

**Bridgewater City Council Regular Meeting Minutes  
December 10, 2019 7:00 pm**

The City Council of the City of Bridgewater met in the Council Room for their regular meeting on Tuesday 12/10/19. The meeting was called to order at 7:00 pm by President Travis Holthaus. Answering roll call were Bob Anderson (arrived at 7:07), Tony Hofer, Travis Holthaus, Lacey Weber, Alicen Strombeck, and Mark Vondra. Others present: Finance Officer-Joan Julson, Maintenance-Todd Letcher, Jim Julson, Trent Bruce (DGR Engineering), and Mike Damm.

Pledge of Allegiance was recited.

The minutes of last month's meetings were sent to the council for reading prior to the meeting. Motion by Weber, second by Strombeck to approve the November 4<sup>th</sup> regular meeting minutes. All present voted aye. Motion carried.

The November Financial statement was sent out to the council for reviewing prior to the meeting. After discussion, a motion was made by Hofer, second by Vondra to approve the November Financial Statement. All present voted aye. Motion carried. 2<sup>nd</sup> reading of Supplemental Budget Ordinance A-108 was done. Motion by Weber, second by Strombeck to approve and pass Supplemental Budget Ordinance A-108. All present voted aye. Motion carried. (Printed in the 12/12/19 issue of the Bridgewater Tribune.) Motion by Weber, second by Vondra to approve Resolution 19-1210A – Contingency Transfer. All present voted aye. Motion carried.

**City of Bridgewater  
Resolution #19-1210A**

**RESOLUTION APPROVING CONTINGENCY TRANSFER**

*WHEREAS, insufficient appropriation was made in the 2019 adopted budget for the following departments to discharge just obligations of said appropriations; and*

*WHEREAS, SDCL 9-21-6.1 provides that transfers be made by resolution of the board from the contingency appropriations established pursuant to SDCL 9-21-6.1 to other appropriations;*

*THEREFORE, BE IT RESOLVED that the appropriations be transferred from the contingency budget to the following department budgets:*

101-41110-42200	Council	Prof Services	\$ 250.00
101-43150-42600	Storm Sewer	Supplies	\$ 600.00
101-43240-41100	Landfill/Rubble Site	Salaries/Wages	\$ 500.00
101-44140-42600	City Wide Clean-Up	Supplies	\$ 100.00
101-45200-41100	Parks	Salaries/Wages	\$ 700.00
101-45200-42500	Parks	Repairs	\$ 800.00
101-45200-43400	Parks	Machinery/Equip	<u>\$ 700.00</u>
		TOTAL	\$3650.00

*Dated this 10<sup>th</sup> day of December, 2019.*

*Resolution passed: 6 votes in favor; 0 votes opposed; 0 absent.*

Travis Holthaus

Council President

ATTEST:

Joan M Julson

Finance Officer

(SEAL)

The bills for the month of November were reviewed. A motion was made by Weber, second by Strombeck to approve the November bills. All present voted aye. Motion carried.

Maintenance report by Letcher. Burned tree pile at the tree dump and doing lagoon work. Anderson & Letcher also brought up our current 1968 Cat Maintainer is in need of a clutch & tires (estimated cost to be \$7000+ for both). With all the street work coming up this spring, SD Federal Surplus does have a 1985 Caterpillar 130G Motor Grader w/hydraulics (1968 has no hydraulics) for \$16,000 and wonders

whether we should maybe look at it to possibly upgrade instead of spending money on the 1968 Caterpillar. The 1968 could be surplused and put out for bids and the savings of not doing the repairs, would offset the cost of the 1985. Council agreed that we should atleast check it out.

At 7:15 council recessed and reconvened as Board of Adjustment. President Holthaus opened the Public Hearing for Todd & Jill Letcher's variance. Letcher explained that he would like to add on an 18' X 30' addition to the northeast corner of his home and that it would project 8 feet into the 25 foot setback thus the need for an 8 foot variance. It would not obstruct the corner visibility since it is on the northeast corner of the house. After discussion and no one coming forward with any comments or concerns with the 8' variance, a motion was made by Hofer, seconded by Anderson to pass Resolution 19-1210B granting the eight (8) foot house addition variance to Todd & Jill Letcher. Roll call vote taken and all present voted aye. Motion carried. Variance will be filed with the county at the owner's expense.

**CITY OF BRIDGEWATER  
RESOLUTION #19-1210B**

**WHEREAS**, a request has been made by Todd & Jill Letcher, owners of real estate described in Attachment 1 hereto for a variance as to the real property described in Attachment 1, for the purposes therein contained, and good cause appearing,

**IT IS HERBY RESOLVED** that the Mayor or City Council President is directed to execute the variance contained in Attachment 1 and cause it to be filed with the McCook County Register of Deeds, all at the expense of the owners of the real estate.

