

Municipal Utilities Board
City of Brookings

July 10, 2023

The regular meeting of the Municipal Utilities Board was held at 1:00 p.m. on Monday, July 10, 2023, at the Utility building with the following members present: Bartels, Carruthers, Hansen, Hawley, President Harvey and City Council Liaison Avery.

ADOPTION OF AGENDA

The agenda was adopted.

MINUTES

Minutes of the regular meeting held June 12, 2023, and the special meeting held June 26, 2023, were read and approved.

APPROVAL OF BILLS AND CLAIMS

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

605 Custom Design LLC, Uniforms, \$160.00; ABM Manufacturing LLC, Supplies, \$410.00; ABRA Autobody & Glass of Brookings, Vehicle Maintenance, \$357.50; A-I Computer Solutions Of Brookings Inc, Supplies, \$69.98; Anixter Inc, Systems/Cabling Inv, \$247.00; Appera, Supplies, \$126.28; AT & T Mobility, PCS Phone Service, \$9307.25; Austreim Excavating, Gravel Blading, \$1009.80; Authorize.Net, Credit Card Processing Fee, \$170.20; Badger Communications, Systems/Cabling Inv, \$3888.26; Bally Sports North, Contract Fee, \$8340.00; Bendix Inc., Printer/Copier Maintenance, \$1526.11; Bierschbach Equipment, Supplies, \$1153.24; Bluefin Payment Systems, Credit Card Processing Fee, \$12512.47; Bobcat Of Brookings, Supplies/Equipment Repair, \$344.12; Border States Elec Supply, Supplies, \$930.95; Border States Elec Supply, Systems/Cabling Inv, \$916.21; Border States Elec Supply, Uniforms, \$1256.50; Bowes Construction Inc, Asphalt, \$2826.32; Bridle Estates, Sewer Charge Reimbursement, \$5249.00; Brookings Credit Bureau & Collection Agency, Delinq. Account Collection, \$322.03; Brookings Engraving, Supplies, \$331.00; Brookings Engraving, Uniforms, \$17.00; Brookings Municipal Utilities, Office Utility Bill, \$49945.35; Brookings Radio, Advertising, \$1750.00; Brookings Register, Advertising/Legals, \$1016.00; Business Track, Credit Card Processing Fee, \$9022.55; BX Civil & Construction Inc, Dust Control, \$716.80; C & R Fire Suppression, Annual Fire Ext. Inspection, \$3173.43; Calix Inc., Fiber Equipment, \$1374.30; Carquest Auto Supply, Work Equip Maintenance/Supplies, \$11.99; Century Business Products, Printer/Copier Maintenance, \$1298.86; Century Link, Telephone Expense, \$144.07; City of Brookings, Naming Rights, \$9539.00; City of Brookings, Contract Fee, \$7198.01; Climate Systems Inc, HVAC Maintenance, \$2107.11; Clites Electric Construction, Inc.,

