

SEWER SERVICE AGREEMENT
BETWEEN
PRAIRIE FIRE DEVELOPMENT
AND
CITY OF RAPID CITY, SOUTH DAKOTA

This Agreement executed this _____ day of _____, 2006. This agreement is authorized by the City of Rapid City, a municipal corporation organized under the laws of the State of South Dakota, hereinafter referred to as the "City" and referencing a City "Resolution Establishing a Policy Regulating the Provisions of City Utility Services to Property Outside City Limits" dated May 16, 2005, and is to allow the extension of Sewer services to Prairie Fire Development, a subdivision outside the Rapid City Limits, hereinafter referred to as "Prairie Fire".

RECITALS

1. The City has constructed and operates a wastewater collection and treatment system for the purpose of collection, treatment and disposal of sewage;
2. Prairie Fire has constructed and operates, through a **Home Owners Association**, a sewage collection system within the Prairie Fire Subdivision, located in the NE1/4 Section 26, T. 1 N., R. 8 E., B.H.M., Pennington County, South Dakota;
3. Prairie Fire encompasses an area, outside the City Limits, which is so situated that the sewage thereof becomes, or may become, a menace to the residents of such area;
4. Prairie Fire is eligible to enter into a contract with the City to connect to the facilities of the City for the treatment and disposal of sewage of the six (6) block subdivision, serving seventy five (75) lots.
5. The City and Prairie Fire desire to enter into a contract to allow Prairie Fire to use the sewage treatment and disposal facilities of the City and to establish rights and obligations incident thereto.

In consideration of the City of Rapid City Resolution Establishing a Policy Regulating the Provisions of City Utility Services to Property Outside City Limits, stipulations and conditions contained therein, City and Prairie Fire agree as follows:

SECTION ONE DEFINITIONS

The words, terms and phrases of a technical nature relating to wastewater collection and treatment shall have the meaning assigned to them in Section 13.08.010 of the Rapid City Municipal Code and shall be interpreted as such throughout this Agreement.

One (1) SFRE equals one (1) single-family residential user, as defined by Section 13.08.010 of the City's Municipal Code.

SECTION TWO USE OF WASTEWATER TREATMENT PLANT

The City hereby grants to Prairie Fire the right to discharge sewage into the City's sewer system at the entrance to the Sewer Treatment Plant. The City agrees to transport such sewage from the point of entry to the wastewater treatment works of the City, and to treat and dispose of such sewage, all subject to the conditions herein. Prairie Fire shall discharge its sewage into the City sewer system through a totalizing flow meter located as near to the point of discharge as possible and convenient. Prairie Fire shall furnish and install the meter and the City shall read the meter. Prairie Fire shall pay the City to maintain said meter including an annual calibration. The calibration shall be performed annually in the presence of a "Home Owners Association" representative and be submitted to the Water Billing office by March 1, 2007, and every year thereafter by said March 1 date.

The City shall tabulate measured flows and submit monthly to Prairie Fire, the volume of sewage measured each month. The sewage payments to the City will be monthly volumes of sewage comprising the total volume measured divided by seven hundred forty eight (748) gallons per unit. Payments per unit, times 1.5 the effective rate, to the City shall begin June 1, 2006, and monthly thereafter.

SECTION THREE ENACTMENT OF SEWER ORDINANCES

The City agrees to furnish copies of City ordinances and Prairie Fire agrees to enact applicable portions of such ordinances to govern the Home Owners Association, prior to discharge of any sewage into the City's system. Prairie Fire agrees that the enacted ordinances shall comply with the regulations of the Federal Environmental Protection Agency and the South Dakota Department of Environment and Natural Resources. Prairie Fire further agrees to enforce the terms of any such enacted ordinances and to furnish the City with a

copy of such ordinances and any amendments adopted subsequent thereto. Prairie Fire agrees to establish and enforce an industrial pre-treatment program at least equal to that established by the City in the event any user within the Subdivision conducts any operation, which would be subject to such program if located within previously identified Prairie Fire boundaries.

SECTION FOUR SERVICE CHARGES

Prairie Fire shall pay to the City, monthly service charges based upon the volume as tabulated under SECTION TWO above times 1.5 the service charge the City is imposing upon its wastewater subscribers, as calculated pursuant to Section 13.08.370 of the City's Municipal Code, as said Section is in existence at the time of the entering into of this Agreement, and as said Section may be amended in the future to reflect any increase or decrease to the charge imposed by the City to be paid by a tenant or owner of a premises served by the wastewater collection and treatment system of the City. At the time of the entering into of this Agreement, "Resolution Establishing a Policy Regulating the Provisions of City Utility Services to Property Outside City Limits" dated May 16, 2005, provides that the rate to be paid for service to the lines owned by a governmental entity, such as Prairie Fire, shall be 150% of the rate charged to retail customers of the wastewater collection and treatment system.

Service charges shall be payable monthly, on or before the tenth (10th) day of each month.

SECTION FIVE INDUSTRIAL AND COMMERCIAL USERS

In the event an industrial or commercial user shall desire to convey wastes other than domestic sewage to Prairie Fire's sewage collection system, this Agreement shall be amended to include a permit system as provided in Section 13.08 of the City's Municipal Code, including pretreatment, monitoring, sampling, record keeping, and reporting as required under Section 13.08, and in compliance with federal categorical pretreatment standards, as provided in section 13.08.330.

Prairie Fire shall permit no significant or minor industrial user to use Prairie Fire's sewage collection system until such aforementioned conditions have been implemented by mutual agreement between the City and Prairie Fire.

SECTION SIX
ADDITIONS TO PRAIRIE FIRE DEVELOPMENT

The present boundaries of Prairie Fire are the same and unchanged from the boundaries described and outlined in “RECITALS (4) of this Agreement.

Prairie Fire shall not allow the use of Prairie Fire’s sewage collection system by any properties, other than those properties set forth in RECITALS (4) of this Agreement. If Prairie Fire should expand its boundaries, it shall not allow anyone within the extension of such boundaries to convey sewage or industrial waste to the City Wastewater Treatment Plant without prior written approval of the City allowing persons in such extended area to use the City Wastewater Treatment Plant.

SECTION SEVEN
TEMPORARY DISCONTINUANCE OF SERVICE

The City reserves the right to temporarily discontinue service to Prairie Fire, with proper notification, whenever it is necessary to insure proper operation of the City’s wastewater collection and treatment system. No claims for damages for such discontinuance shall be made by Prairie Fire against the City.

SECTION EIGHT
TERM AND TERMINATION OF AGREEMENT

This Agreement shall be in full force and effect for an unlimited time or until Prairie Fire and its entire jurisdiction is annexed into the Corporate Limits of the City of Rapid City. At such time of annexation, the City **may** elect to assume the ownership and maintenance of the Prairie Fire jurisdictional collection system and a new Agreement **may** be executed. The City **may** elect to assume ownership and maintenance of that portion of the Prairie Fire collection system along South Side Drive at any time and without mutual agreement between the parties.

In witness whereof the parties hereto have executed this Agreement on the date first above written.

PRAIRIE FIRE DEVELOPMENT

CITY OF RAPID CITY, SD.

President, Home Owners Association

Mayor

ATTEST:

ATTEST:

(SEAL)

Finance Officer
(SEAL)