BOARD OF COMMISSIONERS
AGENDA
DECEMBER 6, 2021
5:30PM – COMMISSION ROOM – 116 W CENTER ST

Please join the Zoom meeting from your computer, tablet or smartphone.
https://us06web.zoom.us/j/82924701299

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Meeting ID: 829 2470 1299

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

ADOPT AGENDA

APPEARANCES/ACKNOWLEDGEMENTS

CONSENT CALENDAR
1) Minutes – November 22, 2021
2) Claims for Approval - December 8, 2021
3) Bills for Ratification - December 1, 2021
4) Personnel
5) Building Permit Report – October 2021
6) Cash Balances, Gross Salaries, Bills for Ratification - October
7) Adopt Resolution No. 2021-32 - Replat - Williams 19th Addition
8) Adopt Resolution No. 2021-33 - Replat - Williams 20th Addition
9) Adopt Resolution No. 2021-34 - Replat - Rittgers Subdivision
10) Authorize Mayor to Sign Engagement Letter Schoenfish & Company, Inc. - 2021 Annual Report and Audit Services

UNFINISHED BUSINESS

NEW BUSINESS
1) Hearing on Wastewater Improvement Project up to $6,000,000 - Board of Water & Natural Resources
2) Hearing on Drinking Water Improvement Project up to $13,000,000 - Board of Water & Natural Resources
3) Adopt Resolution No. 2021-35 - Waste Water SRF Authorizing Resolution
4) Adopt Resolution No. 2021-36 - Drinking Water SRF Authorizing Resolution
5) Authorize Mayor to sign Resolution No. 2021-37 - Lewis and Clark Rural Water System MGD Expansion Commitment Agreement
6) Discussion and action to authorize Mayor to sign lease renewal document with Greater Madison Area Chamber of Commerce and Lake Area Improvement Corporation

PUBLIC COMMENT

ANNOUNCEMENTS

ADJOURN

Supplementary agenda information may be accessed at www.cityofmadisonsd.com
AGENDAS – CITY COMMISSION

If special accommodations are necessary to attend any Board of Commissioners meeting, please contact the Finance Office at (605) 256-7500 at least 24 hours before meeting time. All attempts shall be made to accommodate a request.

CITY OF MADISON
BOARD OF COMMISSIONERS PROCEEDINGS
MADISON, SD 57042

November 22, 2021
Regular

The Board of Commissioners of the City of Madison met in regular session at 5:30pm on the 22nd day of November with the following members present on roll call: Mayor Marshall Dennert and Commissioners Jeremiah Corbin, Kelly Dybdahl, Jerae Wire, and Adam Shaw

The Pledge of Allegiance was recited.

Motion by Commissioner Dybdahl to adopt the November 22nd agenda with the addition of an executive session 1-25-2(4). Motion seconded by Commissioner Wire. Motion carried unanimously.

Motion by Commissioner Wire, second by Commissioner Corbin, to approve the following items on the consent calendar: Minutes – November 15, 2021, Minutes – November 19, 2021, Claims for Approval - November 24, 2021, Claims for Ratification – November 12, 2021, Personnel, Premium Pay for ASP Staff, Approve 2022 Alcoholic Beverage License Application Renewals - Liquor/Wine, Authorize Mayor to Sign Grant Pre-Application for AIP 3-46-0029-021-2022 – Parking Lot, Access Road, Hangar Taxilanes Reconstruction Design, Motion carried unanimously.

Claims for Approval - November 24, 2021:
AAA Collections Inc October AAA 62.50; Advanced Contracting Solutions Gutter SE 4th & Washington 1,352.04; Appeara Mat Rentals 77.12; AT & T Mobility Monthly Invoice 2,133.04; Banner Associates Inc Well House #1/State Water Plan 4,292.50; Bialas/Morgan A Refund After Deposit 45.31; Big Sioux Community Water Sys Oct Usage 9,220.48; Butler Machinery Co Seals #31 363.65; Classic Convenience Inc Fuel 228.19; Colonial Research Chem Corp Janitorial Supplies 358.34; Concrete Materials Hot Mix 1,570.80; D & T Ventures LLC Nov Website Support 360.50; Dakota State University BID Tax Funding e-Sports 1,500.00; Dash Medical Gloves Inc Nitrile Exam Gloves 421.80; Daxko LLC Nov Spectrum Software 1,637.72; F & M Coop Oil Co Fuel/Tire Repairs 1,045.32; Fox Promo LLC Uniforms 410.07; G & R Controls Inc Boiler Repairs 645.00; Graybar Electric Co Inc Belden Cat6 Cable 1,188.96; Greater Madison Area Chamber BID Tax Funding/Mad Money 83,624.00; Halme Inc Water System Improvements 591,440.15; Hawkins Inc Chemicals 116.96; Hunter Publishing Inc Fire Prevention Special 25.00; Infotech Solutions LLC Monthly Invoice 4,458.86; ISG Capital Improvement Plan 11,074.00; Kassa/Tahtan J Refund After Deposit 58.63; Kibble Equipment LLC Mower Blades 687.24; Lake County International Inc Parts 97.53; Leighton Family Farms Popcorn 25.00; Mac Queen Emergency Fireman Uniforms 4,142.82; Madison Ace Hardware U-Hooks/Storage Straps/Filters 204.51; Madison Community Center Corporate Member Dues 4,321.40; Madison Grocery Store Inc Graham Crackers/Cereal/Coffee 61.77; Mamas Maid Service Cleaning Service/Supplies 981.50; McLeod Printing & Off Supp Traffic Tickets 170.07; Mustang Seeds Inc Seed-Higgins Flood Lot 162.50; Northwestern Energy Utilities 766.64; O Reilly Automotive Inc Oil Filters 17.88; Office Peeps Inc Thermal POS Paper/File Folders 98.93; Pheasant Country Express Inc Salt 4,275.43; Pizza Ranch Pizzas-Community Center 81.70; Porta Pros Inc Toilet Rental-RUS 132.00; Prostrollo Auto Plaza Co Engine Parts/Oil Cooler/Battery 698.42; Ramseyer/Robert W Refund After Deposit 161.36; Running Supply Inc Winter Coats/Chop Saw/Blades 415.23; Sanitation Products Inc Drag Shoes/Latch 459.17; SD Rural Water ATC Conf Reg - Nighbert 250.00; Sign Solutions Sign Post 1,358.43; Slagle/Brook C Refund After Deposit 27.23; State Steel of South Dakota Bridge Rails S. Egan 1,644.68; Streichers Inc Carrier Vest/Id Pouches/Jacket 408.96; Sturdevants Madison Inc Quick-Struts/Stabilizers/Oil 499.36; T&R Electric Supply Co Inc 15KV Bayonet Fuses 132.00; Tyler Technologies Inc Financials Review 375.00; Vast Broadband Fire Dept Internet 44.95; Verizon Wireless Monthly Service – CC ASP Pgrm 75.93; Vermeer High Plains Cutter Teeth 697.80

Claims for Ratification – November 12, 2021:
PR #12 Deductions: Aflac $3,065.03, City Of Madison-Flex One $1,608.54, Delta Dental $5,515.04, Health Pool Of South Dak $35,596.84, Ibew Local 426 $434.00, Office Child Support Enforcement $900.00, SDRS $18,661.03, SDSRP $2,575.50, Teamsters Local Union $703.00

Personnel: Aimee, Paul - $11.05/hr; Landry Knight - $9:45/ hr, $11:05/hr; Kennen Franken $9.45/hr, $11.05/hr

Premium Pay for ASP Staff: Ben Schoeberl, Jada Dukat, Luke Kremer, Grayson Garry, Jordan Neises, Grace Schlechter, Reagen Miller, Kayla Gerken, Olivia Stieben, Kaylee Winrow

Motion by Dybdahl seconded by Shaw to Authorize Mayor to sign 2019 Infrastructure Disaster Recovery Program Agreement in the amount of 3,593,704.43 for 2022 FEMA Creek projects. This amount will be reimbursed by FEMA after completion of projects. Motion carried unanimously.

Motion by Corbin seconded by Shaw to Authorize Mayor to sign Memorandum of Understanding Pictometry Agreement with Lake County. Motion carried unanimously.

