTS**
 - [a.](#) Investment Report
 - [b.](#) Financial Report
 - [c.](#) Water and Kilowatt Hours Sales
 6. **LEAGUE OF MINNESOTA CITIES INSURANCE TRUST LIABILITY COVERAGE**
 - [a.](#) Waiver Form
 7. **FILTER REHABILITATION PROJECT**
 - [a.](#) Request for Bids
 8. **RESOLUTIONS**
 - [a.](#) #25-10-27-01 - Declaring Official Intent of City of NP to Reimburse Certain Expenditures
 9. **WEST SIDE ENERGY STATION**
 - [a.](#) Request for Bids
 10. **APPROVAL OF 2025 ELECTRIC CAPITAL EQUIPMENT EXPENDITURE**
 - [a.](#) Memo
 11. **2026 WATER & ELECTRIC BUDGET**
 - [a.](#) Water
 - [b.](#) Electric
 12. **SMMPA BOARD OF DIRECTORS MEETING**
 - [a.](#) September 10, 2025
 13. **GENERAL MANAGER'S REPORT**

14. OTHER BUSINESS

15. ADJOURNMENT

NEXT COMMISSION MEETING – Monday, November 24, 2025



UTILITIES COMMISSION MEETING MINUTES

City of New Prague

Monday, September 29, 2025 at 3:30 PM

Power Plant - 300 East Main St

1. CALL TO ORDER

The meeting was called to order by Utilities Commission President Dan Bishop on Monday, September 29th, 2025, at 3:30 p.m.

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

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

2. APPROVAL OF AGENDA

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

Motion carried (5-0)

3. APPROVAL OF MINUTES

a. August 25, 2025 Utilities Meeting Minutes

Motion made by Commissioner Busch, seconded by Commissioner Nickolay, to approve August minutes as presented.

Motion carried (5-0)

4. UTILITY AND SMMPA BILLS

a. Approval of accounts payable in the amount of **\$455,391.28** and the SMMPA billing of **\$596,646.22**.

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

Motion carried (5-0)

5. FINANCIAL REPORTS

a. Investment Report

b. Financial Report

c. Water and Kilowatt Hours Sales

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

Motion carried (5-0)

6. SMMPA BOARD OF DIRECTORS MEETING

a. August 13, 2025

GM Reimers informed the commission on the following:

-SMMPA Board of Directors approve moving forward with the bond sale in the estimated amount of 105 million to replace revolving credit loans and power plant and transmission expenses.

-GM Reimers went over proposed 2026 wholesale rates along with estimates for future rates.

GM Reimers stated that due to large fluctuations projected over the next 7 years he would recommend that the Commission establish a rate stabilization account to allow for excess revenue that is projected over the next two years to be placed in the account and then drawn out starting in 2029 to offset large rate increases due to new power plants being built to serve capacity requirements. The Commission discussed the proposal and agreed that rate stabilization was important and should be reflected in the budget starting in 2026.

7. REVIEW AND APPROVAL OF QUICK START CONTRACT BETWEEN NEW PRAGUE UTILITIES AND SMMPA

a. Quick Start Contract - NPU & SMMPA

GM Reimers reviewed the SMMPA Quick Start contract that will be used as the guiding contract for the future West Energy Station. This contract between SMMPA and NPUC will be in effect for the next twenty years starting with the commercial Inservice date of Q1 of 2028.

A motion was made by Commissioner Nickolay, seconded by Commissioner Busch, to approve the Contract as presented.

Motion carried (5-0)

8. GENERAL MANAGER'S REPORT

GM Reimers informed the Commission on the following:

- Water Department has been working on Lead Service line inventory for the 2026 service replacements
- Electric Department has been working with the generation department on the new power plant project and overhead to underground replacement of feeder #8
- GM Reimers also shared some update cost and bonding estimates for the WES and stated that staff should be ready to have the Commission authorize going out for bid on the building and switch gear in November.

9. OTHER BUSINESS

a. Minnesota Public Facilities Authority - Project Financing Approval for Lead Service Line Replacement Program

GM Reimers shared that a letter had been received indicating that the state of Minnesota has approved the Lead service replacement grant in the amount of \$208,188 for service located on the North side of NP.

10. ADJOURNMENT

Motion made by Commissioner Ewert, seconded by Commissioner Busch, to adjourn the meeting at 4:26 p.m.

Respectfully Submitted,

Bruce Reimers
General Manager



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

Power Sales

Section 4, Item a.

#INV1908
9/30/2025

Bill To

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

Due Date: 10/27/2025

BILLING PERIOD	kWh	kW	DATE / TIME
Sep 2025	6,236,484	13,435	Sep 16, 2025 4:00:00 PM
SOLAR PRODUCTION	0	0	
TOTAL	6,236,484	13,435	
BASE RATE BILLING DEMAND CAP	N/A	0	
SUMMER SEASON BASE RATE DEMAND	N/A	15,725	Aug 26, 2024 4:00:00 PM
BASE RATE RATCHET DEMAND	N/A	11,637	Aug 26, 2024 4:00:00 PM

Description	Quantity	Rate	Amount	TOTAL
BASE RATE POWER SUPPLY				
Demand Charge (kW)	13,435	\$10.95	\$147,113.25	\$147,113.25
On Peak Energy Charge (kWh)	3,008,889	\$0.06431	\$193,501.65	\$193,501.65
Off Peak Energy Charge (kWh)	3,227,595	\$0.04808	\$155,182.77	\$155,182.77
Cost Adjustment (kWh)	7,179,024	\$-0.001048	\$-7,523.62	\$-7,523.62
BASE RATE SUBTOTAL				\$488,274.05
TRANSMISSION				
Transmission Charge - CP (kW)	13,435	\$2.20	\$29,557.00	\$29,557.00
Transmission Charge - Ratchet (kW)	15,725	\$0.967315	\$15,211.03	\$15,211.03

OTHER CHARGES

Total \$533,042.08

Vendor Name	Net Invoice Amount
ACE HARDWARE & PAINT	
JOB 7 FEEDER 8	\$14.90
SUPPLIES	\$7.99
AMAZON CAPITAL SERVICES	
AMAZON PRIME MEMBERSHIP	\$25.80
TECH ROOM - VENT	\$12.10
BEVCOMM	
TELEPHONE	\$165.88
TELEPHONE/COMMUNICATIONS	\$59.95
CENTERPOINT ENERGY	
NATURAL GAS	\$7.67
CL BENSEN CO. INC	
FURNANCE FILTERS	\$259.44
COMPUTER TECHNOLOGY SOLUTIONS	
COMPUTER SUPPORT	\$1,996.06
OFFICE 365 / FIREWALL	\$546.00
SERVER UPGRADE	\$4,999.94
DUAL AIR INC.	
TECH ROOM - A/C	\$1,079.10
G AND H READY MIX LLC	
FUTURE GENERATION	\$288.00
SIDEWALK - POWER PLANT	\$1,248.00
GOPHER STATE ONE CALL	
LINE LOCATES	\$66.15
GRAINGER	
BATTERIES	\$30.33
GREATAMERICA FINANCIAL SERVICES	
POSTAGE MACHINE LEASE	\$119.19
KENNEDY & GRAVEN CHARTERED	
UTILITIES GENERAL MATTERS	\$652.80
LAKERS NEW PRAGUE SANITARY	
TRASH - ELECTRIC	\$17.34
TRASH - POWER PLANT	\$90.16
TRASH - WATER	\$17.34
MED COMPASS	
HEARING & FIT TESTING	\$548.75
METRO SALES INC	
COPIER LEASE	\$99.00
NEON LINK	
ONLINE PAYMENT FEES	\$1,166.12
NEW PRAGUE UTILITIES	
ELECTRIC UTILITIES	\$1,533.39
SMPA - NORTH SOFTNER	\$486.46
WATER PUMPING - E	\$9,612.67
WATER PUMPING - W/S/S	\$453.80
WATER UTILITIES	\$299.08
RIVER COUNTRY COOP	
LP GAS	\$35.75
MOTOR FUEL	\$10.57
ROSS NESBIT AGENCIES INC.	
AGENCY FEE	\$372.60
SOUTHERN MINNESOTA MUNICIPAL POWER AGENC	
EMISSION TESTING	\$6,000.00
ST LOUIS MRO INC	
RANDOM TESTING	\$20.00
US BANK CREDIT CARD	
BUSINESS CARDS	\$71.30

Vendor Name	Net Invoice Amount
CAULK	\$177.28
FUT. GENERATION - BUILDING PERMIT	\$75.00
FUTURE GEN - JOB #9	\$185.59
MMUA OVERHEAD SCHOOL	\$298.71
MMUA SUMMER CONFERENCE	\$887.85
MN RURAL WATER	\$300.00
OIL SAMPLES	\$13.64
POSTAGE	\$6.08
PUBLIC POWER WEEK	\$15.63
REBAR	\$68.16
RELAY	\$57.59
SAMPLES	\$15.95
TYPE IV REFRESHER - BOB	\$199.19
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$513.80
VERIZON WIRELESS	
IPADS	\$65.12
TELEPHONE	\$480.13
VETERAN SHREDDING	
CONTRACTED SERVICES	\$17.00
Grand Totals	<u>\$35,790.35</u>

Vendor / Description	Invoice Amount
ACE HARDWARE	
SUPPLIES	\$129.50
AMAZON CAPITAL SERVICES	
LIGHT BULBS	\$69.50
OUTLET RECEPTACLE	\$51.96
SANDER & PADS	\$194.73
ARVIG ANSWERING SOLUTIONS	
ANSWERING SERVICE	\$158.10
BH PETROLEUM EQUIPMENT COM	
FUTURE GEN - DOWN PAYMENT FUEL TANKS	\$90,833.62
BORDER STATES ELECTRIC SUPPLY	
5" PVC PIPE & FITTINGS	\$691.21
SPLICE - SMMPA	\$150.18
SPLICE - WELL #6	\$100.12
BRADY O'NEILL	
SAFETY BOOTS	\$60.00
BRYAN ROCK PRODUCTS INC.	
3/4 MINUS	\$284.14
CC DAY COMPANY	
FILTERS, HILCO	\$2,645.00
CENTERPOINT ENERGY	
NATURAL GAS	\$4,926.06
CHARD GRADING & EXCAVATION LLC	
CLASS 5	\$440.98
CORE & MAIN	
FULL CIRCLE REPAIR CLAMP 6 X 20	\$428.00
TESTING SUPPLIES	\$193.84
CURTIS NOVOTNY	
SAFETY BOOTS	\$60.00
DENNY / DOTTY VONBANK	
WIPING RAGS	\$120.00
DGR ENGINEERING	
JOB #9 -FUTURE GENERATION	\$138,834.50
FASTENAL COMPANY	
BOLTS - VALVE REPAIR	\$463.88
GRAINGER	
RELAY	\$55.22
HAWKINS INC	
WAER PURIFICATION	\$20.00
WATER PURIFICATION	\$7,002.52
HEITZ, COREY	
MMUA OVERHEAD SCHOOL	\$33.69
K.A. WITT CONSTRUCTION	
FUTURE GENERATION - SAND	\$72,104.53
KURITA AMERICA INC	
TESTING SUPPLIES	\$63.05
MACH LUMBER COMPANY	
STYROFOAM	\$166.67
METERING & TECHNOLOGY SOLUTIONS	
HEARTLAND CREDIT - WATER METERS	\$2,014.34
MN DEPT OF HEALTH	
3RD QTR CONNECTION FEES	\$7,301.66
MN MUNICIPAL UTILITIES ASSOC	
JT&S TRAINING	\$1,018.75
NIEMAN ROOFING COMPANY INC	
FILTER PLANT #3 - ROOF REPAIR	\$300.00
OLSON, LOGAN	
MMUA OVERHEAD SCHOOL	\$17.89

Vendor / Description	Invoice Amount
RIVER COUNTRY CO-OP	
GAS	\$1,338.06
MOTORS FUEL	\$1,156.59
SALT CO	
MONTHLY SALT FEE	\$35.00
SEH	
FILTER PLANT #3 REHAB	\$1,160.00
STAR GROUP LLC.	
GEN #8 - BATTERIES	\$591.03
STAFF CAR	\$186.85
STUART C. IRBY CO.	
CUTTING - UND	\$626.21
SUEL PRINTING	
PENCILS	\$289.35
US BANK EQUIPMENT FINANCE	
COPIER LEASE	\$153.19
UTILITY CONSULTANTS	
WATER SAMPLES	\$105.57
VOYAGER FLEET	
MOTORS FUEL	\$345.77
WASHA TRUCKING SERVICES IN	
HAULING - CLASS 5	\$375.00
WATER MAIN BREAK REPAIR	\$125.00
WATER CONSERVATION SERVICES INC.	
LEAK LOCATE - 209 6TH AVE W	\$407.80
WESCO RECEIVABLES CORP.	
METER SOCKET DUAL U6035-O	\$4,443.01
WM MUELLER & SONS INC.	
WATER MAIN BREAK	\$173.40
WATER MAIN BREAK - 6TH AVE NW	\$369.71
WATER MAIN BREAK - LEXINGTON	\$186.69
Grand Totals	<u>\$343,001.87</u>

NEW PRAGUE UTILITIES COMMISSION

SMMPA

8/31/2025

		PURCHASED	ENERGY	2025				PURCHASED	ENERGY	2024
MONTH	KWH	POWER	COST ADJ	Price/KWH		MONTH	KWH	POWER	COST ADJ	Price/KWH
January	6,264,257	\$ 508,086.73	\$ (7,460.01)	\$ 0.08230		January	6,076,702	\$ 492,817.06	\$ (14,666.30)	\$ 0.08351
February	5,565,759	\$ 473,427.73	\$ 281.89	\$ 0.08501		February	5,236,987	\$ 458,820.82	\$ (1,385.49)	\$ 0.08788
March	5,394,698	\$ 452,860.23	\$ (7,641.79)	\$ 0.08536		March	5,317,688	\$ 484,044.84	\$ 21,047.45	\$ 0.08707
April	5,065,852	\$ 483,543.35	\$ 38,620.64	\$ 0.08783		April	5,056,695	\$ 479,805.51	\$ 27,912.54	\$ 0.08937
May	5,638,392	\$ 506,446.53	\$ 19,635.24	\$ 0.08634		May	5,482,934	\$ 533,610.64	\$ 57,883.99	\$ 0.08676
June	6,571,635	\$ 593,241.38	\$ 25,508.09	\$ 0.08639		June	6,281,542	\$ 528,546.50	\$ 8,257.30	\$ 0.08283
July	7,875,486	\$ 644,040.63	\$ 14,510.17	\$ 0.07994		July	7,292,531	\$ 593,245.07	\$ (6,319.23)	\$ 0.08222
August	7,179,024	\$ 596,646.22	\$ 2,535.91	\$ 0.08276		August	6,961,253	\$ 639,976.21	\$ 31,831.90	\$ 0.08736
September						September	6,407,296	\$ 546,056.39	\$ (4,141.95)	\$ 0.08587
October						October	5,359,459	\$ 486,387.81	\$ 15,710.69	\$ 0.08782
November						November	5,269,409	\$ 524,731.77	\$ 64,254.55	\$ 0.08739
December						December	5,987,170	\$ 529,434.00	\$ 28,691.93	\$ 0.08364
Total	49,555,103	\$ 4,258,292.80	\$ 85,990.14	\$ 0.08420		Total	70,729,666	\$ 6,297,476.62	\$ 229,077.38	\$ 0.08580

