

All City Council Meetings are recorded.

CITY OF CUSTER CITY
COUNCIL AGENDA
March 2nd, 2020 – City Hall Council Chambers
5:30 P.M.

1. Call to Order - Roll Call - Pledge of Allegiance
2. Approval of Agenda
3. Approval of Minutes – February 18th, 2020 Meeting
4. Declaration of Conflict of Interest
5. Public Hearings - Public Presentations
 - a. Public Hearing – Retail On-Off Sale Malt Beverage & SD Farm Wine License Transfer – Calamity Jane Coffee Shop
Retail On-Off Sale Wine & Cider License – Calamity Jane Coffee Shop
Retail On-Off Sale Malt Beverage & SD Farm Wine License – Custer Outdoor Shop
Retail On-Off Sale Wine & Cider License – Custer Outdoor Shop
Retail On-Off Sale Malt Beverage & SD Farm Wine License Transfer – Custer Wolf
Retail On-Off Sale Wine & Cider License Transfer – Custer Wolf
Retail On-Off Sale Malt Beverage & SD Farm Wine License – Good Karma
 - b. First Reading – Ordinance #835 – Official Zoning Map
 - c. Placement Agent Agreement – Dougherty & Company
 - d. Resolution #03-02-2020A – Approval to the Issuance & Sale of Water Revenue Bonds (Refinance USDA Loan)
 - e. Executive Proclamation – Wes Dittman Day
 - f.
6. Public Comments (3-minute max. per person, with total public comment period not to exceed 15 minutes)
7. Old Business
 - a.
 - b.
8. New Business
 - a. Run Crazy Horse Marathon Request – Emily Wheeler
 - b. Drainage Project Construction Administration Contract – ACES
 - c. Fourth of July Celebration Request – Custer Chamber
 - d. Gold Discovery Days Parade Request – Custer Chamber
 - e. Amendment to Wastewater Treatment Plant Upgrades Agreement – DGR Engineering
 - f. Cemetery Caretaker Bids & Contract
 - g.
 - h.
9. Presentation of Claims -
10. Department Head Discussion & Committee Reports –
11. Possible Executive Session – Personnel (1&4), Proposed/Pending Litigation (3), & Contract Negotiations (3) (SDCL 1-25-2(1,2,3,4,5,6))
12. Adjournment

REMINDERS

- General Government Committee Meeting – March 9th, 2020 5:30 P.M.**
Planning Commission Meeting – March 10th, 2020 5:00 P.M.
Regular City Council Meeting – March 16th, 2020 5:30 P.M.
Park & Recreation Committee Meeting – March 17th, 2020 5:30 P.M.
Public Works Committee Meeting – April 6th, 2020 4:30 P.M.
Regular City Council Meeting – April 6th, 2020 5:30 P.M.

ADA Compliance: The City of Custer City fully subscribes to the provisions of the Americans with Disabilities Act. If you desire to attend this public meeting and are in need of special accommodations, please notify the Finance Office 24 hours prior to the meeting so that appropriate services are available.

**CITY OF CUSTER CITY
COUNCIL PROCEEDINGS- REGULAR SESSION
February 18th, 2020**

Mayor Corbin Herman called to order the second meeting of the Common Council for the month of February 2020 at 5:30 p.m. Present at roll call were Councilpersons Blom, Whittaker, Moore, Fischer and Ryan. Attorney Beesley was also present. The Pledge of Allegiance was stated.

AGENDA

Councilperson Blom moved, with a second by Councilperson Whittaker, to approve the agenda. The motion unanimously carried.

MINUTES

Councilperson Moore moved, with a second by Councilperson Ryan, to approve the minutes from the February 3rd council meeting. The motion unanimously carried.

CONFLICTS OF INTEREST

No conflicts of interest were stated.

PUBLIC HEARING – OFF SALE LIQUOR LICENSE – DAKOTAMART GAS CENTER

Councilperson Fischer moved to approve the off-sale liquor license for Dakotamart Gas Custer contingent upon proof of insurance being provided. Seconded by Councilperson Whittaker, the motion unanimously carried.

RESOLUTION #02-18-20A – EAST CUSTER SEWER DISTRICT

Councilperson Blom moved to adopt Resolution #02-18-20A, East Custer Sewer District. Seconded by Councilperson Moore, the motion unanimously carried.

RESOLUTION #02-18-20A

SEWAGE TREATMENT, BILLING AND MAINTENANCE AGREEMENT

This Agreement for treatment, billing and maintenance, is entered into as of the 3rd day of February, 2020, by and between the City of Custer City, South Dakota, hereinafter referred to as the "City" and the East Custer Sanitary Sewer and Water District, Custer, South Dakota, hereinafter referred to as the "District."

This agreement shall specifically supersede and replace that certain Sewage Treatment contract originally entered into between the parties hereto, signed March 17, 1975, consisting of three pages, and any and all amendments and addendums executed thereafter, including Resolution #11-21-16C.

Witnesseth:

Whereas the District is organized and established under the provisions of SDCL 34A-5 and Acts amendatory thereof, for the purpose of operating, maintaining and repairing sewage collection system serving sewer users within the District, as indicated on exhibit "A" attached hereto, establishing the exterior boundaries of said district.

Whereas, the City now owns and operates a sewage treatment plant with a capacity currently capable of serving the present customers of the City's system and the estimated number of sewer users to possibly be served by the said District.

Whereas, treatment of sewage for the District in accordance with the terms set forth herein is approved, and the execution of this contract is duly authorized by Resolution hereinafter set forth, and

Whereas, by Resolution of the Board of Trustees of the District hereinafter set forth, treatment of the District's sewage by the City is hereby approved and the execution of this contract is duly authorized.

Now therefore, in consideration of the foregoing and mutual agreements hereinafter set forth,

A. The City Agrees:

1. (Quality and Quantity) To adequately treat the non-industrial sewage of the District, during the term of this Agreement or any renewal or extension thereof, according to the standards established by the South Dakota Department of Environmental Protection in such quantity as may be required by the District; however, not to exceed the design capacity of the City Sewage Treatment Plant.
2. (Billing Procedure) The District certifies that they are authorized by their bylaws and regulations to enter into this Agreement on behalf of their members. The City shall be responsible to charge for, bill and collect for all sewer fees or charges, or any debt surcharge therefore, directly to the District's members, and to pay the appropriate amount (\$1,300 monthly) to the District on or before the 20th day of each month for the preceding month through automatic deposit in the District's account. Such stated monthly payment shall be utilized by the District to assist with the District's monthly recurring responsibilities including but not limited to debt payments,

insurance, repairs beyond the terms of this agreement, etc. The City shall charge and apply late fees as stated in section 13.20.090 of the Custer Municipal Code. A Service reduction for those members who do not occupy their residence or business for a period thirty consecutive days or greater, will be applied in accordance with section 13.24.060 of the Custer Municipal Code, except that the rate shall be as set forth in the East Custer Sewer District Rate Schedule, attached hereto as "Exhibit C" .

3. (Rates) The City shall charge each member of the District on a monthly basis at the rate(s) as stated in the East Custer Sewer District Rate Schedule, attached hereto as "Exhibit C", as the same may be amended.
4. (Maintenance/Repairs) The City shall conduct the general maintenance and repairs to the lift stations, read the commercial meters and jet the sewer lines once every 18 months. General maintenance and repairs shall include assisting with freeze ups no more than twice a year, pulling and cleaning each pump no more than twice year. Large repairs shall be excluded from the City's responsibility hereunder, for example replacement of a lift station pump or excavation and repair & replacement of any section of sewer line shall be the District's responsibility.

B. The District Agrees:

1. (Board of Trustees) The District shall maintain their Board of Trustees who shall be responsible for and govern all activities of the District, and the Board shall be the point of contact for the City. The Board shall provide annually by December 31st each year a list of board members and contact information for each board member and shall appear at the First Council meeting the following year with an annual update to Council for the preceding year.
2. (Maintenance/Repair) District hereby agrees to be responsible for costs outside of general repairs and maintenance of the system, including but not limited to meter replacement, pipe repair, manholes, lift station equipment replacement, etc to the point of entry to the City's Sewer Main, as displayed in "Exhibit B" (whether that portion of the system is located on District or City land), attached hereto and incorporated herein by this reference as though set forth in full. If the City does any additional repairs, maintenance outside of their scope, they shall bill the District for additional cost.
3. **All commercial member's properties must be metered.** The City shall be responsible for reading and reporting all meters within the District on a monthly basis and ensuring that said meters are working accurately. At City's discretion, City's employees may enter onto District's property to conduct independent readings of any meters to verify that the same are working accurately.
4. (Outstanding Bills and Debt) The District shall be responsible for all debt, debt payments, insurance, and other expenditures the District sees fit. The District shall be responsible for all debt repayment and any reporting requirements in accordance with such debt.

C. It is Further Mutually Agreed Between the City and District:

1. (Term of Agreement) That this Agreement shall extend for a term of two years from the date of execution of this Agreement/Resolution. This Agreement may be extended for an additional five-year period upon agreement of the parties. Written notice of intent to renew shall be provided at least 90 days prior to termination of this Agreement to the other party by certified mail, return receipt requested.
2. (Treatment of Sewage) That the City will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to treat the District's sewage. Temporary or partial failure to treat sewage shall be remedied with all possible dispatch.
3. (Type of Sewage) That the District will discharge only domestic sewage and will allow no storm water, ground water, or grease or oil to enter its collection system. This Agreement does not allow for any treatment of industrial or trucked in waste. If any industrial or trucked in waste is intended to be discharged by the District, a separate agreement must be made to provide for its monitoring and treatment, prior to any such discharge.
4. (Modification of Agreement) The provisions of this Agreement may be modified or altered only by mutual written agreement executed by both parties. The parties further agree that this

Sewage Treatment Agreement contains the entire agreement of the Parties, and there are no other terms or conditions, oral or written, not contained herein.

5. (Regulatory Agencies) That this Agreement is subject to such rules, regulations, or laws as may be applicable to similar agreements in this state, and the City and District will collaborate in obtaining such permits, certifications, or the like, as may be required to comply therewith.
6. (Miscellaneous) That the construction/operation of the sewage collection system by the District is financed by loans made or insured by, and/or grants from governmental entities. The provisions hereof pertaining to the District's loan obligations for any improvements/upgrades are conditioned upon the written approval of the appropriate governmental entity.
7. (Priority of City's Use) That the City shall have first priority for the use of the City's treatment plant hereunder.
8. (Annexation) That annexation of District by the City shall nullify this Agreement, unless only a portion of District shall be so annexed. In that case, the portion so annexed shall be excluded from this Agreement.
9. (Municipal Code Reference) The parties agree that any reference to the Custer Municipal Code herein shall incorporate all terms of the referred to code section as though set forth in full and shall apply to any future amendments thereof.
10. (Unenforceability) In the event any portion of this Agreement is determined invalid, illegal, or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall remain in full force and effect.
11. (Successor to the District) That in the event of any occurrence rendering the District incapable of performing under this Agreement, any successor of the District, whether through result of legal process, assignment, or otherwise shall succeed to the rights of the District hereunder.
12. (Default) Failure by either Party to comply with any term or condition contained in this Agreement shall constitute default; in such an event, the non defaulting Party shall provide written notice to the other Party, advising them they have thirty days to correct such default, and that in the event such default is not satisfactorily resolved within said thirty-day period, the Party claiming default may proceed in accordance with any remedies available to them pursuant to South Dakota law.
13. (Indemnification and Liability Insurance)

(a) District shall indemnify, hold harmless and defend City from and against any and all costs, expenses (including reasonable attorney's fees), liabilities, losses, damages, suits, actions, fines, penalties, claims or demands of any kind asserted by or on behalf of any person, entity or governmental authority, arising out of or in any way connected with operation of the District, and City shall not be liable to District on account of, (i) any failure by District to perform any of the terms, covenants or conditions of this Agreement required to be performed by District, (ii) any failure by District to comply with any statutes, ordinances, regulations or orders of any governmental authority, or (iii) any accident, death or personal injury, or damage to or loss or theft of property, which shall occur in or about the District's premises except as the same may be caused by the gross negligence of City, its employees or agents.

(b) During the term of this Agreement or any renewal thereof, District shall maintain and promptly pay all premiums for general public liability insurance against claims for personal injury, death or property damage occurring upon, in or about the District, such insurance to afford protection in an amount of not less than \$1,000,000 with respect to injury or death to a single person and an amount of not less than \$2,000,000 with respect to any one occurrence, and for damage to property in an amount of not less than \$1,000,000 made by, or on behalf of, any person or entity, firm or corporation arising from, related to or connected with the District's premises, arising from any one occurrence, with such insurance company or companies as shall be satisfactory to City from time to time, and all such policies and renewals thereof shall name the City and the District as insured. On or before the commencement date of the term of this Agreement and thereafter not less than thirty (30) days prior to the expiration dates of said policy or policies, District shall provide copies of policies or certificates of

insurance evidencing coverage required by this Agreement; these policies shall name the City as additional named insured party.

14. (Notice) Any notice required or permitted under this Agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to City to: City of Custer
622 Crook Street
Custer, SD 57730
If to District to: ECSD
PO Box 6046
Custer, SD 57730

In Witness Whereof the acting Mayor of the City of Custer City, South Dakota, and the President of the Board of Trustees of the East Custer Sanitary Sewer and Water District, have hereunto subscribed their names on the date and year hereinbefore mentioned.

Be It Resolved that the Agreement herein written is duly authorized and the terms and conditions thereof are hereby approved.

City of Custer

S/Corbin Herman, Mayor

ATTEST: Laurie Woodward, Finance Officer

PUBLIC COMMENTS

No public comments were received.

STREET CLOSURE REQUEST & SHOWMOBILE USAGE REQUEST – VAN ARP

Councilperson Fischer moved to approve the request from Van Arp for closure of South Fifth Street between Mt Rushmore Road and the south alley and usage of the Showmobile for June 18th – 20th, 2020 for Summer Music Kickoff, pending proof of insurance being provided. Seconded by Councilperson Blom, the motion unanimously carried

ASPHALT SURFACE TREATMENT BIDS

Councilperson Blom moved to accept the bid from Bituminous Paving Inc for the 2020 Asphalt Surface Treatment Project with a bid price of \$55,732.50 (\$3.75/unit) for CRS-2P asphalt emulsion, \$41,775.00 (\$75/unit) for cover aggregate and \$12,771.00 (\$2.75/unit) for CSS-1h fog seal for a total of \$110,278.50. Seconded by Councilperson Whittaker, the motion carried with Councilperson Blom, Whittaker, Moore, Fischer and Ryan voting yes.

DRAINAGE IMPROVEMENTS BIDS

Councilperson Whittaker moved to accept the bid from Simon Contractors of SD, Inc at \$361,235.33 for the Drainage Improvement Project. Seconded by Councilperson Blom, the motion carried with Councilperson Whittaker, Moore, Fischer, Ryan and Blom voting yes.

CUSTER COMMUNITY CENTER GUARANTEED MAXIMUM PRICE – AINSWORTH-BENNING

Councilperson Whittaker moved to approve the guaranteed maximum price and value engineering options for the Custer Community Center totaling \$4,837,857. Seconded by Councilperson Moore. After some discussion, Councilperson Moore, Fischer, Ryan, Blom and Whittaker voted no.

