

CITY OF LAKE NORDEN

August 3, 2020

Council met in regular session at 7:00 PM. Mayor Aho presiding. Members present: Jason Aho, Janet Andrews, Brian Jacobsen, John Layman and Dorene Lemme. Absent: Cameron Larson and Kim St. John.

City employees present: Tony Aas, George Gibbons, Delores Kangas, Dan Koistinen and Roy Hauschildt. Absent: None.

Others present: Jenna Aderhold - Herald Enterprise, Tom Homola, Leanne Johnson, and Greg Jorgensen - Banner Associates.

Motion made by Andrews and seconded by Lemme to approve the agenda, with the addition of discussion concerning planting trees at Memorial Park Concession Stand. All voted aye.

Motion made by Jacobsen and seconded by Layman to approve the previous minutes. All voted aye.

Motion made by Andrews and seconded by Layman to approve the following financial reports: Fund Cash Balance; Budget Expenditure Totals, Fiscal Revenue (Detail) and General Ledger Activity List, as presented. All voted aye.

Motion made by Lemme and seconded by Jacobsen to approve the monthly reconciliation report, as presented. All voted aye.

Motion made by Andrews and seconded by Lemme to approve the itemized credit card payments, as follows:

AAS***6494	APL*ITUNES	1.05	CLOUD BACKUP
AAS***6494	IN *ON Q SAFETY	75.00	ON LINE TRAINING
KOISTINEN***2733	USA BLUEBOOK	194.00	SUPPLIES
KOISTINEN***2733	KIBBLE EQUIPMENT	268.39	SUPPLIES
HAUSCHILDT***2717	STAN HOUSTAN	489.90	SUPPLIES
KANGAS***2725	US POSTAL SERVICE	337.60	SUPPLIES
KANGAS***2725	ADOBE ACROPRO	31.33	SERVICES
KANGAS***2725	ADOBE ACROPRO	15.66	SERVICES

All Voted Aye. Thus, motion carried.

The finance officer submitted the following bills with verified vouchers for payment:

GEORGE GIBBONS	2167.36	SALARY/LESS DEDUCTIONS
KYLE NAMKEN	626.17	SALARY/LESS DEDUCTIONS
TONY AAS	2623.59	SALARY/LESS DEDUCTIONS
DAN L. KOISTINEN	3105.47	SALARY/LESS DEDUCTIONS
STACY HAKEMAN	363.04	SALARY/LESS DEDUCTIONS
ROY HAUSCHILDT	2764.39	SALARY/LESS DEDUCTIONS
DELORES KANGAS	2952.18	SALARY/LESS DEDUCTIONS
KIRBY ANTOEN	1293.45	SALARY/LESS DEDUCTIONS
DAMON STORMO	507.92	SALARY/LESS DEDUCTIONS
BRAD NOEM	1523.77	SALARY/LESS DEDUCTIONS
RYAN MACDONELL	673.52	SALARY/LESS DEDUCTIONS
AUSTIN HAKEMAN	1390.19	SALARY/LESS DEDUCTIONS
JACOB MACDONELL	708.05	SALARY/LESS DEDUCTIONS
STACEY STORMO	507.92	SALARY/LESS DEDUCTIONS
CRAIG TASCHNER	507.92	SALARY/LESS DEDUCTIONS
JEFF KRUSE	1015.85	SALARY/LESS DEDUCTIONS
SHANNON SYMENS	507.92	SALARY/LESS DEDUCTIONS
MARK STEVENSEN	507.92	SALARY/LESS DEDUCTIONS
GUNNER ST. JOHN	1870.09	SALARY/LESS DEDUCTIONS

