MOOREHEAD PUBLIC SERVICE COMMISSION

MEETING AGENDA

Tuesday, July 21, 2026 - 4:30 PM

<u>MPS' Dispatch/Operations Center Conference Room</u>
<u>215 Highway 75 North</u>
<u>Moorhead, MN 56560</u>

<u>Commissioners:</u>
Matthew Leiseth, Chairperson
Paul Baker, Vice Chairperson
Lisa Borgen, Secretary
Amy Lammers
Steve Lindaas
Jason Ness

Travis L. Schmidt, General Manager

The Moorhead Public Service Commission welcomes and encourages customer input on issues listed on the agenda or of general water/electric utility interest—time and Commission permitting. Speakers are limited to 3-minute presentations. Customers wishing to address the Commission regarding a specific agenda item will be afforded an opportunity during the discussion of that item. Customers wishing to speak on matters not listed on the agenda will be given the opportunity to do so under the heading "Customers to Be Heard/Recognitions." Each person requesting the opportunity to speak is asked to fill out a *Request to Speak Form (*located on the table in the back of the room) and present it to the Administrative Assistant in attendance at the meeting. Any follow-up or feedback will be done by e-mail on anything that cannot be resolved this evening.

1. **Call to Order**

2. **Approve Agenda**

3. **Approve Consent Agenda**

   All agenda items listed with an asterisk (*) are on the consent agenda and are considered routine or non-controversial. These items may be enacted by the Commission in one motion, which is a motion to approve the consent agenda. No discussion is expected for the items on the consent agenda; however, prior to approving the consent agenda, the Commission may request specific items be removed from the consent agenda for discussion and separate action.

*4. **Approve Minutes of June 16, 2026**

*5. **Approve Bills for Payment**

6. **Customers to Be Heard/Recognitions**

7. **Old Business**

8. **Reports**
   a. **City Council**
   b. **Public Service Commission**
   c. **General Manager's Report**
   d. **Accept Report on MPS' Advanced Metering Infrastructure Project**
   e. **Accept Report on Northeast Generating Station Financial Analysis**

***9. Approve Specifications and Authorize Advertisement for Bids for 2027 Electrical Materials**

10. Approve Amended S-1 Power Sale Agreement with Missouri River Energy Services

11. Approve Sponsorship Request from Moorhead Parks and Recreation for Upcoming Special Events

12. Close Meeting for Executive Session (if needed)

13. **Upcoming Meetings**
   a. **Public Service Commission Meetings**
      August 4, 2026 (if needed)
      August 25, 2026
   b. **Meeting Opportunities for Commissioners(A)**
      - **MMUA Summer Conference**
        August 17-19, 2026, St. Cloud, MN
      - **MN AWWA Annual Conference**
        September 15-18, 2026, Duluth, MN
      - **MRES' Municipal Power Learning Academy**
        September 16-17, 2026, Sioux Falls, SD

14. Adjourn

How to obtain Public Service Commission agendas:
View on the Internet. Any attachments that are not available online may be viewed at the offices of Moorhead Public Service. E-mail subscription: mps@mpsutility.com
Request a copy at MPS' Business Office located at 2901 S. Frontage Road, Suite 2, Moorhead, MN 56560. Upon request, accommodations for individuals with disabilities, language barriers, or other needs to allow participation in Commission meetings will be provided. To arrange assistance, call Moorhead Public Service at 218.477.8003 (voice) or 711 (TDD/TTY).****Moorhead Public Service Commission meetings are broadcast live on Channel 12-Moorhead Community Access Television in Moorhead and digital Channels 67 and 68 for the metro area.****

Some members of the Moorhead Public Service Commission may be attending today's meeting via interactive technology.

(A) APPA = American Public Power Association - www.publicpower.org
MMUA = Minnesota Municipal Utilities Association - www.mmua.org
MRES = Missouri River Energy Services - www.mrenergy.com
AWWA = American Water Works Association - www.awwa.org
MN AWWA = American Water Works Association-Minnesota Section - www.mnawwa.org
MRWA = Minnesota Rural Water Association - www.mrwa.com

Minutes of the Moorhead Public Service Commission
Hjemkomst Center, Auditorium
Tuesday, June 16, 2026 – 4:30 PM

MEMBERS PRESENT:	Paul Baker (Interactive Technology—Personal), Lisa Borgen, Amy Lammers, Matthew Leiseth, Steve Lindaas, and Jason Ness
MEMBERS ABSENT:	None
OTHERS PRESENT:	General Manager Travis Schmidt; Staff Members Taylor Holte, Jake Long, Mark Moilanen, Susan Orth, Marc Pritchard, and James Sumba; MPS Attorney John Boulger

1. CALL TO ORDER.

Commissioner Leiseth called the meeting to order at 4:30 PM. A quorum of the following members was present: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness.

2. APPROVE AGENDA.

Commissioner Lindaas made a motion to approve the agenda. Commissioner Ness seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

3. APPROVE CONSENT AGENDA.

Commissioner Borgen made a motion to approve the consent agenda. Commissioner Lindaas seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

[The consent agenda approved above includes all items shown herein with an asterisk (*). These items were considered routine or non-controversial by the Commission and were enacted by the Commission in one motion, which is the motion above to approve the consent agenda.]

*4. APPROVE MINUTES OF MAY 19, 2026.

Commissioner Borgen made a motion to approve the minutes of May 19, 2026. Commissioner Lindaas seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

*5. APPROVE BILLS FOR PAYMENT.

Commissioner Borgen made a motion to approve the bills for payment. Commissioner Lindaas seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

6. CUSTOMERS TO BE HEARD/RECOGNITIONS.

There were no customers to be heard.

General Manager Travis Schmidt recognized Moorhead Public Service (MPS) Dispatcher Brian Allen for reaching his 5-year milestone.

7. OLD BUSINESS.

There was no old business to discuss.

8. REPORTS.

<u>City Council</u>
Commissioner Borgen stated that the Moorhead City Council has begun its 2027 budget process.

<u>Public Service Commission.</u>
Commissioner Borgen stated that the Commission's HR Working Group met to discuss succession planning, policy reviews, and updates on strategic planning.

<u>General Manager's Report.</u>
General Manager Travis Schmidt provided an introduction to the General Manager's Report, which included the distribution of MPS' 2025 Consumer Confidence Report (CCR), thank you notes from Moorhead High School scholarship recipients, and MRES' legislative newsletter.

Water Plant Manager Marc Pritchard provided more specific details regarding the CCR. Pritchard also distributed a draft CCR developed by Gemini Water Group that is visually appealing, user-friendly, and easier to understand. The updated CCR format will be utilized in 2027. Pritchard responded to questions of the Commission.

<u>Accept 2025 Annual Management Report for MPS.</u>
General Manager Travis Schmidt presented a PowerPoint presentation highlighting MPS' 2025 Annual Management Report.

Commissioner Lindaas made a motion to accept the 2025 Annual Management Report for Moorhead Public Service. Commissioner Ness seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

9. AWARD BID FOR FURNISHING 15 KV METALCLAD SWITCHGEAR AT MPS' NORTHEAST AND SUBSTATION SUBSTATIONS.

Electric Project Engineer Taylor Holte provided information on the bids MPS received for furnishing 15 kV metalclad switchgear at MPS' Northeast and Southeast Substations.

Commissioner Borgen made a motion to award the bid for furnishing 15 kV indoor metalclad switchgear at Moorhead Public Service's Northeast and Southeast Substations to Harold K. Scholz Company in the amount of $1.92 million, contingent upon final legal approval and as shown on the Bid Summary attached hereto and made a part of these minutes, and authorize the General Manager to approve all change orders

up to a cumulative maximum of 5 percent of the contract amount. Commissioner Lindaas seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

10. AWARD BID FOR 2026 LEAD SERVICE LINE REPLACEMENT PROJECT.

Water Distribution Manager Jake Long provided information on the bids MPS received for the 2026 Lead Service Line Replacement Project. Long responded to questions of the Commission. Discussion was held.

Commissioner Lindaas made a motion to award the bid for the 2026 Lead Service Line Replacement Project to Precision Dirtworks, LLC, in the amount of $636,199.25, as shown on the Bid Tabulation attached hereto and made a part of these minutes, and authorize the General Manager to execute the Water Service Replacement Agreements with the property owners. Commissioner Ness seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

11. APPROVE RESOLUTION AND DECLARATION OF INTENT TO APPROVE POTENTIAL BOND SALE IN 2027 OR 2028.

General Manager Travis Schmidt provided an overview of the resolution and potential bond sale. Administration and Finance Manager Mark Moilanen explained the various capital projects and the need for a potential bond issuance in 2027 or 2028. Moilanen responded to questions of the Commission.

Commissioner Borgen made a motion to approve the Resolution Regarding the Intent to Use Tax-Exempt Financing, the Declaration of Official Intent, and a potential bond sale in 2027 or early 2028 of $79,965,000 for various Moorhead Public Services capital projects, and authorize the General Manager to sign the Declaration of Official Intent. Commissioner Lindaas seconded the motion. The motion passed with a 6-0 vote. Voting Yes: Baker, Borgen, Lammers, Leiseth, Lindaas, and Ness. Voting No: None.

12. CLOSE MEETING FOR EXECUTIVE SESSION.

The meeting was not closed for executive session.

13. UPCOMING MEETINGS.

Upcoming meetings of the Moorhead Public Service Commission are scheduled for July 7, 2026 (if needed), and July 21, 2026.

14. ADJOURN.

The meeting adjourned at 5:09 PM.

The minutes herein are approved on this 21st day of July, 2026.

APPROVED BY: ***ATTEST:***

Matthew Leiseth
Chairperson [i]

Lisa Borgen
Secretary [i]

[i] Pursuant to the Bylaws of the Moorhead Public Service Commission adopted January 18, 2022, Article 3, Section 11, states, "The Chairperson and Secretary shall sign, execute, and acknowledge all instruments authorized by the Commission or as are incident to the office. If either the Chairperson or Secretary is unavailable to execute an instrument, the Vice Chairperson may execute the instrument in place of the unavailable officer. Execution of instruments by two officers is required.

BID SUMMARY

Furnishing 15 kV Indoor Metalclad Switchgear - Northeast & Southeast Substations

Moorhead Public Service

Moorhead, Minnesota

DGR Project No. 417024
Bid Letting: June 2, 2026 - 2:00 PM
MPS Dispatch Operations Center

Bidder and Address	Bid Security	Bid	Bid Price	Warranty Adder	Switchgear Mftr	Swgr Mftr Location	Circuit Brkr Mftr	Guaranteed Delivery Date	Comments
Harold K. Scholz Company 7800 Serum Avenue Ralston, NE 68127	10% Bid Bond	Base	$1,920,000.00	$60,000.00	HKS	Ralston, NE	ABB	June 1, 2028	Non-Firm Pricing Exception to Liquidated Damages Exception to Payment Terms
		Alt #1	$2,080,000.00	$60,000.00	HKS	Ralston, NE	GE	June 1, 2028	
		Alt #2	$1,975,000.00	$60,000.00	HKS	Ralston, NE	Eaton	June 1, 2028	
Border States Industries 605 25th Street Fargo, ND 58104	10% Bid Bond	Base	$2,204,601.00	$42,328.28	ABB	Mexico	ABB	Est. 58 Wks	Installation not included Non-Firm Pricing
		Alt #1	No Bid						
		Alt #2	No Bid						

Water | Transportation| Municipal | Facilities

Bid Tabulation

2026 Service Line Replacement

Moorhead Public Service, Moorhead, MN

June 4, 2026 | 2:00 PM | Moorhead Public Service (MPS), Dispatch Operations Center, 215 Highway 75 North, Moorhead, MN 56560

Plan Holder	Bid Bond	Total Bid
Precision Dirtworks, LLC.	x	$636,199.25
Randall's Excavating, Inc.	x	$694,393.90

Apex Project No. 26.109.0027

I certify that these bids were received on June 4, 2026, at 2:00 PM, at the office of the Moorhead Public Service (MPS), Dispatch Operations Center, 215 Highway 75 North Moorhead, MN 56560

Jake Long

Jake Long

General Manager's Report

1. **Update on MPS' Water Treatment Plant Ozone Generator and Equipment Replacement Project.**
   Since Moorhead Public Service's (MPS') Water Treatment Plant was placed into service in 1994, ozone has been utilized as the primary disinfectant in the water treatment process. Ozone is a powerful oxidant that rapidly breaks down contaminants while leaving minimal by-products in the finished drinking water. Through the expertise of Water Treatment Plant staff and a proactive maintenance program, MPS achieved 32 years of continuous service from its original ozone generators, far exceeding the typical industry lifespan of 15 to 20 years. Recognizing that the equipment had reached the end of its useful life, staff initiated a multi-year replacement project in late 2023.

   In February 2024, MPS selected Short Elliott Hendrickson, Inc., and HDR Engineering, Inc., to provide engineering design and equipment selection services for MPS' Ozone Generator and Equipment Replacement Project. In May 2024, the Commission approved the direct purchase of new ozone generators and supporting equipment from Veolia Water Technologies, LLC. While the equipment was being manufactured, staff completed the remaining design work. In July 2025, the Commission awarded the contract for the construction phase to CC Steel, LLC.

   The construction phase was completed between December 2025 and June 2026. To ensure uninterrupted water disinfection throughout the project, the ozone generators were replaced one at a time, allowing one generator to remain in service while the other was removed and replaced. After the first new generator was installed, tested, and placed into operation, the second generator was removed and replaced using the same process.

