

The regular meeting of the Municipal Utilities Board was held at 1:00 p.m. on Monday, July 8, 2024, at the Utility building with the following members present: Bartels, Carruthers, Hawley, President Harvey and City Council Liaisons Specker. Absent: Hansen.

ADOPTION OF AGENDA

The agenda was adopted.

MINUTES

Minutes of the regular meeting held June 10, 2024, and the special meeting held June 24, 2024, were read and approved. All members present voted in favor of the motion.

APPROVAL OF BILLS AND CLAIMS

Motion was made by Hawley, seconded by Bartels that the following bills and claims be approved. All members present voted in favor of the motion.

4imprint Inc., Supplies, \$269.16; 605 Custom Design LLC, Uniforms, \$1136.00; Advanced Engineering & Environmental Service, Engineering Services, \$19735.05; Advanced Media Technologies Inc, Systems/Cabling Inv, \$1203.33; Appeara, Supplies, \$137.20; AT & T Mobility, PCS Phone Service, \$3306.88; Auto Pro SD LLC, Supplies, \$476.30; Bally Sports North, Contract Fee, \$8466.46; Banner Associates Inc, Engineering Consulting, \$1437.81; Bendix Inc., Printer, \$1054.00; Bendix Inc., Printer/Copier Maintenance, \$1385.93; Bluefin Payment Systems, Credit Card Processing Fee, \$12206.10; Bobcat Of Brookings, Supplies/Equipment Rental, \$37.94; Border States Elec Supply, Supplies, \$990.23; Border States Elec Supply, Systems/Cabling Inv, \$166.46; Border States Elec Supply, Uniforms, \$2245.67; Brookings Auto Body, Vehicle Maintenance, \$151.66; Brookings Auto Mall, 2024 Chevy 3/4 Ton- Double Cab, \$45986.00; Brookings County Finance Office, Brookings County Maps, \$8122.92; Brookings County Finance Office, ESRI License, \$14666.66; Brookings Credit Bureau & Collection Agency, Delinq. Account Collection, \$121.92; Brookings Dumpster Service, Sanitation Service, \$539.72; Brookings Equipment Inc, Supplies, \$18.78; Brookings Municipal Utilities, Office Utility Bill, \$44621.79; Brookings Radio, Advertising, \$1500.00; Brower Construction, Roof Repair, \$346.12; Buhls Dry Cleaners & Linen Supply, Rug/Supplies, \$185.10; Business Track, Credit Card Processing Fee, \$7382.13; Card Connect, Credit Card Processing Fee, \$9286.55; Carquest Auto Supply, Work Equip Maintenance/Supplies, \$530.19; Carrier Management Systems Inc, Subscription, \$1210.00; CDW Government Inc, Computer Supplies, \$254.40; City of Brookings, Contract Fee, \$6522.87; City of Brookings Landfill, Landfill Fee, \$187.98; Click Rain, Website Development, \$2400.00; Cooperative Network Services, LLC, Consulting Fees, \$87.50; Core & Main, Supplies, \$1225.36; Courtesy Plumbing Inc., Repair/Supplies, \$44.40; Credit Collections Bureau, Delinq. Account Collection, \$410.50; Culligan of Brookings, Bottled

