

**REGULAR MEETING OF THE CITY COUNCIL  
COUNCIL CHAMBERS, CITY HALL  
MITCHELL, SOUTH DAKOTA**

**March 2, 2026  
6:00 P.M.**

**PRESENT:** Mike Bathke, John Doescher, Tim Goldammer,  
Kevin McCardle, Dan Sabers, Jeffrey Smith, Susan Tjarks

**ABSENT:** Marty Barington

**PRESIDING:** Mayor Jordan Hanson

**AGENDA:**

Moved by Goldammer, seconded by Bathke, to approve the following items on the consent agenda:

- a. City Council Minutes
  1. City Council February 17, 2026
- b. Committee Reports
  1. Planning Commission January 26, 2026 (signed)
  2. Planning Commission February 23, 2026 (unsigned)
- c. Automatic Supplement to Palace Transit in the amount of \$35,719.00 from insurance proceeds
- d. Raffle Permits
  1. Mitchell Skating & Hockey Association with the drawings to be held between February 2026 and March 2027
  2. Pheasant Country/Pheasants Forever with the drawing to be held June 9, 2026
  3. Rocky Mountain Elk-James River Valley Chapter with the drawing to be held April 11, 2026
  4. Dakota Wesleyan University with the drawing to be held March 31, 2026
- e. Purchase of Oil Distributor Truck off of Sourcewell Contract-Project #2026-33
- f. Surplus equipment and miscellaneous items to be traded, sold on Purple Wave, or destroyed-  
Public Works
- g. City of Mitchell Volunteers
- h. Property Tax Abatements for 2025 Taxes payable in 2026
- i. Agreement #A2026-21, An Update to the Intergovernmental Agreement between the City of  
Mitchell and the South Dakota Public Assurance Alliance due to updated contract terms
- j. Application for Section 5310 & 5339 Capital Grant Funding for Palace Transit
- k. Change Order #4 decreasing the contract amount by \$231,145.63 for Highway 37 Utilities Project  
#2021-45 to Michels Road & Stone, adjust contract amount to \$3,856,078.38
- l. Set date 1:30 p.m., March 12, 2026 for bid opening for Rock Chip Supply Project #2026-10 and  
Petroleum Products Project #2026-13
- m. Set date 6:00 p.m., April 6, 2026 for public hearing for Special Assessment Hearing for Proposed  
Resolution of Necessity for Sidewalk on 2300-2800 North Ohlman Street

n. Approval of Gas and Fuel Quotations

<b>Howes Oil</b>	<b><u>Requested Gallons</u></b>	<b><u>Bid Gallons</u></b>	<b><u>Price per Product</u></b>	<b><u>Total Bid</u></b>
Unleaded Gas-10% Ethanol	7,500	7,500	\$2.0215	\$15,161.25
<b>Total Bid:</b>				<b>\$15,161.25</b>

