

MINUTES

The Brandon City Council met in regular session at 6:00 p.m. on May 2, 2022 in the Council Chambers at 308 S. Main Avenue, Brandon, South Dakota. Present were Dana Clark, Vickie David, Barb Fish, Tim Jorgenson, David Kull, Jack Parliament and Mayor Jim Heinitz. Others present were: City Administrator, Bryan Read; Finance Officer, Christina Smith; City Attorney, Lisa Marso; City Engineer, Tami Jansma; Police Chief, Jamie Steffel; Park Superintendent, Devin Coughlin; Golf Course Manager, Andrew Bauer; Public Works Director, Rollie Hoeke and Development Director, Patrick Andrews.

Alderman Clark moved Alderman Parliament seconded to approve the agenda. Motion carried.

Alderman Parliament moved Alderwoman Fish seconded to approve the minutes of the April 14, 2022 briefing meeting and the minutes of the April 18, 2022 regular meeting. Motion carried.

Alderman Kull moved Alderwoman Clark seconded to approve the following claims.

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Action Electric	Hired Repairs	1,743.50
AFLAC	April Premium	865.27
A-Ox Welding Supply	Lease Contract	317.95
Austen Peterson	Reimbursement	459.30
Batteries Plus	Supplies	226.17
Brandon Plumbing and Heating	Hired Repairs	581.63
Bryan Rock Products	Rock Delivery	6,278.47
Capital Trade Credit/Northern Tool	Supplies	879.98
Century Business Products	Software	1,703.12
Clark Engineering/IMEG	Street Improvements	11,617.50
Corson Village Sanitary District	April Refund	1,024.75
Dakota Beverage	Liquor Resale	789.60
Delta Dental of SD	May Premium	3,365.60
DGR Engineering	Professional Services	40,624.31
Doug's Custom Paint & Body	Equipment	7,866.75
Enivormaster	Bathroom Supplies	80.00
First Dakota Title	Sewer Land Purchase	163,475.73
Genesis Farms	Reimbursement	275.00
Graham Tire	Tires	642.48
Hach Company	Supplies	231.33
Hawkins Water Treatment	Chemicals	3,069.90
Incode Division of Tyler Technologies	Yearly Fee	20,671.68
Innovative Office Supply	Paper Supply	96.66
International Association for Property & Evidence	Yearly Dues	65.00
Jack's Uniform & Equipment	Safety Supplies	69.94
Jamie Steffel	Reimbursement	52.50
Johnstone Supply	Repairs	337.52
Justice Fire & Safety	Extinguisher Recharge	99.00

Lacey Rentals	Rentals	250.00
LG Everist	Supplies	1,204.87
Manley Tire & Oil Service	Tires	653.68
Med-Star Paramedic Ambulance	Monthly Contract	4,166.67
Modern Woodmen of America	May Premium	1,780.69
Oakridge Nursery and Landscaping	Water Conservation	280.00
Overhead Door	Garage Door Replacement	2,788.00
Performance Press	Supplies	1,017.46
PrairieSons	Hired Repairs	428.57
R&L Supply	Supplies	710.94
Rural Office of Community Services	Transit	15,243.88
Sanitation Products	Repairs	355.00
SD Department of Health	Water Testing	150.00
SD One Call	Locate Tickets	133.28
Sioux Falls Area Humane Society	Monthly Contract	63.56
Sioux Falls Rubber Stamp Works	Supplies	22.74
Sioux Valley Energy	Utilities	35,587.46
Staples Advantage	Supplies	441.68
Stockwell Engineers	Equipment	14,064.40
The Rainmakers	Improvements	410.51
Titleist	Resale	3,480.42
Wellmark/BCBS	May Premium	69,541.55
City Administration	April 28, 2022 Payroll	3,737.41
Finance Officer	April 28, 2022 Payroll	5,614.30
Government Buildings	April 28, 2022 Payroll	124.67
Engineer	April 28, 2022 Payroll	3,619.42
Police	April 28, 2022 Payroll	25,085.09
Building Inspections	April 28, 2022 Payroll	3,599.14
Street Department	April 28, 2022 Payroll	3,996.63
Rec Center	April 28, 2022 Payroll	68.57
Park Department	April 28, 2022 Payroll	4,416.68
Economic Development	April 28, 2022 Payroll	2,023.48
Water Department	April 28, 2022 Payroll	9,338.92
Sewer Department	April 28, 2022 Payroll	3,396.16
Golf Course Grounds	April 28, 2022 Payroll	3,381.03
Golf Course Lounge	April 28, 2022 Payroll	1,953.44
Golf Course Pro Shop	April 28, 2022 Payroll	3,165.07
Golf Course Community Room	April 28, 2022 Payroll	130.21
941 Payroll Taxes	April 28, 2022 Payroll	23,134.84
SD Retirement System Supplemental	April 28, 2022 Payroll	1,140.00
SD Retirement System	April 28, 2022 Payroll	26,259.28
TASC Flex Plan	April 28, 2022 Payroll	1,064.63
Accounts Management	April 28, 2022 Payroll	75.00
Direct Pay Reimbursement	April 28, 2022 Payroll	1,222.00
Direct Pay Reimbursement	April 28, 2022 Payroll	104.00

ORDINANCE #654

Alderswoman Clark moved Alderman Kull seconded to give second reading to Ordinance #654: TITLE: AN ORDINANCE OF THE CITY OF BRANDON, SD, AMENDING CHAPTER 2-3-2, ON-SALE OR OFF-SALE LICENSES: DISTANCE FROM SCHOOL OR CHURCH. A roll call vote showed Clark, Fish, Jorgenson, Kull, Parliament aye; David nay. Motion carried.

ORDINANCE #655

Alderswoman Clark moved Alderman Jorgenson seconded to give second reading to Ordinance #655: TITLE: AN ORDINANCE OF THE CITY OF BRANDON, SD, AMENDING CHAPTER 6-3-8.1 FARMER’S MARKET PERMIT. A roll call vote showed Clark, Fish, Jorgenson, Kull, Parliament aye; David nay. Motion carried.

