

CITY OF LAKE NORDEN

May 7, 2018

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

City employees present: Roy Hauschildt, Delores Kangas, Dan Koistinen and Jimmy Murphy. Absent: none.

Others present: Jenna Aderhold-Herald Enterprise, Gregg Jorgensen-Banner Associates, Inc., Christi Koistinen and Roger Nelson.

Motion made by Andrews and seconded by St. John to approve the agenda, as presented. All voted aye.

Motion made by St. John and seconded by Jacobsen to approve the previous minutes, as presented. All voted aye.

Motion made by Jacobsen and seconded by St. John to approve the following financial reports: Fund Cash Balance; Budget Expenditure Totals and Fiscal Revenue (Detail), as presented. All voted aye.

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

Motion made by St. John and seconded by Jacobsen to approve the itemized credit card payments, as follows:

Koistinen***2733	Post Office	6.70	Testing
Koistinen***2733	Best Western	241.41	Travel
Murphy***2741	APL*Itunes	1.05	Cloud Backup
Murphy***2741	Post Office	3.50	Testing
Murphy***2741	NAPA	6.99	Supplies
Kangas***2725	Post Office	308.50	Envelopes

All Voted Aye. Thus, motion carried.

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

DARRYL KASTEIN	450.82	SALARY/LESS DEDUCTIONS
KYLE NAMKEN	132.29	SALARY/LESS DEDUCTIONS
DAN L. KOISTINEN	2980.12	SALARY/LESS DEDUCTIONS
STACY HAKEMAN	267.53	SALARY/LESS DEDUCTIONS
ROY HAUSCHILDT	2517.04	SALARY/LESS DEDUCTIONS
DELORES KANGAS	1435.47	SALARY/LESS DEDUCTIONS
JIMMY MURPHY	2623.34	SALARY/LESS DEDUCTIONS
WELLMARK BCBS	1333.08	EMPLOYER MONTHLY PREMIUMS
SD RETIREMENT SYSTEM	1714.56	EMPLOYEE-EMPLOYER CONTRIBUTIONS
WELLMARK BCBS	999.82	EMPLOYEE MONTHLY PREMIUM
DENTAL NETWORK OF AMERICA	116.40	EMPLOYER MONTHLY PREMIUMS
SD SUPPLEMENTAL RETIREMENT	150.00	EMPLOYEE CONTRIBUTIONS
EFTPS	3608.79	DEDUCTIONS DEPOSIT
AMERICAN CARPET CARE, INC.	541.10	CANOPY/CARPET CLEANING SERVICE
ARNESON ELECTRIC INC	298.70	INV. #5331/SERVICES