HEALTH POOL OF SD	917.12	EMPLOYEE PREMIUM
SOUTH DAKOTA RETIREMENT	2141.96	EMPLOYER/EMPLOYEE 6%
DENTAL NETWORK OF AMERICA	271.50	EMPLOYEE PREMIUM
SD SUPPLEMENTAL RETIREMENT	175.00	EMPLOYEE CONTRIBUTIONS
EFTPS	6353.18	DEDUCTIONS DEPOSIT
TONY AAS	150.00	UMPIRE 6/4;6/9;6/26;7/7
AREA, INC.	516.54	INV. #10843/REPAIRS
BANNER ASSOCIATES	2393.77	INV. #33084/SERVICES
BANNER ASSOCIATES	4657.00	INV. #33050;135/SERVICES
CITY OF LAKE NORDEN	100.00	WATER DEPOSIT TO BILLING
CONNECTING POINT COMPUTER	1100.00	INV. 412446;269 SEVICES/CONTRA
CONSOLIDATED READY MIX, INC	783.50	INV. #8286172/SUPPLIES
COOK'S WASTEPAPER & RECYCLING	2614.32	MONTHLY SERVICE(191) DUMPSTERS
COUNTRY STORE	467.39	ACCOUNT 101569
DAKOTA PORTABLE TOILETS	125.00	INV. #10558/SERVICES
DAKOTA PUMP & CONTROL INC.	1337.76	INV. #23271;72/SERVICES
JAKE DEVINE	400.00	UMPIRE 7/9;7/14
TYLER GORIELL	100.00	UMPIRE 6/4;6/9;6/26
GREAT AMERICAN FINICIAL SVCS.	110.76	INV. #27511881/LEASE FEES
HAMLIN BUILDING CENTER	504.40	SUPPLIES
HAMLIN COUNTY SHERIFF'S OFFICE	52.50	CONTRACTED SHERIFF SERVICES
HAMLIN COUNTY PUBLISHING	219.01	PUBLICATIONS
HAWKINS, INC	8404.35	INV. #4761036;2222/SUPPLIES
HD ELECTRIC COOPERATIVE, INC.	764.11	8346/35107/35853/SERVICES
HENDRICKSON HEATING & COOLING	126.53	INV. #4541/SERVICES
ITC	705.92	ACCOUNT 00040683-9
JUTTING'S GROCERY	211.80	SUPPLIES
KAISER WELL DRILLING, INC.	8956.44	INV. #414;15/SERVICES
KDM EQUIPMENT, INC.	932.68	INV. #8502/8666/SERVICES
JEFF KRUSE	858.48	MILEAGE REIMBURSEMENT
LEN'S AWNING & CANVAS	4319.50	INV. #31637/AWNING
LL & SONS EXCAVATING, INC.	16760.23	INV. #11440;469/SERVICES
LN DEVELOPMENT CORPORATION	1000.00	MONTHLY DONATION
LN FARMERS ELEVATOR	310.00	INV. #13141.0/SUPPLIES
BRYAN NELSON	600.00	UMPIRE 7/9;7/12;7/14
BRANDON NELSON	400.00	REPLACE CK.#22930/UMPIRE 7/12
BRAD NOEM	1916.80	REIMBURSEMENT
DAWSON NOEM	50.00	UMPIRE 7/7
JACKSON NOEM	50.00	UMPIRE 6/29
MITCHELL NOEM	50.00	UMPIRE 6/29
NORDEN MOTOR COMPANY	423.40	SUPPLIES
NORTHWESTERN ENERGY	332.18	2540703;879/2948926/2747404
OFFICE PEEPS, INCORPORATED	216.25	INV. #904513-0/906655-0
OTTERTAIL POWER COMPANY	7799.01	14044298/FIRE SIREN
RON'S SAW SHOP	58.45	INV. #154910/SERVICES
ROY'S SPORT SHOP	21.98	INV. #166832/SUPPLIES
SD ONE CALL	16.80	INV. #SD20-1571/SERVICES
SALLIE SEPPANEN	200.00	LNCC DEPOSIT REFUND
STAR LAUNDRY & DRY CLEANERS	89.63	INV. #0120927/SERVICES
CRAIG TASCHNER	157.08	MILEAGE REIMBURSEMENT
TEAM LABORATORY CHEMICAL, LLC.	7346.00	INV0021945;986/SUPPLIES
TOWN OF HAYTI	429.16	REIMBURSEMENT
US POSTAL SERVICE	70.00	UTILITY POSTAGE
SD DEPARTMENT OF REVENUE	153.60	SALES TAX PAYMENT
FIRST NET	111.32	SERVICES
REVTRAK CHARGE	70.48	SERVICE CHARGE
REED	2712.02	AUTO-LOAN PAYMENT
RURAL DEVELOPMENT	3597.00	AUTO-LOAN #91-01 PAYMENT
RURAL DEVELOPMENT	1678.70	AUTO-LOAN #91-03 PAYMENT
RURAL DEVELOPMENT	1939.00	AUTO-LOAN #97-06 PAYMENT

Motion made by Jacobsen and seconded by Layman to issue warrants and pay the bills. All voted aye.

