

**AGENDA  
CITY OF MILLER  
THURSDAY AUGUST 20, 2020  
7:00 P.M.**

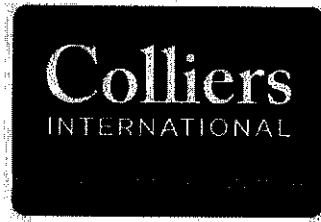
**Call to Order  
Pledge of Allegiance  
Approval of Agenda**

**Public Input**

**New Business**

1. Colliers International Securities Agreement *pgs. 1-2*
2. Resolution 2020-15 Refinance Electric Project *pgs. 3-5 & 6-29*

**Adjourn**



Securities

## **PLACEMENT AGENT AGREEMENT**

This Agreement made and entered into by and between the City of Miller, South Dakota (hereinafter "City") and Colliers Securities LLC, Pierre, and Sioux Falls, South Dakota and Minneapolis, Minnesota (hereinafter "Colliers").

### **WITNESSETH**

WHEREAS, the City desires to use the placement services of Colliers relating to the issuance of the Electric Revenue Refunding Bonds, Series 2020 (hereinafter "Bonds")

WHEREAS, Colliers desires to furnish services to the City as hereinafter described,

NOW, THEREFORE, it is agreed by and between the parties as follows:

### **SERVICES TO BE PROVIDED BY COLLIERS**

Serve as the City's placement agent for the issuance of the Bonds. Colliers shall provide all services necessary to analyze, structure, and close the Bonds. Examples of the services to be provided shall include, but not be limited to the following:

- Work with the City to fully develop a financing plan to best achieve the City's goals.
- Assist with developing terms and conditions of the lease
- Coordinate the preparation of legal documentation and disclosure materials by the City's bond counsel and other involved counsel.
- Attend meetings when necessary
- Coordinate and advise regarding all other financing activities in order to ensure an efficient and timely closing of the Lease

Colliers will **not** serve as an Underwriter or Financial Advisor on the Bonds.

## COMPENSATION AND COSTS

For the proposed issuance by the City in 2020 of its approximate \$10,000,000 Bonds, Colliers' fee will be 0.75% of the borrowing amount. The fee due to Colliers shall be payable by the City upon the closing of the Bonds from the proceeds of the Bonds or other City funds for the above services and time and knowledge of the bond issuing process.

- Colliers agrees to pay the following expenses from its fee:
  - \* All of it's out of pocket expenses such as travel, long distance phone, and copy costs, and CUSIP's.
  - \* **All Bank Origination Fee's**
- The City agrees to pay all other expenses related to the processing of the Bond transaction including, but not limited to, the following:
  - \* Publication of legal notices, if any.
  - \* Bond counsel and local attorney fees, if any.
  - \* City staff expenses.
  - \* Bond registration and related fees.

## TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or Colliers and it shall terminate sixty (60) days following the closing date related to the issuance of the Bonds.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2020.

**Colliers Securities LLC**

By: \_\_\_\_\_  
Tobin J Morris, Senior Vice President

**City of Miller, South Dakota**

Attest: \_\_\_\_\_  
Ron Blachford, Mayor

**\$7,235,000**

City of Miller, South Dakota

Taxable Electric Revenue Bonds, Series 2010A

(Recovery Zone Economic Development Bonds)