   The new ozone generators were successfully placed into service in April and June 2026, respectively. At the conclusion of tonight's meeting, staff will be available to provide the Commission with a tour of the Water Treatment Plant, specifically the ozone generators.

2. **Western Area Power Administration Preliminary Drought Adder Rate Notification.**
   On an annual basis, Western Area Power Administration (WAPA) reviews the drought adder component of the firm power service provided to MPS and other WAPA members. As part of this process, WAPA issues two notifications each year—a preliminary review and a final review—regarding the drought adder rate for the upcoming year (2027).

   These reviews help guide utilities evaluate the potential impact on power costs and incorporate any anticipated changes into their budget planning and rate reviews. WAPA has completed its preliminary analysis (see attached letter), which indicates that no changes to the drought adder component are anticipated at this time. WAPA is expected to issue its final notification in the fall of 2026, confirming whether any changes will be made to the 2027 drought adder rate.

3. **MPS Participated in Safe City Nights.**
MPS employees participated in two of the three recent Safe City Nights events held in Moorhead. On June 24, 2026, MPS' Electric Division presented an electrical safety demonstration at Queens Park. On July 15, 2026, MPS' Water Division gave a presentation on the water filtration process at Romkey Park. These events provided employees with an opportunity to connect with Moorhead neighborhoods.

4. **MPS Participated in APPA's Public Power Day of Giving.**
MPS employees participated in American Public Power Association's annual Public Power Day of Giving by volunteering for two community service projects in Moorhead. On the afternoon of June 26, 2026, employees picked up litter along the walking trails at Viking Ship Park. On June 29, 2026, employees volunteered at A Place For Hope: Recovery and Wellness Center, where they sorted and repackaged donated food into smaller portions for distribution through the organization's food pantry

Division/Response Person: Travis L. Schmidt, General Manager.

Department of Energy
Western Area Power Administration
Upper Great Plains Customer Service Region
P.O. Box 35800
Billings, MT 59107-5800

6/11/26

Dear Firm Power Service Customer:

As part of the current rate schedule, placed into effect January 1, 2025, under Rate Order No. WAPA-213 (published in the Federal Register on November 20, 2024), Western Area Power Administration (WAPA) will conduct a preliminary review of the Pick-Sloan Missouri Basin Program--Eastern Division (P-SMBP--ED) Firm Power Service Rate Drought Adder component in early spring to provide customers advance notice of any foreseen changes to the Drought Adder component. In the fall, WAPA will complete a final review of drought conditions and provide notification of any change to the Drought Adder component of the rate schedule that would take effect on January 1 of the of the following year.

WAPA is using this letter to notify customers that, as prescribed in the annual drought adder review process, the preliminary review has been completed, and we are estimating no change to the Drought Adder component for January 2027. Though drought conditions in the region are evident, we remain on track to meet planned repayment obligations toward prior year drought deficits even with less-than-optimal generation. This is primarily due to market flexibility and the expansion of SPP West. The charges for the P-SMBP--ED Firm Power Demand and Energy rates are as follows:

January 1, 2027	**Firm Demand ($/kW month)**	**Firm Energy (mills/kWh)**	**Estimated Change**
Base Component	$6.70	16.80	-0-
Drought Adder Component	$0.30	0.80	-0-
Total Rate	$7.00	17.60	-0-

WAPA will continue to monitor area water conditions through this fall and will send a final notification in October 2026 of any additional changes to the Drought Adder component for January 2027.

Information concerning the firm power service rate can be found online at *www.wapa.gov/about-wapa/regions/ugp/ugp-rates/*. If you have any questions concerning this notice, please telephone me at (406) 702-4791 or email me at cady@wapa.gov.

Sincerely,

LINDA CADY-HOFFMAN Digitally signed by LINDA CADY-HOFFMAN Date: 2026.06.11 12:06:39 -06'00'

Linda Cady-Hoffman
Rates Manager
Upper Great Plains Region

Accept Report on MPS' Advanced Metering Infrastructure Project

RECOMMENDATION:
The General Manager respectfully requests the Commission accept a report on Moorhead Public Service's Advanced Metering Infrastructure Project.

BACKGROUND:
Moorhead Public Service (MPS) maintains and operates the electric and water utility within the city of Moorhead and is in the process of upgrading MPS' existing metering system from Automated Meter Reading to Advanced Metering Infrastructure (AMI).

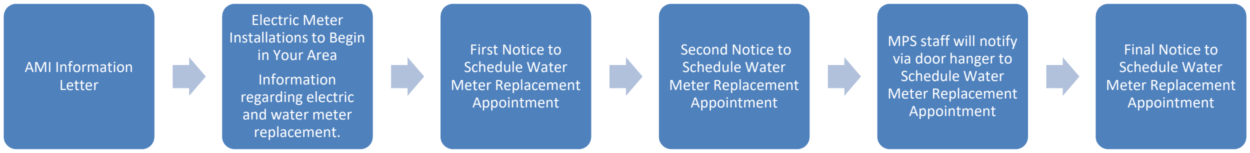
MPS' electric installation contractor has completed all electric meter exchanges except for a limited number of remaining exchanges, referred to as "Return to Utility" accounts. These are meter exchanges returned to MPS by the installation contractor due to scheduling, access, customer refusals, or other operational issues. MPS' water installation contractor has completed 55 percent of the water meter exchanges and has increased the number of daily water meter exchanges since June 2026. MPS expects the remaining water meter installations to continue into 2027.

MPS and Katama Technologies, Inc., have been completing the final sections of the System Acceptance Test (SAT) document. The SAT tests the process, equipment, software, and all other applicable contract equipment and supplies. It is used to demonstrate and determine whether the systems and the scope of work comply with the functional and performance requirements set forth in the SAT protocol, as stated in the contract with Wesco. Most of the functional and performance requirements listed in the SAT document are compliant and approved. However, MPS is actively working with Honeywell and Wesco to complete the load management program requirements before approving the overall SAT. Recently, MPS staff resumed exchanging the new load control devices, and the load control program has been functioning properly. To ensure the devices continue to function as specified, additional tests will be conducted before approving the overall SAT.

MPS staff completed training sessions on the AMI system and continues to build proficiency with the technology to enhance utility operations and customer service. Throughout this process, MPS has been working with Wesco to refine the AMI system and meter data management software to align with MPS' operational needs. The AMI system provides a range of features that benefit MPS, including outage listings and graphs, meter events and alarms, mapping and dashboard tools, voltage analysis data, and continuous usage reporting.

MPS will continue to ensure a smooth transition and keep the remaining customers informed throughout the AMI Project. Customers who have not yet had their water meter replaced can expect to receive a letter in the mail notifying them that it is time to schedule an appointment for its replacement. The water installation contractor is currently replacing meters in south Moorhead in the area of 40th Avenue South and west of 8th Street South, and will transition to the east side of 8th Street South throughout the summer. Since most electric meters have been replaced, all customers should have already received the AMI information letter and the electric meter replacement letter.

The following is a flowchart detailing the communication process and appointment scheduling that will occur throughout the project:



Customers who do not schedule an appointment will receive two additional letters by mail, and MPS staff will place a door hanger notice on the customer's door. Approximately 10 days after the third and final letter is mailed, if access to the meter has not been granted or an appointment has not been scheduled, the customer may be subject to suspension of service in accordance with MPS' Water Service Rules and Regulations. Timely customer cooperation in scheduling meter appointments is critical to future utility operations and ensures the project is completed efficiently and cost-effectively.

MPS established policies for the AMI Project in anticipation that some customers would decline to replace their existing meters. Customers who refuse to have an AMI water and/or electric meter installed will be charged a monthly non-conforming meter fee of $50 per meter. This fee is commonly used throughout the utility industry to recover the additional costs associated with manual meter reading and billing administration. Although MPS has not yet implemented the non-conforming meter fee, staff plans to begin assessing the charge now that the electric meter installation contractor has completed its portion of the project.

The costs associated with the AMI Project were included in MPS' 2023 budget and have continued to be incorporated into subsequent annual budgets, as the project has been implemented over multiple years.

KEY ISSUES:

- MPS' electric installation contractor has completed all electric meter exchanges except for a limited number of remaining exchanges, referred to as "Return to Utility" accounts.
- MPS' water installation contractor has completed 55 percent of the water meter exchanges and has increased the number of daily water meter exchanges since June 2026.
- MPS staff has completed training sessions on the AMI system and continues to build proficiency with the technology to enhance utility operations and customer service.
- MPS will continue to ensure a smooth transition and keep the remaining customers informed throughout the AMI Project.
- Timely customer cooperation in scheduling meter appointments is critical to future utility operations and ensures the project is completed efficiently and cost-effectively.

FINANCIAL CONSIDERATIONS:

- The costs associated with the AMI Project were included in MPS' 2023 budget and have continued to be incorporated into subsequent annual budgets, as the project has been implemented over multiple years.

Respectfully submitted,

Travis L. Schmidt
General Manager

Division/Response Person: Jake Long, Water Distribution Manager.

Attachments: None.

Accept Report on
Northeast Generating Station Financial Analysis

RECOMMENDATION:
The General Manager respectfully requests the Commission accept a report on the financial analysis completed by DGR Engineering for the Northeast Generating Station.

BACKGROUND:
In December 2024, Moorhead Public Service (MPS) entered into a Task Order Agreement for Professional Services with DGR Engineering (DGR).

On November 18, 2025, the Commission approved Task Order No. 16 to assist MPS with the initial stages of planning, designing, procuring long lead-time equipment, and permitting for construction of the Northeast Generating Station, which will be located next to the site of MPS' future Northeast Substation. The initial stages also include completing a financial analysis, developing the site plan, obtaining an air quality permit from the Minnesota Pollution Control Agency, and procuring the generators. The Northeast Generating Station is designed to generate approximately 13.5 percent of MPS' peak demand. The purpose of the generating station is to enhance the stability and reliability of the electric grid. In addition to strengthening grid stability, the generating station would provide MPS with emergency generation capacity to supply power to critical facilities and emergency shelters during outages or emergency events once it is constructed.

DGR recently completed an estimate for the project's total cost and a financial analysis (attached) based on conservative projections. The cost of the Northeast Generating Station is estimated at $25,591,400. The financial analysis uses information from the existing Reserved Capacity Agreement (RCA) between MPS and Missouri River Energy Services (MRES) to project the total cost and the return on investment over 30 years. The manufacturer of the generators offers 25-year warranties, which should provide a general idea that the life expectancy of the generators should exceed this 25-year period. The RCA expires in 2052.

The financial analysis was performed using three separate bond interest rates ranging from 3.75 to 4.25 percent (25 basis point increments) for 20-year bonds. The majority of the income from this project comes from a monthly payment from MRES for the reserved capacity provided by the generators. The current rate in the financial analysis is $5.47 per kW per month. The financial analysis projects a conservative annual increase of 1 percent in the monthly payment. The actual increase in this monthly payment over the past three years has ranged from 2.24 to 3.6 percent. MRES also provides MPS with an upfront lump sum payment for adding generation. This upfront lump sum payment reduces the bonded amount to approximately $20,170,000.

The financial analysis provided by DGR projects that MPS would recover between 74 and 77 percent of its initial investment over a 30-year period. This means that MPS could construct a generating facility that would provide emergency generation to Moorhead and offer added regional grid stability at a cost of about 25 cents on the dollar. This recovery could be greater if the interest rate on the bonds falls below projections and if the capacity payments from MRES grow at a rate greater than 1 percent annually.

KEY ISSUES:

- On November 18, 2025, the Commission approved Task Order No. 16 to assist MPS with the initial stages of planning, designing, procuring long lead-time equipment, and permitting for construction of the Northeast Generating Station, which will be located next to the site of the future Northeast Substation.
- DGR recently completed an estimate for the project's total cost and a financial analysis based on conservative projections.
- The financial analysis was performed using three separate bond interest rates ranging from 3.75 to 4.25 percent (25 basis point increments) for 20-year bonds.

FINANCIAL CONSIDERATIONS:

- The financial analysis provided by DGR projects that MPS would recover 74 percent to 77 percent of its initial investment over a 30-year period.
- The total cost of the Northeast Generating Station is estimated at $25,591,400.

Respectfully submitted,

Travis L. Schmidt
General Manager

Division/Response Person: Taylor Holte, Electric Project Engineer.

Attachments:
Project Cost Estimate from DGR—Table 1 (PSC Only)
Financial Analysis from DGR—Tables 2-4 (PSC Only)

Approve Specifications and Authorize Advertisement for Bids for 2027 Electrical Materials

RECOMMENDATION:
The General Manager respectfully requests the Commission approve the specifications and authorize advertisement for bids for 2027 electrical materials.

BACKGROUND:
Moorhead Public Service (MPS) staff has prepared specifications for the electrical materials needed for the 2027 construction season. Currently, two new developments are planned for construction in 2027; however, MPS must also be prepared to support any additional developments that may arise during the year.

In addition, MPS has four extension and system upgrade projects planned for 2027. These projects involve converting overhead electrical facilities to underground service in areas with the highest number of outages caused by squirrels and tree branches. MPS also has two capital improvement projects planned, along with one project to upgrade critical infrastructure for the City of Moorhead. At this time, no cable replacement projects are planned for 2027.

The electrical materials included in the specifications will be used for planned capital construction projects, as well as the ongoing operation and maintenance of MPS' electric distribution system. Required material quantities have been determined based on projected project needs and adjusted to account for existing inventory levels to establish the 2027 bid quantities. The bid opening is scheduled for August 11, 2026, provided the Commission authorizes advertisement for bids.