Motion by Shaw seconded by Dybdahl to proceed with drilling deeper well for irrigation at Baughman/Bellati Park, with additional funding to come from park fund if completed in 2021 or general fund if completed in 2022. Motion carried unanimously.

Motion by Wire seconded by Corbin to adopt resolution no 2021-28 – Sales Tax Revenue Bond in the amount of $9 Million for 2022 RD water/sewer infrastructure and city hall construction projects. Motion carried unanimously.

Motion by Shaw seconded by Corbin to adopt resolution no 2021-29 – Employee compensation resolution for 2022. Motion carried unanimously.

Motion by Shaw seconded by Dybdahl to approve 2022 Contract with City Administrator. Motion carried unanimously.

Motion by Commissioner Wire, second by Dybdahl, to enter into executive session pursuant to SDCL 1-25-2(4) at 6:03 pm. Motion carried unanimously.

Motion by Commissioner Shaw, second by Commissioner Wire, to leave executive session at 6:26pm.

Motion by Commissioner Dybdahl, second by Commissioner Shaw, to adjourn. Motion carried unanimously.

The Board of Commissioners adjourned at 6:26 pm.

/s/Sonya Wilt
Finance Officer

CITY OF MADISON
PERSONNEL
DECEMBER 2021

NAME	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION	FUND	DEPARTMENT
Mottl, Frank	12/6/2021	NA	FT	NA	$22.92	Police Officer	General	Police

VOLUNTEERS - FIRE DEPARTMENT	EFFECTIVE DATE	PRESENT STATUS	RECOMMENDED STATUS	PRESENT RATE/SALARY	RECOMMENDED RATE/SALARY	POSITION	FUND	DEPARTMENT
Denne, Oakley	12/7/2021	NA	Volunteer Fireman	NA	NA	Volunteer Fireman	General	Fire
Eichmann, Bradley	12/7/2021	NA	Volunteer Fireman	NA	NA	Volunteer Fireman	General	Fire

October 2021 Building Permit Report

Date	Permit No.	Owner	Address	Use	Type of Construction	Contractor	Estimated Build Cost	Permit Fee
10/1	8059	Brad Lawrence	113 S Union Ave	Res	Replace garage doors, pour concrete pad, and insulate	Self	$7,900.00	$88.00
10/13	8074	Charles Richardson	803 NW 10th St	Res	Replacing 12 windows for size	1-800-Hansons 977 E 14 Mile Troy, MI 48083	$23,104.00	$232.00
10/13	8073	RandyVanRosendale	506 N Union	Res	Replace 9 windows and door	Wurscher Construction 427 Dakota Ave Brookings, SD 57006	$19,975.00	$196.00
10/13	8020	Trinity Lutheran Church	203 N Harth Ave	Com	Mount 8' x 5' Daktronics LED Reader Board	Barger Electric 203 SW 1st Street Madison, SD 57042	$1,200.00	$30.00
10/13	8071	Vince Anderson	611 N Chicago Ave	Res	Concrete pad 14x26 East side of garage sidewalk east to west of new pad and garage to patio	Self	$5,000.00	$61.00
10/18	8070	Tim Higgins	620 NE 3rd St	Res	Remove home for FEMA Buyout	Reinicke Construction, Inc. 45652 SD Hwy 34 Madison, SD 57042	$13,000.00	Waived
10/19	8075	Arleen Weerhein	945 NE 6th St	Res	Remove lean-to on shed	Austin Heffern-Caan Mechanical 606 N Washington Ave Madison, SD 57042	$0.00	$10.00
10/20	8061	KN Construction	1187 Cyber Court	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$284,272.50	$723.00
10/20	8062	KN Construction	1102 Cypress Ave	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$196,362.00	$568.00
10/20	8063	KN Construction	1114 Cypress Ave	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$203,340.00	$583.00
10/20	8064	KN Construction	1106 Cypress Ave	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$199,260.00	$580.50
10/20	8065	KN Construction	1110 Cypress Ave	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$211,327.50	$600.50
10/20	8066	KN Construction	1193 Cyber Court	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$259,057.50	$713.00
10/20	8067	KN Construction	1176 Cyber Court	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$193,998.75	$575.50

October 2021 Building Permit Report

Date	Permit No.	Owner	Address	Use	Type of Construction	Contractor	Estimated Build Cost	Permit Fee
10/20	8068	KN Construction	1180 Cyber Court	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$216,900.75	$620.50
10/20	8069	KN Construction	1183 Cyber Court	Res	Build new home and garage	KN Construction 27297 Wetlands Rd Harrisburg, SD 57032	$316,308.75	$770.50
	15					**Total**	**$2,151,006.75**	**$6,351.50**

CITY OF MADISON
CASH BALANCES
OCTOBER 2021

	WELLS FARGO	GREAT WESTERN	FIRST BANK & TRUST	CASH BALANCE	*Reserved*	*Undesignated*
CASH						
GENERAL	$ 2,637,668.23	$ 153,889.80	$ 3,412,810.04	$ 6,204,368.07	$ 5,358,238.92	**$ 846,129.15**
PARK & RECREATION	$ 516,139.18	$ 4,719.47	$ 352,804.29	$ 873,662.94	$ 533,344.56	**$ 340,318.38**
LODGING & ENTERTAINMENT TAX	$ 25,029.68		$ 650.73	$ 25,680.41		**$ 25,680.41**
COMMUNITY DEVELOPMENT	$ 27,063.43			$ 27,063.43		**$ 27,063.43**
2ND CENT SALES TAX	$ 2,154,994.60		$ 268,393.00	$ 2,423,387.60	$ 53,900.00	**$ 2,369,487.60**
BUSINESS IMPROVEMENT DISTRICT	$ 27,296.00			$ 27,296.00		**$ 27,296.00**
SPECIAL MAINTENANCE FEE	$ 1,068,889.40			$ 1,068,889.40		**$ 1,068,889.40**
2019 SEPTEMBER FLOOD	$ 39,033.89			$ 39,033.89		**$ 39,033.89**
SWIMMING POOL DEBT SERVICE	$ 206,026.99			$ 206,026.99		**$ 206,026.99**
GERRY MALONEY NATURE AREA			$ (46,161.07)	$ (46,161.07)		**$ (46,161.07)**
WATER	$ 1,723,706.13		$ 765,001.78	$ 2,488,707.91	$ 1,844,421.09	**$ 644,286.82**
ELECTRIC	$ 3,030,020.08		$ 1,456,051.70	$ 4,486,071.78	$ 689,747.86	**$ 3,796,323.92**
SEWER	$ 1,256,500.00		$ 493,050.27	$ 1,749,550.27	$ 1,028,743.31	**$ 720,806.96**
COMMUNITY CENTER	$ (88,651.98)			$ (88,651.98)		**$ (88,651.98)**
SOLID WASTE	$ 511,759.20		$ 104,598.70	$ 616,357.90	$ 53,740.85	**$ 562,617.05**
RECYCLING CENTER	$ 156,747.11		$ 42,669.28	$ 199,416.39	$ 115,000.00	**$ 84,416.39**
CAFETERIA PLAN	$ 7,409.67			$ 7,409.67		**$ 7,409.67**
				$ 20,308,109.60	**$ 9,677,136.59**	**$ 10,630,973.01**
SAVINGS CERTIFICATES						
GENERAL			$ 589.87	$ 589.87		
PARK & RECREATION				$ -		
WATER				$ -		
ELECTRIC				$ -		
SEWER				$ -		
				$ 589.87		
RESTRICTED CASH						
TAX INCREMENT DISTRICT #2	$ 863.52			$ 863.52		
GERRY MALONEY NATURE AREA	$ (545.85)		$ 328,453.41	$ 327,907.56		
GRANT CIRCLE TID	$ 5,858.85			$ 5,858.85		
WATER - LEWIS AND CLARK			$ 190,661.33	$ 190,661.33		
WATER DEPOSIT	$ 400.25			$ 400.25		
ELECTRIC DEPOSIT	$ 115,019.75			$ 115,019.75		
				$ 640,711.26		
TOTAL CASH & SAVINGS CERTS	**$ 13,421,228.13**	**$ 158,609.27**	**$ 7,369,573.33**	**$ 20,949,410.73**		
ANNUAL PERCENTAGE YIELD	MONEY MKT 0.030%	0.050%	0.750%			