Systems/Cabling Inv, \$21.64; Complete Plumbing Inc., Sump Pump Program, \$499.81; Core & Main, Sump Pump Program, \$5583.10; Core & Main, Supplies, \$12018.54; Corporate Technologies, Support Agreement, \$6976.39; Courtesy Plumbing Inc., Repair/Supplies, \$291.70; Courtesy Plumbing Inc., Sump Pump Program, \$73.00; Creative Printing Inc., Printed Materials, \$816.93; Credit Collections Bureau, Delinq. Account Collection, \$288.79; Custome Truck One Source, Supplies, \$367.52; Dave's Window Cleaning, Inc, Window Service, \$74.00; Dept Of The Treasury, Federal Tax, \$5916.08; DGR Engineering Inc, Engineering Service, \$560.00; DHE, LLC, Maintenance Fee, \$1196.63; Ditch Witch UnderCon, Supplies/Work Equip Maint, \$1202.65; Einspahr Auto Plaza, Vehicle Maintenance, \$213.95; Electric Pump, Lift Station Pump, \$9973.25; Farmers Implement Irrigation, Work Equipment Maintenance, \$282.83; Fastenal Company, Supplies, \$3041.01; Ferguson Waterworks #2516, Water Meters, \$35425.00; Fix It Shop Locksmith, Supplies, \$25.00; Flow Control Automation, Inc., Mag Meter, \$1174.00; Foerster Supply Inc, Supplies, \$787.92; Gacke Enterprise, Lime Sludge Removal, \$16406.25; GP Auto Service & Repair, Vehicle Maintenance, \$272.13; Grainger, Supplies, \$375.57; Gray Media Group Inc, Contract Fee, \$21105.87; Graybar Electric Company, Fujitsu Annual Support, \$7106.00; Graybar Electric Company, Supplies, \$625.97; Graybar Electric Company, Systems/Cabling Inv, \$127.04; Gridor Const., Inc., Water Treatment Plant, \$1832192.10; H & W Contracting, LLC, SW/SE Interceptor Replacement, \$1079141.57; Hach Chemical Company, Supplies, \$2522.00; Hawkins Inc, Chemicals, \$4000.00; Helsper, McCarty, & Rasmussen, PC, Legal Service, \$4942.50; Hendricks, Bernard, Conserve/Demand Incentive, \$30.00; Homestead Do It Center, Supplies, \$45.07; Hometown Service & Tire LLC, Vehicle Maintenance, \$540.47; Iconectiv, LLC, LNP Fee, \$677.95; Interstate Telecommunications Cooperative, Telephone Expense, \$287.56; Jaymar, Printed Supplies, \$446.86; John Deere Financial, Supplies, \$100.13; Kenner Plumbing Inc., Water Fountains, \$5814.00; KorTerra Inc, Locate Ticketing Software, \$3500.00; Kruse, Dan, Travel, \$70.80; Locators & Supplies, Sump Pump Program, \$54.99; Locators & Supplies, Supplies, \$2749.50; Lowe's, Supplies, \$20.86; Lumen, Telco Settlement, \$272.22; M & T Fire & Safety, Supplies, \$1650.00; Martin's Inc, Diesel/Oil, \$2228.45; Matheson Tri-Gas Inc, Supplies, \$258.75; Midcontinent Comm., Contract Fee, \$679.44; Midwest Fresh Catering, Meeting Supplies, \$160.00; Millborn Seeds Inc, Grass Seed/Fertilizer, \$232.50; Millennium, Supplies, \$885.00; Moss Adams LLP, Consulting Service, \$3850.00; MVTL Laboratories Inc., Wastewater Analysis, \$726.99; Napa Auto Parts, Supplies, \$53.27; Nemitz, Terry, Conserve/Demand Incentive, \$300.00; Nexstar Broadcasting, Inc., Contract Fee, \$10044.28; Niklason Masonary, Concrete/Supplies, \$19214.76; Northwestern Energy, Natural Gas, \$10.71; Office Peeps Inc, Supplies, \$103.24; One Source - The Background Check Company, Employee Verification, \$153.00; OneNeck IT Solutions LLC, Computer Software/Consulting, \$22925.59; Outlaw Graphics, Supplies/Decals, \$87.50; Pests B Dead LLC, Pest Control, \$235.00; Pete Lien & Sons Inc, Chemicals, \$4615.90; Prunty Construction Co, Inc, Raw/Treated Water Pipelines, \$101514.29; Prussman Contracting Inc, Equipment Rental, \$870.70; Prussman Contracting Inc, Main Repairs, \$2073.82; RC First Aid, Supplies, \$293.50; RDO Equipment Co, Work Equipment Maintenance, \$469.48; Resco, Supplies, \$4842.40; Rients, Shane, Travel, \$35.40; Riverside Technologies, Inc., Computer Supplies, \$29.00; Riverside Technologies, Inc., Laptop, \$1996.00; Robinson, Steve, Conserve/Demand Incentive, \$25.00; Ron's Auto Repair, Vehicle Maintenance, \$156.72; Runnings, Supplies, \$3806.85; Schoon, Jacob, Travel, \$53.10; Schoon's Pump N' Pak, Vehicle Gasoline, \$13829.60; SD Board of Accountancy, Membership Dues, \$50.00; SD CPA Society, Membership Dues, \$230.00; SD Dept of Environ & Nat, Certification, \$60.00; SD Dept of Rev, Enhanced 911, \$8719.55; SD