Water, \$306.00; Dakota Bodies LLC, Service Body/2024 Silverado 1/2 Ton, \$20275.00; Dakota Supply Group, Systems/Cabling Inv, \$6164.05; Dept Of The Treasury, Federal Tax, \$6112.96; DHE, LLC, Maintenance Fee, \$996.63; Ditch Witch UnderCon, Supplies/Work Equip Maint, \$1153.85; Ethanol Products LLC, Chemicals, \$1571.88; Farmers Implement Irrigation, Supplies, \$1680.01; Fastenal Company, Supplies, \$247.60; Fluke Electronics Corp, Repairs/Supplies, \$1742.80; Foerster Supply Inc, Supplies, \$2244.00; Franz Reprographics, Plotter Maintenance, \$150.00; Golden West Technologies Inc., Tech Support, \$5304.56; GP Auto Service & Repair, Vehicle Maintenance, \$180.00; Grainger, Supplies, \$3871.33; Graybar Electric Company, Supplies, \$911.91; Graybar Electric Company, Systems/Cabling Inv, \$390.27; Hawkins Inc, Chemicals, \$8801.13; Hawkins Inc, Supplies, \$2638.75; HDR, Inc, Engineering Service, \$26118.50; Henkin Schultz Comm Arts, Communications Consultant, \$8295.67; Hillyard/Sioux Falls, Janitorial Supplies, \$576.40; Homestead Do It Center, Supplies, \$40.59; Huber Technology Inc, Supplies, \$3800.27; Industrial Machine & Engineering, LLC, Repairs/Supplies, \$35.00; Innovative Systems, Software/Hardware Maintenance, \$36192.08; Interstate Telecommunications Cooperative, Telephone Expense, \$359.98; Jenne, Inc, Systems/Cabling Inv, \$578.75; Jimmy Johns #926, Meeting Supplies, \$238.58; Kindt, Scott, Travel, \$35.40; Lowe's, Supplies, \$115.06; Lumen, Telco Settlement, \$272.22; M & T Fire and Safety, Inc, Supplies, \$38.00; M. J. Dalsin Co., Roof Repair, \$38802.00; Malloy Electric, Repairs/Supplies, \$490.33; Matheson Tri-Gas Inc, Supplies, \$863.33; Mediacom LLC, Broadband Service, \$89.95; Merchant Job Training & Safety Inc, Training Materials, \$550.00; Millennium, Supplies, \$1291.50; Moss Adams LLP, Consulting Service, \$2350.00; MVTL Laboratories Inc., Wastewater Analysis, \$533.40; NCTC, TV Programs Fee, \$82868.47; Nexstar Broadcasting, Inc., Contract Fee, \$12839.56; Northwestern Energy, Natural Gas, \$34.84; OneNeck IT Solutions LLC, Hardware/Software/Consulting, \$216.37; Pests B Dead LLC, Pest Control, \$260.00; Pete Lien & Sons Inc, Chemicals, \$4942.92; Power & Telephone Supply, Supplies, \$163.68; Qualus Service LLC, Relay Testing, \$11635.00; RC First Aid, Supplies, \$77.00; Resco, Transformer, \$49440.00; Runnings, Supplies, \$1698.70; Runnings, Uniforms, \$89.96; Schaffer Law Office, Prof. LLC, Legal Service, \$600.00; Schoon's Pump N' Pak, Vehicle Gasoline, \$1959.24; SD CPA Society, Membership Dues, \$240.00; SD Dept of Rev, Enhanced 911, \$13056.05; SD State Treasurer, Communication Impaired Fee, \$1817.60; SD Treasurer, Sales/Excise Tax, \$138720.17; SDSU, Perform. Eval. W/WW, \$134467.00; Sioux Valley Energy, Annexed Compensation, \$1260.97; South Dakota One Call, Locate Fee, \$622.65; Sprint PCS, PCS Phone Service, \$53.92; State Of South Dakota, Record Retention, \$8.25; Stein's Inc, Supplies, \$1335.96; Stuart C. Irby, Supplies, \$2959.00; Sturdevant's Auto Value, Supplies, \$149.92; Swiftel Communications, Office Phone Bill, \$126933.19; The Lanes, Employee Appreciation, \$846.46; The UPS Store, Freight, \$32.14; Thein Well Co, Well Maintenance, \$1142.40; Town & Country Shopper Inc., Advertising, \$230.00; Turfguard Lawn Service Inc., Weed Spraying, \$1400.00; United Parcel Service, Freight, \$16.90; Universal Service Adm. Co, USAC Contribution, \$30743.35; US Postmaster-Bkgs, Annual Permit Fee, \$610.00; USA Bluebook, Supplies, \$265.66; Verizon, Phone Service, \$20.02; Winter Contracting, LLC, Interceptor Replacement Phase 3, \$190576.88; Winter Contracting, LLC, Raw/Treated Water Pipelines, \$848919.90; Xcel Energy/NSP, Utility Bill, \$9.05; ZOHO Corporation, Annual Subscription, \$743.00; AAMOT, JAMES & MARY, Refund Check, \$58.98; ABRAHAMSON, PATRICIA, Refund Check, \$112.34; ABUNDANT LIFE, Refund Check, \$1313.42; ABUNDANT LIFE, Refund Check, \$10.10; ADAMS, BARBARA, Refund Check, \$116.37; ALFSON, TROY, Refund Check, \$573.51; ANDERSON, CHERYL & ROBERT, Refund Check,