NEW PRAGUE UTILITIES COMMISSION			
INVESTMENT SUMMARY			
8/31/2025			
First Bank and Trust			
Checking - Cash Balance			
Electric		\$	3,556,987.01
Water		\$	1,103,184.25
Subtotal		\$	4,660,171.26
Money Market		\$	2,973,384.41
Wells Fargo			
F.I.S.T. (Market Value per Wells Select report)		\$	3,495,225.00
Electric (74% of account)	\$ 2,586,466.50		
Water (26% of account)	\$ 908,758.50		
Total		\$	11,128,780.67
Invested			
F.I.S.T. original investment - 6/21/2012	\$ 1,050,000		
F.I.S.T. Add'l investment - 7/19/2012	\$ 730,000		
F.I.S.T. Add'l investment - 8/22/2014	\$ 470,000		
F.I.S.T. Add'l Investment - 7/31/2015	\$ 500,000		
F.I.S.T. Add'l Investment - 11/16/2015	\$ 100,000		
	\$ 2,850,000		

Managed Asset Allocation Summary

As of September 15, 2025

September 16, 2025

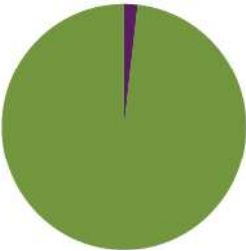
Trade Date Basis

NEW PRAGUE UTILITIES
COMMISSION

221880

Investment Objective Is Fixed
Income

	MARKET VALUE	TOTAL COST	UNREALIZED G/L	EST ANNUAL INCOME	EST ANNUAL YIELD	ALLOCATION
Cash Alternatives	62,697	62,697	0	2,598	4.14	1.8
Fixed Income	3,432,528	3,476,643	(44,114)	105,166	3.06	98.2
Total Portfolio	\$3,495,225	\$3,539,339	\$(44,114)	\$107,764	3.08%	100.0%



NEW PRAGUE UTILITIES COMMISSION, MINNESOTA

STATEMENT OF REVENUES AND EXPENSES

BUDGET AND ACTUAL

WATER FUND (UNAUDITED)

August 31, 2025

WATER FUND						
66.67% of year completed						
	2024 Thru 8/31/2024	Current Month	Actual Thru 8/31/2025	2024/2025 Variance YTD	2025 Fiscal Budget	% Received or Expended Based on Actual Budget
REVENUES						
Unbilled Accounts Receivable	42,903.02	6,607.75	\$ 55,464.48	12,561.46	-	0.00%
Residential	\$ 810,122.68	\$ 138,475.59	\$ 934,213.13	\$ 124,090.45	\$ 1,297,761.00	71.99%
Commercial	252,590.96	50,955.15	308,220.85	55,629.89	691,090.00	44.60%
Water Hook-up Fees	\$ 33,711.00	\$ 2,070.00	\$ 93,232.00	\$ 59,521.00	\$ 23,000.00	405.36%
Interest Income	20,516.40	7,936.32	36,431.02	15,914.62	15,000.00	242.87%
Other Income	\$ 23,156.98	\$ (998.39)	\$ 36,591.03	\$ 13,434.05	\$ 30,110.00	121.52%
TOTAL REVENUES	\$ 1,183,001.04	\$ 205,046.42	\$ 1,464,152.51	\$ 281,151.47	\$ 2,056,961.00	71.18%
EXPENSES						
Power Used	69,877.69	10,353.54	79,491.98	9,614.29	117,500.00	67.65%
Purification	33,449.92	439.00	33,955.10	505.18	58,000.00	58.54%
Distribution	7,911.54	2,673.74	16,092.07	8,180.53	64,500.00	24.95%
Depreciation	345,792.81	45,739.34	365,118.03	19,325.22	525,000.00	69.55%
Debt & Other Interest	111,090.67	65.44	139,585.10	28,494.43	141,088.00	98.93%
Salary & Benefits	399,402.35	71,811.37	459,317.89	59,915.54	639,341.00	71.84%
Admin & General	\$ 142,882.52	\$ 4,779.00	\$ 87,082.96	\$ (55,799.56)	\$ 169,670.00	51.32%
TOTAL EXPENSES	\$ 1,110,407.50	\$ 135,861.43	\$ 1,180,643.13	\$ 70,235.63	\$ 1,715,099.00	68.84%
EXCESS REVENUES OVER EXPENSES	\$ 72,593.54	\$ 69,184.99	\$ 283,509.38	\$ 210,915.84	\$ 341,862.00	

CITY OF NEW PRAGUE, MINNESOTA
STATEMENT OF REVENUES AND EXPENSES
BUDGET AND ACTUAL
ELECTRIC FUND (UNAUDITED)
August 31, 2025

Section 5, Item b.

ELECTRIC FUND						
						<i>66.67% of year completed</i>
REVENUES	2024 Thru 8/31/2024	Current Month	Actual Thru 8/31/2025	2024/2025 Variance YTD	2025 Fiscal Budget	% Received or Expended Based on Actual Budget
Unbilled Accounts Receivable	\$ 88,065.31	\$ 126,011.67	\$ 189,072.50	\$ 101,007.19	\$ -	0.00%
Residential Revenue	\$ 2,790,937.74	\$ 489,698.76	\$ 2,962,268.47	\$ 171,330.73	\$ 4,186,223.00	70.76%
Commercial	\$ 444,148.40	\$ 73,552.78	\$ 518,874.00	\$ 74,725.60	\$ 628,951.00	82.50%
Small Industrial	\$ 1,255,706.32	\$ 187,650.22	\$ 1,310,109.98	\$ 54,403.66	\$ 1,861,047.00	70.40%
Industrial	\$ 1,614,815.88	\$ 232,520.47	\$ 1,667,870.95	\$ 53,055.07	\$ 2,424,913.00	68.78%
Streetlights	\$ 36,548.33	\$ 3,662.27	\$ 38,329.82	\$ 1,781.49	\$ 63,443.00	60.42%
Other Departments	\$ 83,363.95	\$ 432.28	\$ 28,281.22	\$ (55,082.73)	\$ 160,583.00	17.61%
SMMPA LOR Reimbursement	\$ 135,821.42	\$ 14,433.74	\$ 141,203.75	\$ 5,382.33	\$ 205,075.00	68.85%
SMMPA O&M Revenue	\$ 632,744.43	\$ 45,692.97	\$ 613,744.73	\$ (18,999.70)	\$ 676,033.00	90.79%
Reimbursement - SMMPA Rebates	\$ 6,223.41	\$ 1,367.00	\$ 15,860.07	\$ 9,636.66	\$ -	0.00%
Interest Income	\$ 34,639.28	\$ 9,556.38	\$ 44,774.82	\$ 10,135.54	\$ 25,000.00	179.10%
Other Income	\$ 230,903.77	\$ 20,955.43	\$ 99,941.94	\$ (130,961.83)	\$ 173,800.00	57.50%
TOTAL REVENUES	\$ 7,353,918.24	\$ 1,205,533.97	\$ 7,630,332.25	\$ 276,414.01	\$ 10,405,068.00	73.33%
EXPENSES						
Production	\$ 5,108.09	\$ 269.79	\$ 30,518.90	\$ 25,410.81	\$ 44,000.00	69.36%
Purchased Power	\$ 4,210,866.65	\$ 90,199.69	\$ 4,247,296.04	\$ 36,429.39	\$ 6,196,036.00	68.55%
SMMPA O&M Expenses	\$ 345,043.39	\$ 51,005.03	\$ 297,843.91	\$ (47,199.48)	\$ 332,295.00	89.63%
Distribution/Transmission	\$ 36,153.76	\$ 9,990.98	\$ 88,557.95	\$ 52,404.19	\$ 133,313.00	66.43%
Energy Conservation - Rebates	\$ 9,732.15	\$ 286.00	\$ 18,454.63	\$ 8,722.48	\$ 12,500.00	147.64%
Depreciation	\$ 502,614.38	\$ 61,575.70	\$ 500,090.87	\$ (2,523.51)	\$ 701,323.00	71.31%
Salary & Benefits	\$ 908,291.01	\$ 170,055.77	\$ 1,028,136.92	\$ 119,845.91	\$ 1,859,346.00	55.30%
MVEC LOR Payment	\$ 271,642.82	\$ 43,208.40	\$ 282,407.45	\$ 10,764.63	\$ 410,150.00	68.85%
Admin & General	\$ 228,274.34	\$ 28,539.53	\$ 227,876.73	\$ (397.61)	\$ 295,321.00	77.16%
Payment in Lieu of Taxes	\$ 26,666.64	\$ 3,333.33	\$ 26,666.68	\$ 0.04	\$ 40,000.00	66.67%
TOTAL EXPENSES	\$ 6,544,393.23	\$ 458,464.22	\$ 6,747,850.08	\$ 203,456.85	\$ 10,024,284.00	67.32%
EXCESS REVENUES OVER EXPENSES	\$ 809,525.01	\$ 747,069.75	\$ 882,482.17	\$ 72,957.16	\$ 380,784.00	

Note: "Other Income" includes metal recycling

									AGENDA ITEM: 5C
NEW PRAGUE UTILITIES COMMISSION									
WATER PUMPED-SOLD-USED									
2025									
YR/MO		2025		2024		YR/MO		2025	2024
	2025	YTD	2024	YTD			2025	YTD	2024
JANUARY	12/8/24-1/8/2025		12/8/23-1/8/2024		JULY	6/9/2025-7/9/2025		6/7/2024-7/8/2024	
GAL PUMPED	17,427	17,427	18,004	18,004	GAL PUMPED	24,438	142,502	19,050	129,082
GAL SOLD	15,702	15,702	15,411	15,411	GAL SOLD	21,686	122,825	16,581	108,730
GAL USED	461	461	280	280	GAL USED	189	1,947	456	2,490
GAL(LOSS)/GAIN	(1,264)	(1,264)	(2,313)	(2,313)	GAL(LOSS)/GAIN	(2,562)	(17,729)	(2,013)	(17,862)
PERCENTAGE	7.3%	7.3%	12.8%	12.8%	PERCENTAGE	10.5%	12.4%	10.6%	13.8%
FEBRUARY	1/8/2025-2/7/2025		1/8/2024-2/7/2024		AUGUST	7/9/2025-8/8/2025		7/8/2024-8/7/2024	
GAL PUMPED	17,291	34,718	17,511	35,515	GAL PUMPED	24,493	166,994	25,675	154,757
GAL SOLD	14,773	30,475	14,979	30,390	GAL SOLD	21,383	144,208	22,609	131,339
GAL USED	335	796	343	623	GAL USED	273	2,220	757	3,247
GAL(LOSS)/GAIN	(2,183)	(3,447)	(2,189)	(4,502)	GAL(LOSS)/GAIN	(2,837)	(20,566)	(2,309)	(20,171)
PERCENTAGE	12.6%	9.9%	12.5%	12.7%	PERCENTAGE	11.6%	12.3%	9.0%	13.0%
MARCH	2/7/2025-3/8/2025		2/7/2024-3/8/2024		SEPTEMBER	8/8/2025-9/8/2025		8/7/2024-9/9/2024	
GAL PUMPED	17,422	52,140	16,824	52,339	GAL PUMPED	26,003	192,998	27,535	182,292
GAL SOLD	15,197	45,672	14,823	45,213	GAL SOLD	21,663	165,871	23,306	154,645
GAL USED	319	1,115	330	953	GAL USED	185	2,405	785	4,032
GAL(LOSS)/GAIN	(1,906)	(5,353)	(1,671)	(6,173)	GAL(LOSS)/GAIN	(4,155)	(24,721)	(3,444)	(23,615)
PERCENTAGE	10.9%	10.3%	9.9%	11.8%	PERCENTAGE	16.0%	12.8%	12.5%	13.0%
APRIL	3/8/2025-4/9/2025		3/8/2024-4/8/2024		OCTOBER	9/9/2025-10/8/2025		9/9/2024-10/8/2024	
GAL PUMPED	16,475	68,615	17,280	69,619	GAL PUMPED		192,998	31,996	214,288
GAL SOLD	14,108	59,780	15,301	60,514	GAL SOLD		165,871	30,099	184,744
GAL USED	219	1,334	311	1,264	GAL USED		2,405	1308	5,340
GAL(LOSS)/GAIN	(2,148)	(7,501)	(1,668)	(7,841)	GAL(LOSS)/GAIN	0	(24,721)	(589)	(24,204)
PERCENTAGE	13.0%	10.9%	9.7%	11.3%	PERCENTAGE	#DIV/0!	12.8%	1.8%	11.3%
MAY	4/9/2025-5/9/2025		4/8/2024-5/8/2024		NOVEMBER	10/8/2025-11/7/2025		10/8/2024-11/7/2024	
GAL PUMPED	21,433	90,048	19,862	89,481	GAL PUMPED		192,998	23,486	237,774
GAL SOLD	16,117	75,897	14,611	75,125	GAL SOLD		165,871	21,756	206,500
GAL USED	230	1,564	318	1,582	GAL USED		2,405	552	5,892
GAL(LOSS)/GAIN	(5,086)	(12,587)	(4,933)	(12,774)	GAL(LOSS)/GAIN	0	(24,721)	(1,178)	(25,382)
PERCENTAGE	23.7%	14.0%	24.8%	14.3%	PERCENTAGE	#DIV/0!	12.8%	5.0%	10.7%
JUNE	5/9/2025-6/9/2025		5/8/2024-6/7/2024		DECEMBER	11/7/2025 - 12/8/2025		11/7/2024 - 12/8/2024	
GAL PUMPED	28,016	118,064	20,551	110,032	GAL PUMPED		192,998	18,084	255,858
GAL SOLD	25,242	101,139	17,024	92,149	GAL SOLD		165,871	17,118	223,618
GAL USED	194	1,758	452	2,034	GAL USED		2,405	489	6,381
GAL(LOSS)/GAIN	(2,579)	(15,166)	(3,075)	(15,849)	GAL(LOSS)/GAIN	0	(24,721)	(477)	(25,859)
PERCENTAGE	9.2%	12.8%	15.0%	14.4%	PERCENTAGE	#DIV/0!	12.8%	2.6%	10.1%

NEW PRAGUE UTILITIES COMMISSON					
ELECTRIC SALES KWH					
		ACCUM			ACCUM
MONTH	2025	2025	MONTH	2024	2024
JAN	5,619,898	5,619,898	JAN	5,508,723	5,508,723
FEB	5,816,788	11,436,686	FEB	5,637,288	11,146,011
MAR	5,721,083	17,157,769	MAR	5,184,765	16,330,776
APR	5,016,537	22,174,306	APR	5,128,582	21,459,358
MAY	4,912,135	27,086,441	MAY	4,697,436	26,156,794
JUNE	5,640,596	32,727,037	JUNE	5,321,360	31,478,154
JULY	6,776,567	39,503,604	JULY	6,088,366	37,566,520
AUG	7,210,554	46,714,158	AUG	7,394,647	44,961,167
SEPT	6,720,766	53,434,924	SEPT	6,608,966	51,570,133
OCT			OCT	6,050,221	57,620,354
NOV			NOV	5,095,903	62,716,257
DEC			DEC	5,665,673	68,381,930
TOTAL	53,434,924		TOTAL	68,381,930	

***Monthly Kwh totals are not final until year-end**



LIABILITY COVERAGE WAIVER FORM

Members who obtain liability coverage through the League of Minnesota Cities Insurance Trust (LMCIT) must complete and return this form to LMCIT before their effective date of coverage. [Email completed form to your city's underwriter, to psstech@lmc.org](mailto:psstech@lmc.org), or fax to 651.281.1298.