APPLICATION FOR PERMIT TO DISCHARGE WASTEWATER

Councilperson Fischer moved to approve the application for permit to discharge wastewater with SD Department of Environment & Natural Resources for the proposed new discharge location into French Creek below Stockade Lake. Seconded by Councilperson Blom, the motion unanimously carried.

CLAIMS

Councilperson Fischer moved, with a second by Councilperson Ryan, to approve the following claims. The motion unanimously carried.

1881 Courthouse Museum, Subsidy, \$7,500.00

American Legal Publishing, Professional Fees, \$886.60

Black Hills Energy, Utilities, \$15,017.90

Butler Machinery, Supplies, \$710.82

Custer Ministerial Alliance, Subsidy, \$1,000.00

Core & Main, Repairs and Maintenance, \$2,554.36

Culligan, Repairs and Maintenance, \$18.50
California State Disbursement, Deduction, \$92.30
Chamber of Commerce, Sales Tax Subsidy, \$5,565.18
Chronicle, Publishing, \$583.00
Custer Ace, Supplies, Repairs & Maintenance, \$865.88
Dakota Pump, Repairs & Maintenance, \$588.50
Discovery Benefits, Supplies, \$30.00
Fastenal, Supplies, \$36.07
Fennell Design, Professional Fees, \$188.00
French Creek Supply, Supplies, Repairs and Maintenance, \$915.63
Green Owl Media, Professional Fees, \$156.00
Hach, Repairs and Maintenance, \$158.06
Hawkins, Supplies, \$5,296.89
Lynn's Dakotamart, Supplies, \$30.00
Mid-American Research Chemical, Supplies, \$341.00
Midcontinent Testing Lab, Professional Fees, \$130.00
Nelson's Oil & Gas, Supplies, \$922.26
Petty Cash, Supplies, \$144.95
Rapid Delivery, Professional Fees, \$66.15
Ryan, Peg, Travel and Conference, \$178.08
Servall, Supplies, \$283.92
SD Division of Criminal Investigation, Municipal License, \$80.25
The Hartford, Insurance, \$59.54
USDA Loan Payment, \$8,910.00
USA Bluebook, Repair and Maintenance, \$515.14
Total Claims \$53,824.98

DEPARTMENT HEADS & COMMITTEE REPORTS

Various committee reports were given in addition to department heads giving an update.

EXECUTIVE SESSION

Councilperson Moore moved to go into and out of executive session for personnel and contract negotiations per SDCL 1-25-2(1,3,4) at 6:35 pm, with the Attorney, Public Works Director, Planning Administrator and Finance Officer present. Seconded by Councilperson Ryan, the motion unanimously carried. Council came out of executive session at 7:00 pm, with no action taken.

EMPLOYEE STEP INCREASE

Councilperson Ryan moved to approve a certification increase for Brett Scott to \$21.88 effective January 31st, 2020 and a step increase to Step 5 at \$22.54 effective February 12th, 2020. Seconded by Councilperson Moore, the motion unanimously carried.

ADJOURNMENT

With no further business, Councilperson Ryan moved to adjourn the meeting at 7:01 p.m. Seconded by Councilperson Moore, the motion carried unanimously.

ATTEST:

CITY OF CUSTER CITY

Laurie Woodward
Finance Officer

Corbin Herman
Mayor

| ESTABLISHMENT | LICENSE | TAXES PAID | AGREEMENT | INSURANCE | 10% | VIDEO |
|---|-----------------|---------------|-----------|-----------|----------------|-------------|
| | | | | | DUE TO CITY | LOTTER Y |
| CALAMITY JANE COFFEE SHOP AND GRILLE | MB - TRANSFER | ✓ | ✓ | PENDING | X | X |
| CALAMITY JANE COFFEE SHOP AND GRILLE | WINE - NEW | ✓ | ✓ | PENDING | X | X |
| CUSTER OUT DOOR SHOP | MB - NEW | ✓ | ✓ | ✓ | X | X |
| CUSTER OUT DOOR SHOP | WINE - NEW | ✓ | ✓ | ✓ | X | X |
| CUSTER WOLF | MB - TRANSFER | ✓ | ✓ | PENDING | X | X |
| CUSTER WOLF | WINE - TRANSFER | ✓ | ✓ | PENDING | X | X |
| GOOD KARMA | MB - NEW | ✓ | ✓ | PENDING | X | X |

NOTICE OF PUBLIC HEARING UPON APPLICATION FOR THE SALE OF ALCOHOLIC BEVERAGES

Notice is hereby given that the City Council of the City of Custer City, Custer County, South Dakota will hear and consider the following for the sale of alcoholic beverage at a meeting of the City Council to be held on the 2nd day of March 2020, in the Council Chambers of City Hall in said City at 5:30 p.m. of said day. Application to be considered for now or transfer pursuant to SDCL 35-4 is as follows:

Calamity Jane Coffee Shop and Grill - Retail (On-Off Sale) Malt Beverage & SD Farm Wine - Transfer
Calamity Jane Coffee Shop and Grill - Retail (On-Off Sale) Wine and Cider - New
Custer Outdoor Shop Inc - Retail (On-Off Sale) Malt Beverage & SD Farm Wine - New
Custer Outdoor Shop Inc - Retail (On-Off Sale) Wine and Cider - New
Custer Wolf - Retail (On-Off Sale) Malt Beverage & SD Farm Wine - Transfer
Custer Wolf - Retail (On-Off Sale) Wine and Cider - Transfer
Good Karma Jewelry LLC - Retail (On-Off Sale) Malt Beverage & SD Farm Wine - New

Any person or persons interested either for or against the granting of any such application may appear at the time and place above stated. Individuals needing assistance, pursuant to the Americans with Disabilities Act should contact the City Finance Officer no less than 24 hours prior to this meeting to make necessary arrangements.

Dated this 12th day of February 2020.

/s/Sydney Gramkow
Deputy Finance Officer

Custer County Chronicle - Please Publish February 19th, 2020

sent - 2/14

ORDINANCE NO. 835

AN ORDINANCE ENTITLED ORDINANCE NO. 835, ADOPTING AN OFFICIAL ZONING MAP.

Be it ordained by the Common Council of the City of Custer City, South Dakota that per the standards set forth in Custer Municipal Code 17.08.050, the City hereby adopts a zoning map dated in conjunction with this ordinance and attached hereto. Such map shall include an attachment of any entries made to change any zoning designation after adoption of this ordinance. The zoning map shall be held on file in the office of the City Finance Officer.

NOW BE IT ORDAINED that all ordinances or parts thereof in conflict with this ordinance are hereby repealed. Should any section or part of this ordinance be determined to be invalid, the same shall not invalidate the remaining section(s) of this Ordinance.

Dated this 16th day of March 2020.

CITY OF CUSTER CITY

ATTEST:

Corbin Herman, Mayor

Laurie Woodward
Finance Officer

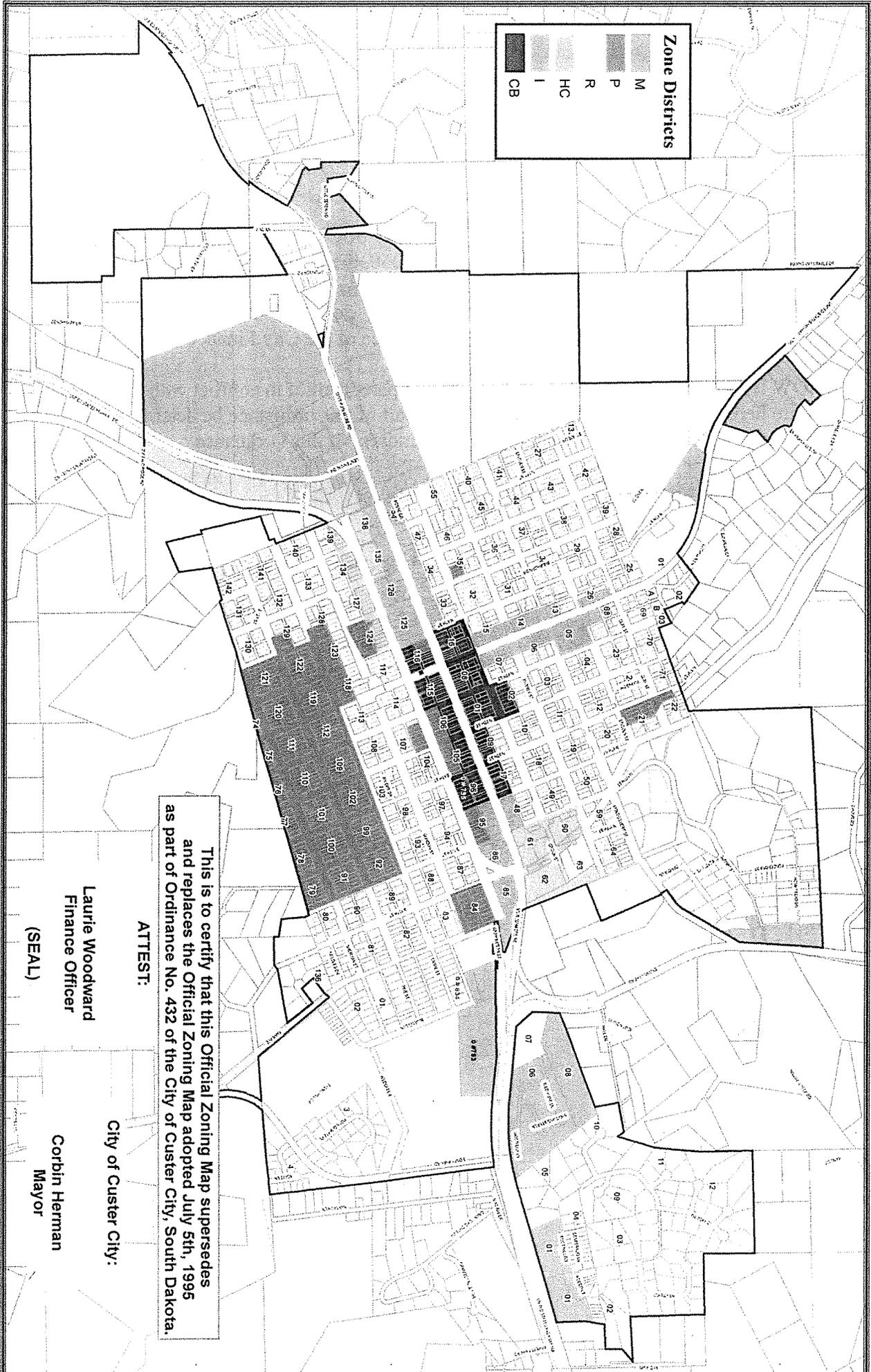
(SEAL)

First Reading: March 2nd, 2020
Seconding Reading: March 16th, 2020
Publication: March 25th, 2020

Vote:
Fisher: ##### Nielsen: #####
Ryan: ##### Moore: #####
Blom: ##### Whittaker: #####

Zone Districts

| | |
|---|----|
|  | M |
|  | P |
|  | R |
|  | HC |
|  | I |
|  | CB |



This is to certify that this Official Zoning Map supersedes and replaces the Official Zoning Map adopted July 5th, 1996 as part of Ordinance No. 432 of the City of Custer City, South Dakota.

ATTEST:

Laurie Woodward
Finance Officer
(SEAL)

City of Custer City:
Corbin Herman
Mayor



Planning Department

City of Custer City
622 Crook Street
Custer, SD 57730

Phone (605) 673-4824
Fax (605) 673-2411
timh@cityofcuster.com

2/28/2020

RE Ordinance 835

City Council,

A few things to note with Ordinance 835;

- This is a standard practice guided and allowed by CMC Chapter 17.08.
- As time passes and changes occur with the City's zoning, I believe it is good practice to "officially" update the map from time to time.
- This is an update to the map and will allow the Mayor and Finance Officer to endorse the map.
- No property shall be zoned by this process. Any official change in a zoning designation must be completed by the standard zoning, rezoning process (public notifications, public hearings, action by PC and CC.)
- Changes and cleanups that have been completed with this map.
 - Alignment with zones and parcels.
 - Some properties that have been officially rezoned updated and reflected on the map.
 - Alignment where two zones meet.
 - Legend updated to reference zone abbreviations per Ordinance.

TH

DOUGHERTY & COMPANY LLC

February 27, 2020

Laurie Woodward
Finance Officer
City of Custer
622 Crook Street
Custer, SD 57730-1608

Dear Laurie:

The City of Custer, SD (the "City") is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014) and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as a placement agent for a particular issuance of municipal securities.

The City of Custer, SD (the "City") wishes to engage Dougherty & Company LLC, and its successor in interest by way of merger, acquisition or otherwise ("Dougherty"), as the placement agent for the Water Revenue Bond, Series 2020A, (the "Certificates") that City of Custer, SD (the "City") currently anticipates issuing. As a Placement Agent, Dougherty may provide advice to City of Custer, SD (the "City") on the structure, timing, terms, and other similar matters concerning the Certificates.

It is the City of Custer, SD (the "City") present intention that Dougherty privately place the Certificates, subject to satisfaction of applicable procurement laws, formal approval by City of Custer, finalizing the structure of the Certificates and the execution of a mutually agreed upon bond purchase agreement. While the City of Custer, SD (the "City") presently engages Dougherty as the placement agent for the Certificates, this engagement letter is preliminary in nature. It is nonbinding and may be terminated by either the City of Custer, SD (the "City") or Dougherty. Furthermore, this engagement letter does not restrict the City of Custer, SD (the "City") from entering into the proposed or any other municipal securities transaction with any other placement agents or selecting an underwriting syndicate that does not include Dougherty.

Sincerely,

Tobin J. Morris
DOUGHERTY & COMPANY LLC

Acknowledged by:

City of Custer, SD

PLACEMENT AGENT AGREEMENT

City of Custer, South Dakota

and

Dougherty & Company LLC

This Agreement made and entered into by and between the City of Custer, South Dakota (hereinafter "City") and Dougherty & Company LLC, and its successor in interest by way of merger, acquisition or otherwise.

WITNESSETH

WHEREAS, the City desires to use the placement services of Dougherty relating to the issuance of Water Revenue Bonds, Series 2020 (hereinafter "Bonds") with a bank acceptable to the City,

WHEREAS, Dougherty desires to furnish services to the City as hereinafter described,

NOW, THEREFORE, it is agreed by and between the parties as follows:

SERVICES TO BE PROVIDED BY DOUGHERTY

Serve as the City's placement agent for the issuance of the Bonds. Dougherty shall provide all services necessary to analyze, structure, and close the Bonds. Examples of the services to be provided shall include, but not be limited to the following:

- Assist in determining the amount of financing required;
- Study available financing options for Issuer's projects;
- Coordinate financing activities with Issuer, its engineers, accountants, attorneys and other specialists engaged by Issuer;
- Attend meetings and public hearings to properly explain the financing and assist in the preparation of public information materials, relative to the financing;
- Research and recommend various covenants, maturity schedules and other details to be included in the proceedings authorizing the obligations supporting the Issue;
- Assist in the closing process of the financial transactions and delivery of the proceeds;
- Coordinate with bank for placement of debt;

- Prepare financial analysis on debt service coverage;
- Coordinate the preparation of legal documentation and disclosure materials by the City's bond counsel and other involved counsel.

Dougherty will **not** serve as an Underwriter or Financial Advisor on the Bonds.

