

OFFICIAL PROCEEDINGS OF THE
CITY OF WEBSTER, SOUTH DAKOTA

Council room, City Hall, Webster, South Dakota, May 5, 2025, 6:30 p.m., regular meeting of the Webster City Council. Mayor Mike Grosek presiding. Present: Council members: Dale Miller, Wayne Klungseth, Derek Sinner, Toni Brown, Brian Vogl and Stacy Mount. Staff: Hayley Dale. Reporter and Farmer: Leyton Beardslee and Amanda Dulitz. Others: Josh Bartos, Brandon Smid, Mike Olson and Lesleann Palmer.

MINUTES: Motion by Sinner, seconded by Mount to approve the minutes of the April 7, 2025, regular meeting and April 22, 2025, special meeting. Motion carried.

PAYROLL AND BILLS: Motion by Miller, seconded by Brown to approve the following payroll and bills: Payroll (net) Admin. 6532.36, Liquor 7054.72, ST/OT T. Woodell 303.54, Library 4023.09, ST/OT 140.53, Street 9559.66, OT D. Kirchmeier 435.89, OT J. Van Beek 332.82, Police 17022.48, ST C. Baumgarn 300.02, ST/OT D. Collins 1095.20, ST/OT J. Hoffard 361.05, ST A. Maldonado 87.32, ST L. Rokusek 80.23, Sewer 5803.42, ST/OT D. Valsvig 247.48, OT O. Wyffels 46.97, Water 6559.44, Golf 4848.89, ST R. Hagen 401.79, A. Bartelt 722.37, D. Davidson 164.20, D. Evenson 458.86, B. Jacobson 1148.44, J. Keller 61.71, C. Ludtke 566.54, Mayor and Council T. Brown 1775.00, M. Grosek 2500.50, W. Klungseth 1647.00, D. Miller 1775.00, S. Mount 1775.00, D. Sinner 1775.00, B. Vogl 1024.36, Cemetery K. Bohn 457.13, D. Kurkowski 335.23, Parks A. Grimes 970.06, Ballfield B. Lux 155.27, D. Pederson 106.18, S. Schmiege 44.63, Dog Catcher S. Hargis 238.82.

Bills: SD Treasurer 5246.00-sales tax, USDA Rural Development 8042.00-loan payment lagoon, USDA Rural Development 3449.00-loan payment fire hall, Dacotah Bank 178.29-service charges/stop payment fee, US Bank St. Paul 38543.14- water loan payment, US Bank St. Paul 8236.52- sewer loan payment, SD Retirement 11689.82- retirement, Southern Glazer's 4689.38- merchandise, SD Supplemental Retirement 105.00- retirement, Republic National Distributing 2272.05- merchandise, SD Supplemental Retirement 105.00- retirement, Postmaster 287.75-postage, A & B Business Solutions 208.97- printer contracts, AFLAC 256.06-insurance, AFLAC 672.98- insurance, American Legal Publishing 550.00-annual fee, American Solutions for Business 45.22-supplies, A-OX Welding Supply Co. 23.45-supplies, Associated Supply Co 5396.00- pool heater install/parts, AT&T Mobility 132.42-cell phone, Auditor's Office-Petty Cash 32.30-supplies, postage, safe deposit box rent, Auto Value Parts 42.23- parts, Craig Baumgarn 54.00- meal reimbursement, Bierschbach Electric 2704.09-