The decision to waive or not waive the statutory tort limits must be made annually by the member's governing body, in consultation with its attorney if necessary.

Members who obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- *If the member does not waive the statutory tort limits*, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits would apply regardless of whether the member purchases the optional LMCIT excess liability coverage.
- *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name: New Prague Utilities

Check one:

☒ The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#).

☐ The member **WAIVES** the monetary limits on municipal tort liability established by [Minn. Stat. § 466.04](#), to the extent of the limits of the liability coverage obtained from LMCIT.

Date of member's governing body meeting: 10/27/25

Signature: _____

Position: General Manager



New Prague Utilities Commission

In the Counties of Scott & Le Sueur

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

Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager

DATE: October 27, 2025

SUBJECT: **Filter Rehabilitation Project Request for Bids**

Over the past couple of months, staff have been working with consulting engineers SEH to develop a scope of work to rehab Filter #3, which has developed leaks over the past year. Staff asked that engineering prepare plans and specifications for the filter rehabilitation project and advertise for bids.

At the Commission meeting, I will give you a short overview of the project and answer any questions.

RECOMMENDATION: Staff has reviewed plans and specifications for the project and would ask that the Commission approve going out for public bid on the project.



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Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager

DATE: October 24, 2025

SUBJECT: Declaring the Official Intent of City of NEW PRAGUE to Reimburse Certain Expenditures from the Proceeds of Tax-Exempt Bonds or other Obligations and Establishing Procedures for Additional Declarations of Official Intent

Due to the intent of the New Prague Utilities Commission to rebuild the gravity filter and replace the filter media in filter plant #3 during Q1 of 2026 at an estimated cost of \$850,000. I would recommend having a refunding resolution in place should the Commission decide to not pay cash and want to reimburse itself for all or a portion of the expenses incurred before the proceeds of a bond are received for the City of New Prague's 2026 CIP projects.

Recommendation

Commission considers approval of refunding resolution for proposed filter plant #3 rebuild.

NEW PRAGUE UTILITIES COMMISSION
Resolution #25-10-27-01

**DECLARING THE OFFICIAL INTENT OF CITY OF NEW PRAGUE TO
REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF
TAX-EXEMPT BONDS OR OTHER OBLIGATIONS AND ESTABLISHING
PROCEDURES FOR ADDITIONAL DECLARATIONS OF OFFICIAL INTENT**

WHEREAS, the Internal Revenue Service has issued Treasury Regulations, Section 1.150-2, as the same may be amended or supplemented (the "Reimbursement Regulations"), that establish the requirements under which an allocation of a portion of the proceeds of tax-exempt bonds, as defined in Section 150 of the Internal Revenue Code of 1986, as amended (the "Code"), to an expenditure that is originally paid from a source other than such tax-exempt bonds will be treated as an expenditure of the proceeds of such tax-exempt bonds on the date of such allocation; and

WHEREAS, the Regulations require that (i) not later than sixty (60) days after payment of the original expenditure, the issuer of the tax-exempt bonds must adopt an official intent for the original expenditure (in any reasonable form, including issuer resolution or action by an appropriate representative of the issuer), (ii) the official intent generally describes the project for which the original expenditure is paid and states the maximum principal amount of obligations expected to be issued for the project, and (iii) on the date of the declaration of official intent, the issuer must have a reasonable expectation that it will reimburse the original expenditure with proceeds of the tax-exempt bonds; and

WHEREAS, the original expenditure must be a capital expenditure or a cost of issuance for the tax-exempt bonds, and the reimbursement allocation (except with respect to (i) costs of issuance; (ii) amounts not in excess of the lesser of \$100,000 or five percent of the proceeds of the tax-exempt bonds; and (iii) preliminary expenditures (as defined in Section 1.150-2(f)(2) of the Reimbursement Regulations) not in excess of twenty percent (20%) of the aggregate issue price of the tax-exempt bonds), must be made not later than eighteen (18) months after the later of (i) the date the original expenditure is paid, or (ii) the date the project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid; and

WHEREAS, the City of New Prague, a home rule city and municipal corporation of the State of Minnesota (the "City"), expects to incur certain expenditures with respect to the project described in EXHIBIT A to this Resolution (the "Project") and such expenditures may be financed temporarily from sources other than tax-exempt bonds or other obligations; and

WHEREAS, the City expects to reimburse the expenditures with respect to the Project from the proceeds of tax-exempt bonds in the principal amount with respect to the Project as described in EXHIBIT A to this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL ("COUNCIL") OF THE CITY AS FOLLOWS:

1. The City reasonably intends to make expenditures for the Project. A portion of such expenditures may be temporarily financed with cash assets of the City or from other sources. The City reasonably intends to reimburse itself for such expenditures from the proceeds of tax-exempt bonds or other obligations that are proposed to be issued by the City.

2. The Administrator of the City (the "City Official") is hereby authorized to designate appropriate additions or changes to EXHIBIT A by a written statement supplementing this Resolution in the form attached in EXHIBIT B to this Resolution (an "Additional Declaration"), dated as of the date of such action, and any such Additional Designation shall be reported to the Council at the earliest practicable date and shall be filed with the official records of the Council. Each Additional Declaration shall comply with the following requirements: **(i)** each Additional Declaration shall be made not later than sixty (60) days after payment of the expenditure to be reimbursed; **(ii)** each Additional Declaration shall contain a reasonably accurate general description of the project with respect to which the expenditures to be reimbursed were made and shall state the maximum principal amount of obligations expected to be issued for such project; **(iii)** such Additional Declaration may be made only if the City reasonably expects that reimbursement bonds will be issued to reimburse such expenditures; and **(iv)** the City Official is authorized to consult with bond counsel with respect to the requirements of the Reimbursement Regulations and their application to the specific circumstances relating to the Additional Declaration.
3. This Resolution is intended to constitute a declaration of official intent for purposes of the Reimbursement Regulations and any successor law, regulation, or ruling.
4. This Resolution shall take effect immediately.

Adopted by the New Prague Utilities Commission on this 27th day of October, 2025.

Dan Bishop
Utilities Commission President

ATTEST:

Bruce Reimers
General Manager

EXHIBIT A

THE PROJECT

<u>General Description of the Project</u>	<u>Maximum Principal Amount of Obligations to Finance Project</u>
Filter Plant #3 Rehab and Pilot Study Project	\$850,000

EXHIBIT B

ADDITIONAL DECLARATION OF OFFICIAL INTENT

The undersigned, being the duly appointed and acting Administrator (the "City Official") of the City of New Prague (the "City") hereby states and certifies on behalf of the City, for the purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Reimbursement Regulations"), as follows:

1. The City Official has been and is on the date hereof duly authorized by the City Council of the City to make and execute this Additional Declaration of Official Intent (the "Additional Declaration") for and on behalf of the City.
2. This Additional Declaration relates to the following project, property, or program (the "Project") and the costs thereof to be financed:
3. The City reasonably expects to reimburse itself for the payment of costs of the Project out of the proceeds of a bond issue or similar borrower (the "Bonds") to be issued after the date of payment of such costs. As of the date hereof, the City reasonably expects that the maximum principal amount of the Bonds which will be issued to finance the Project is \$850,000.
4. Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Reimbursement Regulations.
5. As of the date hereof, the statements and expectations contained in this Additional Declaration are believed to be reasonable and accurate.

Dated: _____

Joshua Tetzlaff
City Administrator
City of New Prague



New Prague Utilities Commission

In the Counties of Scott & Le Sueur

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Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager

DATE: October 27, 2025

SUBJECT: **Generation building (WES) Request for Bids**

Over the past couple of months, staff has been working with consulting engineers DGR to develop plans and specifications for the generation and switch gear building that will house the new generation station equipment.

At the Commission meeting, I will give you a short overview of the project, related costs and answer any questions.

RECOMMENDATION: Staff has reviewed plans and specifications for the project and would ask that the Commission approve going out for public bid on the project.



New Prague Utilities Commission

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Bruce Reimers
General Manager

MEMORANDUM

TO: New Prague Utilities Commission

FROM: Bruce Reimers, Utilities General Manager
Ken Zweber, Electric Operations Superintendent

DATE: October 27, 2025

SUBJECT: **APPROVAL OF 2025 ELECTRIC CAPITAL EQUIPMENT EXPENDITURE**

The 2025 budget had allowed for the purchase of a 16' tilt bed equipment trailer. Staff has asked for quotes on trailers that would meet the specifications and the needs of the electric and water departments

Cost Comparison:

Lano Equipment \$15,885.73

Ditch Witch of Minnesota \$21,597.00

RECOMMENDATION

Staff would recommend that Commission approve the bid from Lano Equipment in the amount of \$15,885.73.

New Prague, Minnesota

A Tradition of Progress



NEW PRAGUE UTILITIES COMMISSION 2026 PROPOSED WATER BUDGET REPORT

TABLE OF CONTENTS

Contents

2026 MANAGEMENT STATEMENT & FORECAST	1
2026 PROPOSED WATER BUDGET	3
PROJECTED WATER REVENUE & EXPENSE CHART	4
2026 PROJECTED WATER SALES	5
DEBT SERVICE CHART (Existing and Future)	6
WATER RATE INFORMATION	7
WATER RATE COMPARISON	8
10-YEAR CAPITAL PROJECTS	9
PROPOSED 2026 RATES	10

MANAGEMENT STATEMENT

The overall management goal for the New Prague Utilities Water Department is our commitment to the Community in providing a safe and reliable water supply to the City of New Prague. During the past couple of years, we had to change the focus of our budget to include major CIP projects that affect the water distribution system. That focus is forecasted to continue through 2026 with the filter #3 rehabilitation project.

FORECAST

The 2026 water department budget is projected to forecast the financial operation of the New Prague Utilities Commission. The New Prague Utilities Commission has been able to keep rates relatively flat with an average increase of only 1.9% per year over the past several years but due to large capital improvement projects the past three years and higher bonding cost rates will need to be increased. The 2026 budget reflects a change in rates to include both the usage and customer service charges.

REVENUE

The 2026 Revenue budget reflects an increase of \$.68 / 1000 gallons for non-summer months and \$.18 / 1000 gallons for summer months. Residential customer with an average usage of 4000 gallons a month will see approximately a \$2.72 per month increase. Seasonal rates will continue in 2026 with higher usage rates during the summer months of June through September to meet the water conservation pricing requirement set forth by the state.

EXPENSES

Personnel Costs:

- Wages Full-Time and Part-Time – Reflects implementation based on a recommendation through a compensation study completed in 2025.
- Health Insurance –17% increase in health insurance premiums for 2026. HSA contributions remain the same 2,250 family and 1,125 single.
- Dental Insurance –Premiums for 2026 remain the same as 2025.
- Life, Long-Term Disability, Short-Term Disability and Paid Family Medical Leave Act (PFMLA) is a reduction of 15.1% change in 2026. PFMLA is effective January 1, 2026. The Life and Disability rates effective January 1, 2026 have a two year rate guarantee.
 - Note: Insurance providers will change effective Jan. 1, 2026 from The Hartford to MetLife. This change is due to bid results completed in 2025.

Operating Expenses:

- Projected increase of 8.7% in water hook-up fees due to projected homes being built in 2026.
- Debt service interest decreased by 6.54% based on scheduled payments.
- Distribution increased by 43.44 % due to the cost of planned projects.

2025 KEY WATER BUDGET AND OPERATIONAL CHALLENGES

- Rehab filter plant #3
- Continue to make updates to the GIS mapping system.
- Continue CIP Planning for reconstruction of 1st Ave SE
- In the spring of 2026, we will start the process of working with customers to replace approximately 80 lead service lines with cost primarily covered by a grant from the state.

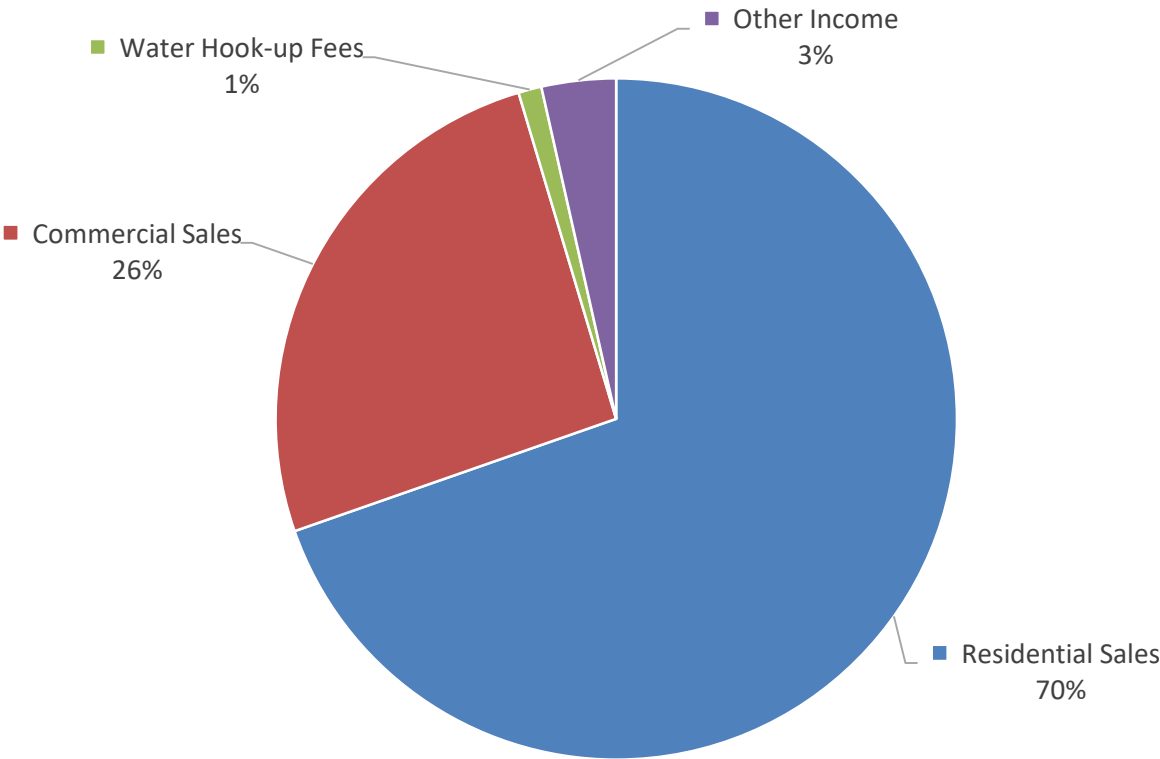
2025 KEY ACCOMPLISHMENTS

- Replaced 4,700 feet of water main and 100 service lines on the Lyndale and Lexington Ave CIP project.
- Replaced well #2 failed pump.
- Work with PFA to gain over a million dollars of grant money to replace lead service lines for residents.

