AGREEMENT
TRANSFER OF SERVICE TERRITORY
between the CITY OF BROOKINGS and
SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

(City of Brookings Resolution 25-053)

THIS AGREEMENT made and entered into this 8th day of December, 2025 by and between SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC., hereinafter referred to as the "Cooperative" and the MUNICIPAL UTILITY BOARD for the CITY OF BROOKINGS, SOUTH DAKOTA, hereinafter referred to as the "City", WITNESSETH:

WHEREAS, the Cooperative and the City entered into a Territorial Agreement dated January 19, 1976, pursuant to the provisions of Chapter 49-34A, SDCL, which Agreement was approved and ratified by the Public Utilities Commission for the State of South Dakota, and

WHEREAS, thereafter the City did annex certain territories to the City, which territories were service territory of the Cooperative, and

WHEREAS, the City has proposed to purchase the facilities and assume service to all consumers in the newly annexed areas pursuant to letter proposals dated June 24, 2025 and the Cooperative is required to transfer said territory in accordance therewith, now therefore,

FOR AND IN CONSIDERATION of the mutual promises, conditions and terms contained herein, the parties do hereby covenant, contract and agree as follows, to-wit:

I.

The Cooperative hereby relinquishes all service rights to the City in the following described territory, to-wit:

Resolution 24-053; The resolution annexing The West Half of the Northwest Quarter, Excluding Platted Areas in Section Twenty (20), Township One Hundred Ten (10) North, Range Forty Nine (49) West of the 5th P.M. County of Brookings, State of South Dakota, Excluding Land North of the U.S. Highway 14 Bypass and

in accordance with the maps attached hereto as "Exhibit A1 ".

II.

The Cooperative hereby is required to sell and the City hereby is required to purchase the electric lines, poles, appurtenances and facilities located within and/or near the above described property and to pay for the costs of reintegrating the Cooperative's system, all in accordance with the schedule attached hereto as "Exhibit B".

III.

The purchase price for facilities being sold to the City shall be $0.00, as itemized and set forth in said Exhibit B attached. Said purchase price shall be paid by the City within 30 days of the Date of Possession.

IV.

As and for additional consideration for the purchase of the Cooperative's facilities and the right to serve

existing and all future customers within the above described territory assumed by the City, the City furthermore agrees to pay as compensation for service rights, an annual amount equal to the sum of twenty-five percent of the gross revenues received from power sales to consumers of electric power within the annexed area. The obligation of the annexing municipality to compensate the utility for service rights shall continue for eleven years from the date of the offer to purchase by the annexing municipality. During the eleven-year period, compensation for service rights to any one customer location within the annexed area shall be paid by the annexing municipality for a period of seven years or until the expiration of the eleven-year period, whichever is less. Gross revenues received shall be determined by applying the rate in effect by the municipality at the time of purchase.

V.

The City agrees to apply to the South Dakota Public Utilities Commission of the State of South Dakota for the transfer and assignment of the Cooperative's certified service territory to the City.

VI.

It is understood and agreed that the Date of Possession of said territory shall be December 8, 2025 The parties agree to work together to effect a smooth transition causing the least inconvenience to electric patrons located within the City.

VII.

The Cooperative agrees to refund to its customers, as of, or prior to the Date of Possession, any refundable deposits and there shall be no assumption by the City of such refundable deposits. From and after the Date of Possession, the Cooperative agrees to indemnify, and save harmless the City against any and all claims based upon transactions occurring prior to the Date of Possession with respect to refundable deposits.

VIII.

At the time of transfer of individual consumers, the consumer meters shall be jointly read by representatives of the City and the Cooperative. This reading shall be used to determine the final bill to be issued by the Cooperative and the initial reading for use by the City. The Cooperative shall be entitled to all revenues derived from sales prior to said meter reading, and shall be responsible for collection of those revenues, except: any receivables still outstanding 60 days following the transfer date shall be purchased by the City, and further collection shall be the responsibility of the City. The Cooperative shall make diligent effort to collect its revenues within the 60 day period.