ISSUER WILL:

1. Cooperation. Cooperate with Dougherty and Company and the financing team in providing all information necessary to prepare the required Disclosure Document(s) and to prepare said Document(s) in such a way as to assure interested parties of their accuracy and completeness;
2. Disclosures. Provide Dougherty and Company with details of projects under consideration that may affect the issuance of Issuer's obligations;
3. Compensation. Upon closing, pay a fee to Dougherty and Company. The fee shall be paid from proceeds of the sale of the Issue or from funds on hand of the Issuer. The fee shall be \$20,000

Dougherty agrees to pay the following expenses from its fee:

- * All of it's out of pocket expenses such as travel, long distance phone, and copy costs.
- * **Any bank origination fees.**
- The City agrees to pay all other expenses related to the processing of the Bond transaction including, but not limited to, the following:
 - * Publication of legal notices,
 - * Bond counsel, Bank Counsel and local attorney fees,
 - * City staff expenses.
 - * Bond registration and related fees.

4. Contingent Payment of Fee. If, for reasons beyond Issuer's control, the Issue is not successfully sold, no Placement Agent fee will be charged provided that any out of pocket expenses incurred on Issuer's behalf shall be reimbursed to Placement Agent.

TERM OF THIS AGREEMENT

This Agreement may be terminated by thirty (30) days written notice by either the City or Dougherty and it shall terminate sixty (60) days following the closing date related to the issuance of the Bonds.

Dated this ____ day of _____, 2020.

Dougherty & Company LLC

By: _____
Tobin J Morris, Senior Vice President

City of Custer, South Dakota

Attest: _____
Laurie Woodward, Finance Officer

RESOLUTION NO. 03-02-2020A

RESOLUTION GIVING APPROVAL TO THE ISSUANCE AND SALE OF WATER REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED ONE MILLION EIGHT HUNDRED THOUSAND (\$1,800,000) OF THE CITY OF CUSTER OF CUSTER COUNTY, SOUTH DAKOTA, APPROVING THE FORM OF THE REFUNDING BONDS AND PLEDGING CERTAIN REVENUES AND COLLATERAL TO SECURE THE PAYMENT OF THE REFUNDING BONDS; AND CREATING SPECIAL FUNDS AND ACCOUNTS FOR THE ADMINISTRATION OF FUNDS AND RETIREMENT OF THE REFUNDING BONDS.

WHEREAS, the City of Custer is authorized by the provisions of SDCL §§ 6-8B-30 through 6-8B-52 to issue Water Revenue Bonds to refund and refinance validly issued outstanding Water Revenue Bond, Series 2007 (the "Refunded Bond") of the City; and

WHEREAS, the City Council has determined that refunding certain water utility revenue bonds of the City will reduce the interest expense to the City; and

WHEREAS, the City Council has determined that is necessary and in the best interest of the City to issue Water Revenue Bonds, Series 2020A for the purpose of providing funds to (i) refund the outstanding Water Revenue Bond, Series 2007 (the "Refunded Bond"), and (ii) to pay the costs of issuance of the Bonds described herein.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CUSTER OF CUSTER COUNTY, AS FOLLOWS:

ARTICLE I. DEFINITIONS

Section 1.1. Definition of Terms.

In addition to the words and terms elsewhere defined in this Bond Resolution, the following words and terms as used herein, whether or not the words have initial capitals, shall have the following meanings, unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms herein defined:

"Act" means collectively SDCL Chapter 6-8B and Title 9-40, as amended.

"Additional Bonds" means the additional parity bonds authorized to be issued by the City.

"Authorized Officer of the City" means the Mayor and the Finance Officer, or, in the case of any act to be performed or duty to be discharged, any other member, officer, or employee of the City then authorized to perform such act or discharge such duty.

“Bonds” means collectively not to exceed \$1,800,000 in aggregate principal amount of Water Revenue Bonds, Series 2020A, dated Closing Date, or such other designation or date as shall be determined by the City Council pursuant to Section 8.1 hereof, authorized and issued under the Bond Resolution.

“Bond Counsel” means Meierhenry Sargent LLP, a firm of attorneys recognized as having experience in matters relating to the issuance of state or local governmental obligations.

“Bond Payment Date” means each date on which interest, or both principal and interest, shall be payable on the Bonds so long as any of the Bonds shall be outstanding.

“Bond Purchase Agreement” means the Bond Purchase Agreement authorized pursuant to and described in Section 8.1 hereof by and between the City and the Purchaser.

“Bond Resolution” means this Resolution as it may be amended from time to time.

“Bondholder”, “Holder” and “Registered Owner” means the registered owner of a Bond, including any nominee of a Depository.

“Book-Entry Form” or “Book-Entry System” means a form or system, as applicable, under which physical bond certificates in fully registered form are issued to a Depository or to its nominee as Registered Owner, with the certificated bonds being held by and “immobilized” in the custody of such Depository, and under which records maintained by persons, other than the City or the Registration Agent, constitute the written record that identifies, and records the transfer of the beneficial “book-entry” interests in those bonds.

“City” means the City of Custer, Custer County, South Dakota.

“City Council” means the City Council of the City elected pursuant to the provisions of the Charter.

“City of Custer” means the City of Custer, Custer County, South Dakota.

“Closing Date” means the date of delivery and payment of the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Department of Treasury promulgated thereunder as in effect on the date of issuance of the Bonds.

“Finance Officer” means the Finance Officer of the City appointed pursuant to the provisions of South Dakota Codified Laws Title 9 or, in the absence of such appointment or in the event the person so appointed is unable or incapable of acting in such capacity, the person appointed by the Mayor and approved by the City Council to perform the duties otherwise performed by the Finance Officer, or his/her designee.

“Interest Payment Date” means each date on which interest shall be payable on the Bonds so long as any of the Bonds shall be outstanding.

“Mayor” means the Mayor elected pursuant to the provisions of the SDCL 9-13 or his or her designee acting on his or her behalf pursuant to the Charter.

“Original Issue Discount or OID” means an amount by which the par value of a security exceeds its public offering price at the time of its original issuance.

“Original Issue Premium or OIP” means the amount by which the public offering price of a security at the time of its original issuance exceeds its par value.

“Outstanding,” “Bonds Outstanding,” or “Outstanding Bonds” means, as of a particular date all Bonds issued and delivered under this Bond Resolution except: (1) any Bond paid or redeemed or otherwise canceled by the City at or before such date; (2) any Bond for the payment of which cash, equal to the principal amount thereof with interest to date of maturity, shall have theretofore been deposited prior to maturity by the City for the benefit of the Owner thereof; (3) any Bond for the redemption of which cash, equal to the redemption price thereof with interest to the redemption date, shall have theretofore been deposited with the Registration Agent and for which notice of redemption shall have been mailed in accordance with this Bond Resolution; (4) any Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution, unless proof satisfactory to the City is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State, as amended, in which case both the Bond in lieu of or in substitution for which a new Bond has been delivered and such new Bond so delivered therefor shall be deemed Outstanding; and, (5) any Bond deemed paid under the provisions of Article VII of this Resolution, except that any such Bond shall be considered Outstanding until the maturity or redemption date thereof only for the purposes of being exchanged, transferred, or registered.

“Paying Agent” means the Finance Officer or his or her successor or successors hereafter appointed in the manner provided in Article VI hereof.

“Person” means an individual, partnership, corporation, trust, or unincorporated organization, or a governmental entity or agency or political subdivision thereof.

“Placement Agent” means Dougherty & Company LLC acting for and on behalf of itself and such securities dealers as it may designate.

“President” means the President of the City Council who may act for the Mayor in the absence of the Mayor.

“Purchaser” means Dacotah Bank, PO Box 1560, Aberdeen, South Dakota 57402.

“Record Date” means the dates preceding an Interest Payment Date upon which the Holder will be determined for payment purposes.

“Refunded Bond” means the Water Revenue Bond, Series 2007 dated January 12, 2007.

“Registration Agent” means Finance Officer or his or her successor or successors hereafter appointed in the manner provided in Article VI hereof.

“Resolution” means this Bond Resolution.

“Schedule” means the schedule which indicates the principal and interest payments on the Bonds.

“Series 2007 Bonds” means the City’s outstanding Water Revenue Bond, Series 2007 dated January 12, 2007.

“Series 2020A Bonds” means not to exceed \$1,800,000 in aggregate principal amount of Water Revenue Bonds, Series 2020A.

“System” means The City’s water utility system (the “Utility System”) provides waterworks for the purpose of providing water and water supply for municipal, industrial, and domestic purposes and has determined that improvements to the waterworks are necessary for the conduct of its governmental programs and qualifies as an improvement, extension or addition to its waterworks system.

Section 1.2. References to Resolution. The words “hereof”, “herein”, “hereunder”, and other words of similar import refer to this Bond Resolution as a whole.

Section 1.3. References to Articles, Sections, Etc. References to Articles, Sections, and other subdivisions of this Bond Resolution are to the designated Articles, Sections, and other subdivisions of this Bond Resolution as originally adopted.

Section 1.4. Headings. The headings of this Bond Resolution are for convenience only and shall not define or limit the provisions hereof.

ARTICLE II. FINDINGS

Section 2.1. It is hereby found and determined by the City Council as follows:

(a) The refunding of the Refunded Bond as set forth herein through the issuance of the Bonds will result in the reduction in debt service payable by the City over the term of the Refunded Bond thereby effecting a cost savings to the public;

(b) It is advantageous to the City to deposit a portion of the proceeds from the sale of the Bonds and other funds of the City, if any, with the paying agent of the Refunded Bond, that will be sufficient to pay principal of, premium, if any, and interest on the Refunded Bond.

(c) The City hereby determines that all limitations upon the issuance of Bonds have been met and the Bonds are being authorized, issued and sold in accordance with the provisions of §§ 6-8B-30 to 6-8B-52, inclusive.

ARTICLE III. AUTHORITY, PLEDGE, RATES AND CHARGES AND ACCOUNTS

Section 3.1. Authority. In order to (i) refund the Refunded Bond and (ii) pay costs incident to the sale and issuance of the Bonds, there shall be issued pursuant to, and in accordance with, the provisions of the Act, the Bond Resolution, and other applicable provisions of law, Water Revenue Bonds of the City in the aggregate principal amount of not to exceed \$1,800,000.

Section 3.2. Pledge of Revenues. The Bonds shall not constitute constitutional debt under Section 13 Section 4 of the South Dakota constitution. The Bonds, together with the interest thereon, shall not constitute a charge against the City's general credit or taxing power, but shall be a limited obligation of the City payable solely out of the 2020 Project Revenue Account (the "Net Income or Revenues"), which payments, revenues and receipts are hereby pledged and assigned for the equal and ratable payments of the Bonds and shall be used for no other purpose than to pay the principal of and interest on the Bonds (including the purpose of securing Additional Bonds issued as permitted by the terms thereof). The City covenants and agrees to charge rates for all services from the Project or establish special charges or surcharges which will be sufficient to provide for the payments upon the Bonds issued hereunder as and when the same become due, and as may be necessary to provide for the operation and maintenance and repairs of the System, and depreciation, and the rate ordinance or resolution shall be revised from time to time so as to produce these amounts. The City hereby reserves the right to determine on a periodic basis the appropriate allocation of operation and maintenance expenses, depreciation, repair and reserves associated with the facilities financed with the Refunded Bond, provided that such determination of allocable operation and maintenance expenses shall in no event abrogate, abridge or otherwise contravene the covenant of the City set forth in this Section 3.2 or any other. The Finance Officer will present to the City Council for inclusion in the annual appropriation ordinance an appropriation sufficient to pay all principal and interest payments on the Bonds and other Outstanding Bonds of the City, and in the event there is insufficient revenues to pay the Bonds when due, the City will take all other actions necessary to raise rates to provide moneys for the payment of the Bonds of the City or from sources lawfully available for this purpose.

Section 3.3. Segregation. The Finance Officer shall set up bookkeeping accounts in accordance with South Dakota Legislative Audit guidelines for the segregation of the revenue, special charges and surcharges.

Section 3.4. Periodic review. The amount of the surcharge shall be reviewed from time to time, not less than yearly, and shall be modified in order to produce such funds as are necessary and required to comply with the Loan Agreement's rate covenant and to pay principal of and interest the Bond when due. The surcharge may be set by resolution in accordance with this Section. The rate resolution shall be necessary for the support of government and shall be effective upon passage.

Section 3.5. Project Fund Accounts. For the purpose of application and proper allocation of the income of the Project and to secure the payment of principal and interest on the Bond, the following mandatory asset segregations shall be included in the water system account of the City

and shall be used solely for the following respective purposes until payment in full of the principal and interest on the Bonds:

(a) Project Revenue Account. There shall be deposited periodically into the Project Revenue Account the net revenues as defined in Section 17 of the Act derived from the operation of the Project collected pursuant to the resolutions and ordinances of the City (collectively the “Rate Resolution”). Moneys from the Project Revenue Account shall be transferred periodically into separate funds and accounts as provided below.

(b) Project Debt Service Account. Out of the revenues in the Project Revenue Account, there shall be set aside no later than the 25th day of each month into the account designated Project Debt Service Account, a sum sufficient to provide for the payment as the same become due of the next maturing principal and/or interest payment on the Bonds.

(c) Depreciation Account. There shall be established a General Depreciation Account. Out of the revenues of the Project Revenue Account there shall be set aside each month into the General Depreciation Account an amount determined by the Common Council to be a proper and adequate amount for repair and depreciation of the Project.

(d) Project Surplus Account. There shall be established the Project Surplus Account. Revenues remaining in the Project Revenue Account at the end of any fiscal year after all periodic transfers have been made therefrom as above required, shall be deemed to be surplus and shall be transferred to the Project Surplus Account. If at any time there shall exist any default in making any periodic transfer to the Project Debt Service Account, the Common Council shall authorize the City Finance Officer to rectify such default so far as possible by the transfer of money from the Project Surplus Account. If any such default shall exist as to more than one account or fund at any time, then such transfer shall be made in the order such funds and accounts are listed above.

When not required to restore a current deficiency in the Project Debt Service Account, moneys in the Project Surplus Account from time to time may be used for any of the following purposes and not otherwise:

1. To redeem and prepay the Bond when and as such Bond becomes prepayable according to its terms;
2. To pay for repairs of or for the construction and installation of improvements or additions to the System; and, if the balances in the Project Debt Service Account and the Project Depreciation Account are sufficient to meet all payments required or reasonably anticipated to be made there from prior to the end of the then current fiscal year, then:
3. To be held as a reserve for redemption and prepayment of any bonds of the System which are not then but will later be prepayable according to their terms; or
4. To be used for any other authorized municipal purpose designated by the Common Council.
5. No moneys shall at any time be transferred from the Project Surplus Account or any other account of the Fund to any other fund of the City, nor shall such moneys at any time be

loaned to other municipal funds or invested in warrants, special improvements bonds or other obligations payable from other funds, except as provided in this Section.

ARTICLE IV. FORM, TERMS, EXECUTION, AND TRANSFER OF BONDS

Section 4.1. Authorized Bonds. The aggregate principal amount of Bonds that may be issued under the Bond Resolution shall not exceed One Million Eight Hundred Thousand Dollars (\$1,800,000).

Section 4.2. Form of Bonds; Execution.

(a) The Bonds are issuable only as fully registered Bonds, without coupons, in the denomination of one penny (\$0.01) or any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date). All Bonds issued under this Resolution shall be substantially in the form set forth in Exhibit A attached hereto and on file with the Finance Officer and open to public inspection at regular business hours, and by this reference incorporated herein as fully as though copied.

