

RESOLUTION NO. 2019-25

RESOLUTION OF THE CITY OF HARRISBURG, SOUTH DAKOTA TO REVISE THE SURCHARGE IMPOSED ON USERS OF THE CITY'S SANITARY SEWER SYSTEM IN ORDER TO REPAY A SURCHARGE REVENUE BOND IN THE ORIGINAL PRINCIPAL AMOUNT OF \$2,520,000.

WHEREAS, on July 2, 2018, the City Council adopted Resolution No. 2018-14 (the "Surcharge Resolution") to impose a surcharge on all customers of the City's wastewater system (the "System") in order to secure repayment of a bond originally issued on October 18, 2018 in the original principal amount of \$2,520,000 (the "Borrower Bond") to Branch Banking and Trust Company ("BB&T") pursuant to the terms of the Borrower Bond and its related documents (the "Loan Agreement");

WHEREAS, the Surcharge Resolution established a monthly surcharge of \$12.00 base fee upon all classifications of customers;

WHEREAS, the Surcharge Resolution provides for annual review and adjustment of the surcharge amount to a level which, assuming a 1.10 coverage ratio 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 all other amounts owing under the Loan Agreement; and

WHEREAS, the City has determined that the surcharge should be adjusted to reflect that less funds were borrowed than initially anticipated.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. Surcharge Rate. The surcharge established under the Surcharge Resolution is hereby adjusted to a base fee of \$8.00 per month upon all classifications of customers, effective beginning with the January 1, 2020 bills.

2. Limited Effect. Except as expressly modified by this amendment, the Surcharge Resolution will continue in full force and effect in accordance with its terms.

Adopted this 21<sup>st</sup> day of October 2019.

Julie Burke – Van Luvanee  
Mayor

ATTEST:

Mary McClung  
Finance Officer

Publication: October 31, 2019  
Effective Date: January 1, 2020

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