Dated this 10<sup>th</sup> day of December, 2019.

6 Votes in favor      0 Votes opposed      0 Absent

CITY OF BRIDGEWATER

By: Travis Holthaus

Mayor or Council President

ATTEST:

Joan M Julson

Finance Officer

(SEAL)

At 7:26 Board of Adjustment Public Hearing was declared over. Council reconvened

Public Input: Weber brought up that she was asked about the foosball table that used to be in the bar and what we were going to do with it. Since it hasn't been used for quite awhile, a motion was made by Anderson, second by Weber to declare the foosball table surplus. All present voted aye. Motion carried. Council decided to advertise it for bids to be opened at the January meeting. Mike Damm brought up snow removal from private property and alleys. President Holthaus moved on as there being no other public input.

Streets & Alleys: Trent Bruce – DGR spoke to the council about the punch list for the 4<sup>th</sup> St & Juniper projects for Rexwinkel Concrete. We'll have to get with the contractor this spring about these items.

Finance Officer reported that she is working on applying for FEMA disaster recovery for the streets from the September flooding.

Water & Sewer: Council was given the DENR Final Water Meter Project inspection report for their review. Motion was made by Weber, second by Vondra to have President Holthaus sign the Certificates of Project Completion and the Davis-Bacon Act for the State Revolving Fund (SRF) water meter project. All present voted aye. Motion carried.

Storm Sewer Project: Trent Bruce – DGR went over the preliminary plan for the storm sewer first phase with the council. Different options for some type of detention ponds to get water out of town quicker was discussed at length. Our current outfall line is very flat and the actual lay of the land in Bridgewater does present a lot of issues. Council discussed many options/ideas that may or may not work, but Mr Bruce will go back to see if any would work.

Motion by Weber, second by Hofer to pass Resolution 19-1210C. All present voted aye. Motion carried.

**RESOLUTION NO. 19-1210C**

**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 Bridgewater (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 Bridgewater Storm Sewer Improvements.*

*"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 \$1,760,000 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 \$1,760,000 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 Bridgewater, South*

Dakota (collectively the "Rate Resolution"). Moneys from the Project Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

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

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

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

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

- (a) To redeem and prepay the Revenue Bond when and as such Revenue Bond becomes pre-payable 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 pre-payment of any bonds of the System which are not then but will later be pre-payable according to their terms; or
- (d) To be used for any other authorized municipal purpose designated by the Common Council.
- (e) No moneys shall at any time be transferred from the Project Surplus Account or any other account of the Fund to any other fund of the City, nor shall such moneys at any time be loaned to other municipal funds or invested in warrants, special improvements bonds or other obligations payable from other funds, except as provided in this Section.

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

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

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

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

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

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

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

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

**SECTION 11. Depositories.** *The Finance Officer shall cause all moneys pertaining to the Funds and Accounts to be deposited as received with one or more banks which are duly qualified public depositories under the provisions of SDCL Ch. 4-6A, in a deposit account or accounts, which shall be maintained separate and apart from all other accounts of the City, so long as any of the Bonds and the interest thereon shall remain unpaid. Any of such moneys not necessary for immediate use may be deposited with such depository banks in savings or time deposits. No money shall at any time be withdrawn from such deposit accounts except for the purposes of the Funds and Accounts as authorized in this Resolution; except that moneys from time to time on hand in the Funds and Accounts may at any time, in the discretion of the City's governing body, be invested in securities permitted by the provisions of SDCL 4-5-6; provided, however, that the Depreciation Fund may be invested in such securities maturing not later than ten years from the date of the investment. Income received from the deposit or investment of moneys shall be credited to the Fund or Account from whose moneys the deposit was made or the investment was purchased, and handled and accounted for in the same manner as other moneys therein.*

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

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

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

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

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

*Adopted at Bridgewater, South Dakota, this 10<sup>th</sup> day of December 2019.*

APPROVED:

Travis Holthaus

Council President

(SEAL)

Attest: Joan M Julson  
Finance Officer

First reading: December 10, 2019

Published: December 19, 2019

Effective: January 8, 2020

Motion by Hofer, second by Vondra to approve Resolution 19-1210D. All present voted aye. Motion carried.

**RESOLUTION NO 19-1210D**

**A RESOLUTION SEGREGATING THE SURCHARGE FOR IMPROVEMENTS TO THE CITY OF BRIDGEWATER WASTEWATER SYSTEM, FOR PAYMENT OF A REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE**

1. Surcharge for Borrower Bond. *There shall be charged a monthly surcharge for the services provided by the improvement financed by the CW-04 Conservancy District Loan. The surcharge for each loan shall be segregated from other revenues of the City and shall be used for the payment of the Borrower Bond CW-04 (the "Borrower Bond"). Provided that such surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements.*
2. Rates and collection. *The City of Bridgewater (the "City") has established a 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. *The following sewer debt service surcharge shall be applicable to all customers served: Borrower Bond CW-04 Surcharge of \$24.45 per user. The surcharge is effective Jan 1, 2020. 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*



*personal 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.*

Travis Holthaus  
Council President

ATTEST:

Joan M Julson  
Finance Officer

Motion by Strombeck, second by Weber to accept the proposal from GeoTek soil test boring. All present voted aye. Motion carried.