2020 Sequestration Rate = 5.90%

## Net Debt Service Schedule

7:00 Thurs 8/20  
Resolution 2020-15

Date	Principal	Coupon	Interest	Total P+I	Interest Rate	DSR	Net New D/S
					Subsidy @ 42.35%		
06/01/2020	-	-	-	-	-	-	-
12/01/2020	150,000.00	4.650%	219,756.88	369,756.88	(93,067.04)	-	276,689.84
06/01/2021	-	-	216,269.38	216,269.38	(91,590.08)	-	124,679.30
12/01/2021	155,000.00	5.100%	216,269.38	371,269.38	(91,590.08)	-	279,679.30
06/01/2022	-	-	212,316.88	212,316.88	(89,916.20)	-	122,400.68
12/01/2022	165,000.00	5.100%	212,316.88	377,316.88	(89,916.20)	-	287,400.68
06/01/2023	-	-	208,109.38	208,109.38	(88,134.32)	-	119,975.06
12/01/2023	170,000.00	5.600%	208,109.38	378,109.38	(88,134.32)	-	289,975.06
06/01/2024	-	-	203,349.38	203,349.38	(86,118.46)	-	117,230.92
12/01/2024	180,000.00	5.600%	203,349.38	383,349.38	(86,118.46)	-	297,230.92
06/01/2025	-	-	198,309.38	198,309.38	(83,984.02)	-	114,325.36
12/01/2025	190,000.00	6.250%	198,309.38	388,309.38	(83,984.02)	-	304,325.36
06/01/2026	-	-	192,371.88	192,371.88	(81,469.49)	-	110,902.39
12/01/2026	205,000.00	6.250%	192,371.88	397,371.88	(81,469.49)	-	315,902.39
06/01/2027	-	-	185,965.63	185,965.63	(78,756.44)	-	107,209.19
12/01/2027	215,000.00	6.750%	185,965.63	400,965.63	(78,756.44)	-	322,209.19
06/01/2028	-	-	178,709.38	178,709.38	(75,683.42)	-	103,025.96
12/01/2028	230,000.00	6.750%	178,709.38	408,709.38	(75,683.42)	-	333,025.96
06/01/2029	-	-	170,946.88	170,946.88	(72,396.00)	-	98,550.88
12/01/2029	245,000.00	7.000%	170,946.88	415,946.88	(72,396.00)	-	343,550.88
06/01/2030	-	-	162,371.88	162,371.88	(68,764.49)	-	93,607.39
12/01/2030	265,000.00	7.000%	162,371.88	427,371.88	(68,764.49)	-	358,607.39
06/01/2031	-	-	153,096.88	153,096.88	(64,836.53)	-	88,260.35
12/01/2031	280,000.00	7.000%	153,096.88	433,096.88	(64,836.53)	-	368,260.35
06/01/2032	-	-	143,296.88	143,296.88	(60,686.23)	-	82,610.65
12/01/2032	300,000.00	7.500%	143,296.88	443,296.88	(60,686.23)	-	382,610.65
06/01/2033	-	-	132,046.88	132,046.88	(55,921.85)	-	76,125.03
12/01/2033	325,000.00	7.500%	132,046.88	457,046.88	(55,921.85)	-	401,125.03
06/01/2034	-	-	119,859.38	119,859.38	(50,760.45)	-	69,098.93
12/01/2034	350,000.00	7.500%	119,859.38	469,859.38	(50,760.45)	-	419,098.93
06/01/2035	-	-	106,734.38	106,734.38	(45,202.01)	-	61,532.37
12/01/2035	375,000.00	7.750%	106,734.38	481,734.38	(45,202.01)	-	436,532.37
06/01/2036	-	-	92,203.13	92,203.13	(39,048.03)	-	53,155.10
12/01/2036	405,000.00	7.750%	92,203.13	497,203.13	(39,048.03)	-	458,155.10
06/01/2037	-	-	76,509.38	76,509.38	(32,401.72)	-	44,107.66
12/01/2037	435,000.00	7.750%	76,509.38	511,509.38	(32,401.72)	-	479,107.66
06/01/2038	-	-	59,653.13	59,653.13	(25,263.10)	-	34,390.03
12/01/2038	470,000.00	7.875%	59,653.13	529,653.13	(25,263.10)	-	504,390.03
06/01/2039	-	-	41,146.88	41,146.88	(17,425.70)	-	23,721.18
12/01/2039	505,000.00	7.875%	41,146.88	546,146.88	(17,425.70)	-	528,721.18
06/01/2040	-	-	21,262.50	21,262.50	(9,004.67)	-	12,257.83
12/01/2040	540,000.00	7.875%	21,262.50	561,262.50	(9,004.67)	(589,743.75)	(37,485.92)
<b>Total</b>	<b>\$7,235,000.00</b>	<b>-</b>	<b>\$10,330,908.13</b>	<b>\$17,565,908.13</b>	<b>(2,527,793.50)</b>	<b>(589,743.75)</b>	<b>\$9,006,278.57</b>

Miller Recovery Zone 2010 | SINGLE PURPOSE | 8/5/2020 | 4:37 PM

Colliers Securities LLC  
Public Finance

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**\$4,750,000**

City of Miller, South Dakota

Bank Deal

20 Year Amortization / 7 Year Balloon

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
03/23/2018	-	-	-	-
06/15/2018	-	-	39,345.83	39,345.83
12/15/2018	115,000.00	3.550%	85,717.71	200,717.71
06/15/2019	-	-	83,185.38	83,185.38
12/15/2019	165,000.00	3.550%	83,642.44	248,642.44
06/15/2020	-	-	80,664.88	80,664.88
12/15/2020	170,000.00	3.550%	80,664.88	250,664.88
06/15/2021	-	-	77,173.06	77,173.06
12/15/2021	175,000.00	3.550%	77,597.08	252,597.08
06/15/2022	-	-	74,032.29	74,032.29
12/15/2022	180,000.00	3.550%	74,439.06	254,439.06
06/15/2023	-	-	70,801.79	70,801.79
12/15/2023	185,000.00	3.550%	71,190.81	256,190.81
06/15/2024	-	-	67,852.33	67,852.33
12/15/2024	195,000.00	3.550%	67,852.33	262,852.33
06/15/2025	-	-	63,981.85	63,981.85
12/15/2025	3,565,000.00	3.550%	64,333.40	3,629,333.40
<b>Total</b>	<b>\$4,750,000.00</b>	<b>-</b>	<b>\$1,162,475.12</b>	<b>\$5,912,475.12</b>