WATER TREATMENT PLANT BIDS

Alderswoman Clark moved Alderswoman Fish seconded to approve the water treatment plant bid with reverse osmosis system installed. Ben Julson, AE2S, was present for discussion. Ben addressed some misconceptions that may be in the community concerning possible options to connect to Lewis & Clark or MCWC. Ben also addressed resident concerns with water shortages – there are no issues or concerns with water availability. The reverse osmosis system will remove any remaining radium, if there is any radium that passes through the current system. The radium levels are undetectable with the current plant. Ben addressed concerns with the waste associated with a reverse osmosis system, and discussed that water pressure will not be affected. A roll call vote showed Clark, David, Fish, Jorgenson, Kull, Parliament aye. Motion carried.

At 6:27 p.m. on a motion by Alderswoman David seconded by Alderswoman Clark the meeting was adjourned.

CALL TO ORDER OF THE NEW COUNCIL

The Oath of Office was administered by Finance Officer Christina Smith to Mayor Harry Buck; Alderswoman Barb Fish, Ward I and Alderman Colin Steen, Ward III.

Mayor Harry Buck called the new Council to order.

Council members present were Dana Clark, Barb Fish, Tim Jorgenson, David Kull, Jack Parliament and Colin Steen.

Alderswoman Clark moved Alderswoman Fish seconded to approve the agenda. Motion carried.

ELECTION OF COUNCIL PRESIDENT AND VICE PRESIDENT

Alderman Jorgenson moved Alderman Kull seconded to keep Alderswoman Fish as Council President and Alderswoman Clark as Vice President. A roll call vote showed Clark, Fish, Jorgenson, Kull, Steen aye; Parliament nay. Motion carried.

DRAW FOR SEATING

It was the consensus of the Council to not draw for seating.

ORDINANCE #656

A public hearing was held, as advertised, to consider Ordinance #656. Alderman Jorgenson moved Alderwoman Clark seconded to give first reading to Ordinance #656: TITLE: AN ORDINANCE OF THE CITY OF BRANDON, SD, AMENDING THE BRANDON ZONING ORDINANCE, REGARDING NOTICE OF PUBLIC HEARINGS, BY AMENDING CHAPTER 15-19-4 (D), VARIANCES. A roll call vote Clark, Fish, Jorgenson, Kull, Parliament, Steen aye. Motion carried.

ORDINANCE #657

A public hearing was held, as advertised, to consider Ordinance #657. Alderman Jorgenson moved Alderwoman Fish seconded to give first reading to Ordinance #657: TITLE: AN ORDINANCE OF THE CITY OF BRANDON, SD, AMENDING THE BRANDON ZONING ORDINANCE, BY AMENDING CHAPTER 15-21-1 (E), REVIEW AND PUBLIC HEARING PROCEDURES. A roll call vote Clark, Fish, Jorgenson, Kull, Parliament, Steen aye. Motion carried.

2021 OPERATIONS AND MAINTENANCE AWARD FOR WASTEWATER

The City of Brandon was awarded the 2021 Operation and Maintenance Award for its wastewater treatment facility from the Department of Agriculture and Natural Resources.

HIRE SEASONAL STAFF

The Golf Course Committee report was heard. Alderwoman Clark moved Alderman Steen seconded to approve the following seasonal hires for the Golf Course. Motion carried.

Lounge/Beverage Cart: Michelle Suurmeyer, \$7.95 per hour; Ashlie Lohr, \$7.95 per hour

Cleaning Position: Michelle Stellinga, \$20.00 per hour

HIRE POOL STAFF

The Parks & Recreation Committee report was heard. Alderwoman Fish moved Alderman Kull seconded to approve the following pool staff for the 2022 season. Motion carried.

Manager: Tyson Newton, \$17.00 per hour

Assistant Manager: Nick Moeller, \$17.00 per hour

Head Guards: Courtney Moeller, \$16.50 per hour; Elise Meyers, \$16.50 per hour

Lifeguards: Cait Jacobson, \$16.00 per hour; Atleigh Cody, \$16.00 per hour; Carmen Moeller, \$15.00 per hour; Jackson Hegg, \$15.00 per hour; Megan Nustad, \$15.00 per hour; Lucas Johnson, \$15.00 per hour; Ava Mitzel, \$15.00 per hour; Mayer Matthies, \$15.00 per hour; Rachael Spencer, \$15.00 per hour; Elaina Rice, \$15.00 per hour; Matthew Erkonen, \$15.00 per hour; Eva Farley, \$15.00 per hour; Taylor Stemen, \$15.00 per hour; Caitlin Siegfried, \$15.00 per hour; Megan

Erkonen, \$15.00 per hour; Colby Meyer, \$15.00 per hour; Sawyer Linn, \$15.00 per hour; Bella Anders, \$15.00 per hour; Raegan Wiese, \$15.00 per hour; Sidney Van Horn, \$15.00 per hour; Grace Meyerink, \$15.00 per hour; Lucy Peterson, \$15.00 per hour; Mason McManus, \$15.00 per hour; Kenzie Welch, \$15.00 per hour; Sylvia Swenson, \$15.00 per hour

REQUEST FOR CARNIVAL AT MCHARDY PARK

Josh Willprecht, Pastor at Celebration United Methodist Church, was present for discussion. Josh presented their plans to bring a carnival to Brandon, and set up at McHardy Park during the week of May 23-May 30. Alderwoman Fish moved Alderwoman Clark seconded to approve the carnival plans as presented. Motion carried.

IRRIGATION AT ASPEN PARK FIELDS D & E

The Brandon Valley Baseball Association has requested permission to irrigate Fields D & E at Aspen Park. Alderwoman Fish moved Alderman Jorgenson seconded to approve the agreement for irrigation at Aspen Park Fields D & E between the Brandon Valley Baseball Association and the City of Brandon. Motion carried.

