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**RESOLUTION NO. 25-13****A RESOLUTION AMENDING THE CITY'S RATE STRUCTURE, PROVIDING A SURCHARGE FOR IMPROVEMENTS TO THE SEWER SYSTEM, FOR PAYMENT OF A PROJECT REVENUE BORROWER BOND AND YEARLY REVIEW OF RATE**

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**WHEREAS**, the City of Box Elder has determined to issue its revenue bonds to finance improvements to its system of wastewater; and

**WHEREAS**, the City of Box Elder will finance the improvements with a South Dakota State Revolving Fund Loan from the South Dakota Conservancy District; and

**WHEREAS**, the City shall adopt special rates or surcharges for the improvements to be pledged, segregated and use for the payment of the Bonds.

**NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Box Elder,**

**1. Surcharge for Borrower Bond.** There shall be charged a monthly surcharge for the services provided by the improvement financed by the CW-04 Conservancy District Loan. The surcharge for each loan shall be segregated from other revenues of the City and shall be used for the payment of the Borrower Bond CW-04 (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 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 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 clean water debt service surcharge shall be applicable to all customers served:

Borrower Bond CW-04 Surcharge: \$3.40 per user per month commencing 6/1/2025.

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 City 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 City.

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 Automatic Repeal.** The surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.

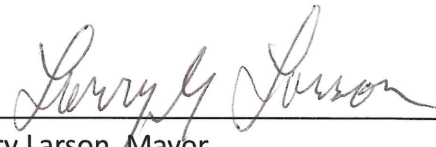
**8. Partial Invalidity.** If any one or more of the provisions of the shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

PASSED, APPROVED AND ADOPTED this 18<sup>th</sup> day of March, 2025.

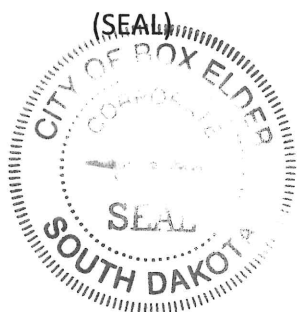
ATTEST:



Renee Baker, Interim Finance Officer



Larry Larson, Mayor



**ATTESTATION**

I, Chaz Kokesh, the City Clerk of the City of Box Elder, South Dakota, do hereby attest and state the above resolution was published on March 29, 2025 in the manner required by law and that all procedures required by the State of South Dakota law were complied with. This resolution shall become effective on April 17, 2025.

Chaz Kokesh

Chaz Kokesh, City Clerk