4,470,000.00

### Yield Statistics

Bond Year Dollars	\$32,256.94
Average Life	6.791 Years
Average Coupon	3.6037980%
Net Interest Cost (NIC)	3.6037980%
True Interest Cost (TIC)	3.6046294%
Bond Yield for Arbitrage Purposes	3.6046294%
All Inclusive Cost (AIC)	3.8025373%

### IRS Form 8038

Net Interest Cost	3.6037980%
Weighted Average Maturity	6.791 Years

Bond	Date	Principle	Interest	IRS Rebate	Total Due	Amt Pd in December
2010	12/1/2020	\$150,000.00	\$219,756.88	-\$93,067.04	\$276,689.84	\$276,689.84
2017	12/1/2020	170000	80664.88		\$250,664.88	0

#### Debt Service Comparison

Cash Flow

Date	Total P+I	Net New D/S	Old Net D/S	Savings	
12/01/2020					
12/01/2021	822,787.26	822,787.26	730,034.37	(92,752.89)	\$250,664.88
12/01/2022	822,787.25	822,787.25	734,353.64	(88,433.61)	\$157,911.99
12/01/2023	822,787.24	822,787.24	733,201.37	(89,585.87)	\$69,478.38
12/01/2024	822,787.26	822,787.26	736,600.29	(86,186.97)	-\$20,107.49
12/01/2025	822,787.26	822,787.26	743,678.95	(79,108.31)	
12/01/2026	822,787.25	822,787.25	783,379.84	(39,407.41)	
12/01/2027	822,787.24	822,787.24	796,056.19	(26,731.05)	
12/01/2028	822,787.26	822,787.26	802,599.38	(20,187.88)	
12/01/2029	822,787.26	822,787.26	807,096.09	(15,691.17)	
12/01/2030	822,787.25	822,787.25	815,554.90	(7,232.35)	
12/01/2031	839,270.74	839,270.74	817,651.58	(21,619.16)	
12/01/2032	839,270.74	839,270.74	828,768.88	(10,501.86)	
12/01/2033	839,270.73	839,270.73	841,743.20	2,472.47	
12/01/2034	839,270.73	839,270.73	853,123.41	13,852.68	
12/01/2035	839,270.72	839,270.72	857,728.54	18,457.82	
12/01/2036	-	-	875,031.83	875,031.83	
12/01/2037	-	-	884,720.52	884,720.52	
12/01/2038	-	-	897,387.67	897,387.67	
12/01/2039	-	-	912,181.47	912,181.47	
12/01/2040	-	-	(25,228.07)	(25,228.07)	
<b>Total</b>	<b>\$12,424,226.19</b>	<b>\$12,424,226.19</b>	<b>\$15,425,664.05</b>	<b>\$3,001,437.86</b>	

#### Refunding Summary

Dated 09/15/2020 | Delivered 09/15/2020

	Refund 2010A	Refund 2017	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$5,462,479.39	\$4,537,520.61	\$10,000,000.00
Transfers from Prior Issu	589,743.75	-	589,743.75
Planned Issuer Equity Co	-	11,703.57	11,703.57
<b>Total Sources</b>	<b>\$6,052,223.14</b>	<b>\$4,549,224.18</b>	<b>\$10,601,447.32</b>

<b>Uses Of Funds</b>			
Deposit to Current Refun	6,005,000.00	4,509,997.32	10,514,997.32
Costs of Issuance	47,223.14	39,226.86	86,450.00
<b>Total Uses</b>	<b>\$6,052,223.14</b>	<b>\$4,549,224.18</b>	<b>\$10,601,447.32</b>

**EXTRACT OF MINUTES OF MEETING OF THE  
CITY COUNCIL OF THE CITY OF MILLER  
HAND COUNTY, SOUTH DAKOTA**

Pursuant to due call and notice thereof, a meeting of the City Council of the City of Miller, Hand County, State of South Dakota, was held on August 17, 2020 at seven o'clock p.m.

The following council members were present:

and the following were absent:

Thereupon the Mayor declared that a quorum was present and the meeting opened for transaction of business.