State Treasurer, Communication Impaired Fee, \$1856.75; SD Treasurer, Sales/Excise Tax, \$165282.28; SDN Communications, Circuit Lease, \$2297.79; SDSU, Perform. Eval. W/WW, \$128063.00; SDSU Growth Partnership Ltd., Conserve/Demand Incentive, \$10140.00; Sioux Valley Environmental, Gas Monitor/Case, \$2525.00; Sioux Valley Environmental, Supplies, \$171.00; South Dakota One Call, Locate Fee, \$867.30; Springbrook, Credit Card Processing Fee, \$2599.50; Sprint PCS, PCS Phone Service, \$149.06; Sturdevant's Auto Value, Supplies, \$953.61; Swiftel Communications, Office Phone Bill, \$130758.54; Terex USA, LLC, Equipment Maintenance, \$9958.94; The UPS Store, Freight, \$294.53; Thermo Fisher Scientific (Asheville) LLC, Supplies, \$7.37; Tires Tires Tires, Vehicle Maintenance, \$346.00; Town & Country Shopper Inc., Advertising, \$175.00; Turfguard Lawn Service Inc., Weed Spraying, \$1400.00; U.S. Bank National Association, 2012 SRF Loan Payment, \$397335.98; United Parcel Service, Freight, \$48.00; United States Postal Service, Postage, \$9000.00; Universal Service Adm. Co, USAC Contribution, \$28151.88; University Estates, Water Charge Reimbursement, \$3835.00; USA Bluebook, Supplies, \$510.51; Vantage Point Solutions Inc., Engineering Consulting, \$9554.62; Wesco, Meters, \$59328.00; Wesco, Supplies, \$26368.00; Wesco, Underground Conductor, \$9975.00; Wheeldon's, Equipment Maintenance, \$40.00; Winter Contracting, LLC, Raw/Treated Water Pipelines, \$1262169.58; WW Tire Service Inc, Work Equipment Maintenance, \$80.20; Xcel Energy/NSP, Utility Bill, \$14.02; ABRAHAMSON, PATRICIA, Refund Check, \$139.15; ALFSON, TROY, Refund Check, \$246.70; ANDERSON, CHERYL & ROBERT, Refund Check, \$8.27; ANDERSON, CHRIS R & JESSICA, Refund Check, \$509.99; APLAND, KATHLEEN, Refund Check, \$32.48; ASCHE, MATT, Refund Check, \$73.38; BAUMAN, CURT & SANDY, Refund Check, \$69.59; BELROSE, JESSE, Refund Check, \$32.85; BERTRAM, LORI, Refund Check, \$20.50; BESEMER, BRAD & BRITTNEE, Refund Check, \$115.36; BIGGAR, BRANDON, Refund Check, \$168.62; BIGGAR, CRAIG & JODI, Refund Check, \$58.91; BINGEN, ERIK, Refund Check, \$27.70; BORTNEM, GORDON, Refund Check, \$152.25; BRANDSRUD, CHERYL, Refund Check, \$184.41; BROOKINGS CHRISTIAN CHURCH, Refund Check, \$165.75; BROWNELL, AMY & CRAIG, Refund Check, \$33.29; BRUNS, MARK, Refund Check, \$1997.96; BUCKLEY, GENE & DEBRA, Refund Check, \$89.35; BULLINGTON, MARK, Refund Check, \$155.10; CAMPBELL, THOMAS R & DOREEN K, Refund Check, \$184.56; CARPENTER, KARLA, Refund Check, \$149.99; CHAMLEY, MAKENZI, Refund Check, \$11.01; CHURCH, TERRANCE & KASTHURI, Refund Check, \$34.58; CLARK, WENDY, Refund Check, \$154.10; COOMBES, DAN & SUSAN, Refund Check, \$16.05; COON, TERRY & HEATHER, Refund Check, \$234.60; CURTIS, BYRON & TERESSA, Refund Check, \$61.14; DAVIDSON, WILLIAM & KHANH, Refund Check, \$1057.28; DEJONG, ROBERT & KELLY, Refund Check, \$170.62; DIERCKS, BILL & RUTH, Refund Check, \$107.61; EMMETT, PAM, Refund Check, \$6.34; FELDHUS, TERRI, Refund Check, \$89.02; FIAMENGO, LAUREN, Refund Check, \$572.18; FIRST ASSEMBLY OF GOD, Refund Check, \$2121.19; GEISZLER, HARRY & MELINDA, Refund Check, \$63.93; GEPPERT, JACKIE, Refund Check, \$809.78; GOMES, BRETT, Refund Check, \$123.41; HABITAT FOR HUMANITY, Refund Check, \$123.47; HACKETT, WILLIAM & CONNIE, Refund Check, \$57.69; HANSON, DAN & JUDY, Refund Check, \$18.11; HANSON, LINDSEY, Refund Check, \$457.72; HARDT, MARY, Refund Check, \$142.66; HEILMAN, ROSE, Refund Check, \$101.29; HEIN, TERRI & SCOTT, Refund Check, \$72.88; HICKS ENTERPRISE, Refund Check, \$2183.84; HOBBIE, BOBBI & KEVIN, Refund Check, \$34.88; HOLM, JEREMY & TARA, Refund Check, \$386.40; HOODA, DAVENDER & RILU, Refund Check, \$47.58; HOUTMAN, TIMOTHY & KRISTI, Refund Check, \$274.55; JENSEN,

