

RESOLUTION NO. 8130

RESOLUTION RECOMMENDING APPROVAL OF THE ISSUANCE BY THE CITY OF WATERTOWN, SOUTH DAKOTA OF ITS DRINKING WATER SURCHARGE REVENUE BOND, SERIES 2025 IN AN AMOUNT NOT EXCEEDING \$3,403,610, TO FINANCE CONSTRUCTION OF IMPROVEMENTS TO THE WATER SYSTEM OF THE CITY AND APPROVING THE EXECUTION OF A LOAN AGREEMENT BY THE UTILITIES BOARD

WHEREAS, the City of Watertown, South Dakota (the "City") is authorized pursuant to SDCL § 9-40-1, et seq., to construct, operate and improve drinking water systems; and

WHEREAS, pursuant to SDCL § 9-39-6 et seq., the City has placed the management and control of the City's drinking water system (the "Water System") in the hands of the City of Watertown Municipal Utilities Board (the "Utilities Board"); and

WHEREAS, the Utilities Board has determined that it is necessary and in the best interests of the City to make certain improvements to the Water System, such improvements being more fully described in Exhibit A attached hereto (the "Project"), and to finance up to \$3,403,610 of the costs thereof through the issuance by the City of its drinking water surcharge revenue bond (the "Series 2025 Bond") through a borrowing from the South Dakota Drinking Water State Revolving Fund Loan Program (the "SRF Loan Program") administered by the South Dakota Conservancy District pursuant to SDCL 46A-1-49; and

WHEREAS, pursuant to SDCL 9-40-15, and Resolution No. 8131, the Utilities Board has adopted a surcharge to repay the principal of and interest on such revenue bond; and

WHEREAS, resolution authorizing the issuance of the Series 2025 Bond under the terms available under the SRF Loan Program (the "Proposed Resolution") has been prepared, and is attached hereto as Exhibit B; and

WHEREAS, as a condition of its purchase of the Series 2025 Bond, the South Dakota Conservancy District requires that the Utilities Board become a party to the loan agreement (the "Loan Agreement") to be executed in connection with the Series 2025 Bond;

NOW, THEREFORE, it is hereby

RESOLVED, that the Board hereby requests that the Watertown City Council adopt the Proposed Resolution authorizing the issuance of the Series 2025 Bond, and to take such other steps as deemed necessary to complete the issuance of the Series 2025 Bond; and

FURTHER RESOLVED, that the President and Vice President, or either of them, are hereby authorized and directed on behalf of the Utilities Board to execute the Loan Agreement, and to execute such other documents and take such other steps as are reasonably necessary or required in connection with the purchase of the Series 2025 Bond by the South Dakota Conservancy District.

Dated at Watertown, South Dakota, this 30th day of December, 2024.

APPROVED:

President

ATTEST:

Secretary

EXHIBIT A

Series 2025 Project Description

Replacement of 4- and 8-inch cast-iron water mains installed between 1910 and the 1950s. Approximately 16,200 feet of 6-inch, 7,900 feet of 8-inch, and 4,000 feet of 16-inch PVC water main will be installed within existing city streets and rights-of-way. Valves will be replaced, and water mains will be looped to improve water quality and flows.

EXHIBIT B

Proposed Resolution to Authorize
Series 2025 Bond (\$3,403,610)