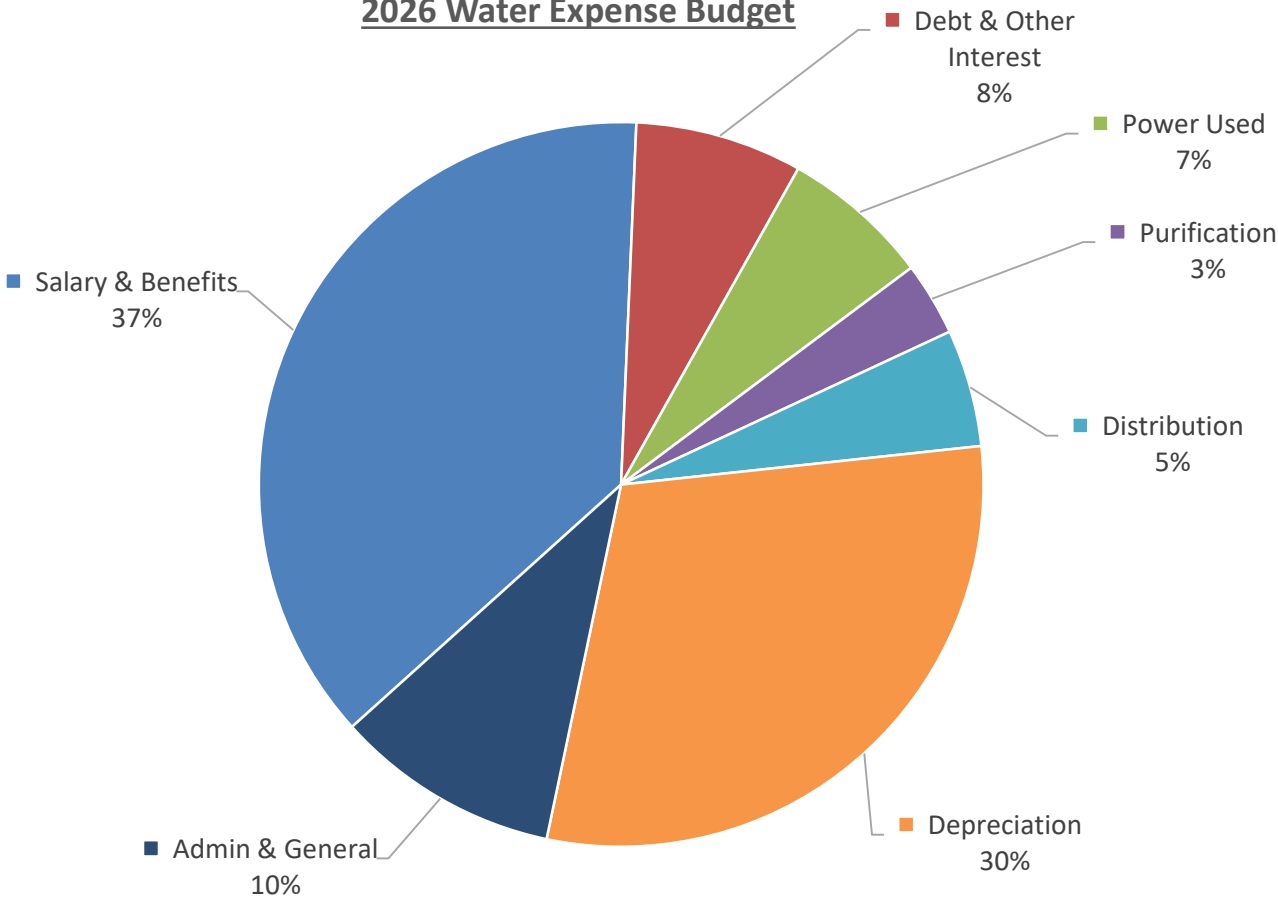
NEW PRAGUE UTILITIES COMMISSION
PROPOSED WATER BUDGET
September 30, 2025

	2024	2025	2025	2026	2025-2026	
		Y-T-D	CURRENT	PROPOSED	\$	%
REVENUES	ACTUAL	ACTUAL	BUDGET	BUDGET	DIFFERENCE	DIFFERENCE
Unbilled Accounts Receivable	\$ 3,150.66	\$ 25,692.41	\$ -	\$ -	\$ -	0.00%
Residential	\$ 1,276,733.01	\$ 934,213.13	\$ 1,297,761.00	\$ 1,584,718.00	\$ 286,957.00	22.11%
Commercial	\$ 465,678.57	\$ 308,220.85	\$ 691,090.00	\$ 584,646.00	\$ (106,444.00)	-15.40%
Water Hook-up Fees	\$ 52,386.00	\$ 94,082.00	\$ 23,000.00	\$ 25,000.00	\$ 2,000.00	8.70%
Other Income	\$ 541,038.48	\$ 76,913.52	\$ 45,110.00	\$ 80,500.00	\$ 35,390.00	78.45%
TOTAL REVENUES	\$ 2,338,986.72	\$ 1,439,121.91	\$ 2,056,961.00	\$ 2,274,864.00	\$ 217,903.00	10.59%
EXPENSES						
Power Used	\$ 108,843.67	\$ 76,351.35	\$ 117,500.00	\$ 117,500.00	\$ -	0.00%
Purification	\$ 59,468.46	\$ 39,967.80	\$ 58,000.00	\$ 58,000.00	\$ -	0.00%
Distribution	\$ 66,840.86	\$ 35,009.50	\$ 64,500.00	\$ 92,518.00	\$ 28,018.00	43.44%
Depreciation	\$ 516,951.57	\$ 319,378.69	\$ 525,000.00	\$ 530,003.00	\$ 5,003.00	0.95%
Debt & Other Interest	\$ 125,956.07	\$ 139,585.10	\$ 141,088.00	\$ 131,863.00	\$ (9,225.00)	-6.54%
Salary & Benefits	\$ 492,916.34	\$ 485,911.46	\$ 639,341.00	\$ 659,741.00	\$ 20,400.00	3.19%
Admin & General	\$ 194,108.65	\$ 89,288.54	\$ 169,670.00	\$ 177,290.00	\$ 7,620.00	4.49%
TOTAL EXPENSES	\$ 1,565,085.62	\$ 1,185,492.44	\$ 1,715,099.00	\$ 1,766,915	\$ 51,816.00	3.02%
EXCESS REVENUES OVER EXPENSES	\$ 773,901.10	\$ 253,629.47	\$ 341,862.00	\$ 507,949.00	\$ (166,087.00)	48.58%

2026 Water Revenue Budget



2026 Water Expense Budget



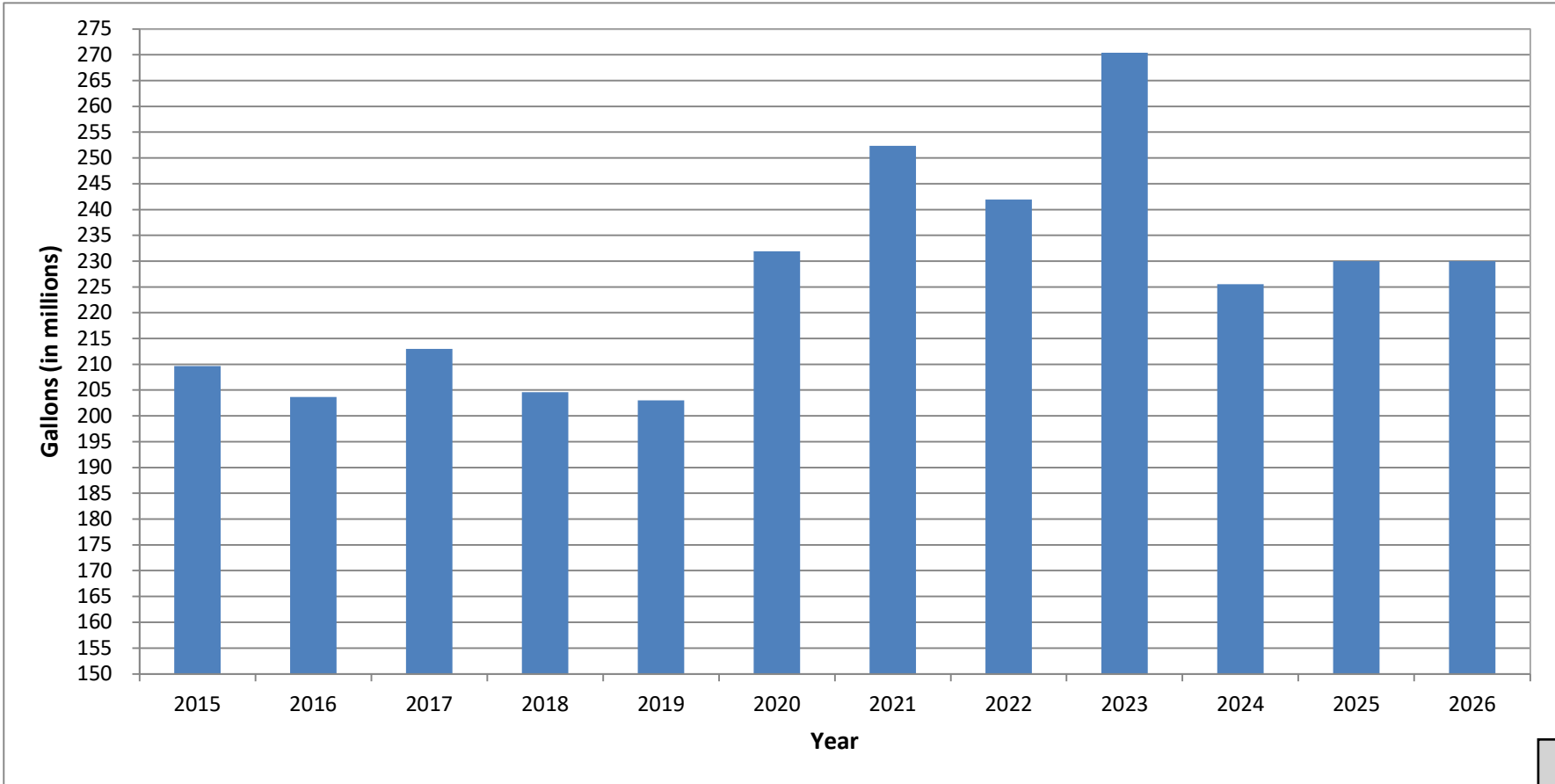
2026 Projected Water Sales

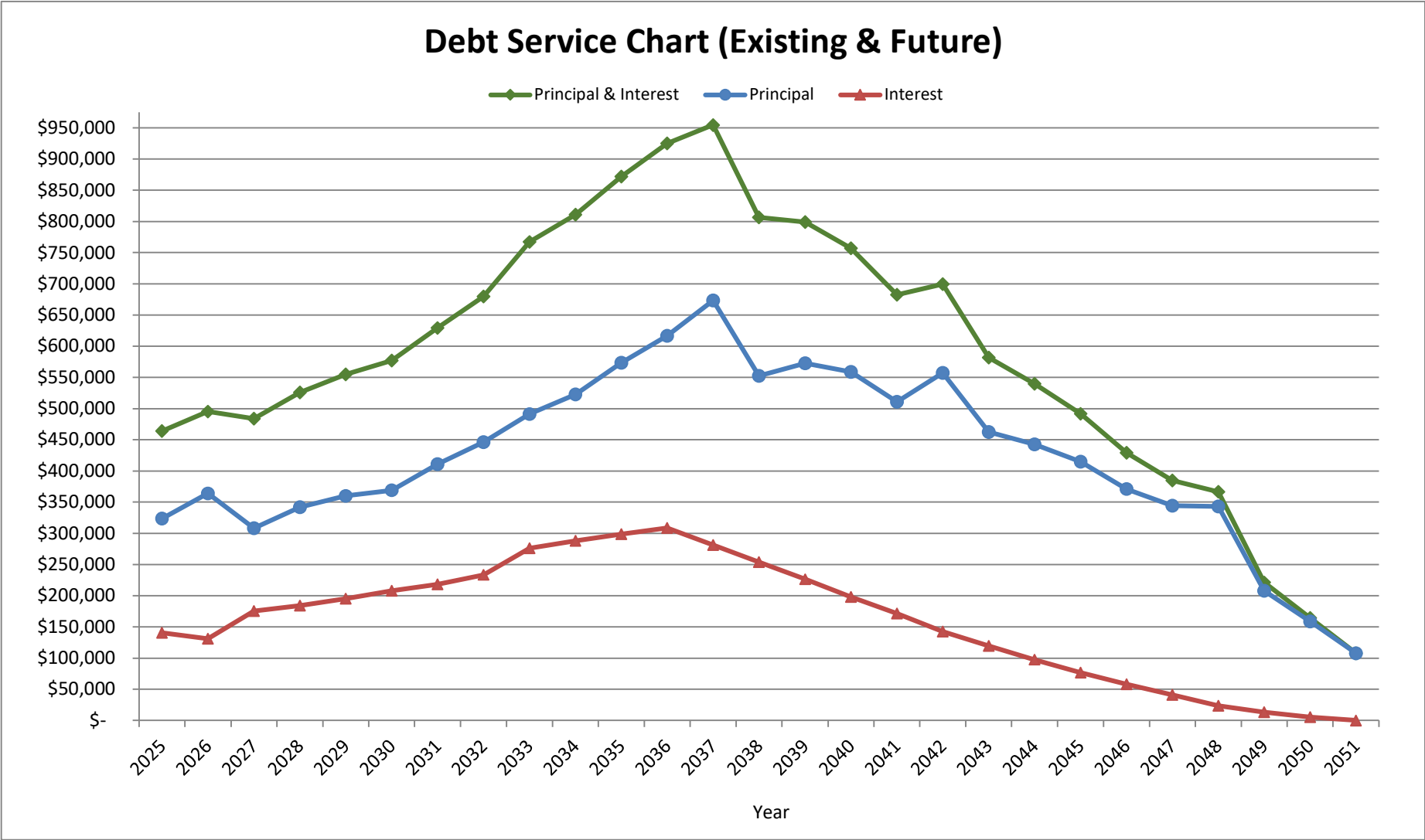
Water Sales are projected to be at 230,000,000 gallons sold for 20256. Weather has a large effect on gallons sold.