Jorgensen from Banner Associates presented information regarding the Water Improvements Project and Sewer Lift Station Project.

Mayor Aho declared the Council convenes acting as a Planning and Zoning Commission and Zoning Board of Adjustments.

Tom Homola and Leanne Johnson appeared in full or in part for the following Public Hearings:

Permit #08/08/2020 by Tom Homola for a conditional use permit. The request, if granted, would permit the applicant to use the following property Lot 1A, Tomola Addition located in the City of Lake Norden, Hamlin County, South Dakota which street address 45002 SD Hwy. 28, Lake Norden, SD in the following manner: Construction of a 192 foot by 75 foot addition to the Hamlin Building Center structure located in the northwest corner of Lot 1A. The applicant is asking for a 30-foot rear yard variance. The ordinance requires a minimum 40-foot rear yard setback for structures adjacent to a "Residential Districts".

Permit #09/08/2020 by LeAnne Johnson for a conditional use permit. The request, if granted, would permit the applicant to use the following property Lot 16, Block 8 of the Original Plat of the City of Lake Norden, Hamlin County, South Dakota which street address 708 1st Avenue South, Lake Norden, SD in the following manner: Placement of a Type I manufactured home constructed in the year 2015 which dimensions are 28 feet by 52 feet in an "R2" District without a permanent foundation. The ordinance under section 2.06.03 Conditional Uses: Item 4. Allows for Type I manufactured homes without a permanent foundation as a conditional use.

Motion made by Jacobsen and seconded by Lemme to approve *Conditional Permit #08/08/2020*, as presented. All voted aye.

Motion made by Lemme and seconded by Andrews to approve *Conditional Use/Variance Permit #09/08/2020*, as presented. All voted aye.

A plat submitted by Bertha Waldner for the following legally described property "PLAT OF LOT 11A OF BLOCK 8 OF THE ORIGINAL PLAT OF THE CITY OF LAKE NORDEN, SOUTH DAKOTA, SECTION 20 & 21, T113N, R53WOF THE 5TH P.M., HAMLIN COUNTY SOUTH DAKOTA" was presented.

Motion made by Layman and seconded by Jacobsen to recommend approval of said plat to the Lake Norden City Council, as presented. All voted aye.

Motion made by Lemme and seconded by Layman to adjourn as a Planning and Zoning Commission and Zoning Board of Adjustments at 7:15 PM. All voted aye.

Mayor Aho declared the Council reconvenes.

Council member Andrews introduced the following resolution and moved that the same is passed:

RESOLUTION #12/08/2020

WHEREAS, Bertha Waldner, owner of the hereinafter real property has submitted a proposed

plat of "PLAT OF LOT 11A OF BLOCK 8 OF THE ORIGINAL PLAT OF THE CITY OF LAKE NORDEN, SOUTH DAKOTA, SECTION 20 & 21, T113N, R53WOF THE 5TH P.M., HAMLIN COUNTY SOUTH DAKOTA". And the governing Body of said City having examined the proposed plat and it appears that all municipal taxes and special assessments if any upon said plat and survey, have been executed according to law. Access to the public streets, subject to

all applicable municipal ordinances, is hereby granted except as may be designated "no access" on the attached plat.

Jason Aho, Mayor
City of Lake Norden, South Dakota

ATTEST:

Delores Kangas, Finance Officer
City of Lake Norden, South Dakota

The foregoing resolution was duly seconded by Layman. All voted aye. Thus, plat is adopted and approved.

Discussion held concerning City Wide Clean Up. Motion made by Layman and seconded by Jacobsen to set Monday through Thursday, September 7-10, 2020 as the dates for curbside City Wide Clean Up. All voted aye.

Motion made by Jacobsen and seconded by Layman to authorize Mayor Aho and Finance Officer Kangas to sign the "State of South Dakota Joint Powers Maintenance and Encroachment Agreement between Department of Transportation and City of Lake Norden" for a "SHARED USE PATH", as presented. All voted aye.