Government Buildings/Municipal Liquor Store: Motion by Weber, second by Strombeck to hire Mike Damm to paint the paneling in the council room for \$200. All present voted aye. Motion carried.

Ambulance: Jim Julson brought up the need again for EMT's. EMT classes should be starting up again the beginning of the year.

Motion by Weber, second by Weber to allow 2 people (Julson & Rinehart) to attend the SD Ambulance Assoc. mtg in Pierre Feb 8<sup>th</sup> & 9<sup>th</sup>. All present voted aye. Motion carried.

Law Enforcement: November Law Enforcement report so noted.

Code Enforcement: Council received attorney information on nuisance issues on Poplar and Oak.

Motion by Anderson, second by Weber to renew the employee's health insurance with the SD Health Pool. Motion carried.

Motion by Weber, second by Hofer to approve animal control services agreement with the Sioux Falls Area Humane Society. All present voted aye. Motion carried.

Motion by Anderson, seconded by Hofer to set aside in reserves - \$500 to sewer repair & maintenance, \$5000 in ambulance, and \$5000 for firetruck. All present voted aye. Motion carried.

Motion by Weber, second by Hofer to adjourn. Motion carried. Time 8:39 pm.

Next regular meeting is January 6, 2020.

Travis Holthaus - President

Joan M Julson – Finance Officer

### **Claims:**

Payroll by Dept.: Ambulance 3766.70; Dump 120.76; Finance Office 1002.83; Fire 20.13; Liquor 234.38; Parks 310.00; Sewer 1183.95; Streets 1521.84; Water 1198.09; EFTPS-Nov payroll taxes, 3283.47; SD Retirement System-employee & city match, 722.24.

Supplies: Farmers Alliance–shop propane, 312.75; Julson, Jim–amb gas (PTS closed during tournaments), 123.00; McKesson Medical–amb supply, 131.83; Office Depot–FO supply, 127.02; Post Master–water/sewer/garbage bill stamps, 70.00; Potter Tire & Service–November gas, diesel supply, 290.43; Riteway–1000 w/s/g billing forms, 175.09; Signarama–2 hour parking sign, 60.96; Stern Oil Co–Legion Hall propane, 359.10; Sturdevant's–skidsteer heater fan & misc, 93.61; Two Way Solutions Inc–5 Minitor VI pagers & extra battery (Reimbursed by Dakota Access Grant), 2324.95; Weber, Lacey–council room wall items (paint, picture frames & metal wall hanging), 274.93; Zabel Steel–shop supply, 117.19.

Repairs & Maintenance: All Star Plumbing–meter check, 125.00; Anderson Trucking–11/27 & 12/1 snow removal (6 hrs total), 900.00; Dakota Pump–pump check & repair at lagoon, 1694.40; Justice Fire & Safety–fire extinguisher repairs & inspection, 447.70; Meyer Motor, LLC–amb oil change & skid steer bulb, 112.63.

Water Meter Project: All Star Plumbing–Payment #6 (final), 1000.00.

Beer and Liquor: (paid in November): Beal Distributing Inc,1324.95; Dakota Beverage, 256.40.  
Miscellaneous: A&B Business Inc–Maintenance contract, 72.81; Bridgewater Development Corp–monthly donation, 200.00; Bridgewater Tribune (Salem Special)–November publishing, 92.26; McCook County–Contracted Law Enforcement monthly payment, 2112.50; Nordwald Rentals–January rent (Payable 01/01/20), 350.00; RBS Sanitation-Nov garbage pick-up, 2565.00; RBS Sanitation-Nov dumpster fees (Legion Hall, firehall, shop), 150.36; SD Dept Public Health Laboratory-water testing, 15.00; SD One Call- 19 fax locates for Oct & Nov, 21.28; SD State Treasurer–Nov garbage, etc. sales tax (We received a 1.5% allowance for timely payments - \$3.32), 218.21; Thaler, Barb-EMT class training & mileage, 133.00.  
Utilities (Paid in November): Golden West, 304.14; Hanson Rural Water, 4765.70; Xcel Energy, 2026.69.  
Insurance: AFLAC-reimbursed by employees, 200.96; Health Pool of SD, 3141.70.  
Professional: DGR Engineering-Storm Sewer Professional Services for October, 7850.00; Eich Law Office-November statement, 2215.80.

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