Council member, \_\_\_\_\_, introduced the following resolution and moved its adoption:

**RESOLUTION NO. 2020-15**

*The City of Miller is an equal opportunity employer.*

**RESOLUTION AUTHORIZING THE EXECUTION, TERMS, ISSUANCE, SALE AND PAYMENT OF ELECTRIC REVENUE REFUNDING BONDS, SERIES 2020 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED TEN MILLION AND NO/100 (\$10,000,000) OF THE CITY OF MILLER OF HAND COUNTY, SOUTH DAKOTA AND PLEDGING PROJECT REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE BONDS; AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS FOR OPERATION OF THE SYSTEM AND RETIREMENT OF THE TAXABLE ELECTRIC REVENUE BONDS, SERIES 2010A (RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS) AND ELECTRIC REVENUE BONDS, SERIES 2018 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 South Dakota Legislature is to provide for financing the acquisition, maintenance, operation, extension or improvement of any system or part of any system which provides electricity for municipal, industrial and domestic purposes, 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 system previously owned without pledging its credit and is authorized to pledge the net income or revenues from the improvements in accordance with Section 15 of the Act; and,

**WHEREAS**, the City of Miller (the "City") currently operates an electric utility; and,

**WHEREAS**, the City is authorized by the provisions of SDCL Chapter 6-8B, §§ 6-8B-30 through 6-8B-52 inclusive, to issue electric revenue refunding bonds to refund and refinance validly issued outstanding electric improvement revenue bonds of the City; and

**WHEREAS**, the City Council has determined that refunding certain electric revenue refunding bonds of the City will reduce the interest expense to the City; and

**WHEREAS**, the City Council has determined that it is necessary and in the best interest of the City to issue electric revenue refunding bonds of the City for the purpose of providing funds to refund (i) the December 1, 2020 through December 1, 2040 maturities of the City's outstanding Taxable Electric Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds) dated December 21, 2010; (ii) the Electric Revenue Bonds, Series 2018 dated March 23, 2018, and (iii) pay the costs of issuance of the Bonds described herein.

**WHEREAS**, the City has and shall adopt special rates or surcharges for the use of 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 ("Resolution") shall have the following meanings set forth in this section unless the context clearly requires otherwise.

**"Act"** means South Dakota Codified Laws Chapter 9-40.

**"Bond Purchase Agreement"** means the Bond Purchase Agreement authorized pursuant to and hereof by and between the City and the Purchaser.

**"Bonds"** means the Electric Revenue Refunding Bonds, Series 2020 issued by the City.

**"Code"** means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

**"Issuance Costs"** means costs but only to the extent incurred in connection with, and allocable to, the borrowing: Purchasers' spread; counsel fees; financial advisory fees; fees paid to an organization to evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar, certification, and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than for qualified guarantees and similar costs.

**"Mayor"** means the Mayor elected pursuant to the provisions of the SDCL 9-13 or his or her designee acting on his or her behalf pursuant to the Charter.

**"Outstanding," "Bonds Outstanding," or "Outstanding Bonds"** means, as of a particular date all Bonds issued and delivered under this Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the City at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the City for the benefit of the owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the registration agent and for which notice of redemption shall have been mailed in accordance with this Resolution; (4) any bond in lieu of or in substitution for which another bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the City is presented that any bond, for which a bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of South Dakota, as amended, in which case both the bond in lieu of or in substitution for which a new bond has been delivered and such new bond so delivered therefor shall be deemed Outstanding; and, (5) any bond deemed paid this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

**“Paying Agent”** means the Paying Agent appointed by the City or its successor or successors hereafter appointed in the manner provided in Article VI hereof.

**“Person”** means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

**“Placement Agent”** means Colliers Securities LLC acting for and on behalf of itself and such securities dealers as it may designate.

**“President”** means the President of the City Council who may act for the Mayor in the absence of the Mayor.

**“Project”** means the improvements to the electrical distribution of the City’s municipal electric utility which were financed with the proceeds of the Refunded Bonds.

**“Record Date”** means the close of business on the first/fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date.

**“2010 Refunded Bonds”** means the City’s outstanding Taxable Electric Revenue Bonds, Series 2010A (Recovery Zone Economic Development Bonds), dated December 21, 2010, as follows:

<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>	<u>CUSIP</u>
December 1, 2020	\$ 290,000	4.650%	600608 AJ2
December 1, 2022	320,000	5.100%	600608 AK9
December 1, 2024	350,000	5.600%	600608 AL7
December 1, 2026	395,000	6.250%	600608 AM5
December 1, 2028	445,000	6.750%	600608 AN3
December 1, 2031	790,000	7.000%	600608 AP8
December 1, 2034	975,000	7.500%	600608 AQ6
December 1, 2037	1,215,000	7.750%	600608 AR4
December 1, 2040	1,515,000	7.875%	600608 AS2
	<u>\$6,295,000</u>		

