

June 2<sup>nd</sup>, 2025

The City Council of the City of Wessington Springs met in regular session at the Office of the Finance Officer at 7:00 P.M. on Monday, June 2<sup>nd</sup>, 2025, with the following members being present: Meg Forrest, Kari Fagerhaug, Pat Fastnacht, Shawn Tobin, Cheri Maxwell and Mayor Ryan Knipfer presiding. Also, in attendance was Linda Willman, Finance Officer. Councilman Layton Schimke was absent.

Meeting was opened with a pledge of allegiance.

Fagerhaug motioned, seconded by Forrest to approve the agenda as presented. Ayes: 5 Nays: 0 M/C.

Conflicts of Interest: none stated.

Fastnacht motioned, seconded by Tobin to approve the May City Council meeting minutes. Ayes: 5 Nays: 0 M/C.

Fagerhaug motioned, seconded by Forrest to approve the May treasurer's report as presented. Ayes: 5 Nays: 0 M/C.

Pay request #2 for the 2<sup>nd</sup> Street Project was presented to the Council in the amount of \$256,008.47 payable to H & W Construction. Forrest motioned, seconded by Fastnacht to approve the pay request as presented and authorize the mayor to sign the pay request for payment and form to be submitted for funding reimbursement. Ayes: 5 Nays: 0 M/C.

The SD Public Insurance forms were presented to the Council for approval and signatures. Fagerhaug motioned, seconded by Fastnacht, to authorize the mayor to sign the documents. Ayes: 5 Nays: 0 M/C

Forrest motioned, seconded by Fastnacht, and with all Council members voting aye to approve the following bills for payment.

BILLS

<u>Vendor Name</u>	<u>Fund:</u>	<u>101</u>	<u>Description</u>	<u>Amount</u>
			<b>GENERAL FUND</b>	
2nd & Bloom			memorial	72.00
AmKota			supplies	1,119.36
Blue, Wheeler & Banks LLP			professional service	1,000.00
CHS/Farmers Alliance			budget billing	370.00
City of WS			utilities	1,985.14
Code Enforcement Specialist			professional service	469.38
Doug's Custom Paint & Body, Inc.			supplies	100.99
Ellwein Brothers Inc.			Op agreement	3,752.80
EX Business Card			supplies/training/pro services	1,126.13
Johnson Brothers			op agreement	251.33
Krohmer Plumbing			repairs	2,000.00
L & M Sanitation			professional service	7,737.52
Northwest Pipe			pool bathroom	450.58
Office Peeps			supplies	54.80
Pitney Bowes			lease	163.02
Porter			op agreement	2,355.33
Republic			op agreement	2,054.92
Sanitation Products			supplies	1,064.56