service, Bigfoot Distributing 278.00-merchandise, Blackfork Spirits 537.24-merchandise, Block Equipment 250.00- excavation, CapFirst Equipment Finance 1373.00-golf cart lease, Cardmember 279.87- books, Cartney Bearing 107.64- parts, Cintas 351.91-rugs, City of Webster 220.00-employee prepayments/water bills, Coca Cola 1791.50-merchandise, Colonial Life 243.52-insurance, CorTrust Bank 2558.27-loan payment, Crawford Trucks 874.87-repair, Dacotah Bank 1566.07- supplies/postage/merchandise/service, Dakota Fluid Power 370.53- repair, Dakota Playground 7467.00- playground cushioning, Dakota Pump & Control 31618.53- spare pumps, Dave Hahler Automotive 287.84-service, labor, Day County Treasurer 1950.76-cracksealing armory parking lot, Department of Revenue 150.00-license, Dependable Sanitation 489.00-garbage service, Diamond Vogel 645.00- traffic paint, Ellwein Brothers 36994.28-merchandise, Fergus Water Works 362.23- locator repair, Glacial Lake Technology 302.38- repair, Global Distributing 396.00-merchandise, Hawkins 795.00- supplies, Health Pool of SD 29747.34-insurance, Chad Hesla 527.40-reimbursement, HR Green 395.00- traffic study, Industrial Chem Labs 490.98- supplies, Helms & Associates 2570.00-pay request water project, ITC 1075.57-phone/internet service, Johnson Brothers 20293.59-merchandise, Johnson Lumber 7.00-supplies, Kromer Co. 367.42- parts, Lake Region Electric 510.37- electric, Larson Construction 2375.00- repair sidewalk, M&T Fire 1750.00- supplies, Marko Canning LLC 156.00-merchandise, Mid-American Research 394.14-supplies, Midcontinent Communications 371.68-internet, Mike's Jack & Jill 969.84-supplies/merchandise, Milbank Winwater Works 40.65- part, NAPA Auto Parts 305.08-parts, Newman Traffic Signs 193.58-parking signs, Northwestern Energy 11584.46-electric, Olson Consulting 2127.50-time/expense code enforcement, Pfitzer 60.00- pest control, Porter Distributing 12678.75-merchandise, Postmaster 350.00-presort yearly postage fee, RDO Equipment 2220.33-parts/labor, Reliance Standard 71.24-insurance, Reporter & Farmer 2454.36-legals/ads, Republic National Distributing 4251.07-merchandise, Ringgenberg Electric 5693.78-Hwy 12 light repairs, Ryan's Candy 1549.65-merchandise/supplies, Sanitation Products 1323.72- parts, SD Lumber & Design- 584.00-supplies/labor, SD Public Assurance Alliance 105893.88- 2025 Insurance Renewal, SD Public Health Laboratory 30.00-water samples, Sheyenne Transport LLC 396.00-transport to district meeting, Sioux Valley Co-op 5676.47-gas, Snaza Implement LLC 972.93-parts/labor, Southern Glazer's of SD 5292.54-merchandise, Sper Chemical 1230.95-supplies, Stein Sign Display 330.00-banners, Superior Tech Products 2698.50- supplies, Team Laboratory Chemical 2843.00-

supplies, Tri-State Water 69.75-service, TwoTrees Technologies 30.00- service, US Bank 15497.50-swimming pool interest payment, Valley Office Products 4.74-supplies, Vestis 372.34- uniforms, Webster Ace 928.36-supplies, Web Water 28492.80-water, Webster Area Development 10000.00-funding, Webster Liquor Store 2802.20-merchandise, Window Pros 25.49- window cleaning, Owen Wyffels 35.00- fuel reimbursement, Payroll Taxes 20381.97-payroll taxes. Motion carried.

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

As this concludes last year's business, motion by Miller, seconded by Klungseth to adjourn the meeting. Motion carried.

Following oaths of office of elected positions for Mike Grosek, Mayor, Toni Brown, Councilman Ward I, Derek Sinner, Councilman Ward II, and Brian Vogl, Councilman Ward III, Mayor Grosek called the meeting to order.

The Mayor called for nominations for President. Motion by Sinner, seconded by Klungseth to nominate Dale Miller and at that nominations cease. Motion carried.

The Mayor called for nominations for Vice-President. Motion by Klungseth, seconded by Vogl to nominate Derek Sinner and at that nominations cease. Motion carried.

PUBLIC COMMENT: Josh Bartos was present to inform the council that the golf course season is off to a great start; the half-price membership promotion has been successful in getting new members. One problem they have ran into is they have run out of carts a couple times since opening, Josh suggested possibly looking into buying a few carts that the city would maintain. For the season they have a few upcoming projects, the new contracts are in place for tournaments/clubhouse rentals and Trugreen will be onsite to complete lawn care.

6:40 p.m. VARIANCE HEARING: This being the time and place for a hearing for variance for Monty Bloom, 610 E 1st St, to build a shed larger than the city ordinance allows in a residential area. Motion by Brown, seconded by Vogl to approve the variance. Motion carried.

6:45 p.m. LICENSE HEARING: This being the time and place for a hearing to consider a full-service restaurant on-sale liquor license for Pereboom Café. Hearing no objections, motion by Miller, seconded by Mount to approve the license. Motion carried.

6:50 p.m. CODE ENFORCEMENT UPDATE: Mike Olson was present to give an update on his current code enforcement report; he will be in town periodically to

inspect for any violations. He encourages people to reach out to him if they receive a letter.

6:55 p.m. INDUSTRIAL PARK: Brandon Smid of Helms Engineering and Lesleann Palmer of NE Council of Governments were present to discuss the options on the best approach to request additional funds for the Industrial Park Wastewater Improvement Project. It was decided to file an amendment to our current approved request with DANR.

Brandon also mentioned crews are currently prepping to begin paving and it will cause some inconvenience to the community, after paving they plan to begin seeding. They also plan to have a pre-paving meeting that will be open to the public, date to be determined.