CITY OF MADISON
GROSS SALARIES
OCTOBER 2021

DEPARTMENT	AMOUNT	DEPARTMENT	AMOUNT
Mayor & Commission	$ 6,291.33	Park & Recreation	$ 27,577.57
Finance	$ 21,182.95	Water	$ 43,138.24
General Government Buildings	$ -	Electric	$ 79,948.75
Engineer	$ 13,795.30	Sewer	$ 44,283.36
Police	$ 96,835.81	Community Center	$ 63,979.70
Fire	$ 8,087.67	Solid Waste Collection	$ 10,901.16
Highways & Streets	$ 47,384.28	Recycling	$ 4,851.81
Snow & Ice Removal	$ -	**Total**	**$ 503,063.70**
Restricted Use Site	$ 2,036.25		
Airport	$ 2,627.10		
Library	$ 29,642.42		
Planning & Zoning	$ 500.00		

CITY OF MADISON
BILLS FOR RATIFICATION
OCTOBER 2021

VENDOR	DESCRIPTION	DATE	AMOUNT	ACCOUNT #
Heartland Payment System	Fees - Airport	10/1/2021	$ 105.31	101.4351.4291
IRS	Electronic Tax Payment #20	10/1/2021	$ 35,383.36	***.****.2172/2173
CSI	CSI Fees - Community Center	10/4/2021	$ 141.40	605.4811.4259
Wells Fargo Bank	Bank Card Discnt/Interch Fees - PD	10/13/2021	$ 3.60	101.4211.4291
Wells Fargo Bank	BankCard Discnt/Interch Fees - FO (15%)	10/13/2021	$ 95.88	604.4327.4291
Wells Fargo Bank	BankCard Discnt/Interch Fees - FO (20%)	10/13/2021	$ 127.83	602.4335.4291
Wells Fargo Bank	BankCard Discnt/Interch Fees - FO (65%)	10/13/2021	$ 415.44	603.4343.4291
Wells Fargo Bank	BankCard Discnt/Interch Fees - CC	10/13/2021	$ 196.62	605.4811.4291
Money Movers Inc	Program Processing Fees	10/14/2021	$ 8.50	605.4811.4259
Healthy Contributions	Program Processing Fees	10/15/2021	$ 6.05	605.4811.4259
Wealth Mgmt TFM	Clean Water SRF 461024-02	10/15/2021	$ 23,016.20	604.4344.4421
Wealth Mgmt TFM	Clean Water SRF 461024-02	10/15/2021	$ 62,025.86	604.4344.4411
IRS	Electronic Tax Payment #21	10/15/2021	$ 38,554.36	***.****.2172/2173
SD Department of Revenue	Sales Tax - Excise Tax	10/25/2021	$ 44.66	***.4344.4543
SD Department of Revenue	Sales Tax - Refuse Collection	10/25/2021	$ 2,204.10	***.4344.4543
SD Department of Revenue	Sales Tax - Rec Center & Miscellaneous	10/25/2021	$ 2,979.51	***.****.4523/4542/4543
SD Department of Revenue	Sales Tax - Electric Utility	10/25/2021	$ 44,200.81	603.4344.4541
IRS	Electronic Tax Payment #22	10/29/2021	$ 37,467.46	***.****.2172/2173

CITY OF MADISON
DESIGNATED RESERVES
OCTOBER 2021

GENERAL	FINANCE - ARMORY RESERVE	$	75,000.57
	FINANCE - DEPOT RESERVE	$	65,000.47
	FINANCE - CITY HALL RESERVE	$	881,364.83
	FINANCE - REPAIR/MAINTENANCE RESERVE	$	225,000.00
	FINANCE - TECHNOLOGY RESERVE	$	11,966.77
	ENGINEER - AERIAL PHOTO RESERVE	$	11,584.25
	ENGINEER - TECHNOLOGY RESERVE	$	5,000.00
	ENGINEER - VEHICLE RESERVE	$	16,155.00
	ENGINEER - TOTAL STATION RESERVE	$	2,000.00
	POLICE - TECHNOLOGY RESERVE	$	49,199.43
	POLICE - BUILDING RESERVE	$	850,000.00
	FIRE - FIRETRUCK RESERVE	$	75,000.00
	FIRE - BUILDING MAINTENANCE RESERVE	$	10,000.00
	FIRE - COMMUNICATIONS EQUIP RESERVE	$	20,000.00
	FIRE - SAFETY TRAILER RESERVE	$	1,000.00
	HWY/STREETS - STREET SIGN RESERVE	$	26,724.76
	HWY/STREETS - STORM SEWER RESERVE	$	13,718.43
	HWY/STREETS - CURB & GUTTER RESERVE	$	59,416.89
	HWY/STREETS - BRIDGE REPAIR RESERVE	$	8,000.00
	HWY/STREETS - TECHNOLOGY RESERVE	$	15,089.05
	HWY/STREETS - CAPITAL REPLACEMENT RESER'	$	280,284.36
	HWY/STREETS - SHOP BUILDING RESERVE	$	210,000.00
	HWY/STREETS - ROCK CREEK WALL RESERVE	$	75,000.00
	RESTR USE - FUTURE SITE CLOSURE RESERVE	$	40,000.00
	RESTR USE - LAND PURCHASE RESERVE	$	225,000.00
	RESTR USE - CELL CONSTRUCTION RESERVE	$	80,500.00
	RESTR USE - BUILDING MAINTENANCE RESERVE	$	62,734.04
	AIRPORT - IMPROVEMENT PROJECT RESERVE	$	318,238.02
	LIBRARY - MALONEY RESERVE	$	4,997.18
	LIBRARY - GENERAL RESERVE	$	15,898.58
	LIBRARY - CHECKING/SAVINGS	$	20,026.71
	LIBRARY - BUILDING RESERVE	$	66,505.77
	COMMUNITY CENTER MAINT/REPAIR RESERVE	$	450,000.66
	ESSENTIAL BOND RESERVE	$	457,000.00
	2ND CNT SALES TX PREFUND CASHFLW RESERVI	$	576,833.15
	DOWNTOWN IMPROVEMENT RESERVE	$	40,000.00
	LEPC FLOOD STUDY UPDATE	$	-
	WILLIAMS BROS SUB FUTURE DEVELOP RESERVI	$	14,000.00
	TOTAL FUND RESERVE	**$**	**5,358,238.92**
PARK & RECREATION			
	ADA ACCESSIBILITY RESERVE	$	-
	SIDEWALK RESERVE	$	75,171.13
	SWIMMING POOL REPAIR RESERVE	$	44,398.37
	SW 4TH & UNION AVE PARK RESERVE	$	72,650.00
	PLAYGROUND RESERVE	$	10,000.00
	BALLFIELD RESERVE	$	5,000.00
	REC TRAIL MAINTENANCE RESERVE	$	34,640.00
	INSECT CONTROL RESERVE	$	15,000.00
	CHRISTMAS LIGHTS RESERVE	$	5,775.69
	TENNIS COURT RESERVE	$	8,000.00
	MULTI-USE TRAIL EXTENSION RESERVE	$	40,000.00
	CAPITAL REPLACEMENT RESERVE	$	125,209.37
	PICNIC TABLES RESERVE	$	7,500.00
	PARK ACQUISITION RESERVE	$	90,000.00
	TOTAL FUND RESERVE	**$**	**533,344.56**