HIRE POLICE OFFICER

The Public Safety Committee report was heard. Police Chief Jamie Steffel was present for discussion. Alderwoman Clark moved Alderman Parliament seconded to approve the hiring of Amanda Jeseritz, \$21.43 per hour, as a full-time Police Officer. Motion carried.

DEPOSITORIES

The Administration Committee report was heard. Alderwoman Clark moved Alderwoman Fish seconded to approve the following depositories as presented: First National Bank in Sioux Falls, Sioux Falls, South Dakota; First National Bank in Sioux Falls, Brandon Branch, Brandon, South Dakota; First Interstate Bank Brandon Branch, Brandon, South Dakota; South Dakota Public Funds Investment Trust (FIT), Sioux Falls, South Dakota and Wells Fargo, Brandon Branch, Brandon, South Dakota. Motion carried.

CITY OFFICIALS

Alderwoman Fish moved Alderman Kull seconded to approve the following appointment of City Officials for a 1 year term: City Attorney, Boyce Law Firm, L.L.P., Lisa Marso. Motion carried.

OFFICIAL NEWSPAPER

Alderwoman Fish and Alderman Kull recused themselves from the discussion & vote. Alderwoman Clark moved Alderman Jorgenson seconded to name the Brandon Valley Journal as the official newspaper of the City of Brandon for the next year. A roll call vote showed Clark, Jorgenson, Parliament, Steen aye. Motion carried.

PARK ADVISORY COMMITTEE APPOINTMENT

Alderwoman Fish moved Alderman Jorgenson seconded to approve the appointment of Al Kirkeby to a 4 year term on the Park Advisory Committee. Motion carried.

PLANNING AND ZONING APPOINTMENTS

Alderman Jorgenson moved Alderman Kull seconded to approve the appointments of Thomas Nichols and Rob Schoeneman to 3 year terms on the Planning & Zoning Commission. Motion carried.

REVOLVING LOAN FUND FOUNDATION APPOINTEE

Alderman Kull moved Alderwoman Fish seconded to approve the appointment of Alderman Jorgenson to serve a 2 year term on the Brandon Revolving Loan Fund. Motion carried.

LIBRARY COMMITTEE APPOINTMENT

Alderman Jorgenson moved Alderman Parliament seconded to approve the appointment of Alderman Kull to the Library Committee. Motion carried.

MAYORAL APPOINTMENTS

Mayor Harry Buck made the following Committee Appointments, no Council action required.

- Golf Course – Jack Parliament
- Park & Recreation – Barb Fish
- Public Safety – Dana Clark
- Administration – Dave Kull
- Streets – Tim Jorgenson
- Water & Sewer – Colin Steen
- Audit Committee – Dana Clark and Dave Kull

RESOLUTION #14-22

Alderwoman Clark moved Alderwoman Fish seconded to approve Resolution #14-22. A roll call vote showed Clark, Fish, Jorgenson, Kull, Parliament, Steen aye. Motion carried.

RESOLUTION NO. 14-22

RESOLUTION GIVING APPROVAL TO THE ISSUANCE AND SALE OF WATER SURCHARGE REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED NINETEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$19,500,000) OF THE CITY OF BRANDON OF MINNEHAHA COUNTY, SOUTH DAKOTA, APPROVING THE FORM OF THE BONDS AND PLEDGING CERTAIN REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE BONDS; AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS.

WHEREAS, one of the purposes of SDCL Chapter 9-40 (the “Act”) as found and determined by the legislature is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of any system of waterworks for the purpose of providing water and water supply for domestic, municipal, together with extensions, additions, and necessary appurtenances; and,

WHEREAS, a municipality is authorized by Section 6 of the Act to issue revenue bonds to defray the cost of extensions, additions and improvements to any utility previously owned

without pledging its credit and is authorized to pledge the net income or revenues from the Project in accordance with Section 15 of the Act; and,

WHEREAS, the City of Brandon (the “City”) currently operates a water distribution system to supply municipal, industrial and domestic water to its inhabitants and has determined that improvements to the drinking water facilities are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its drinking water system; and,

WHEREAS, the City has determined to issue its revenue bonds to finance the improvements to its system of waterworks for the purpose of providing water and water supply for domestic, municipal, and industrial purposes (the “System”) to finance the City’s Water Treatment Plant Expansion Project;

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 COUNCIL OF THE CITY OF BRANDON OF MINNEHAHA COUNTY, AS FOLLOWS:

ARTICLE I. DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Bond Resolution, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

“Act” means collectively SDCL Chapter 9-40, as amended.

“Additional Bonds” means the additional parity bonds authorized to be issued by the City.

“Authorized Officer of the City” means the Mayor and the Finance Officer, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the City then authorized to perform such act or discharge such duty.

“Bonds” means collectively not to exceed \$19,500,000 in aggregate principal amount of Water Surcharge Revenue Bonds, Series 2022, dated Closing Date, or such other designation or date as shall be determined by the City Council pursuant to Section 8.1 hereof, authorized and issued under the Bond Resolution.

“Bond Counsel” means Meierhenry Sargent LLP, a firm of attorneys recognized as having experience in matters relating to the issuance of state or local governmental obligations.

“Bond Payment Date” means each date on which interest, or both principal and interest, shall be payable on the Bonds so long as any of the Bonds shall be outstanding.

“Bond Purchase Agreement” means the Bond Purchase Agreement authorized pursuant to and described in Section 8.1 hereof by and between the City and the Underwriter.

“Bond Resolution” means this Resolution as it may be amended from time to time.

“Bondholder”, “Holder” and “Registered Owner” means the registered owner of a Bond, including any nominee of a Depository.

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository or to its

nominee as Registered Owner, with the certificated certificates being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the City or the Paying Agent and Registrar, constitute the written record that identifies, and records the transfer of the beneficial “book-entry” interests in those Bonds.