(b) The Bonds shall be executed in such manner as may be prescribed by applicable law in the name and on behalf of the City with the manual or facsimile signature of the Mayor, attested by the manual or facsimile signature of the Finance Officer, and approved as to form and countersigned by a Resident Attorney by his manual or facsimile signature.

(c) In the event any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such manual or such facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until such delivery. Any Bond may bear the facsimile signature of, or may be manually signed by, such individuals who, at the actual time of the execution of such Bond, were the proper officers of the City to sign such Bond, although on the date of the adoption by the City of this Resolution, such individuals may not have been such officers.

Section 4.3. Maturities, Interest Rates, and Certain Other Provisions of Bonds.

(a) The Bonds shall become due and payable as set forth in the Bond Purchase Agreement.

(b) The Bonds shall be designated "Water Revenue Bonds, Series 2020A" or such other designation as shall be determined by the City Council pursuant to Section 8.1 hereof. The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bond is paid, such interest being payable on Interest Payment Dates. Interest on each Bond shall be paid by wire transfer, check or draft of the Paying Agent, payable in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the Record Dates. The principal of the Bond shall be payable in lawful money of the United States of America at the principal office of the Paying Agent on the Bond Payment Date. Each bond shall state that it is issued in full compliance with SDCL §§ 6-8B-30 to 6-8B-52.(c) The Registration Agent shall make all interest payments with respect to the Bonds on each interest payment date directly to the registered owners as shown on the Bond registration records maintained by the Registration Agent as of the close of business on the Record Date by wire

transfer, check or draft mailed to such owners at their addresses shown on said Bond registration records, except for final payment, the presentation or surrender of such registered Bonds, and all such payments shall discharge the obligations of the City in respect of such Bonds to the extent of the payments so made. Payment of principal of and premium, if any, on the Bonds shall be made upon presentation and surrender of such Bonds to the Registration Agent as the same shall become due and payable.

4.4. Additional Bonds. As permitted by SDCL 9-40-8 and SDCL 9-40-9, Additional Bonds payable from revenues and income of the Project may be issued as provided in the Bond Purchase Agreement, and no provision of this Resolution shall have the effect of restricting the issuance of, or impairing the lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements. The City shall have the right to issue additional bonds secured by a lien subordinate to the lien from the Bonds.

Section 4.5. Negotiability of Bonds. All Bonds issued under this Resolution shall be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds.

Section 4.6. Registration, Transfer and Exchange of Bonds. The Bonds are transferable only by presentation to the Registration Agent by the registered owner, or his legal representative duly authorized in writing, of the registered Bond(s) to be transferred with the form of assignment on the reverse side thereof completed in full and signed with the name of the registered owner as it appears upon the face of the Bond(s) accompanied by appropriate documentation necessary to prove the legal capacity of any legal representative of the registered owner. Upon receipt of the Bond(s) in such form and with such documentation, if any, the Registration Agent shall issue a new Bond or Bonds to the assignee(s) in \$0.01 denominations, or integral multiples thereof, as requested by the registered owner requesting transfer. The Registration Agent shall not be required to transfer or exchange any Bond during the period commencing on a Record Date and ending on the corresponding interest payment date of such Bond, nor to transfer or exchange any Bond after the publication of notice calling such Bond for redemption has been made, nor to transfer or exchange any Bond during the period following the receipt of instructions from the City to call such Bond for redemption; provided, the Registration Agent, at its option, may make transfers after any of said dates. No charge shall be made to any registered owner for the privilege of transferring any Bond, provided that any transfer tax relating to such transaction shall be paid by the registered owner requesting transfer. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and neither the City nor the Registration Agent shall be affected by any notice to the contrary whether or not any payments due on the Bonds shall be overdue. Bonds, upon surrender to the Registration Agent, may, at the option of the registered owner, be exchanged for an equal aggregate principal amount of Bonds of the same maturity in any authorized denomination or denominations.

Section 4.7. Mutilated, Lost, Stolen, or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen, or destroyed, the City may execute, and upon the request of an Authorized Officer of the City the Registration Agent shall authenticate and deliver, a new Bond of like maturity, interest rate, and principal amount, and bearing the same

number (but with appropriate designation indicating that such new Bond is a replacement Bond) as the mutilated, destroyed, lost, or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost, or stolen. In every case of exchange or substitution, the Bondholder shall furnish to the City and the Registration Agent: (1) such security or indemnity as may be required by them to save each of them harmless from all risks, however remote; and, (2) evidence to their satisfaction of the mutilation, destruction, loss, or theft of the subject Bond and the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the City and the Registration Agent may require the Owner thereof to pay a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including printing costs and counsel fees, of the City and the Registration Agent. In the event any Bond which has matured or is about to mature shall become mutilated or be destroyed, lost, or stolen, the City may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the Owner thereof shall pay all costs and expenses, including attorney's fees, incurred by the City and the Registration Agent in connection herewith, as well as a sum sufficient to defray any tax or other governmental charge that may be imposed in relation thereto and shall furnish to the City and the Registration Agent such security or indemnity as they may require to save them harmless and evidence to the satisfaction of the City and the Registration Agent the mutilation, destruction, loss, or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this section shall constitute an additional contractual obligation of the City (whether or not the destroyed, lost, or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Bond Resolution equally and proportionately with any and all other Bonds duly issued under this Bond Resolution.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and, to the maximum extent legally permissible, shall preclude all other rights or remedies, notwithstanding any law or statute now existing or hereafter enacted to the contrary.

Section 4.8. Authentication. The Registration Agent is hereby authorized to authenticate and deliver the Bonds to the Purchaser or as it may designate upon receipt by the City of the proceeds of the sale thereof, to authenticate and deliver Bonds in exchange for Bonds of the same principal amount delivered for transfer upon receipt of the Bond(s) to be transferred in proper form with proper documentation as hereinabove described. The Bonds shall not be valid for any purpose unless authenticated by the Registration Agent by the manual signature of an officer thereof on the certificate set forth herein on the Bond form.

Section 4.9. Purchaser. The Mayor and Finance Officer are authorized to retain Dougherty & Company LLC as the Purchaser for the Bonds upon such terms as they approve.

Section 4.10. Bond Counsel. The Mayor and Finance Officer are authorized to retain Meierhenry Sargent LLP as Bond Counsel upon such terms as they approve.

Section 4.11. Dissemination Agent. The City authorizes the Authorized Officer of the District to retain a dissemination agent with regard to the written undertaking authorized in Section 10.7 hereof.

ARTICLE V. REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.1. Optional Redemption. The Bonds shall be subject to optional redemption as set forth in the Bond Purchase Agreement.

ARTICLE VI. REGISTRATION AGENT

Section 6.1. Appointment and Acceptance of Duties.

(a) The City hereby authorizes the Finance Officer to appoint the Registration and Paying Agent with respect to the Bonds and authorizes and directs the Registration Agent to maintain bond registration records with respect to the Bonds, to authenticate and deliver the Bonds as provided herein, either at original issuance, upon transfer, or as otherwise directed by the City, to effect transfers of the Bonds, to give all notices of redemption as required herein, to make all payments of principal and interest with respect to the Bonds as provided herein, to cancel and destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer and to furnish the City at least annually an audit confirmation of Bonds paid, Bonds Outstanding and payments made with respect to interest on the Bonds. The Mayor and the Finance Officer, or either of them is hereby authorized to execute and the Finance Officer is hereby authorized to attest such written agreement between the City and the Registration Agent as they shall deem necessary or proper with respect to the obligations, duties and rights of the Registration Agent. The payment of all reasonable fees and expenses of the Registration Agent for the discharge of its duties and obligations hereunder or under any such agreement is hereby authorized and directed.

Section 6.2. Permitted Acts and Functions. The Registration Agent may become the Owner of any Bonds, with the same rights as it would have if it were not a Registration Agent. The Registration Agent may act as a Purchaser or fiscal agent in connection with the sale of the Bonds or of any other securities offered or issued by the City.

Section 6.3. Resignation or Removal of the Registration Agent and Appointment of Successors.

(a) The Registration Agent may at any time resign and be discharged of the duties and obligations created by the Bond Resolution by giving at least sixty (60) calendar days' written notice to the Finance Officer. The Registration Agent may be removed at any time by the Finance Officer, provided that such removal does not constitute a breach of any contractual agreement with any such Registration Agent, by filing written notice of such removal with such Registration Agent. Any successor Registration Agent shall be appointed by the Mayor and shall be a trust company or a bank having the powers of a trust company, having a combined capital, surplus, and undivided profits aggregating at least Seventy-Five Million Dollars (\$75,000,000), willing to accept the office of Registration Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

(b) In the event of the resignation or removal of the Registration Agent, such Registration Agent shall pay over, assign and deliver any monies and securities held by it as Registration Agent, and all books and records and other properties held by it as Registration Agent, to its successor, or if there be no successor then appointed, to the Finance Officer until such successor be appointed.

Section 6.4. Merger or Consolidation of Registration Agent. Any corporation or association into which the Registration Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Registration Agent hereunder and shall be vested with all the trusts, powers, discretion, immunities, privileges, and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein contained to the contrary notwithstanding. Upon any such conversion, merger, consolidation, sale or transfer, the Finance Officer shall have the right and option, upon notice to such converted, merged, consolidated or acquiring entity, to remove such entity and appoint a successor thereto pursuant to the procedures and requirements set forth in Section 6.3 hereof.

ARTICLE VII. DEFEASANCE OF BONDS

Section 7.1. Defeasance of Bonds. If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in any one or more of the following ways, to wit:

(a) By paying or causing to be paid, by deposit of sufficient funds as and when required with the Registration Agent, the principal of and interest on such Bonds as and when the same become due and payable;

(b) By depositing or causing to be deposited with any trust company or financial institution whose deposits are insured by the Federal Deposit Insurance Corporation or similar federal agency and which has trust powers ("an Agent"; which Agent may be the Registration Agent) in trust or escrow, on or before the date of maturity or redemption, sufficient money or Federal Obligations, as hereafter defined, the principal of and interest on which, when due and payable, will provide sufficient moneys to pay or redeem such Bonds and to pay premium, if any, and interest thereon when due until the maturity or redemption date (provided, if such Bonds are to be redeemed prior to maturity thereof, proper notice of such redemption shall have been given or adequate provision shall have been made for the giving of such notice);

(c) By delivering such Bonds to the Registration Agent, for cancellation by it; and if the City shall also pay or cause to be paid all other sums payable hereunder by the City with respect to such Bonds, or make adequate provision therefor, and by resolution of the Governing Body instruct any such Escrow Agent to pay amounts when and as required to the Registration Agent for the payment of principal of and interest and redemption premiums, if any, on such Bonds when due, then and in that case the indebtedness evidenced by such Bonds shall be discharged and satisfied and all covenants, agreements and obligations of the City to the holders of such Bonds shall be fully discharged and satisfied and shall thereupon cease, terminate and become void.

If the City shall pay and discharge the indebtedness evidenced by any of the Bonds in the manner provided in either clause (a) or clause (b) above, then the registered owners thereof shall thereafter be entitled only to payment out of the money or Federal Obligations deposited as aforesaid.

Except as otherwise provided in this Section, neither Federal Obligations nor moneys deposited with the Registration Agent pursuant to this Section nor principal or interest payments on any such Federal Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal and premium, if any, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Federal Obligations deposited with the Registration Agent, (A) to the extent such cash will not be required at any time for such purpose, shall be paid over to the City as received by the Registration Agent and (B) to the extent such cash will be required for such purpose at a later date, shall, to the extent practicable, be reinvested in Federal Obligations maturing at times and in amounts sufficient to pay when due the principal and premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Registration Agent. For the purposes of this Section, Federal Obligations shall mean direct obligations of, or obligations, the principal of and interest on which are guaranteed by, the United States of America, or any agency thereof, obligations of any agency or instrumentality of the United States or any other obligations at the time of the purchase thereof are permitted investments under South Dakota Law for the purposes described in this Section, which Bonds or other obligations shall not be subject to redemption prior to their maturity other than at the option of the registered owner thereof.

ARTICLE VIII. SALE OF BONDS, DEPOSIT OF PROCEEDS AND TAX MATTERS

Section 8.1. Sale of Bonds. The Bonds shall be sold to the Purchaser at a price to be set forth in the Bond Purchase Agreement. The Mayor and the Finance Officer, or either of them, in consultation with the Purchaser, are authorized to make such changes in the structuring of the terms and sale of the Bonds as they shall deem necessary to maximize the savings from the refunding of the Refunded Bond. In this regard, they, or either of them, in consultation with the Purchaser, are authorized to cause to be sold an aggregate principal amount of the Bonds less than that authorized herein, cause fewer than all the Refunded Bond to be refunded, to sell any or all of the Bonds as term Bonds with annual mandatory redemption requirements which will produce substantially the same annual principal reductions as authorized herein, to change the dated date of the Bonds, and to adjust principal and interest payment dates and redemption dates of the Bonds. The form of the Bond set forth in Exhibit A attached hereto shall be conformed to reflect any changes, if any, as hereinbefore mentioned. The Mayor and the President, or either of them, are hereby authorized to execute and the Finance Officer is authorized to attest the Bond Purchase Agreement with the Purchaser providing for the purchase and sale of the Bonds. The Bond Purchase Agreement shall be in form and content acceptable to the Mayor and Finance Officer, the execution thereof by either of them to constitute conclusive evidence thereof; provided the Bond Purchase Agreement effects the sale of the Bonds in accordance with the provisions of this Resolution, and is not inconsistent with the terms hereof. If legally possible the Mayor and Finance Officer are authorized to designate any series of the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code. The Mayor and the Finance Officer, or any of them, are authorized to cause the Bonds to be authenticated and delivered by the Registration Agent to the Purchaser and to execute, publish, and deliver all certificates and documents, including the Official Statement, and closing certificates and documents, as they shall deem necessary in connection with the sale and delivery of the Bonds.

Section 8.2. Disposition of Bond Proceeds. The proceeds of the sale of the Bonds shall be disbursed as follows:

(a) An amount which, together with other legally available funds of the City, if any, and investment earnings thereon and on said Bond proceeds, will be sufficient to redeem on the earliest possible date, the Refunded Bond, shall be transferred to the Paying Agent; and

(b) The remaining proceeds of the sale of the Bonds shall be used to pay the costs of issuance and sale of the Bonds including necessary legal, accounting and fiscal expenses, printing, engraving, advertising and similar expenses, administrative and clerical costs, rating agency fees, Registrar fees, and other necessary miscellaneous expenses incurred in connection with the issuance and sale of the Bonds. Any funds remaining after payment of said expenses shall be used to pay interest on the Bonds on the first interest payment date following delivery of the Bonds.

Section 8.4. Tax Matters.

(a) The City covenants and agrees with the registered owners from time to time of the Series 2020A Bonds that it will not take or permit to be taken by any of its officers, employees or agents any action which would cause the interest on the Series 2020A Bonds to become

includable in gross income for federal income tax purposes under the Code and applicable Treasury Regulations (the "Regulations"), and covenants to take any and all actions within its powers to ensure that the basic interest on the Series 2020A Bonds will not become includable in gross income for federal income tax purposes under the Code and the Regulations.