2ND CENT SALES TAX	4TH & WASHINGTON AVE RESERVE	$	53,900.00
	TOTAL FUND RESERVE	**$**	**53,900.00**
WATER	WATER DISTRIBUTION RESERVE	$	508,243.21
	TOWER INSPECTION RESERVE	$	45,803.00
	TOWER PAINTING RESERVE	$	60,000.00
	TOWER FENCING RESERVE	$	35,000.00
	WELL TREATMENT RESERVE	$	197,986.00
	WATER TOWER RESERVE	$	523,500.00
	DISTRIBUTION CALIBRATION RESERVE	$	23,000.00
	LIME/SLUDGE HAULING RESERVE	$	34,494.73
	DEPRECIATION RESERVE	$	130,381.36
	BIG SIOUX CONNECTION RESERVE	$	11,012.79
	PLANT EQUIP REPAIR/REPLACE RESERVE	$	175,000.00
	WELL MAINTENANCE RESERVE	$	100,000.00
	TOTAL FUND RESERVE	**$**	**1,844,421.09**
ELECTRIC	PLANT EXPANSION RESERVE	$	100,000.00
	WASHINGTON AVE PROJECT RESERVE	$	22,250.00
	BUCKET TRUCK RESERVE	$	150,000.00
	TRENCHER RESERVE	$	2,497.86
	BACKHOE RESERVE	$	20,000.00
	DIGGER DERRICK RESERVE	$	-
	CENTER STREET LIGHTS RESERVE	$	25,000.00
	GENERATION PLANT RESERVE	$	80,000.00
	LOAD MANAGEMENT UPGRADE RESERVE	$	140,000.00
	SUBSTATION REPLACEMENT RESERVE	$	150,000.00
	TOTAL FUND RESERVE	**$**	**689,747.86**
SEWER			
	PIPE LINING RESERVE	$	260,000.00
	DEPRECIATION RESERVE	$	308,761.79
	MANHOLE LINING RESERVE	$	22,750.00
	INFRASTRUCTURE IMPROVEMENT RESERVE	$	200,000.00
	PLANT EQUIP REPAIR/REPLACE RESERVE	$	96,861.00
	BIOSOLIDS RESERVE	$	18,387.52
	IP CELL TESTING RESERVE	$	121,983.00
	TOTAL FUND RESERVE	**$**	**1,028,743.31**
COMMUNITY CENTER			
	CAPITAL OUTLAY RESERVE	$	-
	FUTURE MAINTENANCE RESERVE	$	-
	TOTAL FUND RESERVE	**$**	**-**
SOLID WASTE			
	GARBAGE CONTAINER RESERVE	$	-
	DEPRECIATION RESERVE	$	53,740.85
	TOTAL FUND RESERVE	**$**	**53,740.85**
RECYCLING			
	DEPRECIATION RESERVE	$	115,000.00
	TOTAL FUND RESERVE	**$**	**115,000.00**
	TOTAL DESIGNATED RESERVES	**$**	**9,677,136.59**

RESOLUTION NO. 2021-32 Williams 19th Addition

A RESOLUTION TO APPROVE A REPLAT

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the plat of Lot 10A, Block 1 of Williams’ 19th Addition to the City of Madison, Lake County, South Dakota, is hereby approved and that the City Finance Officer of the City of Madison is hereby directed to endorse on such plan a copy of this resolution and certify the same thereon.

Dated this __day of December, 2021.

CITY OF MADISON

____
Mayor

ATTEST: _________________
Finance Officer

RESOLUTION NO. 2021-33 Williams 20th Addition

A RESOLUTION TO APPROVE A REPLAT

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the plat of Lot 13, Block 1 of Williams' 20th Addition to the City of Madison, Lake County, South Dakota, is hereby approved and that the City Finance Officer of the City of Madison is hereby directed to endorse on such plan a copy of this resolution and certify the same thereon.

Dated this __day of December, 2021.

CITY OF MADISON

____
Mayor

ATTEST: _________________
Finance Officer

RESOLUTION NO. 2021-34 Rittgers Subdivision

A RESOLUTION TO APPROVE A REPLAT

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF MADISON, SOUTH DAKOTA:

That the plat Lot 5A and Lot 5B of Rittgers Subdivision of Lot 9 of County Auditor's Subdivision in the E1/2 E1/2 NW1/4 of Section 6, Township 106 North Range 52 West of the 5^{th} P.M., and of Lot 7 of County Auditor's Subdivision in the NE1/4 of Section 6, Township 106 North Range 52 West of the 5^{th} P.M., City of Madison, Lake County, South Dakota, is hereby approved and that the City Finance Officer of the City of Madison is hereby directed to endorse on such plan a copy of this resolution and certify the same thereon.

Dated this __day of December, 2021.

CITY OF MADISON

____
Mayor

ATTEST: ________________
Finance Officer

Schoenfish & Co., Inc.
CERTIFIED PUBLIC ACCOUNTANTS
Phone: 605-928-7241
FAX No.: 605-928-6241
P.O. Box 247
105 EAST MAIN, PARKSTON, SOUTH DAKOTA 57366

November 5, 2021

Municipal Board,
Mayor
and
Finance Officer
Municipality of Madison
116 W Center St
Madison, South Dakota 57042

This will confirm our understanding of the arrangements for our compilation of the annual report of the Municipality of Madison as of and for the year ended December 31, 2021.

We will compile the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Municipality of Madison, South Dakota, as of and for the year ended December 31, 2021.

Management is responsible for the preparation and fair presentation of the financial statements, required supplementary information and supplementary information in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement, required supplementary information and supplementary information.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements, required supplementary information and supplementary information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements, the required supplementary information or the supplementary information.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Municipality's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We anticipate the starting date for your annual report to be March 7, 2022.

Our fee for these services will not exceed $3,250.00, including travel, typing, and reproduction costs.

If this letter correctly expresses your understanding, please sign both copies where indicated and return the duplicate copy to us.

Sincerely yours,

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants

Approved:

Mayor - Printed	Mayor - Signature	Date
Board Member - Printed	Board Member - Signature	Date
Finance Officer - Printed	Finance Officer - Signature	Date

Schoenfish & Co., Inc.
CERTIFIED PUBLIC ACCOUNTANTS
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November 5, 2021

Municipal Board,
Mayor
and
Finance Officer
Municipality of Madison
116 W Center St
Madison, South Dakota 57042

We are pleased to confirm our understanding of the services we are to provide the Municipality of Madison for the fiscal year ended December 31, 2021, subject to authorization by the Auditor General in accordance with South Dakota Codified Laws (SDCL) 4-11-7. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements, of the Municipality of Madison as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Municipality of Madison's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Municipality of Madison's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited.

1. Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies the Municipality of Madison's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole, in a report combined with our auditor's report on the financial statements.

1. Schedule of expenditures of federal awards

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards.*

- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America ; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. We will issue written reports upon completion of our single audit. Our reports will be addressed to the Board of the Municipality of Madison. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures – General
An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste or abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, an unavoidable risk exists that some material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Controls
Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our test, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards.*

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures – Compliance
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Municipality of Madison's compliance with applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards.*

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Municipality of Madison's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Municipality of Madison's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services
We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Municipality of Madison in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedures or take any action that could be construed as assuming management responsibilities.

Management Responsibilities
Management is responsible for (1) designing, implementing, establishing and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review prior to the start of fieldwork.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include or make readily available the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include or make readily available the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferable from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements, with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse.

We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' reports or nine months after the end of the audit period.

We will provide copies of our reports to the Municipality of Madison; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Schoenfish & Co., Inc. and constitutes confidential information. However, subject to applicable laws and regulation, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State of South Dakota or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Schoenfish & Co., Inc.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the State of South Dakota. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately May 16, 2022. Randy Schoenfish is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed $16,000.00. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered and shall be due and payable upon acceptance of the report by the Auditor General. If we elect to terminate our services, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards requires that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2017 quality review report accompanies this letter.

We appreciate the opportunity to be of service to you to the Municipality of Madison and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign all three copies where indicated, return one duplicate copy to us, and submit one copy to:

Director of External Audits
SD Department of Legislative Audit
427 South Chapelle
c/o 500 East Capitol
Pierre, South Dakota 57501-5070

Sincerely yours,

Schoenfish & Co., Inc.

Schoenfish & Co., Inc.
Certified Public Accountants

Approved:

Signature	Printed	Date
Signature	Printed	Date
Signature	Printed	Date

RESOLUTION NO. 2021-35

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Madison (the “City”) has determined it is necessary to proceed with improvements to its Wastewater System, including but not limited to replacing clay piping and brick manholes, and replace and add storm sewer inlets (the “Project”); and

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the “Board”) will be prepared; and

WHEREAS it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $6,000,000 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Madison, South Dakota, this 6th day of December 2021.