Council member Andrews introduced the following resolution and moved that the same is passed:

RESOLUTION NO. 10/08/2020

RESOLUTION GIVING APPROVAL TO CERTAIN SEWER FACILITIES IMPROVEMENTS; GIVING APPROVAL TO THE ISSUANCE AND SALE OF A REVENUE BOND TO FINANCE, DIRECTLY OR INDIRECTLY, THE IMPROVEMENTS TO THE FACILITIES; APPROVING THE FORM OF THE LOAN AGREEMENT AND THE REVENUE BOND AND PLEDGING PROJECT REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REVENUE BOND; AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR OPERATION OF THE SYSTEM AND RETIREMENT OF THE REVENUE BOND AND PROVIDING FOR A SEGREGATED SPECIAL CHARGE OR SURCHARGE FOR THE PAYMENT OF THE BONDS.

WHEREAS, one of the purposes of SDCL Chapter 9-40 (the "Act") as found and determined by the Legislature is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of any system for the collection, treatment and disposal of sewage and other domestic, commercial and industrial wastes; or any system for the control of floods and drainage; or any combination thereof, together with extensions, additions, and necessary appurtenances; and,

WHEREAS, a municipality is authorized by Section 6 of the Act to issue revenue bonds to defray the cost of extensions, additions and improvements to any utility previously owned without pledging its credit and is authorized to pledge the net income or revenues from the Project in accordance with Section 15 of the Act; and,

WHEREAS, the City of Lake Norden (the "City") currently operates a sewer system for the collection, treatment and disposal of sewage and other domestic, commercial and industrial wastes; and for the control of floods and drainage and has determined that improvements to the sewer facilities are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its sewer system; and,

WHEREAS, the City has determined to issue its revenue bonds to finance the improvements to its sewer system for the purpose of collecting, treating and disposing of sewage and other domestic, commercial and industrial wastes (the "System") and has applied to the South Dakota Conservancy District (the "District") for a Clean Water State Revolving Fund Loan to finance the improvements;

WHEREAS, the City shall adopt special rates or surcharges for the improvements to be pledged, segregated, and used for the payment of the Bonds.

NOW THEREFORE BE IT RESOLVED by the City as follows:

SECTION 1. Definitions. The terms when used in this Resolution shall have the following meanings set forth in this section unless the context clearly requires otherwise. All terms used in this Resolution which are not defined herein shall have the meanings assigned to them in the Loan Agreement unless the context clearly otherwise requires.

"Act" means South Dakota Codified Laws Chapter 9-40.

"Loan" means the Loan made by the South Dakota Conservancy District to the City pursuant to the terms of the Loan Agreement and as evidenced by the Revenue Bond.

"Project" means the City of Lake Norden Wastewater Lift Station Improvements.

"Revenue Bond" means the revenue bond or bonds issued the date of the Loan Agreement by the City to the South Dakota Conservancy District to evidence the City's obligation to repay the principal of and pay interest and Administrative Expense Surcharge on the Loan.

"System" means the City's system of collecting, treating, and disposing of sewage and other domestic, commercial, and industrial wastes.

SECTION 2. Declaration of Necessity and Findings.

2.1.1. Declaration of Necessity. The City hereby determines and declares it is necessary to construct and finance improvements to its System described as the Project.

2.2. Findings. The City does hereby find as follows:

2.2.1. The City hereby expressly finds that if the Project is not undertaken, the System will pose a health hazard to the City and its inhabitants and will make the City unable to comply with state and federal law.

2.2.2. Because of the functional interdependence of the various portions of the System, the fact that the System may not lawfully operate unless it complies with State and federal laws, including SDCL Chapter 34A-2, and the federal Clean Water Act, and the nature of the improvements financed, the City hereby finds and determines that the Project will substantially benefit the entire System and all of its users within the meaning of Sections 15 and 17 of the Act.

2.2.3. The City hereby determines and finds that for the purposes of the Act, including, in particular, Sections 15 and 17 of the Act, only the net income from the Project financed by the Revenue Bond be pledged for its payment.

SECTION 3. Authorization of Loan, Pledge of Revenue and Security.

