

**RESOLUTION NO 24-02**

**RESOLUTION AMENDING THE CITY’S RATE STRUCTURE, PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO SEWER SYSTEM, FOR PAYMENT OF PROJECT REVENUE BORROWER BONDS AND YEARLY REVIEW OF RATE**

WHEREAS, it is necessary to adjust the rates to sustain the systems on a long term basis, provide financial stability, equity, regulate water quality, remain economically competitive and charge the fairest rates to all users.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMON COUNCIL OF THE CITY OF AURORA, SOUTH DAKOTA AS FOLLOWS:**

1. The City does hereby establish, in addition to its normal sanitary sewer system user fees and surcharges, a surcharge in the amount of \$2.60 per user per month for repayment of the CW-05 borrower bond (the “Surcharge”) and will be charged to all users of the system.
2. Effective Date. For usage being billed on the July 2024 billing statements sewer charges shall be as follows:

**Monthly Wastewater Rates and Surcharges (Total: \$69.05 )**

<b>Rate Class</b>	<b>Base Rate</b>	<b>CW-02 Monthly Surcharge Fee</b>	<b>CW-03 Monthly Surcharge e Fee</b>	<b>CW-04 Monthly Surcharge Fee</b>	<b>CW-05 Monthly Surcharge Fee</b>
Residential and Commercial Sewer Users	\$26.60 per Water Connection	\$4.00	\$18.85	\$17.00	\$2.60
Multiple Apartment Dwelling	\$26.60 per Unit	\$4.00	\$18.85	\$17.00	\$2.60

3. Surcharge for Borrower Bond. There shall be charged a monthly surcharge for the services provided by the improvements financed by the CW-02, CW-03, CW-04 and CW-05 Conservancy District Loans. The surcharges for each loan shall be separately segregated from other revenues of the city and shall be used for the payment of the

Borrower Bonds CW-02, CW-03, CW-04 and CW-05 (collectively the “Borrower Bond”). Provided that such surcharges 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.

4. Rates and collection. The City does hereby establish the special charges or surcharges for each Borrower Bond payable by each customer of its system who receives or benefits from the services of the project financed with the respective 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.

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.

5. 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.
6. Yearly review. The amount of the surcharges 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 personal 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.
7. 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.
8. Automatic Repeal. The surcharge for the Borrower Bond shall be automatically repealed when the Borrower Bond is paid in full.
9. 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.

10. Conflicts. All ordinances, resolutions, parts of ordinance or resolutions in conflict or inconsistent with the terms of this resolution are herewith repealed.

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Mayor

ATTEST:

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Finance Officer

Shannon Freng