(b) The Mayor and the Finance Officer, being the officers of the City charged with the responsibility for issuing the Series 2020A Bonds pursuant to this Resolution are hereby authorized and directed to execute and deliver to the Purchaser thereof a certificate in accordance with the provisions of Section 148 of the Code, and Section 1.148-2(b) of the Regulations, stating that on the basis of facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2020A Bonds, it is reasonably expected that the proceeds of the Series 2020A Bonds will be used in a manner that would not cause the Series 2020A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations.

(c) The City hereby covenants and agrees to make the determinations, retain records and rebate to the United States the amounts at the times and in the manner required by said Section 148(f).

(d) The City shall file with the Secretary of the Treasury a statement concerning the Series 2020A Bonds containing the information required by Section 149(e) of the Code.

(e) Pursuant to Section 265(b)(3)(B)(ii) of the Code, the City hereby designates the Series 2020A Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. The City hereby represents that it does not anticipate that obligations bearing interest not includable in gross income for purposes of federal income taxation under Section 103 of the Code (including refunding obligations as provided in Section 265(b)(3) of the Code and including "qualified 501 (c)(3) Bonds" but excluding other "private activity Bonds," as defined in Sections 141(a) and 145(a) of the Code) will be issued by or on behalf of the City and all "subordinate entities" of the City in 2020 in an amount greater than \$10,000,000.

ARTICLE IX. NOTICE OF REFUNDING

Section 9.1 Notice of Refunding. After the issuance of the Bonds, notice of the City's intention to refund the Refunded Bond shall be shall be posted on <http://emma.msrb.org>, if necessary, and be given, at the direction of the Finance Officer, by the respective paying agents for the Refunded Bond, to the respective Registered Owners of the Refunded Bond. Such notice shall be in substantially the form as provided in Exhibit B attached hereto and by this reference made a part hereof.

ARTICLE X. MISCELLANEOUS

Section 10.1. Failure to Present Bonds.

(a) Subject to the provisions of 4.7 hereof, in the event any Bond shall not be presented for payment when the principal or redemption price hereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, and in the event monies sufficient to pay such Bond shall be held by the Registration Agent for the benefit of the Owner thereof, all liability of the City to such Owner for the payment of such Bond shall forthwith cease,

determine, and be completely discharged. Whereupon, the Registration Agent shall hold such monies, without liability for interest thereon, for the benefit of the Owner of such Bond who shall thereafter be restricted exclusively to such monies for any claim under this Resolution or on, or with respect to, said Bond.

(b) If any Bond shall not be presented for payment within a period of five years following the date when such Bond becomes due, whether by maturity or otherwise, the Registration Agent shall, subject to the provisions of any applicable escheat or other similar law, pay to the City any monies then held by the Registration Agent for the payment of such Bond and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter constitute an unsecured obligation of the City.

Section 10.2. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity or interest on or principal of any Bond, or the date fixed for redemption of any Bond, shall be a Saturday or Sunday or shall be, at the place designated for payment, a legal holiday or a day on which banking institutions similar to the Registration Agent are authorized by law to close, then the payment of the interest on, or the principal, or the redemption price of, such Bond need not be made on such date but must be made on the next succeeding day not a Saturday, Sunday, or a legal holiday or a day upon which banking institutions similar to the Registration Agent are authorized by law to close, with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 10.3. Miscellaneous Acts. The appropriate officers of the City are hereby authorized, empowered, and directed to do any and all such acts and things, and to execute, acknowledge, deliver, and, if applicable file or record, or cause to be filed or recorded, in any appropriate public offices, all such documents, instruments, and certifications, in addition to those acts, things, documents, instruments, and certifications hereinbefore authorized and approved, as may, in their discretion, be necessary or desirable to implement or comply with the intent of this Bond Resolution, or any of the documents herein authorized and approved, or for the authorization, issuance, and delivery by the City of the Bonds.

Section 10.4. Amendment. The City Council is hereby authorized to make such amendments to the Bond Resolution as will not impair the rights of the Bondholders.

Section 10.5. No Recourse Under Bond Resolution or on Bonds. All stipulations, promises, agreements, and obligations of the City contained in this Resolution shall be deemed to be the stipulations, promises, agreements, and obligations of the City and not of any officer, director, or employee of the City in his or her individual capacity, and no recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based on this Resolution against any officer, director, or employee of the City or against any official or individual executing the Bonds.

Section 10.6. Partial Invalidity. If any one or more of the provisions of the Bond Resolution, or of any exhibit or attachment thereto, 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, or of any exhibit or attachment thereto, but the Bond Resolution, and the exhibits and attachments thereto, shall be construed the same as if such invalid, illegal, or unenforceable provision had never been contained herein, or therein, as the case may be.

Section 10.7. Reserved.

Section 10.8. Post Issuance Compliance. The City does hereby adopt Meierhenry Sargent Post-Issuance Compliance Policy and Tax-Advantaged Obligations and Continuing Disclosure with regard to the Bonds attached hereto with regard to the Bonds. The City appoints the Finance Officer as its chief post issuance compliance officer.

10.9. Conflicting Resolutions Repealed. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 10.10. Effective Date. This Bond Resolution shall take effect from and after its adoption, the welfare of the City requiring it.

The above and foregoing resolution was moved for adoption by _____,
seconded by _____ and upon roll call vote,

voted aye,

voted nay,

Absent:

whereupon the Mayor declared this Resolution to be duly passed and adopted.

Corbin Herman, Mayor

Attest:

Laurie Woodard, Finance Officer

Adopted:

Published:

Effective Date:

EXHIBIT A-(FORM OF BOND)

STATE OF SOUTH DAKOTA
CUSTER COUNTY
CITY OF CUSTER
WATER REVENUE BONDS, SERIES 2020A

REGISTERED
No. «No»

REGISTERED
\$«AMOUNT».00

Initial Interest Rate
«INTEREST_RATE»%

Maturity Date
«maturity»

Bond Date

Registered Owner: Dacotah Bank
PO Box 1560
Aberdeen, SD 57402

Principal Amount: «DOLLARLONG» AND NOV100 DOLLARS

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THE BOND SET FORTH ON THE FOLLOWING PAGES, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law. The Bonds are issued and sold in full compliance in full compliance with South Dakota Codified Laws Chapter 6-8B, Sections 6-8B-30 to 6-8B-52 inclusive, and are incontestable for any cause whatsoever after their delivery for value.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Resolution until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, the City has caused this Bond to be signed by the manual or facsimile signature of its Mayor of the City and to be countersigned by the manual or facsimile signature of its City Finance Officer all as of the Bond Date specified above.

ATTEST:

City of Custer, South Dakota

City Finance Officer
COUNTERSIGNED:



Resident Attorney

By:
Mayor

CERTIFICATE OF AUTHENTICATION

This Bond is a Bond of the series designated therein and has been issued under the provisions of the within-mentioned Resolution and the date of its authentication is _____ 2020.

Bond Registrar and Paying Agent

By: _____
Authorized Officer

KNOW ALL MEN BY THESE PRESENTS: That the City of Custer, South Dakota (the "City"), in Custer County, in the State of South Dakota, hereby acknowledges itself to owe and for value received promises to pay the Principal Amount, from the Project Revenue Account of the City, to the Registered Owner mentioned above in lawful money of the United States of America, together with interest thereon from the Bond Date at the Initial Interest Rate until _____, 2025, and on _____ 2025, and thereafter at the Adjusted Interest Rate. On _____, 2025 the Adjusted Interest Rate shall be 2.85%, on _____, 2030 the Adjusted Interest Rate of the index rate of the New York Prime plus 50 basis points, provided that the Adjusted Interest Rate cannot be adjusted below 2.85% nor above 4.00% (the "Adjusted Interest Rate") Upon each interest rate adjustment, the Registered Owner shall reamortize the outstanding principal using the Adjusted Interest Rate and time remaining to Maturity Date. The Registered Owner shall attach a copy of the reamortization to the Bond and provide a copy to City.

Interest hereon is payable monthly in accordance with the payment schedule attached, in each month to maturity or earlier redemption by wire transfer, check or draft mailed to the Registered Owner at its address as it appears on the Bond registration books of the City maintained by Finance Officer, Custer, South Dakota, as Bond registrar and paying agent (the "Registrar"), as of the close of business on the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date (the "Record Date"). The principal hereof due at maturity or upon redemption prior to maturity is payable at the office of Registrar upon presentation and surrender of this Bond at maturity or upon earlier redemption. The principal of, premium (if any) and interest on this Bond is payable in any coin or currency of the United States of America which, at the time of payment, is legal tender for the payment of public and private debts.

The Bonds: This Bond is one of an authorized issue of Bonds limited in aggregate principal amount to a maximum of \$1,800,000 (the "Bonds") all of like date and tenor except as to maturity, interest rates and privileges of redemption. The Bonds are being issued to provide funds to (i) refund on _____ at a price of par plus accrued interest, of the Water Revenue Bond, Series 2007, dated January 12, 2007 (the "Series 2007 Bonds") and (ii) pay the costs of issuing the Bonds, pursuant to a resolution duly and regularly adopted by the City on _____ (the "Bond Resolution"), and are subject to all the provisions and limitations of the Resolution and Chapter 6-8B, Sections 6-8B-30 to 6-8B-52, South Dakota Codified Laws, as amended. Capitalized terms not defined herein shall have the meaning set forth in the Bond Resolution.

Security Provisions: The Bonds are secured by a pledge of (i) the Net Revenues derived from the operation of the Project and (ii) the accounts, including the Reserve Account, established by the Resolution and the investments of the funds therein, if any. The Bonds are special obligations of the City payable solely from the Net Revenues of the Project, moneys, securities and accounts pledged therefor by the Resolution. The Resolution provides that the City agrees it will establish rates, special charges or surcharges sufficient to produce in each fiscal year net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements, operation and maintaining the reserve, in an amount not less than an amount necessary to meet the debt service requirements on the Bonds.

Statutory Mortgage Lien. Pursuant to SDCL §9-40-25 there shall be a statutory mortgage lien upon the Project with the Bonds in favor of and for the equal benefit of the lawful holders of the Bonds. Until all Bonds are fully paid with interest, the City shall not sell or otherwise dispose of the System in competition with the City. A statutory Lien shall continue until all bonds and interest are paid in full.

Additional Bonds: As permitted by SDCL 9-40-8 and SDCL 9-40-9, additional Bonds payable from revenues and income of the Project may be issued as provided hereafter, and no provision of the Resolution shall have the effect of restricting the issuance of, or impairing the lien of, such additional parity bonds with respect to the net revenues or income from the extensions, additions or improvements. The City may issue additional bonds (the "Parity Bonds") payable from the Pledged Revenues and having a lien upon such revenues on a parity with the Bonds and the Outstanding Parity Bonds provide that:

- (1) The City is current with the payment of principal and interest on the Outstanding Bonds and is current in the collections required for Principal and Interest Account; and

- (2) The City is compliance with all covenants of Outstanding Bonds and that the Pledged Revenues collected by the City in the last preceding fiscal year are sufficient to cover 1.25 times the combined average annual principal and interest required on the Outstanding Bonds and the proposed Parity Bonds.

Optional Redemption: The Bonds, are subject to prepayment or redemption, in whole or in part, may be prepaid in a minimum of \$100,000 principal amounts on any date at a price of par plus accrued interest. If redemption is in part, the selection of the amounts and maturities of the Bonds to be prepaid shall be at the discretion of the City. Notice of redemption shall be given by registered mail to the registered owner of the Bonds not less than 30 days prior to such redemption date. Upon a optional redemption, the outstanding principal shall be reamortized of time remaining to maturity and the current interest rate.

Transfer: This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Bond Registrar in Sioux Falls, South Dakota, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denomination of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefore. The City and the Bond Registrar may deem and treat the registered holder hereof as the absolute owner hereof and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

Bank Qualification: The City has in the Bond Resolution designated such issue of Bonds as “qualified tax-exempt obligations” pursuant to Section 265(b)(3)(B)(III) of the Internal Revenue Code of 1986, as amended.

Form of Bond Opinion

City of Custer
Custer County, South Dakota
\$ _____ Water Revenue Bonds, Series 2020A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the City of Custer, South Dakota (the “Issuer”) \$ _____ Water Revenue Bonds, Series 2020A, dated _____, (the “Bonds”). We have examined such certified proceedings and other papers as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and we express no opinion relating thereto. All capitalized terms herein shall have the meaning set forth in the Resolution.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us, without undertaking to verify such facts by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Issuer is duly created and validly existing as a body corporate and politic and public instrumentality of the State of South Dakota with the corporate power to adopt and perform the Resolution and issue the Bonds.
2. Resolution _____ has been duly adopted by the Issuer on _____ and constitutes a valid and binding limited obligation of the Issuer enforceable upon the Issuer (the “Resolution”).

3. The Bonds are special obligations of the City payable solely from the Net Revenues of the Project, moneys, securities and accounts pledged therefor by the Resolution.
4. The Bonds are secured by a pledge of (i) the Net Revenues derived from the operation of the Project and (ii) the accounts, including the Reserve Account, established by the Resolution and the investments of the funds therein, if any.
5. There is a statutory mortgage lien upon the project in favor of and for the equal benefit of the lawful holders of the Bonds until the Bonds are fully paid with interest.
6. [The Resolution provides that the City agrees it will establish rates, special charges or surcharges sufficient to produce in each fiscal year net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements, operation and maintaining the reserve, in an amount not less than 110% of the debt service requirements on the Bonds]
7. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986 as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.
8. Under existing law, the interest on the Bonds is includible in "taxable income" for the State of South Dakota income tax purposes when the recipient is a "financial institution" as defined by Chapter 10-43, South Dakota Codified Laws, according to present state laws, regulations and decisions. We express no further opinions regarding other South Dakota tax consequences arising with regard to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity and subject to regulatory requirements under the laws of the United States and of the State of South Dakota.

Meierhenry Sargent LLP

(Form of Assignment)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:

NOTICE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

ATTACHMENT TO RESOLUTION

Post-Issuance Compliance Policy for Tax-Exempt and Tax-Advantaged Obligations and Continuing Disclosure

Definitions

“Compliance Officer” means the Finance Officer of the Issuer.

“Issuer” means the City of Custer.

Statement of Purpose

This Post-Issuance Compliance Policy (the “Policy”) sets forth specific policies of the Issuer designed to monitor post-issuance compliance:

- (i) with applicable provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations promulgated thereunder (“Treasury Regulations”) for obligations issued by the Issuer on tax-exempt or tax-advantaged basis (“Obligations”); and
- (ii) with applicable requirements set forth in certificates and agreement(s) (“Continuing Disclosure Agreements”) providing for ongoing disclosure in connection with the offering of obligations to investors (“Offerings”), for obligations (whether or not tax-exempt/tax-advantaged) subject to the continuing disclosure requirements of Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Council (“SEC”) under the Securities Exchange Act of 1934.

This Policy documents practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to be excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The federal tax law requirements applicable to each particular issue of Obligations will be detailed in the arbitrage or tax certificate prepared by bond counsel and signed by officials of the Issuer and the post-closing compliance checklist provided by bond counsel with respect to that issue. This Policy establishes a permanent, ongoing structure of practices and procedures that will facilitate compliance with the requirements for individual borrowings.

This Policy similarly documents practices and describes various procedures and systems designed to ensure compliance with Continuing Disclosure Agreements, by preparing and disseminated related reports and information and reporting “material events” for the benefit of the holders of the Issuer's obligations and to assist the Participating Purchasers (within the meaning of the Rule) in complying with the Rule.