\$166.64; ANDERSON, CHRIS R & JESSICA, Refund Check, \$94.35; ANDERSON, GRANT, Refund Check, \$658.78; APLAND, KATHLEEN, Refund Check, \$27.25; ARNOLD, MARY, Refund Check, \$94.96; ASCHE, MATT, Refund Check, \$33.31; BARBER, GARY & PAT, Refund Check, \$117.17; BASS, GERRY & CATHY, Refund Check, \$281.57; BATES, LINDA, Refund Check, \$65.53; BAUMAN, CURT & SANDY, Refund Check, \$193.66; BESEMER, BRAD & BRITTNEE, Refund Check, \$151.41; BEZDICHEK, TOM & MARY, Refund Check, \$66.47; BINGEN, ERIK, Refund Check, \$57.75; BINKLEY, EILEEN & STEVE, Refund Check, \$305.02; BINKLEY, MARK R & TERESA, Refund Check, \$68.14; BJORKLUND, RANDY & LORI, Refund Check, \$574.61; BOESCH, DUAYNE, Refund Check, \$14.44; BORSTAD, MERVIN, Refund Check, \$96.90; BORTNEM, KEITH & DEBORAH, Refund Check, \$586.29; BORTNEM, KORY, Refund Check, \$529.59; BROOKINGS AREA HABITAT FOR HUMANITY, Refund Check, \$537.12; BROOKINGS CHRISTIAN CHURCH, Refund Check, \$3451.68; BRUNA, DANIEL & TAMMY, Refund Check, \$90.01; CAMPBELL, THOMAS R & DOREEN K, Refund Check, \$53.61; CARLSON, JULIE, Refund Check, \$90.44; CARLSON, MICHELLE, Refund Check, \$112.60; CASSTEVENS, NICK, Refund Check, \$118.02; CHAMLEY, MAKENZI, Refund Check, \$2.08; CHENEY, CECILIA, Refund Check, \$39.62; CHING, CATHY, Refund Check, \$189.49; CHURCH, TERRANCE & KASTHURI, Refund Check, \$114.58; CLARK, WENDY, Refund Check, \$207.51; COLBECK, LOREN & PAMELA, Refund Check, \$357.29; CONNERS, PAT, Refund Check, \$44.37; CONRAD, KELLY & TERESA, Refund Check, \$281.50; COOK, CALVIN & BEVERLY, Refund Check, \$208.03; COOMBES, DAN & SUSAN, Refund Check, \$121.48; COSE, JASON & JACKIE, Refund Check, \$62.36; CRAWFORD, PAUL & THERESA, Refund Check, \$119.94; DEBEER, GARY & BARB, Refund Check, \$235.12; DEBEER, SANDY, Refund Check, \$448.00; DEKRAAI, LYNN & DONNA, Refund Check, \$162.84; DEZEEUW, DONALD & JUDI, Refund Check, \$8.99; DHR DESIGN SERVICES LTD, Refund Check, \$1964.39; DIERCKS, BILL & RUTH, Refund Check, \$133.55; DOOP, LORI, Refund Check, \$570.84; DUBRO, AMBER, Refund Check, \$471.35; DUCHSCHERER, GARY & JAN, Refund Check, \$881.22; EGEBERG, AARON & LORI, Refund Check, \$49.04; ELVERUD, ERIC & SUE, Refund Check, \$18.70; EMMETT, PAM, Refund Check, \$81.61; FELDHUS, TERRI, Refund Check, \$44.66; FRANCIS, DAVID, Refund Check, \$754.03; FRERICKS, TERRI & JARED, Refund Check, \$20.01; GILKERSON III, DAVID, Refund Check, \$66.38; GLANZER, JOHN, Refund Check, \$291.15; GOMES, BRETT, Refund Check, \$133.78; GRUNZKE, BRIAN & DAWN, Refund Check, \$21.23; GULLICKSON, JEFF & HEIDI, Refund Check, \$264.61; GUTZMER, WALTER, Refund Check, \$333.42; HABITAT RESTORE, Refund Check, \$3678.04; HALSETH, DONNA, Refund Check, \$66.02; HAMER, LINDA, Refund Check, \$331.22; HANSEN, ROGER, Refund Check, \$445.75; HANSEN, TARA, Refund Check, \$3.87; HANSON, DAN & JUDY, Refund Check, \$304.93; HARDT, MARY, Refund Check, \$104.42; HAYUNGA, JEREMY, Refund Check, \$26.31; HEILMAN, ROSE, Refund Check, \$84.07; HEIN, TERRI & SCOTT, Refund Check, \$295.93; HELDT, GARY & CONNIE, Refund Check, \$302.31; HENDRIX, DENAY, Refund Check, \$205.47; HIETPAS, STEVE, Refund Check, \$221.04; HOFF, COREY J, Refund Check, \$154.57; HOLM, JEREMY & TARA, Refund Check, \$168.89; HOUFEK, JEFFREY & CINDY, Refund Check, \$308.19; HOUTMAN, TIMOTHY & KRISTI, Refund Check, \$186.70; HOVELSON, BRUCE, Refund Check, \$185.75; JOHN, STEVEN R, Refund Check, \$33.92; JOHNSON, KELLI, Refund Check, \$244.25; JOHNSON, MARLYS, Refund Check, \$38.10; JORGENSEN, BRENT & KELLI, Refund Check, \$31.11; KELLEY, VAN & SUSAN, Refund Check, \$17.21; KEMP, STEVEN, Refund Check, \$167.74;