3.1. Authorization of Loan. The City hereby determines and declares it necessary to finance up to \$671,000 of the costs of the Project through the issuance of bonds payable from the revenue of the Project and other funds secured by the City. The City hereby determines that because the Revenue Bond is issued in connection with a financing agreement described in SDCL 46A-1-49, pursuant to Section 15 of the Act no election is required to issue the Revenue Bond.

3.2. Approval of Loan Agreement. The execution and delivery of the Revenue Obligation Loan Agreement (the "Loan Agreement"), the form of which is on file with the Finance Officer (the "Finance Officer") and open to public inspection, between the City as Borrower and the District, is hereby in all respects authorized, approved and confirmed, and the Mayor and Finance Officer are hereby authorized and directed to execute and deliver the Loan Agreement in the form and content attached hereto, with such changes as the Attorney for the City deems appropriate and approves, for and on behalf of the City. The Mayor and Finance Officer are hereby further authorized and directed to implement and perform the covenants and obligations of the City set forth in or required by the Loan Agreement. The Loan Agreement herein referred to and made a part of this Resolution is on file in the office of the Finance Officer and is available for inspection by any interested party.

3.3. Approval of Revenue Bond. The issuance of a revenue bond in a principal amount not to exceed \$671,000 as determined according to the Loan Agreement in the form and content set forth in Appendix B attached to the form of Loan Agreement (the "Revenue Bond") shall be and the same is, in all respects, hereby authorized, approved, and confirmed and the Mayor, Finance Officer, and other appropriate officials shall be and are hereby authorized and directed to execute and seal the Revenue Bond and deliver the Revenue Bond to the District, for and on behalf of the City, upon receipt of the purchase price, and to use the proceeds thereof in the manner set forth in the Loan Agreement. The Mayor and Finance Officer are hereby authorized to approve the final terms of the Revenue Bond and their execution and delivery thereof shall evidence that approval. The Revenue Bond shall be issued under the authority of SDCL Chapter 9-40 and SDCL Chapter 6-8B, and the provisions of the Act are hereby expressly incorporated herein as provided in Section 19 of the Act.

3.4. Pledge of Revenues. The Revenue Bond together with the interest thereon, shall not constitute a charge against the City's general credit or taxing power, but shall be a limited obligation of the City payable solely out of the Project Debt Service Account, which payments, revenues and receipts are hereby and in the Loan Agreement pledged and assigned for the equal and ratable payments of the Revenue Bond and shall be used for no other purpose than to pay the principal of, interest and Administrative Surcharge on the Revenue Bond, except as may be otherwise expressly authorized in the Loan Agreement (including the purpose of securing Additional Bonds issued as permitted by the terms thereof). The City covenants and agrees to charge rates for all services from the Project or establish special charges or surcharges which will be sufficient to provide for the payments upon the Revenue Bond issued hereunder as and when the same become due, and as may be necessary to provide for the operation and maintenance and repairs of the Project, and depreciation, and the Rate Resolution shall be revised from time to time so as to produce these amounts. The City hereby reserves the right to determine on a periodic basis the appropriate allocation of operation and maintenance expenses, depreciation, repair and reserves associated with the facilities financed with the Revenue Bond, provided that such determination of allocable operation and maintenance expenses shall in no event abrogate, abridge or otherwise contravene the covenant of the City set forth in this Section 3 or any other covenant or agreement in the Loan Agreement.

SECTION 4. Special Charge or Surcharge for Revenue Bond.

4.1.The City does hereby create the Revenue Bond Special-Surcharge District (the "Surcharge District") which shall include all users which benefit from the

Project. There shall be charged a special charge or surcharge pursuant to Section 15 of the Act for the services provided by Project financed by the Revenue Bond. The special charge or surcharge shall be segregated from other revenues of the System and shall be used for the payment of the Revenue Bond. The special charge or surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements and shall be 110% of the debt service requirements on the Revenue Bond.

4.2. Rates and collection. The rate herein specific will be collected as a special charge or surcharge for the Project. This special charge or surcharge shall remain in effect until such time as the Revenue Bond is defeased or paid in full.