APPROVED:

____
Mayor
City of Madison

(Seal)
Attest: ______________________________
City Finance Officer

RESOLUTION NO. 2021-36

RESOLUTION AUTHORIZING AN APPLICATION FOR FINANCIAL ASSISTANCE, AUTHORIZING THE EXECUTION AND SUBMITTAL OF THE APPLICATION, AND DESIGNATING AN AUTHORIZED REPRESENTATIVE TO CERTIFY AND SIGN PAYMENT REQUESTS.

WHEREAS, the City of Madison (the "City") has determined it is necessary to proceed with improvements to its Water System, including but not limited to replace and install water mains, replace cast iron pipe, and provide needed capacity for the overall system (the "Project"); and

WHEREAS, the City has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") will be prepared; and

WHEREAS it is necessary to designate an authorized representative to execute and submit the Application on behalf of the City and to certify and sign payment requests in the event financial assistance is awarded for the Project,

NOW THEREFORE BE IT RESOLVED by the City as follows:

1. The City hereby approves the submission of an Application for financial assistance in an amount not to exceed $13,000,000 to the South Dakota Board of Water and Natural Resources for the Project.

2. The Mayor is hereby authorized to execute the Application and submit it to the South Dakota Board of Water and Natural Resources, and to execute and deliver such other documents and perform all acts necessary to effectuate the Application for financial assistance.

3. The Mayor is hereby designated as the authorized representative of the City to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Adopted at Madison, South Dakota, this 6th day of December 2021.

APPROVED:

____
Mayor
City of Madison

(Seal)
Attest: ______________________________
City Finance Officer

15.81 MGD EXPANSION COMMITMENT AGREEMENT

FINAL VERSION for SIGNATURE

THIS 15.81 MGD EXPANSION COMMITMENT AGREEMENT ("Agreement") is made and entered into effective as of the _____ day of _______________, 2022, by and among Lewis and Clark Rural Water System, Inc. ("Lewis & Clark"), and the following Lewis & Clark members: City of Beresford, City of Centerville, City of Harrisburg, City of Hull, City of Lennox, City of Luverne, City of Madison, City of Parker, City of Sheldon, City of Sibley, City of Sioux Center, City of Sioux Falls, City of Tea, Lincoln County Rural Water System, Inc., Lincoln Pipestone Rural Water System, Minnehaha Community Water, Corp., Rock County Rural Water District, Rock Rapids Municipal Utilities, South Lincoln Rural Water System, Inc. and Worthington Public Utilities (collectively the "Members").

WHEREAS, Lewis & Clark owns and operates the Lewis & Clark Regional Water System ("System"), which draws water from the Missouri Elk Point Aquifer adjacent to the Missouri River and serves the Members who consist of communities and water systems in southeastern South Dakota, northwestern Iowa, and southwestern Minnesota; and

WHEREAS, Lewis & Clark and the Members have each previously entered into a separate Amended and Restated Commitment Agreement ("ARCA") pursuant to which Lewis & Clark and each of the Members agreed to the same, or very similar, terms and conditions regarding the obligations and rights of both Lewis & Clark and the Members related to the construction and operation of the System; and

WHEREAS, unless otherwise defined herein, all capitalized terms used herein shall have the same meaning and definition given such terms under the ARCA; and

WHEREAS, the current design for the System contemplates a final System reserved capacity of 44.19 million gallons per day; and

WHEREAS, in order for the System reserved capacity of 44.19 million gallons per day to be achieved, additional water treatment plant upgrades and related infrastructure upgrades are currently being installed to the System; and

WHEREAS, in connection with current planning for the installation of the water treatment plant upgrades and related infrastructure upgrades to bring the System to a reserved capacity of 44.19 million gallons per day, Lewis & Clark and its Engineer have determined that certain cost efficiencies can also be captured by planning to increase the System reserved capacity to 60 million gallons per day; and

WHEREAS, Lewis & Clark and the Members are desirous of planning for, and ultimately constructing, additional water treatment plant improvements and related infrastructure upgrades as are necessary to increase the total System reserved capacity from 44.19 million gallons per day to 60 million gallons per day (herein the "15.81 MGD Expansion"); and

WHEREAS, Lewis & Clark and the Members desire to enter into this Agreement for purposes of outlining the commitment of Lewis & Clark to plan for and construct the additional 15.81 million gallons per day of reserved capacity and for purposes of outlining the commitment of each of the Members to fund their share of all Project Costs associated with the 15.81 MGD Expansion.

NOW, THEREFORE, for and in consideration of the premises set forth above, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. 15.81 MGD Expansion. Lewis & Clark hereby agrees to design, develop, schedule, construct, and install such water treatment plant improvements, infrastructure upgrades, and related modifications of plant and facilities as shall be required to increase the System reserved capacity from 44.19 million gallons per day to 60 million gallons per day. In this construction, Lewis & Clark will authorize its Engineer to create all necessary plans, designs, cost estimates, construction schedules, procurement documents, and related instruments of service as shall be required to design, develop, construct, and install the 15.81 MGD Expansion.

2. Allocated Construction Percentage. It is hereby acknowledged by the parties hereto that the ultimate feasibility of the 15.81 MGD Expansion requires the firm commitment and agreement of the Members to pay, when required and as invoiced, their Allocated Construction Percentage of all Project Costs associated with the 15.81 MGD Expansion. Each Member hereby irrevocably commits and agrees to pay to Lewis & Clark, within forty-five (45) days of receiving an invoice from Lewis & Clark, their Allocated Construction Percentage of all Project Costs associated with the 15.81 MGD Expansion. The Allocated Construction Percentage for each Member shall be the same Allocated Construction Percentage for each Member currently in effect under the ARCA for each Member and as set forth on Exhibit A under the column "ARCA Exhibit A Cost Share Percentage."

3. Cost Estimate. The Engineer has prepared an Opinion of Probable Project Cost for the 15.81 MGD Expansion which is attached hereto as Exhibit A ("Opinion of Probable Project Cost"). This Opinion of Probable Project Cost is expressed in fiscal year 2021 dollars and will be modified and updated, from time to time, by the Engineer in consultation with the Lewis & Clark Board of Directors. The obligation and commitment of the Members to timely pay their Allocated Construction Percentage of the Project Costs associated with the 15.81 MGD Expansion is irrevocable and shall remain effective notwithstanding any inflation effects, cost increases, changes, or updates made, from time to time, to the Opinion of Probable Project Cost or to actual Project Costs associated with the 15.81 MGD Expansion.

The Engineer has also prepared an Estimated Annual Drawdown Schedule, attached hereto as Exhibit B, which provides an example of a potential construction timelines/drawdown schedule that for illustration purposes includes a ten-year gap between Construction Phases. The actual length of the gap between Construction Phases will be determined by the Lewis & Clark Board of Directors in consultation with the Engineer, and the completion of the expansion construction will be based solely on the Member communities' anticipated future water needs of the members and not on obligating the members' prepayments in order to avoid inflation indexing.

The Lewis & Clark Board of Directors will review the question of when to begin the second Construction Phase of the 15.81 MGD Expansion on an annual basis. Such construction phase review will be done in the fall when Lewis & Clark's budget is considered. When the Lewis & Clark Board of Directors ultimately makes the decision to proceed with the second Construction Phase of the 15.81 MGD Expansion, Lewis & Clark will provide each Member with an updated estimate of costs that will be incurred during each Fiscal Year (October 1 – September 30). Not later than forty-five (45) days after the commencement of each Fiscal Year, Lewis & Clark will invoice each Member for their Allocated Construction Percentage of the Project Costs associated with the 15.81 MGD Expansion which Lewis & Clark expects to incur in that Fiscal Year. The exact timing of when Members are billed and payments are due will be determined by the Lewis & Clark Board of Directors.

The Members further acknowledge that unforeseen circumstances or related project changes may occur during construction of the 15.81 MGD Expansion, including, but not limited to, change orders and acceleration of construction schedules, which may require the Members to pay in additional amounts during any particular Fiscal Year. Each Member hereby agrees to pay its Allocated Construction Percentage of any such additional unforeseen Project Costs that have otherwise been approved by the Lewis & Clark Board of Directors, within forty-five (45) days of the invoice from Lewis & Clark to the Members. Lewis & Clark will endeavor to keep the Members informed and otherwise provide the Members with as much advance notice as is reasonably possible in the event Lewis & Clark intends to send out additional invoices to its Members in any Fiscal Year.

