ORDINANCE NO. '11 PAGE 1

AN ORDINANCE AUTHORIZING ADDITIONS TO THE MUNICIPAL WATERWORKS SYSTEM, INCLUDING THE REPLACEMENT OF WATER MAINS AND THE CONSTRUCTION OF A RESERVOIR, AND THE ISSUANCE OF REVENUE BONDS TO DEFRAY A PORTION OF THE COSTS THEREOF

BE IT ORDAINED BY THE TOWN OF GRENVILLE, SOUTH DAKOTA:

Section 1. Proposed Undertaking. It is determined that the waterworks system of the Town of Grenville is inadequate to provide for the health and safety of the residents of the Town. The water mains originally installed in the waterworks system are deteriorating and have a negligible useful life, and are not of adequate size to serve the Town and its inhabitants. The waterworks system lacks a reservoir to ensure an adequate water supply in times of increased demand. Thus, it is determined to be necessary to replace the existing water mains throughout the Town and to construct a reservoir for the system. Furthermore, if construction contracts can be let in amounts now estimated by the engineer for the undertaking, it is determined to be necessary and advisable to construct a water treatment plant to be added to the municipal waterworks system. In such event, the water mains to be installed will be somewhat smaller, to permit the financing of the water treatment plant without increasing the cost of the undertaking. All such additions to the municipal waterworks system shall be undertaken pursuant to South Dakota Compiled Laws; Chapter 9-40, as amended. The cost of the undertaking, including replacement of the water mains and construction of a reservoir and a water treatment plant, is presently estimated to be approximately $265,000. The Town desires to apply to the Farmers Home Administration of the United States Department of Agriculture for a loan to finance part of the undertaking in the amount of $70,000 and, if possible, a grant of funds in the amount of $100,000. The Town also seeks a grant from the United States Department of Housing and Urban Development in the amount of $95,000, to defray part of the costs of the undertaking. It is considered that any loan, whether from the United States or others, should be repaid from net revenues to be derived from charges to be established for the use of the new water mains, reservoir and treatment plant based on consumption and availability of water, and not from taxes on property.

Section 2. Revenue Bonds. For the purpose of defraying part of the cost of the undertaking it is determined, pursuant to the provisions of Chapter 9-40, South Dakota Compiled Laws, as amended, and subject to the prior approval of this ordinance by the favorable vote of not less than 60 percent of the electors voting thereon at an election to be duly called and held, the Town of Grenville shall borrow money and issue negotiable revenue bonds, without pledging or using its credit, in a maximum amount not to exceed $70,000, bearing interest at a rate or rates not to exceed the statutory maximum rate of 12 percent per annum, the proceeds of which shall be appropriated in the amount necessary, with any other funds available or granted to the Town for this purpose, to defray the cost of the undertaking. The lien granted by Section 9-40-25 upon the property to be acquired from the proceeds of the bonds shall not attach to or become a charge upon or against any property or utility or any part thereof previously owned by the Town, by whatever means or funds acquired.

Section 3. Security Provisions. At or before the issuance of the bonds, the Town Board shall by resolution set aside, appropriate and pledge to the payment of the bonds and interest thereon the net income or revenues from charges which shall be established, revised when necessary and collected for the use of the additions to the waterworks system acquired from the proceeds of the bonds, and provide all such lawful provisions and stipulations for the proper operation and maintenance of the waterworks system as augmented by said additions, for the administration of the income and revenues, and for the security of the bondholders as the Town Board may determine to be necessary, and determine the form and provisions of the bonds and issue and sell them in the manner and upon the terms that the Board shall determine to be for the best interest of the Town, subject to the limitations set forth herein and in Chapter 9-40.

Section 4. Limitations. The bonds herein authorized shall be payable solely from the revenue or income referred to herein and shall not constitute an indebtedness of the Town within the meaning of any constitutional or statutory provisions or limitations, any provisions in such bonds set forth, or set forth in this ordinance or resolutions adopted pursuant hereto, to the contrary notwithstanding. The taxing powers of the Town shall never be used for the payment of either the principal of or the interest on the bonds. No other funds or revenues or property of the Town shall ever be used to

pay such bonds or interest except as may be otherwise provided by law. The bonds shall refer expressly to this ordinance and to Chapter 9-40, and shall state that they are subject to all of the provisions and limitations thereof, whereby all provisions and limitations of the ordinance and statute and amendments thereto shall become a part of the bonds as if set forth at length therein.

