

PICKEREL LAKE SANITARY DISTRICT

ORDINANCE NO. 8

AN ORDINANCE ESTABLISHING THE PROCEDURE FOR DETERMINING CHARGES FOR DEBT SERVICE TO BE LEVIED ON ALL USERS WHICH DISCHARGE WASTEWATER TO THE WASTEWATER SYSTEM OPERATED BY THE PICKEREL LAKE SANITARY DISTRICT, DAY COUNTY, SOUTH DAKOTA, HEREIN DESIGNATED AS PLSD.

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE PICKEREL LAKE SANITARY DISTRICT, HEREINAFTER DESIGNATED AS BOARD.

SECTION I

PURPOSE

The purpose of this ordinance shall be to generate sufficient revenue to reimburse costs (principal interest, and administrative costs) of indebtedness incurred for the construction of the complete wastewater system. The costs shall be distributed proportionately to all users of the wastewater system.

SECTION II

DETERMINATION OF DEBT SHARE

PLSD shall determine the total amount of debt, interest, and administrative costs to be reimbursed over the fifteen (15) year term of the indebtedness. The PLSD shall determine the proportionate share of the debt cost by dividing the total cost by the total number of Users of the wastewater system.

SECTION III

THE INDEBTEDNESS

Indebtedness of PLSD shall consist of a loan from the South Dakota Conservancy District and the South Dakota State Revolving Loan Fund. The duration of such indebtedness shall be for a period of fifteen (15) years at an effective interest rate of 5.0% per annum.

The indebtedness shall be secured by Wastewater System Revenue Bonds or such other evidence of debt as determined by the Board.

SECTION IV
USER DEBT SERVICE

PLSD proposes four (4) options from which the User may select one (1) option as the means by which the share of indebtedness will be reimbursed. The user will have a one-time privilege to select the option desired to service their proportionate share of debt. The user would have the privilege of payment in full without penalty at any time. A surcharge of .5% will be added to the 5.00% loan interest rate to cover administrative costs of amortized payments.

As additional users that acquire undeveloped properties are added to the system, a prorata share of the reduced debt service share needed will be credited to the unpaid balance of the User's account, applied to the User's Service Fee Account, or refunded to the User at the option of PLSD.

SECTION V
DEBT SERVICE OPTIONS

The User shall select from the options listed below as the means of reimbursement for his proportionate share of indebtedness. This is a one time selection for the duration of the Users Debt Service unless full payment is made. Debt Service Payments are in addition to User Connection Fees as established in Ordinance No. 6.

OPTION A: The User shall make payment of \$5,000.00 (based on 310 users and indebtedness of \$1,550,000) payable on April 1 of the calendar year following the commencement of construction in the Project Phase as set forth in Ordinance No. 6 in which the User property is located.

OPTION B: The User shall make semi-annual payments on April 1 and October 1 of each year in the amount of \$580.00 each (based on 310 users and indebtedness of \$1,550,000) for a period of five (5) years. Payments shall begin on the April 1 or October 1 date following commencement of construction in the Project Phase as set forth in Ordinance No. 6 in which the User property is located.

OPTION C: The User shall make semi-annual payments on April 1 and October 1 of each year in the amount of \$330.00 each (based on 310 users and indebtedness of \$1,550,000) for a period of ten (10) years. Payments shall begin on the April 1 or October 1 date following commencement of construction in the Project Phase as set forth in Ordinance No. 6 in which the User property is located.

OPTION D: The User shall make semi-annual payments on April 1 and October 1 of each year in the amount of \$250.00 each (based on 310 users and indebtedness of \$1,550,000) for a period of fifteen (15) years. Payments shall begin on the April 1 or October 1 date following commencement of construction in the Project Phase as set forth in Ordinance No. 6 in which the User property is located.

SECTION VI

SELECTION OF PAYMENT OPTION

The User shall make the Payment Option Selection at the time of the final payment of the User Connection Fee for the Project Phase, as set forth in Ordinance No. 6, in which the User Property is located. The Option Selection shall be a one (1) time privilege and shall exist for the duration of the User's debt service term unless the remaining outstanding balance is paid in full. The User shall have prepayment privilege without penalty.

SECTION VII

NOTIFICATION

Each User selecting an Option calling for periodic payments will be provided with an amortization (payment) schedule which will depict the date of payment due, the principal portion of the payment, the interest portion of the payment, the Total Amount of the payment, and the principal balance outstanding after application of the payment.

The provision of the amortization schedule shall constitute notice of payments due, and additional notices of individual payments due will not be provided.

SECTION VIII

DELINQUENCY

Payment not received within 30 days or more after the due date will be considered delinquent. A delinquent payment fee in the amount of 1.5% per month will be assessed on the delinquent account retroactive to the date payment was due. The delinquent payment fee assessed shall become a part of the remaining obligation

of the User if not paid

User Debt Service Fees remaining unpaid after their due date shall be considered delinquent and shall be certified to the County Auditor in accordance with SDCL 34A-5-40.

SECTION IX

VALIDITY

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

The invalidity of any section, clause, sentence, or provision of this Ordinance shall not affect the validity of any other part of this Ordinance which can be given effect without such invalid part or parts.

SECTION X

ORDINANCE IN FORCE

This Ordinance shall be in full force and effect from and after its passage, approval, recording and publication as provided by law.

Passed and adopted by the Board of Trustees of Pickerel Lake Sanitary District, Day County, South Dakota, on the 11th day of May, 1996, by the following vote:

AYES: 3 NAMELY: Monzel, Porter, Svare

NAYS: 0 NAMELY: _____

Passed First Reading: May 4, 1996

AYES: 2 NAMELY: Porter and Svare (Monzel absent)

NAYS: 0 NAMELY: _____

Passed Second Reading: May 11, 1996

Published: May 20, 1996



Duane H. Padoll
Duane H. Padoll, Clerk

By: *James Porter*
James Porter, President