STEVE & KAMI, Refund Check, \$101.33; JEWETT, MIKE & MICHELLE, Refund Check, \$58.46; JOHNSON, MARLYS, Refund Check, \$74.96; JOHNSON, PERRY & BARB, Refund Check, \$40.30; JORGENSEN, BRENT & KELLI, Refund Check, \$191.45; KEITH, ABIGAIL, Refund Check, \$94.74; KELLEY, VAN & SUSAN, Refund Check, \$417.44; KENNINGTON, BLAKE, Refund Check, \$27.93; KILMER, WANDA DOOP, Refund Check, \$398.59; KOCH, DAVE, Refund Check, \$141.04; KRUID, TYLER & MARICEL, Refund Check, \$116.58; LACHER-STARACE, JENNIFER, Refund Check, \$192.03; LANAM, DONNA, Refund Check, \$56.36; LEE, HEATHER, Refund Check, \$145.51; LIBRANDO, ERIK, Refund Check, \$507.52; LOUNSBERY, JEFF, Refund Check, \$76.74; MARKER, STEVE & TRISH, Refund Check, \$297.17; MATHISON, PAULA, Refund Check, \$134.46; MCCARTHY, STEVE & DAWN, Refund Check, \$128.05; MCCARTY, DON & ANNE, Refund Check, \$263.80; MCLAUGHLIN, TAMMY, Refund Check, \$7.76; MELAND, TIM, Refund Check, \$178.85; MENDEL, JOE, Refund Check, \$39.86; MERCHEN, CARLA, Refund Check, \$30.34; MERGEN, LORI, Refund Check, \$306.77; MERGEN, RONALD, Refund Check, \$22.61; MINOR, DAN & MARY, Refund Check, \$33.38; NEFF, JON & HEATHER, Refund Check, \$252.61; NEMITZ, TERRY & AMY, Refund Check, \$63.96; NEUHARTH, KAREN, Refund Check, \$4.20; NEYHART, DONNA, Refund Check, \$369.27; OLAUSON, LYLA, Refund Check, \$26.47; OLSON, DALE L & JANICE L, Refund Check, \$126.96; PETERSEN, DEANN, Refund Check, \$145.83; PETERSON, MARY ANN, Refund Check, \$272.98; RATH, ANNE, Refund Check, \$150.18; RENAAS-BJORDAL, KATHY, Refund Check, \$233.10; RICE, JAMES & VICKI S, Refund Check, \$180.73; RITTER, ROBERT, Refund Check, \$28.84; SHEARER, SHARON, Refund Check, \$117.40; SMIDT, ORVILLE, Refund Check, \$40.59; STEDMAN, DONALD, Refund Check, \$63.71; STOEBNER, RICK, Refund Check, \$133.62; STOVER, C SCOTT, Refund Check, \$53.23; STRAND, CHAD & CATHY, Refund Check, \$32.19; STRUWE, JEFFREY & SUSAN, Refund Check, \$279.31; SUMNER, TODD, Refund Check, \$237.20; SWANSON, NANCY, Refund Check, \$1097.34; SWISHER, DAVE, Refund Check, \$190.81; TASSLER, KATHLEEN, Refund Check, \$19.79; TELKAMP, JACKIE, Refund Check, \$148.17; VIRNIG, BILL & MICHELE, Refund Check, \$128.74; WAGNER, SCOTT, Refund Check, \$9.88; WANG, ANDY, Refund Check, \$33.27; WELLNITZ, WILLIAM, Refund Check, \$136.39; WERNER, MARK, Refund Check, \$71.04; WEVERKA, JOHN, Refund Check, \$87.33; WHISPERING PINES ASSOCIATION, Refund Check, \$1215.90; WHISPERING PINES ASSOCIATION, Refund Check, \$508.27; WIECZOREK, TERRY, Refund Check, \$90.34; WILEN, RYAN & BENTE, Refund Check, \$53.07; ZEGERS, HALEY, Refund Check, \$45.63; Belrose, Jesse, Telephone Refund, \$71.10; Belt, Jenna, Telephone Refund, \$38.07; Dockendorf, Lindsey, Telephone Refund, \$119.66; Dorn, Violet, Telephone Refund, \$22.62; Duchesneau, Dawson, Telephone Refund, \$16.74; Hanson, Jacob, Telephone Refund, \$13.94; Heinecke, Ramsey, Telephone Refund, \$20.74; Henne, Bridget, Telephone Refund, \$25.11; Jackson, Addy, Telephone Refund, \$101.37; Jolley, Olivia, Telephone Refund, \$80.95; Ogle, Tyler, Telephone Refund, \$16.74; Rasmussen, Elise, Telephone Refund, \$16.74; Turner, Nathan, Telephone Refund, \$64.13