History of Water Sales:

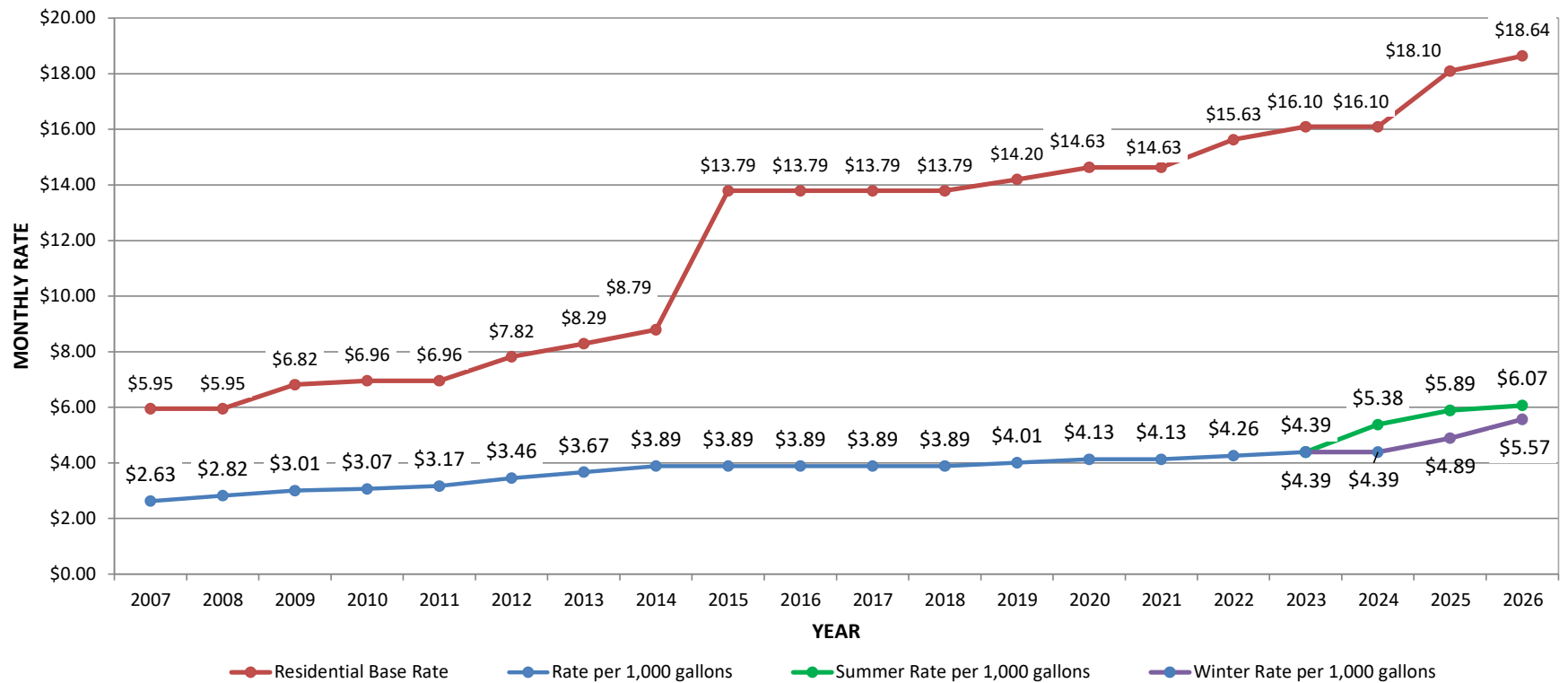
2015	209,645,000	2021	252,326,000
2016	203,679,000	2022	241,960,000
2017	213,000,000	2023	270,410,000
2018	204,592,000	2024	223,618,000
2019	203,000,000	* 2025	230,000,000
2020	231,931,000	* * 2026	230,000,000

* Anticipated * * Budgeted

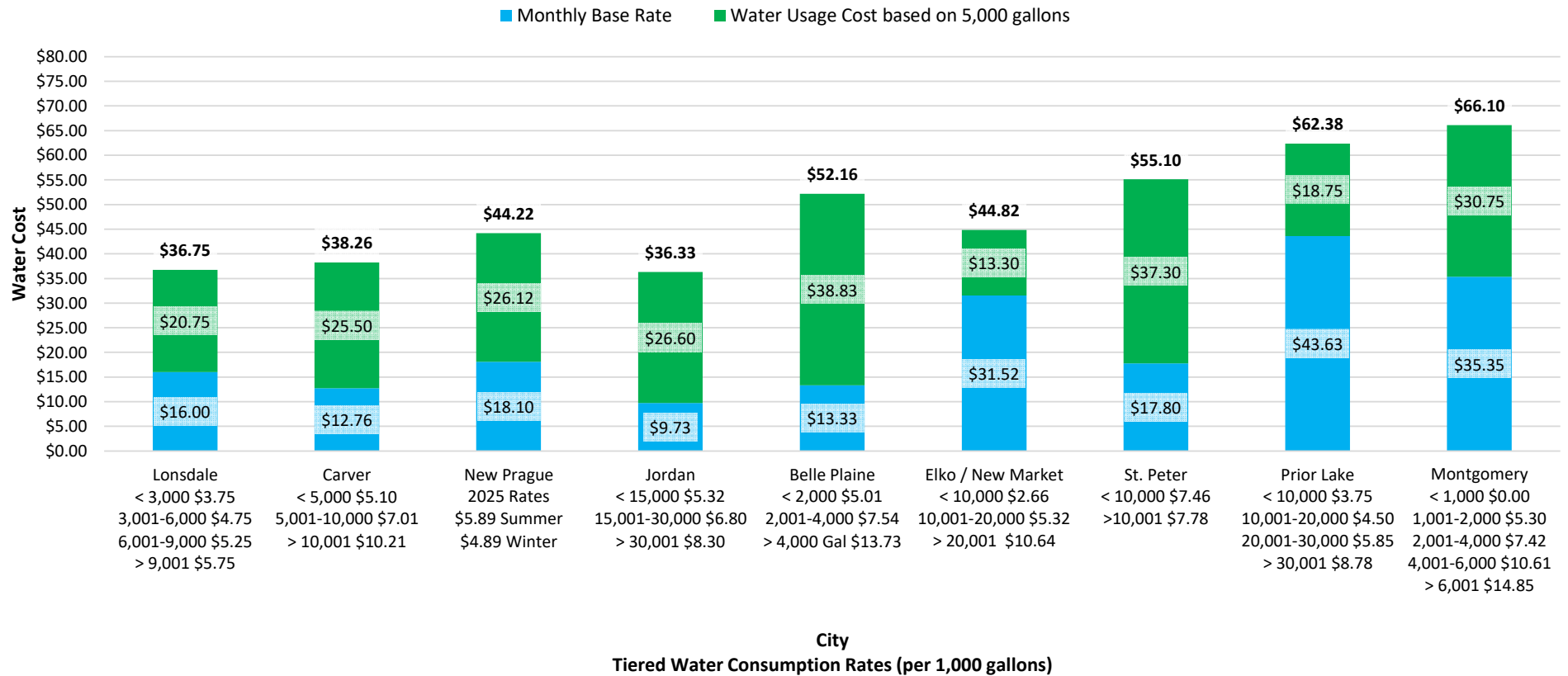




CITY OF NEW PRAGUE WATER RATE INFORMATION HISTORY (2007 - 2026)



New Prague Utilities Commission Monthly water costs compared to surrounding cities based on 5,000 gallon usage



Sum of Amount	Years										
Funding Sources	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Grand Total
Water	972,000	510,000	576,000	631,050	551,200	630,500	606,000	647,789	660,917	694,553	6,480,009
Future CIP	850,000	400,000	441,000	463,050	486,200	510,500	536,000	562,789	590,917	614,553	5,455,009
Mini Excavator Backhoe (1/3 Cost)										10,000	10,000
Misc. Equipment	20,000	20,000	20,000	20,000	20,000	25,000	25,000	25,000	25,000	25,000	225,000
SCADA	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	150,000
Service Truck	57,000			60,000		50,000					167,000
Tractor Backhoe			25,000								25,000
Utilities General Manager Vehicle								15,000			15,000
Well #1 Replacement		45,000									45,000
Well #2 Replacement				43,000							43,000
Well #3, #4, #6 Pump Replacement	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	300,000
Well #5 Replacement			45,000								45,000
Grand Total	972,000	510,000	576,000	631,050	551,200	630,500	606,000	647,789	660,917	694,553	6,480,009

New Prague Utilities
Existing and Proposed Water Rates

<u>Class</u>	2025 Current Rate	2026 Proposed Rate
Customer Charge		
Residential 5/8" & 3/4"	\$18.10	\$18.64
Residential 1"	\$18.81	\$19.37
Residential 1.5"	\$18.96	\$19.53
Commercial 5/8" & 3/4"	\$18.10	\$18.64
Commercial 1"	\$18.81	\$19.37
Commercial 1.5"	\$18.96	\$19.53
Commercial 2"	\$39.17	\$40.35
Commercial 3"	\$44.46	\$45.79
Commercial 4"	\$64.83	\$66.78
Commercial 6"	\$95.66	\$98.53
Residential Multi	\$13.69	\$18.64
Commercial Multi	\$13.69	\$18.64
 Water Charges		
per 1,000 gallons (June 1-Sept 30)	\$5.88	\$6.07
per 1,000 gallons (non-summer)	\$4.89	\$5.57
per 1,000 gallons (golf course - all months)	\$4.65	\$4.79
Bulk Water	\$35.00/1,000 gal	\$35.00/1,000 gal
Bulk Water - City CIP		\$10.00/1,000 gal

New Prague, Minnesota

A Tradition of Progress



NEW PRAGUE UTILITIES COMMISSION 2026 PROPOSED ELECTRIC BUDGET REPORT

TABLE OF CONTENTS

Contents

2026 MANAGEMENT STATEMENT & FORECAST 1

2026 PROPOSED ELECTRIC BUDGET..... 3

PROJECTED ELECTRIC REVENUE & EXPENSE CHART 4

SMMPA PURCHASED POWER 5

RESIDENTIAL AND COMMERICAL RATE HISTORY 6-10

10-YEAR CAPITAL PROJECTS 11

PROPOSED 2026 RATES.....12

MANAGEMENT STATEMENT

The overall management goal of the New Prague Utilities Electric Department is to provide safe, reliable, and economical public electric service with a focus on customer needs, infrastructure enhancements, growth, and responsible resource management. 2025 was a very busy year starting out with finishing the final section of the NE residential overhead to underground conversion. This included removing 10 blocks of overhead primary lines and installing new streetlighting. The utility also worked with several commercial customers upgrading or installing new services.

2025 also brought on a new challenge with the Commission approving the building of a new power plant to be located near the West Substation. This will be a nearly three-year project with projected cost of 18 to 20 million. This expansion of generation is a joint venture between Southern Minnesota Municipal Power Association (SMMPA) and the New Prague Utilities with revenues from a 20-year capacity contract to be used to make the bond payments.

FORECAST

The 2026 Electric Department budget is projected to forecast the financial operation of the New Prague Utilities Commission. Southern Minnesota Municipal Power Agency (SMMPA) is predicting that wholesale energy cost will fluctuate throughout the next several years with both declining and increasing rates of 10 to 15 percent each year. Starting in 2026, management and the Commission will create a rate stabilization account to balance out these fluctuations in the future, the targeted amount to set aside in 2026 is between \$600k-\$700k.

REVENUE

The 2026 Revenue budget reflects a 2% increase on residential and Commercial rates. These increases are primarily driven by escalating labor, material and equipment cost and the ongoing operational cost of building and maintaining an electric distribution system that is both reliable and capable of serving future growth.

EXPENSES

Personnel Costs:

- Wages Full-Time and Part-Time – Reflects implementation based on a recommendation through a compensation study completed in 2025.
- Health Insurance –17% increase in health insurance premiums for 2026. HSA contributions remain the same 2,250 family and 1,125 single.
- Dental Insurance –Premiums for 2026 remain the same as 2025.
- Life, Long-Term Disability, Short-Term Disability and Paid Family Medical Leave Act (PFMLA) is a reduction of 15.1% change in 2026. PFMLA is effective January 1, 2026.
- The Life and Disability rates effective January 1, 2026 have a two year rate guarantee.
 - Note: Insurance providers will change effective Jan. 1, 2026 from The Hartford to MetLife. This change is due to bid results completed in 2025.

Operating Expenses:

- Purchased Power cost decrease 9% compared to 2025
- Capital improvement costs increase \$17k compared to 2025 and are based on planned SMMPA projects.

2026 KEY BUDGET AND OPERATIONAL INFLUENCES

2026 continues our work to maintain and provide reliable and affordable electric service to its current and new customers.

- Continued work on future expansion of New Prague’s generation facilities to meet continued growth and to meet base load requirements of New Prague’s power supplier (SMMPA) it is anticipated that this project will cost an estimated 18 million dollars and take nearly 3 years to complete. This expansion will provide New Prague residents with reliable generation backup for the next 20 years and be paid for by a 20-year contract with New Prague’s wholesale power provider (SMMPA)
- Distribution replacements and upgrades to our distribution system and the extension of underground distribution lines to keep moving toward our goal of having all residential distribution lines underground by the end of 2026 by adding an additional 20,000’ of new underground conductors and related equipment.
- Continued refinement and development of energy programs that are offered to new and existing customers to promote energy sales and cost efficiency.
- Strengthen current and future workforce and career development needs so that the utility can retain a skilled labor force and be prepared for future workforce retirements.

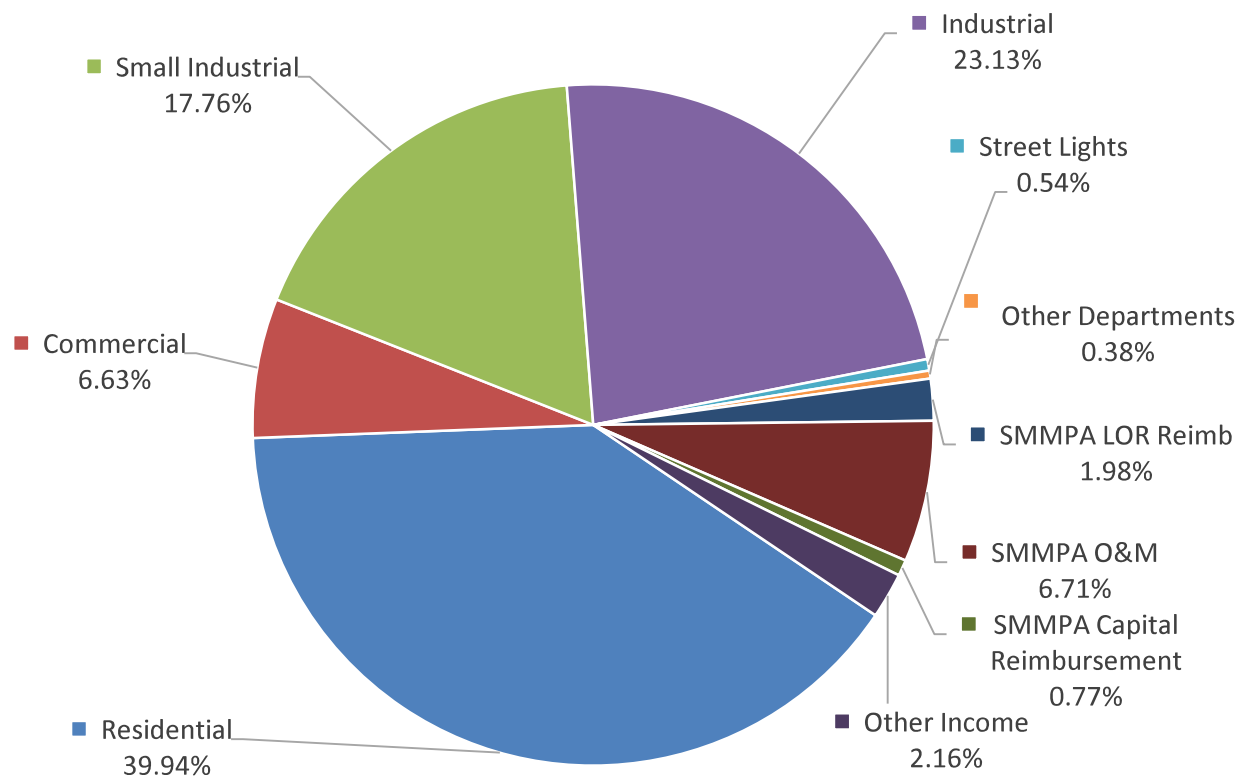
2025 NPUC KEY ACCOMPLISHMENTS

- Installed 22,000 feet of new underground distribution conductor, 4 commercial services and 5,000’ of fiber optic duct.
- Installed commercial services to Mayo Hospital, 2 If By Sea Tactical, Bevcomm, Hartland Credit Union and Great River Energy.
- Installed sewer and water to the new West Side Energy Station along with the installation of a new distribution duct system in preparation for building construction in the spring of 2026.