4.3. Initial Surcharge. The initial special charge or surcharge shall be set by resolution and collected at the same time as other charges of the utility. All users within the Surcharge District which benefit from the Project, current and future, shall be charged the special charge or surcharge. The special charge or surcharge is found to be equitable for the services provided by the Project. The special charge or surcharge shall begin at such time as will produce sufficient revenue to pay principal of, interest and Administrative Surcharge on the Revenue Bond when due.

4.4. Segregation. The Finance Officer shall set up bookkeeping accounts in accordance with South Dakota Legislative Audit guidelines for the segregation of the revenue, special charges, and surcharges.

4.5. Periodic review. The amount of the surcharge shall be reviewed from time to time, not less than yearly, and shall be modified in order to produce such funds as are necessary and required to comply with the Loan Agreement's rate covenant and to pay principal of, interest and Administrative Surcharge on the Revenue Bond when due. The surcharge may be set by resolution in accordance with this Section. The rate resolution shall be necessary for the support of government and shall be effective upon passage.

SECTION 5. Additional Bonds. As permitted by Sections 8 and 9 of the Act, Additional Bonds payable from revenues and income of the System or Project may be issued, as permitted in the Loan Agreement, and no provision of this Resolution shall have the effect of restricting the issuance of, or impairing the lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Revenue Bond pursuant to the Loan Agreement.

SECTION 6. Project Fund Accounts. For the purpose of application and proper allocation of the income of the Project and to secure the payment of principal, Administrative Surcharge and interest on the Revenue Bond, the following mandatory asset segregations shall be included in the sewer system account of the City and shall be used solely for the following respective purposes until payment in full of the principal of and interest on the Revenue Bond:

6.1. Project Revenue Account. There shall be deposited periodically into the Project Revenue Account the net revenues as defined in Section 17 of the Act derived from the operation of the Project collected pursuant to the resolutions and ordinances of the City of Lake Norden, South Dakota (collectively the "Rate

Resolution"). Moneys from the Project Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

6.2. Project Debt Service Account. Out of the revenues in the Project Revenue Account, there shall be set aside no later than the 25th day of each month into the account designated Project Debt Service Account, a sum sufficient to provide for the payment as the same become due of the next maturing principal of, interest and Administrative Surcharge on the Revenue Bonds and any reserve determined by the City's governing body to be necessary. The amount set aside monthly shall be not less than one-third of the total principal, interest, and Administrative Surcharge payable on the following February 15, May 15, August 15 or November 15 and if there shall be any deficiency in the amount previously set aside, then the amount of such deficiency shall be added to the current requirement.

6.3. Depreciation Account. There shall be established a General Depreciation Account. Out of the revenues of the Project Revenue Account there shall be set aside each month into the General Depreciation Account an amount determined by the Common Council to be a proper and adequate amount for repair and depreciation of the Project.

6.4. Project Surplus Account. There shall be established the Project Surplus Account. Revenues remaining in the Project Revenue Account at the end of any fiscal year after all periodic transfers have been made therefrom as above required, shall be deemed to be surplus and shall be transferred to the Project Surplus Account. If at any time there shall exist any default in making any periodic transfer to the Project Debt Service Account, the Common Council shall authorize the Finance Officer to rectify such default so far as possible by the transfer of money from the Project Surplus Account. If any such default shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above.

When not required to restore a current deficiency in the Project Debt Service Account, moneys in the Project Surplus Account from time to time may be used for any of the following purposes and not otherwise:

- (a) To redeem and prepay the Revenue Bond when and as such Revenue Bond becomes prepayable according to its terms;
- (b) To pay for repairs of or for the construction and installation of improvements or additions to the System; and, if the balances in the Project Debt Service Account and the Project Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made there from prior to the end of the then current fiscal year, then;
- (c) To be held as a reserve for redemption and prepayment of any bonds of the System which are not then but will later be prepayable according to their terms; or
- (d) To be used for any other authorized municipal purpose designated by the Common Council;
- (e) No moneys shall at any time be transferred from the Project Surplus Account or any other account of the Fund to any other fund of the City, nor shall such moneys at any time be loaned to other municipal

funds or invested in warrants, special improvements bonds or other obligations payable from other funds, except as provided in this Section.

SECTION 7. Approval of Paying Agent/Registrar. The Revenue Bond shall be payable at the office of U.S. Bank National Association, St. Paul, Minnesota, hereby designated as paying agent and registrar.