PERSONNEL INFORMATION

Department Salaries (June): Electric, \$251,777.53; Water, \$121,541.13; Wastewater, \$124,831.58; Telephone, \$333,894.51; Retirement, \$46,636.40; Social Security, \$59,600.00; Insurance, \$101,952.80; Deferred Comp, \$14,242.15.

Salary Changes: D. Weekes, \$31.00; L. Sebring, \$6,216.45; J. Brown, \$22.31; D. Bratty, \$27.39.

New Hire: T. Hiltunen, \$17.32; L. Keszler, \$16.02; J. Flack, \$17.32; K. Pumper, \$16.52; T. Coverstone, \$20.10;

EXECUTIVE SESSION

Motion was made by Hansen, seconded by Carruthers 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. All members present voted in favor of the motion.

The Board reconvened in open session.

AMENDMENT TO TRANSFER TO CITY GENERAL FUND

Motion was made by Hawley that the following Resolution 16-23 be approved.

RESOLUTION NO. 16 - 23

RESOLUTION AMENDING RESOLUTION NO. 25-22 PROVIDING FOR TRANSFER OF UTILITY SURPLUS FUNDS TO THE CITY GENERAL FUND

WHEREAS the Brookings Municipal Utilities Board passed Resolution No. 25-22 providing the transfer of Utility surplus funds to the City General Fund beginning January 1, 2023; and

WHEREAS it is the intent of the Brookings Municipal Utilities Board to change the above referenced transfer levels of surplus funds to the General Fund and an additional transfer to the General Fund for the purpose of funding General Fund initiatives to improve regional economic development; and

WHEREAS the annexation of Brookings Municipal Utilities property into the corporate city limits of the City of Brookings created municipal sales tax changes that impacted the contractual obligations of the Brookings Municipal Utilities Water Fund; and

WHEREAS it is the intent of the Brookings Municipal Utilities Board to change the Electric Fund Annual Transfer by an amount identified by Water Treatment Plant (WTP) Change Order #2 – Municipal Sales Tax and Reduction in South Dakota Sales Tax for the WTP passed by the Brookings Municipal Utilities Board on June 12, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Brookings Municipal Utilities Board that Resolution No. 25-22 be amended to provide that, beginning July 1, 2023, transfers

be made to the City General Fund from the Electric and Telephone Funds in amounts as established by the following:

Electric Fund

Total Annual Transfer of \$2,330,000 to the City General Fund less WTP Change Order #2 and
Additional \$25,000 transfer to the Brookings Economic Development Corporation

Telephone Fund

Total Annual Transfer of \$175,000 to the City General Fund
and
Additional \$25,000 transfer to the Brookings Economic Development Corporation

Adopted this 10th day of July, 2023.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

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

INTERFUND TRANSFER FROM THE ELECTRIC FUND TO THE WATER FUND

Motion was made by Hawley that the following Resolution 17-23 be approved.