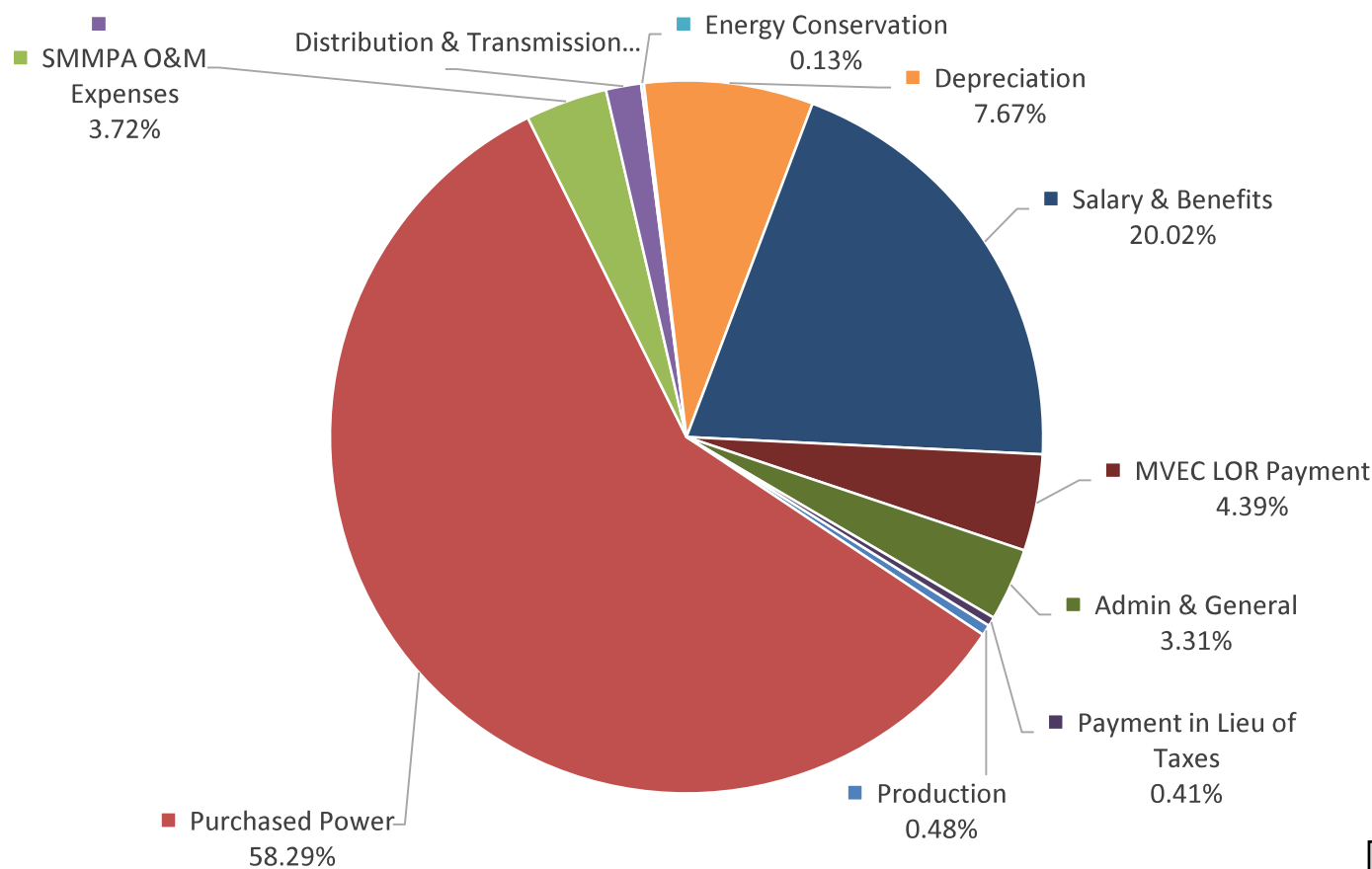
NEW PRAGUE UTILITIES COMMISSION
PROPOSED ELECTRIC BUDGET
As of 9/30/2025

	2024	2025	2025	2026	2025-2026	
		Y-T-D	CURRENT	PROPOSED	\$	%
REVENUES	ACTUAL	ACTUAL	BUDGET	BUDGET	DIFFERENCE	DIFFERENCE
Unbilled Accounts Receivable	\$ 31,671.17	\$ (209,979.74)	0	\$ -	\$ -	0.00%
Residential	\$ 4,204,675.26	\$ 3,388,335.70	\$ 4,186,223.00	\$ 4,269,950.00	\$ 83,727.00	2.00%
Commercial	\$ 668,320.66	\$ 587,856.67	\$ 628,951.00	\$ 725,602.00	\$ 96,651.00	15.37%
Small Industrial	\$ 1,892,282.16	\$ 1,487,730.37	\$ 1,861,047.00	\$ 1,898,268.00	\$ 37,221.00	2.00%
Industrial	\$ 2,489,544.23	\$ 1,894,826.17	\$ 2,424,913.00	\$ 2,473,410.00	\$ 48,497.00	2.00%
Large Industrial	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Streetlights	\$ 53,587.97	\$ 42,527.50	\$ 63,443.00	\$ 57,814.00	\$ (5,629.00)	-8.87%
Other Departments	\$ 130,545.10	\$ 28,714.15	\$ 160,583.00	\$ 61,199.00	\$ (99,384.00)	-61.89%
SMMPA LOR Reimbursement	\$ 206,080.87	\$ 119,599.55	\$ 205,075.00	\$ 212,185.00	\$ 7,110.00	3.47%
SMMPA O&M Revenue	\$ 912,195.75	\$ 532,791.08	\$ 676,033.00	\$ 717,500.00	\$ 41,467.00	6.13%
SMMPA Capital Reimbursement	\$ -	\$ -	\$ 65,000.00	\$ 82,000.00	\$ 17,000.00	26.15%
Other Income	\$ 609,782.14	\$ 256,352.42	\$ 133,800.00	\$ 193,500.00	\$ 59,700.00	44.62%
TOTAL REVENUES	\$ 11,198,685.31	\$ 8,128,753.87	\$ 10,405,068.00	\$ 10,691,428.00	\$ 286,360.00	2.75%
EXPENSES						
Production	\$ 13,591.33	\$ 31,873.84	\$ 26,000.00	\$ 46,000.00	\$ 20,000.00	76.92%
Purchased Power	\$ 6,297,476.63	\$ 3,650,649.82	\$ 6,401,508.00	\$ 5,638,135.00	\$ (763,373.00)	-11.92%
SMMPA O&M Expenses	\$ 474,223.98	\$ 258,327.74	\$ 486,740.00	\$ 360,000.00	\$ (126,740.00)	-26.04%
Distribution/Transmission	\$ 44,521.63	\$ 89,546.93	\$ 114,000.00	\$ 153,000.00	\$ 39,000.00	34.21%
Energy Conservation	\$ 16,183.30	\$ 24,586.70	\$ 12,500.00	\$ 13,000.00	\$ 500.00	4.00%
Depreciation	\$ 750,697.00	\$ 438,515.17	\$ 680,160.00	\$ 741,656.00	\$ 61,496.00	9.04%
Salary & Benefits	\$ 1,415,389.66	\$ 1,200,220.19	\$ 1,697,681.00	\$ 1,936,420.00	\$ 238,739.00	14.06%
MVEC LOR Payment	\$ 412,161.68	\$ 239,373.50	\$ 357,793.00	\$ 424,370.00	\$ 66,577.00	18.61%
Admin & General	\$ 288,796.32	\$ 216,528.31	\$ 260,278.00	\$ 320,000.00	\$ 59,722.00	22.95%
Payment in Lieu of Taxes	\$ 40,000.00	\$ 30,000.01	\$ 40,000.00	\$ 40,000.00	\$ -	0.00%
TOTAL EXPENSES	\$ 9,753,041.53	\$ 6,179,622.21	\$ 10,076,660.00	\$ 9,672,581.00	\$ (404,079.00)	-4.01%
EXCESS REVENUES OVER EXPENSES	\$ 1,445,643.78	\$ 1,949,131.66	\$ 328,408.00	\$ 1,018,847.00	\$ 690,439.00	210.24%

2026 Electric Revenue Budget



2026 Electric Expense Budget



ELECTRIC DEPARTMENT
SMMPA PURCHASE POWER

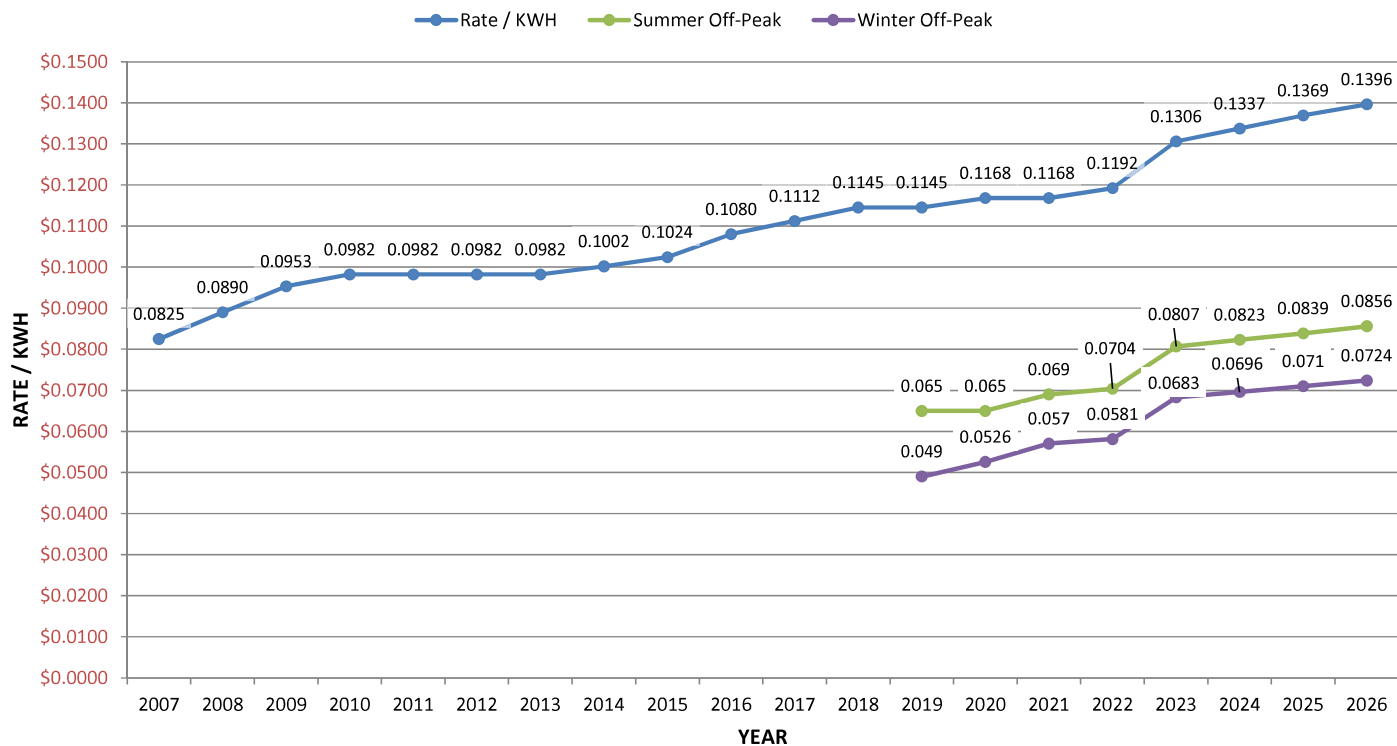
The 2026 purchased wholesale net power rate is projected to be \$0.0786 per kilowatt-hour (kWh).

The budget projects the energy purchase to be 71,732,000 kWh for New Prague.

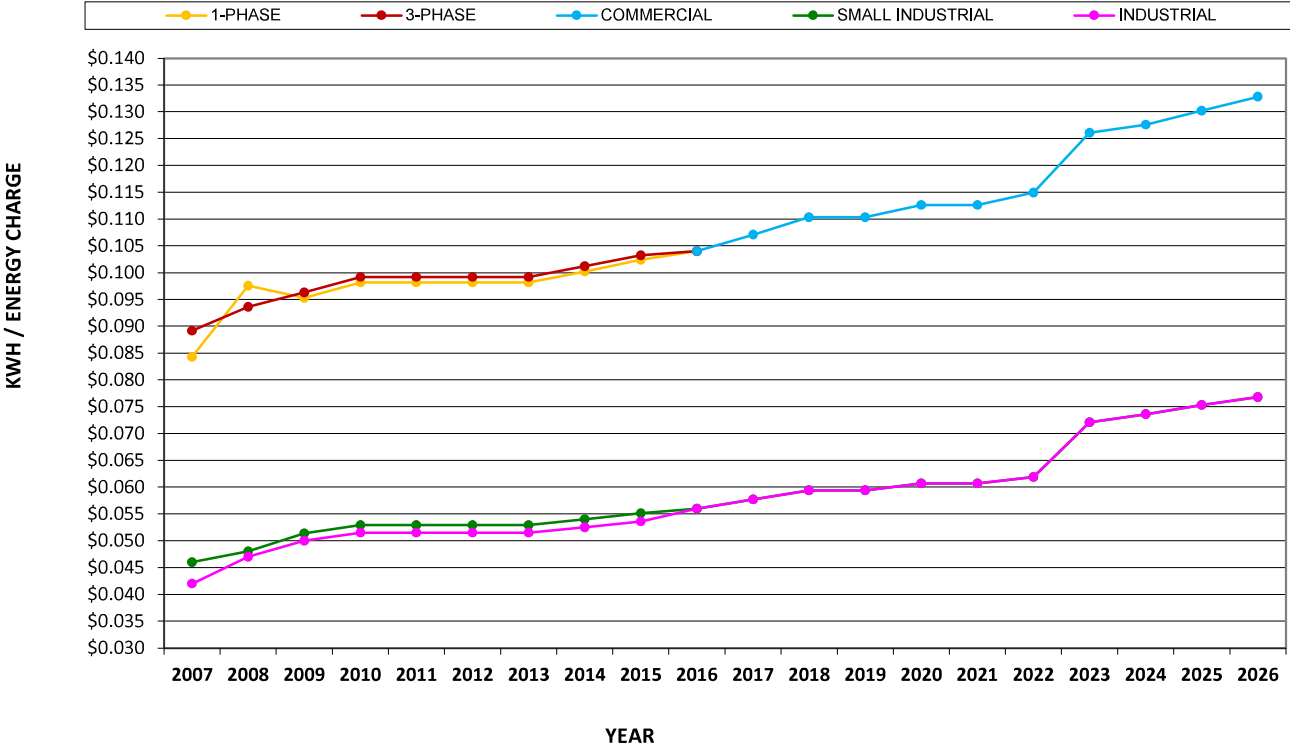
	Purchased kWh	Cost kWh	Total Cost
*2026	71,732,000	\$0.0786	\$5,638,135
*2025	72,407,625	\$0.0849	\$6,149,579
2024	70,729,666	\$0.0890	\$6,297,476
2023	72,260,959	\$0.0861	\$6,221,565
2022	72,086,211	\$0.0753	\$5,427,726
2021	72,006,211	\$0.0754	\$5,427,727
2020	61,433,726	\$0.0847	\$5,200,945
2019	77,305,672	\$0.0744	\$5,752,796

