

OFFICIAL PROCEEDINGS OF THE
CITY OF WEBSTER, SOUTH DAKOTA

Council room, City Hall, Webster, South Dakota, July 7, 2025, 6:30 p.m., regular meeting of the Webster City Council. Mayor Mike Grosek presiding. Present: Council members: Derek Sinner, Toni Brown, Wayne Klungseth, Dale Miller, Brian Vogl and Stacy Mount. Staff: Hayley Dale. Reporter and Farmer: Annie Witt. Others: Kelly Hanson, Craig Baumgarn, Ashley Baumgarn, Dennis Bremmon, Dan Kroll, Cindy Wolter and Barry Bullert.

MINUTES: Motion by Sinner, seconded by Vogl to approve the minutes of the June 2, 2025, regular meeting. Motion carried.

PAYROLL AND BILLS: Motion by Mount, seconded by Klungseth to approve the following payroll and bills: Payroll (net) Admin. 6545.26, Liquor 10127.23, Library 11612.58, J. Martin 908.27, M. Sandve 1041.72, Street 9559.66, OT D. Kirchmeier 145.30, OT J. Van Beek 66.56, Police 17064.14, D. Collins Hwy Grant 792.15, ST/OT J. Hoffard 561.64, ST A. Maldonado 43.66, ST/OT L. Rokusek 190.55, L. Rokusek Hwy Grant 30.09, Sewer 5803.42, ST/OT O. Wyffels 72.98, Water 3583.16, Golf 5655.30, ST/OT R. Hagen 1127.02, A. Bartelt 722.68, L. Carlson 1877.18, D. Davidson 977.22, D. Evenson 912.66, B. Jacobson 2195.58, J. Keller 276.40, M. Lenards 1358.09, C. Ludtke 732.95, Cemetery K. Bohn 846.88, D. Kurkowski 1428.99, Parks A. Grimes 2133.30, Ballfield B. Lux 1665.02, D. Pederson 2037.81, M. Mount 864.10, K. Schimmel 880.06, S. Schmieg 1402.26, Pool J. Baumgarn 1028.39, M. Block 1251.38, B. Breske 877.48, A. Case 1192.75, S. Ermer 295.14, S. Hairgrove 1865.86, R. Hubsch 371.40, R. Johnson 472.02, E. Kaufman 855.75, T. Kuecker 923.13, E. Sannes 1935.39, G. Sannes 76.05, K. Sannes 1194.61, C. Shoemaker 560.89, J. Spiering 1355.21, M. Steiner 938.67, J. Voss 375.96.

Bills: SD Treasurer 12564.88-sales tax, USDA Rural Development 8042.00-loan payment lagoon, USDA Rural Development 3449.00-loan payment fire hall, SD Retirement System 12457.51- retirement, Dacotah Bank 152.34-service charges, SD Supplemental Retirement 105.00- supplemental retirement, Southern Glazer's of SD 4121.80-merchandise, Republic National Distributing 4844.00- merchandise, SD Supplemental Retirement 105.00- supplemental retirement, Postmaster 284.92- postage, A & B Business Solutions 275.59- printer contracts, Jay Aadland 3872.11- service, AFLAC 256.06-insurance, AgWrx 300.00- chemical, AFLAC 672.98-insurance, American Solutions for Business- 115.19- supplies, Anchor Industries 209.22- parts, A-OX Welding Supply Co. 23.45-supplies, Associated Supply Co 16792.83- pool chemical/parts, AT&T Mobility 132.42-cell phones, Auditor's Office-Petty Cash 200.36-supplies/meal/postage, Auto Value Parts 90.76-parts, Avera Occupational Medicine 36.60- service, B&B Contracting 271,569.31- pay request water project, Bierschbach Electric 903.61- service, Bigfoot Distributing 443.00-merchandise, Bituminous Paving 188,899.84- asphalt paving, Blackfork Spirits 164.28- merchandise, Block Equipment 700.00- service, Blossom Shoppe 210.00- memorial flowers, Braelynn Breske 112.50- lifeguard training reimbursement, Bullert Automotive 75.00- service, CapFirst Equipment Finance 1373.00-golf cart lease payment, Cardmember 1283.77- supplies/books, Cintas 418.05-rugs, City of Webster 4371.84- city water bills, Coca Cola 1008.50- merchandise, Colonial Life 243.52-insurance, Cool Cart Parts 14,700.00- (3) golf carts, CorTrust Bank 2558.27-loan payment, Dacotah Bank 415.64-supplies/merchandise/training registration/memorial flowers, Dahme Construction 286485.50- pay request water/sewer project, Hayley Dale 511.50- mileage/hotel reimbursement, Dave Hahler Automotive 5547.03-service/parts/labor/body shop repair, Day County Conservation 1964.00 – trees/supplies/cost share tree program, Dependable Sanitation 500.89- garbage pickup, Eide Bailly 13125.00- 2024 audit progress billing, Ellwein Brothers 93133.30-merchandise, GeoTek 2454.90- soil testing, Glacial Lakes Electric 347.13- furnace filters, Global Distributing 471.00-merchandise, Health Pool of SD 28651.70-insurance, Helms & Associates 65,036.94- pay request water/wastewater/airport fuel/ industrial