RESOLUTION NO. 17 - 23

RESOLUTION AUTHORIZING INTERFUND TRANSFER
BETWEEN UTILITY FUNDS

WHEREAS the annexation of Brookings Municipal Utilities property into the corporate city limits of the City of Brookings created municipal sales tax changes that impacted the contractual obligations of the Brookings Municipal Utilities Water Fund; and

WHEREAS the Brookings Municipal Utilities Board approved Water Treatment Plant (WTP) Change Order #2 - Municipal Sales Tax and Reduction in South Dakota Sales Tax for the WTP on June 12, 2023, to authorize fulfillment of the BMU Water Fund contractual obligations; and

WHEREAS the Brookings Municipal Utilities Board approved Resolution 16-23 amending transfers of surplus funds from the BMU Electric Fund to the City General Fund due

to the municipal sales tax and reduction of SD Sales tax impacts of the WTP Change Order #2 effective July 1, 2023; and

WHEREAS it is the intent of the Brookings Municipal Utilities Board to transfer funds from BMU Electric Fund to the BMU Water Fund.

NOW, THEREFORE, BE IT RESOLVED by the Brookings Municipal Utilities Board that funds in the amounts identified in WTP Change Order #2 be transferred from the BMU Electric Fund to the BMU Water Fund as they become identified.

Adopted this 10th day of July, 2023

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

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

WATER IMPROVEMENTS TO THE FACILITIES PLEDGING CERTAIN REVENUE AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND – LEAD WATER SERVICE REPLACEMENT PROGRAM

Motion was made by Hawley that the following Resolution 18-23 be approved.

RESOLUTION NO. 18 - 23

RESOLUTION RELATING TO CERTAIN DRINKING WATER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF REVENUE BONDS 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 “System”).

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 certain improvements to the System, which will consist of removing and replacing the system's remaining lead service lines (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 revenues of the System.

1.03. The City has applied for one or more loans from the South Dakota State Revolving Fund, to be evidenced by the execution and delivery of one or more Revenue Obligation Loan Agreements (whether one or more, 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 a State Revolving Fund Revenue Bond of the City (whether one or more, the "SRF Bonds") 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 SRF Bonds.

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 System, according to schedules such that, in each fiscal year, the Net Revenues Available for Debt Service (as defined in the Loan Agreement) equal at least 110% of System Debt Service (as defined in the Loan Agreement) for such fiscal year.

2.02. Pledged Revenues. All income and revenues of the System, including, without limitation, fees, charges to users of the System, penalties and hook-up fees, sign-up fees, proceeds of business interruption insurance, proceeds from the sale of property constituting part of the System and investment income on all such revenues, but only to the extent that the revenues exceed the amounts necessary to operate and maintain the System, provided there shall be excluded from this pledge the proceeds of any federal or state grant or loan, and the investment income therefrom, to the extent such exclusion is a condition of such grant or loan, are irrevocably pledged to the District, on a parity of lien with the pledge of such revenues securing other obligations permitted to be payable therefrom.

Section 3. Additional System Obligations. The Board acknowledges that the Loan Agreement may contain provisions limiting the City's ability to issue or incur additional System

Revenue Debt (as defined in the Loan Agreement) while the SRF Bond is outstanding. The Board will not approve or participate in the issuance of any additional System Revenue Debt unless the conditions set forth in the Loan Agreement for issuance of such additional obligations have been satisfied.

Adopted this 10th day of July, 2023.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

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

CHANGE ORDER NO. 3 TO WATER TREATMENT PLANT PROJECT

Motion was made by Hansen, seconded by Hawley that Change Order No. 3 to the Water Treatment Plant Project be approved. All members present voted in favor of the motion.

BULK WATER SUPPLY AGREEMENT WITH UNIVERSITY ESTATES

Motion was made by Carruthers that the following Resolution 19-23 be approved.

RESOLUTION NO. 19 - 23

RESOLUTION APPROVING BULK WATER SUPPLY
AGREEMENT WITH UNIVERSITY ESTATES

BE IT RESOLVED by the Brookings Municipal Utilities Board (the Board) that:

1. The Agreement entitled "Bulk Water Purchase Agreement" with University Estates be hereby approved.
2. The President of the Board and/or Executive Vice President/General Manager be hereby authorized to execute the approved contract documents.

Adopted this 10th day of July, 2023.

ATTEST:

Seth Hansen, Secretary

Tim Harvey, President

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

DISCUSSION OF ELECTRIC STRATEGIC PRIORITIES

The Electric Strategic Priorities were reviewed with the Utility Board. No action was taken.

EXECUTIVE SESSION

Motion was made by Bartels seconded by Carruthers 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