o. Pay Estimates March 2, 2026

- Pay Estimate #15 in the amount of \$511,645.76 for Highway 37 Utility Improvements #2021-45 contracted to Michels Road & Stone
- Pay Estimate #62 in the amount of \$1,680.00 for Highway 37 Utility Improvements #2021-45 contracted to SPN & Associates
- Pay Estimate #63 in the amount of \$302.32 for Highway 37 Utility Improvements #2021-45 contracted to SPN & Associates
- Pay Estimate #30 in the amount of \$1,100.00 for 1<sup>st</sup>/7<sup>th</sup> & Main Traffic Signals #2022-08 contracted to HR Green
- Pay Estimate #30 in the amount of \$907.50 for North Harmon Sanitary Sewer Outfall #2023-06 contracted to SPN & Associates
- Pay Estimate #16 in the amount of \$1,090.00 for West End Bridge #2023-23 contracted to Brosz Engineering
- Pay Estimate #15 in the amount of \$2,200.00 for Water Distribution System Model #2024-37 contracted to AE2S
- Pay Estimate #13 in the amount of \$4,740.90 for North Ohlman-23<sup>rd</sup> to Kemper #2025-01 contracted to SPN & Associates
- Pay Estimate #10 in the amount of \$12,020.00 for 13<sup>th</sup> & Wisconsin Drainage Study #2025-08 contracted to McLaury Engineering
- Pay Estimate #6 in the amount of \$1,913.75 for Hitchcock Tennis Courts #2025-34 contracted to SPN & Associates
- Pay Estimate #2 in the amount of \$348,000.00 for Landfill Land Purchase (10 year) #2025-45 contracted to Jim River Ridge Farms LLP
- Pay Estimate #3 in the amount of \$32,242.50 for Water Department Maintenance Facility #2026-01 contracted to Ciavarella Design
- Pay Estimate #1 in the amount of \$3,400.00 for Water Department Maintenance Facility #2026-01 contracted to GeoTek Engineering
- Pay Estimate #1 in the amount of \$6,160.00 for 200-500 Blocks East 6<sup>th</sup> Avenue Utility Upgrade #2026-03 contracted to McLaury Engineering
- Pay Estimate #1 in the amount of \$3,228.75 for Randall Rural Water Pit Meter #2026-07 contracted to AE2S
- Pay Estimate #1 in the amount of \$4,971.00 for Roof Top Units-Public Safety #2026-16 contracted to Roby, Quintal & Everson
- Pay Estimate #17 in the amount of \$2,963.10 for AIP '33 Municipal Hangar Construction contracted to Helms & Associates

Pay Estimate #3 in the amount of \$439,993.17 for AIP '33 Municipal Hangar Construction contracted to Northern Escrow Inc (Pro Contracting)

p. Approve Bills, Payroll, Salary Adjustments and New Employee Hires and Authorize Payment of Recurring and other expenses in advance as approved by the Finance Officer

**PAYROLL FEBRUARY 1, 2026 – FEBRUARY 14, 2026:** City Council \$3,847.36, Mayor \$1,663.00, City Administrator \$7,180.12, Administrative Boards \$2,566.25, Attorney \$5,885.34, Finance \$15,541.61, Human Resources \$4,834.28, Municipal Building \$5,865.59, Information Technology \$3,627.80, Police \$94,952.77, Traffic \$5,502.63, Fire \$43,147.16, Street \$36,534.31 Public Works \$28,127.77 Cemetery \$6,211.53, Library \$15,954.76, Recreation & Aquatics \$6,607.23, Recreation Center \$21,662.43, Sports Complexes \$13,173.55, Parks \$15,604.24, Supervision \$4,641.65, E911 \$27,463.24, Palace Transit \$31,853.99, JVCC \$2,179.43, Nutrition \$4,502.76, Airport \$2,804.44, Water Distribution \$18,357.82, Sewer \$18,379.23, Recycling Program \$7,614.57, Waste Collection \$7,531.87, Landfill \$10,465.55, Corn Palace \$23,013.09 Golf Course \$5,871.15, Emergency Medical Services \$51,695.88

**NEW HIRES:**

EMS: Kaden Axsom-\$21.928, Bryce Fuchs-\$23.735, Kristen Longville-\$21.928, Spencer Stall-\$24.204

GOLF: Jaiden Walton-\$14.98

RECREATION CENTER: Hudson Haley-\$11.85

WATER: Eliah Tronnes-\$25.053

**SALARY ADJUSTMENTS:**

LIBRARY: Rachel Soulek-31.465

MUNICIPAL BUILDINGS: Kevin Dykes-\$26.855

PALACE TRANSIT: Jacquelyn High-\$27.119

POLICE: Crystal Reitzel-\$28.505

**WARRANTS:** A&B Business Solutions, Supplies-\$4,952.09; A-Ox Welding Supply, Supplies-\$499.76; AAA Collections, Pre collection Letter-\$5.00; Advanced Engineering and Environmental Services, 2024-37 P.E. #15-\$5,428.75; AFLAC, Aflac Withholding-\$8,754.14; AFSCME Council 65, Union Dues-\$482.04; AJY LLC dba Centennial Carpet, Supplies/Maintenance-\$4,743.78; Altec Industries, Repair-\$289.60; Amazon Capital Services, Supplies-\$4,475.99; AMG-Avera Occupational Medicine, Labs-\$314.60; Associated Supply, Maintenance-\$348.71; Automatic Building Control, Maintenance-\$1,039.00; Bailey Metal Fabricators, Supplies-\$1,030.34; Beacon