BILLBOARD: Motion by Miller, seconded by Brown to allow Stein Sign Display to place a billboard on city owned property at an annual fee of \$300.00. Motion carried.

RESOLUTION #235: Motion by Mount, seconded by Miller to pass the following resolution for a Clean Water Borrower Bond for the City of Webster Industrial Park Wastewater Improvements Project:

RESOLUTION NO. 235

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 \$1,129,000 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 \$1,129,000 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 __5_ day of __May____2025.

APPROVED:

Mike Grosek, Mayor

(SEAL)

Attest: _____
Hayley Dale, Finance Officer

First reading: __May 5, 2025____

Published: __May 12, 2025____

Effective: __June 01, 2025____

Motion carried.

RESOLUTION #236: Motion by Sinner, seconded by Mount to pass the following resolution for a Borrower Bond CW-07 Surcharge for the City of Webster Industrial Park Wastewater Improvements Project:

RESOLUTION NO. 236

**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 WEBSTER 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-07 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-07 (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 clean water debt service surcharge shall be applicable to all customers served:

Borrower Bond CW-07 Surcharge: \$5.30 per user per month commencing _TBD__.

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 the 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.

Adopted at Webster, South Dakota, this 5 day of May 2025.

(SEAL)

Mayor, Mike Grosek

ATTEST:

Finance Officer, Hayley Dale

First reading: May 05, 2025

Published: May 12, 2025

Effective: TBD

Motion carried.

Mount exited the meeting at 7:11 p.m.

LICENSES: Motion by Miller, seconded by Vogl to approve electrical licenses for Glacial Lakes Electric LLC, Bierschbach Electric, Inc, Keller Mechanical Inc, Northstar Mechanical, and plumbing license for Keller Mechanical Inc for the term May 1, 2025, through April 30, 2026. Motion carried.

BUDGET SUPPLEMENTS: Motion by Miller, seconded by Klungseth to supplement the police budget \$93.58 for Highway Safety Grant reimbursement. Motion carried.

AUDIT: Eide Bailly will be here the week of May 12, 2025, to audit the City's 2024 finances.

MALT BEVERAGE LICENSES: Motion by Brown, seconded by Vogl approving the following Retail (on-off sale) Malt Beverage & SD Farm Wine license applications for renewal to operate within the City of Webster for the period of July 1, 2025, to June 30, 2026:

CMB Oil & Gas, Inc./Pikes, 20 E Hwy 12
The Decoy Bar, 518 Main St.
Boomtown Inc., Pereboom Café, 13 E Hwy 12
American Legion Club, 614 Main St.
Webster Golf Association, 1030 W 3rd St
The Galley, 230 W Hwy 12
Mike's Jack and Jill, 1300 Main St
V. F. W. Club, 521 W 1st St
Casey's Retail Co., 1000 Main
Sioux Valley Co-op/Cenex C-Store, 11 W Hwy 12
Dolgen Midwest, LLC, Dollar General Store, 514 E Hwy 12
Roots, 621 Main St
Dakota Lakes Marine, Helm Marine, 14053 SD Hwy 25
Motion carried.

SUMMER HELP: Motion by Sinner, seconded by Miller to hire the following individuals for summer help at the hourly pay rates: Swimming Pool Concessions: Remi Hubsch 11.50, Lifeguard: Gracie Cadwell 13.50. The application received from Evan Ruppert was tabled. Motion carried.

BALLFIELD: Motion by Miller, seconded by Brown to approve the following as volunteers for the ballfield and to cover these individuals for work comp purposes: Joe Gaikowski, Ellen Hesla, Dan Williams, Ron Baum, Kevin Bohn, Steph Williams, Kevin Schimmel, Jeremy Hoven, Chris Spiering, Andy Rithmiller, Jared McClurg, Craig Case, Randy Mount, Wade Rausch, Josh Hoven, Ryan Wagner, Tim Lesnar, Rich Solberg, Chuck Hesla, Mary Jean Hesla, Mike Grosek, Wayne Klungseth, Dale Miller, Jim Grimes, Derek Sinner, Josh Bartos, Stacy Mount, Mike Wiley, Jeff Nelson, Nikki

Coenen, Scott Hesla, Bill Sawinsky and Brian Vogl. Also discussed, background checks will be completed on all volunteer coaches. Motion carried.

POOL OPENING: Tentative opening date for the pool is May 29, 2025.

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

VARIANCE: Motion by Sinner, seconded by Vogl to set a variance hearing for Josh Hoven, 309 W 7th Ave, to build a fence closer to the property line than allowed by city ordinance. The hearing will be held at 6:45 p.m. on June 2, 2025, at City Hall. Motion carried.