Metals pricing remains near historic highs, and ongoing tariffs continue to increase material costs. As a result, MPS should anticipate that transformers and underground cable prices may exceed 2026 pricing. MPS staff will continue to order transformers with soy-based insulating fluid, as it is biodegradable and clean-up is much easier after a leak. In 2007, MPS switched to this green-based fluid with its transformer order.

The specifications are available for review upon request and will be posted on QuestCDN upon approval by the Commission.

KEY ISSUES:
- MPS staff has prepared specifications for the electrical materials needed for the 2027 construction season.
- Currently, two new developments are planned for construction in 2027. In addition, MPS has four extension and system upgrade projects planned for 2027.
- MPS also has two capital improvement projects planned, along with one project to upgrade critical infrastructure for the City of Moorhead.
- The bid opening is scheduled for August 11, 2026, provided the Commission authorizes advertisement for bids.

FINANCIAL CONSIDERATIONS:
- The yearly cost of electrical materials in included in MPS' annual budget.

Respectfully submitted,

Travis L. Schmidt
General Manager

Division/Response Person: Adam Benhardt, Construction Manager.

Attachments: Available upon request.

Approve Amended S-1 Power Sale Agreement with Missouri River Energy Services

RECOMMENDATION:
The General Manager respectfully requests the Commission approve:

1. Amended Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) between Missouri Basin Municipal Power Agency, doing business as Missouri River Energy Services, Moorhead Public Service, the City of Moorhead, and Western Minnesota Municipal Power Agency (as amended and restated effective January 2, 2027);
2. Amended Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) Schedule A: Points of Delivery, Measurement, and Adjustments; and
3. Resolution approving the amended and restated Missouri Basin Municipal Power Agency Power Sale Agreement (S-1).

BACKGROUND:
Moorhead Public Service (MPS) has long-term wholesale power supply agreements with two suppliers—Western Area Power Administration (WAPA) and Missouri River Energy Services (MRES). WAPA provides MPS with its federal hydropower allocation, while MRES supplies supplemental power and the energy necessary to meet the community's electric requirements beyond WAPA's allocation.

The original S-1 Power Sale Agreement (S-1 Agreement) between MPS and MRES was executed in 1976. Since its execution, the S-1 Agreement has been amended five times, and the proposed amendment would be the sixth. Each amendment has extended the S-1 Agreement's term to maintain a 40-year contract period, allowing Western Minnesota Municipal Power Agency (WMMPA), the financing organization for MRES, to continue issuing long-term tax-exempt bonds that finance generation and transmission resources at favorable interest rates. The proposed amended agreement continues this practice by extending the term of the S-1 Agreement from January 1, 2057, to January 1, 2067**.** This extension supports WMMPA's strong credit position, preserves access to low-cost tax-exempt financing, and enables MRES to continue long-term resource planning for its member utilities.

In addition to the 10-year extension, the proposed revisions are limited in scope and modernize the S-1 Agreement to reflect current industry practices. Key revisions include:

- Adding definitions and provisions related to environmental attributes**,** including Renewable Energy Certificates and other environmental compliance products.
- Clarifying MRES' responsibility to provide a resource portfolio sufficient to meet applicable state and federal renewable energy and environmental requirements.
- Extending the initial Maximum Rate of Demand election date from 2027 to 2037 to align with the extended term of the S-1 Agreement.
- Clarifying a member's ability to purchase environmental attributes through programs such as MRES' Bright Energy Choices Program.
- Adding a covenant intended to protect the tax-exempt status of WMMPA's bond financing by addressing certain private business use restrictions under federal tax law.
- Making several terminology and administrative updates to improve clarity without materially changing the rights and obligations of MRES or its member communities.

Attorney John Boulger has reviewed the proposed amended S-1 Agreement documents and recommends approval. Attached for the Commission's consideration are the amended and restated S-1 Agreement, Schedule A to the S-1 Agreement, and the accompanying Resolution. Upon Commission approval, the same documents will be forwarded to the Moorhead City Council for final approval.

KEY ISSUES:

- The original S-1 Agreement between MPS and MRES was executed in 1976.
- Since its execution, the S-1 Agreement has been amended five times, and the proposed amendment would be the sixth.
- In addition to the 10-year extension, the proposed revisions are limited in scope and modernize the S-1 Agreement to reflect current industry practices

FINANCIAL CONSIDERATIONS:

- Each amendment has extended the S-1 Agreement's term to maintain a 40-year contract period, allowing WMMPA, the financing organization for MRES, to continue issuing long-term tax-exempt bonds that finance generation and transmission resources at favorable interest rates.
- The proposed amended agreement continues this practice by extending the term of the S-1 Agreement from January 1, 2057, to January 1, 2067**.**
- This extension supports WMMPA's strong credit position, preserves access to low-cost tax-exempt financing, and enables MRES to continue long-term resource planning for its member utilities.

Respectfully submitted,

Travis L. Schmidt
General Manager

Division/Response Person: Travis L. Schmidt, General Manager.

Attachments:
Letter from MRES Regarding Amended S-1 Agreement
Memo from MRES Summarizing Revisions to the S-1 Agreement
Amended S-1 Agreement
Amended Schedule A to the S-1 Agreement
Resolution to Approve the Amended S-1 Agreement

MISSOURI RIVER® ENERGY SERVICES

3724 West Avera Drive
PO Box 88920
Sioux Falls, SD 57109-8920
Telephone: 605.338.4042
www.mrenergy.com

June 8, 2026

Dear Members,

Missouri River Energy Services ("MRES") was formed over 60 years ago to help our members protect the allocations of hydropower they receive from the Western Area Power Administration ("WAPA"). Shortly after MRES was formed, WAPA informed its customers that their hydropower allocations would be capped at 1977 levels, requiring them to find an alternative source for their supplemental power supply needs. MRES then assumed a second core purpose – to secure and provide our members the power supply needed to serve all of their future load growth.

MRES fulfills its power supply obligation to its members through long-term power sale agreements with its 61 member communities. For 58 of our members, those agreements are called Power Sale Agreements (S-1), or "S-1 Agreements", to reflect the supplemental power supply obligation of MRES, over and above the members' WAPA allocations.

The S-1 Agreements are at the core of all we do at MRES. The agreements give our members the assurance that they will have all of the power they need to serve their communities. The agreements also ensure we will have the financial resources we need to provide the power and other services our members desire, while also serving as strong security for the tax-exempt bonds issued to fund the generation and transmission resources required to serve our members.

The first S-1 Agreements were signed in 1976. Those initial agreements had a term of 40 years. Since that time, the agreements have been amended five times, each time with 100% member approval. The primary reason for these amendments has been to extend the term of the agreements to 40 years. This 40-year term is important, allowing the issuance of tax-exempt bonds at some of the most favorable rates available, which in turn enables MRES to have some of the lowest wholesale power rates in the region.

As you hopefully heard at one of our Area Meetings last fall or at our Annual Meeting in May, it is once again time to extend the term of the S-1 Agreements. The last extension was nearly ten years ago, in 2017.

I'm happy to report that the S-1 Agreements are otherwise in good shape. The primary change to the agreement is to extend its term by 10 years, so that it will now expire in 2067. The other changes are very limited in scope. They are intended to update terminology to reflect current industry usage and help protect the benefits of tax-exempt financing.

Along with this letter, you are receiving several other documents designed to help assist you in reviewing and considering the revised S-1 Agreement, including a redlined draft of the S-1 Agreement showing all changes proposed to the current agreement. We ask that you please review this information closely, and that you also provide the information to your city attorney and/or utility attorney.

We know you may have questions as you review the revised S-1 Agreement and associated documents. We have scheduled two webinars to review the proposed changes to the agreement. The first will be held on June 23 from 8:30-10:00 a.m. and the second on July 7 from 8:30-10:00 a.m. We hope you and your attorney will be able to join one of these webinars. We will record one of the sessions and make it available on our website for those who are unable to attend either one.

MRES staff will also be otherwise available to discuss the revised S-1 Agreement with you. If you'd like, we will make a staff member available for a call or virtual meeting or to come to your community to make a presentation to your governing board at a time that is convenient for you. We want to make sure you understand the revised agreement and associated documents.

As noted above, this is the sixth time the S-1 Agreements have been amended, and each time 100% of the amended S-1 Agreements have been approved by the membership. Our goal is to make an announcement in December that, once again, 100% of our S-1 members have approved and signed the extended S-1 Agreement. To meet this schedule, we ask that you review, consider, and approve the extended agreement and associated documents by November 1, 2026.

Thank you for your continued partnership with MRES. We look forward to many more years of serving you and meeting your power supply needs.

Sincerely,
President & Chief Executive Officer

3724 West Avera Drive
PO Box 88920
Sioux Falls, SD 57109-8920
Telephone: 605.338.4042
Fax: 605.978.9360
www.mrenergy.com

To: MRES S-1 Members

From: Dan Harmelink, MRES General Counsel

Date: June 8, 2026

Re: Extension of Power Sale Agreements (S-1)

This memo describes the changes being proposed to the Power Sale Agreement (S-1) (the "S-1 Agreement") between Missouri River Energy Services ("MRES") and its S-1 members. This memo is provided to supplement and aid your review of the revised S-1 Agreement, explaining the substantive changes being proposed. A "4-Step Guide" is being separately provided to assist with procedural steps related to the consideration and adoption of the revised S-1 Agreement.

The primary proposed change to the S-1 Agreement, and the reason for the revised agreement, is the extension of the agreement's term from 2057 to 2067. This extension is vitally important to the continued ability of MRES to provide supplemental power to its members on the cost-effective basis they expect and deserve. The extension allows Western Minnesota Municipal Power Agency ("WMMPA"), the asset-owning and financing arm of MRES, to issue tax-exempt bonds on very favorable terms and it enables MRES to engage in more efficient, long-term resource planning.

Before addressing each of the proposed substantive changes to the S-1 Agreement, two general comments are warranted with respect to the revised S-1 Agreement.

- The proposed changes to the S-1 Agreement are limited in number and in scope, as you will see from the redlined draft of the agreement. The driver for the revised S-1 Agreement is the need to extend the term of the agreement as noted. The rest of the agreement remains in good shape, despite continuing changes within the electric industry. There are a handful of other substantive proposed changes to the agreement, but none that materially alter the parties' respective rights and obligations under the S-1 Agreement.

- The MRES Board of Directors directed MRES staff to make sure all revisions to the S-1 Agreement are ultimately beneficial to the members. The revised S-1 Agreement reflects this directive. All proposed changes are designed to enhance the overall strength of our members and their ability to provide reliable and cost-effective power to their communities.

The following is an explanation of each of the substantive changes to the S-1 Agreement being proposed by MRES. As shown by the redlined draft of the revised agreement, there are also non-substantive terminology updates intended to clean-up and clarify certain aspects of the agreement. The non-substantive updates are not explained below.

- **Section 1 – Definitions.** A handful of new defined terms were added to the agreement, either to support existing terms of the agreement or to supplement new or revised terms, as discussed below. The following definitional additions and changes are substantive in nature:

    - Section 1(d) adds a definition for "Environmental Attributes", which is defined to encompass Renewable Energy Certificates, Emission-Free Energy Certificates, and similar products attributable to the reduction or avoidance of environmental impacts on air, soil, or water. This definition is used in Sections 3(a) and 3(a)(ii) of the agreement, as further described below.

    - Section 1(f) revises the definition of "Green Energy" to include the potential use of Environmental Attributes for a member desiring Green Energy. This is further addressed in Section 3(a)(ii) of the agreement, as discussed below.

    - Section 1(z) updates the definition of "Power Supply Contract(s)" to more clearly encompass qualifying power supply contracts between MRES and WMMPA or any future power supplier.

    - The definition of "Uncontrollable Forces" was struck because it does not require definition. The concept of uncontrollable forces is addressed in Section 13 of the agreement but there is no need to separately define the term.

- **Section 2 – Term.** As noted above, the term of the agreement is being extended by ten years, to expire on January 1, 2067. This is consistent with all five prior amendments to the S-1 Agreement, in which the term of the agreement was extended to 40 years.

- **Section 3 – Sale of Power and Energy.** This section was revised in three respects:

    - Section 3(a) was updated to clarify that MRES's obligation to maintain a portfolio of resources sufficient to ensure compliance with state or federal energy requirements also applies to environmental requirements, such that MRES must maintain a resource mix and products (e.g., Environmental Attributes) sufficient to enable member compliance with applicable environmental requirements. This currently applies most directly to Minnesota members and compliance with Minnesota's Renewable Energy Standard and Carbon Free Standard.

    - Section 3(a)(i) extends the first Maximum Rate of Delivery ("MROD") election date from 2027 to 2037. Under the MROD terms, a member may elect to cap its purchases from MRES at certain times during the term of the agreement. Because the extended agreement will take effect on January 1, 2027, an initial MROD election date of 2027 is impractical. Also, with prior extensions of the S-1 Agreement, the MROD election date has historically been extended 10 years, so the current proposed extension is in line with past practice.

  - Section 3(a)(ii) was revised to reflect a member's right to elect to purchase Environmental Attributes as an alternate means of causing its power supply makeup to be considered more renewable or carbon-free in nature. This more clearly memorializes what is being done through MRES's Bright Energy Choices program.

- **Section 9 – Covenants of Municipality.** A new covenant was added in subsection (c) of Section 9 to help prevent actions by members with respect to the S-1 Agreement, or power delivered under it, that could affect the tax-exempt nature of bonds issued by WMMPA, thereby increasing the S-1 energy rates paid by all members. Federal income tax law limits the ability of municipal utilities to sell output from facilities financed with tax-exempt bonds to private parties pursuant to certain types of power purchase agreements, commonly referred to as the "private business use" rules. Because tax-exempt financing is used to fund WMMPA generation resources used by MRES to sell power to its members under the S-1 Agreements, the private business use rules apply here.