Section 5. Permitted Provisions. The resolution or resolutions establishing the terms of the bonds may provide for the issuance of short-term bonds to be refunded upon the completion of the undertaking, in the event that the Farmers Home Administration shall have, prior to such issuance, approved a loan to be evidenced by the issuance of refunding bonds at the time and in the amount required to retire the bonds initially issued. Such resolutions may reserve the right to issue additional bonds, payable from said income and revenues on a parity with those issued pursuant to this ordinance, upon such conditions as may be provided in the resolutions and upon authorization of such additional bonds as required by law.

Approved: C. Ray G. Brandt
Town President

Passed first reading: March 9, 1981
Passed second reading and adopted: March 16, 1981

Attest: Bertha L. Lewandowski
~~Town Clerk~~
Finance Officer

CERTIFICATION OF MINUTES RELATING TO
$70,000 Waterworks System Revenue Bonds

Issuer: Town of Grenville, South Dakota

Governing body: Town Board

Kind, date, time and place of meeting: a Special meeting, held March 16, 1981, at 4:00 o'clock p.m., at the Lil Country Store, Grenville, S.D.

Members present: Fromelt, Jaskulka, Herriott

Members absent: None

Documents attached:
Minutes of said meeting (pages): 1 through 7, including:

RESOLUTION CALLING A SPECIAL ELECTION TO VOTE ON $70,000 WATERWORKS SYSTEM REVENUE BOND ORDINANCE

I, the undersigned, being the duly qualified and acting recording officer of the public corporation considering the issuance of the obligations referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of the corporation in my legal custody, from which they have been transcribed; that the documents are a correct and complete transcript of the minutes of a meeting of the governing body of the corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at the meeting, insofar as they relate to the obligations; and that the meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice given as required by law.

WITNESS my hand officially as such recording officer this 16 day of March, 1981.

Lillian L. Lewandowski
Finance Officer
~~Town Clerk~~

Frenell then introduced the following resolution and moved its adoption:

RESOLUTION CALLING A SPECIAL ELECTION TO VOTE ON $70,000 WATERWORKS SYSTEM REVENUE BOND ORDINANCE, AND DECLARING AN EMERGENCY

BE IT RESOLVED by the Town Board of the Town of Grenville, South Dakota, as follows:

1. A general municipal election will be held in and for the Town on April 14, 1981, and the Board hereby determines to submit to the qualified electors of the Town at that election the question of the adoption of referred Ordinance No. 71 of the Town, which was finally passed on March 16, 1981, by the Town Board.

2. The ~~Town Clerk~~ Finance Officer is hereby authorized and directed to cause the Notice of Election and Ordinance No. 71 to be published in the Webster Reporter-Farmer once a week for two consecutive weeks immediately preceding the election, the first publication to be not less than ten days before the date of the election. The Notice of Election shall be in substantially the following form:

ORDINANCE #71

PAGE 6

NOTICE OF GENERAL ELECTION

TOWN OF GRENVILLE
DAY COUNTY, SOUTH DAKOTA

NOTICE IS HEREBY GIVEN that a general election of the Town of Grenville, will be held in accordance with law on Tuesday, the 14th day of April, 1981, between the hours of 8:00 o'clock a.m. and 7:00 o'clock p.m., at the following polling places in each election precinct of the Town:

Voting Precinct	Polling Place
Ward 1	Grenville Parish Hall

NOTICE IS FURTHER GIVEN that at said election the following proposition will be submitted to the duly qualified electors of the Town:

Shall Ordinance No. 71, entitled "An Ordinance Authorizing Additions to the Municipal Waterworks System, Consisting Generally of the Replacement of Water Mains and the Construction of a Reservoir and Water Treatment Plant or such Lesser Portion of such Work as May Be Completed with Available Funds, and the Issuance of Revenue Bonds To Defray a Portion of the Costs Thereof," be approved?

(Under said Ordinance, the Town will construct additions to the municipal waterworks system, consisting of the replacement of municipal water mains and the construction of a reservoir, and, if available funds permit, the construction of a water treatment plant, and will issue its negotiable revenue bonds in an amount not to exceed $70,000, to bear interest at a rate or rates not to exceed 12% per annum to finance a portion of said undertaking, in accordance with South Dakota Compiled Laws, Chapter 9-40, the balance of the financing to come from one or more grants from the federal government.)

ORDINANCE #71

PAGE 7

SAID ORDINANCE IS APPENDED HERETO.

All qualified electors of the Town of Grenville are entitled to vote at said election, at the polling place above described for the ward within which they reside.