Lewis & Clark and the Members acknowledge that the Member's annual share of Project Costs associated with the 15.81 MGD Expansion are based on the Engineer's current estimates. Prior to invoicing its Members, Lewis & Clark will cause its Engineer to update each Member's actual share of the Project Costs based on actual bids, prices, change orders, and service orders. In addition to updating each Member's actual share of the Project Costs, Lewis & Clark and its Engineer will also provide updated cost share estimates for the out years that follow the then current Fiscal Year. In the event that invoiced and paid Members' Allocated Construction Percentages of Project Costs are later found to be in excess of amounts actually expended, such excess payments will be credited to the Members' account and shall be reflected as a credit on the next 15.81 MGD Expansion invoice issued by Lewis & Clark. In the event Project Costs that have been invoiced and paid by Members exceed actual amounts expended after the 15.81 MGD Expansion has been completed, such excess payments will be repaid to each Member in an amount equal to each Member's Allocated Construction Percentage within 45 days.

Any interest earned on funds received by Lewis & Clark from the Members will be applied to Project Costs associated with the 15.81 MGD Expansion and will be proportionately allocated to each Member in the annual "true-up" prepared by the Engineer.

It is anticipated by Lewis & Clark and the parties that the 15.81 MGD Expansion likely will be bid and constructed in at least two Construction Phases. It is expressly agreed by Lewis & Clark and Members of the 15.81 MGD Expansion that any single Member may demand a twenty-five (25) day pause in any bid award related to expansion. Such demand for pause in bid award shall be in writing and shall be served upon the Board of Directors by e-mail or USPS first class mail. Any bid amount review and/or evaluation shall be at the requesting Member's sole expense. If actual Construction Phase payments invoiced and paid by the Members are in excess of what is needed for any particular Fiscal Year, the excess payments will be credited to the Member's account and, further, shall be set aside and earmarked solely for the purpose of the next Construction Phase of the 15.81 MGD Expansion, and shall not be utilized for any other Lewis & Clark expense or purpose.

4. Prepayment. Members shall be permitted, at any time, to prepay any amount or amounts of their anticipated Allocated Construction Percentage of Project Costs associated with the 15.81 MGD Expansion. It is expressly understood and agreed by any Members making such prepayment that they will not be entitled to any savings toward their Allocated Construction Percentage of any Project Costs and shall not otherwise receive the benefit of indexing as it relates to the prepayment made by such Member. All amounts received by Lewis & Clark in connection with the prepayment of a Member's anticipated Allocated Construction Percentage will be separately accounted for and shall be invested in a manner otherwise approved by the Lewis & Clark Board of Directors. All interest earned on a Member's prepayment shall be credited to that Member. All such prepayments shall be set aside and earmarked solely for the purpose of the 15.81 MGD Expansion and shall not be utilized for any other Lewis & Clark expense or purpose.

5. WTP Upgrade Design Deposit. On or before January 3, 2022, each Member shall pay to Lewis & Clark, as a nonrefundable deposit ("WTP Upgrade Design Deposit"), their Allocated Construction Percentage of the estimated Project Costs associated with the design of the water treatment plant building modifications, second gravity thickener, and sixth solids contact basin to be located in the water treatment plant ("WTP Upgrade"). Each Member's Allocated Construction Percentage associated with the design of the WTP Upgrade and, therefore, each Member's WTP Upgrade Design Deposit amount, is set forth on Exhibit C. The parties expressly agree and understand that the WTP Upgrade Design Deposit shall be earmarked and set aside for payment of the design costs of the water treatment plant building modifications, second gravity thickener and sixth solids contact basin only and shall not be utilized for any other Lewis & Clark expense. Should the parties' aggregate WTP Upgrade Design Deposits be insufficient to cover all such design costs described herein, the parties' expressly agree and understand that additional invoices may be issued to the party Members by Lewis & Clark, and that such additional Member invoice amounts shall be determined by the Allocated Construction Percentages set forth on Exhibit C.

Lewis & Clark intends to engage the Engineer to design the WTP Upgrade upon full execution of this Agreement. The Lewis & Clark Board of Directors, in consultation with the Engineer, will determine when to commence the WTP Upgrade, or portions of the same.

6. Allocated Reserved Capacity. The reserved capacity percentage of the 15.81 million gallons per day for each Member, and the number of gallons per day out of the 15.81 MGD Expansion, available to each Member, is set forth on Exhibit A under the columns "Reserved Capacity %" and "Member Share of 15.81 MGD."

7. Raw Water Pipeline Cost. Notwithstanding anything to the contrary set forth in this Agreement, the City of Sioux Falls previously agreed that it shall solely be responsible for all additional raw water pipeline costs associated with the 15.81 MGD Expansion, which costs are currently estimated and set forth on the Opinion of Probable Project Cost, attached hereto as Exhibit A, under the heading "Additional Cost Raw Water Pipeline." The City of Sioux Falls acknowledges that the requirement for it to be responsible for all additional raw water pipeline costs associated with the 15.81 MGD Expansion is a result of its original commitment to pay for the cost of increasing the original System capacity by 17 million gallons per day, which raw water pipeline modifications have not yet been installed but shall be required as a part of the 15.81 MGD Expansion. The City of Sioux Falls acknowledge that the current Opinion of Probable Project Cost, as it relates to the raw water pipeline, is an estimate using fiscal year 2021 dollars and that this estimate will be modified and updated, from time to time, as directed by Lewis & Clark in consultation with the Engineer. The obligation of the City of Sioux Falls to pay for the additional costs associated with the raw water pipeline, as part of the 15.81 MGD Expansion, shall remain effective notwithstanding any inflation effects, cost increases, changes, or updates made, from time to time, to the estimate of the raw water pipeline costs, or to actual bids and costs for the raw water pipeline coming in higher than anticipated. The City of Sioux Falls hereby commits and agrees to pay to Lewis & Clark, within forty-five (45) days of receiving each invoice from Lewis & Clark, all Project Costs associated with the raw water pipeline related to constructing the 15.81 MGD Expansion.

8. Continuing Effect of ARCA. This Agreement is intended solely to refer to and set forth Lewis & Clark and the parties' express understanding and agreement of the terms and conditions of the 15.81 MGD Expansion. This Agreement is not intended to amend any of the terms and provisions of the ARCA of any Member other than with respect to each Member's reserved capacity. The revised reserved capacities for the Members, taking into account the 15.81 MGD Expansion, is set forth on Exhibit D attached hereto. It is intended that the existing ARCA for all Members, as amended, shall remain unchanged and in full force and effect and the terms thereof are hereby ratified in their entirety. Unless otherwise set forth in this Agreement, the 15.81 MGD Expansion, and the additional water capacity created thereby, shall be managed, operated, and administered by Lewis & Clark in the same manner as the balance of the System and as provided for under the ARCA, as amended, for each Member.

9. Due Authorization. The Members hereby warrant and represent to Lewis & Clark that (i) each Member has the power and authority to execute and deliver, and perform the Member's covenants, obligations, and agreements contained in, this Agreement; (ii) each Member and its governing body have taken all action necessary to authorize the execution, delivery, and performance of this Agreement by the Member; (iii) the execution, delivery, and performance of this Agreement by each Member will not constitute a violation of or default under any of such Member's governing documents or any agreement, order, decree, law, rule, or regulation to which the Member is a party or by which the Member is bound, or result in the

creation of any lien or security interest on or in any assets of property of the Member except for any such lien or security interest created pursuant hereto; and (iv) this Agreement is the legal and binding obligation of each Member enforceable against each Member in accordance with its terms.