“City” means the City of Brandon, Minnehaha County, South Dakota.

“City Council” means the City Council of the City elected pursuant to the provisions of the South Dakota Codified Laws Title 9.

“City of Brandon” means the City of Brandon, Minnehaha County, South Dakota.

“Closing Date” means the date of delivery and payment of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

“Costs of Issuance” means all costs, fees, charges and expenses incurred in connection with the issuance of the Bonds, including costs for bond insurance and rating agency fees.

“Debt” means (1) indebtedness of the City for borrowed money or for the deferred purchase price of property or services, and expressly including the obligation to pay principal and interest on or with respect to revenue bonds, (2) the obligation of the City as lessee under leases which should be recorded as capital leases under generally accepted accounting principles, and (3) obligations of the City under direct or indirect guarantees in respect of, and obligations, contingent or otherwise, to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in subdivisions (1) and (2) above.

“Depository” means any securities depository that is a clearing agency under federal laws operating and maintaining, with its participants or otherwise, a Book-Entry System, including, but not limited to DTC.

“DTC” means the Depository Trust Company, a limited purpose company organized under the laws of the State of New York, and its successors and assigns.

“DTC Participant(s)” means securities brokers and dealers, banks, trust companies and clearing corporations that have access to the DTC system.

“Finance Officer” means the Finance Officer of the City appointed pursuant to the provisions of South Dakota Codified Laws Title 9 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Mayor and approved by the City Council to perform the duties otherwise performed by the Finance Officer, or his/her designee.

“Interest Payment Date” means each date on which interest shall be payable on the Bonds so long as any of the Bonds shall be outstanding.

“Issuer” shall mean the City of Brandon, South Dakota.

“Letter of Representation” means the Blanket Issuer Letter of Representations to DTC of the City.

“Mayor” means the Mayor elected pursuant to the provisions of the SDCL 9-13 or his or her designee acting on his or her behalf pursuant to the Charter.

“Obligor” shall mean the City of Brandon, South Dakota.

“Official Statement” and “Preliminary Official Statement” means that Official Statement and Preliminary Official Statement described in Section 8.2 hereof pertaining to the sale of the Bonds.

“Original Issue Discount or OID” means an amount by which the par value of a security exceeds its public offering price at the time of its original issuance.

“Original Issue Premium or OIP” means the amount by which the public offering price of a security at the time of its original issuance exceeds its par value.

“Outstanding,” “Bonds Outstanding,” or “Outstanding Bonds” means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the City at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the City for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registrar and Paying Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the City is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide Underwriter, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VII of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

“Paying Agent and Registrar” means U.S. Bank Trust Company, National Association, St. Paul, Minnesota, its successor or successors, hereafter appointed in the manner provided in Article VI hereof.

“Person” means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“President” means the President of the City Council who may act for the Mayor in the absence of the Mayor.

“Project” means the City’s Water Treatment Plant Expansion Project and any other System improvements financed with the proceeds of the Bonds.

“Purchase Agreement” means the Bond Purchase Agreement authorized pursuant to and described in Section 8.1 hereof by and between the City and the Underwriter.

“Rating Agency” means one or more of the following rating agencies: S&P Global Ratings, Moody's Investors Service Inc. and Fitch IBCA, Inc.

“Record Date” means the dates preceding an Interest Payment Date upon which the Holder will be determined for payment purposes.

“Registrar and Paying Agent” means U.S. Bank Trust Company, National Association, St. Paul, Minnesota, its successor or successors, hereafter appointed in the manner provided in Article VI hereof.

“Reserve Requirement” means an amount equal to the least of 10 percent of the stated principal amount of the Bonds, the maximum annual principal and interest requirements on the Bonds, or 125 percent of the average annual principal and interest requirements on the Bonds.

“Resolution” means this Bond Resolution.

“Schedule” means the schedule which indicates the principal and interest payments on the Bonds.

“System” means the City’s water utility system (the “Utility System”) which provides waterworks for the purpose of providing water and water supply for municipal, industrial, and domestic purposes and has determined that improvements to the waterworks are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its waterworks system.

“Underwriter” means D.A. Davidson & Co., acting for and on behalf of itself and such securities dealers as they may designate.

Section 1.2. References to Resolution. The words “hereof”, “herein”, “hereunder”, and other words of similar import refer to this Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc. References to Articles, Sections, and other subdivisions of this Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Bond Resolution as originally adopted.

Section 1.4. Headings. The headings of this Bond Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II. DECLARATION AND FINDINGS

Section 2.1. Declaration of Necessity. The City hereby declares and determines it is necessary to construct and finance improvements to its drinking water facilities within its System described as the Project.

Section 2.2. Findings. It is hereby found and determined by the City Council as follows:

- A) 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.
- B) 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 and the federal Safe Drinking Water Act, and the nature of the improvements financed, the City hereby finds and determines that the Project will substantially benefit the entire System and all of its users within the meaning of Sections 15 and 17 of the Act.

C) The City hereby determines and finds that for the purposes of the Act, including, in particular, Sections 15 and 17 of the Act, that only the net income from the Project financed by the Revenue Bonds be pledged for payment.

ARTICLE III. AUTHORITY, PLEDGE, RATES AND CHARGES AND ACCOUNTS

Section 3.1. Authority. In order to provide funds to finance a portion of the costs for constructing the Project and pay the costs of issuance of the Bonds there shall be issued pursuant to, and in accordance with, the provisions of the Act, this Bond Resolution, and other applicable provisions of law, Water Surcharge Revenue Bonds, Series 2022 of the City in the aggregate principal amount of not to exceed \$19,500,000.

Section 3.2. Special Charge or Surcharge for Revenue Bonds.

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 SDCL § 9-40-15 for the services provided by Project financed by the Bonds. The special charge or surcharge shall be segregated from other revenues of the System and shall be used for the payment of the Bond (the “Pledged Revenues”). 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 Bond (the “Rate Covenant”).

