

Unapproved Minutes
Langford Board of Trustees
September, 2019

The Langford Board of Trustees met in special session Monday, September 23, 2019, at the Finance Office. President Todd Sell called the meeting to order at 6:00 p.m. with Trustee Jordan Hupke, Trustee Orrie Jesz, and Finance Officer Melody Swearingen in attendance, along with Jennifer Seitsema from Northeast Council of Governments and resident Steve Swanson.

Seitsema conducted a public hearing for the city's drinking water improvement project, and addressed the following issues:

The need for the project: The Town of Langford has bid the drinking water improvements project and has come in over budget. Application will be submitted to DENR for additional funds to cover the budget deficit.

Alternatives: The City has considered several alternatives including changing the scope of the project, removing some of the bid items and rebidding the project. The City rejected the bids for the water storage component of the project and will re-bid the project once the City has secured additional funding.

Project: Replace all ACP pipe, elevated water storage tank, and new meters throughout the Town. The water meters have been completed, and the line work has started, with water storage scheduled for completion in 2020.

Proposed Financing: The Town of Langford is applying to the South Dakota Department of Environment and Natural Resources for grant funds, loan funds, principal forgiveness loan funds, or a combination of each. The maximum amount of additional SF loan to be borrowed is an amount up to \$570,000.00.

Revenue Source: The revenue source pledged for repayment is a Project Surcharge Revenue Bond. General obligation bonds, sales tax bonds, and drinking water revenue bonds were also explained.

Interest Rate and Term: The note will be up to 0.00% at a term no greater than 30 years; the same rate and term approved for the previous loan.

The Effect of the Proposed Financing on User Rates: If the funding is entirely loaned the City will need to incorporate a surcharge of \$9.52 per user per month based on 0.00% interest for 30 years. The surcharge rates will be determined after a decision on the funding application. The project surcharge will be lower if DENR awards grant or principal forgiveness.

Swanson addressed the meeting with his concerns regarding the pipe replacement portion of the project; Swanson left the meeting at approximately 7:45 p.m.

Jesz motioned (#2019-76) and Hupke seconded to approve Resolution #2019-03 as follows: RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENTS REQUESTS.

WHEREAS, the Town of Langford has determined it is necessary to proceed with improvements with its Drinking Water System, including but not limited to water line replacement, water storage improvements, and water meter replacement with mobile reading system and program installation; and

WHEREAS, the Town of Langford has received bids for the project and the bids for the water storage component of the project have come in above the estimated cost, resulting in a funding deficit for the project; and

WHEREAS, the Town of Langford has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS, it is necessary to designate an authorized representative to execute and submit the Application on behalf of the Town of Langford and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the Town of Langford as follows:

- 1.) The Town of Langford hereby approves the submission of an Application for additional financial assistance in an amount not to exceed \$570,000.00 to the South Dakota Board of Water and Natural Resources for the Project.
- 2.) The Town Board President is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.
- 3.) The Town Board President hereby is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Town of Langford, South Dakota, this 23rd day of September, 2019.

Jesz (#2019-77) motioned and Hupke seconded to approve the second reading of the 2020 Appropriation Ordinance; the total budgeted amount for 2020 is \$2,327,912.00, which includes the entire remainder costs of the water renovation project; and is published in addition to these meeting minutes.

The meeting adjourned at 8:30 p.m.

The next regular session of the Board of Trustees is scheduled for Tuesday, October 8, 2019 at 6:00 p.m. at the Finance Office.

ATTEST: Todd Sell, Board President; Melody Swearingen, Finance Officer

Published once at an approximate cost of \$_____.