**“2018 Refunded Bonds”** means the City’s outstanding Electric Revenue Bonds, Series 2018, dated March 23, 2018.

**“Resolution”** means this Resolution.

**“System”** means the City’s electric utility system.

**“Trust Indenture”** means the Indenture of Trust dated December 21, 2010, between the City and the Trustee.

**"Trustee"** means Wells Fargo Bank, N.A., Minneapolis Minnesota.

**"Purchaser"** means First Bank & Trust, 520 6<sup>th</sup> Street, Brookings, South Dakota.

## **SECTION 2. Declaration of Necessity. Findings.**

It is hereby found and determined by the City Council as follows:

- (a) The refunding of the Refunded Bonds as set forth herein through the issuance of the Bonds will result in the reduction in debt service payable by the City over the term of the Refunded Bonds thereby effecting a cost savings to the public;
- (b) It is advantageous to the City to deposit a portion of the proceeds from the sale of the Bonds and other funds of the City, if any, with the Trustee of the Refunded Bonds, which shall be sufficient to pay principal of, premium, if any, and interest on the Refunded Bonds.
- (c) The City hereby determines that all limitations upon the issuance of Bonds have been met and the Bonds are being authorized, issued and sold in accordance with the provisions Chapter 6-8B, Sections §§ 6-8B-30 to 6-8B-52 inclusive, of the South Dakota Codified Laws.

## **SECTION 3. Authorization of Bonds, Pledge of Revenue and Security.**

**3.1. Authorization of Bonds.** The City hereby determines and declares it necessary to issue Bonds in a principal amount of not to exceed \$10,000,000, plus costs of issuance and any reserve fund requirement. The Bonds are issued for the purpose of refunding the Refunded Bonds and paying Issuance Costs, including proper reimbursements, and will be payable from a segregated special charge or surcharge established for the services of the facilities financed by the Refunded Bonds.

**3.2. Approval of Bonds.** The issuance of Bonds in the principal amount not to exceed \$10,000,000, plus costs of issuance and any reserve fund requirement, 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 Bonds and deliver the Bonds to the Purchaser, for and on behalf of the City, upon receipt of the purchase price, and to use the proceeds thereof in the manner set forth herein. The Mayor and Finance Officer are hereby authorized to approve the final terms of the Bonds and their execution and delivery thereof shall evidence that approval. The Revenue Bonds shall be issued under the authority of SDCL Chapter 6-8B, and the provisions of the Act are hereby expressly incorporated herein as provided in Section 19 of the Act.

**3.3. Pledge of Revenues.** The Bonds 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 pledged and assigned for the equal

and ratable payments of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds, except as may be otherwise expressly authorized (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 Bonds 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 or ordinance 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 Bonds, provided that such determination of allocable operation and maintenance expenses shall in no event abrogate, abridge or otherwise contravene any covenant of the City set forth in this Resolution.

#### **SECTION 4. Special Charge or Surcharge for Bonds.**

**4.1.** The City has established the special charge or surcharge payable by every customer of its electric system who receives or benefits from the services of the Project. Such charge or surcharge shall be set at a level which, assuming a 1.25 coverage ratio, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Bonds and all other payments as may be required under this Resolution and Bonds.

**4.2.** The special charge or surcharge shall be segregated from other revenues of the System and shall be used for the payment of the principal and interest, when due on the Bonds. The special charge or surcharge shall create net income used first for paying debt service fund annual requirements and shall be maintained at not less than 100% of the debt service requirements on the Bonds.

**4.3. 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 Bonds is defeased or paid in full.

**4.4. Segregation.** The Finance Officer shall setup 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 rate covenant and to pay principal of, interest on the Bonds when due. The surcharge shall be applicable to all customers served whether in or out of the city. The surcharge shall remain in effect until such time as the Bonds are discharged or defeased. 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 improvement. The surcharge may be set by ordinance or resolution in accordance with this section. The rate ordinance or resolution shall be necessary for the support of government and shall be effective upon passage.

4.6. The charges shall be reviewed yearly by city personal and administratively adjusted, upwards or downwards, pursuant to SDCL § 9-40-15 to such amounts as may be necessary to pay principal, interest, maintain any coverage requirements and other charges as may become due and owing under the Bonds.

**SECTION 5. Additional Bonds.** As permitted by Section 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 section, 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 may issue additional bonds (the "Parity Bonds") payable from the Pledged Revenues and having a lien upon such revenues on a parity with the Bonds and the Outstanding Parity Bonds providing that:

5.1. the City is current in the payment of principal and interest on the Outstanding Bonds and is current in the collections required for the Principal and Interest Account.