A) Rates and collection. The rate herein specified 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 Bonds are defeased or paid in full.

B) Surcharge. The 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 be in such amounts as will produce sufficient revenue to pay principal of and interest on the Bonds when due.

C) 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.

D) 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 rate covenant and to pay principal of, and interest on the Bonds 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 3.3. Accounts. 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.

Section 3.4. Periodic review. The amount of the surcharge shall be reviewed from time to time, not less than yearly, and shall be modified in order to produce such funds as are necessary and required to comply with any rate covenant or reserve requirement and to pay principal of and interest the on Bonds 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 3.5. Project Fund Accounts. For the purpose of application and proper allocation of the income of the Project and to secure the payment of principal and interest on the Bonds, the following mandatory asset segregations shall be included in the water system account of the City and shall be used solely for the following respective purposes until payment in full of the principal and interest on the Bonds:

(a) Projects Revenue Account. There shall be deposited periodically into the Project Revenue Account the net revenues as defined in SDCL 9-40-17 derived from the operation of the Project collected pursuant to the resolutions and ordinances of the City (collectively the “Rate Resolution”). Moneys from the Project Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

(b) 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 and/or interest payment on the Bonds.

(c) 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 City Council to be a proper and adequate amount for repair and depreciation of the Project.

(d) Reserve Account. If required by the Bond Purchase Agreement, there shall be established a Reserve Account which shall be funded upon issuance of the Bonds in an amount equal to the Debt Service Requirement. Thereafter, the City shall maintain the Reserve Account at the Debt Service Reserve Requirement. The City may use a surety bond to fund the Reserve Account.

(e) 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 City Council shall authorize the City Finance Officer to rectify such default so far as possible by the transfer of money from the Project Surplus Account. If any such default shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above.

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

(i) To redeem and prepay the Bonds when and as such Bonds become prepayable according to the terms of such Bonds;

(ii) 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:

(a) 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

(b) To be used for any other authorized municipal purpose designated by the City Council;

(iii) 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.

ARTICLE IV. FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 4.1. Authorized Bonds. The aggregate principal amount of Bonds that may be issued under this Bond Resolution shall not exceed Nineteen Million Five Hundred Thousand Dollars (\$19,500,000).

Section 4.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered Bonds, without coupons, in any denomination. All Bonds issued under the Resolution shall be substantially in the form set forth in Exhibit A attached hereto, and by this reference incorporated herein as fully as though copied.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Finance Officer, and approved as to form and countersigned by a resident attorney by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such bond, were the proper officers of the City to sign such bond, although on the date of the adoption by the City of this Resolution, such individuals may not have been such officers.

Section 4.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall become due and payable as set forth in the Bond Purchase Agreement.

(b) The Bonds shall be designated “Water Surcharge Revenue Bonds, Series 2022” or such other designation as shall be determined by the City Council pursuant to Section 8.1 hereof. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds are paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months unless otherwise provided by the Bond Purchase Agreement) being payable on Interest Payment Dates. Interest on each Bond shall be paid by wire transfer, check or draft of the Paying Agent, payable in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the Record Date. The principal of the Bond shall be payable in lawful money of the United States of America at the principal office of the Paying Agent on the Bond Payment Date. Each Bond shall state that it is issued pursuant to the Act.

The Registrar and Paying Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registrar and Paying Agent as of the close of business on the Record Date by wire transfer, check or draft mailed to such owners at their addresses shown on said bond registration records, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registrar and Paying Agent as the same shall become due and payable.

Section 4.4. Additional Bonds. The City may issue additional bonds (the “Parity Bonds”) payable from the Pledged Revenues and having a lien upon such revenues on a parity with the Bonds and the Outstanding Parity Bonds as set forth in the Bond Purchase Agreement.

Section 4.5. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 4.6. Registration, Transfer and Exchange of Bonds. (a) The Bonds are transferable only by presentation to the Paying Agent and Registrar by the registered owner, or his legal representative duly authorized in writing, of the registered bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the bond(s) in such form and with such documentation, if any, the Paying Agent and Registrar shall issue a new bond or bonds to the assignee(s) in \$5,000 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Paying Agent and Registrar shall not be required to transfer or exchange any bond during the period commencing on a Record Date and ending on the corresponding interest payment date of such bond, nor to transfer or exchange any bond after the publication of notice calling such bond for redemption has been made, nor to transfer or exchange any bond during the period following the receipt of instructions from the City to call such bond for redemption; provided, the Paying Agent and Registrar, at its option, may make transfers after any of said dates. No charge shall be

made to any registered owner for the privilege of transferring any Bonds, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Paying Agent and Registrar shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Paying Agent and Registrar, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

(b) Except as otherwise provided in this subsection or in the Bond Purchase Agreement, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. References in this Section to a Bond or the Bonds shall be construed to mean the Bond or the Bonds that are held under the Book-Entry System. One Bond for each maturity shall be issued to DTC and immobilized in its custody. Unless otherwise provided herein, a Book-Entry System shall be employed, evidencing ownership of the Bonds in authorized denominations, with transfers of beneficial ownership affected on the records of DTC and the DTC Participants pursuant to rules and procedures established by DTC.