park projects/locate alley, Hesla Services 4000.00-service, Horters Farm & Ranch Supplies 731.26-supplies/parts, Insurance Benefits 1539.00- airport liability renewal, ITC 2012.62-phone/internet/installation charges, Jerke Irrigation 887.95- parts/labor, JGE 792.40- parts, Johnson Brothers 48221.09- merchandise, Johnson Lumber 1085.04-supplies, Josh Anderson Construction 1666.11- service, Just Ice 758.25- supplies, Kevin's Service 1225.00- service, Bruce Kleinsasser 604.00- lifeguard training, Kriech Construction 4081.64- house demolition, Jamie Kwasniewski 1806.42- reimbursement hangar lease, Lake Region Electric 318.74- electric, Lakeside Construction 16000.00- service, Law Office of Danny Smeins 107.00- professional service, Sara Lorensberg 247.06- reimbursement for "W" flowers, McLeod's Printing & Supply 202.54- supplies, Midcontinent Communications 371.68-internet/cable, Midwest Pest Control 26.00- service, Mike's Jack & Jill 1741.90-supplies/merchandise, Milbank Winwater Works 735.80- part, MTI Distributing 3519.38- parts, NAPA Auto Parts 336.83-parts, North Country Business Protects 3353.31- service, Northstar Mechanical 137.13- parts, Northwestern Energy 13537.79-electric, Olson Consulting 1600.80- time/expense code enforcement, Olson's Pest Control 375.00-service, Pepsi 585.62- merchandise, Pfitzer Pest Control 60.00- service, Pheasant Land Industries 993.00- signs, Pollard Water 110.04- supplies, Porter Distributing 23850.20-merchandise, RDO Equipment 862.98- parts/service, Reinders 1731.26- supplies, Reliance Standard 71.24-insurance, Reporter & Farmer 1068.12-legals/ads/supplies, Republic National Distributing 7361.39-merchandise, RJ Thomas Mfg. 1485.00- supplies, Running Supply 262.76- supplies, Ryan's Candy 3547.55-merchandise/supplies, Sanford Health 58.00- service, Sanitation Products 2929.41- part, Angie Sannes 145.00- lifeguard training reimbursement, SD Lumber & Design 12215.50- materials, SD Public Health Laboratory 60.00- water tests, SD Unemployment Insurance 564.08- unemployment, Sioux Valley Co-op 4138.45-gas, Snaza Implement LLC 403.18- parts, Southern Glazer's of SD 5447.14-merchandise, Stan Houston 795.00- rental, Tessman Seed 277.17- seed, Titan Machinery 772.58- service, TLC Marine 647.00-supplies, Transource Truck & Equipment 493.13- parts, Tri-State Water 69.75- bottled water, Trugreen 17004.40- lawn applications, Twin Valley Tire 40.82- parts, TwoTrees Technologies 427.29- service, Valley Office Products 452.20-supplies, Vestis 367.45- uniforms, WEB Water 34997.80- water, Webster Ace 3434.91-supplies, Webster Area School District 12500.00- armory agreement, Webster Auto Care 79.63- parts/labor, Webster Chamber of Commerce 424.00- reimbursement for sign, Webster Liquor Store 3886.75-merchandise, Webster Scale 58652.50- milling 13 blocks, Webster Tire & Marine 644.05- parts/labor, Window Pros 40.55- service, City of Webster 346.79- bonds applied, Chasity Madsen 78.21- refund bond, Sundry Persons 1879.79- 2nd quarter library expenses, Sundry Persons 699.15- 2nd quarter fire dept expenses, Payroll Taxes 27970.90-payroll taxes. Motion carried.

