

2025  
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RESOLUTION NO \_\_\_\_\_

**RESOLUTION AMENDING THE TOWN'S RATE STRUCTURE, PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO THE WATER SYSTEM, FOR PAYMENT OF A REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE**

**BE IT RESOLVED BY THE TOWN BOARD OF TRUSTEES OF THE TOWN OF BUFFALO GAP AS FOLLOWS:**

1. **Surcharge for Borrower Bond.** There shall be charged a monthly surcharge for the services provided by the improvement financed by the DW-02 Conservancy District Loan. The surcharge for each loan shall be segregated from other revenues of the Town and shall be used for the payment of the Borrower Bond DW-02 (the "Borrower Bond"). Provided that such 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.

2. **Rates and collection.** The Town does hereby establish the special charge or surcharge payable by each customer of its system who receives or benefits from the services of the project financed with the Borrower Bond. Such charge or surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond and the administrative expense surcharge and all other payments as may be required under the loan agreement and Borrower Bond.

3. **Borrower Bond Surcharge.** The following drinking water debt service surcharge shall be applicable to all customers served:

Borrower Bond DW-02 Surcharge: \$17.00 per user per month commencing

1 Jan, 2026.

This surcharge shall remain in effect until such time as the revenue bond is paid in full. 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 improvements.

4. **Segregation.** The debt service surcharge shall be segregated from other income of the system in a separate book-keeping account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond.

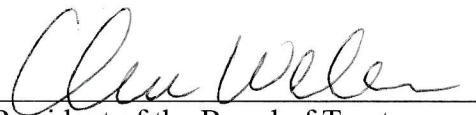
5. **Yearly review.** The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by Town and administratively adjusted, upwards or downwards, to such amounts as may be necessary to pay principal, interest, administrative surcharge, and other charges as may become due and owing under the loan agreement or Borrower Bond.

6. **Billing and Accounting.** The surcharges shall be included in the monthly user bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the Town.

7. **Automatic Repeal.** The surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.

8. **Partial Invalidity.** If any one or more of the provisions of the shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

(SEAL)

  
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President of the Board of Trustees

**ATTEST:**



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Finance Officer