RESOLUTION NO. 2021-30

RESOLUTION OF THE CITY OF HARRISBURG, SOUTH DAKOTA TO REVISE THE SURCHARGE IMPOSED ON USERS OF THE CITY'S DRINKING WATER SYSTEM IN ORDER TO REPAY A SURCHARGE REVENUE BOND IN THE ORIGINAL PRINCIPAL AMOUNT OF $1,400,000.

WHEREAS, on June 19, 2019, the City Council adopted Resolution No. 2019-12 (the "Surcharge Resolution") to impose a surcharge on all customers of the City's drinking water system (the "System") in order to secure repayment of a bond originally issued on July 25, 2019 in the original principal amount of $1,400,000 (the "Borrower Bond") to Branch Banking and Trust Company (the "Bank") pursuant to the terms of the Bond Purchase Agreement of the same date (the "Agreement");

WHEREAS, the Surcharge Resolution established a monthly $4.84 base fee surcharge 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 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 Agreement; and

WHEREAS, the City has determined that the surcharge should be adjusted to better reflect the amount of surcharge needed to 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.

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1.   Surcharge Rate. The surcharge established under the Surcharge Resolution is hereby adjusted to four dollars and fifty-six cents ($4.56) base fee upon all classifications of customers, effective beginning with the January 1, 2022 bills.
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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 _____ day of _____.

                                                        _____
                                                        Mayor
ATTEST:

_____
Finance Officer

Publication:
Effective Date:

Published once at the approximate cost of _____.

Surcharge DW-03