Athletics, Supplies-\$2,059.94; Bechen Electric, Utilities-\$137.76; Bender Sewer & Drain, Maintenance-\$8,492.15; Big Daddy D's, Contract Services-\$3,360.00; Brosz Engineering, 2023-23 P.E. #16-\$1,090.00; C&B Operations, Supplies-\$605.18; Carquest Auto Parts, Supplies-\$126.48; CDW Government, Supplies-\$3,316.70; Center Point Large Print, Books-\$99.48; Central Electric, Utilities-\$16,060.66; Certified Laboratories, Supplies-\$1,591.35; Chesterman, Supplies-\$3,208.60; CHR Solutions, Postage-\$4,151.19; CHS, Supplies-\$9,129.10; Ciavarella Design, 2026-1 P.E. #3-\$32,242.50; City of Mitchell, Golf Course Deductions-\$1,363.82; City of Mitchell, Recreation Deductions-\$2,286.88; CK Bicycles & Locks, Supplies-\$30.00; Colours 59, Supplies-\$27.90; Column Software, Advertising-\$509.55; Core & Main, Supplies-\$4,363.64; Core-Mark US, Supplies-\$4,264.30; Corn Palace, Supplies-\$15.00; Corporate Translation Service, Translation Services-\$48.68; Custom Plus Collision Center, Maintenance-\$357.00; CVMA Chapter 30-2, Sports Authority Promo, \$1,000.00; Dakota Data Shred, Service-\$138.19; Dakota Fluid Power, Repairs-\$8,823.66; Dakota Riptide, Sports Authority Promo-\$2,500.00; Dakota Supply Group, Supplies-\$1,546.60; Daktech, Supplies-\$1,225.00; Darrington Water Conditioning, Rental-\$55.00; Davison County Register of Deeds, Professional Service-\$30.00; Davison Rural Water Systems, Utilities-\$64.05; Degen Stump Removal, Tree Removal-\$19,240.00; Delta Dental Plan of South Dakota, Dental Insurance-\$17,255.54; Department of Social Services, Child Support-\$359.54; DLT Solutions, Subscription-\$5,383.00; Dmg Inc dba Malloy Electric, Repairs-\$1,121.33; Doll Distributing, Supplies-\$3,118.50; Dooley Enterprises, Supplies-\$4,385.97; Dadkota Wesleyan University Golf, Spring Invitational-\$3,000.00; Dakota Wesleyan University Men's Soccer, Futsal Classic-\$2,700.00; Elfstrand's Ace Hardware, Supplies-\$135.43; Elliott Equipment, Supplies-\$979.57; Environmental Equipment & Service, Maintenance-\$2,368.58; Eric Hieb, Contract Services-\$5,466.85; ETix, Ticketing Fee-\$58.50; FBI-Leeda, Membership-\$100.00; First National Bank Omaha, Supplies-\$17,038.79; Fleetpride, Supplies-\$712.12; Full Source, Supplies-\$1,065.00; Gavin Whitlege, Travel-\$203.05; Geotek Engineering & Testing, 2026-1 P.E. #1-\$3,400.00; Grainger, Supplies-\$39.88; Great Western Tire, Repair-\$3,918.20; Hawkins, Supplies-\$50.00; Helms And Associates, AIP' 33 Airport P.E. #17-\$2,963.10; Henke Tractor Repair, Maintenance-\$160.00; Henry Schein, Supplies-\$1,411.37; Howes Oil, Supplies-\$35,534.15; HR Green, 2022-8R P.E. #30-\$1,100.00; Identisys, Supplies-\$380.87; Ingram Library Services, Books-\$1,716.36; Interstate Office Products, Supplies-\$443.85; Iverson, Rental-\$18,038.87; JCL Solutions, Supplies-\$98.95; Jim River Ridge Farms, 2025-45 P.E. #2-\$348,000.00; Joe Galpin, Reimbursement-\$24.99; Johnson Controls Building, Maintenance-\$11,940.12; Jones Supplies, Supplies-\$2,210.91; Katelyn Armitage, Duplicate Payment-\$13.80; Kevin Roth, Reimbursement-\$59.99; Knights of Columbus, Special Olympics Banquet-\$1,200.00; Kone, Maintenance, \$1,066.53; Larry's I-90 Service, Supplies-\$1,289.94; Leighton Family Farms, Supplies-\$600.00; Lucky Devils Adult Hockey, Sports Authority Promo-\$4,000.00; Lyle Zell, Duplicate Payment-\$136.49; M&T Fire and Safety, Supplies-\$1,888.66; Make it Mine Designs, Supplies-\$225.00; McLaury Engineering, 2025-8 P.E. #10-\$18,180.00; McLeod's Printing, Supplies-\$933.96; Menard's, Repair-\$1,047.27; Michels Road & Stone, 2021-45 P.E. #15-\$511,645.76; Microsoft, Online Services-\$917.74; Mid-American Research Chemical, Supplies-\$547.55; Midamerica Books, Books-\$149.70; Midcontinent Communication, Utilities-\$374.81; Midwest Turf & Irrigation, Supplies-\$682.06; Millennium Recycling, Single Stream Fee-\$2,150.38; Miner County Auditor, Compliance Checks-\$85.62; Mitchell Animal Rescue, Management Fee-\$350.00; Mitchell High School, State Gymnastics-\$5,000.00; Mitchell Iron & Supply, Maintenance-\$488.89; Mitchell Plumbing & Heating, Repair-\$231.95; Mitchell School District, Utilities-\$1,864.53; Mitchell Telecom, Utilities-\$299.53; Mitchell