Each DTC Participant shall be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are herein referred to as the "Beneficial Owners." The Beneficial Owners shall not receive the Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner shall be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds shall be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. **SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE BONDS, THE PAYING AGENT AND REGISTRAR SHALL TREAT CEDE & CO., AS THE ONLY HOLDER OF THE BONDS FOR ALL PURPOSES UNDER THIS RESOLUTION, INCLUDING RECEIPT OF ALL PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE PAYING AGENT AND REGISTRAR TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THIS BOND RESOLUTION.**

Payments of principal, interest, and redemption premium, if any, with respect to the Bonds, so long as DTC is the only owner of the Bonds, shall be paid by the Paying Agent and Registrar directly to DTC or its nominee, Cede & Co., as provided in the Letter of Representation. DTC shall remit such payments to DTC Participants, and such payments thereafter shall be paid by DTC Participants to the Beneficial Owners. Neither the City nor the Paying Agent and Registrar shall be responsible or liable for payment by DTC or DTC Participants, for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

In the event that (1) DTC determines not to continue to act as securities depository for the Bonds or (2) the City determines that the continuation of the Book-Entry System of evidence and transfer of ownership of the Bonds would adversely affect their interests or the interests of the Beneficial Owners of the Bonds, the City may discontinue the Book-Entry System with DTC. If the City fails to identify another qualified securities depository to replace DTC, the City shall cause the Paying Agent and Registrar to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

NEITHER THE CITY NOR THE PAYING AGENT AND REGISTRAR SHALL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE BONDS; (ii) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (iii) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; (iv) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER THAT IS REQUIRED OR PERMITTED UNDER THE TERMS OF THIS BOND RESOLUTION TO BE GIVEN TO BENEFICIAL OWNERS, (v) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (vi) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

SO LONG AS A BOOK-ENTRY SYSTEM OF EVIDENCE OF TRANSFER OF OWNERSHIP OF ALL THE BONDS IS MAINTAINED IN ACCORDANCE HEREWITH, THE PROVISIONS OF THIS RESOLUTION RELATING TO THE DELIVERY OF PHYSICAL BOND CERTIFICATES SHALL BE DEEMED INAPPLICABLE OR BE OTHERWISE SO CONSTRUED AS TO GIVE FULL EFFECT TO SUCH BOOK-ENTRY SYSTEM. IF THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL BE IN CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION AS SAID PROVISIONS RELATE TO DTC, THE PROVISIONS OF THE LETTER OF REPRESENTATION SHALL CONTROL.

Section 4.7. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the City may execute, and upon the request of an Authorized Officer of the City the Registrar and Paying Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the City and the Registrar and Paying Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the City and the Registrar and Paying Agent may

require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the City and the Registrar and Paying Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the City may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorney's fees, incurred by the City and the Registrar and Paying Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the City and the Registrar and Paying Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the City and the Registrar and Paying Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the City (whether or not the destroyed, lost, or stolen bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 4.8. Authentication. The Registrar and Paying Agent is hereby authorized to authenticate and deliver the Bonds to the Underwriter or as it may designate upon receipt by the City of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registrar and Paying Agent by the manual signature of an officer thereof on the certificate set forth herein on the bond form.

Section 4.9. Qualification for DTC. The Paying Agent and Registrar is hereby authorized to take such actions as may be necessary from time to time to qualify and maintain the Bonds for deposit with DTC, including but not limited to, wire transfers of interest and principal payments with respect to the Bonds, utilization of electronic book entry data received from DTC in place of actual delivery of Bonds and provision of notices with respect to Bonds registered by the DTC (or any of its designees identified to the Paying Agent and Registrar) by overnight delivery, courier service, telegram, telecopy or other similar means of communication. No such arrangements with DTC may adversely affect the interest of any of the Owners of the Bonds, provided, however, that the Paying Agent and Registrar shall not be liable with respect to any such arrangements it may make pursuant to this section.

Section 4.10. Rating Agency. The City is authorized to enter into an agreement with a Rating Agency as may be required under the Purchase Agreement. Any terms or conditions of the Rating Agency shall be attached to this Resolution and incorporated herein as if stated in full.

Section 4.11. Dissemination Agent. The City authorizes the Authorized Officer of the City to retain a dissemination agent with regard to the written undertaking authorized in Section 9.7 hereof.

Section 4.12. Underwriter. The City has retained D.A. Davidson & Co., Omaha, Nebraska, as Underwriter for the Bonds.

Section 4.13. Bond Counsel. The Mayor and Finance Officer are authorized to retain Meierhenry Sargent LLP as Bond Counsel upon such terms as they approve.

Section 4.14. Bond Insurance and Surety Insurance. If it is determined to obtain municipal bond insurance with respect to the Bonds, the Mayor and Finance Officer are authorized to take all actions necessary to obtain such municipal bond insurance for all or a portion of the Bonds and/or a surety bond or bonds with respect to all or a portion of the reserve requirement, if any, with respect to the Bonds and/or any and all outstanding bonds issued pursuant to the Resolution.. The Mayor and Finance Officer are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and Finance Officer including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein. Any provisions which may be required by the bond insurer to be included in this Resolution shall be attached hereto and be included herein as if stated in full.

ARTICLE V. REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.1. Optional Redemption and Mandatory Redemption. The Bonds shall be redeemable as set forth in the Bond Purchase Agreement.

Section 5.2. Notice of Redemption. Notice of call for redemption, whether optional or mandatory, shall be given by the Registrar and Paying Agent on behalf of the City not less than thirty (30) nor more than sixty (60) days prior to the date fixed for redemption by sending an appropriate notice to the registered owners of the to be redeemed by first-class mail, postage prepaid, at the addresses shown on the bond registration records of the Registrar and Paying Agent as of the date of the notice; but neither failure to mail such notice nor any defect in any such notice so mailed shall affect the sufficiency of the proceedings for redemption of any of the Bonds for which proper notice was given. As long as DTC, or a successor depository, is the registered owner of the Bonds, all redemption notices shall be mailed by the Registrar and Paying Agent to DTC, or such successor Depository, as the registered owner of the Bonds, as and when above provided, and neither the City nor the Registrar and Paying Agent shall be

responsible for mailing notices of redemption to DTC Participants or Beneficial Owners. Failure of DTC, or any successor depository, to provide notice to any DTC Participant or Beneficial Owner will not affect the validity of such redemption. The Registrar and Paying Agent shall mail said notices, in the case of mandatory redemption of term Bonds, as and when provided herein and in the Bonds, and, in the case of optional redemption, as and when directed by the City pursuant to written instructions from an Authorized Representative of the City given at least forty-five (45) days prior to the redemption date (unless a shorter notice period shall be satisfactory to the Registrar and Paying Agent).