* Represents projections

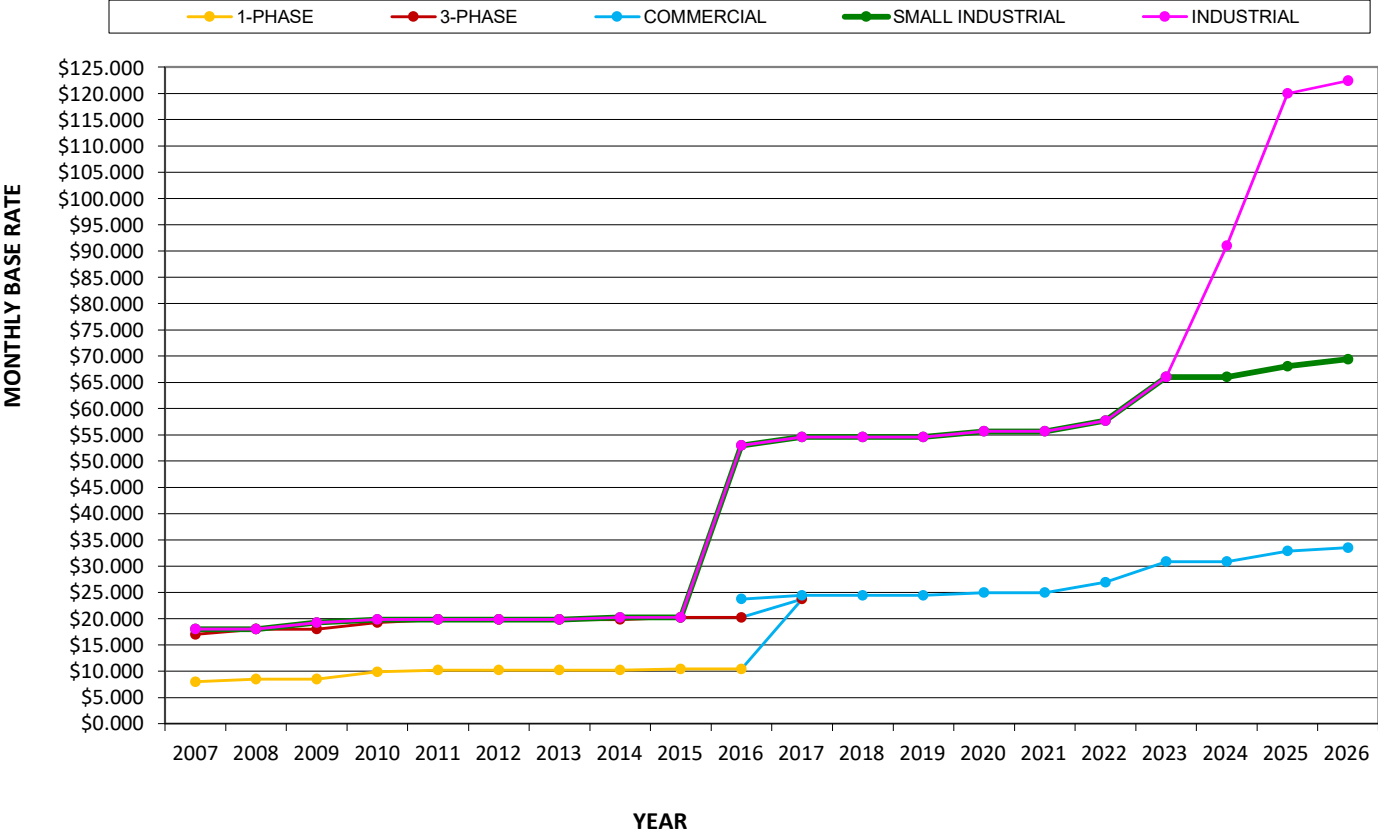
NEW PRAGUE UTILITIES COMMISSION
RESIDENTIAL ELECTRIC RATES
(2007 - 2026)



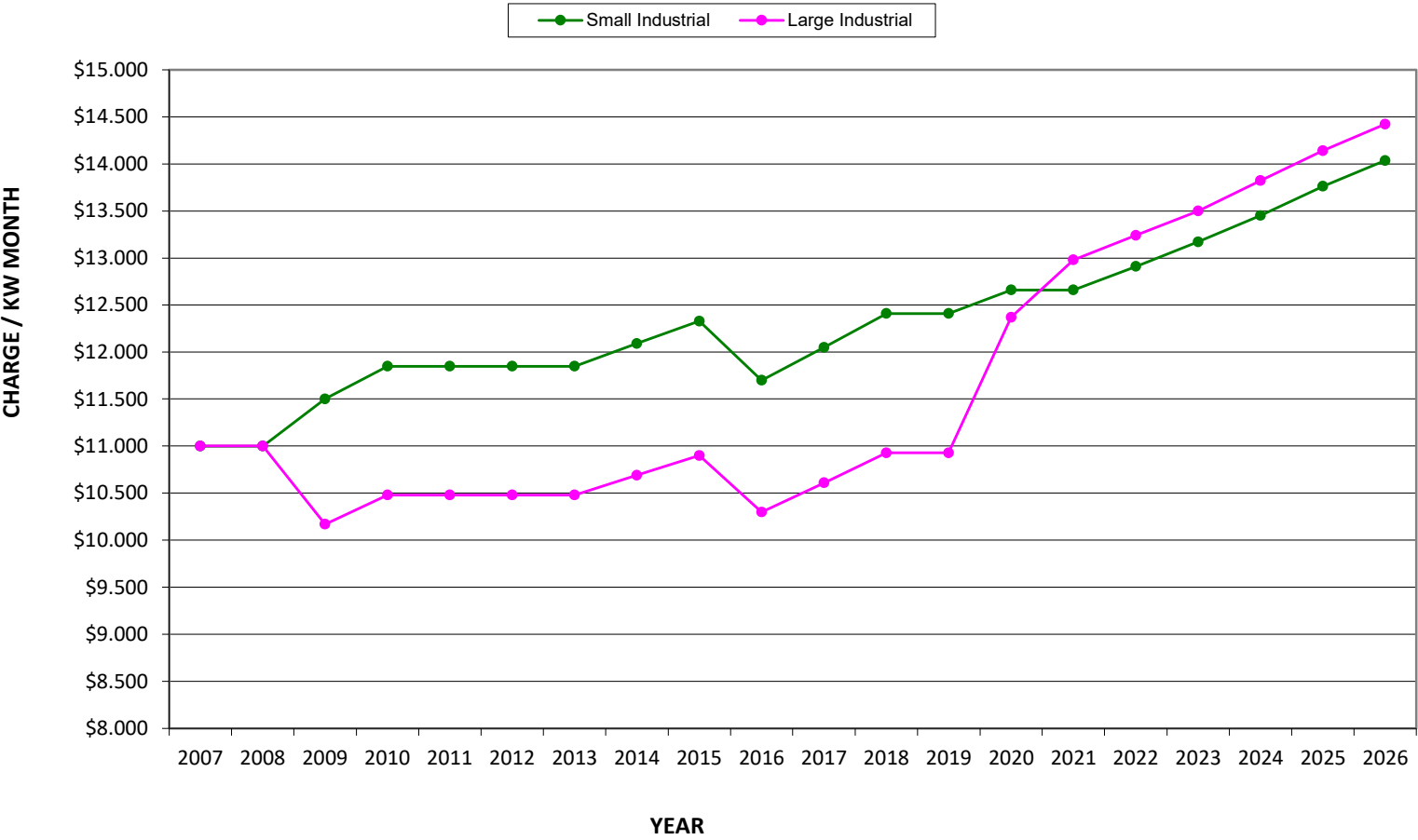
**NEW PRAGUE UTILITIES COMMISSION
COMMERCIAL ELECTRIC RATE INFORMATION
(2007 - 2026)**

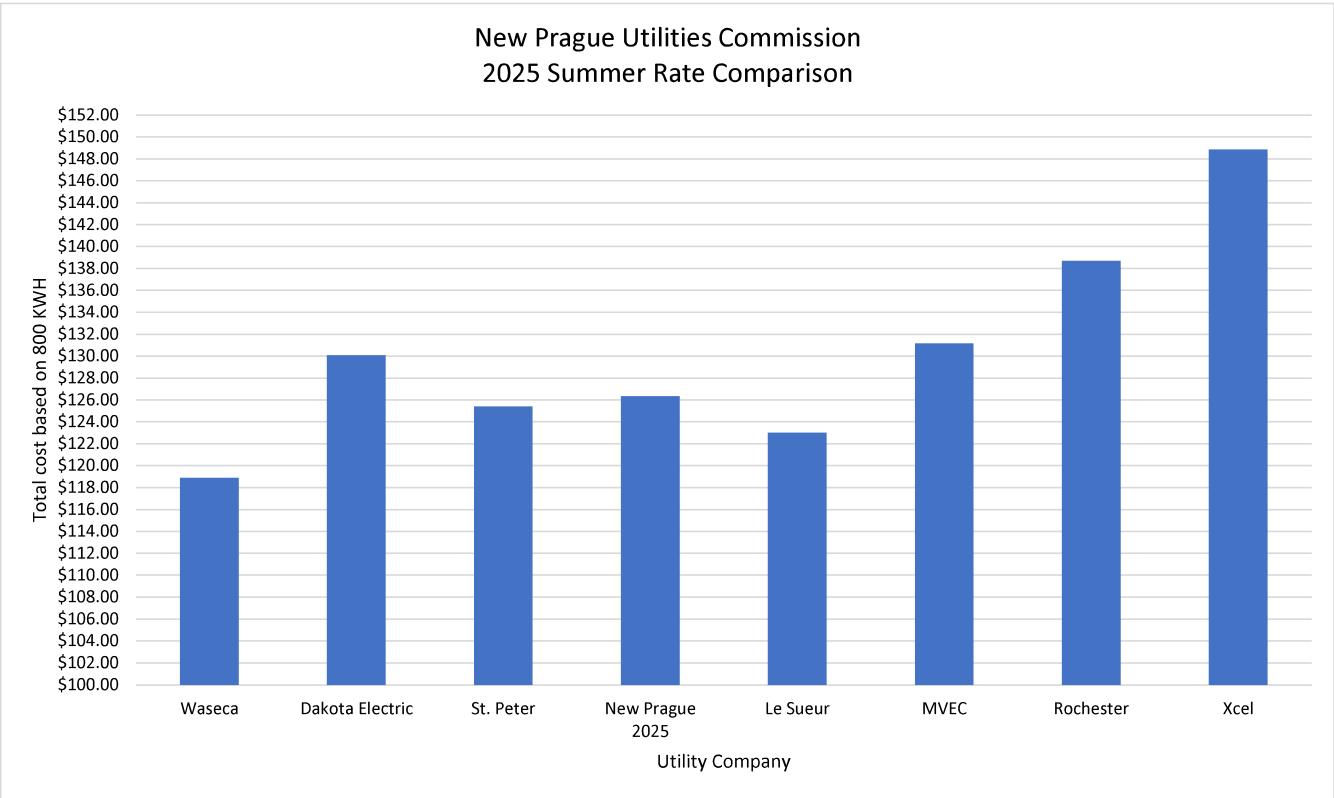


NEW PRAGUE UTILITIES COMMISSION
COMMERCIAL ELECTRIC BASE RATE INFORMATION
(2007 - 2026)



**NEW PRAGUE UTILITIES COMMISSION
COMMERCIAL ELECTRIC DEMAND RATE INFORMATION
(2007 - 2026)**





Sum of Amount	Years										
Funding Sources	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	Grand Total
Electric	5,882,000	14,188,000	794,000	626,000	589,000	606,000	734,000	652,590	661,677	65,000	24,798,267
#5 Generator Replacement		300,000									300,000
Air Compressor										20,000	20,000
Bucket Truck	150,000	150,000									300,000
Directional Drill			150,000								150,000
Dump Truck Replacement			65,000								65,000
Future Distribution CIP	463,000	477,000	491,000	506,000	522,000	537,000	553,000	569,590	586,677		4,705,267
Future Generation	5,000,000	13,000,000									18,000,000
Mini Excavator Backhoe (2/3 Cost)										45,000	45,000
Miscellaneous Equipment	29,000	31,000	33,000	35,000	37,000	39,000	41,000	43,000	45,000		333,000
SCADA/ Switch Gear	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000		270,000
Service Truck Replacement	60,000	50,000		55,000			60,000				225,000
Skid Loader Replacement								10,000			10,000
Tractor Backhoe			25,000								25,000
Trencher/Plow		150,000									150,000
Vac Machine Replacement							50,000				50,000
West Substation Upgrade - Controls/Gear	150,000										150,000
Grand Total	5,882,000	14,188,000	794,000	626,000	589,000	606,000	734,000	652,590	661,677	65,000	24,798,267

10/14/2025

Proposed 2026 Rates

	2025			2026	
	Rate	BASE FEE		Rate	BASE FEE
RESIDENTIAL	\$ 0.1369	\$ 16.82		\$ 0.1396	\$ 17.16
OFF PEAK SUMMER (JUNE - SEPT)	\$ 0.0839			\$ 0.0856	
OFF PEAK WINTER (OCT - MAY)	\$ 0.0710			\$ 0.0724	
RESIDENTIAL - SOLAR / Grid Access	\$ 0.1369	\$ 4.50		\$ 0.1396	4.59 / KW
RESIDENTIAL - SOLAR BI-DIRECTIONAL	\$ (0.1369)			\$ 0.1396	
RESIDENTIAL -SOLAR BI -DIRECTIONAL OFF-PEAK				\$ 0.1126	
TIME OF USE - AM (CAR)	\$ 0.2507			\$ 0.2557	
TIME OF USE - PM (CAR)	\$ 0.0806			\$ 0.0838	
LOAD CONTROL CREDITS		\$ (5.00)		\$ 5.0000	
COMMERCIAL	\$ 0.1302	\$ 32.86		\$ 0.1328	\$ 33.52
SMALL INDUSTRIAL	\$ 0.0753	\$ 68.04		\$ 0.0768	\$ 69.40
SMALL INDUSTRIAL - DEMAND	\$ 13.7600			\$ 14.0532	
INDUSTRIAL	\$ 0.0753	\$ 120.00		\$ 0.0768	\$ 122.40
INDUSTRIAL - DEMAND	\$ 14.1400			\$ 14.4228	
PEAK ALERT	\$ 0.0797	\$ 138.60		\$ 0.0813	\$ 141.37
PEAK ALERT - DEMAND	\$ 4.4100	\$ -		\$ 4.4982	
INTERRUPTABLE	\$ 0.0945	\$ 32.86		\$ 0.0964	\$ 33.52
LARGE INDUSTRIAL	\$ 0.0753	\$ 140.00		\$ 0.0768	\$ 142.80
LARGE INDUSTRIAL - Demand	\$ 17.2000			\$ 17.5400	
INTERDEPARTMENT SALES	\$ 0.0945	\$ 32.86		\$ 0.0964	\$ 27.48
INTERDEPARTMENT SALES	\$ 0.1302	\$ 32.86		\$ 0.1328	\$ 27.48
METERED STREET LIGHT - LED	\$ 0.2500	\$ 12.60		\$ 0.2550	\$ 12.85
METERED STREET LIGHT -NON LED	\$ 0.1469	\$ 12.60		\$ 0.1498	\$ 12.85
SECURITY LIGHTS		\$ 12.60			\$ 12.60

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY
Minutes of the Board of Directors’ Meeting
September 10, 2025

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

Mr. Halvorson, Redwood Falls Public Utilities Superintendent, welcomed the members to Redwood Falls.