Schoenfish & Co., Inc		professional service-2023 audit	12,000.00
SD Public Assurance Alliance		insurance	35,320.50
Southern Wines & Spirits of SD		OP agreement	579.73
Springs Food Market		supplies	77.25
Total Oil		supplies	1,928.50
True Dakotan		publishing	448.80
Venture		utilities	419.95
Wessington Springs Area Dev.		annual funding	12,500.00
		<b>Fund Total:</b>	<b>89,402.59</b>
<b>Fund: 212</b>	<b>ADDITIONAL SALES TAX - 2ND</b>		
USDA Rural Development		loan repayment	3,051.00
		<b>Fund Total:</b>	<b>3,051.00</b>
<b>Fund: 501</b>	<b>CAPITAL PROJECT FUNDS</b>		
Brosz Engineering		2nd street engineering	44,017.50
H&W Contracting LLC		2nd pay request-2 <sup>nd</sup> St	256,008.47
SPN		engineering project	3,650.00
		<b>Fund Total:</b>	<b>303,675.97</b>
<b>Fund: 602</b>	<b>WATER FUND</b>		
AmKota		supplies	36.37
City of WS		utilities	849.16
EX Business Card		supplies/training/pro services	72.56
Northwest Pipe		supplies	190.86
SD Dept of Health		testing	395.00
SD Public Assurance Alliance		insurance	9,799.82
Venture		utilities	48.86
		<b>Fund Total:</b>	<b>11,392.63</b>
<b>Fund: 603</b>	<b>ELECTRIC FUND</b>		
AmKota		supplies	33.38
City of WS		utilities	440.92
DGR		professional services	329.00
EX Business Card		supplies/training/pro services	58.64
SD Public Assurance Alliance		insurance	31,896.48
Security First Bank		bond payment	77,775.00
T & R Electric		supplies	4,381.46
Venture		utilities	259.94
WESCO		supplies	3,501.88
		<b>Fund Total:</b>	<b>118,676.70</b>
<b>Fund: 604</b>	<b>SEWER FUND</b>		
AmKota		supplies	159.33
Northwest Pipe		supplies	801.52
SD Public Assurance Alliance		insurance	2,041.94
True North Steel		supplies	105.60
Venture		utilities	48.85
		<b>Fund Total:</b>	<b>3,157.24</b>
		<b>Checking Account Total:</b>	<b>529,356.13</b>
	<b>PREPAID</b>		
<b>Fund: 101</b>	<b>GENERAL FUND</b>		
Ellwein Brothers Inc.		op agreement	9,286.40
Johnson Brothers		op agreement	1,531.38
Porter		op agreement	1,215.93
Republic		op agreement	664.50
SD Dept of Revenue		sales tax	625.32
Southern Wines & Spirits of SD		op agreement	885.45
		<b>Fund Total:</b>	<b>14,208.98</b>
<b>Fund: 501</b>	<b>CAPITAL PROJECT FUNDS</b>		
Brosz Engineers		emgineering-2 <sup>nd</sup> St	7,795.00
		<b>Fund Total:</b>	<b>7,795.00</b>

	<b>Fund:</b>	<b>603</b>	<b>ELECTRIC FUND</b>	
Heartland			power	19,640.83
SD Dept of Revenue			sales tax	4,445.38
WAPA			purchased power	18,827.20
			<b>Fund Total:</b>	<b>42,913.41</b>
	<b>Fund:</b>	<b>701</b>	<b>UTILITY DEPOSIT FUND</b>	
City of WS			deposit refund	250.00
			<b>Fund Total:</b>	<b>250.00</b>
			<b>Checking Account Total:</b>	<b>65,167.39</b>
			<b>PAYROLL</b>	
Payroll		Council		7,031.28
Payroll		Clerk of Council		569.30
Payroll		Mayor		1,422.19
Payroll		Finance Office		3,558.04
Payroll		Street		412.94
Payroll		Landfill		910.66
Payroll		Park-summer help		1,712.68
Payroll		Library		2,419.86
Payroll		Water		3,143.05
Payroll		Electric		8,020.52
Payroll		Sewer		3,143.11
SD Retirement		contributions		6,611.36
SD Office of Child Support		contributions		1,090.38
Wellmark		insurance		6,214.70
AFLAC		insurance		406.54
Colonial		insurance		302.52
Division of OASI		social security/Medicare		6,703.56
Federal Tax Payment		withholding		2,218.51
Flex Account		contributions		110.00
			<b>Total:</b>	<b>\$64,186.70</b>

Mayor Ryan Knipfer stated it was the time and place for public comment.

Camden Hofer of SPN Engineering, met with the Council to discuss the Water and lagoon Projects and the DANR finance options. Following the discussion, Fastnacht motioned, and Forrest seconded to approve the following resolution

#### **RESOLUTION NO. 6-2025 #1**

**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 Wessington Springs (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 Wessington Springs Lagoon Improvements and Lift Station Rehabilitation.

**“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 \$1,245,000 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 \$1,245,000 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 Wessington Springs, 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 25<sup>th</sup> 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 20<sup>th</sup> day following its publication, unless suspended by a referendum.

Adopted at Wessington Springs, South Dakota, this 2<sup>nd</sup> day of June 2025.

