

RESOLUTION NO. 23-49

A RESOLUTION AMENDING THE SURCHARGE FOR IMPROVEMENTS TO THE CITY OF BOX ELDER WATER SYSTEM ASSOCIATED WITH SRF LOAN # C462003-04, FOR PAYMENT OF A BORROWER BOND AND YEARLY REVIEW OF THE SURCHARGE

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

WHEREAS, the City of Box Elder will finance the improvements with a South Dakota State Revolving Fund Loan (Loan # C462003-04) from the South Dakota Conservancy District in the amount of \$6,630,000; and

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

WHEREAS, the City adopted Resolution # 23-27 establishing a \$7.40 surcharge for the purpose of satisfying the debt obligation for SRF (Loan # C462003-04); and

WHEREAS, Resolution 23-28 which authorizes SRF Loan # C462003-04 and pledges surcharge revenue for repayment of the loan, as well as Resolution # 23-27, allow for the periodic review of the applicable surcharge; and

WHEREAS, additional information has been provided to the City by its water rate consultant, which information makes clear that the City can reduce the \$7.40 surcharge associated with SRF Loan # C462003-04 and maintain the appropriate debt coverage requirement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOX ELDER:

In addition to the other charges, the City hereby establishes a surcharge of \$5.26 payable by each customer of its system who receives or benefits from the services of the project financed by the DW- C462003-04 loan with the borrower bond. The collection of the surcharge shall start on January 1, 2024. The surcharge shall remain in effect until such time as the borrower bond is paid in full, it shall be collected at the same time as other charges of the system and establish a surcharge account to segregate the income from other system income for bookkeeping purposes to be pledged to the South Dakota Conservancy District. The surcharge shall be reviewed from year to year and modified in order to provide the required 110 percent debt coverage; and

BE IT FURTHER RESOLVED, that Resolution # 23-27 be repealed to the extent it is inconsistent with this Resolution.

This Resolution being necessary for the support of municipal government, it shall be effective upon passage.

Adopted at Box Elder, South Dakota, this 5th day of December 2023.



CITY OF BOX ELDER

BY: Larry Larson
Larry Larson, Mayor

ATTEST:

BY: Nicole Schneider
Nicole Schneider, Finance Officer

Adopted: 12/5/2023
Published: 12/14/2023
Effective: 1/3/2024