REPORTS: Motion by Klungseth, seconded by Brown to approve the finance, police, liquor and code enforcement reports. Motion carried.

PUBLIC COMMENT: Dennis Bremmon wanted to bring attention to the east end of the free campground, with the rushes and sitting water it has become a mosquito haven and an eye sore, he wanted to bring it up for the city to find a solution to help it drain better and clean it up. The council agreed and it will be looked into to get it cleaned up.

Webster Township Residents located outside the northwest edge of city limits raised concerned over the re-plat on the agenda for Webster Area Development, the land is being re-platted for the likelihood of a salvage/recycling yard. Before hearing any concerns, Kelly Hanson, representing the Webster Area Development Corporation, wanted to clarify any speculation, what is on the agenda is only approving the re-plat allowing a piece of property to be platted out for a private sale. The group raised many concerns including the type of business planned for the property, secrecy of the project, maintenance of the road, water pollution, air contaminants, drainage, installation of culvert/clearing of land on the property, and appearance of the grounds if the business is allowed. Mayor Mike informed the group that no one has submitted a license or building permit

for approval to operate/build a salvage yard within the City, if either are submitted, they will be on the agenda for review. Mayor Mike felt it would be beneficial to have the planned owner come to a meeting to review his plan, Hanson said he has offered twice to coordinate a discussion. Hanson reiterated there is no hiding, it is a private sale, and he is willing to take any questions.

PLAT: Motion by Miller to approve the plat of Webster Area Development Corporation Fifth Subdivision. Upon roll call vote the following council members voting aye: Mount, Klungseth, Miller, Brown, Sinner and Vogl. Voting nay: none. Motion carried.

6:40 p.m. STREET RESEAL BIDS: This being the time and place for the opening of the street resealing bids for approximately 27 blocks of city streets, with 3/8 inch peas rock at 30-35#/ sq. yd. with MC 3000 Road Oil at a rate of .30 with the option of flush seal. Bid must specify total sq. yds and price per square yard. One bid was received: Bituminous Paving Inc., Ortonville, MN to seal coat streets 35673.00 square yards @ 2.95 = 105,235.35 and fog seal streets 35673.00 square yards @ .50 = 17836.50. Motion by Miller, seconded by Mount to award the bid to Bituminous Paving Inc. Motion carried.

6:45p.m. VARIANCE HEARING: This being the time and place for a hearing for variance for Eugene Sattler, 906 E 3rd St. to construct a shed closer than the required five feet from the property line. Hearing no objection. Motion by Sinner, seconded by Miller to approve the variance. Motion carried.

BURIAL FEES: Motion by Mount, seconded by Brown, to increase the cremains burial fee to 150.00 and Saturday, Sunday or Holiday services to 150.00 extra. Motion carried.

TEMPORARY LICENSE: Motion by Vogl, seconded by Miller to set a hearing on August 4, 2025, at 6:40 p.m. to consider a temporary malt beverage license for the Lake Region Shrine Club for the Harvest Bash to be held September 6, 2025, at the Day County Fairgrounds. Motion carried.

WEB WATER: Received a letter from WEB Water stating an increase in rates. No action taken at this time.