  The addition of the covenant in Section 9(c) is intended to raise awareness of these limitations and further ensure compliance. Similar terms are contained in many other long-term power sale agreements between municipal joint action agencies and their members, but have not before been included in the S-1 Agreement. The sale of power by a municipal utility pursuant to an established rate tariff of rate schedule will not implicate this covenant; the covenant is designed to address certain fixed term power purchase agreements with commercial customers. If a member enters into a fixed term power purchase agreement with a customer, care should be taken to ensure there are no issues under the private business use rules.

- **Section 11 – Metering.** Duplicative language was removed from this section.

- **Section 13 – Uncontrollable Forces.** Minor updates were made to this section to clarify and make more internally consistent the terms applicable to an uncontrollable force impacting the performance of a party under the agreement.

- **Section 26 – Security for Power Supply Contracts.** A few terminology clarifications were made to subsection (b) of this section, to better relate the language to the S-1 Agreements with all S-1 members.

- **Section 28 – Entire Agreement.** This section was updated to better reflect the effective date of the revised S-1 Agreement and associated impact on the current agreement, with the revised S-1 Agreement superseding and replacing the current agreement effective as of January 2, 2027.

[End of Memo]

MISSOURI BASIN MUNICIPAL POWER AGENCY
POWER SALE AGREEMENT (S-1)

(as amended and restated effective January 2, 2027)

This Power Sale Agreement (S-1) was made originally as of October 1, 1976, was subsequently amended and restated, and is hereby further amended and restated, effective as of January 2, 2027 (the "Agreement"), among MISSOURI BASIN MUNICIPAL POWER AGENCY, a body corporate and politic organized under Chapter 28E of the Code of Iowa and doing business as Missouri River Energy Services ("Agency"), WESTERN MINNESOTA MUNICIPAL POWER AGENCY, a municipal corporation and political subdivision of the State of Minnesota ("Western Minnesota"), and City of MOORHEAD, a municipal corporation of the State of Minnesota ("Municipality"), each referred to as a "Party" or collectively as the "Parties."

W I T N E S S E T H:

WHEREAS, Municipality owns and operates an electric utility system and currently purchases all or a portion of its requirements for electric power and energy from the Western Area Power Administration ("WAPA"); and

WHEREAS, Agency has entered into or may enter into agreements for the sale of electric power and energy with provisions similar to those contained in this Agreement with other member municipalities which own and operate electric utility systems (Municipality and such other municipalities being referred to collectively as "Municipalities" and this Agreement and such other agreements, as the same or any thereof may hereafter be amended, modified, or extended, being referred to collectively as the "Power Sale Agreements (S-1)"); and

WHEREAS, Agency has entered into a Power Supply Contract with Western Minnesota originally dated as of October 1, 1976, as subsequently supplemented, amended, restated, and updated (the "Power Supply Contract"), and may enter into future power supply contracts (such documents, along with the Power Supply Contract, as they may be supplemented, amended, restated, or updated in accordance with the provisions thereof, and otherwise meeting the requirements of this Agreement, being referred to collectively as the "Power Supply Contracts") pursuant to which Agency will acquire power and energy from projects designated therein or in a supplement thereto for the purposes of meeting Agency's obligations to Municipalities under the Power Sale Agreements (S-1) and to other members of Agency under other long-term power sale agreements (the "Other Power Sale Agreements (Non S-1)" and, together with the Power Sale Agreements (S-1), the "Municipal Power Sale Agreements") with payments therefor by Agency to be made as provided in the Power Supply Contract; and

WHEREAS, the Power Supply Contract requires Agency to secure its obligations thereunder by a pledge and assignment to Western Minnesota (Western Minnesota shall be designated as the "Power Supplier," and each future power supplier under any future Power Supply Contract shall be designated individually as a "New Power Supplier") of its right, title, and interest in and to certain revenues of Agency, including without limitation all payments to be made under this Agreement; and

WHEREAS, Agency is willing to plan for and provide to meet Municipality's supplemental requirements for power and energy above the amount of power and energy Municipality purchases from WAPA on an integrated resource Agency-system-wide planning basis as part of Agency's planning for all of its obligations under the Municipal Power Sale Agreements; and

WHEREAS, the power and energy required by Agency to meet its obligations under the Municipal Power Sale Agreements come from generation sources that may be within the geographic footprint of centralized electricity markets for the sale of power and/or energy (collectively, the "Markets") and requires transmission over facilities that are under the control of the operator of the regional transmission system in the respective geographic region, *i.e.* the Midcontinent Independent System Operator ("MISO") and the Southwest Power Pool ("SPP") or any successor regional transmission organizations ("RTO"), each which has established, and is governed by, rules and tariffs that require Agency (a) to make arrangements for the supply of power or energy or both, (b) to separately make arrangements for the physical delivery of such power and energy to enable Municipality to accept that power and energy, and (c) to pay separately for each product in the respective Market; and

WHEREAS, Municipalities that are served under the Power Sale Agreements (S-1) are located within the geographic footprints of such Markets; and

WHEREAS, Agency will be better positioned to minimize the overall cost of power and energy for Municipalities served under the Power Sale Agreements (S-1) by clearly defining its obligation to supply power and energy to Municipalities within the rules and tariffs of the Markets within which Municipalities are located; and

WHEREAS, the separate transmission service necessary to deliver power and energy to or for the benefit of Municipalities, as well as the costs associated with such service, define Agency's delivery obligation, and such service shall be based on the actual cost of transmission to each Municipality.

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the Parties hereto agree as follows:

Section 1. DEFINITIONS.

The following terms, when capitalized throughout this Agreement, shall have the meanings stated as follows:

(a) Agency – Missouri Basin Municipal Power Agency, a body corporate and politic organized under Chapter 28E of the Code of Iowa and doing business as Missouri River Energy Services;

(b) Agreement – this Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) among Agency, Western Minnesota, and Municipality;

(c) CTC – Competitive Transition Charge, as more specifically provided in Section 7(d);

(d) Environmental Attributes – any renewable energy certificates, emission-free energy certificates, alternate energy certificates, energy attribute certificates, emission offsets, or other current or future certificates, credits, benefits, emissions reductions, offsets, or allowances, however titled, named, created, registered, tracked, validated, measured, or allocated, resulting from a renewable energy resource or carbon-free energy resource that (i) are at any time recognized or deemed of value by any buyer, law, regulation, or mandatory or voluntary program of any government or other person and (ii) are attributable to or associated with the reduction or avoidance of greenhouse gas emissions or other environmental impacts on air, soil, or water; *provided, however*, Environmental Attributes specifically exclude any and all federal and state production tax credits, investment tax credits, and any other tax credits that are or may be generated by facilities from which Environmental Attributes are produced;

(e) FERC – Federal Energy Regulatory Commission, such definition to include any successor governmental agency or entity thereto;

(f) Green Energy – an optional component of Supplemental Power that allows Municipality (i) to request that the Supplemental Power sold by Agency to Municipality consist of an amount comprised of energy derived from generation sources using renewable, carbon-free, or other environmentally-friendly resources, to include any capacity required to back up the energy resources, or (ii) to request Environmental Attributes from Agency, each as more specifically provided in Section 3(a)(ii);

(g) Load Serving Requirements – certain minimum standards, including but not limited to power factor, underfrequency load shedding, undervoltage load shedding, and other requirements, that may be imposed by a third party, including but not limited to NERC, MRO, an RTO, or a transmission owner;

(h) Market(s) – the organized capacity market(s) and/or energy market(s) operated by one or more RTO, including MISO and SPP;

(i) MISO – Midcontinent Independent System Operator, Inc., which is an RTO approved by FERC, such definition to include any successor organization, agency, or entity thereto;

(j) MRO – Midwest Reliability Organization, which is that regional entity to which NERC has delegated authority to ensure compliance with mandatory reliability standards, such definition to include any successor organization, agency, or entity thereto;

(k) MROD – Maximum Rate of Demand; the maximum obligation of Agency to supply and Municipality to purchase Supplemental Power, when such maximum is elected by Municipality and established as more specifically provided in Section 3(a)(i);

(l) MROD Date – the date on which the MROD first applies, beginning with the first day of the summer season following the second year after Municipality delivers the written notice to Agency of its intention to establish an MROD, as more specifically provided in Section 3(a)(i);

(m) Municipal Power Sale Agreement(s) – any one of a number, or collectively all, of the contracts between Agency, Western Minnesota, and Municipality or other Municipalities for the supply of power, energy, and related services, each as provided therein, including (i) the Power Sale Agreements (S-1) and (ii) the Other Power Sale Agreements (Non S-1);

(n) Municipality – City of Moorhead, a municipal corporation of the State of Minnesota, that owns and operates an electric utility system for the retail sale of electricity to consumers, and which is a member of Agency;

(o) Municipalities – collectively refers to Municipality and those other municipalities that own and operate electric utility systems for the retail sale of electricity to consumers, are members of Agency, and have entered into a Municipal Power Sale Agreement;

(p) NERC – North American Electric Reliability Corporation, which is that international electric reliability organization for North America which is responsible for assuring the reliability of the bulk power system, and subject to oversight by FERC and governmental authorities in Canada, such definition to include any successor organization, agency, or entity thereto;

(q) New Power Supplier – any entity with which Agency may hereafter enter into a contract providing for the acquisition by Agency of power supply resources pursuant to an agreement that satisfies all applicable requirements of the Power Supply Contract relating to the opening of the pledge, as provided for in Section 26, and as is more specifically provided in Section 27; *provided, however*, New Power Supplier shall not include MISO, SPP, or a similar administrator of a Market;

(r) Non-Tax Exempt Funds – funds that are not derived from the proceeds of debt the interest on which is excludable from the gross income of the owners under Tax Laws;

(s) Other Power Sale Agreements (Non S-1) – power supply agreements among Agency, Western Minnesota, and one or more Municipalities under terms substantively different than those of the Power Sale Agreements (S-1);

(t) Parties – Agency, Western Minnesota, and Municipality, collectively;

(u) Party – any of Agency, Western Minnesota, or Municipality, individually;

(v) Point(s) of Delivery – a location that represents the boundary of the transmission facilities that are under the functional control of an RTO at or near the town gate of Municipality, which specific location(s) for Municipality shall be as set forth in Schedule A, as may be revised from time to time as provided in this Agreement;

(w) Point(s) of Measurement – the interconnection point between Municipality's distribution system and the transmission/sub-transmission system, as is specifically defined for Municipality in Schedule A, as may be revised from time to time as provided in this Agreement;

(x) Power Sale Agreements (S-1) – power sale agreements among Agency, Western Minnesota, and Municipalities, entered into for the sale of supplemental power and transmission service with members of Agency, the first of which were executed by certain Municipalities on or about October 1, 1976, amended on or about January 1, 1986, amended and restated as of January 1,1993, amended and restated as of January 1, 2000, amended and restated as of January 1, 2007, and amended and restated as of January 2, 2017, and are being amended and restated as of the date of this Agreement;

(y) Power Supplier – pursuant to the Power Supply Contract, means Western Minnesota;

(z) Power Supply Contract(s) – that agreement between Agency and Western Minnesota, dated as of October 1,1976, supplemented as of June 1, 1983, amended and restated as of November 1, 1985, amended and restated as of July 1, 2003, amended and restated as of September 15, 2006, and amended and restated as of March 8, 2018, and as thereafter supplemented, amended, restated, and updated, and any agreement between Agency and a New Power Supplier meeting the requirements of this Agreement, in each case pursuant to which Agency acquires power and energy from projects designated in such agreement or in a supplement thereto for the purposes of meeting Agency's obligations to Municipalities under the Municipal Power Sale Agreements;

(aa) Prudent Utility Practices – any of the practices, methods, and acts at a particular time which, in the exercise of reasonable judgment in the light of the facts, including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto, known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition;

(bb) RTO(s) – Regional Transmission Organization(s) and/or Independent System Operator(s) which have been approved by FERC to independently operate the electric power grid minute-by-minute in established geographic regions to ensure that power and energy get to customers, to eliminate power shortages, and to administer approved transmission tariffs for fair and non-discriminatory access to the power grid;

(cc) S-1 Supplemental Power Rate Schedule – the Rate Schedule, attached hereto as Schedule B, that provides for the rates, terms, and conditions pursuant to which Municipality shall pay Agency for all Supplemental Power, as such schedule may be revised from time to time, pursuant to Section 7;

(dd) S-1 Transmission Rate Schedule – the Rate Schedule, attached hereto as Schedule C, that provides for the rates, terms, and conditions pursuant to which Municipality shall pay Agency for all Transmission Service, as such schedule may be revised from time to time, pursuant to Section 7;

(ee) SPP – Southwest Power Pool, Inc., which is an RTO approved by FERC, such definition to include any successor organization, agency, or entity thereto;

(ff) Supplemental Power – all power, energy, and related products and services, as more specifically provided in Section 3;

(gg) Tax Laws – federal income tax laws governing or affecting the exclusion of interest on debt from the gross income of the owners for federal income tax purposes (whether then outstanding or thereafter to be issued), as those laws may be amended from time to time, including but not limited to, Section 141 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations or any rulings promulgated thereunder, or as affected by a decision of any court of competent jurisdiction; any reference to indebtedness for which the exclusion of interest from gross income of the owners for federal income tax purposes shall also include any debt for which a federal tax credit is allowed to the issuer or owner of the debt, commonly known as "tax advantaged bonds," such as Build America Bonds, Clean Renewable Energy Bonds, Qualified Energy Conservation Bonds or similar obligations as shall be permitted under current or future provisions of the Internal Revenue Code of 1986, as amended;

(hh) Term – the dates during which this Agreement shall be effective, as provided in Section 2;

(ii) Transmission Service – those products and services necessary to deliver (i) Supplemental Power to the Point(s) of Delivery for Municipalities in SPP, and (ii) Supplemental Power and WAPA Power to the Point(s) of Delivery for Municipalities in MISO;

(jj) Transmission Zone – a defined location within an RTO which relates to a pricing region that includes specifically identified transmission facilities used to deliver power and energy;

(kk) WAPA – Western Area Power Administration, one of four federal power marketing administrations within the U.S. Department of Energy whose role is to market and transmit wholesale electricity from multi-use water projects, the definition of WAPA to include any successor governmental agency or entity thereto;

(ll) WAPA Power – the amount of power and energy, and related ancillary services, scheduling services, market services, and other products and services, allocated and provided to Municipality by WAPA pursuant to a long-term agreement between Municipality and WAPA; and

(mm) Western Minnesota – Western Minnesota Municipal Power Agency, a Minnesota municipal corporation and political subdivision, organized under Minnesota Statutes Chapter 453.