Lewis & Clark hereby warrants and represents to the Members that (i) Lewis & Clark has the power and authority to execute and deliver, and perform Lewis & Clark's covenants, obligations, and agreements contained in this Agreement; (ii) Lewis & Clark and its governing body have taken all action necessary to authorize the execution, delivery, and performance of this Agreement by Lewis & Clark; (iii) the execution, delivery, and performance of this Agreement by Lewis & Clark will not constitute a violation of or default under any of its governing documents or any agreement, order, decree, law, rule, or regulation to which Lewis & Clark is a party or by which Lewis & Clark is bound, or result in the creation of any lien or security interest on or in any assets or property of Lewis & Clark except for any such lien or security interest created pursuant hereto; and (iv) this Agreement is the legal and binding obligation of Lewis & Clark enforceable against Lewis & Clark in accordance with its terms.

10. Default of Member. In the event of the default by any Member to pay any invoices received from Lewis & Clark in connection with the 15.81 MGD Expansion within the prescribed forty-five (45) day period set forth in Paragraph 2 of this Agreement, it is agreed that the WTP Upgrade Deposit made by the defaulting Member, together with all other amounts previously invoiced and paid by such defaulting Member to Lewis & Clark for the 15.81 MGD Expansion, will not be refunded to such defaulting Member but, rather, shall be deemed forfeited and retained as the sole and absolute property of Lewis & Clark and shall otherwise remain nonrefundable. Additionally, in the event of a default by a Member, such Member's right, title, and interest in and to their allocated share of the 15.81 million gallons per day produced by the 15.81 MGD Expansion shall be deemed forfeited and shall be reassigned in the manner set forth in Section 12, below.

The forfeiture of the payments previously made by a defaulting Member and the forfeiture of such defaulting Member's right, title and interest in and to their allocated share of the 15.81 million gallons per day produced by the 15.81 MGD Expansion, as described above, shall not be the sole remedy of Lewis & Clark for such default, but shall be cumulative with, and Lewis & Clark shall retain, all other rights and remedies provided at law or in equity for breach of contract.

The parties stipulate and agree that the Members are experienced and knowledgeable about the matters set forth in this Agreement. It is further agreed that the requirement to make the WTP Upgrade Design Deposit, as well as the requirement to make other payments to Lewis & Clark, as required herein, is fair and reasonable based on the anticipated undertakings to design and construct the 15.81 MGD Expansion and that, in the event of the default of any Member, it would be inequitable to require Lewis & Clark to refund or return any portion of the WTP Upgrade Deposit or any other amounts previously invoiced and paid by a defaulting Member for such 15.81 MGD Expansion, or to allow such defaulting Member to retain any right, title or interest in and to their allocated share of the 15.81 million gallons per day produced by the 15.81 MGD Expansion. Further, in the event of such a default by a Member, Lewis & Clark and the non-defaulting Members will suffer additional damages not reasonably susceptible to computation. Lewis & Clark and the Members hereby acknowledge that:

(a) Lewis & Clark's damages in the event of any Member's default under this Agreement are incapable or very difficult of estimation;

(b) Lewis & Clark and the Members have reasonably endeavored to fix such damages;

(c) The WTP Upgrade Deposit, all other payments previously made by a defaulting Member to Lewis & Clark, and forfeiture of the defaulting Member's right, title and interest in and to their allocated share of the 15.81 million gallons per day produced by the MGD Expansion bear a reasonable relation to probable damages and are not disproportionate to any damages which can reasonably be anticipated by the parties as of the date hereof;

(d) The forfeiture of the WTP Upgrade Deposit, all previously invoiced and paid payments to Lewis & Clark for the 15.81 MGD Expansion, and forfeiture of the defaulting Member's right, title and interest in and to their allocated share of the 15.81 million gallons per day produced by the 15.81 MGD Expansion is not a penalty for such Member's default but rather a reasonable forecast of just compensation for the harm to Lewis & Clark and its non-defaulting Members resulting from the default of the defaulting Member.

It is also expressly understood and agreed by all Members that in the event of a breach of this Agreement by a Member, such defaulting Member shall be deemed to have waived all claims against Lewis & Clark and the remaining Members for restitution or unjust enrichment.

11. Withdrawal from Agreement. A Member may at any time and for any reason withdraw from this Agreement by providing 60 days advance written notification. Any monies paid to date by the withdrawing Member and their proportional share of the 15.81 MGD Expansion shall be deemed forfeited for the same reasons as cited in Section 10.

It is also expressly understood and agreed by all Members that in the event of a withdrawal from this Agreement by a Member, such withdrawing Member shall be deemed to have waived all claims against Lewis & Clark and the remaining Members for restitution or unjust enrichment.

12. Reallocation of 15.81 MGD Expansion Capacity. In the event of a Member's uncured default or withdrawal under this Agreement, all of such defaulting or withdrawing Member's right, title, and interest in and to their allocated share of the 15.81 million gallons per day (the "Gallons") shall be reallocated in the manner set forth in this section.

Upon the default or withdrawal by a Member hereunder, Lewis & Clark staff and the Engineer shall determine which of the remaining Members are, based upon the geographic location of the metering facility(s) for the defaulting or withdrawing Member within the system, eligible to receive the Gallons (the "Eligible Members"). At that time, Lewis & Clark shall provide a written notice to the Eligible Members advising of the availability of the Gallons. All or any of the Eligible Members can request to take a share of the Gallons by making written request therefor (the "Request for Gallons") to Lewis & Clark and the Engineer. Such Request for the Gallons, if any, must be made to Lewis & Clark and the Engineer no later than ninety (90) days after receiving notice, from Lewis & Clark, of the availability of the Gallons to the Eligible Members. At that time, the Engineer shall reallocate the Gallons among the Eligible Members, who have timely filed a Request for Gallons, on a basis that is, subject to engineering considerations applied by the Engineer, proportional among the Eligible Members based on the Reserved Capacity % of each Eligible Member receiving the Gallons divided by a denominator which is the total Reserved Capacity % of all of the Eligible Members receiving the Gallons. The foregoing reallocation shall be conditioned upon the final approval by the Lewis & Clark Board of Directors.

In the event the Gallons are reallocated to Eligible Members, the Reserved Capacity % of the 15.81 million gallons per day for each Eligible Member receiving the Gallons, as set forth on Exhibit A shall be modified accordingly and, further, the revised reserved capacity of each Eligible Member receiving the Gallons, as set forth on Exhibit D shall be modified accordingly. Once the final reallocation of the Gallons, as set forth above, has been established, then it is further agreed by and among the Eligible Members receiving the Gallons that the Allocated Construction Percentage of the defaulting Member for all unpaid Project Costs associated with the 15.81 MGD Expansion shall be reallocated to, and assumed by, the Eligible Members receiving the Gallons in the same percentage as the Gallons were reallocated to such Eligible Members.

If none of the Eligible Members request to receive their pro rata share of the Gallons, or if the Eligible Members claim some, but not all, of the Gallons, then any unclaimed Gallons shall become property of Lewis & Clark, to be handled in accordance with the Latent Capacity Policy approved by the Lewis & Clark Board of Directors on November 19, 2020, as the same may, from time to time thereafter, be modified, amended, and replaced. Further, to the extent that Gallons revert to Lewis & Clark, then the Allocated Construction Percentage of the defaulting or withdrawing Member for all unpaid Project Costs associated with the 15.81 MGD Expansion shall be reallocated to, and assumed by, all of the remaining Members participating in the 15.81 MGD Expansion, proportionately, based on the Cost Share % of the remaining Members. The exact timing of when Members are billed and payments are due will be determined by the Lewis & Clark Board of Directors.

All modifications and adjustments made to the Exhibits to this Agreement as a result of the reallocation of Gallons, and all calculations associated with the reallocation of remaining Project Costs associated with the 15.81 MGD Expansion arising out of the default of a participating Member, shall be made by the Lewis & Clark staff and the Engineer.

13. Amendments. This Agreement may be amended only by a written instrument executed by all parties hereto.

14. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the parties have duly executed this Agreement effective as of the date first set forth above.

LEWIS AND CLARK RURAL WATER SYSTEM, INC.

By____

Its____

CITY OF BERESFORD

By____

Its____

CITY OF CENTERVILLE

By____

Its____

CITY OF HARRISBURG

By____

Its____

CITY OF HULL

By____

Its____

CITY OF LENNOX

By____

Its____

CITY OF LUVERNE

By____

Its____

CITY OF MADISON

By____
Its______________________________________

CITY OF PARKER

By____
Its______________________________________

CITY OF SHELDON

By____
Its______________________________________

CITY OF SIBLEY

By____
Its______________________________________

CITY OF SIOUX CENTER

By____
Its______________________________________

CITY OF SIOUX FALLS

By____
Its______________________________________

CITY OF TEA

By____
Its______________________________________

LINCOLN COUNTY RURAL WATER SYSTEM, INC.