5.2. the Pledged Revenues collected by the City in the last preceding fiscal year are sufficient to cover 1.25 times the maximum annual principal and interest requirements on the Outstanding Bonds and the proposed Parity Bonds. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Bonds.

**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 and interest on the Bonds, the following mandatory asset segregations shall be included in the electric utility 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 Bonds:

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 ordinances and resolutions of the City of Miller, South Dakota (collectively the "Rate Ordinance"). 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 and interest payment on the Bonds and any reserve determined by the City's governing body to be necessary.

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 reasonable amount for the depreciation of all 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 City 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 Bonds when and as such Bonds become 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.

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. Call of Refunded Bonds.** The Refunded Bonds shall be called on or after earliest possible optional redemption date after which date said bonds shall cease to accrue interest. The City reserves the right not to call one or more series or a portion thereof if interest savings do not warrant said refunding. Notice of the City's intention to refund the Refunded Bonds shall be shall be posted on <http://emma.msrb.org> within 10 days of the passage of this Resolution and be given, at the direction of the Finance Officer, by the respective paying agent for the Refunded Bonds, to

the respective registered owners of the Refunded Bonds. Such notice shall be in substantially the form as provided in Exhibit B attached hereto and by this reference made a part hereof.

**SECTION 8. Distribution of Proceeds.** The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) An amount representing accrued interest on the Bonds from the dated date to the closing date shall be deposited to the appropriate fund of the City to be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

(b) An amount which, together with other legally available funds of the City, if any, and investment earnings thereon and on said Bond proceeds, will be sufficient to pay principal of and premium and interest on the Refunded Bonds to their earliest optional redemption dates.

(c) The remaining proceeds of the sale of the Bonds shall be used to pay the costs of issuance and sale of the Bonds including surety bond costs, necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Paying Agent and Registrar fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds.

**SECTION 9. Approval of Bond Counsel.** Meierhenry Sargent LLP is hereby retained as Bond Counsel with respect to the Bonds.

**SECTION 10. Tax Matters.** The Interest on the Bonds 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"). The Bonds are designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code.

**SECTION 11. Covenants.** The City hereby covenants and agrees with the owners of the Bonds as follows:

11.1. The City will punctually perform all duties with reference to the Project, the System and the Bonds required by the constitution and laws of the State of South Dakota and by this resolution.

11.2. The City covenants and agrees that pursuant to Sections 25 through 27 of the Act, the lawful holders of the Bonds 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 Bonds, and the City agrees not to sell or otherwise dispose of the System, the Project, or any substantial part thereof, 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.

11.3. The City covenants and agrees with the owners of the Bonds 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 Bonds remains outstanding; that it will maintain insurance on the System for the benefit of the holders of the Bonds 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. The Bonds shall refer expressly to this Resolution and the Act and shall state that it is subject to all provisions and limitations thereof pursuant to Series 19 of the Act.

11.4. The City reasonably anticipates that it will not issue more than \$10,000,000 in tax exempt bonds during calendar year 2020 for purposes of bank qualification under Section 265(b)(3) of the Internal Revenue Code.

11.5. The City covenants and agrees that it will at all times comply with the Code and Regulation so that the interest on the Bonds not be includable in gross income for federal income tax purposes.

**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 Bonds, or in any other condition thereof materially affecting the lawful holder of the Bonds, or if the revenues of the Project are dissipated, wasted or diverted from their proper application as set forth 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 Section 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 Bonds, or any agreement pertaining hereto 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 Bonds, or any other documents pertaining hereto.

**SECTION 14. Authorization of City Officials.** The Mayor, Finance Officer and other 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 15. Sale of Bonds and Registered Bonds.**

The Bonds shall be sold to the Purchaser at a price to be set forth in the Bond Purchase Agreement. The Mayor and the Finance Officer, or either of them, in consultation with the Purchaser, are authorized to make such changes in the structuring of the terms and sale of the Bonds as they shall deem necessary to maximize the savings from the refunding of the Refunded Bonds. In this regard, they, or either of them, in consultation with the Purchaser, are authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein cause fewer than all the Refunded Bonds to be refunded, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The Mayor and the City Finance Officer, or either of them, are hereby authorized to execute and the City Finance Officer is authorized to attest the Bond Purchase Agreement with the Purchaser providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in form and content acceptable to the Mayor and Finance Officer, the execution thereof by either of them to constitute conclusive evidence thereof; provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this Resolution and is not inconsistent with the terms hereof. The Mayor and the City Finance Officer are authorized to cause the Bonds to be authenticated and delivered by the Paying Agent and Registrar to the Purchaser and to execute, publish, and deliver all certificates and documents including the Official Statement and closing certificates and documents as they shall deem necessary in connection with the sale and delivery of the Bonds.