Section 2. TERM.

This Agreement as originally executed and delivered by Municipality became effective October 1, 1976, and shall remain in effect for a Term extending through hour ending 24:00 January 1, 2067 (the

"Term"). Upon the expiration of the Term, this Agreement shall remain in effect as permitted by law unless and until terminated by Agency or Municipality upon not less than one year written notice.

Section 3. SALE OF POWER AND ENERGY.

(a) Supplemental Power. Agency shall sell to Municipality, and Municipality shall purchase and receive from Agency, for the Term of and as provided in this Agreement, all power and energy required by Municipality to meet the needs of all of its consumers over and above the amounts of WAPA Power available to Municipality from WAPA as of the date of this Agreement ("Supplemental Power"). Supplemental Power includes all products and services to acquire power and energy, which includes but is not limited to ancillary services, reserves of any type, congestion, and energy losses related to Supplemental Power, regulation and frequency response, reactive supply and voltage control from generation sources, and any other related products or services. Supplemental Power does not include any Transmission Service. Agency shall adjust and maintain the portfolio of resources and products (e.g., Environmental Attributes) used to meet its Supplemental Power obligation to ensure Agency's and Municipality's ability to comply with any state or federal energy or environmental requirements that are or may be imposed on wholesale or retail load serving entities associated with the provision of power and energy pursuant to this Agreement.

Agency's obligation under this subparagraph (a) shall be subject to the following conditions:

(i) Establishment of MROD. If Agency has established an MROD for Municipality as described in this subsection (a)(i), Agency's responsibility to meet its Supplemental Power obligation for the remaining term of this Agreement shall be limited to the MROD plus any additional amounts attributable to the occurrence of the events described in subsection (b)(i) of this Section. If an MROD is established, Municipality shall purchase all power and energy offered by Agency at a rate of delivery up to the MROD at any time of day and under the same rates as any other Municipality receiving service from Agency under a Power Sale Agreement (S-1). (In order to provide additional clarity, the MROD will be the lesser of Municipality's actual supplemental load in every hour or the MROD. Thus, the power and energy supplied by Agency could be at 100 percent load factor.) Agency shall notify Municipality in writing on or about April 1 and again on or about September 1 of 2037 and each fifth year thereafter of Municipality's opportunity to establish an MROD by providing written notice to Agency by December 31 of that same year. Agency shall not establish an MROD for Municipality unless by December 31, 2037, or between October 1 and December 31 of each fifth year thereafter through December 31, 2062, Municipality delivers a written notice to Agency requesting an MROD be established as of the date and in the manner described as follows: the MROD for Municipality shall become effective on a bi-seasonal (summer and winter) basis beginning with the first day of the summer season following the second year after Municipality delivers the written notice to Agency (the first day of that summer season shall be designated as the MROD Date). (For example, if Municipality delivers the notice on or before December 31, 2037, to establish an MROD beginning in 2040, the MROD Date will be the first day of the summer season in 2040.) The summer and winter seasons shall be those recognized by Agency as of January 1 of the year in which the MROD Date occurs. The MROD for each season shall be fixed in an amount equal to the average of the three seasonal maximum rates of demand of Supplemental Power from Agency to Municipality during the corresponding season of the three prior years before the MROD Date (the same season of that previous year and the two years immediately prior to that previous year). Agency shall notify Municipality in writing of its MROD for the summer season by January 1 of the year in which the MROD Date occurs and the MROD for the winter season by July 1 of that year. An MROD will not be established for Municipality before the summer season of 2040.

(ii) Green Energy. Upon the written request of Municipality, the Supplemental Power sold by Agency to Municipality shall consist of an amount specified by Municipality, for a mutually agreeable term of years, comprised of Green Energy. The selection of generation sources or Environmental Attributes used by Agency to provide Green Energy shall be in accordance with applicable federal and state laws and regulations. Agency's revenue requirements for acquiring and providing Green Energy will be separated from the revenue requirements associated with the system supply comprising the remainder of its Supplemental Power and the cost of the Green Energy will be separately charged to Municipality requesting such service.

(b) WAPA Power.

(i) If WAPA reduces the amount of WAPA Power available to Municipality, Agency shall sell as part of the Supplemental Power provided by Agency, and Municipality shall purchase as part of the Supplemental Power provided by Agency, that portion of the amount of WAPA Power previously provided by WAPA. If WAPA reduces the WAPA Power available to Municipality after Municipality has established an MROD, the Supplemental Power obligation shall be the MROD as previously established.

(ii) In the event Municipality takes any action or fails to take any action, any of which results in the transfer, surrender, release, or discontinuation of its right or ability to receive WAPA Power, and its WAPA Power is discontinued, Municipality agrees that it will provide to Agency notice of such discontinuation at least one hundred eighty (180) days before such discontinuation, and will, in the event Agency incurs additional costs to provide additional Supplemental Power to replace the WAPA allocation, pay to Agency a surcharge which the Board of Directors may assess pursuant to Section 7.

(c) In meeting its obligations under this Agreement to provide Supplemental Power, Agency shall obtain and provide resources in accordance with an integrated resource supply planning process, including demand-side resources and programs available to Municipality which can be accommodated in an Agency-wide program.

(d) Municipality hereby commits itself to take and pay for all of the Supplemental Power made available to Municipality. Payments for Supplemental Power shall be made at rates established in accordance with the provisions of Section 7 of this Agreement.

Section 4. REQUIREMENTS TO RECEIVE SUPPLEMENTAL POWER.

Power and energy to be furnished hereunder shall be alternating current, three phase, sixty hertz. Municipality shall make and pay for all connections between the system of Municipality and the system of, or available to, Agency at the Point(s) of Delivery.

Section 5. MEASUREMENT OF SUPPLEMENTAL POWER AND TRANSMISSION SERVICE.

For the purpose of determining amounts due pursuant to the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule referred to in Section 7, the Point(s) of Measurement shall be as specifically defined in Schedule A, which may be revised from time to time by mutual agreement of Municipality and Agency. When power and energy is furnished at two or more Points of Measurement, the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule shall apply separately to each service supplied at each Point of Measurement; *provided, however*, that where the meter readings are considered separately and Municipality's system may be interconnected between Points of Measurement during emergencies, the meter readings at any Point of Measurement will be adjusted when necessary to compensate for duplication of power and energy recorded by meters at alternate points of measurement due to energy conditions which are beyond Municipality's control or temporary conditions caused by scheduled load switching or outages.

Section 6. TRANSMISSION SERVICE.

(a) Agency shall sell to Municipality, and Municipality shall purchase and receive from Agency, for the Term of and as provided in this Agreement, Transmission Service necessary to deliver to Municipality Supplemental Power or Supplemental Power and WAPA Power, as applicable, to the Point(s) of Delivery to meet the needs of Municipality. The charges for Transmission Service shall be set forth in the S-1 Transmission Rate Schedule and shall include a separate charge assessed to each Municipality that reflects the pricing of the Transmission Zone in which Municipality is located.

(b) The Point(s) of Delivery shall be as specifically defined in Schedule A. The Points of Delivery, Points of Measurement, delivery voltage, power factor, special conditions, and other conditions of service as necessary for Agency to perform its obligations under this Agreement shall all be set forth in

Schedule A, which may be revised from time to time to include other Point(s) of Delivery and conditions of service. Schedule A may be revised based on mutual agreement of Municipality and Agency. In the event that the Point(s) of Delivery set forth in Schedule A are not on Municipality's electric system, Municipality shall be responsible for making separate provisions for transmission of power and energy to its system, including the installation and maintenance of any facilities required for it to receive such power and energy into its system.

(c) As a requirement of receiving Transmission Service, Municipality shall meet the Load Serving Requirements unless it is determined by Agency that nonconformance with a Load Serving Requirement will not adversely impact any generating or transmission facilities with which Municipality is interconnected; *provided, however*, that nothing in this Agreement shall be construed to relieve Municipality of any obligation to meet the Load Serving Requirements between Municipality, or between Agency on behalf of Municipality, and any third party, as may be appropriate.

(i) If Municipality fails to meet a Load Serving Requirement, Agency shall have the right, but not the obligation, to remedy any issue associated with the deficiency and directly charge Municipality for reimbursement of any associated costs.

(ii) To the extent Agency is assessed any fines or charges due to Municipality's failure to meet a Load Serving Requirement, Agency shall directly charge to Municipality and Municipality shall pay to Agency the cost of such fines or charges as a separate charge, and Agency shall not include the cost of such fines or charges in the determination of the revenue requirements used by Agency to establish rates hereunder.

(d) Municipality hereby commits itself to take and pay for all of the Transmission Service made available to Municipality. Payments for Transmission Service shall be made at rates established in accordance with the provisions of Section 7.

Section 7. RATES.

(a) Municipality shall pay Agency for all Supplemental Power furnished hereunder at the rates and on the terms and conditions set forth in Agency's S-1 Supplemental Power Rate Schedule, attached hereto as Schedule B and made a part hereof, as such schedule is initially established and adjusted from time to time pursuant to this Agreement. Municipality also shall pay Agency for all Transmission Service at the rates, terms, and conditions set forth in Agency's S-1 Transmission Rate Schedule, attached hereto as Schedule C and made a part hereof, as such schedule is initially established and adjusted from time to time pursuant to this Agreement. In the event Agency makes available Supplemental Power at the Point(s) of Delivery but Municipality fails to take or receive such power and energy, Municipality shall pay Agency for such availability in an amount equal to the product of the demand charge and energy charge for Supplemental Power in the S-1 Supplemental Power Rate Schedule and the kilowatts and kilowatt-hours that would have otherwise been taken as evidenced by the total power and energy consumed by Municipality's customers during the billing period. In the event Agency makes available Transmission Service but Municipality fails to take or receive such service, Municipality shall pay Agency for the cost of such service. The amount of Transmission Service shall be determined in the same manner as for the previous month. The obligation of Municipality to make such payments for Supplemental Power and for Transmission Service furnished pursuant to this Agreement shall not be subject to any rights of setoff, recoupment, or counterclaim which Municipality may otherwise have against Agency; *provided, however*, that nothing contained herein shall be construed to prevent or restrict Municipality from asserting any rights which it may have against Agency under this Agreement or under any provision of law, including the institution of legal proceedings for specific performance or recovery of damages.

(b) Agency shall establish and maintain rates contained in the S-1 Supplemental Power Rate Schedule, under this Agreement and the other Power Sale Agreements (S-1), which will provide revenues which are sufficient, but only sufficient, to meet the estimated revenue requirements of Agency, which revenue requirements shall, to the extent that other revenues of Agency including but not limited to revenue from Other Power Sale Agreements (non-S-1), revenue from sales of surplus power and energy, and revenue from RTOs for transmission facilities owned by Western Minnesota or Agency have not been actually applied to meet such requirements, consist of:

(i) all payments under the Power Supply Contract(s);

(ii) the cost to Agency of meeting its obligations pursuant to any Municipal Power Sale Agreement(s), excluding Transmission Service;

(iii) the cost to Agency of operation and maintenance of facilities owned or operated by Agency, irrespective of whether operational control of such facilities has been turned over to an RTO, for the generation or transmission of power and energy pursuant to any Municipal Power Sale Agreement(s);

(iv) the cost to Agency of renewals and replacements of facilities owned or operated by Agency for the generation or transmission of power and energy pursuant to any Municipal Power Sale Agreement(s);

(v) the cost to Agency to establish an allowance for working capital, reasonable reserves for contingencies, and debt service coverage, deemed necessary by Agency in order to carry out its obligations;

(vi) the cost to Agency of administration, general overhead, planning and operations, and any other member services to further the purposes of Agency, and associated with meeting Agency's obligations under any Municipal Power Sale Agreement(s);

(vii) additional amounts, if any, which:

(aa) must be realized by Agency to meet the requirements of any rate covenant with respect to coverage of power costs or any component thereof under any Power Supply Contract(s),

(ab) are required by Agency to facilitate the construction of power supply resources, or

(ac) are required by Agency to collect amounts described in Section 7(c); and

(viii) in the event Agency shall hereafter issue any bonds or indebtedness for the purpose of acquiring facilities (or an undivided interest therein or rights to capacity thereof) for the generation or transmission of power and energy to be sold under the Municipal Power Sale Agreements, such revenue requirements shall, in addition to the foregoing, include the following:

(aa) payments of principal and interest on all bonds and indebtedness of Agency issued in connection with its obligations under the Municipal Power Sale Agreements and payments which Agency is required to make into any debt service reserve fund or account under the terms of any bond or indebtedness resolution or other contract with holders of such bonds or indebtedness;

(ab) the establishment and maintenance of additional reserves as may be required by the terms of any bond or indebtedness resolution or other contract with holders of such bonds or indebtedness; and

> (ac) additional amounts, if any, which must be realized by Agency in order to meet the requirements of any rate covenant with respect to coverage of debt service on such bonds or indebtedness under the terms of any bond or indebtedness resolution or other contract with holders of such bonds or indebtedness plus such additional amounts deemed desirable to facilitate marketing bonds and indebtedness of Agency of favorable terms.

