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## MEMORANDUM

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**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** BRUCE REIMERS, GENERAL MANAGER / ROBIN PIKAL, FINANCE DIRECTOR

**SUBJECT:** RESOLUTION BY THE CITY AUTHORIZING THE EXERCISE OF THE POWERS OF A MUNICIPAL POWER AGENCY, INCLUDING THE ISSUANCE OF BONDS UNDER MINNESOTA STATUTES, CHAPTER 453 FOR THE CONSTRUCTION OF POWER GENERATION FACILITIES AND RELATED GENERATION EQUIPMENT FOR THE WEST ENERGY STATION (WES)

**DATE:** FEBRUARY 9, 2026

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In April of 2025 the City Council authorized the New Prague Utilities Commission to move forward with the construction of a new generation facility. This facility is a joint opportunity with SMMPA, New Prague's wholesale power provider. This project aligned with New Prague Utilities need for additional generation to meet the capacity requirement of the local utility, but to also provide needed generation to be available to the grid under a 20 year capacity contract with SMMPA.

As the New Prague Utilities Commission nears the start of construction of WES and the installation of generation equipment in the spring of 2026, we have also started the process of working with our municipal advisor (Ehlers) and bond counsel (Kutak Rock) to prepare for the bonding that will be needed for project funding.

Project bonds will be issued under Minnesota Statutes, Chapter 453, which authorizes a municipal power agency (defined as a separate political subdivision and municipal corporation created by agreement between or among two or more cities or existing municipal power agencies) to issue bonds, notes or other obligations to finance projects like the project in New Prague. Under Minn. Stat. Sec. 453.58, subd. 1, "[a] city may by resolution of its governing body exercise any of the powers granted in sections 453.51 to 453.62 to a municipal power agency upon fulfillment of the conditions provided in sections 453.51 to 453.62" and publication of such resolution. The resolution declares the City's intent to exercise the powers granted in sections 453.51 to 453.62 to a municipal power agency (including but not limited to issuing bonds to finance facilities for the generation and distribution of electric energy (which includes the new generation facility)) and directs publication of the resolution in the official newspaper of the City.

### **Recommendation**

Staff recommends approval of Resolution #CC-26-02-17-03 – Authorizing the City of New Prague to Exercise the Powers of a Municipal Power Agency.