KLINGBILE, JEREMY, Refund Check, \$91.49; KOCH, DAVE, Refund Check, \$276.69; KOCH, SETH & JESSIE, Refund Check, \$200.92; KOOLMO, GRAHAM & CAMILLE, Refund Check, \$136.58; KRANZ, KIRK & SUSAN, Refund Check, \$147.91; KRUSE, BEN, Refund Check, \$815.25; LAMP, SCOTT & ROSHAL, Refund Check, \$174.97; LANAM, DONNA, Refund Check, \$97.45; LASS, AMANDA, Refund Check, \$83.40; LEE, HEATHER, Refund Check, \$23.20; LERAAS, DOROTHY, Refund Check, \$147.69; LERDAL, JIM, Refund Check, \$223.20; LICHTY, BRUCE, Refund Check, \$100.13; LIEDTKE, JACKIE, Refund Check, \$895.55; LIST, JULIANA, Refund Check, \$241.00; LOUNSBERY, JEFF, Refund Check, \$157.74; LUNDEN, ALICE, Refund Check, \$368.95; MARKER, STEVE & TRISH, Refund Check, \$313.93; MCCARTHY, STEVE & DAWN, Refund Check, \$22.63; MCCLEMANS, SANDY, Refund Check, \$177.83; MCCUEN, LAMONTE & MEREDITH, Refund Check, \$250.68; MCKEOWN, DARRELL & SUZI, Refund Check, \$307.53; MCKEOWN, REA & RICK, Refund Check, \$404.82; MCLAGAN, MITCH & BRITTANY, Refund Check, \$158.08; MENDEL, JOE, Refund Check, \$68.41; MERGEN, RONALD, Refund Check, \$181.39; MILLER, JEFF, Refund Check, \$166.54; MILLER, TYLER & MEAGAN, Refund Check, \$486.26; MINOR, DAN & MARY, Refund Check, \$445.25; MITTAN, RAYMOND, Refund Check, \$56.00; MOGLER, BARBARA & CRAIG, Refund Check, \$238.39; MONTEITH, TRESA, Refund Check, \$22.22; MYERS, MAYANN, Refund Check, \$43.25; NEFF, JON & HEATHER, Refund Check, \$331.78; NEYHART, DONNA, Refund Check, \$115.34; NORGAARD, KRISTEN, Refund Check, \$301.02; NORTON, DON & KAY, Refund Check, \$483.59; OLAER, DANILLO & DENISE, Refund Check, \$106.65; OLSON, DALE L & JANICE L, Refund Check, \$169.71; OLSON, RUSSELL, Refund Check, \$146.69; OLSON, TERRY & LORI, Refund Check, \$464.66; PAGE, LONI, Refund Check, \$107.93; PERRY, ROBERT & LOLA, Refund Check, \$274.48; PETERSEN, DARYL, Refund Check, \$110.21; PETERSEN, DEANN, Refund Check, \$181.56; PHINNEY, MICHAEL, Refund Check, \$142.55; PRICE, ROBERT, Refund Check, \$55.89; PRUSSMAN, MYRON, Refund Check, \$90.28; R & L PROPERTIES, Refund Check, \$233.17; RATH, ANNE, Refund Check, \$28.07; RENAAS-BJORDAL, KATHY, Refund Check, \$236.82; RILEY, DEBORAH, Refund Check, \$183.95; RITTER, ROBERT, Refund Check, \$116.84; ROACH, SHAUNA OR STEVE, Refund Check, \$112.12; ROBERTSON, GAIL, Refund Check, \$27.83; RODENBORN, KARL & SARAH, Refund Check, \$442.05; RODRIGUEZ, JUAN CARLOS & GUADALUPE, Refund Check, \$121.00; ROSHEIM, TERRY, Refund Check, \$119.74; RUGGLES, CHRIS & CINDY, Refund Check, \$78.16; SACHEN, ROBERT & NITA, Refund Check, \$76.99; SCHUMACHER, SUSAN, Refund Check, \$317.79; SEAS, SCOTT, Refund Check, \$113.58; SHEARER, SHARON, Refund Check, \$113.04; SMIDT, ORVILLE, Refund Check, \$88.36; STEDMAN, DONALD, Refund Check, \$313.35; STEE, RON & ROSE, Refund Check, \$206.06; STEEN, JAN, Refund Check, \$142.64; STIBRAL, ELSIE, Refund Check, \$53.19; STOEBNER, RICK, Refund Check, \$847.91; STOVER, C SCOTT, Refund Check, \$281.78; STRICKLAND, DAWN, Refund Check, \$88.67; SUMNER, TODD, Refund Check, \$220.22; TAUBER, MARY, Refund Check, \$255.86; TELKAMP, JACKIE, Refund Check, \$86.16; THEROUX, KEITH & SHARI, Refund Check, \$194.30; THEUNISSEN, LOREN, Refund Check, \$115.66; THOMPSON, DAVID & ROSELLA, Refund Check, \$284.76; TILTON, DAVID, Refund Check, \$23.08; TRUDEAU, SHERI, Refund Check, \$55.90; TRYGSTAD, DALLAS & JENNIFER, Refund Check, \$72.92; TWEED, RON & DEB, Refund Check, \$447.65; VAN BRIESEN, THERESA, Refund Check, \$181.40; VIRNIG, BILL & MICHELE, Refund Check, \$328.08;