Board Members Present:

President Peter T. Moulton, Saint Peter; Secretary James R. Bakken, Preston; Treasurer Bruce A. Reimers, New Prague; and Timothy M. McCollough, Rochester.

Board Member Present Via Conference Call:

Mark E. Nibaur, Austin.

Board Member Absent:

Vice President Roger E. Warehime, Owatonna.

Others Present:

David P. Geschwind, Executive Director & CEO; Jerry Mausbach, Blooming Prairie; Miles Heide, Julie Zarling, Fairmont; Christian Fenstermacher, Owatonna; Keith Butcher, Princeton; Jason Halvorson, Redwood Falls; Chris Rolli, Spring Valley; Craig Anderson, Wells; Beth A. Fondell, Naomi A. Goll, Joseph A. Hoffman, and Jeremy B. Sutton of the Agency staff.

Others Present Via Conference Call:

Alex Bumgardner, Austin; Mike Roth, Shane Steele, Grand Marais; Mike Geers, Litchfield; and Joe Kohlgraf, Mora.

#1 Agenda Approval:

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

#2 Consent Agenda:

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

APPROVED the August 13, 2025 board meeting minutes.

#3 2025 Bond Transaction-Fondell:

The Board Resolutions relating to the Bond Purchase Agreement, the Escrow Agreements, the Preliminary Official Statement, the Official Statement; the Master Resolution; and the Thirty-Second Supplemental Power Supply System Revenue Bond Resolution were sent electronically prior to the board meeting.

Ms. Fondell reported on the 2025 Bond Transaction and gave an overview of the refunding objectives.

- Refunding all of the 2015A bonds callable on January 1, 2026.
- Only refunding maturities that provide net savings of the 2010A Build America Bonds via the Extraordinary Optional Redemption Provision.
- While the transaction is estimated to provide refunding savings slightly below the target 5% in the Capital Financing Policy, the future interest expense reductions still make the transaction beneficial.
- Proceeds from the 2025A bond transaction will be placed in escrow accounts so the 2010A bonds can be paid off in November 2025 and the 2015A bonds can be paid off in January 2026.
- The January 2026 debt service payment will be incorporated into the refunding, allowing the refunded bonds to be fully removed from SMMPA's books at the time of the 2025A bond closing.
- Debt service reserve requirement will decrease as a result of the refunding. Excess debt service reserve funds will be released and built into the 2025A transaction as a source of funds. The reduction in debt service reserve requirement related to the 1994A bonds maturing in 2027 (approximately \$60 million) will be preserved to earmark for Sherco 3 decommissioning.

Bonds Ratings

- Fitch Ratings combined their rating of the 2025A bonds with a review of the system bonds and affirmed SMMPA's system bond rating as AA- with stable outlook and issued a AA- rating for the 2025A bonds.
- Moody's issued SMMPA's 2025A bond rating as A1, consistent with the A1 rating affirmed earlier this year on SMMPA's system bonds.

Discussion.

Bond Financing Calendar

- September 16 - Post documents and investor presentation.
- September 22 - Market update & pre-pricing call.
- September 23 - Pricing (in Rochester); BABs calculations.
- September 30 - Distribute Official Statement.
- October 2 - Sign off on Official Statement.
- October 7 - Closing; Redemption Notice for BABs.

Member representatives will be asked to approve the resolutions that authorized the board's action for bond issuance.

Board Action

Action item to approve board resolutions as presented in the board book.

Mr. Bakken moved to approve the Board Resolutions relating to the Bond Purchase Agreement, the Escrow Agreements, the Preliminary Official Statement, the Official Statement; the Master Resolution; and the Thirty-Second Supplemental Power Supply System Revenue Bond Resolution approving the 2025 Bond Transaction, seconded by Mr. McCollough, passed upon a unanimous vote of the board members present.

#4 Revolving Credit Agreement-Fondell:

The Board Resolutions and the Power Supply System Subordinated Indebtedness Resolution No. 6 were sent electronically prior to the board meeting.

Ms. Fondell reported on the Revolving Credit Agreement (RCA).

The existing RCA with U.S. Bank expires on October 31, 2025.

The new RCA with Bank of America will replace the current RCA with U.S. Bank as the terms are more favorable than U.S. Bank’s renewal proposal, including no unused fee if more than half of the \$68 million limit is borrowed. The Secured Overnight Financing Rate (SOFR) will be used to calculate tax-exempt borrowing costs and the term will be three years. The new RCA will not include a term-out that would allow for a short-term borrowed balance to be converted into a fixed-term loan at the end of the RCA term using unfavorable interest rates. Other terms and conditions of the new RCA remain consistent with the U.S. Bank facility, including a \$68 million limit available for tax-exempt and taxable borrowing.

The U.S. Bank agreement can be terminated early without penalty. The new RCA is tentatively scheduled to close on September 16, 2025. Pricing terms within the RCA documents are confidential.

Discussion.

Member representatives will be asked to approve the resolutions authorizing the board’s action.

Board Action

- Action item to approve board resolutions as presented in the board book.

Mr. Reimers moved to approve the Power Supply System Subordinated Indebtedness Resolution No. 6 and the Resolutions of the Board of Directors of Southern Minnesota Municipal Power Agency relating to the authorization and approval of a Revolving Credit Agreement with Bank of America in connection with the issuance of the Power Supply System Subordinated Notes, Series A, and the Power Supply Subordinated Notes, Series B, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

Temporary Recess to Member Representatives Meeting:

At 9:40 a.m., Mr. Reimers moved to recess the SMMPA Board of Directors meeting and move

into the Member Representatives meeting, seconded by Mr. Bakken, passed upon a unanimous vote of the board members present.

Following establishment of a quorum by the member representatives and completion of that agenda in which the member representatives approved the resolutions presented, the board meeting reconvened at 9:48 a.m.

Revolving Credit Agreement

Mr. Geschwind acknowledged Ms. Fondell for the work on the financing process. Members were thanked for supporting the bond transaction and the RCA.

After a short break, the board reconvened at 10:03 a.m.

#5 Wholesale Rate Comparison-Fondell:

Ms. Fondell reported on the wholesale rate comparison, which the Agency has been tracking since 2014. She compared SMMPA's rates with a group of other wholesale electricity suppliers in the region.

Discussion.

Looking Ahead

- SMMPA rate decreases forecasted for 2026 and 2027.
- Possible 2025 cash distribution to members.

Ms. Fondell thanked the member representatives for their vote on the bond and RCA and Mr. Geschwind for his efforts with the process.

#6 2026 Budget and Rates Preview-Fondell:

Ms. Fondell presented the 2026 budget and rates preview.

Sherco 3

The Sherco 3 planned maintenance outage is scheduled for February 28, 2026 to May 22, 2026. Estimated costs for replacement purchased power hedges are included in the budget. The Sherco coal inventory is approximately 200,000 tons as of August 31, 2025, contributing to higher General Operating Reserve cash balances.

Member Rates

The Agency is proposing an overall 10% rate decrease for 2026 and recommending the decrease be applied as 10.812% to only the energy and demand rates. The rate decrease is driven by the reduction in debt service in 2026 related to the 1994A bonds that mature in 2027.

Transmission Rates

2026 will be the final third year of transitioning transmission rates from 100% ratchet to monthly metered coincident peak (approved by the board on May 10, 2023).

Sources and Uses of Revenues

The draft 2026 Sources and Uses of Revenues is the foundation of the Agency’s budget and identifies the budgeted rate stabilization account contribution/(distribution).

Discussion.

Next Steps

- Finalize proposed 2026 budget.
- Distribute detailed budget book September 18, 2025.
- Budget and Rates Workshop September 22, 2025.

The proposed 2026 budget and rates will be presented at the October board meeting for action by the board.

#7 Sherco Fire Suppression Project-Sutton:

Mr. Sutton reported on the Sherco Fire Suppression Project.

The fire suppression system at Sherco needs to be redesigned to accommodate the retirement of Unit 2 and the planned retirement next year of Unit 1. Xcel Energy finished the fire suppression redesign phase and the necessary work will begin this fall. The original fire suppression system was designed for Sherco Units 1 and 2 and was expanded to accommodate Unit 3. To protect equipment, buildings, and personnel, various forms of fire protection (fire extinguishers, automatic sprinklers, fixed spray nozzles, dry chemical suppression, clean agent suppression, detection devices, etc.) are employed. This project was not included in the original 2025 budget for Sherco 3 submitted by the Sherco 3 Project Manager and needs to be separately approved by SMMPA and Xcel.

Board Action

Project estimates from Sargent and Lundy for the total project are \$6,654,087. Since this project relates to more than just Unit 3 and is considered a “Consolidated Common” expenditure, the cost allocation to the Agency would be 20% per the Ownership and Operating Agreement. Requesting approval for \$1,463,899 (\$1,330,817 plus 10% contingency) for the project.

Discussion.

Mr. McCollough moved to approve the Sherco Fire Suppression Project for \$1,463,899, seconded by Mr. Reimers, passed upon a unanimous vote of the board members present

#8 2024 Board Retreat Follow-up-Geschwind:

Due to time constraints, President Moulton deferred the 2024 Board Retreat Follow-up to the November SMMPA Board meeting.

Government Affairs/Member Services Report-Hoffman:

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

APPA eReliability Tracker

The APPA eReliability Tracker transitioned to the new and improved tracker, the APPA Power TRX Reliability. The web-based service provides utilities with an effective way to collect, categorize, and summarize outage information. SMMPA purchased a three-year subscription that is funded through 2026, which is available for the member communities.

SMMPA 2025 Sustainability Report

SMMPA's Our Commitment to Sustainability Reducing our Carbon Footprint Brochures are available today and copies may be mailed to the members upon request.

SMMPA Member IT Roundtable

SMMPA will hold an IT roundtable for members tentatively scheduled for November 6, 2025 at SMMPA headquarters. A virtual attendance option will be available.

Public Power Week

Public Power Week will be held October 5-11, 2025.

SMMPA Annual Meeting

The SMMPA Annual Meeting will be held October 16-17, 2025 at the Sheraton Hotel, Bloomington, Minnesota.

Cybersecurity Board Security Brief

On July 25, 2025, the City of St. Paul experienced an "Interlock" ransomware cyber-attack that targeted the city's IT infrastructure. The Minnesota National Guard Cyber Protection Unit and the FBI advised against paying the ransom. The city was able to restore its systems using clean data backups, and 3,000 city workers appeared in person to reset their credentials.

SMMPA IRP

The Minnesota Public Utilities Commission (MN PUC) accepted SMMPA's Integrated Resource Plan (IRP) on September 4, 2025. The MN PUC directed the Agency to continue to model battery storage in the next IRP, which is scheduled to be filed in December 2027.

Operations Report-Sutton:

Mr. Sutton reported:

MISO Planning Resource Auction Error

MISO discovered an error impacting loss of load expectation calculations used to set the planning reserve margins in its planning resource auction. The calculation used "all hours" rather than the required "daily peak hour" resulting in a \$280 million miscalculation for the 2025/2026 planning year. MISO will issue adjustments based on each entity's net position (net buyer or net seller) and SMMPA anticipates a refund of \$165,600.

Steele Energy Station Air Permit

Yesterday SMMPA submitted the Steele Energy Station air permit applicability determination request application to the Minnesota Pollution Control Agency (MPCA). MPCA is suggesting

that the Owatonna Public Utilities Unit 7 be pulled into the Steele Energy Station air permit model as a SMMPA resource. Continue to monitor.

Redwood Falls Transmission Line Damage

To prevent further damage to the Redwood Falls 115 kV transmission line, Redwood Falls Sportsmen's Club installed safety baffles at the firing line blocking shooting angles outside the club property and posted signage that damaging power lines is a felony.

Sherco 3 Planned Spring Outage/Hedge

A Sherco 3 planned outage will occur February 28, 2026 to May 22, 2026. General Electric will perform work on the L-0 blade replacement/repair. SMMPA budgeted hedging purchases of 150 MW of ATC hedges for March/April 2026, then 75 MW of ATC and 50 MW on-peak for May 2026.

MISO Tranche 1 LRTP-4 and LRTP-6 Update

The MISO Tranche 1 LRTP-6 term sheet was signed. Parties are still working on the LRTP-4 Definitive Agreements. The Agency will likely need to seek member representatives vote in November/December 2025 to authorize SMMPA to eventually finance the LRTP-4 and LRTP-6 projects.

Market Update

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

Financial Report July 2025-Fondell:

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

Member Financial Metrics

SMMPA will distribute financial metrics to each member this month. Members have the option to schedule a meeting with SMMPA to discuss results.

Bond and RCA Transaction Documents

SMMPA Board of Directors Officers were asked to watch for communication regarding signatures needed for the upcoming bond and Revolving Credit Agreement transaction closings.

SMMPA Insurance

SMMPA's new insurance contact is Deb Donahue, SMMPA Human Resources & Insurance Administrator.

President's Report:

Mr. Moulton reported:

- SMMPA Staff Recognition: SMMPA staff members recognized were Ms. Fondell and her staff, and Mr. Geschwind for handling the bond and Revolving Credit Agreement transactions; Mr. Sutton, Mr. Hoffman, and Ms. Schmitz for handling SMMPA's

Integrated Resource Plan; and Ms. Fondell for the outstanding work on assisting with the Saint Peter Solar Project elective pay tax refund payment from the IRS.

Executive Director & CEO’s Report:

Mr. Geschwind reported:

- Fairmont - Tom Koeritz: Mr. Tom Koeritz, City of Fairmont Assistant Finance Officer (retired), passed away on August 29, 2025. He served on the SMMPA Board of Directors, was a SMMPA Member Representative, and was a great SMMPA supporter.
- SMMPA Annual Meeting: The SMMPA Annual Meeting will be held October 16-17, 2025 at the Sheraton Hotel, Bloomington, Minnesota. Members, commissioners, and council members are encouraged to attend.

Member Forum:

Mr. McCollough shared that Rochester Public Utilities (RPU) had a unique cyber-attack that came through a Microsoft Teams audio call without video. The outside caller compromised a computer, but the RPU IT Security Engineer isolated the issue.

Other Business:

There was no other business.

Adjourn:

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

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

Secretary