IX.

The Cooperative's cash retirement of consumers' retained capital credits shall be consistent with Cooperative policy.

X.

The Cooperative shall assign to the City all right-of-way easements of record pertaining to the facilities to be purchased by the City through this Agreement. The City shall prepare the assignment documents.

XI.

IN WITNESS WHEREOF the parties have hereunto set their hand and seal the day and date first above written.

Exhibit A1

Brookings Annexation 2025 (25-053)

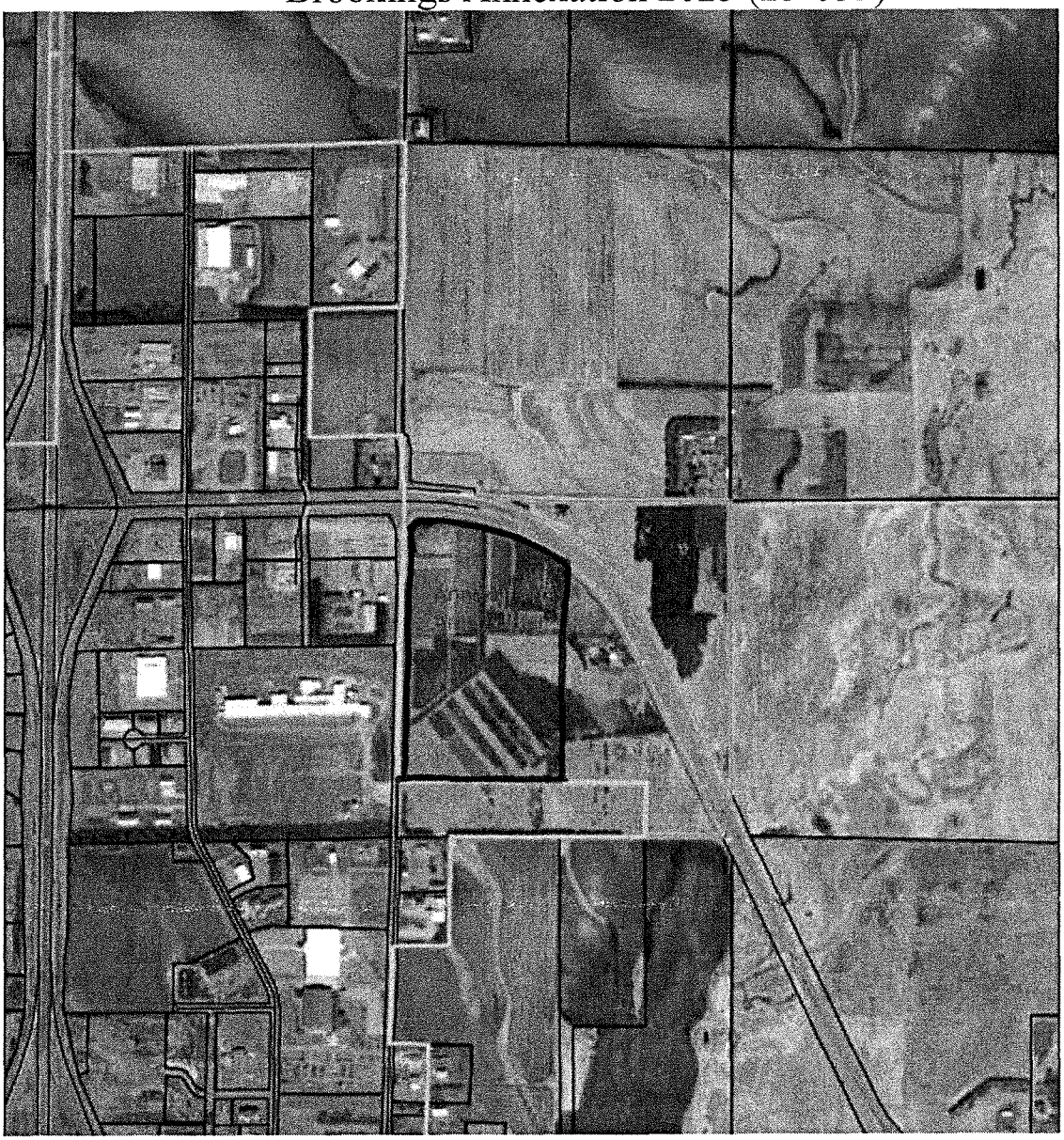


Exhibit B

No members in this area. $0.00 due to Sioux Valley Energy.

SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

(SEAL)

By Dan Leuthold
President

ATTEST:

Secretary

CITY OF BROOKINGS UTILITIES BOARD

(SEAL)

By
~~Chairman~~
Vice President

ATTEST:

Secretary

Prepared by:
Community Development Dept.
520 3rd St., Suite 140
Brookings, SD 57006

309827

STATE OF SOUTH DAKOTA
Brookings County
RESO Document #FB309827
Filed for Record on **5/29/2025 at 2:30 PM**
and Recorded in **Book MI195 Pg 822**
Recording Fee: $30.00 Page: 1 of 2

Register of Deeds

By _____ Deputy

RESOLUTION 25-053

RESOLUTION TO ANNEX THE WEST HALF OF THE NORTHWEST QUARTER, EXCLUDING PLATTED AREAS IN SECTION TWENTY, TOWNSHIP ONE HUNDRED TEN NORTH, RANGE FORTY-NINE WEST, BROOKINGS COUNTY, SOUTH DAKOTA, EXCLUDING LAND NORTH OF U.S. HIGHWAY 14 BYPASS