APPROVED:

\_\_\_\_\_  
Ryan Knipfer, Mayor

(SEAL)

Attest: \_\_\_\_\_  
Linda Willman, Finance Officer

Councilman voting aye for resolution: Fastnacht, Forrest, Fagerhaug, Tobin, Maxwell  
Councilman voting nay for resolution: none

Adopted: June 2<sup>nd</sup>, 2025  
Published: June 11<sup>th</sup>, 2025  
Effective: July 1<sup>st</sup>, 2025

Fastnacht motioned, seconded by Forrest to approve the following surcharge resolution for the sewer lagoon project.

**RESOLUTION NO 6-2025-#2**

**RESOLUTION AMENDING THE CITY'S RATE STRUCTURE, PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO THE SEWER SYSTEM, FOR PAYMENT OF A REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WESSINGTON SPRINGS AS FOLLOWS:**

1. **Surcharge for Borrower Bond.** There shall be charged a monthly surcharge for the services provided by the improvement financed by the CW-04 Conservancy District Loan. The surcharge for each loan shall be segregated from other revenues of the City and shall be used for the payment of the Borrower Bond CW-04 (the "Borrower Bond"). Provided that such 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.
2. **Rates and collection.** The City does hereby establish the special charge or surcharge payable by each customer of its system who receives or benefits from the services of the project financed with the Borrower Bond. Such charge or surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond and the administrative expense surcharge and all other payments as may be required under the loan agreement and Borrower Bond.
3. **Borrower Bond Surcharge.** The following sewer debt service surcharge shall be applicable to all customers served:  
Borrower Bond CW-05 Surcharge: \$13.85 per user per month commencing July 1<sup>st</sup>, 2026. This surcharge shall remain in effect until such time as the revenue bond is paid in full. The initial surcharge shall be collected at the same time as other charges of the system. The surcharge is found to be equitable for the services provided by the improvements.
4. **Segregation.** The debt service surcharge shall be segregated from other income of the system in a separate book-keeping account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond.
5. **Yearly review.** The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by City and administratively adjusted, upwards or downwards, to such amounts as may be necessary to pay principal, interest, administrative surcharge and other charges as may become due and owing under the loan agreement or Borrower Bond.
6. **Billing and Accounting.** The surcharges shall be included in the monthly user bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the City.
7. **Automatic Repeal.** The surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.
8. **Partial Invalidity.** If any one or more of the provisions of this resolution shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

(SEAL)

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Ryan Knipfer, Mayor

## ATTEST:

\_\_\_\_\_  
Linda Willman, Finance Officer

Councilman voting aye for resolution: Fastnacht, Forrest, Fagerhaug, Tobin, Maxwell

Councilman voting nay for resolution: none

Adopted: June 2<sup>nd</sup>, 2025

Published: June 11<sup>th</sup>, 2025

Effective: July 1<sup>st</sup>, 2025

Brad Lawrence representing Brosz engineering met with the Council to give them an update on the 2<sup>nd</sup> Street Project. Fagerhaug motioned seconded by Maxwell to solicit costs for constructing a new 8" water main on 2<sup>nd</sup> Street NE from Wallace to Barrett. Brosz Engineering is to develop the list of bid items for the work and bring back a formal Construction Change Order for the same at the next meeting, contingent upon the contractor's bid on the work meeting the budgetary parameters set forth at the meeting for a cost estimate of ± \$32,250. Ayes: 5 Nays: 0 M/C

Phil LaBore and Brett Lambert met with the Council.

A proposal of \$57,140 from Great Plains Structures was received for repairs on the water tower. It was decided to include the repairs in the water project.

The following fuel quotes for the month were presented to the council.

Gas/Diesel quotes				
	Agtegra	Alpena	CHS	Total Oil
E-10	did not quote	did not quote	did not quote	\$2.82
Diesel	did not quote	did not quote	did not quote	\$2.69

A motion was made by Fagerhaug, seconded by Forrest to accept the quote of \$2.82 for E-10 and the quote of \$2.69 for diesel from Total Oil. Ayes: 5 Nays: 0 M/C.

