

GRAND RAPIDS PUBLIC UTILITIES COMMISSION, MINNESOTA

RESOLUTION NO. 08-28-24-04

AUTHORIZING ACCEPTANCE OF INTERFUND LOAN FROM CITY OF GRAND RAPIDS

WHEREAS, the City of Grand Rapids (the “City”), through its Public Utilities Commission (the “PUC”), owns and operates as a revenue-producing convenience, systems for the distribution of electricity, production and distribution of water, and collection and treatment of sewer and wastewater for the use of the City and its inhabitants and other customers (collectively, the “Facilities”);

WHEREAS, the PUC and the City desire to acquire new utility billing and enterprise resources planning software to be used jointly by the PUC and the City (the “Project”);

WHEREAS, the estimated cost of the PUC’s share of the Project is \$685,000;

WHEREAS, the City has sold its General Obligation Equipment Certificates, Series 2024B (the “Bonds”) in the estimated aggregate principal amount of \$1,055,000 to finance the Project;

WHEREAS, following the issuance of the Bonds on September 18, 2024, the City will be deemed to have provided an interfund loan to the PUC from a portion of the proceeds of the Bonds for the PUC’s share of the Project in the principal amount of \$685,000 (the “Interfund Loan”);

WHEREAS, the PUC proposes to repay the Loan from revenues of the PUC’s Facilities; and

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE GRAND RAPIDS PUBLIC UTILITIES COMMISSION, MINNESOTA AS FOLLOWS:

1. The PUC approves the sale of the Bonds by the City and ratifies and accepts the terms thereof.
2. The Interfund Loan shall be in a principal amount not to exceed \$685,000 (the “Interfund Loan”). Interest shall accrue on the principal amount beginning on the closing date on the Bonds.
3. The Interfund Loan is payable from revenues of the PUC’s Facilities. The PUC agrees to make principal and interest payments on the Interfund Loan to the City in accordance with the schedule attached hereto as Exhibit A.
4. The City, with the approval of the PUC, may from time to time amend the terms of the Interfund Loan to the extent permitted by law.
5. The Interfund Loan shall not be prepayable without the written approval of the City.
6. The Commission hereby ratifies, accepts and assumes all covenants and obligations relating to the Project as set forth in the City’s resolution awarding the sale of the Bonds adopted on August 26, 2024, and agrees, for the benefit of the City and the Bondholders, to comply therewith.
7. The PUC covenants and agrees with the City 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 Certificates to

become subject to taxation under the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations promulgated thereunder, in effect at the time of such actions, and that it will take or cause its officers, employees or agents to take, all affirmative action within its power that may be necessary to ensure that such interest will not become subject to taxation under the Code and applicable Treasury Regulations, as presently existing or as hereafter amended and made applicable to the Bonds. To that end, the PUC will comply with all requirements necessary under the Code to establish and maintain the exclusion from gross income of the interest on the Bonds under Section 103 of the Code, including without limitation requirements relating to temporary periods for investments, and limitations on amounts invested at a yield greater than the yield on the Bonds.

8. The PUC further covenants not to use the proceeds of the Bonds or the Project, or to cause or permit them to be used, in such a manner as to cause the Bonds to be “private activity bonds” within the meaning of Sections 103 and 141 through 150 of the Code.

9. This resolution is effective following adoption.

Approved by the Commission of the Grand Rapids Public Utilities Commission on the 28th day of August, 2024

Commissioner

Witness:

Commissioner

EXHIBIT A

PAYMENT SCHEDULE