The following building permits were approved with a motion by Brown, seconded by Vogl:

Building Permits:

Monty Bloom – 610 E 1st St – shed/garage – 150,000.00
Museum of Wildlife, Science & Industry – 760 W Hwy 12 – addition to building – 140,000.00
William Christensen – 214 W 9th Ave – covered patio/lean roof – 800.00
Shawn & Jeannine Campbell – 500 W 10th Ave – Deck – 8,000.00

Motion carried.

Mayor Grosek reviewed the appointments for 2025. Motion by Sinner, seconded by Miller to approve the appointments as listed:

APPOINTMENTS 2025

Mayor	Mike Grosek
President of Council	Dale Miller
Vice President of Council	Derek Sinner
Finance and Salaries	Dale Miller, Derek Sinner, Stacy Mount
Street, Alley and Lights	Dale Miller, Wayne Klungseth, Toni Brown
Water, Sewer and Sanitation	Derek Sinner, Dale Miller, Toni Brown
Cemetery, Airport and Parks	Wayne Klungseth, Stacy Mount, Brian Vogl
Police	Wayne Klungseth, Stacy Mount, Toni Brown
Fire	Toni Brown, Wayne Klungseth, Dale Miller
Zoning, Building and Grounds	Toni Brown, Dale Miller, Derek Sinner
Library	Stacy Mount, Wayne Klungseth, Harriet Spaniol (2027) Judy Breske (2026), Eloise Hortness (2024), Gayle Nilson (2025), Cindy Hagen (2025)
City Hall	Stacy Mount, Wayne Klungseth, Brian Vogl
Liquor	Derek Sinner, Stacy Mount, Toni Brown
Youth and Rec.	Dale Miller, Derek Sinner, Brian Vogl, Kevin Schimmel, Chad Hesla, Rich Solberg, Craig Case, Angela Shoemaker
Swimming Pool	Derek Sinner, Stacy Mount, Toni Brown, Pool Manager, Jay Pereboom, Tom Sannes
Golf Board	Derek Sinner, Stacy Mount, Toni Brown Linda Potas, Donna VanderLinden, Brian Lux, Terry Anderson, Monte and Mary Bloom, Morgan Dorsett, Josh Bartos
Tree Board	Stacy Mount, Wayne Klungseth, Brian Vogl, David Trefz, Josh Wagner

Development Loan Fund	Mike Grosek, Dale Miller, Todd Garry, Dave Hahler
ADA	Wayne Klungseth, Toni Brown, Brian Vogl
Finance Office	Hayley Dale, Jennifer Wickre, Clerk, Christina Millan, Clerk
City Attorney	Delaney Nielsen & Sannes PC, Danny Smeins
City Depositories	Dacotah Bank, Cortrust Bank, 1st Interstate
City Health Doctor	Dr. Elizabeth Gravley
Official Newspaper	Reporter and Farmer
Library	Teresa Ewalt, Sandy Houghton, Asst Librarian
Liquor Store	Tracie Woodell, Mgr, Susan Bury, Asst Mgr, Brenda Bozarth, Clerk
Water Department	Chad Goehring, Danny Valsvig, Owen Wyffels
Police Department	Craig Baumgarn, Chief, Dylan Collins, Assistant Chief, Alex Maldonado, Lance Rokusek, James Hoffard, Patrolmen
Code Enforcement	Dale Miller, Toni Brown, Mike Olson
Street Department	Daniel Kirchmeier, John VanBeek, Randy Wolff
City Hall, Cemetery, Golf	Scott Sjurson
Armory Auditorium	Derek Sinner, Toni Brown
City Civil Defense	Wayne Klungseth
Northeast Council of Govt.	Wayne Klungseth
Senior Citizen Board	Stacy Mount
Planning Committee	Kent Delaney, Todd Garry, Robert Kwasniewski, Jim Grimes
Board at Pleasant View Apts.	Julie Berger, Betty Zenk, Dave Jesme, Ray Lardy, Arnie Anderson, Gary Huggett, Council Member Wayne Klungseth

Motion carried.

LIBRARY: Teri Ewalt turned in her official letter announcing her retirement effective June 30, 2025. Motion by Klungseth, seconded by Brown to accept. Motion carried.

FINANCE OFFICER SCHOOL: Motion by Brown, seconded by Miller to allow Hayley Dale to attend Finance Officer School in Pierre, June 11-13. Motion carried.

In other discussion the quote from Webster Scale was reviewed for milling 13 city blocks the quote came in at \$63,652.50. Mike Olson, code enforcement agent, clarified the ordinance of appropriate fence height.

No further business, motion by Klungseth, seconded by Miller to adjourn. Motion carried. Next regular scheduled meeting is June 2, 2025, at 6:30 p.m.

Mike Grosek, Mayor

Hayley Dale, Finance Officer

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