WHEREAS, the City of Brookings is authorized pursuant to South Dakota Codified Law 9-4-1 to annex contiguous territory upon receipt of a written petition, describing said territory sought to be annexed, signed by not less than three-fourths (3/4) of the legal voters and by the owner or owners of not less than three-fourths (3/4) of the value of said territory; and

WHEREAS, the City of Brookings has received a Petition for Annexation on the following described property, to wit: The West Half of the Northwest Quarter, Excluding Platted Areas in Section Twenty, Township One Hundred Ten North, Range Forty-Nine West, Brookings County, South Dakota, Excluding Land North of U.S. Highway 14 Bypass; and

WHEREAS, the aforementioned land is contiguous to the present boundaries of the City of Brookings; and

WHEREAS, the City of Brookings has received a Petition for Annexation of Territory signed by the owners of greater than three-fourths (3/4) of the value of the aforementioned property and greater than three-fourths (3/4) of the legal voters residing in said territory; and

WHEREAS, the Brookings County Board of County Commissioners reviewed the petition during their regular meeting on March 18, 2025 pursuant to South Dakota Codified Law 9-4-5 and has approved, by Resolution 25-19, that this property, as described, be annexed into the City of Brookings.

NOW, THEREFORE, BE IT RESOLVED by the City of Brookings, South Dakota, that the property described above is hereby annexed to the City of Brookings.

Passed and Approved this 27th day of May, 2025.