B&E REPAIR	360.00	INV. #2413/SERVICES
BADGER OIL COMPANY	5990.00	INV. # 6315/6670/MOWER/SUPPLIE
BANGS MCCULLEN LAW FIRM	2224.79	ACCT. #391168-00M/LEGAL FEES
BANNER ASSOCIATES	50244.22	INV. 29063;325;426;444/SERVICE
BOYD LAW FIRM, PROF. L.L.C.	4354.40	LEGAL FEES
CITY OF LAKE NORDEN	48.93	550/900/950
CONNECTING POINT COMPUTER	107.50	INV. #401305;528
COOK'S WASTEPAPER & RECYCLING	2178.25	MONTHLY SERVICE (176) DUMPSTER
CORE & MAIN LP	146.51	INV. #I790634/SUPPLIES
COUNTRY STORE	770.63	ACCOUNT #101569
DAKOTA PORTABLE TOILETS	125.00	INV. #6602/SERVICES
DEPARTMENT OF REVENUE	300.00	MALT BEVERAGE LICENSES
DEPARTMENT OF REVENUE	56.00	INV. #10581787/TESTING
FIRST PREMIER BANK	198.32	PETTY CASH
FIRST PREMIER BANK	10.65	COLLECTIONS
GOPHER SIGN COMPANY	199.40	INV. #103393/SUPPLIES
HAMLIN BUILDING CENTER	114.34	SUPPLIES
HAMLIN CO. HIGHWAY DEPARTMENT	544.39	CUSTOMER 21/SUPPLIES
HAMLIN COUNTY PUBLISHING	470.49	PUBLICATIONS
ROY HAUSCHILDT	162.48	REIMBURSEMENT
HAWKINS, INC	3496.52	INV. #4256797/4269621
HD ELECTRIC COOPERATIVE, INC.	55.68	ACCT.8346/35107
HENDRICKSON HEATING & COOLING	559.60	INV. #2697/SERVICES
GLACIAL LAKES HUMANE SOCIETY	900.00	ANNUAL DONATION
ITC	536.80	ACCOUNT #00040683-9
JUTTING'S GROCERY	64.08	SUPPLIES
KAISER WELL DRILLING, INC.	2295.92	INV. #1266/SERVICES
DAN KOISTINEN	101.64	REIMBURSEMENT
LAKER CHEMICAL COMPANY	813.50	INV0010712/SUPPLIES
LN DEVELOPMENT CORPORATION	1000.00	MONTHLY DONATION
MEIERHENRY SARGENT LLP	2250.00	LEGAL FEES
NAPA AUTO PARTS	486.54	194792/1954113;114;157;165;185
NITTEBERG CONSTRUCTION CO.	612.00	INV. #4911/SERVICES
NORDEN MOTOR COMPANY	486.75	SUPPLIES
NORTHWESTERN ENERGY	2180.98	2540703;879/2747404/2948926
OFFICE PEEPS, INC.	122.53	INV. #22581760/LEASE FEES
OFFICE PEEPS, INCORPORATED	359.86	797098/798188;188-1/801196;390
OTTERTAIL POWER COMPANY	4745.51	14-057220-7/COMMUNITY CENTER
PJ VENDING STORAGE & GIFTS	50.00	RENT/ONE MONTH
TERRY/KIM POPKES	100.00	WATER METER DEPOSIT REFUND
ROY'S SPORT SHOP	1272.94	INV. #3306/154802/SUPPLIES
SD GOV'T FIN. OFFICERS' ASSOC.	75.00	REGISTRATION FEE
SD ONE CALL	12.60	SD18-0611/SERVICES
STAR LAUNDRY & DRY CLEANERS	112.73	INV. #79768/79368
TITAN MACHINERY	856.97	INV. #10641460GP/SUPPLIES
TOPKOTE INC.	5329.28	INV. #6368/ROUT-N-SEAL
BURT TULSON	72.11	REIMBURSEMENT
US POSTAL SERVICE	70.00	UTILITY POSTAGE
WW TIRE SERVICE, INC.	265.00	INV. #275688/SERVICES
AT&T	113.53	SERVICES
SD DEPARTMENT OF REVENUE	138.04	SALES TAX RETURN
REVTRAK CHARGE	52.88	SERVICE CHARGE
FIRST PREMIER BANK	26.50	ACH CHARGE
FIRST PREMIER BANK	545.19	AUTO-LOAN #310471007 PAYMENT

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 St. John to issue warrants and pay the bills. All voted aye.

Gregg Jorgensen presented a proposed contract to the Council for the City's Water Improvement System Project. Motion made by Jacobsen and seconded by St. John to approve said contract, as presented. All voted aye.

Gregg Jorgensen presented bid tabulation results from the May 1, 2018 Bid Opening for the City of Lake Norden's Sanitary Sewer System CIPP Improvements Project - 2018. Furthermore Jorgensen stated Banner Associates, Inc. recommends awarding the bid to Hydro-Klean as the low bidder at a total bid of \$926,626.64.

<u>Bidder</u>	<u>Bid Schedule 1</u>	<u>Bid Schedule 2</u>
Hydro-Klean, LLC	\$880,043.40	\$46,583.24
United Pipe Renewal Inc.	\$908,415.63	\$52,225.06

Motion made by Jacobsen and seconded by St. John to award the Bid for above stated project to Hydro-Klean contingent upon receipt of additional forms/documents required as stated in a letter dated May 2, 2018 to Michelle Barrett, Pipeline Rehabilitation Manager for Hydro-Klean, LLC. All voted aye.

The following qualified for office by signing the Oath of Office: Brian Jacobsen Alderman, Ward II, 2-year term.