WANG-SCHAFNITZ, BONNIE, Refund Check, \$161.08; WARNKE, LEO & LYNNE, Refund Check, \$318.89; WELLNITZ, WILLIAM, Refund Check, \$114.22; WEVERKA, JOHN, Refund Check, \$938.74; WHALEY, BRAD & TAMMY, Refund Check, \$748.96; WHISPERING PINES ASSOCIATION, Refund Check, \$535.65; WINGHART, TOM & KATHY, Refund Check, \$20.73; WRIGHT, M J, Refund Check, \$321.12; YARROW, GARY, Refund Check, \$345.97.

PERSONNEL INFORMATION

Department Salaries (June): Electric, \$266,218.85; Water, \$125,889.62; Wastewater, \$137,601.56; Telephone, \$327,113.79; Retirement, \$48,668.90; Social Security, \$61,676.08; Insurance, \$105,936.25; Deferred Comp, \$15,570.73.

Salary Changes: S. Rients, \$39.49; L. Swenson, \$39.49; A. Brech, \$34.17; T. Hohn, \$7,639.82; W. Lower, \$26.73; C. Coverstone, \$7,035.74; L. Sebring, \$7,343.18; J. Brown, \$26.34; D. Brutty, \$32.15

New Hires: R. Petersen, \$21.05; J. Tagg, \$18.18; K. Henningsen, \$17.34; K. Falconer, \$20.19;

EXECUTIVE SESSION

Motion was made by Hawley, seconded by Bartels to adjourn to an executive session for the purpose of consulting with legal counsel and reviewing communications from legal counsel about proposed or pending litigation or contractual matters and discuss marketing or pricing strategies and personnel. All members present voted in favor of the motion.