(c) The Board of Directors of Agency may include in the S-1 Supplemental Power Rate Schedule a separate surcharge for a Municipality that (i) elects to arrange for Green Energy as part of its Supplemental Power, (ii) takes action that results in the reduction or discontinuation of its WAPA Power allocation, (iii) is subject to a CTC, or (iv) is subject to any other surcharge as provided in this Agreement.

(d) In addition to revenues collected through the rates calculated under Section 7(b), Agency may establish a CTC to collect the portion of its revenue requirements that Agency determines may make its existing rates exceed market levels in any of the states that restructure the regulation of their electric utility industries to promote the introduction of a competitive retail access environment and in which Agency sells Supplemental Power. Before establishing a CTC, Agency shall determine (i) an estimated amount of revenues to be collected from all of Agency's members who are parties to a Municipal Power Sale Agreement that is required to bring Agency's rates to competitive levels and that are not expected to be collected from other sources, (ii) the number of years during which the CTC is to be assessed and revenues collected, (iii) the method by which the CTC will be assessed to any or all of the Municipalities, and (iv) the method for reconciling revenues with Agency's annual revenue requirement used to establish Supplemental Power rates under Section 7(b). The CTC charged to Municipality will be stated as a separate charge on Municipality's bill and shall be payable without relationship to the amount of power and energy purchased by Municipality in any individual month.

(e) Agency shall establish and maintain rates contained in the S-1 Transmission Rate Schedule under this Agreement and the other Power Sale Agreements (S-1) which will provide revenues which are sufficient, but only sufficient, to meet the estimated revenue requirements of Agency, which revenue requirements shall consist of all costs to Agency of meeting its Transmission Service obligation, pursuant to Section 6, including but not limited to:

(i) the cost from an RTO for Network Integration Transmission Service;

(ii) the cost from an RTO for transmission expansion plans and related network upgrades;

(iii) the cost from an RTO or other entity for directly assigned transmission facilities;

(iv) the cost incurred from an RTO or other entity for under voltage, under frequency, and inadequate power factor;

(v) any other cost incurred from an RTO or other entities for providing Transmission Service to Municipality;

(vi) the cost of grandfathered transmission agreements for Transmission Service to Municipality; and

(vii) the cost to Agency of administration and general overhead associated with meeting Agency's Transmission Service obligation.

For each Transmission Zone, the S-1 Transmission Rate shall include a separate charge assessed to each Municipality that reflects the pricing of the Transmission Zone in which Municipality is located.

(f) At such intervals as it shall determine appropriate, but in any event not less frequently than once each calendar year, the Board of Directors of Agency shall review and, if necessary, shall revise the S-l Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule to ensure that the rates thereunder continue to cover its estimate of all of the foregoing revenue requirements.

(g) In connection with any revision of the S-1 Supplemental Power Rate Schedule or the S-1 Transmission Rate Schedule, Agency shall cause a notice in writing to be given to all Municipalities taking services under the Power Sale Agreements (S-1) which shall set out the revised S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule with the effective dates of such revisions not being less than thirty (30) nor more than ninety (90) days after the date of the notice, and shall be accompanied by an analysis of the estimated revenue requirements for which the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule will be revised. All revisions of the S-1 Supplemental Power Rate Schedule shall be consistent with the description of services provided in

Sections 3 and 6. All revisions of the S-1 Transmission Rate Schedule shall be consistent with the description of services provided in Sections 5 and 6. Municipality agrees that such revised S-1 Supplemental Power Rate Schedule and revised S-1 Transmission Rate Schedule, as determined from time to time by the Board of Directors of Agency, shall be substituted for the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule as they are initially adopted, revised, and then in effect, and agrees to pay for Supplemental Power and Transmission Service made available by Agency to it pursuant to this Agreement after the effective date of such revisions in accordance with the revised S-1 Supplemental Power Rate Schedule and the revised S-1 Transmission Rate Schedule.

Section 8. COVENANTS OF AGENCY.

Agency shall endeavor to market and dispose of, under the most economically advantageous terms and conditions obtainable, all surplus power and energy obtained from its power supply resources, and which in the sole judgment of Agency can be disposed of without otherwise adversely affecting performance by Agency under this Agreement.

Section 9. COVENANTS OF MUNICIPALITY.

(a) Municipality agrees to maintain rates for power and energy to its consumers which shall provide to Municipality revenues sufficient to meet its obligations to Agency under this Agreement and the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule, as the same may be revised from time to time, and to pay all other obligations payable from, or constituting a charge or lien on, such revenues. Payments made under this Agreement shall be made as operating expenses from the revenues of Municipality's electric utility system and from other funds thereof legally available therefor, and such payments shall be in addition to and not in substitution for any other payments whether on account of dues or other amounts owed by Municipality to Agency.

(b) Municipality shall not sell at wholesale any of the power and energy delivered to it hereunder to any customer of Municipality for resale by that customer, unless such resale is specifically approved in writing by Agency, which approval shall not unreasonably be withheld.

(c) Municipality shall not use or permit to be used any of the power and energy acquired by it hereunder in any manner or for any purpose, or take any other action or omit to take any action, which could affect the eligibility of interest on bonds or indebtedness of Agency or Western Minnesota (whether then outstanding or thereafter to be issued) for exclusion from gross income of the owners for federal income tax purposes under Tax Laws.

(d) Municipality shall not take any action to transfer either its electric distribution facilities or control over its electric distribution functions or take any other action having the same effect without (i) notifying Agency at least ninety (90) days before formally committing to the action, and (ii) taking such action strictly in conformance with the provisions of Section 17.

Section 10. METER READINGS AND PAYMENT OF BILLS.

(a) Agency shall read meters or cause meters to be read at monthly intervals. Appropriate operating procedures shall be established by Agency with Municipality, and WAPA if necessary, to determine monthly the amounts of Supplemental Power and Transmission Service furnished hereunder. Payments under the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule shall be made monthly via electronic funds transfer to such account(s) that Agency may designate, within fifteen (15) days after the bill therefor is delivered to Municipality (by mail, email, or other reasonable means determined by Agency), such bill to be provided to Municipality monthly on a prompt and timely basis. If the fifteenth day is a Sunday or a legal holiday in the state in which Municipality is located, the next following business day shall be the last day on which payment may be made without the addition of the delayed payment charges set forth in the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule. Agency may, whenever any amount due remains unpaid after the due date and after giving fifteen (15) days' advance notice in writing of its intention to do so, discontinue service hereunder or take all steps available to it under applicable law to collect such amount and all subsequent payments which shall have become due or both. Agency may, whenever any amount due remains unpaid for one hundred twenty (120) or more days after the due date and after giving thirty (30) days' advance notice in writing of its intention to do so, terminate this Agreement. No such discontinuance or termination shall relieve Municipality from liability for payment for Supplemental Power or Transmission Service furnished hereunder.

(b) In the event Municipality desires to dispute all or any part of a bill, Municipality shall nevertheless pay the full amount of the bill when due and, within sixty (60) days from the date of the bill, notify Agency in writing of the grounds on which any charges in the bill are disputed and the amount in dispute. Municipality will not be entitled to any adjustment on account of any disputed charges which are not brought to the attention of Agency within the time and in the manner herein specified.

Section 11. METERING.

(a) Agency shall furnish or cause to be furnished, own, install, and maintain the necessary metering equipment required to measure and record the Supplemental Power and Transmission Service furnished hereunder. Such metering equipment shall provide a continuous record of the thirty (30) minute integrated total demand and associated energy of Municipality during each billing period throughout the term of this Agreement and otherwise be in accordance with the terms of the S-1 Supplemental Power Rate Schedule and the S-1 Transmission Rate Schedule. Such records shall be available at all reasonable times to authorized agents of Municipality.

(b) Agency shall test and calibrate meters or cause meters to be tested and calibrated by comparison with accurate standards in accordance with industry practices. Agency shall also make or cause to be made special meter tests at any time at Municipality's request. The costs of all tests shall be borne by Agency; *provided, however*, that if any special meter test made at Municipality's request shall disclose that the meters are recording accurately, Municipality shall reimburse Agency for the cost of such test. Meters registering not more than two percent above or below normal shall be deemed to be accurate. The readings for any meter which shall have been disclosed by test to be inaccurate shall be corrected from the beginning of the monthly billing period immediately preceding the billing period during which the tests are made in accordance with the percentage of inaccuracy found by such test; *provided, however*, that no correction shall be made for a longer period unless Agency and Municipality mutually agree thereto. Should any meter fail to register, the Supplemental Power and Transmission

Service delivered during such period of failure shall for billing purposes be estimated by Agency and Municipality from the best information available. Agency shall notify Municipality or cause Municipality to be notified in advance of the time of any meter reading or test so that Municipality's representative may be present at such meter reading or test.

(c) For a fractional part of a billing period at the beginning or end of service, and for fractional periods due to withdrawals of service caused by inability to deliver, charges hereunder shall be proportionately adjusted by Agency in the ratio that the number of hours that service is furnished to Municipality (in such fractional billing period) bears to the total number of hours in the billing period involved.

<u>Section 12</u>. RIGHT TO ACCESS.

Duly authorized representatives of Agency and Municipality shall be permitted to enter the other Party's premises at all reasonable times in order to carry out the provisions of this Agreement.

<u>Section 13</u>. UNCONTROLLABLE FORCES.

(a) Neither Agency nor Municipality shall be considered to be in default in respect to any delay or failure to carry out any obligation hereunder (other than the obligation of Municipality to take and pay for Supplemental Power and Transmission Service made available hereunder) if prevented from fulfilling such obligations by reason of uncontrollable forces, the term uncontrollable forces being deemed for the purposes of this Agreement to mean any forces caused by or resulting from acts or events beyond the reasonable control of the Party affected, including but not limited to acts of God; failure of facilities; flood, earthquake, explosion, storm, lightning, or fire; epidemic, pandemic, or pestilence; war, hostilities (whether war is declared or not), invasion, riot, civil disturbance, labor disturbance, sabotage, or terrorist threats or acts whether foreign or domestic, cyberattack; national or regional emergency; actions, restraint, or orders or regulations by government, court, or public authority; the inability of Agency, an RTO, a Market, or any successor organization(s) to deliver energy; embargoes or blockades in effect on or after the date of this Agreement; or any other events, whether similar or dissimilar, beyond the reasonable control of the affected Party, any or all of which by due diligence and foresight such Party could not reasonably have been expected to avoid. The Party affected shall, if practicable under the circumstances, give notice of the uncontrollable forces to the other Party within a reasonable time, stating the period of time the occurrence is expected to continue, if known. The Party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability and to minimize the effects of such uncontrollable forces, to the extent within its control, with all reasonable dispatch.

(b) If Agency is rendered unable to meet some or all of its obligations to provide Supplemental Power to Municipality because of uncontrollable forces, including those affecting Agency's ability to acquire from SPP power and energy or Transmission Service, or Agency's ability to acquire from MISO power and energy, Transmission Service, or WAPA Power, Agency shall permit Municipality to operate any generation owned by Municipality, or to acquire power and energy from sources other than Agency, in order to provide such amounts of power and energy necessary to meet the needs, in whole or in part, of Municipality and which are not supplied by Agency by reason of the uncontrollable force, and shall be permitted to do so for the duration of such uncontrollable force. Municipality shall, if practicable under the circumstances, give notice to Agency within a reasonable time to coordinate the operation of the local generation and Agency's Supplemental Power obligation and Transmission Service.

Section 14. COOPERATION BETWEEN AGENCY AND MUNICIPALITY.

If, in the maintenance of their respective electric systems or other electric systems over which Municipality may obtain delivery of electric power and energy, it becomes necessary by reason of any emergency or extraordinary condition for either Agency or Municipality to request the other to furnish personnel, materials, tools, and equipment for the accomplishment thereof, the providing Party shall cooperate with the other and render such assistance as the providing Party may determine to be available. The requesting Party, upon receipt of properly itemized bills from the providing Party, shall reimburse the providing Party for all costs properly and reasonably incurred by it in providing assistance. These reimbursement provisions are not contingent on a declaration by the federal government of an emergency, major disaster, or fire.

Section 15. CONSTRUCTION, OPERATION, AND MAINTENANCE OF MUNICIPALITY'S ELECTRIC SYSTEM.

Municipality agrees to construct, operate, and maintain its electric system in accordance with Prudent Utility Practices and shall install, operate, and maintain such proper service protection equipment and other facilities as will coordinate with the protective relaying and other protective arrangements on the system from which power and energy is delivered to it. Nothing contained in this section in any way releases Municipality of its obligations, if any, to the MRO or NERC.

Section 16. RENEWABLE RESOURCE GENERATION.