The Issuer recognizes that compliance with pertinent law is an on-going process, necessary during the entire term of the obligations, and is an integral component of the Issuer's debt management. Accordingly, the analysis of those facts and implementation of the Policy will require on-going monitoring and consultation with bond counsel and the Issuer's accountants and advisors.

General Policies and Procedures

The following policies relate to procedures and systems for monitoring post-issuance compliance generally.

- A. The Compliance Officer shall be responsible for monitoring post-issuance compliance issues.
- B. The Compliance Officer will coordinate procedures for record retention and review of such records.
- C. All documents and other records relating to Obligations issued by the Issuer shall be maintained by or at the direction of the Compliance Officer. In maintaining such documents and records, the Compliance Officer will comply with applicable Internal Revenue Service ("IRS") requirements, such as those contained in Revenue Procedure 97-22.
- D. The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.
- E. The Compliance Officer will review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Issuance of Obligations - Documents and Records

With respect to each issue of Obligations, the Compliance Officer will:

- A. Obtain and store a closing binder and/or CD or other electronic copy of the relevant and customary transaction documents (the "Transcript").
- B. Confirm that bond counsel has filed the applicable information report (e.g., Form 8038, Form 8038-G, Form 8038-CP) for such issue with the IRS on a timely basis.

- C. Coordinate receipt and retention of relevant books and records with respect to the investment and expenditure of the proceeds of such Obligations with other applicable staff members of the Issuer.

Arbitrage

The following policies relate to the monitoring and calculating of arbitrage and compliance with specific arbitrage rules and regulations.

The Compliance Officer will:

- A. Confirm that a certification of the initial offering prices of the Obligations with such supporting data, if any, required by bond counsel, is included in the Transcript.
- B. Confirm that a computation of the yield on such issue from the Issuer's Purchaser or bond counsel (or an outside arbitrage rebate specialist) is contained in the Transcript.
- C. Maintain a system for tracking investment earnings on the proceeds of the Obligations.
- D. Coordinate the tracking of expenditures, including the expenditure of any investment earnings. If the project(s) to be financed with the proceeds of the Obligations will be funded with multiple sources of funds, confirm that the Issuer has adopted an accounting methodology that maintains each source of financing separately and monitors the actual expenditure of proceeds of the Obligations.
- E. Maintain a procedure for the allocation of proceeds of the issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures. This procedure shall include an examination of the expenditures made with proceeds of the Obligations within 18 months after each project financed by the Obligations is placed in service and, if necessary, a reallocation of expenditures in accordance with Section 1.148-6(d) of the Treasury Regulations.
- F. Monitor compliance with the applicable "temporary period" (as defined in the Code and Treasury Regulations) exceptions for the expenditure of proceeds of the issue, and provide for yield restriction on the investment of such proceeds if such exceptions are not satisfied.
- G. Ensure that investments acquired with proceeds of such issue are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable Treasury Regulation safe harbor may be used.

- H. Avoid formal or informal creation of funds reasonably expected to be used to pay debt service on such issue without determining in advance whether such funds must be invested at a restricted yield.
- I. Consult with bond counsel prior to engaging in any post-issuance credit enhancement transactions or investments in guaranteed investment contracts.
- J. Identify situations in which compliance with applicable yield restrictions depends upon later investments and monitor implementation of any such restrictions.
- K. Monitor compliance with six-month, 18-month or 2-year spending exceptions to the rebate requirement, as applicable.
- L. Procure a timely computation of any rebate liability and, if rebate is due, to file a Form 8038-T and to arrange for payment of such rebate liability.
- M. Arrange for timely computation and payment of “yield reduction payments” (as such term is defined in the Code and Treasury Regulations), if applicable.

Private Activity Concerns

The following polices relate to the monitoring and tracking of private uses and private payments with respect to facilities financed with the Obligations.

The Compliance Officer will:

- A. Maintain records determining and tracking facilities financed with specific Obligations and the amount of proceeds spent on each facility.
- B. Maintain records, which should be consistent with those used for arbitrage purposes, to allocate the proceeds of an issue and investment earnings to expenditures, including the reimbursement of pre-issuance expenditures.
- C. Maintain records allocating to a project financed with Obligations any funds from other sources that will be used for otherwise non-qualifying costs.
- D. Monitor the expenditure of proceeds of an issue and investment earnings for qualifying costs.
- E. Monitor private use of financed facilities to ensure compliance with applicable limitations on such use. Examples of potential private use include:

1. Sale of the facilities, including sale of capacity rights;
2. Lease or sub-lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers) or leasehold improvement contracts;
3. Management contracts (in which the Issuer authorizes a third party to operate a facility, e.g., cafeteria) and research contracts;
4. Preference arrangements (in which the Issuer permits a third party preference, such as parking in a public parking lot);
5. Joint-ventures, limited liability companies or partnership arrangements;
6. Output contracts or other contracts for use of utility facilities (including contracts with large utility users);
7. Development agreements which provide for guaranteed payments or property values from a developer;
8. Grants or loans made to private entities, including special assessment agreements; and
9. Naming rights arrangements.

Monitoring of private use should include the following:

1. Procedures to review the amount of existing private use on a periodic basis; and
2. Procedures for identifying in advance any new sale, lease or license, management contract, sponsored research arrangement, output or utility contract, development agreement or other arrangement involving private use of financed facilities and for obtaining copies of any sale agreement, lease, license, management contract, research arrangement or other arrangement for review by bond counsel.

If the Compliance Officer identifies private use of facilities financed with tax-exempt or tax-advantaged debt, the Compliance Officer will consult with the Issuer's bond counsel to determine whether private use will adversely affect the tax status of the issue and if so, what remedial action is appropriate. The Compliance Officer should retain all documents related to any of the above potential private uses.

Qualified Tax-Exempt Obligations

If the Issuer issues qualified tax-exempt obligations in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements and conduit financings on behalf of 501(c)(3) organizations) to assure that the \$10,000,000 “Small Issuer” limit is not exceeded.

Federal Subsidy Payments

The Compliance Officer shall be responsible for the calculation of the amount of any federal subsidy payments and the timely preparation and submission of the applicable tax form and application for federal subsidy payments for tax-advantaged obligations such as Build America Bonds, New Clean Renewable Energy Bonds and Qualified School Construction Bonds.

Reissuance

The following policies relate to compliance with rules and regulations regarding the reissuance of Obligations for federal law purposes.

The Compliance Officer will identify and consult with bond counsel regarding any post-issuance change to any terms of an issue of Obligations which could potentially be treated as a reissuance for federal tax purposes.

Record Retention

The following policies relate to retention of records relating to the Obligations issued. The Compliance Officer will:

- A. Coordinate with staff regarding the records to be maintained by the Issuer to establish and ensure that an issue remains in compliance with applicable federal tax requirements for the life of such issue.
- B. Coordinate with staff to comply with provisions imposing specific recordkeeping requirements and cause compliance with such provisions, where applicable.
- C. Coordinate with staff to generally maintain the following:
 1. The Transcript relating to the transaction (including any arbitrage or other tax certificate and the bond counsel opinion);
 2. Documentation evidencing expenditure of proceeds of the issue;

3. Documentation regarding the types of facilities financed with the proceeds of an issue, including, but not limited to, whether such facilities are land, buildings or equipment, economic life calculations and information regarding depreciation.
 4. Documentation evidencing use of financed property by public and private entities (e.g., copies of leases, management contracts, utility user agreements, developer agreements and research agreements);
 5. Documentation evidencing all sources of payment or security for the issue; and
 6. Documentation pertaining to any investment of proceeds of the issue (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received by the investment of proceeds, guaranteed investment contracts, and rebate calculations).
- D. Coordinate the retention of all records in a manner that ensures their complete access to the IRS.
- E. Keep all material records for so long as the issue is outstanding (including any refunding), plus seven years.

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), Participating Purchasers (as defined in the Rule) are required to determine that issuers (such as the Issuer) have entered into written Continuing Disclosure Agreements to make ongoing disclosure in connection with Offerings subject to the Rule. Unless the Issuer is exempt from compliance with the Rule or the continuing disclosure provisions of the Rule as a result of certain permitted exemptions, the Transcript for each issue of related obligations will include a Continuing Disclosure Agreement executed by the Issuer.

In order to monitor compliance by the Issuer with its Continuing Disclosure Agreements, the Compliance Officer will, if and as required by such Continuing Disclosure Agreements:

- A. Assist in the preparation or review of annual reports ("Annual Reports") in the form required by the related Continuing Disclosure Agreements.
- B. Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as a date within a certain number of days (e.g., 365 days) following the end of the Issuer's fiscal year (the "Annual Report Due Date"), as provided in the related Continuing Disclosure Agreements.

- C. Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the Municipal Securities Rulemaking Board (“MSRB”) through the Electronic Municipal Market Access (“EMMA”) System at www.emma.msrb.org in the format prescribed by the MSRB.
- D. Monitor the occurrence of any “Material Event” (as defined in the Continuing Disclosure Agreements) and timely file notice of the occurrence of any such Material Event in the manner provided under the Continuing Disclosure Agreements. To be timely filed, such notice must be transmitted within 10 days (or such other time period as set forth in the Continuing Disclosure Agreements) of the occurrence of such Material Event.
- E. Ensure timely dissemination of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement.
- F. Respond to requests, or ensure that the Issuer Contact (as defined in the Continuing Disclosure Agreement) responds to requests, for information under the Rule, as provided in the Continuing Disclosure Agreements.
- G. Monitor the performance of any dissemination agent(s) engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreements.

PASSED and ADOPTED by the City of Custer, this 2nd day of March, 2020.

Corbin Herman, Mayor

ATTEST:

Laurie Woodward, Finance Officer

City of Custer City
From the Desk of the Mayor

EXECUTIVE PROCLAMATION

WHEREAS, Westley W. Dittman graduated from Custer High School in 1968; and

WHEREAS, Wes's early life and education began in Sioux Falls, SD with three older brothers; and

WHEREAS, Wes and his wife Dee have been proud Custer Residents for many years; and

WHEREAS, Wes and Dee have been an active part of the Custer Community through business and work; and

WHEREAS, Wes has been a licensed driver of a beer truck, a gravel hauler and a fuel truck driver; and

WHEREAS, Wes relied on his wife, Dee, great medical care and strong community support to mend from Guillain-Barre; and

WHEREAS, he is known as Grandpa Wes to his adoring grandchildren.

WHEREAS, Wes is turning 70 years old on March 8, 2020.

NOW, THEREFORE, I, Corbin Herman, Mayor of Custer City, of the State of South Dakota, do hereby proclaim March 8, 2020, as

Wes Dittman Day

in Custer City, and encourage all citizens to join me in recognizing Darryl for his commitment to the Custer Community.

ATTEST:

CITY OF CUSTER CITY

Laurie Woodward, Finance Officer

Corbin Herman, Mayor

(SEAL)

REQUEST TO BE ON AGENDA
CUSTER CITY COUNCIL MEETING

NAME: Emily Wheeler PHONE #: 605 390 6137
ADDRESS: 8510 Kings Court Rapid City, SD 57702

MEETING DATE: March 2, 2020

Council meets on the 1st and 3rd Monday of each month, however if such date follows on a holiday Council will meet the following day.

ACTION REQUESTED (Give a brief summary of the action you would like the Council to take):

Permission to stop vehicles for runners on the Mickelson Trail crossings of Montgomery St, Harney, Crook, Mt Rushmore Rd, 8th St, 10th St, 7th St, and 4th Street on Sunday, Oct 4th 2020 from approximately 9am to 11:30am for the Run Crazy Horse Marathon.

REASONS FOR ACTION (Give a detailed account for the reasons you feel the Council should take the above action. Please state the history behind the request and as much information supporting your request as you can. Attach additional sheets if necessary.):

The Run Crazy Horse Marathon will be in its 10th year for 2020. The Marathon and marathon relay courses start at Crazy Horse Memorial and turn south on the Mickelson trail towards Custer for an out and back portion that turns around just south of 4th St. Expecting about 300 runners and the Custer portion is miles 8.8 to 12 of the course.

Have you visited with any staff or committees regarding your request, please state who (General Government Committee, Public Works Committee, Planning Commission, Community Development Director, Public Works Director, Finance Officer):

cc email to Mayor Herman and Sheriff Mechaley.

SIGNATURE Emily Wheeler DATE 2/13/20

This form must be returned to the Finance Office by noon on the Wednesday preceding a regular scheduled meeting.



February 28, 2020

Mr. Bob Morrison, Public Works Director
Public Works Department
622 Crook St.
Custer City, South Dakota 57730

RE: Professional Services – Construction Administration
Custer Drainage Improvements Project
Custer, South Dakota

Dear Mr. Morrison,

ACES is pleased to submit this proposal for your consideration. This project is located in Custer City, South Dakota. Generally described as the following four (4) locations:

1. Pavement and drainage improvements on Bryden Drive between Harney Street and Leisinger Lane
2. Pavement on the Alley between N 2nd Street and N 3rd Street
3. Drainage Improvements in Alley between S 3rd Street and S 4th Street (Just South of Mt. Rushmore Road)
4. Drainage Improvements at the NE corner of Gordon St. and S. 10th St.

The improvements have been designed and a bid letting was conducted on February 5, 2020. The Custer City Council has accepted the Bid from Simon Contractors of South Dakota in the amount of \$361,235.28.

For the construction portion of the project ACES would like to assist the City of Custer to ensure the contractor provides the improvements as outlined in the plans and specifications.

Scope of construction administration services are summarized below:

- Prepare construction contract agreement between the City and the Contractor.
- Prepare Notice-to-Proceed for Public Works Director's signature and distribution to Contractor for execution.
- Conduct a Pre-Construction Conference including agenda. Record minutes and distribute to all attendees.
- Provide written clarification regarding drawing and specifications questions or requests for interpretation.
- Provide recommendations for unknown or changed conditions.
- Review and take action on shop drawings, test results, and other submittals.

- Conduct appropriate Progress Meetings. Record and distribute minutes.
- Provide on-site observation to assure that methods and materials used by the Contractor meet the intent of the plans and specifications.
- Review and recommend Payment Requests.
- Prepare change orders and extra work orders and submit to City for consideration.
- Prepare project review Punch List.
- Prepare Notice of Completion for City.

It is understood that the construction schedule is between award and project completion of September 1, 2020.

The Lump Sum fee includes the scope of services listed above:

Lump Sum Fee: \$ 9,750.00

The fee listed above does not include taxes.

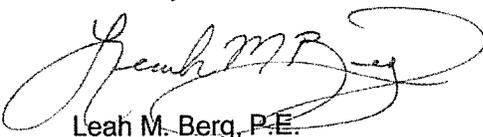
ACES will provide any additional services upon request and on demand.

The hourly rates are as follows:

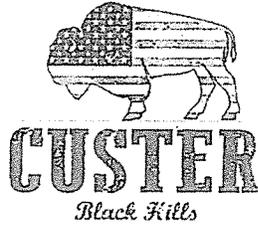
| | |
|-----------------------|----------------|
| Engineer-In-Training: | \$ 80.00/hour |
| Site Designer: | \$ 100.00/hour |
| Engineer: | \$ 115.00/hour |
| Principal Engineer: | \$ 135.00/hour |

ACES truly appreciates the opportunity to continue to work with the City of Custer City. If you have any questions or comments please free to contact me at 605.716.4646 (LBerg@proacesinc.com). If our understanding is missing any components or includes components not intended, let us know and we will revise our proposal accordingly.