Section 5.3. Payment of Redeemed Bonds. (a) If notice of redemption shall have been given in the manner and under the conditions provided in Section 5.2 hereof and if on the date so designated for redemption the Registrar and Paying Agent shall hold sufficient monies to pay the redemption price of, and interest to the redemption date on, the Bonds to be redeemed as provided in this Resolution, then: (1) the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date; (2) interest on the Bonds so called for redemption shall cease to accrue; and, (3) such Bonds shall no longer be Outstanding or secured by, or be entitled to, the benefits of this Resolution, except to receive payment of the redemption price thereof and interest thereon from monies then held by the Registrar and Paying Agent.

(b) If on the redemption date, monies for the redemption of all Bonds or portions thereof to be redeemed, together with interest thereon to the redemption date, shall not be held by the Registrar and Paying Agent so as to be available therefor on such date, the Bonds or portions thereof so called for redemption shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption and shall continue to be secured by and be entitled to the benefits of this Resolution

ARTICLE VI. REGISTRAR AND PAYING AGENT

Section 6.1. Appointment and Acceptance of Duties.

(a) The City hereby authorizes the Finance Officer to appoint the Registration and Paying Agent with respect to the Bonds and authorizes and directs the Registrar and Paying Agent to maintain bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the City, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer and to furnish the City at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The Mayor and the Finance Officer, or either of them is hereby authorized to execute and the Finance Officer is hereby authorized to attest such written agreement between the City and the Registrar and Paying Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registrar and Paying Agent. The payment of all reasonable fees and expenses of the Registrar and Paying Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 6.2. Permitted Acts and Functions. The Registrar and Paying Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registrar and Paying Agent. The Registrar and Paying Agent may act as a Underwriter or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the City.

Section 6.3. Resignation or Removal of the Registrar and Paying Agent and Appointment of Successors.

(a) The Registrar and Paying Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Finance Officer. The Registrar and Paying Agent may be removed at any time by the Finance Officer, provided that such removal does not constitute a breach of any contractual agreement with any such Registrar and Paying Agent, by filing written notice of such removal with such Registrar and Paying Agent. Any successor Registrar and Paying Agent shall be appointed by the Mayor and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-Five Million Dollars (\$75,000,000), willing to accept the office of Registrar and Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registrar and Paying Agent, such Registrar and Paying Agent shall pay over, assign and deliver any monies and securities held by it as Registrar and Paying Agent, and all books and records and other properties held by it as Registrar and Paying Agent, to its successor, or if there be no successor then appointed, to the Finance Officer until such successor be appointed.

Section 6.4. Merger or Consolidation of Registrar and Paying Agent.

Any corporation or association into which the Registrar and Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registrar and Paying Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the Finance Officer shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 6.3 hereof.

ARTICLE VII. DEFEASANCE OF BONDS

Section 7.1. Defeasance of Bonds. If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registrar and Paying Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers (“an Agent”; which Agent may be the Registrar and Paying Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registrar and Paying Agent, for cancellation by it; and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registrar and Paying Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registrar and Paying Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registrar and Paying Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registrar and Paying Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Registrar and Paying Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any

agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under South Dakota Law for the purposes described in this Section, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

ARTICLE VIII. SALE OF BONDS, DEPOSIT OF PROCEEDS AND TAX MATTERS

Section 8.1. Sale of Bonds. The Bonds shall be sold to the Underwriter at a price set forth in the Bond Purchase Agreement. The Mayor and Finance Officer, or either of them, in consultation with the Underwriter, is authorized to make such changes in the structuring of the terms and sale of the Bonds as they shall deem necessary. In this regard, they, or either of them, in consultation with the Underwriter, are authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein, to sell in one or more series at the same or different dates, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The form of the Bond set forth in Exhibit A attached hereto shall be conformed to reflect any changes, if any, as hereinbefore mentioned. The Mayor and Finance Officer, or either of them, are hereby authorized to execute and the Finance Officer is authorized to attest the Bond Purchase Agreement with the Underwriter providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in form and content acceptable to the Mayor and Finance Officer, the execution thereof by either of them to constitute conclusive evidence thereof, and approved as to form and legality by Bond Counsel; provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this Resolution, and is not inconsistent with the terms hereof. The Mayor and Finance Officer are authorized to cause the Bonds to be authenticated and delivered by the Registrar and Paying Agent to the Underwriter and to execute, publish, and deliver all certificates and documents, including the Official Statement, and closing certificates and documents, as they shall deem necessary in connection with the sale and delivery of the Bonds. Bond Counsel is authorized to release the Bonds in any closing.

Section 8.2. Official Statement. If the Bonds are sold to the Underwriter, the Mayor, Finance Officer, and the Underwriter are hereby authorized and directed to provide for the preparation and distribution of a Preliminary Official Statement describing the Bonds (the "Preliminary Official Statement"). After the Bonds have been sold, the Mayor and Finance Officer shall make such completions, omissions, insertions and changes in the Preliminary Official Statement not inconsistent with this Resolution as are necessary or desirable to complete it as a final Official Statement for purposes of Rule 15c2-12(e)(3) of the Securities and Exchange Commission. To comply with paragraph (b) (3) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule") and with Rule G-32 City agrees to deliver to the Underwriter, the Official Statement (which shall be a final official statement, as such term is defined in the Rule, as of its date) in an electronic format as prescribed by the MSRB.

Section 8.3. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds, combined with interest earnings, shall be deposited and credited in the fund and accounts as prescribed by the South Dakota Department of Legislative Audit and will be used by the City to finance the Project and pay costs of issuance.

Section 8.4. Tax Matters.

(a) The City covenants and agrees with the registered owners from time to time of the Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Bonds to become includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the “Regulations”), and covenants to take any and all actions within its powers to ensure that the basic interest on the Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

(b) The Mayor and the Finance Officer, being the officers of the City charged with the responsibility for issuing the Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Underwriter thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds, it is reasonably expected that the proceeds of the Bonds will be used in a manner that would not cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and the Regulations.