Dated this 16 day of march, 1981.

BY ORDER OF THE TOWN BOARD

Lolita L. Lewandowski
~~Town Clerk~~
Finance Officer

Finance Officer

3. The ~~Town Clerk~~ is authorized and directed to cause official ballots to be prepared for the purpose of voting on said question in substantially the following form:

SAMPLE
~~OFFICIAL~~ BALLOT
GENERAL ELECTION

TOWN OF GRENVILLE
DAY COUNTY, SOUTH DAKOTA
April 14, 1981

Shall Ordinance No. 71, entitled "An Ordinance Authorizing Additions to the Municipal Waterworks System, Consisting Generally of the Replacement of Water Mains and the Construction of a Reservoir and Water Treatment Plant or such Lesser Portion of such Work as May Be Completed with Available Funds, and the Issuance of Revenue Bonds To Defray a Portion of the Costs Thereof," be approved?

(Under said Ordinance, the Town will construct additions to the municipal waterworks system, consisting of the replacement of municipal water mains and the construction of a reservoir, and, if available funds permit, the construction of a water treatment plant, and will issue its negotiable revenue bonds in an amount not to exceed $70,000, to bear interest at a rate or rates not to exceed 12% per annum to finance a portion of said undertaking, in accordance with South Dakota Compiled Laws, Chapter 9-40, the balance of the financing to come from one or more grants from the federal government.)

. . .
. . FOR APPROVAL OF ORDINANCE NO. 71
. . .

. . .
. . AGAINST APPROVAL OF ORDINANCE NO. 71
. . .

INSTRUCTIONS TO VOTERS: If you wish to vote in favor of the above proposition, mark a cross (x) with pencil or pen in the square preceding the words "FOR APPROVAL OF ORDINANCE NO. 71". If

you wish to vote against the approval of the proposition, mark a cross (x) with pencil or pen in the square preceding the words "AGAINST APPROVAL OF ORDINANCE NO. 71".

4. The election shall be conducted and the votes cast thereat shall be counted, returned and canvassed in the manner prescribed by law for municipal elections, and this Board shall meet on Friday following said election, to-wit, on April ~~17~~ 24, 1981, at 7:30 o'clock p.m., for the purpose of canvassing the election returns, declaring the results, and taking such further action with respect to said bonds as may then be deemed necessary and expedient.

5. The following persons have been designated as officials of election for each voting precinct within the Town pursuant to the provisions of Chapter 12-15, South Dakota Compiled Laws, and shall act as such at this special election:

Ward 1: Philomena Jaskulka
~~Helen Kankowski~~
Joan Rumpza
Philomena Zakrzewski

~~Ward 2:~~

~~Ward 3:~~

6. This resolution is necessary for the support of the municipal government and its existing institutions and provides for an election, wherefore this resolution shall take effect upon its passage and publication.

Karl J. Arndt
Town President

Attest: Debra L. Lewandowski
~~Town Clerk~~
Finance Officer

On motion duly made, seconded and carried, Ordinance No. 71, entitled "An Ordinance Authorizing Additions to the Municipal Waterworks System, Including the Replacement of Water Mains and the Construction of a Reservoir, and the Issuance of Revenue Bonds To Defray a Portion of the Costs Thereof", was placed on its second reading and was fully and distinctly read; whereupon Ordinance No. 71 was declared duly passed on its second reading. A vote was then taken upon the question of final passage of Ordinance No. 71, and the following voted in favor thereof: Fromelt, Jastrulka, Herrick; and the following voted against the same: None; whereupon Ordinance No. 71 was declared duly passed and adopted, and the Town President, being present, approved and signed the same, which was attested by the ~~Town Clerk~~ Finance Officer.

On motion duly made, seconded and carried it was then determined that the Ordinance be submitted to the voters of the Town in accordance with the provisions of South Dakota Compiled Laws, Section 9-40-5, at the general election to be held April 14, 1981, and the ~~Town Clerk~~ Finance Officer was instructed to cause the Ordinance to be published as a referred Ordinance pursuant to Section 9-20-12 with a notice attached thereto stating that the same will be submitted to the electors of the Town at said election.

The motion for the adoption of the foregoing resolution was seconded by Jaskulka, and upon vote being taken thereon, the following voted in favor thereof:

Fromelt, Jaskulka, Hennch;

and the following voted against the same:

None;

whereupon the resolution was declared duly passed and adopted and was signed by the Town President and attested by the ~~Town Clerk~~ Finance Officer.