

OFFICIAL PROCEEDINGS
CITY OF HERREID, SOUTH DAKOTA
December 2, 2019

The Herreid City Council was called to order by Council President A. Dupper on the above date at 7:30pm at City Hall. The following members were present: Fuehrer, K. Rossow, Weisbeck, B. Rossow, McNeil, with Council President Dupper presiding. Mayor Weismantel was absent. Also present were: Hall, Finance Officer; Neeley, Finance Officer in training; Goehring, Maintenance; and Orland Geigle, Prairie Pioneer.

Moved by Fuehrer, seconded by McNeil to approve the agenda; all members present voted aye, motion carried.

Moved by McNeil, seconded by B. Rossow to approve the November 4, 2019 meeting minutes; all members voted aye, motion carried.

The following claims for the month of November 2019 were approved on a motion by Fuehrer, seconded by Weisbeck; all members voted aye, motion carried. FO Neeley was directed to bill a homeowner for the cost to repair damage to the curb stop they caused.

Sewer \$1,920.18 salary; Streets \$1,784.21 salary; Water \$1,920.18; Finance Office \$4,030.57; Banyon \$2,949.00 Software; Baumann's Service \$374.00 Fuel/Supplies; Campbell Co. Bank \$28.80 ACH Fees; Campbell Co. Sheriff \$1,957.80 Services; Campbell Co. Treasurer \$614.46 Culvert; Dakota Pump & Control Co. Inc. \$560.00 Pump Station Inspection; Financial Agent \$2,400.35 Payroll Taxes; Fresh Start Market \$12.43 Office Supplies; Gregg's Drilling & Excavating \$8,852.87 Well and Pump Repair; Ryan Goehring \$59.98 Jumper Cables; Gov Office \$475.00 Website Maintenance; Health Pool of SD \$10.50 Insurance; Heartland Waste \$4,425.00 Garbage Collections; Herreid Concrete \$126.00 Crushed Rock; Herried Lumber \$1,655.16 Supplies/Garage Door; Herreid Super Stop \$273.03 Fuel/Supplies; Huber and Sons \$321.34 Services; Maguire Iron, Inc. \$1,550.00 Tower Inspection; MDU \$1,984.95 Utilities; Melinda Neeley \$103.79 Supplies; Carol Ottenbacher \$80.00 Services; Quill Corporation \$177.65 supplies; SD Dept of Health \$163.00 Water Samples; SD Dept of Revenue \$453.45 Sales Taxes; SD Retirement \$951.58 Retirement; SD One Call \$10.08 Locates; Servall \$114.28 Services; Slater Oil & LP Gas \$1,355.65 Propane; Tim Pudwill \$355.00 Repairs/Winterizing; USDA \$1,161.00 Loan-Hwy Proj; USDA \$1,032.00 Loan-Wastewater Proj; Valley Telco \$251.27 Services; VISA \$1,314.47 Supplies/Training; WEB Water \$5,089.51 Bulk Water.

Reviewed Sheriff's November 2019 report, no action taken.

In public comments, related to calls he received, B. Rossow clarified that the Snow Removal Ordinance, passed in October, specifically prohibits moving snow onto land not owned by the snow remover and that the provisions for sidewalk removal within 24 hours is relevant to Main Street businesses. The City does not anticipate charging homeowners for sidewalk clearing.

Resolution 2019-2, a resolution designating authorized signatures for interim loan documents was read, moved by Weisbeck, seconded by Fuehrer, all members voted aye; motion carried.

WHEREAS, the City of Herreid (the "City") has received and accepted loan funding from the United States Department of Agriculture – Rural Development (the "Lender") for the replacement of sanitary sewer lines in town (the "Project"), and;

WHEREAS, it is required by the Lender that the City secure interim financing for the Project, and;

WHEREAS, the City has received an offer from the Campbell County Bank (the "Interim Lender") for the Project in an amount up to \$1,908,000 at a term of up to 24 months at a rate of 4.75% payable annually to finance the Project, and;

WHEREAS, it is necessary to designate an authorized representative and alternate to certify and sign payment requests to the Interim Lender on behalf of the City,

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby accepts the offer from the Interim Lender with the amount, rate and term listed above.
2. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests and sign all loan documents.
3. In the absence of the Mayor, the Council President will act on the Mayor's behalf to serve as the authorized representative of the City.

Held the first reading of Ordinance 2019-7, and Ordinance to amend chapter 22, of the revised ordinance of Herreid, pertaining to water and sewer charges. Moved by McNeil seconded by B. Rossow to approve as read; all members voted aye; motion carried.

Read a Loan Resolution to receive \$187,000 from USDA as needed supplemental funding for the Sewer Improvement Project. Moved by K. Rossow, seconded by McNeil to approve, all members voted aye; motion carried.

RUS BULLETIN 1780-27

LOAN RESOLUTION

(Public Bodies)

A RESOLUTION OF THE City Council

OF THE City of Herreid

AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

Municipality

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the City of Herreid (public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

One Hundred Eighty-Seven Thousand & 00/100

pursuant to the provisions of South Dakota Codified Law; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,

(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event that no other acceptable purchaser for such bonds is found by the Association:

NOW THEREFORE, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such

purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).