Alderman John Layman, Ward I, did not file a *Petition of Nomination* and no other resident filed for the position. Thus, a vacancy exists in Ward I.

Mayor Aho appointed John Layman as Alderman for Ward I for a 1-year term. Motion made by St. John and seconded by Andrews to approve the appointment. All voted aye.

No one appeared for the Public Hearing regarding the new issuance of a Retail (On-Off-Sale) Malt Beverage License for the year 2018-2019 for the Country Store-Hamlin County Farmers Coop.

Motion made by Andrews and seconded by St. John to approve the new issuance of a Retail (On-Off-Sale) Malt Beverage License for the year 2018-2019 for the Country Store-Hamlin County Farmers Coop. All voted aye.

Mayor Aho appointed the following committees:

Community Center:	Andrews, Larson, Lemme
Parks:	Larson, Layman, Lemme
Police	Larson, Layman, St. John
Streets:	Andrews, Jacobsen, St. John
Summer Youth:	Jacobsen, Layman, St. John

Motion made by Andrews and seconded by Jacobsen to approve the appointments by Mayor Aho as stated above. All voted aye.

Mayor Aho appointed Delores Kangas to serve as Finance Officer for a 1-year term. Motion made by St. John and seconded by Jacobsen to approve Mayor Aho's appointment. All voted aye.

Motion made by St. John and seconded by Andrews to nominate Brian Jacobsen to serve as Council President. All voted aye.

Motion made by St. John and seconded by Jacobsen to nominate Janet Andrews to serve as Council of Vice President. All voted aye.

Roger Nelson addressed the Council regarding sump pump drainage onto his agricultural property.

Motion made by St. John and seconded by Andrews to transfer 36,000.00 (thirty six thousand dollars) from the (101) General Fund undesignated fund balance to the (604) Sewer Fund. All voted aye.

Council member Jacobsen introduced the following resolution and moved that the same is passed.

RESOLUTION # 06/05/2018

RESOLUTION GIVING APPROVAL 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; 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 of waterworks for the purpose of providing water and water supply for domestic, municipal, 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 water distribution system to supply municipal, industrial and domestic water to its inhabitants and has determined that improvements to the drinking water facilities are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its drinking water system; and,

WHEREAS, the City has determined to issue its revenue bonds to finance the improvements to its system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes (the

"System") and has applied to the South Dakota Conservancy District (the "District") for a Drinking 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 Water System Improvement Project.

"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 waterworks used for the purpose of providing water and water supply for domestic, municipal, and industrial purposes.

SECTION 2. Declaration of Necessity and Findings.

2.1. Declaration of Necessity. The City hereby declares and determines it is necessary to construct and finance improvements to its drinking water facilities within 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-3A, and the federal Safe Drinking 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, that 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 \$1,477,000 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 City 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 \$1,477,000 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, 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. 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.

4.1. 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.

4.2. 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, interest and Administrative Surcharge on the Revenue Bond when due.

4.3. 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.

4.4. 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 water system account of the City and shall be used solely for the following respective purposes until payment in full of the principal, interest and Administrative Surcharge 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 City 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, Minneapolis, Minnesota, hereby designated as paying agent and registrar or its successor or assigns.

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, interest and Administrative Surcharge 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 are 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 7th day of May 2018.

APPROVED: Jason Aho, Mayor

(SEAL)

Attest: Delores Kangas, City Finance Officer

The foregoing resolution was duly seconded by St. John. All voted aye. Thus, resolution is passed and adopted.

Council member Jacobsen introduced the following resolution and moved that the same is passed.

RESOLUTION 07/05/2018

BE IT RESOLVED THAT THE LAKE NORDEN CITY COUNCIL authorizes the disbursement of \$20320.00 (twenty thousand three hundred twenty dollars and zero cents) from Contingency Funds (101 411.1 411.50) to the following line item budgets:

\$18,000.00 (eighteen thousand dollars and zero cents) Legal Fees (101 414.1 422.00)

\$86.00 (eighty six dollars and zero cents) Christmas Lights (101 431.6 426.20)

\$2,234.00 (two thousand two hundred thirty four dollars and zero cents) Summer Youth Supplies (101 451.3 426.10)

Adopted this 7th day of May 2018 at the meeting of the Lake Norden City Council.