SECTION 8. Approval of Bond Counsel. Meierhenry Sargent LLP is hereby retained as Bond Counsel with respect to the Revenue Bond.

SECTION 9. Tax Matters. The Interest on the Revenue Bond shall be excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended ("the Code") and applicable Treasury Regulations (the "Regulations").

SECTION 10. Covenants. The City hereby covenants and agrees with the District and other owners of the Revenue Bond as follows:

10.1. The City will punctually perform all duties with reference to the Project, the System and the Revenue Bond required by the constitution and laws of the State of South Dakota and by this Resolution.

10.2. The City agrees and covenants that it will promptly construct the improvements included in the Project.

10.3. The City covenants and agrees that pursuant to Sections 25 through 27 of the Act, the lawful holders of the Revenue Bond shall have a statutory mortgage lien upon the Project and the extensions, additions and improvements thereto acquired pursuant to the Act, until the payment in full of the principal and interest on the Revenue Bond, and the City agrees not to sell or otherwise dispose of the System, the Project, or any substantial part thereof, except as provided in the Loan Agreement and shall not establish, authorize or grant a franchise for the operation of any other utility supplying like products or services in competition therewith, or permit any person, firm or corporation to compete with it in the distribution of water for municipal, industrial, and domestic purposes within the City.

10.4. The City covenants and agrees with the District and other owners of the Revenue Bond that it will maintain the System in good condition and operate the same in an efficient manner and at a reasonable cost, so long as any portion of the Revenue Bond remains outstanding; that it will maintain insurance on the System for the benefit of the holders of the Revenue Bond in an amount which usually would be carried by private companies in a similar type of business; that it will prepare, keep and file records, statements and accounts as provided for in this Resolution and the Loan Agreement. The Revenue Bond shall refer expressly to this Resolution and the Act and shall state that it is subject to all provisions and limitations thereof pursuant to Section 19 of the Act.

SECTION 11. Depositories. The Finance Officer shall cause all moneys pertaining to the Funds and Accounts to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of SDCL Ch. 4-6A, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn

from such deposit accounts except for the purposes of the Funds and Accounts as authorized in this Resolution; except that moneys from time to time on hand in the Funds and Accounts may at any time, in the discretion of the City's governing body, be invested in securities permitted by the provisions of SDCL 4-5-6; provided, however, that the Depreciation Fund may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the Fund or Account from whose moneys the deposit was made or the investment was purchased and handled and accounted for in the same manner as other moneys therein.

SECTION 12. Consent to Appointment. In the event of mismanagement of the Project, a default in the payment of the principal or interest of the Revenue Bond, or in any other condition thereof materially affecting the lawful holder of the Revenue Bond, or if the revenues of the Project are dissipated, wasted or diverted from their proper application as set forth in the Loan Agreement, Revenue Bond, or herein, the City hereby consents to the appointment of a receiver pursuant to Section 33 of the Act, and agrees that the receiver will have the powers set forth therein, and in Sections 34 and 35 of the Act to operate and administer the Project, and charge and collect rates as described therein.

SECTION 13. Severability. If any section, paragraph, clause or provision of this Resolution, the Loan Agreement, the Revenue Bond, or any other Loan Document shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution or said Loan Agreement, Revenue Bond, or any other Loan Document.

SECTION 14. Repeal of Resolution. At such time as the Revenue Bond is defeased or paid in full, this Resolution and the special charge or surcharge shall automatically be repealed without any further action of the City.

SECTION 15. Authorization of City Officials. The Mayor, Finance Officer, City Attorney and City officials shall be and they are hereby authorized to execute and deliver for and on behalf of the City any and all other certificates, documents or other papers and to perform such other acts as they may deem necessary or appropriate in order to implement and carry out the actions authorized herein.

SECTION 16. Effective Date. This Resolution shall take effect on the 20th day following its publication, unless suspended by a referendum.

Adopted at Lake Norden, South Dakota, this 3rd day of August 2020.

APPROVED:
Jason Aho, Mayor

(SEAL)

Attest: Delores Kangas, Finance Officer

Council member Layman duly seconded the foregoing resolution. All voted aye. Thus resolution is passed and adopted.