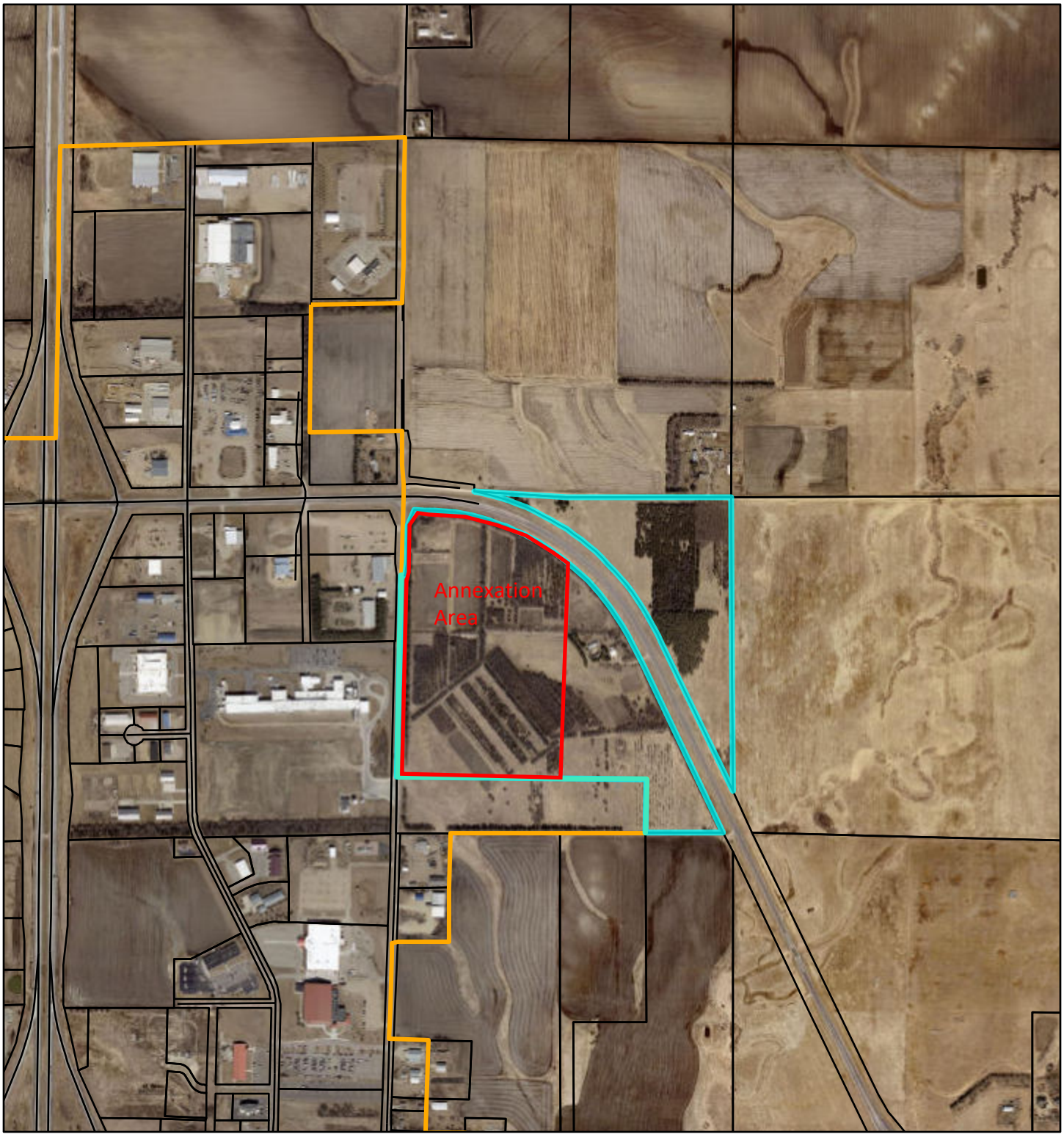
CITY OF BROOKINGS, SD

Oepke G. Niemeyer, Mayor

ATTEST:

Bonnie Foster, City Clerk

Location Map



2/20/2025

1:18,091

0 0.1 0.2 0.4 mi

0 0.17 0.35 0.7 km

BrookingsCityLimits

Parcels

Brookings County Roads

28092E200112N.sid
Red: Band_1
Green: Band_2
Blue: Band_3

27986E200112N.sid
Red: Band_1
Green: Band_2
Blue: Band_3

27669E189552N.sid
Red: Band_1
Green: Band_2
Blue: Band_3

27986E163152N.sid
Red: Band_1
Green: Band_2
Blue: Band_3