The Safety Benefits Workman's Compensation audit report was presented to the Council. Fagerhaug motioned, seconded by Fastnacht to approve the recommended changes reported in the report. Ayes: 5 Nays: 0 M/C

A quote for \$42,943 was received from HydroKlean for monoform repairs of four manholes. Fastnacht motioned seconded by Forrest to approve the quote of \$42,943 from HydroKlean for the monoform repairs of the manholes. Ayes: 5 Nays: 0 M/C

Blake Willman representing the Sons of American Legion met with the Council to ask permission to close Main Street for the July 12<sup>th</sup>, 2025 SAL Poker Run. Fagerhaug motioned, seconded by Fastnacht to approve the closure of Main Street in front of Pin Twisters for the SAL Poker Run and event. Ayes: 5 Nays: 0 M/C

Mayor Ryan Knipfer announced this was the time and place for the public hearing for the Special Event Liquor License for the Pour House dba Slippery's for a poker run to be held on Sunday,

June 8<sup>th</sup>, 2025. No interested parties were in attendance. Fagerhaug motioned, seconded by Tobin to approve the Special Events License as presented. Ayes: 5 Nays: 0 M/C

Terri Mebius and Patty Keeton representing the Park & Recreation Committee to discuss projects in the park. Kari Fagerhaug and Meg Forrest will be the Council contacts for the Pool and Pat Fastnacht and Shawn Tobin will be the Council contacts for the park. The also wanted to let the Council know that Patty Keeton, Elton and Julie Kaus are also part of the Park & Recreation committee.

Eric Schroeder, Jerauld County Emergency Management Manager met with the Council to discuss the Fire Steel Watershed Project and the Flood Mitigation program.

A discussion was held on the leasing of the land around the airport, and the sewer lagoons. Fagerhaug motioned, seconded by Forrest, to approve the following resolutions regarding the lagoon and airport land leases.

RESOLUTION # 6-2025-1 Sewer Land Lease  
CITY OF WESSINGTON SPRINGS

WHEREAS, the City of Wessington Springs owns portions to the S 792 feet of the Northwest Quarter (NW1/4) of Northeast Quarter (NE1/4) and North 528 feet of Southwest Quarter (SW1/4) of the Northeast Quarter (NE1/4) Section Seven (7) Township One Hundred Seven (107) North, Range Sixty-Four (64), West of the 5<sup>th</sup> Principal Meridian, Jerauld County, South Dakota, upon which is located the City Lagoons, and

WHEREAS, certain areas around the edges of the lagoons are required to be owned by the City for such use, but are not actually needed for the physical existence of the lagoon, so that they may be leased for certain agriculture purposes, and

WHEREAS, entering into such agricultural leases appears to be in the best interest of the City of Wessington Springs,

NOW, IT IS THEREFORE RESOLVED, that the City of Wessington Springs intends to enter into a lease of the land surrounding the lagoons

IT IS FURTHER RESOLVED, that a Public Hearing on the adoption of this Resolution shall be held at the City Hall of Wessington Springs on Monday, July 7<sup>th</sup> 2025 at 8:15 PM. Notice of such hearing shall be published in the official newspaper of the City of Wessington Springs once at least ten days prior to the hearing. Following the hearing, the City of Wessington Springs may proceed to authorize the lease of such property upon the terms and conditions it determines.

Dated this 2<sup>nd</sup> day of June 2025.