3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legally permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond, to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

11. To acquire and maintain such insurance and fidelity bond cover age as may be required by the Government.
12. To establish and maintain such books and records relating to the operation of the facility and its financial affairs and to provide for required audit thereof as required by the Government, to provide the Government a copy of each such audit without its request, and to forward to the Government such additional information and reports as it may from time to time require.
13. To provide the Government at all reasonable times access to all books and records relating to the facility and access to the property of the system so that the Government may ascertain that the Association is complying with the provisions hereof and of the instruments incident to the making or insuring of the loan.
14. That if the Government requires that a reserve account be established, disbursements from that account(s) may be used when necessary for payments due on the bond if sufficient funds are not otherwise available and prior approval of the Government is obtained. Also, with the prior written approval of the Government, funds may be withdrawn and used for such things as emergency maintenance, extensions to facilities and replacement of short lived assets.
15. To provide adequate service to all persons within the service area who can feasibly and legally be served and to obtain USDA' s concurrence prior to refusing new or adequate services to such persons. Upon failure to provide services which are feasible and legal, such person shall have a direct right of act ion against the Association or public body.
16. To comply with the measures identified in the Government's environmental impact analysis for this facility for the purpose of avoiding or reducing the adverse environmental impacts of the facility's construction or operation.
17. To accept a grant in an amount not to exceed \$ 188,000.00

under the terms offered by the Government; that the Mayor and Finance Officer of the Association are hereby authorized and empowered to take all action necessary or appropriate in the execution of all written instruments as may be required in regard to or as evidence of such grant; and to operate the facility under the terms offered in said gr ant agreement(s).

The provisions hereof and the provisions of all instruments incident to the making or the insuring of the loan, unless otherwise specifically provided by the terms of such instrument, shall be binding upon the Association as long as the bonds are held or insured by the Government or assignee. The provisions of sections 6 through 17 hereof may be provided for in more specific detail in the bond resolution or ordinance; to the extent that the provisions contained in such bond resolution or ordinance should be found to be inconsistent with the provisions hereof, these provisions shall be construed as controlling between the Association and the Government or assignee.

The vote was: Yeas 6 Nays 0 Absent 0

IN WITNESS WHEREOF, the City Council of the City of Herreid has duly adopted this resolution and caused it to be executed by the officers below in duplicate on this December, 2nd day of 2019.

FO Neeley reported that the Senior Citizens Center has been added to the City's insurance policy and that a request has been made to use the building. Following discussion, McNeil motioned to charge \$40 per day to rent the building, while conversations are continuing regarding utilization, seconded by K. Rossow; all members voted aye; motion carried.

Moved by K. Rossow, seconded by B. Rossow to pay NECOG annual dues of \$1637.66; all members voted aye; motion carried.

Heard Campbell County may take possession of a property that owes a delinquent tax assessment to the City of Herried.

Heard the estimated cost to replace 26 streetlight fixtures on Highway 83 with higher efficiency LED bulbs was \$19,365.00 from Quenzer Electric. No motion was made, FO Neeley was asked to investigate the life expectancy of the LED bulbs.

Reviewed the Water Tank Inspection report from Maguire Iron. No action was recommended in the report, no motion was made.

No Law Enforcement Agreement for 2020 was available for review, no action was taken.

Heard that South Dakota Rural Water has services and equipment available at reduced rates for members, and an Annual Conference in Pierre on January 14-16. Motioned by K. Rossow, seconded by Weisbeck for Goehring to attend; all members voted aye, motion carried.

Heard that two of the City's CDs reached maturity in November; Cert No. 509600 and Cert No. 509601, and were scheduled for automatic renewal. Moved by B. Rossow, seconded by McNeil to accept the renewal. All members voted aye; motion carried.

Heard that the City has been invoiced for South Dakota Municipal League Annual Dues in the following amounts: City \$568.26, FO \$40, HR \$25, Maintenance \$35, Code Enforcement \$40 for a total of \$708.26. Moved by K. Rossow, seconded by Feurer, to pay the total; all members voted aye, motion carried.

Heard the Fitness Center rates for 2018 and 2019 were \$15.00 per month, \$60.00 per six months, and \$100.00 per year, per person. Moved by McNeil, seconded by Feurer to maintain the same rates for 2020; all members voted aye, motion carried.

Heard a request from FO Neeley to attend the Annual Report Workshop, which is scheduled for January 7, 2020 in Fort Pierre. There is no cost to attend the workshop, the only expense to the city would be mileage reimbursement. Moved by Weisbeck, seconded by Feurer that FO Neeley attend, all members voted aye, motion carried.

Reviewed a list of utility accounts delinquent by 90 days. Discussions involved the balances for accounts with disconnected services are continuing to grow due to monthly base rate and surcharges.

During the maintenance report, Goehring reported that the lagoon had been successfully discharged. The rubble site had been scheduled for inspection, but the inspector cancelled due to weather concerns and will re-schedule later, most likely in the spring. Goehring reported that the Lift Station was inspected, and that an air relief valve will need to be replaced in the summer, an estimate for the project will be forthcoming. Goehring reported work in November has been focused on the equipment needed for snow removal, and that a recent sewer issue has been resolved. Goehring reported that work in the coming weeks will focus on cleaning up the current snowfall in alleyways, hanging holiday lights and banners, and clearing additional snowfalls.

At 8:23pm McNeil moved, Feurer seconded to go into Executive Session pursuant to SDCL 1-25-2 (1) personnel. All members voted aye; motion carried. At 8:59pm Council President Dupper declared the council out of Executive Session. No action was taken.

With no further business, meeting was adjourned at 9:06pm.

The next regularly scheduled Council meeting will be Monday, January 13th at 7:30pm.

Adrienne Dupper, Council President

ATTEST: _____

Keith Hall, Melinda Neeley, Finance Officer

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