CITY OF LAKE NORDEN
Jason Aho, Mayor

ATTEST:
Delores Kangas, Finance Officer

The foregoing resolution was duly seconded by St. John. All voted aye. Thus, resolution is passed and adopted.

Motion made by Andrews and seconded by St. John to authorize the 1st quarter 2018 EFT payment of \$132.50 (one hundred thirty two dollars and fifty cents) to the South Dakota Department of Labor. All voted aye.

Motion made by Andrews and seconded by Jacobsen to contract with Popham Construction, Castlewood, SD for a monthly street sweeping/vacuuming service through October 2018. Popham Construction shall sweep/vacuum the 400, 500 & 600 blocks of Main Avenue and that portion of Dakota Street adjacent to the Post Office and the portion of Burlington Street between the Fire Hall and the Community Center. Furthermore, a monthly fee of \$225.00 (two hundred twenty five dollars) shall be paid to Popham Construction for said service. All voted aye.

Motion made by Jacobsen and seconded by St. John to authorize publication of the following mowing notice:

All Weeds, Grass Having Reached A Height of 8 (Eight) Inches, On Any Lot, Place or Area within the City Limits of Lake Norden shall Be Mowed by City Employees. The Cost to the Landowner Shall Be \$50.00 (Fifty Dollars) For the First Hour of Cutting And \$25.00 (Twenty-Five Dollars) For Each Additional Hour, With Minimum Charge Of \$50.00 (Fifty Dollars)

All voted aye. Thus motion carried.

Motion made by Andrews and seconded by Jacobsen to authorize the Finance Officer to set up automatic/direct utility payments utilizing Connecting Point Computer Center existing utility software and First Premier Bank's ACH (Automated Clearing House). All voted aye.

Motion made by Jacobsen and seconded by St. John to accept the quote from Benjamin Elliot for a 2-year audit of City records for the two years ending December 31, 2017, as presented. All voted aye.

No action taken regarding storage unit rental. City employees instructed to review contents of units and possibly combine into one rental unit.

Motion Jacobsen and seconded by Andrews to appoint Dan Koistinen as the Pet Rabies Clinic Coordinator. The Clinic will be held on Saturday, June 2, 2018 from 9:00 AM until Noon at the Lake Norden Fire Hall. All voted aye.

Motion made by St. John and seconded by Andrews to approve the Police Report for April 2018, as presented. All voted aye.

Christi Koistinen addressed the Council with concerns about the safety of the children at the bus stop located at the Lake Norden Fire Hall. Council member Jacobsen shall speak with Hamlin School officials about the possibility of moving the bus stop location.

Motion made by Jacobsen and seconded by St. John to convene into executive session per SDCL 1-25-2 Section 1 at 8:05 PM. All voted aye.

Mayor Aho declared the Council out of executive session at 8:16 PM.

Larson joined the meeting via telephone conference at 8:20 PM.

Motion made by Jacobsen and seconded by Andrews to authorize the Mayor and the Finance Officer to sign a driveway easement for Kim St. John, as presented. Voting aye: Andrews, Jacobsen, Larson. Absent: Layman and Lemme. Abstaining: St. John. Thus motion passed.

Motion made by Andrews and seconded by Jacobsen to approve the Second Reading of ORDINANCE #343 "AN ORDINANCE ENTITLED, an ordinance to amend Section 1.03.01 Official Zoning Map, adopted An Ordinance Establishing Zoning Regulations For The City Of Lake Norden, South Dakota, And Providing For The Administration, Enforcement, And Amendment Thereof, In Accordance With The Provisions Of Chapters 11-4 And 11-6, 1967 SDCL, And Amendments Thereof, And For The Repeal Of All Ordinances In Conflict Herewith." Voting aye: Andrews,

Jacobsen, Larson. Absent: Layman and Lemme. Abstaining: St. John. Thus motion passed.

Motion made by Jacobsen and seconded by St. John to approve the re-issuance of the Retail (On-Off-Sale) Malt Beverage License RB-2529 for the year 2018-2019 for The Bullpen Restaurant LLC. All voted aye.

Motion made by St. John and seconded by Andrews to adjourn at 8:24 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 _____.