SURPLUS EQUIPMENT TO BE SOLD – TRANSFORMERS AND STATIC WIRE

Motion was made by Carruthers that the following Resolution No. 21-24 be approved.

RESOLUTION NO. 21 - 24

RESOLUTION ORDERING DISPOSITION OF SURPLUS EQUIPMENT TO BE SOLD

WHEREAS the city of Brookings Municipal Utilities owns property which is no longer necessary, useful or suitable for municipal purposes; and

WHEREAS said property is as follows:

29,000' of Overhead High Strength Steel Static Wire
3 – 25 KVA Padmount Transformers
SN AO508129275
SN AO508129288
SN 1612171098

NOW, THEREFORE, BE IT RESOLVED by the Brookings Municipal Utilities Board that the Board hereby orders that the above referenced property be declared surplus equipment to be sold in accordance with the provision of SDCL 6-13.

Adopted this 8th day of July, 2024.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

The motion was seconded by Bartels. All members present voted in favor of the motion.

SURPLUS EQUIPMENT TO BE DESTROYED – CENTRAL OFFICE EQUIPMENT

Motion was made by Carruthers that the following Resolution No. 22-24 be approved.

RESOLUTION NO. 22 – 24

RESOLUTION ORDERING DISPOSITION OF SURPLUS
CENTRAL OFFICE FIBER OPTIC TRANSPORT EQUIPMENT

WHEREAS the City of Brookings Municipal Utilities owns property which is no longer necessary, useful or suitable for municipal purposes; and

WHEREAS said property is as follows:

- 4 – Fujitsu 600/2400 Chassis and Cards
- 3 – Fujitsu FLM150 Chassis and Cards
- 10 – Fujitsu Spare Cards

NOW, THEREFORE, BE IT RESOLVED by the Brookings Municipal Utilities Board that the Board hereby orders that the above referenced property be declared surplus equipment to be destroyed in accordance with the provisions of SDCL 6-13.

Adopted this 8th day of July, 2024.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

The motion was seconded by Bartels. All members present voted in favor of the motion.

SURPLUS EQUIPMENT TO BE TRADED IN – KYOCERA PRINTER WIRE

Motion was made by Hawley that the following Resolution No. 23-24 be approved.

RESOLUTION NO. 23 - 24

RESOLUTION ORDERING DISPOSITION OF SURPLUS
EQUIPMENT TO BE TRADED-IN

WHEREAS the City of Brookings Municipal Utilities owns property which is no longer necessary, useful or suitable for municipal purposes; and

WHEREAS said property is as follows:

Kyocera 3051ci TASKAlpha Printer
SN: L8533701192

NOW, THEREFORE, BE IT RESOLVED by the Brookings Municipal Utilities Board that the Board hereby orders that the above referenced property be declared surplus equipment to be traded in in accordance with the provisions of SDCL 6-13.

Adopted this 8th day of July, 2024.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

The motion was seconded by Carruthers. All members present voted in favor of the motion.

APPLICATION FOR SEWER CONNECTION – CHOKECHERRY LANE – PRAIRIE HILLS
ADD’N

Motion was made by Bartels, seconded by Carruthers that the application for extension of sewer mains and connection into the city sewer system requested by Mills Development on Chokecherry Lane in the Prairie Hills Addition be approved. All members present voted in favor of the motion.

WATER IMPROVEMENTS TO THE FACILITIES PLEDGING CERTAIN REVENUES AND
COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND

Motion was made by Hawley that the following Resolution No. 24-24 be approved.