Council member Lemme introduced the following resolution and moved that the same is passed:

**A RESOLUTION AUTHORIZING THE EXECUTION OF CONTRACTUAL DOCUMENTS WITH THE STATE OF
SOUTH DAKOTA FOR THE RECEIPT OF CARES ACT FUNDS TO ADDRESS THE
COVID-19 PUBLIC HEALTH CRISIS**

WHEREAS, pursuant to section 5001 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, div. A, Title V (Mar. 27, 2020) (the "CARES Act"), the State of South Dakota has received federal funds that may only be used to cover costs that: (a) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (b) were not accounted for in the budget most recently approved as of March 27, 2020, for the State of South Dakota; and (c) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020; and

WHEREAS, the City of Lake Norden acknowledges that the State of South Dakota, in its sole discretion, may retain full use of these funds for the purposes delineated in the CARES Act; and

WHEREAS, the City of Lake Norden acknowledges that in order to provide financial assistance to counties and municipalities in South Dakota, the State of South Dakota, in its sole discretion, may allocate CARES Act funds Act on a statewide basis to reimburse counties and municipalities as delineated herein; and

WHEREAS, the City of Lake Norden seeks funding to reimburse eligible expenditures incurred due to the public health emergency with respect to COVID-19; and

WHEREAS, the City of Lake Norden acknowledges that any request for reimbursement of expenditures will only be for expenditures that were not accounted for in the budget for the City of Lake Norden most recently approved as of March 27, 2020; and

WHEREAS, the City of Lake Norden acknowledges that it will only seek reimbursement for costs incurred during the period that begins on March 1, 2020, and ends on December 30, 2020;

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Lake Norden that the Mayor] of Lake Norden may execute any and all documents as required by the State in order to receive CARES Act funds.

It is further

RESOLVED that any request for reimbursement will be only for those costs authorized by the State that: (1) Are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) Were not accounted for in the City budget most recently approved as of March 27, 2020; and (3) Were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

It is further

RESOLVED that the City will not request reimbursement from the State under the CARES Act for costs for which the City previously received reimbursement, or for which the City has a reimbursement request pending before another source.

Approved and adopted this 3rd day of August, 2020.

Jason Aho, Mayor
City of Lake Norden, South Dakota

ATTEST:

Delores Kangas, Finance Officer
City of Lake Norden, South Dakota

Council member Jacobsen duly seconded the foregoing resolution. All voted aye. Thus, resolution is passed and adopted.

Roy Hauschildt presented options for the purchase of a pickup for the City's Maintenance Department. Motion made by Andrews and seconded by Layman to authorize Hauschildt to purchase a 2020 Ram 3500 Chassis Cab Tradesman 4WD Reg Cab 60" CA 143.5 10K GVWR from Prostrullo Motor Company, as presented. Furthermore, to approve the quote from Custom Truck Equipment for the installation of service body for the above stated vehicle, as presented. All voted aye.

Motion made by Layman and seconded by Jacobsen to approve the Second Reading of Ordinance #358 A SUPPLEMENTAL APPROPRIATIONS ORDINANCE FOR THE YEAR ENDING DECEMBER 31, 2020, as presented. All voted aye.

Motion made by Andrews and seconded by Jacobsen to approve the July Police Report, as presented. All voted aye.

Motion made by Layman and seconded by Jacobsen to approve the First Reading of Ordinance #359 "AN ANNUAL APPROPRIATIONS ORDINANCE FOR THE YEAR ENDING DECEMBER 31, 2021, as presented. All voted aye.

Motion made by Jacobsen and seconded by Layman to approve Change Order #5 for the Water Improvements Project, Bid Pkg. I, as presented. All voted aye.

Motion made by Layman and seconded by Lemme to approve Change Order #5 for the Water Improvements Project, Bid Pkg. II, as presented. All voted aye.

Motion made by Lemme and seconded by Andrews to approve a draw from the Water Improvements Interim Financing Loan for \$2,393.77. Said draw includes payment of the following disbursement; Banner Associates \$2,393.77; All voted aye.

Motion made by Jacobsen and seconded by Lemme to adjourn at 8:09 PM. All voted aye.

Jason Aho
Mayor

Delores Kangas
Finance Officer

 *"This institution is an equal opportunity provider, and employer."*

Publish once at an approximate cost of _____.