The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of One Dollar (\$1.00) or any integral multiple thereof. All Bonds issued under the Resolution shall be substantially in the form set forth in Exhibit A attached hereto, and by this reference incorporated herein as fully as though copied.

The Bonds shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Finance Officer, and approved as to form and countersigned by a Resident Attorney by his manual or facsimile signature.

In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the City to sign such Bond,

although on the date of the adoption by the City of this Resolution, such individuals may not have been such officers.

The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or Bonds to the assignee(s) in \$0.01 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Regular or Special Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the City to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

In the event any Bond is mutilated, lost, stolen, or destroyed, the City may execute, and upon the request of an Authorized Officer of the City the Registration Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the City and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the City and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the City and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the City may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without

surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorneys' fees, incurred by the City and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the City and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the City and the Registration Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

Every Bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the City (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Purchaser or as it may designate upon receipt by the City of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

**SECTION 16. Record Retention and Post Issuance Compliance.** The City does hereby adopt Meierhenry Sargent LLP Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure manual as its written post issuance compliance procedures with regard to the current financing. The Finance Officer is directed to retain records with regard to this financing for the entire term of the financing plus three years and to keep record of all payments for six years after the payment has been made.

**SECTION 17. Effective Date.** This Resolution shall take effect on the 20<sup>th</sup> day following its publication, unless suspended by a referendum.

Adopted at City of Miller, South Dakota, this 20<sup>th</sup> day of August 2020.

APPROVED:

\_\_\_\_\_  
Ronald Blachford, Mayor

(SEAL)

Attest: \_\_\_\_\_  
Sheila Coss, Finance Officer

Passed: August 20, 2020  
Published: August 29, 2020  
Effective: September 18, 2020

## ATTACHMENT TO RESOLUTION

### Post-Issuance Compliance Policy for Tax-Exempt and Tax-Advantaged Obligations and Continuing Disclosure

#### **Definitions**

"Compliance Officer" means the Finance Officer of the Issuer.

"Issuer" means the City of Miller, South Dakota.

#### **Statement of Purpose**

This Post-Issuance Compliance Policy (the "Policy") sets forth specific policies of the Issuer designed to monitor post-issuance compliance:

- (i) with applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder ("Treasury Regulations") for obligations issued by the Issuer on tax-exempt or tax-advantaged basis ("Obligations"); and
- (ii) with applicable requirements set forth in certificates and agreement(s) ("Continuing Disclosure Agreements") providing for ongoing disclosure in connection with the offering of obligations to investors ("Offerings"), for obligations (whether or not tax-exempt or tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12(b) (the "Rule") promulgated by the Securities and Exchange Commission ("SEC") under the Securities Exchange Act of 1934.

This Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

This Policy similarly documents practices and describes various procedures and systems designed to ensure compliance with Continuing Disclosure Agreements, by preparing and disseminating related reports and information and reporting "material events" for the benefit of the holders of the Issuer's obligations and to assist the Participating Purchasers (within the meaning of the Rule) in complying with the Rule.

The Issuer recognizes that compliance with pertinent law is an on-going process, necessary during the entire term of the obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

### **General Policies and Procedures**

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The Compliance Officer shall be responsible for monitoring post-issuance compliance issues.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service ("IRS") requirements, such as those contained in Revenue Procedure 97-22.
- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

### **Issuance of Obligations - Documents and Records**

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the "Transcript").
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.
- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

## **Arbitrage**

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer's financial advisor or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.
- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.

K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.

L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.

M. Arrange for timely computation and payment of "yield reduction payments" (as such term is defined in the Code and Treasury Regulations), if applicable.

### **Private Activity Concerns**

The following policies relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.

B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.

C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.

D. Monitor the expenditure of proceeds of issue and investment earnings for qualifying costs.

E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:

1. Sale of the facilities, including sale of capacity rights;

2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;

3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;

4. Preference arrangements (in which the Issuer permits a third-party preference, such as parking in a public parking lot);

5. Joint-ventures, limited liability companies or partnership arrangements;



6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
7. Development agreements which provide for guaranteed payments or property values from a developer;
8. Grants or loans made to private entities, including special assessment agreements; and
9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and
2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

#### **Qualified Tax-Exempt Obligations**

If the Issuer issues qualified tax-exempt obligations in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 "Small Issuer" limit is not exceeded.