Councilmen voting for the resolution: Fagerhaug, Forrest, Fastnacht, Tobin, Maxwell

Councilmen voting against the resolution: none

ATTEST: \_\_\_\_\_  
Linda Willman, Finance Officer

Approved: \_\_\_\_\_  
Ryan Knipfer, Mayor

RESOLUTION #6-2022-2 Airport Land Lease  
CITY OF WESSINGTON SPRINGS

WHEREAS, the City of Wessington Springs owns portions to the Northeast Quarter (NE1/4) of Section Twenty (20), of the Southeast Quarter (SE1/4) of Section Seventeen (17), and of the Northwest Quarter (NW ¼) and the Southwest Quarter (SW ¼) of Section Twenty-One

(21), Township One Hundred Seven (107) North, Range Sixty-Four (64), West of the 5<sup>th</sup> Principal Meridian, Jerauld County, South Dakota, upon which is located an airport, and

WHEREAS, certain areas around the edges of such land are required to be owned by the City for such airport, but are not actually needed for the physical existence of the airport, so that they may be leased for certain agriculture purposes, and

WHEREAS, entering into such agricultural leases appears to be in the best interest of the City of Wessington Springs,

NOW, IT IS THEREFORE RESOLVED, that the City of Wessington Springs intends to enter into a lease of the parcels of land marked A, B, C, D, E, and F on the map of the airport land, a copy of which is attached to this Resolution and which is hereby incorporated by reference, and

IT IS FURTHER RESOLVED, that a Public Hearing on the adoption of this Resolution shall be held at the City Hall of Wessington Springs on Monday, July 7<sup>th</sup>, 2025 at 8:15 P.M. Notice of such hearing shall be published in the official newspaper of the City of Wessington Springs once at least ten days prior to the hearing. Following the hearing, the City of Wessington Springs may proceed to authorize the lease of such property upon the terms and conditions it determines.

Dated this 2<sup>nd</sup> day of June 2025.

Councilmen voting for the resolutions: Fagerhaug, Forrest, Fastnacht, Tobin, Maxwell

Councilmen voting against the resolution: none

ATTEST: \_\_\_\_\_  
Linda Willman, Finance Officer

Approved: \_\_\_\_\_  
Ryan Knipfer, Mayor

The 2023 audit prepared by Schoenfish & Co. Inc was presented to the Council for review. Fagerhaug motioned, seconded by Fastnacht to approve the audit as presented with the recommendations and authorized the Mayor to sign the audit forms. Ayes: 5 Nays: 0 M/C

A discussion was held on the update to the Jerauld County Hazard Mitigation Plan. Forrest motioned, seconded by Tobin to include the following projects in the Jerauld County Hazard Mitigation Plan: the comprehensive plan, generator acquisition for street shop, bury power lines, build tornado safe room, acquire warning sirens for western side of town, develop a hydraulics and hydrology report to study the consequences of capping the water wells, participation in the National Flood Insurance Program, upgrade fire department capabilities with more training, vehicle/equipment upgrades, etc. Ayes: 5 Nay: 0 M/C

Fastnacht motioned, seconded by Tobin to approve the Special Events Malt Beverage from the Wessington Springs Fire Department for the Rodeo on July 4<sup>th</sup> & 5<sup>th</sup>, 2025 at the Rodeo Grounds. Ayes: 5 Nays: 0 Motion carried.

A discussion was held on the front footage for the 2026 budget.

Fagerhaug motioned, seconded by Maxwell to approve the expenses for the SDML Budget Training in Sioux Falls on June 25<sup>th</sup>, 2025, Officials Workshop in Pierre on July 16<sup>th</sup>, 2025 and the Heartland Summer Conference of July 15<sup>th</sup>, 2025. Ayes: 5 Nays: 0 M/C.

Fagerhaug motioned with Forrest seconding to enter into executive session pursuant to SDCL 1-25-2(1) for personnel at 9:00 PM. The council reconvened into regular session at 9:41 PM.

Fagerhaug motioned, seconded by Maxwell to give Allie Diehl a \$0.75 raise for completing her 6 month probation period to be retroactive to her 6-month anniversary date of March 31<sup>st</sup>, 2025 Ayes: 5 Nays: 0 M/C

Fastnacht motioned, seconded by Schinke to adjourn the meeting. Ayes: 5 Nays: 0 M/C

\_\_\_\_\_  
Ryan Knipfer, Mayor

ATTEST: \_\_\_\_\_  
Linda Willman, Finance Officer



