

RESOLUTION NO. 2021-31

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 \$5,911,800.

WHEREAS, on October 21, 2013, the City Council adopted Resolution No. 2013-27 (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 November 18, 2009 in the original principal amount of \$5,911,800 (the "Borrower Bond") to the South Dakota Conservancy District (the "District") under the terms of the Loan Agreement between the City and the District as of the same date, as amended on December 10, 2013 (the "Loan Agreement"); and

WHEREAS, the Surcharge Resolution established a monthly surcharge of \$1.78 per one thousand gallons of water per month; and

WHEREAS, the Surcharge Resolution provides for annual review and adjustment of the surcharge amount to 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 all other amounts owing under the Loan Agreement; and

WHEREAS, the City has determined that the surcharge should be adjusted to a flat base rate per customer rather than a volume-based charge;

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 four dollars and fifty-one cents (\$4.51) per month upon all classifications of customers, effective beginning with the January 1, 2022 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.

Dated at Harrisburg, South Dakota, this 7th day of September, 2021.

APPROVED:

Derick Wenck
Mayor

ATTEST:

Mary McClung
Finance Officer

Publication: September 16, 2021
Effective: October 6, 2021