Municipality shall be permitted to annually generate energy from local renewable resources which are directly connected to Municipality's distribution system and which Municipality owns, or for which it contracts with a third party to acquire, for local use as described in this Section (excluding customer-owned renewable distributed generation), in an amount which shall not exceed five percent of the annual energy purchased by Municipality from Agency in the previous calendar year. The agreement of the Parties shall be set forth in a separate member renewable resources agreement executed by Agency, Western Minnesota, and Municipality, which shall provide that Municipality will sell all such energy to Agency, and Agency in turn will sell such energy to Municipality, both at rates established pursuant to the terms of the renewable resource agreement. The member renewable resources agreement shall contain such other terms and conditions as are deemed appropriate by Agency and Municipality.

Section 17. ASSIGNMENTS.

All covenants and agreements contained in this Agreement shall inure to the benefit of Agency and Municipality and their respective successors and assigns; *provided, however*, that, except as provided in Section 26 below, no Party may transfer or assign its interests or rights under this Agreement except that (i) a Party may transfer or assign its interests or rights under this Agreement or grant a security interest therein to any trustee or secured party, as security for bonds or other indebtedness, present or future, and such trustee or secured party may, if so empowered, sell or otherwise realize upon such security in foreclosure or other suitable proceedings, possess or take control thereof, or cause a receiver to be appointed with respect thereto and otherwise succeed to all interests and rights of the Party making the assignment; and (ii) in the case of a proposed transfer to either any entity acquiring all or substantially all the property of the Party making the transfer or any entity into which or with which the Party making the transfer may be merged or consolidated, the Party proposing the transfer shall give Agency and Western Minnesota written notice at least ninety (90) days prior to the date such transfer or assignment is scheduled to occur and must obtain the prior written consent of the other Parties hereto, which consent shall not be unreasonably withheld, it being understood that it would be reasonable for Agency and/or Western Minnesota to withhold such consent if such transfer or assignment would (a) reduce the total amount of Supplemental Power being sold hereunder; (b) be to a party (other than a municipality) with senior debt, if any, not rated in one of three highest whole rating categories by at least one nationally recognized bond rating agency; (c) adversely affect the value of this Agreement as security for the payment of bonds or indebtedness and interest thereon; or (d) affect (either alone or in conjunction with any other actions by Municipality and/or other Municipalities) the eligibility of interest on bonds or indebtedness of Agency or Western Minnesota (whether then outstanding or thereafter to be issued) for exclusion from gross income of the owners for federal income tax purposes under Tax Laws. In making the determination required by clause (d) above, Agency and Western Minnesota may rely upon an opinion of a nationally recognized bond counsel as to the effect of any such transfer or assignment on the federal tax-exempt status of any bonds or indebtedness (whether then outstanding or thereafter to be issued), as that status is governed by Tax Laws. Within sixty (60) days after receipt of a notice from Municipality requesting a transfer or assignment, Agency and Western Minnesota shall advise Municipality as to whether, in the opinion of a nationally recognized bond counsel, the transfer or assignment would affect the eligibility of interest on bonds or indebtedness for federal tax-exempt status as described in clause (d) above. In the event that allocations (including, but not limited to allocations relating to private use issues) are necessary under the Tax Laws to determine whether entering into any such transfer or assignment affects the eligibility of interest on bonds or indebtedness for federal tax-exempt status as described in clause (d) above, Agency and Western Minnesota shall make such allocations, in their sole discretion, after receipt of an opinion of a nationally recognized bond counsel.

Notwithstanding anything in this Section to the contrary, Municipality may transfer or assign this Agreement if it affects the eligibility of interest on bonds or indebtedness for federal tax-exempt status as described in clause (d) above if, but only if, the transferee enters into an agreement in form and substance satisfactory to Agency and Western Minnesota providing that the transferee will bear and pay any and all increased costs allocated to it resulting from the use by Agency or Western Minnesota of Non-Tax Exempt Funds, as a consequence of the Agency or Western Minnesota taking remedial action in order to preserve the tax-exempt status of affected bonds or indebtedness as described in clause (d) above or the loss of the tax-exempt status with respect to the debt of the Agency or Western Minnesota as described in clause (d) above. Agency and Western Minnesota, in their sole discretion, after receipt of an opinion of a nationally recognized bond counsel, shall allocate on a reasonable basis the increased costs associated with the use of such Non-Tax Exempt Funds, any such remedial action or the loss of the tax-exempt status of bonds or indebtedness as described above to any such transferee, and they shall determine the terms and conditions upon which the transferee shall pay such increased costs. Any such agreement shall contain such other terms and provisions as Agency and Western Minnesota reasonably deem necessary in order to preserve the federal tax-exempt status of any borrowed funds not intended by Agency or Western Minnesota to be issued as debt which is not excludable from gross income for federal income tax purposes. No assignment or transfer of this Agreement shall relieve the Parties of any obligation hereunder, unless specifically agreed to in writing by the other Parties.

In connection with any such proposed transfer or assignment under this Section, various opinions are required to be delivered by a nationally recognized bond counsel. Such counsel or counsels shall be chosen by Agency and Western Minnesota and the cost of such counsel or counsels shall be borne by the Party requesting the transfer or assignment. Any of the opinions required under this Section may be delivered in one or more opinions. No other assignments or transfers will be permitted under this Section.

Section 18. RECORDS AND ACCOUNTS.

Agency and Western Minnesota shall keep accurate records and accounts of their respective properties and operations in accordance with the FERC's Uniform System of Accounts Prescribed for Major Utilities and Licensees in effect from time to time. Municipality shall have the right at any reasonable time to examine such accounts. Agency and Western Minnesota shall cause such accounts to be audited annually by a firm of independent public accountants of national reputation and shall make such audits available to Municipality.

Section 19. INFORMATION.

Agency and Municipality will promptly furnish to each other such information as may be reasonably requested from time to time in order to carry out more effectively the intent and purpose of this Agreement or as may be reasonably necessary and convenient in the conduct of the operations of the Party requesting such information.

Section 20. PRIVACY AND SECURITY OF INFORMATION ON INDIVIDUALS.

Agency is a political subdivision that operates under the intergovernmental cooperation laws of the states in which it has members and thus is generally subject to public records laws analogous to those of its members. Such laws require that certain data collected or exchanged in carrying out the purposes of this Agreement shall be treated as non-public and confidential information, as defined by applicable law. A Party disclosing any such information in the performance of this Agreement shall designate in writing the information as confidential, using the phrase "Confidential, Subject to Restricted Access and Disclosure," or similar words. The Party receiving any such designated information may not disclose such information to any third party, except as required by law, by a specific written agreement among the Parties and/or the subject of the information, or as otherwise provided in this Section. In the event a Party in receipt of confidential information receives a request for disclosure of the confidential information and, in the opinion of legal counsel for the receiving Party, disclosure is required by law, then that Party shall immediately inform the Party who disclosed the information prior to making any such disclosure. Each Party shall cooperate to enable the Party who disclosed the information, or other affected entities, if they so desire, to obtain a protective order or other reliable assurance that confidential treatment will be maintained consistent with applicable law. Each Party agrees to defend, indemnify, and hold harmless the other Parties and their officials, officers, agents, employees, and volunteers from and against any claims resulting from the indemnifying Party's unauthorized and unlawful disclosure and/or use of data in violation of the terms of this Section. The terms of this Section shall survive the cancellation or termination of this Agreement for a term as provided by law or, in the absence of a specific law, as provided by records management policies of each respective Party.

Section 21. AMENDMENT.

Except as provided for expressly herein, neither this Agreement nor any terms hereof may be terminated, amended, supplemented, waived, or modified except by an instrument in writing executed by all Parties to this Agreement, *that is* this individual agreement among Agency, Western Minnesota, and City of Moorhead.

Section 22. OPINION AS TO VALIDITY.

Upon the execution and delivery of this Agreement, Municipality shall furnish Agency with an opinion by an attorney or firm of attorneys qualified to practice in the state in which Municipality is located to the effect that:

(a) Municipality is a municipal corporation duly created and validly existing pursuant to the Constitution and statutes of such state;

(b) Municipality has full legal right and authority to enter into this Agreement and to carry out its obligations hereunder; and

(c) Municipality has approved this Agreement and its execution and delivery, and this Agreement has been duly executed by the appropriate officer of Municipality and constitutes the legal, valid, and binding obligation of Municipality enforceable in accordance with its terms.

Section 23. NOTICES.

Any notice, demand, or request required or authorized by this agreement shall be deemed properly given if mailed, postage prepaid, to Agency at its principal place of business at 3724 West Avera

Drive, P.O. Box 88920, Sioux Falls, South Dakota 57109-8920, to Municipality at 2901 S. Frontage Road, Ste. #2, Moorhead, Minnesota, 56561, and to Western Minnesota at 129 Second Street NW, Ortonville, Minnesota, 56278. The foregoing addresses may be changed at any time by similar notice. All notices given to Agency shall also be given to any New Power Supplier.

Section 24. WAIVERS.

Any waiver at any time by any Party hereto of its rights with respect to a default or any other matter arising in connection with this Agreement shall not be deemed to be a waiver with respect to any subsequent default or matter.

Section 25. SEVERABILITY.

In the event that any of the terms, covenants, or conditions of this Agreement, or the application of any such term, covenant, or condition as to any person or circumstance, shall be held invalid by any court having jurisdiction under the circumstances, the remainder of this Agreement, and the application of its terms, covenants, or conditions to such persons or circumstances, shall not be affected thereby.

Section 26. SECURITY FOR POWER SUPPLY CONTRACTS.

(a) Municipality acknowledges and agrees that Agency may pledge and assign an undivided interest in all of its right, title, and interest in and to all payments to be made to Agency by Municipality under this Agreement to Western Minnesota and each New Power Supplier to secure Agency's obligations to each under its respective Power Supply Contract. Upon execution of any such pledge and assignment, Western Minnesota and the New Power Supplier(s) shall have all of the rights and remedies provided to Agency under this Agreement.

(b) Municipality and Western Minnesota hereby agree that, if Agency shall be unable to perform, or shall default in the performance of, its obligations under this Agreement for any reason whatsoever including, without limitation, by reason of any defect in the organization or other legal disability of Agency (but not if such default is the result of a default by Western Minnesota under its Power Supply Contract) or if Agency shall default in the performance of any of its obligations under its Power Supply Contract with Western Minnesota, then Western Minnesota shall be entitled and obligated to the extent lawfully empowered to do so, to assume the rights, duties, and obligations of Agency under this Agreement as fully as if this Agreement named and referred to Western Minnesota herein in every place where Agency is herein named and referred to; *provided that* the obligation of Western Minnesota to meet the requirements of Municipalities for power and energy hereunder and under the Power Sale Agreements (S-1) shall be limited to an obligation to supply to the extent available an amount of power and energy hereunder and under the other Power Sale Agreements (S-1) up to that amount of power and energy which is associated with the capacity entitlement acquired by Agency under its Power Supply Contract with Western Minnesota. In the event that such amount of power and energy shall be less than the amount of power and energy required hereunder and under the other Power Sale Agreements (S-1), the amount of available power and energy shall be allocated monthly among Municipality and other Municipalities which have entered into Power Sale Agreements (S-1) pro rata in accordance with their respective power and energy requirements required to be met hereunder and thereunder during the corresponding month of the calendar year which precedes the calendar year in which Agency's inability to perform or default shall have occurred.

(c) The obligations of Municipality to Western Minnesota and the New Power Supplier(s) hereunder shall not be dependent upon, or affected by, the due organization or existence of Agency, the validity of this Agreement as to Agency, the enforceability of this Agreement against Agency, or any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, dissolution, or the like of Agency.

Section 27. NEW POWER SUPPLIER(S); PARTIES TO THIS AGREEMENT.

In the event Agency shall hereafter enter into a contract with one or more New Power Supplier(s) providing for the acquisition by Agency from the New Power Supplier(s) of power supply resources and such contract(s) satisfies all applicable requirements of the Power Supply Contract relating to the opening of the pledge provided for in Section 26 above to the New Power Supplier(s), then the New Power Supplier(s) may become a party hereto upon the execution by Agency and the New Power Supplier(s) of an agreement(s) pursuant to which the New Power Supplier(s) agree(s) to be bound by all of the terms and conditions hereof to the extent that such terms and conditions are applicable to a New Power Supplier, including, with respect to that New Power Supplier's Power Supply Contract, the rights and obligations similar to those applicable to Western Minnesota under Section 26(b). From and after the effective date of such agreement between the New Power Supplier and Agency, the New Power Supplier shall be a party hereto and the contract between the New Supplier and Agency providing for the acquisition of the power supply resources shall be a Power Supply Contract as such term is used herein, all without any further action or consent by any other Party hereto.

Section 28. ENTIRE AGREEMENT.

This Agreement, including all schedules hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and, as of January 2, 2027, shall supersede all prior agreements and understandings between the Parties relating to the subject matter hereof, and no subsequent agreements will have any effect unless formed in accordance with Section 21.

[The remainder of this page is intentionally left blank; the signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement, as amended and restated, to be executed as of the date stated below.