United Way, United Way Deductions-\$110.00; Mobotrex, Maintenance-\$740.00; Musick Livestock, Repair-\$200.00; N-Able Technologies, Backup Recovery-\$105.60; Napa Central, Supplies-\$392.97; Newman Signs, Supplies-\$3,889.24; Norse Fire Equipment, Equipment-\$9,649.00; Northern Escrow, AIP '33 Airport P.E. #3-\$439,993.17; Northwestern Energy, Utilities-\$75,537.30; O'Reilly Automotive, Maintenance-\$6.68; Optilegra, Vision Plan-\$318.44; Overdrive, Ebooks-\$1,328.93; Paul Bernard, Reimbursement-\$128.96; Penguin Management, Supplies-\$1,646.00; Pepsi Cola, Supplies-\$655.68; Peter Arnold, Training-\$160.00; Pfeifer Implement, Supplies-\$4,306.90; Pioneer Designs, Maintenance-\$680.00; Premier Pest Control, Supplies-\$445.00; Pro Hydro-Test, Repair-\$3,650.00; Public Health Laboratory, Testing-\$160.00; Qualified Presort Service, Postage-\$1,071.83; Roby Quintal & Everson, 2026-16 P.E. #1-\$4,971.00; Rodenburg Law Firm, Garnishment-\$40.92; Ron's Saw Sales, Supplies-\$140.96; Runnings, Supplies-\$652.36; Sanitation Products, Supplies-\$820.19; Santel Communications, Utilities-\$30.00; Schoenfelder Portables, Rental-\$315.00; South Dakota Association of Rural Water, Conference-\$275.00; South Dakota Department Of Agriculture, Prof Fees Services-\$100.00; South Dakota Department of Public Safety, Service Contract-\$2,108.00; South Dakota Public Assurance Alliance, Insurance Coverage-\$628,194.35; South Dakota Retirement System, Retirement Contributions-\$136,848.32; South Dakota-Supplemental Retirement, Supplemental Retirement-\$5,185.00; South Dakota-Supplemental Roth 457, Roth 457 Contributions-\$2,247.50; South Dakota Waste Water, Conference-\$365.00; Shelly Knutson-Olson, Travel-\$203.05; Sherwin-Williams, Supplies-\$296.32; Sign Pro, Supplies-\$46.00; Sioux Area Rodeo Club, Rodeo Sports Authority Promo-\$2,500.00; Siteone Landscape, Supplies-\$507.95; SPN & Associates, 2021-45 P.E. #62-\$9,544.47; Standard Insurance, Life Insurance-\$2,775.40; Staples, Supplies-\$272.87; Stryker Sales, Replacement Kit-\$4,832.99; Sturdevants Auto Value, Supplies-\$1,174.15; Subway, Planning Commission Meals-\$53.94; Sun Gold Sports, Supplies-\$408.00; Tessiers Mechanical Contract, Repair-\$2,307.47; Thune True Value & Appliance, Supplies-\$109.01; Titan Machinery-Mitchell, Supplies-\$120.55; TK Electric, Supplies-\$9,500.00; TMA Stores. Repair-\$28.17; Tom Schaffner, Reimbursement-\$37.64; Transource, Supplies-\$939.86; Two Way Solutions, Supplies-\$99.00; UPS Store #4227, Shipping-\$715.51; Van Wall Equipment, Supplies-\$920.00; Verizon Wireless, Utilities-\$985.52; Vern Eide Ford, Part-\$143.50; Vestis, Mat Cleaning-\$264.02; Global, Credit Card-\$25,601.19; Clover, Credit Card-\$2,630.03; CSG, Credit Card-\$300.13; Wage Works, Supplies-\$11,179.00; Wellmark, Administration, Prescriptions, Medical-\$174,173.50; Wageworks, Claims Expense-\$1,658.25; Wageworks, Expense-\$9,565.94; Wellmark, Administration, Prescriptions, Medical-\$139,195.94; South Dakota Department of Revenue-\$16,288.14