Sincerely,



Leah M. Berg, P.E.
President



February 26, 2020

City of Custer City
ATTN: City Council
622 Crook Street
Custer, SD 57730

Dear City Council Members:

The Custer Area Chamber of Commerce would like to request the following actions for the Old Time Country Fourth celebration planned for July 3 – 4, 2020. This two-day celebration will feature kids' activities, flag ceremonies, and a parade.

Fair: We would like to request Way Park for July 3 – 4 for the purposes of holding a children's fair. This will entail bouncy houses, face painting, and other family-friendly activities. We would also like to request that the portion of the north bound lane of 4th Street adjacent to Way Park be closed to be used for additional bouncy houses.

Parade: We would like to request permission to hold a Patriots' Parade on the morning of July 4. The parade would begin on 8th Street at Lynn's Dakotamart and proceed down Mt. Rushmore Road to 2nd Street. Line-up will be on Washington Street between 6th Street and 8th Street. This parade will be open only to military personnel and emergency personnel, such as law enforcement, fire departments, search and rescue, ambulance, etc.

Flag Ceremonies: We would like to hold the flag lowering and raising ceremonies on July 4th following the parade at the flag pole at the Veterans' Memorial.

Equipment needed: We will need the City's 2 large tents, trash cans, picnic tables, traffic barriers and water key.

We hope to make the Custer 4th of July Celebration the best Independence Day celebration in the Black Hills.

Respectfully,

Dolsee Davenport
Executive Director

CUSTER AREA CHAMBER OF COMMERCE

PO Box 5018 ♦ Custer, South Dakota 57730 ♦ (605) 673-2244 ♦ 800-992-9818

www.custersd.com ♦ info@custersd.com ♦ Fax: (605) 673-3726



CITY OF CUSTER CITY
622 Crook Street, Custer SD 57730
Phone 605-673-4824

PARADE REQUEST FORM

THIS FORM MUST BE SUBMITTED TO THE FINANCE OFFICE AT LEAST 45 DAYS IN ADVANCE OF YOUR EVENT WITH ALL REQUIRED OTHER DOCUMENTS.

ORGANIZATION NAME: Custer Area Chamber of Commerce

MAILING ADDRESS: PO Box 5018, Custer

TYPE OF EVENT: 4th of July Parade

DATE OF EVENT: July 4, 2020 RAIN DATE (if any): None

TIME OF EVENT: 10:00 am ESTIMATE COMPLETION TIME: 11:00 am

ORGANIZATION REPRESENTATIVE CONTACT INFORMATION:

NAME: Dolsee Davenport TITLE: Executive Director

PHONE #: 605-673-2244

EMAIL: ddavenport@custersd.com

ASSEMBLY AREA: Washington Street between 6th and 8th Streets

ROUTE: Floats will head north on 8th Street, and at Mt. Rushmore Road they will head west. The parade will end at 2nd Street where all floats will head south.

The following information must be included:

- ATTACH MAP HIGHLIGHTING ROUTE
- ATTACH A LIST OF ROADS THAT WILL BE TEMPORARILY CLOSED
- ORGANIZATION SHALL PROVIDE PROOF OF INSURANCE LISTING THE CITY AS ADDITIONAL INSURANCE AND SIGN HOLD HARMLESS AGREEMENT.

MORE INFORMATION TO BE COMPLETED ON BACK SIDE

This permit is issued subject to the following stipulations:

- 1) Drugs and alcohol shall not be consumed by any participant on the parade route.
- 2) No candy, prizes, promotional items, etc, shall be thrown from any parade float or vehicle. Such items shall be handed out to the onlookers by walkers, with enough distance from the floats that onlookers do not have to enter the roadway to retrieve them.
- 3) Participants shall not spray liquids at the crowd.
- 4) Each parade participating group must be responsible not only for their own safety and must also take precautions to ensure the safety of their float and its participants.
- 5) Vehicle drivers are solely responsible for the safe operation of their vehicle. Each float/truck driver must be the holder of a valid driver's license and must have valid auto liability coverage in force.
- 6) Participants with horses or animals of any kind shall provide personnel to perform immediate excrement removal.

INDEMNIFICATION

In consideration of approval to conduct this activity, the applicant/organization expressly assumes all risks incident to or in connection with the permitted activity. Any property damage or bodily injury arising out of or in connection with the permitted activity shall be the sole responsibility of the applicant/organization. Applicant/Organization agrees to and shall indemnify, defend and hold the City harmless from and against all losses, liabilities, damages, costs, expenses including litigation costs and reasonable attorney's fees, judgments or settlements whatsoever incurred by the City resulting from any claim, demand, action, cause of action or suit arising from or relating to the negligent or intentional acts or omissions of applicant/organization's officers, volunteers, employees, vendors, agents, contractors, subcontractors and other acting on behalf of applicant/organization.

As the representative of the Organization requesting a parade permit, I have read and understand the above stipulations and indemnification.

Ddsee Davenport
Signature of Organization Representative

2-18-2020
Date

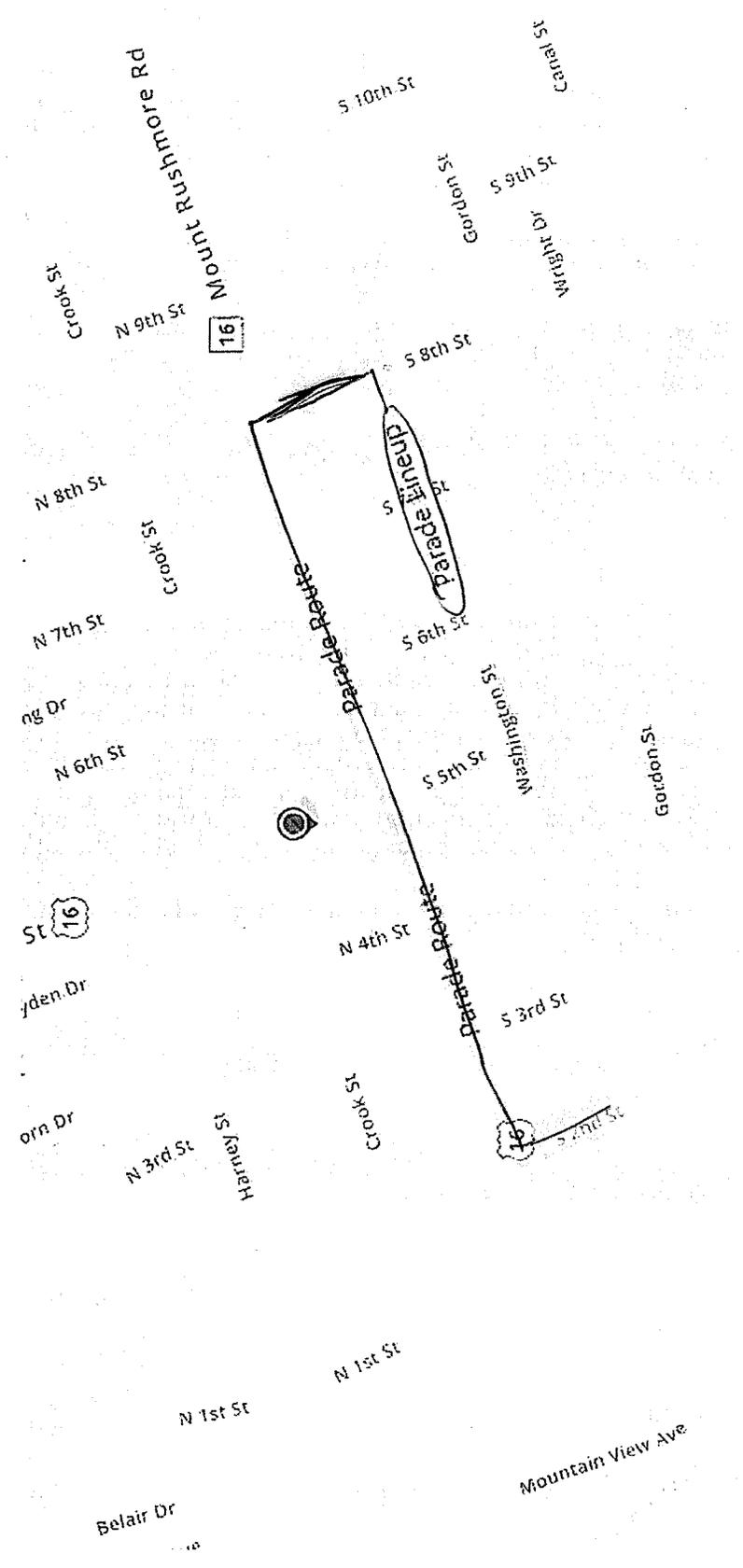
Ddsee Davenport - Executive Director Custer Chamber
Print Name and Title of Organization Representative

CITY APPROVAL:

Date City Received Parade Request Form: _____

Date City Council Acted on the Parade Request Form: _____

Action taken by Council: _____



4th of July

Road Closures:

- Washington Street between 6th and 8th Streets
- 8th Street between Washington Street and Mt. Rushmore Road
- Mt. Rushmore Road between 8th and 2nd Streets



CITY OF CUSTER CITY
622 Crook Street, Custer SD 57730
Phone 605-673-4824

PARADE REQUEST FORM

THIS FORM MUST BE SUBMITTED TO THE FINANCE OFFICE AT LEAST 45 DAYS IN ADVANCE OF YOUR EVENT WITH ALL REQUIRED OTHER DOCUMENTS.

ORGANIZATION NAME: Custer Area Chamber of Commerce

MAILING ADDRESS: PO Box 5018, Custer

TYPE OF EVENT: Gold Discovery Days Parade

DATE OF EVENT: July 18, 2020 RAIN DATE (if any): None

TIME OF EVENT: 10:00am ESTIMATE COMPLETION TIME: 11:30am

ORGANIZATION REPRESENTATIVE CONTACT INFORMATION:

NAME: Dolsee Davenport TITLE: Executive Director

PHONE #: 605-673-2244

EMAIL: ddavenport@custersd.com

ASSEMBLY AREA: Pagant Hill

ROUTE: _____

Attached with road closures

The following information must be included:

- ATTACH MAP HIGHLIGHTING ROUTE
- ATTACH A LIST OF ROADS THAT WILL BE TEMPORARILY CLOSED
- ORGANIZATION SHALL PROVIDE PROOF OF INSURANCE LISTING THE CITY AS ADDITIONAL INSURANCE AND SIGN HOLD HARMLESS AGREEMENT.

MORE INFORMATION TO BE COMPLETED ON BACK SIDE

This permit is issued subject to the following stipulations:

- 1) Drugs and alcohol shall not be consumed by any participant on the parade route.
- 2) No candy, prizes, promotional items, etc, shall be thrown from any parade float or vehicle. Such items shall be handed out to the onlookers by walkers, with enough distance from the floats that onlookers do not have to enter the roadway to retrieve them.
- 3) Participants shall not spray liquids at the crowd.
- 4) Each parade participating group must be responsible not only for their own safety and must also take precautions to ensure the safety of their float and its participants.
- 5) Vehicle drivers are solely responsible for the safe operation of their vehicle. Each float/truck driver must be the holder of a valid driver's license and must have valid auto liability coverage in force.
- 6) Participants with horses or animals of any kind shall provide personnel to perform immediate excrement removal.

INDEMNIFICATION

In consideration of approval to conduct this activity, the applicant/organization expressly assumes all risks incident to or in connection with the permitted activity. Any property damage or bodily injury arising out of or in connection with the permitted activity shall be the sole responsibility of the applicant/organization. Applicant/Organization agrees to and shall indemnify, defend and hold the City harmless from and against all losses, liabilities, damages, costs, expenses including litigation costs and reasonable attorney's fees, judgments or settlements whatsoever incurred by the City resulting from any claim, demand, action, cause of action or suit arising from or relating to the negligent or intentional acts or omissions of applicant/organization's officers, volunteers, employees, vendors, agents, contractors, subcontractors and other acting on behalf of applicant/organization.

As the representative of the Organization requesting a parade permit, I have read and understand the above stipulations and indemnification.

Dolsee Davenport
Signature of Organization Representative

2-18-2020
Date

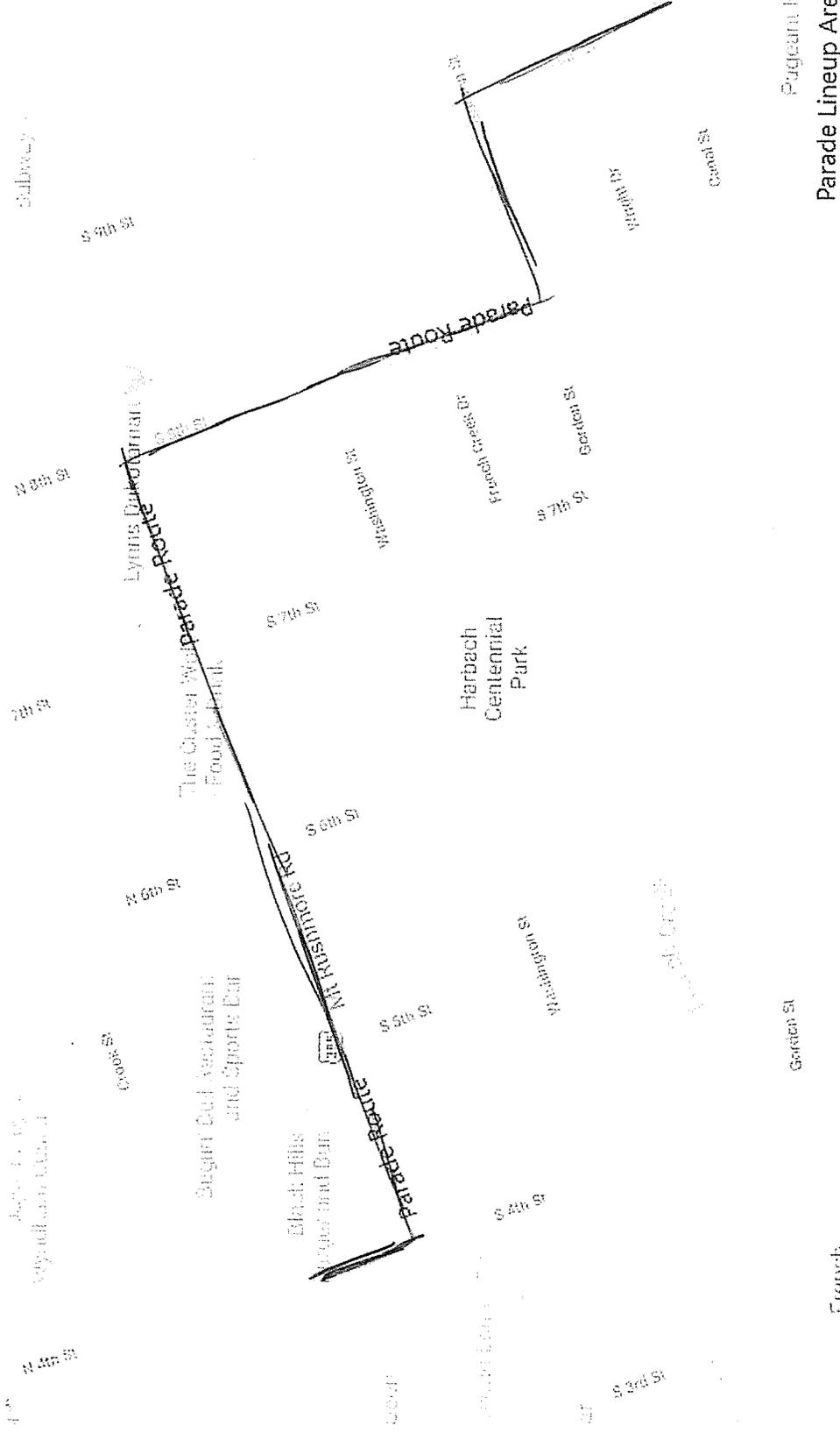
Dolsee Davenport - Executive Director Custer Chamber
Print Name and Title of Organization Representative

CITY APPROVAL:

Date City Received Parade Request Form: _____

Date City Council Acted on the Parade Request Form: _____

Action taken by Council: _____



Pageland Hill

Parade Lineup Area

Garfield St

French

Gold Discovery Days

Route:

Floats will lineup on Pageant Hill, and will exit that area on 9th and Canal Streets. They will take 9th Street to Gordon Street. Then they will head west on Gordon Street and then turn north on 8th Street. At Mt. Rushmore Road the parade will head west. The parade will end at 4th Street where all floats will turn north.