MISSOURI BASIN MUNICIPAL POWER AGENCY d/b/a MISSOURI RIVER ENERGY SERVICES

[SEAL]

By ____________________________
Chair, Vernell Roberts

ATTEST:

____
Date

____
Steve Lehner, Secretary/Treasurer

CITY OF MOORHEAD

[SEAL]

By _____________________________________
(Signature)

ATTEST:

____
Name (Printed)

____
Title (Printed)

____
[Name, Title]

____
Date

CITY OF MOORHEAD

[SEAL]

By_____________________________________
(Signature)

____
Name (Printed)

ATTEST:

____
Title

____
[Name, Title]

____
Date

MOORHEAD PUBLIC SERVICE

[SEAL]

By ______________________________________
(Signature)

ATTEST:

____
Name (Printed)

____
Title (Printed)

____
[Name, Title]

____
Date

MOORHEAD PUBLIC SERVICE

[SEAL]

By______________________________________
(Signature)

____
Name (Printed)

ATTEST:

____
Title

____
[Name, Title]

____
Date

WESTERN MINNESOTA MUNICIPAL
POWER AGENCY

[SEAL]

By ______________________________
President, Scott Hain

ATTEST:

____
Date

____
Travis Schmidt, Secretary

MISSOURI BASIN MUNICIPAL POWER AGENCY
d/b/a MISSOURI RIVER ENERGY SERVICES
POWER SALE AGREEMENT (S-1)
SCHEDULE A

POINTS OF DELIVERY, MEASUREMENT AND ADJUSTMENTS

Moorhead, Minnesota

POINTS OF DELIVERY

1. Electric power and energy associated with Supplemental Power will be delivered to the Municipality at the point where the facilities of the Southwest Power Pool Upper Missouri Zone ("UMZ") interconnects with Municipal's electric system at 115 kV.

POINTS OF MEASUREMENT

1. Electric power and energy will be measured at the following points.
    a. Low side of 115/12.47 kV transformer in Opportunity Substation.
    b. Low side of 115/12.47 kV transformer T26 in North East Substation.
    c. Low side of 115/12.47 kV transformer T27 in North East Substation
    d. Low side of 115/12.47 kV transformer T31 in Centennial Substation
    e. Low side of 115/12.47 kV transformer T32 in Centennial Substation.
    f. Low side of 115/12.47 kV transformer T25 in South East Substation
    g. Low side of 115/12.47 kV transformer T28 in South East Substation
    h. Low side of 115/12.47 kV transformer in Brookdale Substation

2. Electric power and energy associated with Supplemental Power will be delivered in amounts as required to compensate for losses to the Point of Measurement.

ADJUSTMENTS

1. If the power and energy is metered on the low side of the transmission to distribution transformer(s), the meter will internally compensate for the difference between the Delivery Point and the Point of Measurement.

2. If the Municipality receives electric power and energy over an electric system other than its own and that of the UMZ, meter readings for such electric power and energy will be increased by an amount required to compensate for losses in accordance with the agreement of the Municipality or the Agency, as the case may be, with such electric systems.

3. Adjustments will be made at the following points.

a. Increases to load.
   i. Moorhead wind generation on low side of 12.47/0.6 kV transformer for Turbine #8.
   ii. Moorhead wind generation on low side of 12.47/0.6 kV transformer for Turbine #9.
   iii. Moorhead generation on breaker in Moorhead's Centennial Generation Station.
   iv. Moorhead community solar garden(s).

EFFECTIVE DATE

This Schedule A shall be effective as of January 2, 2027.

[The remainder of this page is intentionally left blank; the signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have agreed that this Schedule A shall be executed as of the date stated below, and effective as of January 2, 2027.

MISSOURI BASIN MUNICIPAL POWER AGENCY d/b/a MISSOURI RIVER ENERGY SERVICES

By ________________________________
Matt Schull
President & Chief Executive Officer

ATTEST:

____
Date

____
Terry Wolf
Vice President & Chief Operating Officer

MOORHEAD PUBLIC SERVICE

By ________________________________
(Signature)

____
Name (Printed)

ATTEST:

____
Title

____
[Name, Title]

____
Date

MOORHEAD PUBLIC SERVICE

By ________________________________
(Signature)

____
Name (Printed)

ATTEST:

____
Title

____
[Name, Title]

____
Date

CITY OF MOORHEAD

By ____________________________________
(Signature)

____
Name (Printed)

____
Title

____
Date

ATTEST:

____
[Name, Title]

CITY OF MOORHEAD

By ____________________________________
(Signature)

____
Name (Printed)

____
Title

____
Date

ATTEST:

____
[Name, Title]

RESOLUTION

Resolution to Recommend Approval of Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (amended and restated effective January 2, 2027)

WHEREAS, Moorhead Public Service, a municipal utility of the City of Moorhead, Minnesota, is currently purchasing all electric power and energy it requires to meet the needs of its customers in excess of Moorhead's firm power allocation from Western Area Power Administration, and ("Supplemental Power") from Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services ("MRES"), pursuant to the terms and conditions of the Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (amended and restated effective January 2, 2017) ("S-1 Agreement") for a term extending through January 1, 2057; and

WHEREAS, it is mutually beneficial to all parties that the base term of the S-1 Agreement, which currently ends on January 1, 2057, be extended until January 1, 2067, to further secure Moorhead's long-term supply of Supplemental Power and to facilitate future financing of electric generation and transmission projects of MRES on the most advantageous terms and with the least impact on the wholesale power costs of Moorhead and other members of MRES; and

WHEREAS, the other proposed revisions to the S-1 Agreement will further clarify the rights and obligations of the parties under the agreement, for the mutual benefit of Moorhead, the other members of MRES, and MRES; and

WHEREAS, the Moorhead Public Service Commission desires that MRES continue to plan for, provide, and arrange for delivery of all Supplemental Power needed by Moorhead.

NOW, THEREFORE, BE IT RESOLVED by the Moorhead Public Service Commission that it hereby recommends that the Moorhead City Council of Moorhead, Minnesota, approve in the form presented the "Missouri Basin Municipal Power Agency Power Sale Agreement (S-1) (as amended and restated effective January 2, 2027)" and "Schedule A" thereto by and among MRES, Western Minnesota Municipal Power Agency, Moorhead Public Service, and the City of Moorhead.

Upon calling of the roll, the votes were as follows:

Voting for adoption of the Resolution: ______________________________

Voting against adoption of the Resolution: ______________________________

Whereupon, the Chairperson declared the Resolution duly adopted on the 21st day of July, 2026.

____
Matthew Leiseth, Chairperson
Moorhead Public Service Commission

____
Lisa Borgen, Secretary
Moorhead Public Service Commission

Approve Sponsorship Requests from Moorhead Parks and Recreation for Upcoming Special Events

RECOMMENDATION:
The General Manager respectfully requests the Commission approve sponsorship requests from Moorhead Parks and Recreation for Greater Moorhead Days, Pumpkin Party Pick-Up, and Holiday Kick-Off in the amount of $4,500.

BACKGROUND:
On November 21, 2023, the Commission approved the amended Policy on Sponsorships and Marketing. As stated in the Policy, the General Manager has the authority to review and provide a recommendation to the Commission for approval of the sponsorship request.

Moorhead Parks and Recreation (Moorhead Parks) offers a wide variety of programming, special events, facilities, and parks within the community. Moorhead Parks mission is to enrich the lives of Moorhead residents by providing a comprehensive system of parks and affordable, diverse recreation programs that encourage health, fitness, relaxation, and cultural enrichment, as well as providing opportunities for community involvement. Attached are the Sponsorship Submission Forms and sponsorship opportunities from Moorhead Parks.

Moorhead Public Service (MPS) would like to sponsor the following upcoming special events:

- Greater Moorhead Days (Parade)—$2,500
  - MPS will receive priority placement in the parade.
  - MPS will be recognized as a sponsor on print and radio ads.
  - MPS' name and logo will be displayed during the event.
  - MPS' name will be included in marketing materials for the event.

- Pumpkin Party Pick-Up—$1,000
  - MPS will receive pre-event recognition.
  - MPS' name and logo will be displayed at the event.
  - MPS will receive a free booth space on the day of the event.
  - MPS' name will be included in marketing materials for the event.

- Holiday Kick-Off (Tree Lighting)—$1,000
  - MPS will receive pre-event recognition.
  - MPS' name and logo will be displayed at the event.
  - MPS will receive a free booth space on the day of the event.
  - MPS' name will be included in marketing materials for the event.

MPS has $50,000 in its 2026 budget for sponsorship and marketing expenditures, of which $29,651 has been expensed to date.

KEY ISSUES:
- On November 21, 2023, the Commission approved the amended Policy on Sponsorships and Marketing, which gives the General Manager the authority to review and provide a recommendation to the Commission for approval of a sponsorship request.

- Moorhead Parks offers a wide variety of programming, special events, facilities, and parks within the community.
- MPS would be recognized as a sponsor for the events, and recognition would be provided to MPS in various ways.

FINANCIAL CONSIDERATIONS:

- Moorhead Parks is requesting sponsorship from MPS for upcoming special events in the amount of $4,500.
- MPS has $50,000 in its 2026 budget for sponsorship and marketing expenditures, of which $29,651 has been expensed to date.

Respectfully submitted,

Travis L. Schmidt
General Manager

Division/Response Person: Travis L. Schmidt, General Manager.

Attachments:
Moorhead Parks and Recreation Sponsorship Submission Forms and Sponsorship Opportunities

Sponsorship Submission Form

Requester Information

Date: 06/18/26

Name of Organization Requesting Sponsorship Opportunity:

Moorhead Parks and Recreation

Name of Sponsorship Event: Greater Moorhead Days Parade 2026

Primary Contact Person and Title: Steven French, Community Engagement Coordinator

Primary Contact Person Phone Number: 218-299-5446

Primary Contact Person E-mail: steve.french@moorheadmn.gov

Please answer the following questions related to the above-named sponsorship request:

1. How will the sponsorship benefit the Moorhead community as a whole?

   The greater moorhead days is a great interactive engagement that allows the community

   to see the growth of the City of Moorhead and allows our departments to engage in a long held tradition

2. How will the sponsorship directly relate to the functions of Moorhead Public Service?

   Continues to keep the good work that MPS does for the community in their minds through

   name recognition and any additional recognition requested from MPS

3. Does the sponsorship have, as the primary objective, the benefit of a private interest?

   No.

APPROVE SPONSORSHIP REQUEST:

____________________ Date:____________

General Manager

Sponsorship Submission Form

Requester Information

Date: 06/26/26

Name of Organization Requesting Sponsorship Opportunity:

Moorhead Parks and Recreation

Name of Sponsorship Event: Holiday Kick-off Lighting Sponsor

Primary Contact Person and Title: Steven French

Primary Contact Person Phone Number: 218-299-5446

Primary Contact Person E-mail: steve.french@moorheadmn.gov

Please answer the following questions related to the above-named sponsorship request:

1. How will the sponsorship benefit the Moorhead community as a whole?

   This sponsorship strengthens MPS commitment to community well-being by supporting

   A free, family-centered holiday tradition that boosts local engagement. and fosters a shared sense of community pride throughout Moorhead

2. How will the sponsorship directly relate to the functions of Moorhead Public Service?

   Supports MPS by promoting utility reliability, safety, and conservation efforts through community

   visibility, reinforcing its role as a dependable public service provider

3. Does the sponsorship have, as the primary objective, the benefit of a private interest?

   No.

APPROVE SPONSORSHIP REQUEST:

________________________ Date:______________

General Manager

Sponsorship Submission Form

Requester Information

Date: 06/18/26

Name of Organization Requesting Sponsorship Opportunity:

Moorhead Parks and Recreation

Name of Sponsorship Event: Halloween Event Pumpkin party Pick up

Primary Contact Person and Title: Steven French, Community Engagement Coordinator

Primary Contact Person Phone Number: 218-299-5446

Primary Contact Person E-mail: steve.french@moorheadmn.gov

Please answer the following questions related to the above-named sponsorship request:

1. How will the sponsorship benefit the Moorhead community as a whole?

   I would like to request the full sponsorship amount goes to Pumpkin Party Pick up. Its a great

   Community event and I have some ideas as how we can bring some great attention to MPS

2. How will the sponsorship directly relate to the functions of Moorhead Public Service?

   I would like to work with you to provide information on the back of the handouts that are given

   during pumpkin party pick up

3. Does the sponsorship have, as the primary objective, the benefit of a private interest?

   No.

APPROVE SPONSORSHIP REQUEST:

____________________ Date:____________

General Manager

2025-2026 Moorhead Special Event
Sponsorship Agreement

Business Name: ______________________________

Contact Name: ______________________________

Mailing Address: ______________________________

State: ____________________ Zip: ____________

Phone: ______________________________

Email: ______________________________

Amount: $______________________________

Every Sponsor Agreement Includes:

Event Recap Reports: Receive post-event summaries with attendance numbers and photos for your own communications.

Genuine Partnership: Your support is celebrated as an investment in Moorhead's future, helping build a vibrant, inclusive community.

Sponsorship Opportunities: Please indicate what your business would like to sponsor. Event descriptions can be found on succeeding pages. Opportunities in red are either unavailable or the previous year sponsor has the right to renew.

Frostival

☐ Tier 1	$5,000
☐ Tier 2 (x2)	$1,500
☐ Tier 3 (x3)	$750

Farmers Market

☐ Tier 1	$5,000
☐ Tier 2 (x2)	$1,500

Greater Moorhead Days

☐ Tier 1 (Parade)	$2,500
☐ Tier 1 (KidsFest)	$2,500
☐ Tier 2	$1,500
☐ Tier 3	$750

Celtic Festival

☐ Tier 1	$2,500
☐ Tier 2 (x2)	$1,500
☐ Tier 3 (x3)	$500

RiverArts

☐ Tier 1	$5,000
☐ Tier 2 (x2)	$1,500
☐ Tier 3 (x3)	$750

Holiday Events

☐ Tier 1	$1,000
☐ Tier 2	$1,500

Halloween

☐ Tier 1	$1,000

Signature: ______________________________ Date: ____________

☐ Email me when new community events opportunities become available

Please Return Agreement to:

Moorhead Parks & Recreation Recreation Coordinator | 218.299.5078
1300 15 Ave N, Moorhead, MN | parkandrec@moorheadmn.gov