Members present voting aye: Bathke, Doescher, Goldammer, McCardle, Sabers, Smith, Tjarks.  
Members present voting nay: none. Motion carried.

**PUBLIC COMMENT:**

Jessica Pickett of Dakota Riptide reported that the state meet was held in Mitchell on February 26<sup>th</sup> through March 1<sup>st</sup> with over 280 athletes participating.

Corn Palace Director, Dave Sietsema, received official word that the Corn Palace would be host to the 1<sup>st</sup> and 2<sup>nd</sup> rounds of the NAIA Women's National Tournament to be held on Friday and Saturday, March 13<sup>th</sup> and 14<sup>th</sup>.

Dan Beukelman reminded the public of the Your Town Tour coming to the Corn Palace on Saturday, April 11<sup>th</sup>.

Mayor Hanson stated the Girls State Hockey Tournament will be held in Mitchell this weekend.

Council Member Tjarks stated she has been thinking of Finance Officer Bathke's husband and the Bathke family while he is serving in the Middle East.

**BOARD OF ADJUSTMENT:**

Moved by Goldammer, seconded by McCardle, for the City Council to recess and sit as the Board of Adjustment. Motion carried.

It was advised that this is the date and time set for hearing on the application of Sandbox Ventures LLC for a conditional use permit for a conditional use permit for a childcare center, preschool, nursery located at 2100 North Kimball Street, legally described as Lots 8 & 9, Block 1 of Greenridge Addition, City of Mitchell, Davison County, South Dakota. The property is zoned R4 High Density Family Residential District. The Planning Commission recommended approval of said application. Moved by Tjarks, seconded by Bathke, to approve said application. Motion carried.

It was advised that this is the date and time set for hearing on the application of Gold Key Properties LLC for a front yard variance of 19' vs 35' for an addition located at 1408 West 8<sup>th</sup> Avenue, legally described as Lot 2-A, Block 3 of Westwood First Addition, City of Mitchell, Davison County, South Dakota. The property is zoned TWC Transportation Warehousing and Commercial District. The Planning Commission recommended approval of said application. Moved by Sabers, seconded by Smith, to approve said application. Bathke abstained. Motion carried.

Moved by Goldammer, seconded by McCardle, to set date for March 16, 2026 on the following applications:

Stephen and Trudy Morgan for a side corner yard variance of 17.5' vs 20' for an addition located at 1421 Mitchell Boulevard, legally described as Lots 6 & 7 and East ½ of Vacated Alley, Block 31, University Addition, City of Mitchell, Davison County, South Dakota;

David Baker for a front yard variance of 9.9' vs 25' for a three seasons porch addition located at 400 West 14<sup>th</sup> Avenue, legally described as Lot 12, Block 12, Capital Addition, City of Mitchell, Davison County, South Dakota.