#### **Federal Subsidy Payments**

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

#### **Reissuance**

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

### **Record Retention**

The following policies relate to retention of records relating to the Obligations Issued. The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
  - 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
  - 2. Documentation evidencing expenditure of proceeds of the issue;
  - 3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
  - 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
  - 5. Documentation evidencing all sources of payment or security for the issue; and
  - 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

## **Continuing Disclosure**

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Purchasers (as defined in the Rule) are required to determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with Offerings subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the Transcript for each issue of related obligations will include a Continuing Disclosure Agreement executed by the Issuer.

In order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Officer will, if and as required by such Continuing Disclosure Agreements:

- A. Assist in the preparation or review of annual reports ("Annual Reports") in the form required by the related Continuing Disclosure Agreements.
- B. Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as a date within a certain number of days (e.g., 365 days) following the end of the Issuer's fiscal year (the "Annual Report Due Date"), as provided in the related Continuing Disclosure Agreements.
- C. Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the Municipal Securities Rulemaking Board ("MSRB") through the Electronic Municipal Market Access ("EMMA") System at [www.emma.msrb.org](http://www.emma.msrb.org) in the format prescribed by the MSRB.
- D. Monitor the occurrence of any "Material Event" (as defined in the Continuing Disclosure Agreements) and timely file notice of the occurrence of any such Material Event in the manner provided under the Continuing Disclosure Agreements. To be timely filed, such notice must be transmitted within 10 days (or such other time period as set forth in the Continuing Disclosure Agreements) of the occurrence of such Material Event.
- E. Ensure timely dissemination of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement.
- F. Respond to requests, or ensure that the Issuer Contact (as defined in the Continuing Disclosure Agreement) responds to requests, for information under the Rule, as provided in the Continuing Disclosure Agreements.
- G. Monitor the performance of any dissemination agent(s) engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreements.

PASSED and ADOPTED by the City of Miller, South Dakota, this 20<sup>th</sup> day of August, 2020.

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Ronald Blachford, Mayor

ATTEST:

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Sheila Coss, Finance Officer

**EXHIBIT B**

**NOTICE OF REDEMPTION OF  
TAXABLE ELECTRIC REVENUE BONDS, SERIES 2010A  
(RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS)  
OF THE CITY OF MILLER  
HAND COUNTY  
STATE OF SOUTH DAKOTA**

Notice is hereby given to the owners and holders of following Bonds named in the above caption that the City of Miller, Hand County, State of South Dakota has exercised its option to call for redemption and payment all of said Bonds prior to their maturity, and such Bonds will be paid on December 1, 2020 upon surrender of said Bonds, and such payment will be at a price of par plus accrued interest up to and including December 1, 2020.

<u>Maturity Date</u>	<u>Principal Outstanding</u>	<u>Interest Rate</u>	<u>CUSIP</u>
December 1, 2020	\$ 290,000	4.650%	600608 AJ2
December 1, 2022	320,000	5.100%	600608 AK9
December 1, 2024	350,000	5.600%	600608 AL7
December 1, 2026	395,000	6.250%	600608 AM5
December 1, 2028	445,000	6.750%	600608 AN3
December 1, 2031	790,000	7.000%	600608 AP8
December 1, 2034	975,000	7.500%	600608 AQ6
December 1, 2037	1,215,000	7.750%	600608 AR4
December 1, 2040	1,515,000	7.875%	600608 AS2
	<u>\$6,295,000</u>		

The Bonds are being called pursuant to a Resolution dated \_\_\_\_\_, 2020 of the City of Miller, at the above principal amount of each such Bond, together with interest accrued to the Redemption Date. From and after Redemption Date, interest on the Bonds hereby called shall cease, provided funds have been deposited with us to effect the redemption.

The redemption to be effected is conditioned on receipt by the Paying Agent on or before the Redemption Date of moneys sufficient to pay the redemption price of and interest on the Bonds to be redeemed. If moneys sufficient to pay the redemption price of and interest on such Bonds are not received by the Paying Agent on or before the Redemption Date, the redemption shall not be made and the Paying Agent will, within a reasonable time thereafter give a rescission notice, in the manner in which the notice of redemption was given.

The called Certificates should be presented as follows:

**WELLS FARGO BANK, N.A.  
WELLS FARGO CORPORATE TRUST  
MAC-N9311-115  
625 MARQUETTE AVENUE  
MINNEAPOLIS, MN 55479**

**Wells Fargo Bank, N.A.**

**As Registrar and Paying Agent**

**Dated:**

*In compliance with United States Federal Tax Laws, redeeming institutions are required to withhold taxes at the applicable rate from the payment if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled through the submitting of IRS Form W-9, which may be obtained at a bank or other financial institution.*

*The Issuer and Paying Agent shall not be responsible for the selection of or use of CUSIP numbers, nor is any representation made as to their correctness indicated in this Notice of Redemption. They are included solely for the convenience of the holders.*