BUDGET SUPPLEMENTS: Motion by Klungseth, seconded by Vogl to supplement the airport budget 429.56 for the airport fuel project grant and the police budget 2696.53 for insurance reimbursement. Motion carried.

LICENSES: Motion by Miller, seconded by Sinner approving garbage hauling licenses for Dependable Sanitation, Lehr Sanitation, and Dakota Waste Solution. Motion carried.

VARIANCE HEARING: Motion by Brown, seconded by Miller to set the hearing for variance for Dax Jorgenson, 819 E 4th St to construct a fence closer than the required two-foot setback from the property line according to city ordinance. The hearing will be held on August 4, 2025, at 6:45. Motion carried.

OPEN MEETING LAW REVIEW: Council reviewed the guide to South Dakota's open meetings laws; with the passing of SB 74 it requires governing boards to review the open meeting laws brochure annually in a public meeting and document in their minutes. Motion by Brown, seconded by Miller the acknowledge to review. Motion carried.

DONATION: Motion by Klungseth, seconded by Miller, to donate 5,000.00 to Area IV Senior Nutrition. Motion carried.

PLAT: Motion by Miller, seconded by Mount to approve the plat of Origin First Addition. Motion carried.

WORKSHOP: The Elected Officials Workshop is being held July 16-17 in Pierre if any council members are interested in attending.

VARIANCE HEARING: Motion by Sinner, seconded by Brown to deny the variance application for Nick Johnson, 121 E 11st Ave. Motion carried.

RESOLUTION #238: Motion by Miller, seconded by Klungseth to pass the following resolution for the Industrial Park Wastewater Improvements Project:

RESOLUTION NO. 238

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 Webster (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 Webster Industrial Park Wastewater Improvements 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 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 1,964,000 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 1,964,000 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 Webster, South Dakota (collectively the "Rate Resolution"). Moneys from the Project Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

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

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

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

shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above.

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

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

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

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

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

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

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

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

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

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

SECTION 11. Depositories. The Finance Officer shall cause all moneys pertaining to the Funds and Accounts to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of SDCL Ch. 4-6A, in a deposit account or accounts, which shall be maintained separate and apart

from all other accounts of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Funds and Accounts as authorized in this Resolution; except that moneys from time to time on hand in the Funds and Accounts may at any time, in the discretion of the City’s governing body, be invested in securities permitted by the provisions of SDCL 4-5-6; provided, however, that the Depreciation Fund may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the Fund or Account from whose moneys the deposit was made, or the investment was purchased, and handled and accounted for in the same manner as other moneys therein.

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

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

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

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

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

Adopted at Webster, South Dakota, this 7 day of July 2025.

APPROVED:

Mayor

(SEAL)

Attest: _____
Finance Officer

Motion carried.
QUOTE: Motion by Sinner, seconded by Mount to approve the quote of 1123.00 from North Country Business Products for renewal of the 3-year firewall agreement at the liquor store. Motion carried.
The following removal and building permits were approved with a motion by Brown, seconded by Miller:

Removal Permit:
Webster Area School District – 733 E 2nd St – NE wing of school campus

Building Permits:
Eugene Sattler – 906 E 3rd St – storage shed - 3,800.00
Northland Auto Center- 511 E Hwy 12 – addition to collision center - 150,000.00
Roger Warrington – 922 Russell Weigh – storage shed - 7,000.00
Dennis Daly – S. Western Ave – storage building - 35,000.00
Frank Marsh – 428 W 7th Ave – porch - 1,500.00

Motion carried.
In additional business, motion by Sinner, seconded by Mount to correct the wage of Allison Case from

14.50 to 15.00 as she is WSI certified and didn't receive the .50 increase to her wage, this will be retroactive to her previous hours worked for the 2025 season. Motion carried.

MITIGATION PLAN: Motion by Sinner, seconded by Miller to acknowledge review of the 2025 Natural Hazard Mitigation Plan. Motion carried.

Motion by Klungseth, seconded by Miller to adjourn. Motion carried. Next regular scheduled meeting is August 4, 2025, at 6:30 p.m.

Mike Grosek, Mayor

Hayley Dale, Finance Officer

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