Motion carried.

Moved by Goldammer, seconded by Bathke, for the Board of Adjustment to adjourn and the City Council to reconvene in regular session. Motion carried.

**HEARINGS:**

It was advised that this is the date and time set for hearing on the application to transfer RB-20236 Retail (on-off sale) Malt Beverage & SD Farm Wine License from Jeanne Bhaalid dba Leader Sporting Goods, 712 West Spruce Street to Niew, LLC dba Arnies @ First & Foster, 1218 East 1<sup>st</sup> Street (Video lottery is included). Notice of hearing has been given and affidavit of publication is on file. Moved by Sabers, seconded by Goldammer, to approve said application. Motion carried.

It was advised that this is the date and time set for hearing on the application to transfer RW-20237 Retail (on-off sale) Wine and Cider License from Jeanne Bhaalid dba Leader Sporting Goods, 712 West Spruce Street to Niew, LLC dba Arnies @ First & Foster, 1218 East 1<sup>st</sup> Street (Video lottery is included). Notice of hearing has been given and affidavit of publication is on file. Moved by McCardle, seconded by Goldammer, to approve said application. Motion carried.

**AWARD BID:**

Bids were opened and read on 200-500 Blocks of East 6<sup>th</sup> Utility Upgrade Project #2026-03 on the 11<sup>th</sup> day of February, 2026. Moved by McCardle, seconded by Tjarks, to award, as follows:

**200-500 BLOCKS OF EAST 6<sup>TH</sup> AVENUE UTILITY UPGRADE  
PROJECT #2026-03**

Metro Construction, 27308 Ponderosa Drive, Tea, SD 57064

Bid Schedule A (Utilities)                      \$648,640.90

Rexwinkel Concrete, 225 S Industrial Ave, Corsica, SD 57328

Bid Schedule B (Concrete Work)              \$201,673.55

Motion carried.

Bids were opened and read on the rebid of the Tornado Saferoom at City of Mitchell Campground Project #2023-33 on the 12<sup>th</sup> day of February, 2026. If awarded, additional funds of \$283,000.00 would need to be added to the project to cover the shortfall and provide project contingency. Moved by Goldammer, seconded by Tjarks, to award the bid for Tornado Safe Room at City of Mitchell Campground, Project #2023-33. Roll call vote was taken.

Members present voting aye: Bathke, Goldammer, Tjarks. Members present voting nay: Doescher, McCardle, Sabers, Smith. Motion failed.

**CONSIDER APPROVAL:**

Moved by McCardle, seconded by Goldammer, to approve Agreement #A2026-20, Non-Federal Reimbursable Agreement with the Department of Transportation Federal Aviation Administration for Runway 18-36 Project. Motion carried.

**PUBLIC HEARING:**

It was advised that this is the date and time set for hearing to upgrade stormwater and wastewater infrastructure along 13<sup>th</sup> Avenue between Minnesota and Wisconsin Streets. Public Works Director Joe Schroeder reviewed the details of the project. The funds could be either a grant from the state Consolidated Water Facilities Construction Program or a loan from the Clean Water State Revolving Fund Program. The City is seeking up to \$1,560,000.00 from the program, the expected loan term is 30 years at 4.0%.

Discussion took place and there were no comments from the public in attendance.

**RESOLUTIONS:**

Moved by Goldammer, seconded by Tjarks, to approve Resolution #R2026-09, A Resolution Amending City of Mitchell Sewer Rates for 2026 by Implementing a Surcharge for CW-16, as follows:

**Resolution #R2026-09**

**A RESOLUTION AMENDING CITY OF MITCHELL SEWER RATES FOR 2026 BY IMPLEMENTING A SURCHARGE FOR CW-16**

**WHEREAS**, the City of Mitchell has been involved in a comprehensive infrastructure planning process,

**WHEREAS**, many of these projects will include state revolving loan financing that the city will be obligated to repay through rates,

**WHEREAS**, these improvements are necessary to meet expected demands of current customers in the next 5-10 years, as well as any future demands from growth and development within the City of Mitchell;

**WHEREAS**, the Mitchell City Council asked that surcharges be set to fund the planned improvements;

**THEREFORE, BE IT RESOLVED**, by the City Council of the City of Mitchell, SD that effective March 15, 2026 rates be amended to include the surcharges as listed below for CW-16 to be taken out of the existing rate amounts.