Road Closures:

- Canal Street between 9th and 8th Streets
- Gordon Street between 9th and 8th Streets
- Intersection of 9th Street and Wright Drive
- 8th Street between Canal Street and Mt. Rushmore Road
- Mt. Rushmore Road between 8th Street and 4th Street
- 4th Street between Mt. Rushmore Road and Crook Street

**AMENDMENT NO. 1 TO AGREEMENT
WASTEWATER TREATMENT PLANT UPGRADES– CUSTER, SD
BETWEEN OWNER AND ENGINEER
FOR PROFESSIONAL SERVICES**

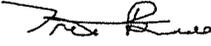
THIS IS AN AMENDMENT TO THE AGREEMENT made March 6, 2019 between
the City of Custer, South Dakota (“Owner”)
and DeWild Grant Reckert & Associates Co. d/b/a DGR Engineering (“Engineer”)
for Wastewater Treatment Plant Upgrades (“Project”).

Description of Engineer’s revised scope of services that shall be made as part of this agreement: Analysis of the
social and economic importance of a proposed lift station, force main, and wastewater treatment system.
The revised scope of work will include coordination with SD DENR, preparing a draft report that summarizes the
findings of the social and economic importance of the proposed lift station, force main, and wastewater treatment
improvements, preparing a final report that incorporates City feedback that will be submitted to SD DENR, a letter
and map for review by environmental agencies. The Social and Economic Importance Report will provide an overview of
the facility plan alternatives, evaluate the environmental and economic benefits of the proposed lift station and
wastewater treatment system project, and discuss any non-degrading alternatives.

Owner and Engineer hereby amend the agreement as set forth below:

The Town agrees that the preliminary engineering fee shall be increased **\$15,000**; bringing total preliminary engineering phase compensation to **\$69,672**.

In all other respects, said agreement is to remain unchanged and in full force between the undersigned.

| | |
|--|---|
| OWNER: <u>City of Custer, South Dakota</u> | ENGINEER: <u>DeWild Grant Reckert & Associates Co.</u> |
| By: <u>Corbin Herman, Mayor</u> | By: <u> Trent Bruce, P.E. Vice President</u> |
| Date Signed: _____ | Date Signed: <u>2/14/20</u> |
| Address for giving notices: <u>City of Custer</u> | Address for giving notices: <u>DGR Engineering</u> |
| <u>622 Crook Street</u> | <u>2909 E. 57th Street, Suite 101</u> |
| <u>Custer, SD 57730</u> | <u>Sioux Falls, SD 57108</u> |

Wastewater Treatment Plant Upgrades

Custer, South Dakota

Socio-Economic Meeting Agenda | #669021 | January 15, 2020



ATTENDEES

- Bob Morrison - City of Custer
- Mike Perkovich - DENR
- Al Spangler - DENR
- Kathleen Grigg - DENR
- Andy Bruels - DENR
- Trent Bruce, PE - DGR
- Sam Johnson, PE - DGR
- Sara Pankonin, PE – DGR
- Dana Foreman, PE - KLJ

DISCUSSION TOPICS

1. Overview of Facility Plan

a. Existing Plant Improvements – No significant discussion during meeting

b. Alternative Discharge Locations

- Existing Flynn Creek discharge.
- Beaver Creek discharge (2 different locations).
- French Creek discharge south of Stockade.

c. Improved Treatment

- Al reviewed the Facility Plan and was approving of the selected alternative based on analysis provided.
- Andy Bruels reviewed the report and had minor technical comments that he will get to us soon.
- Al discussed that a draft permit proposing to allow degradation of the receiving stream could be prepared and notify the public through a public notice. If there are no comments, the permit could be issued. However, if there are comments to that public notice, a public hearing and a Socio-Economic Analysis would be required. He recommended doing the Socio-Economic Analysis simultaneous, considering comments were likely.
- Al discussed an option for the City to consider would be to get the draft permit through without having to do a Socio-Economic Analysis, but if public comments are likely, it makes sense to prepare the Socio-Economic Analysis prior to the Public Hearing.
- It was noted that a previous project of similar nature prepared the draft permit and the Socio-Economic Analysis in parallel as they were certain they would get public comments. They did get many comments back and were able to address the concerns and it streamlined the process.
- Municipalities in South Dakota have gone through this process with mixed results. Some have received no public comments, and some had comments.

- Custer is a municipality, not a private, for-profit company so it is possible the City could go through the notice period without any comments, but in an attempt to be as transparent to the public as possible, City staff recommended to do the Socio-Economic Analysis prior to the anticipated public hearing.

2. Socio Economic Analysis Considerations

a. Demonstration of Social and Economic Importance

- i. Operator employment
 - ii. Construction provides employment
 - iii. Corrects Force Main breaks
 - iv. Lowest Long-term O&M and capital cost
- It was recommended to point out that the proposed project is benefitting both the environment and the economy through growth and tourism.

b. Reference Facility Plan Alternatives

- This will cover section D (1) of the document AI provided (pg 9 of October 1998 Antidegradation Implementation Procedures)

c. Discussion of Non-degrading or Less-degrading Alternatives

- i. Tertiary Treatment such as ion exchange or chlorination considered
- Tertiary treatment may also degrade the stream and would be significantly more costly.
 - Strict Land Application is the only non-degrading alternative (no pollutants sent to the receiving stream).

d. Analysis of Ability to Pay

- i. Percent of Median Household Income
- Andy mentioned the City may be eligible for principal forgiveness for funding.

e. Environmental Considerations

- The Environmental Review will be performed after the draft permit and Socio-Economic Analysis (Summer and Fall 2020) are completed as the public hearing process will allow for comments and it will prevent re-doing the Environmental Review if the selected alternative changes pending the Socio-Economic Analysis.

f. Public Hearing Process

- If someone requests a public hearing, then a hearing is required. Hearing would be before and at the discretion of SD DENR Deputy Secretary Roberts.

- Determination would be at the discretion of the Deputy Secretary, with no qualitative measure of “too many” public comments.

3. Other Considerations

- Drafting the permit-
 - City needs to reapply for renewal of a permit with tentative information including the SAGR and the ¼/¼ section of the discharge location. Kathleen had enough background data to draft their permit. She requested design flow rates for the proposed facility. The flow rate of 0.75 MGD (Facility Plan) was discussed with ponds for EQ. It was agreed that it does not make sense to design off 2018-2019 flow data, using the flow rates in the Facility Plan would be best.
 - No additional modeling is needed, DENR has enough in-stream water quality data, they used French Creek near Blue bell Lodge. Had to use neighboring stream for Flynn or Beaver. Permit will be written to be in effect in Spring of 2023.
- Funding-
 - If the MHI is less than 80% of the statewide MHI then Custer is automatically eligible for principal forgiveness.
 - Between 80% and 100% can look at declining population from 2000 to 2010 and unemployment for County less than state unemployment.
 - The City could consider Rural Development funding if needed, poverty level would be reviewed.
 - SD DENR SRF Loan could be a 20-year or 30-year loan. Need to break out portions of the project that would be 20-year vs 30-year. Equipment would be 20-year, but pipe and rock would be 30-year.
 - Project cost could be a lot lower if a discharge near the plant were allowed. All mentioned discharge upstream of Stockade Lake would not be allowed.

PROJECT TIMELINE

| | |
|------------------|------------------------------|
| January 15, 2020 | Meeting with DENR |
| January 28, 2020 | Proposal to City of Approval |
| February 3, 2020 | City Council Meeting |
| February-April | Socio Economic Analysis |
| End of April | Public Hearing |
| May-June | DENR Coordination |

ACTION ITEMS

1. City needs to reapply for a permit to start the permit drafting – Mayor needs to sign the application; the authorized signatory can sign anything else related to the permit
2. Socio-Economic Analysis

Cemetery Caretaker Contract 2020

Bid Opening February 26, 2020 @ 2:00pm

Contractor

Price

| | |
|---|--------------------------|
| J & M Lawncare 955 Park Ave Custer SD 57730 | \$36,750.00 for one year |
| | |
| | |

**CUSTER CITY CEMETERY
CARETAKING CONTRACT**

This Agreement made and entered into this _____ day of _____, 2020, by and between Custer City, hereinafter referred to as the City and _____, hereinafter referred to as the Contractor.

WHEREAS, the City desires to contract for service to be rendered for the care of the Custer City Cemetery and the Contractor agrees to render services, the City and the Contractor agree as follows:

A. That for the consideration of \$ 36,750.00 for the year 2020, payable in seven equal monthly installments of \$ 5,250.00 per month, beginning April 1st, 2020. The contractor agrees to perform the following:

1. Work will commence no later than April 1st and end no earlier than September 30th of each year.
 2. Raking must be done in the spring to remove all cones, needles, dead branches and leaves; as necessary throughout the contract period; and again, after September 1st. Grave spaces must remain visible at all times. All compostable waste may be disposed of at the City Dump Site. Contractor shall make arrangements with the Public Works Director to access City Dump Site.
 3. All grave decorations (except those in permanent receptacles and shepherd's hooks) will be removed no later ten days after Memorial Day. Decorations for Memorial Day may be placed the Friday before Memorial Day. All non-compostable waste removed from grave spaces shall be bagged and placed by the garbage can at the cemetery. Custer City Crew will pick up the bags and dispose of them.
 4. **Rake, mow, and trim the cemetery area marked in Exhibit "A" by the Thursday before Memorial Day. Weather permitting, fill all holes, tire tracks, sunken graves, and new graves with black dirt and either seed or cover with sod prior to September 30th, 2020. Grass seed and black dirt will be provided by the City of Custer. The contractor shall be responsible for hauling the dirt with their own equipment or make arrangements to have dirt hauled. City equipment and crew shall be available at an hourly rate determined by the Fee Schedule.**
 5. Keep the cemetery area marked in Exhibit "A" mowed and trimmed at all times throughout the contract period, and remove any dead tree branches whenever necessary, within the contractor's abilities.
 6. Take all precautions to not damage the trees and shrubs when mowing and power trimming.
 7. Keep grass trimmed around all curbing, trees, rocks, streets and fences, all the way to the highway, to a desired mowing height of 2.5 inches, with height not to exceed 4 inches at any time.
 8. All bushes must be removed that cover any headstones. All headstones must be visible and trimmed.
 9. Keep dump area trimmed and neat.
 10. Mow and trim totally on east side of cemetery, from north end of cemetery to south end, from highway to cemetery fence.
 11. The lilac bushes will need to have the dead wood taken out as necessary to improve the growth.
 12. Furnish all of your own equipment, fuel and repairs, and carry liability insurance, workers comp, and the City be named as additional insured. Contractor shall indemnify, defend, and hold harmless City, its officers, boards and committees, commissions, elected officials, employees, and agents, from and against all liability, damages, and penalties which they may legally be required to pay as a result of the performance or non-performance of this agreement.
 13. This contract is issued for the period of April 1st, 2020, through September 30th, 2020.
- B. The City reserves the right to negotiate with the Contractor to do any other jobs not enumerated in this agreement that the City deems necessary to improve the appearance of the Cemetery.
- C. City may terminate for just cause given notification has been given 30 days prior and Council approves.

D. The Contractor in the performance of its duties under this agreement shall occupy the position of an independent contract with respect to the City. Nothing contained herein shall be construed as making the parties hereto partners or joint ventures, nor, except as expressly provided herein, construed as making the Contractor an agent or employee of the City.

Dated this _____ day of _____, 2020.

Attest:

City of Custer

Laurie Woodward, Finance Officer

Corbin Herman, Mayor

“Contractor”

Signature

Print Name and Title

Americinn, Travel and Conference, \$154.59
AFLAC, Insurance, \$749.14
Battle Mountain Humane Society, Animal Control Contract, \$1,000.00
Beesley Law Office, Professional Fees, \$2,229.00
Black Hills Energy, Utilities, \$1,182.92
Butler Machinery, Supplies, \$162.55
California State Disbursement, Deduction, \$92.30
Century Business Products, Supplies, \$216.82
Code Works, Professional Fees, \$885.10
Custer Community Action Team, 2020 Subsidy, \$1,500.00
Custer Transportation, 2020 Subsidy, \$4,000.00
Custer Senior Care, 2020 Subsidy, \$4,000.00
Delta Dental, Insurance, \$212.00
Discovery Benefits, Supplies, \$1,273.06
EFTPS, Taxes, \$11,720.67
Fastenal, Supplies, \$271.77
Fennell Design, Professional Fees, \$8,425.00
First Interstate Bank, Supplies, \$127.20
Golden West Telecommunications, Utilities, \$519.04
Golden West Technologies, Professional Fees, \$1,715.50
Hawkins, Supplies, \$1,439.60
Holiday Inn – Sioux Falls, Travel and Conference, \$75.00
Holiday Inn – Spearfish, Travel and Conference, \$535.14
Hvac Brain, Repairs and Maintenance, \$77.61
Lawrence & Schiller, BID Board Advertising, \$504.22
Northwest Pipe Fittings, Supplies, \$366.16
Pace, Supplies, \$343.11
Petty Cash, Supplies, \$415.88
Quill, Supplies, \$270.88
Southern Hills Fire & Safety, Professional Fees, \$447.50
Sanders Sanitation, Garbage Collection Contract, \$13,253.23
SD DENR, Travel/Conference, \$30.00
SD Department of Revenue, Supplies, \$450.00
State of SD, Sales Tax, \$1,170.51
SD DCI, Supplies, \$26.75
SD Retirement System, \$5,812.44
Sheldon Manufacturing, Repair and Maintenance, \$105.76
Supplemental Retirement, \$670.00
USA Bluebook, Repair and Maintenance, \$162.37
US Veterans Network, Supplies, \$1,114.00
Verizon Wireless, Supplies, \$420.55
Wellmark, Insurance, \$9,594.99
Wright Express, Supplies, \$933.59
YMCA, Membership, \$84.00
Griffin, Rebecca, Utility Refund, \$35.98
Mayor & Council, \$4,665.00
Finance Department, \$4,414.79
Public Building Department, \$2,397.04
Planning Department, \$6,861.22
Public Works Department, \$2,711.22
Street Department, \$6,187.41
Cruisin Department, \$153.44
Parks Department, \$4,719.66
Water Department, \$12,044.46
Wastewater Department, \$11,899.88
Total 2020 Claims \$134,830.05