(c) The City hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

(d) The City shall file with the Secretary of the Treasury a statement concerning the Bonds containing the information required by Section 149(e) of the Code.

ARTICLE IX. MISCELLANEOUS

Section 9.1. Failure to Present Bonds.

(a) Subject to the provisions of Section 4.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registrar and Paying Agent for the benefit of the Owner thereof, all liability of the City to such Owner for the payment of such Bond shall forthwith cease, determine, and be completely discharged. Whereupon, the Registrar and Paying Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registrar and Paying Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the City any monies then held by the Registrar and Paying Agent for the payment of such Bond and

such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the City.

Section 9.2. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond, or the date fixed for redemption of any Bond, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registrar and Paying Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registrar and Paying Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 9.3. Miscellaneous Acts. The appropriate officers of the City are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the City of the Bonds.

Section 9.4. Amendment. The City Council is hereby authorized to make such amendments to this Bond Resolution as will not impair the rights of the Bondholders.

Section 9.5. No Recourse Under Bond Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the City contained in this Resolution or any supplemental resolutions shall be deemed to be the stipulations, promises, agreements, and obligations of the City and not of any officer, director, or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Resolution against any officer, director, or employee of the City or against any official or individual executing the Bonds.

Section 9.6. Partial Invalidity. If any one or more of the provisions of this Bond Resolution, or of any exhibit or attachment thereto, 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, or of any exhibit or attachment thereto, but this Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 9.7. Continuing Disclosure.

The City hereby covenants and agrees that it will provide financial information and material event notices as required by Rule 15c2-12 of the Securities Exchange Commission for the Bonds. The Mayor is authorized to execute at the Closing of the sale of the Bonds, an agreement

for the benefit of and enforceable by the owners of the Bonds specifying the details of the financial information and material event notices to be provided and its obligations relating thereto. Failure of the City to comply with the undertaking herein described and to be detailed in said closing agreement, shall not be a default hereunder, but any such failure shall entitle the owner or owners of any of the Bonds to take such actions and to initiate such proceedings as shall be necessary and appropriate to cause the City to comply with its undertaking as set forth herein and in said agreement, including the remedies of mandamus and specific performance.

Section 9.8. Post Issuance Compliance. The City does hereby adopt Meierhenry Sargent Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure with regard to the Bonds attached hereto. The City appoints the Finance Officer as its chief post issuance compliance officer.

Section 9.9. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 9.10. Effective Date. This Bond Resolution shall take effect from and after its adoption, the welfare of the City requiring it.

The above and foregoing resolution was moved for adoption by Clark, seconded by Fish and upon roll call vote, Clark, Fish, Jorgenson, Kull, Parliament, Steen voted aye, none voted nay, Absent: none

whereupon the Mayor declared this Resolution to be duly passed and adopted.

Mayor – Harry Buck

Attest:

Finance Officer – Christina Smith

ORGANIZATIONAL CHART

Alderman Clark moved Alderman Kull seconded to adopt the Organizational Chart, as presented. Motion carried.

RESOLUTION #15-22

Alderman Kull moved Alderman Fish seconded to approve Resolution #15-22. A roll call vote showed Clark, Fish, Jorgenson, Kull, Parliament, Steen aye. Motion carried.

RESOLUTION #15-22

AUTHORIZED AGENTS TO SIGN PLATS

WHEREAS, Chapter 11-3 Platting of Townsites, Additions and Subdivisions provides for the process to approve plats within a municipality; and

WHEREAS, SDCL 11-3-6 provides that the City Council may by resolution designate an administrative official of the municipality to approve plats in lieu of approval by the governing body; and

WHEREAS, the Brandon City Council adopted Resolution #18-19 designating certain officials to sign plats.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Brandon, South Dakota that the following be designated as administrative officials to sign plats:

Authorized Agents for the City Council:

City Administrator
Development Director
Finance Officer

Authorized Agents for the Planning and Zoning Commission:

Development Director
Building Official
Building Inspection Clerk

Authorized Agents for the Finance Officer

Finance Officer
Assistant Finance Officer

Authorized Agents for the City Engineer

City Engineer
Public Works Director

Authorized Agents for the Road Authority

City Engineer
Public Works Director

Adopted this ____ day of _____, 2022.

Harry Buck
Mayor

ATTEST:

Christina Smith
Finance Officer

CIP MEETINGS

A CIP meeting is scheduled for May 23, 2022 at 3:00pm.

COMMUNICATIONS

A communications report was presented showing dates that messages were sent to the public via Textedly, Facebook, mailings and BV Journal articles. No action required.

CHESTNUT RIDGE CONCEPT PLAN

A concept plan was presented for Chestnut Ridge Addition Development. Nick VanOvershelde, VanOvershelde Companies, 2604 W. Bitterroot Street, Sioux Falls, was present for discussion. Nick is the developer for Chestnut Ridge Addition. No action required.

2022 HEALTH INSURANCE RENEWAL

Alderman Parliament moved Alderman Steen seconded to approve the renewal of the City's current health insurance with Wellmark in June 2022. Motion carried.

ENCORE PARK SUBDIVISION CONSTRUCTION AGREEMENT

Alderman Parliament moved Alderman Jorgenson seconded to approve the Subdivision Construction Agreement between Encore Park, LLC. and the City of Brandon, SD, as presented. Motion carried.

The Streets Committee and Water & Sewer Committee reports were heard.

At 7:34 p.m. Alderman Kull moved Alderwoman Clark seconded to go into executive session to discuss potential litigation, per SDCL 1-25-2.3. Motion carried. At 7:41 p.m. Mayor Buck declared the executive session ended.

At 7:41 p.m. on a motion by Alderwoman Clark seconded by Alderman Jorgenson the meeting was adjourned. Motion carried.

Melissa Labahn
Municipal Recording Clerk

Harry Buck
Mayor