**Sewer Rates**

		<b>10/1/2025</b>
Residential	Base	\$ 32.03
	Volume	\$ 4.41
Non Residential	Base	\$ 32.03
	Volume	\$ 5.51
Industrial	Base	\$ 32.03
	Volume	\$ 4.39
	BOD	\$ 0.96
	TSS	\$ 1.42
	TKN	\$ 5.29

Sewer rates include the following surcharges that are segregated from the total fees collected:

\$8.05/month/user	CW-05	Sanborn Phase II
\$3.70/month/user	CW-06	East Central Drainage Phase I
\$.99/month/user	CW-07	East Central Drainage Phase II
\$1.11/month/user	CW-08	Daily Drive Lift Station
\$11.60/month/user	CW-09	Waste Water Treatment Plant Improvements Phase I
\$9.36/month/user	CW-10	Waste Water Treatment Plant Improvements Phase II
\$3.47/month/user	CW-11	Waste Water System Improvements
\$.77/month/user	CW-12	Livesay Improvements
\$4.12/month/user	CW-13	S. Wastewater Treatment Plant Improvements
\$2.60/month/user	CW-15	5 <sup>th</sup> Street Burr to Foster
\$3.55/month/user	CW-16	Ohlman Street- 23 <sup>rd</sup> to Kemper

Motion carried and resolution declared duly adopted.

Moved by Goldammer, seconded by McCardle, to approve Resolution #R2026-10, A 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, as follows:

**RESOLUTION NO. R2026-10**

**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 Mitchell (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 Mitchell North Ohlman Street Utility Improvement Project.

**“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 \$3,930,000 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 \$3,930,000 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 Mitchell, 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 prepayable 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 prepayment of any bonds of the System which are not then but will later be prepayable 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.

Motion carried and resolution declared duly adopted.

Moved by Goldammer, seconded by Smith. to approve Resolution #R2026-11. Plat of Lots 1-3 in Tract 1 of Horseman's Addition, as follows:

**RESOLUTION #R2026-11**

WHEREAS, it appears that the City Planning Commission of the City of Mitchell, South Dakota, did duly consider and did recommend the approval and adoption of the hereinafter described plat, at its meeting held on the 23<sup>rd</sup> day of February, 2026; and

WHEREAS, it appears from an examination of the PLAT OF LOTS 1-3 IN TRACT 1 OF HORSEMAN'S ADDITION TO THE CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA, as prepared by Robert D. Kummer, a duly licensed Land Surveyor in and for the State of South Dakota, that said is in accordance with the system of streets and alleys set forth in the master plan adopted by the City Planning Commission of the City of Mitchell, South Dakota, and that such plat has been prepared according to law;

THEREFORE, be it resolved by the City Council of Mitchell, South Dakota that the PLAT OF LOTS 1-3 IN TRACT 1 OF HORSEMAN'S ADDITION TO THE CITY OF MITCHELL, DAVISON COUNTY, SOUTH DAKOTA, as prepared by Robert D. Kummer, be and the same is approved and the description set forth therein and the accompanying surveyor's certificate shall prevail.

Bathke abstained. Motion carried and resolution declared duly adopted.


**EXECUTIVE SESSION:**

Moved by Goldammer, seconded by McCardle, to go into Executive Session as permitted by SDCL 1-25-2(3) Consulting with Legal Counsel and SDCL 19-19-502 Lawyer-Client Communications. Motion carried.

Mayor Hanson declared the board out of executive session at 8:04 p.m. and the City Council to reconvene in regular session at 8:05 p.m.

**ADJOURN:**

There being no further business to come before the meeting, Mayor Hanson adjourned the meeting.

  
\_\_\_\_\_  
Michelle Bathke  
Finance Officer

Published once at the approximate cost of \_\_\_\_\_.