

RESOLUTION NO _2022-03

A RESOLUTION PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO THE CITY'S WATER SYSTEM, FOR PAYMENT OF REVENUE BOND AND YEARLY REVIEW OF RATE

1. Surcharge for Bond Issue. There shall be charged a monthly surcharge for the services provided by the improvement financed by the Borrower Bond Series 2022 designated as DW-01. The surcharge shall be segregated from other revenues of the utility and shall be used for the payment of the revenue bonds. 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 City 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. 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 Series 2022 and the administrative expense surcharges and all other payments as may be required under the loan agreement and Borrower Bond Series 2022.

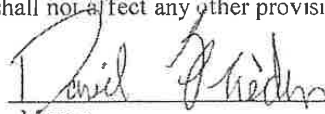
3. Borrower Bond Series 2022 Surcharge. The following water debt service surcharge shall be applicable to all customers served whether in or out of the city or whether retail or sales or resale:

Borrower Bond (Drinking Water) Series 2022 Surcharge: \$12.00 per user per month to start six months prior to the Loan Amortization Date which will be set forth in the Loan Agreement for DW-01.

This surcharge shall remain in effect until such time as the revenue bonds are discharged. The initial surcharge shall be collected at the same time as other charges of the water system. The surcharge is found to be equitable for the services provided by the improvement.

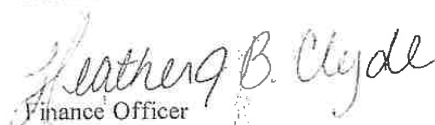
4. Segregation. The debt service surcharge shall be segregated from other income of the water system in a separate account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond Series 2022.
5. Yearly review. The amount of the surcharge shall 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 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, administrative surcharge and other charges as may become due and owing under the Borrower Bond Series 2022.
6. Billing and Accounting. The surcharge shall be included in the monthly user water bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the City.

7. Surcharge not to create constitutional indebtedness. The charges provided herein are for the purpose of paying the Borrower Bond, Series 2022 of the City which do not constitute indebtedness within the meaning of South Dakota Constitutional Chapter XIII Section 4.
8. 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.



Mayor

ATTEST:



Finance Officer

First Reading: ^{Dec} ~~Nov~~ 2022

Passed: ✓ ^{Jan} ~~Dec~~ 2022

Published ✓ ^{Jan} ~~Dec~~

Effective: Jan 2023