RESOLUTION NO. 24 – 24

RESOLUTION RELATING TO CERTAIN DRINKING WATER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; PLEDGING CERTAIN REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND; AUTHORIZING OFFICERS OF THE UTILITY BOARD TO APPROVE, EXECUTE AND DELIVER CERTAIN AGREEMENTS AND DOCUMENTS RELATING TO THE IMPROVEMENTS AND THE REVENUE BOND

BE IT RESOLVED by the Utility Board (the “Board”) of Brookings Municipal Utilities, Brookings, South Dakota (“BMU”), as follows:

Section 1. Recitals.

1.01. The City of Brookings (the “City”) is authorized by South Dakota Codified Laws, Chapter 9-40, as amended (the Act), to acquire land and acquire and construct improvements to its drinking water collection, treatment and distribution facilities (collectively, the “Utility”). Pursuant to the Act and the city charter, the City has established BMU to manage and control such services.

1.02. The City has determined that it is necessary and desirable to construct improvements to the Utility, consisting of upgrades to the Utility and related improvements (the “Improvements”). The City is authorized to issue its revenue obligations under SDCL, Chapters 9-40 and 6-8B, in order to finance a portion of the cost of the Improvements, and to make all pledges, covenants and agreements authorized by law for the protection of the holders of the obligations, including, without limitation, those covenants set forth in SDCL, Sections 9-40-16 and 9-40-17. The obligations are to be payable from the Net Revenues of the Improvements, as defined in Section 2.03 hereof. Pursuant to a resolution adopted September 13, 2022 (the “Prior Bond Resolution”), the City issued a single revenue bond in the principal amount of \$50,963,200 (the “Prior Bond”) to finance the Improvements, but market conditions have significantly increased the cost of the Improvements. Therefore, the City finds it necessary to issue an additional revenue bond (the “Bond”; together with the Prior Bond, the “Parity Bonds”) in the principal amount of \$40,700,000 to finance additional costs of the Improvements (the “Additional Improvements Costs”).

1.03. The City has applied for a loan from the South Dakota State Revolving Fund, to be evidenced by the execution and delivery of a Revenue Obligation Loan Agreements (the “Loan Agreement”) between the South Dakota Conservancy District (the “District”) and the City, and the City will pledge the loan payments thereunder for the security of the Bond and the interest thereon. The General Manager of BMU is hereby authorized and directed to execute and deliver the Loan Agreement for and on behalf of BMU in the form and content submitted to this Board, with such changes that are not substantive as the Attorney for the City deems appropriate and approves. The General Manager is hereby further authorized and directed, in cooperation with the City staff, to implement and perform the covenants and obligations of the City as set forth in or required by the Loan Agreement and is authorized and directed to execute and deliver

such other agreements, certificates or documents as may be required by the City's bond counsel or the District in connection with the issuance of the Bond.

Section 2. Security Provisions.

2.01. Rates and Charges. The Board will maintain, revise, charge and collect rates and other charges for all service furnished and made available by the Improvements, according to schedules such that the gross revenues derived therefrom will be sufficient, when combined with other available funds, to pay when due all expenses of the operation and maintenance of the Improvements, and all principal of and interest on the Parity Bonds, to provide for the establishment and maintenance of adequate reserves, to provide an allowance adequate for recurring renewals and replacements of the Improvements, to satisfy the rate covenant provided in the Loan Agreement and to fulfill the terms of all other agreements with holders of the Issuer's bonds. The rates and charges with respect to the Improvements shall be in the form of a separately stated surcharge on the municipal utilities rate schedule; in calculating the surcharge the Board shall allocate to the Improvements its share of the expenses of operation and maintenance and allowances for renewal and replacement (to be reflected in the O&M Surcharge imposed in Section 2.02 hereof) as well as the requirements to pay principal of and interest on the Parity Bonds and to repay BMU or any other funds of the City for moneys advanced (to be reflected in the Debt Service Surcharge imposed in Section 2.02 hereof).

2.02. Surcharge. In connection with the issuance of the Prior Bond, the Board established the following rates and charges, effective January 1, 2023, as the initial surcharge for the Prior Bond and agreed to periodically review the adequacy of such rates and charges and increase the same as necessary so that the surcharge will at all times be sufficient for the purposes set forth in Section 2.01:

Original Surcharge: The Drinking Water Surcharge will be computed at the following rates:

| | |
|------------------------|---|
| Debt Service Surcharge | \$2.23 / 100 cu.ft. of water used |
| O&M Surcharge | <u>\$.22 / 100 cu.ft. of water used</u> |
| Total Surcharge | \$2.45 / 100 cu.ft. of water used |

In light of the increased cost of Additional Improvements Costs and the Board's aforementioned agreement to periodically review the adequacy of the rates and charges and increase them as necessary, the Board hereby establishes the following increased rates and charges, effective January 1, 2026, as the modified surcharge for the Parity Bonds. The Board reaffirms that it will periodically review the adequacy of such rates and charges and increase the same as necessary so that the surcharge will at all times be sufficient for the purposes set forth in Section 2.01:

Modified Surcharge: The Drinking Water Surcharge will be computed at the following rates:

| | |
|------------------------|--|
| Debt Service Surcharge | \$3.50 / 100 cu.ft. of water used |
| O&M Surcharge | <u>\$.035 / 100 cu.ft. of water used</u> |
| Total Surcharge | \$3.85 / 100 cu.ft. of water used |

2.03. Surcharge Net Revenues. All gross revenues derived from the operation of the Improvements are irrevocably pledged and appropriated and shall be credited to the City's Water

Fund (the “Water Fund”) as received. From the gross revenues derived from the O&M Surcharge shall be credited to the Operating Account established within the Water Fund amounts sufficient to pay the operating expenses of the Improvements, which are the current expenses, paid or accrued, of operation, maintenance and current repair of the Improvements, calculated in accordance with generally accepted accounting principles, and shall include, without limitation, administrative expenses of the City relating solely to the Improvements, premiums for insurance on the properties thereof, labor and the cost of materials and supplies used for current operation and for maintenance, and charges for the accumulation of appropriate reserves for current expenses which are not recurrent monthly but may reasonably be expected to be incurred in accordance with generally accepted accounting principles. The Net Revenues of the Improvements, as referred to in this Resolution, are hereby defined to include the entire amount of such gross revenues remaining after crediting to the Operating Account the amount required to pay the operating expenses, including sums required to maintain an operating reserve equal to one month’s estimated operating expenses, plus the gross revenues derived from the Debt Service Surcharge. The Board reasonably anticipates that the gross revenues to be received from the operation of the Improvements during the period for which the Loan Agreement will be in force and the Parity Bonds will be outstanding will be more than sufficient to provide Net Revenues adequate to pay principal of and interest on the Parity Bonds when due, and to satisfy the requirements of the Loan Agreement. The Net Revenues of the Improvements shall be credited first to the Revenue Bond Account established within the Water Fund and any excess shall be credited and applied as provided in the City’s resolution authorizing the execution and delivery of the Loan Agreement and the issuance of the Parity Bonds.

Section 3. Additional Utility Obligations. The Board acknowledges that the Loan Agreement may contain provisions limiting the City’s ability to issue or incur additional obligations payable from the Net Revenues of the Improvements while the Parity Bonds are outstanding. The Board will not approve or participate in the issuance of any additional obligations payable from the Net Revenues of the Improvements unless the conditions set forth in the Loan Agreement for issuance of such additional obligations have been satisfied.

Section 4. Tax and Arbitrage Matters. The Board covenants and agrees that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest on the Parity Bonds, if issued on a tax-exempt basis, to become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”) and any regulations issued thereunder (the “Treasury Regulations”), in effect at the time of such action, and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that the Parity Bonds, if issued on a tax-exempt basis, will not become subject to taxation under the Code and the Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Parity Bonds.

Adopted this 8th day of July, 2024.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

The motion was seconded by Carruthers. All members present voted in favor of the motion.

ELECTRIC STRATEGIC PRIORITIES

The Electric Strategic priorities were reviewed. No action was taken.

RESCHEDULE JULY 22 BOARD MEETING

Motion was made by Bartels, seconded by Hawley to reschedule the meeting schedule for July 22, 2024, to Friday, July 19, 2024 at 11:30 a.m. All members present voted in favor of the motion.

EXECUTIVE SESSION

Motion was made by Bartels, seconded by Hawley to adjourn to an executive session for the purpose of discussing personnel. All members present voted in favor of the motion.

The Board reconvened in open session.

ADJOURNMENT

The meeting adjourned.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President