By____
Its______________________________________

LINCOLN PIPESTONE RURAL WATER SYSTEM

By______________________________________
Its______________________________________

MINNEHAHA COMMUNITY WATER, CORP.

By______________________________________
Its______________________________________

ROCK COUNTY RURAL WATER DISTRICT

By______________________________________
Its______________________________________

ROCK RAPIDS MUNICIPAL UTILITIES

By______________________________________
Its______________________________________

SOUTH LINCOLN RURAL WATER SYSTEM, INC.

By______________________________________
Its______________________________________

WORTHINGTON PUBLIC UTILITIES

By______________________________________
Its______________________________________

EXHIBIT A
15.81 MGD System Expansion - Opinion of Probable Cost

Member	Reserved Capacity %	Member Share of 15.81 MGD (Gallons/Day)	ARCA 2nd Amendment Exhibit A-2 Cost Share (%)	Member Estimated Cost Share	Additional Cost Raw Water Pipeline	Estimated Total
Beresford	3.22%	509,000	3.557%	$ 3,944,022		
Centerville	0.81%	128,000	0.646%	$ 716,210		
Harrisburg	1.62%	256,000	1.576%	$ 1,747,138		
Lennox	1.62%	256,000	1.321%	$ 1,464,425		
Lincoln Co RWS	5.67%	896,000	5.473%	$ 6,067,840		
Madison	3.68%	581,000	2.936%	$ 3,255,547		
Minnehaha CWC	8.10%	1,280,000	6.604%	$ 7,322,181		
Parker	1.80%	285,000	1.439%	$ 1,595,229		
Sioux Falls	40.48%	6,400,000	46.860%	$ 51,957,755	$ 3,898,000	$ 55,855,755
South Lincoln RWS	0.92%	145,000	0.904%	$ 1,002,357		
Tea	4.05%	640,000	4.442%	$ 4,925,648		
Luverne	3.02%	477,000	2.883%	$ 3,196,905		
Lincoln-Pipestone RWS	4.05%	640,000	4.490%	$ 4,978,085		
Rock County RWD	1.10%	174,000	0.881%	$ 976,681		
Worthington	7.00%	1,107,000	5.712%	$ 6,333,697		
Hull	1.47%	233,000	1.174%	$ 1,302,236		
Rock Rapids	2.02%	320,000	1.615%	$ 1,790,551		
Sheldon	4.78%	756,000	3.817%	$ 4,232,211		
Sibley	2.39%	378,000	1.909%	$ 2,116,114		
Sioux Center	2.21%	349,000	1.762%	$ 1,953,334		
	100.00%	15,810,000	100.000%	$ 110,878,165		$ 114,776,165

Lewis & Clark
REGIONAL WATER SYSTEM

Exhibit B

Lewis & Clark Regional Water System
15.81 MGD System Expansion - Long Schedule Scenario - Subject to Change - FOR ILLUSTRATION PURPOSES ONLY

Member System	ARCA Exhibit A Cost Share	Total Member Cost (Sept 2020)	Cost Shares Based on Projected Annual Cashflow of Engineering, Construction and Legal/Administrative Costs													
			FY 2027 (design)	FY 2028	FY 2029	FY 2030	FY 2031	Break in Construction 2031 to 2041	FY 2040 (design)	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045	FY 2046	Total (Indexed)
Beresford, SD	3.557%	$ 3,944,022	$ 33,792	$ 10,849	$ 274,874	$ 431,296	$ 76,319		$ 35,393	$ 258,344	$ 1,006,078	$ 1,184,598	$ 1,589,045	$ 1,165,608	$ 287,479	$ 6,353,675
Centerville, SD	0.646%	$ 716,210	$ 6,136	$ 1,970	$ 49,915	$ 78,321	$ 13,859		$ 6,427	$ 46,914	$ 182,698	$ 215,116	$ 288,561	$ 211,667	$ 52,204	$ 1,153,788
Harrisburg, SD	1.576%	$ 1,747,138	$ 14,969	$ 4,806	$ 121,765	$ 191,057	$ 33,808		$ 15,678	$ 114,442	$ 445,676	$ 524,757	$ 703,921	$ 516,346	$ 127,348	$ 2,814,575
Lennox, SD	1.321%	$ 1,464,425	$ 12,547	$ 4,028	$ 102,061	$ 160,141	$ 28,337		$ 13,141	$ 95,924	$ 373,559	$ 439,844	$ 590,016	$ 432,793	$ 106,742	$ 2,359,135
Lincoln County RWS, SD	5.473%	$ 6,067,840	$ 51,989	$ 16,691	$ 422,890	$ 663,544	$ 117,416		$ 54,452	$ 397,460	$ 1,547,842	$ 1,822,492	$ 2,444,731	$ 1,793,277	$ 442,283	$ 9,775,067
Madison, SD	2.936%	$ 3,255,547	$ 27,893	$ 8,955	$ 226,891	$ 356,008	$ 62,996		$ 29,215	$ 213,247	$ 830,456	$ 977,812	$ 1,311,659	$ 962,138	$ 237,296	$ 5,244,567
Minnehaha CWC, SD	6.604%	$ 7,322,181	$ 62,736	$ 20,142	$ 510,310	$ 800,712	$ 141,688		$ 65,708	$ 479,622	$ 1,867,811	$ 2,199,237	$ 2,950,104	$ 2,163,983	$ 533,712	$ 11,795,764
Parker, SD	1.439%	$ 1,595,229	$ 13,668	$ 4,388	$ 111,177	$ 174,445	$ 30,868		$ 14,315	$ 104,492	$ 406,926	$ 479,131	$ 642,717	$ 471,451	$ 116,276	$ 2,569,855
Sioux Falls, SD	46.860%	$ 55,855,755	$ 445,172	$ 142,924	$ 3,621,129	$ 5,681,802	$ 1,005,408		$ 466,259	$ 3,403,370	$ 13,568,876	$ 20,924,849	$ 21,905,613	$ 15,355,491	$ 3,787,188	$ 90,308,081
South Lincoln RWS, SD	0.904%	$ 1,002,357	$ 8,588	$ 2,757	$ 69,858	$ 109,612	$ 19,396		$ 8,995	$ 65,657	$ 255,691	$ 301,061	$ 403,849	$ 296,235	$ 73,062	$ 1,614,761
Tea, SD	4.442%	$ 4,925,648	$ 42,203	$ 13,549	$ 343,287	$ 538,641	$ 95,314		$ 44,202	$ 322,643	$ 1,256,481	$ 1,479,432	$ 1,984,542	$ 1,455,716	$ 359,029	$ 7,935,038
Luverne, MN	2.883%	$ 3,196,905	$ 27,391	$ 8,794	$ 222,804	$ 349,595	$ 61,862		$ 28,688	$ 209,406	$ 815,497	$ 960,199	$ 1,288,032	$ 944,807	$ 233,022	$ 5,150,097
Lincoln-Pipestone RWS, MN	4.490%	$ 4,978,085	$ 42,652	$ 13,694	$ 346,941	$ 544,375	$ 96,328		$ 44,672	$ 326,078	$ 1,269,857	$ 1,495,181	$ 2,005,669	$ 1,471,213	$ 362,851	$ 8,019,511
Rock County RWS, MN	0.881%	$ 976,681	$ 8,368	$ 2,687	$ 68,069	$ 106,804	$ 18,899		$ 8,765	$ 63,975	$ 249,141	$ 293,349	$ 393,504	$ 288,646	$ 71,190	$ 1,573,397
Worthington, MN	5.712%	$ 6,333,697	$ 54,267	$ 17,423	$ 441,419	$ 692,617	$ 122,560		$ 56,837	$ 414,874	$ 1,615,659	$ 1,902,343	$ 2,551,845	$ 1,871,848	$ 461,662	$ 10,203,354
Hull, IA	1.174%	$ 1,302,236	$ 11,158	$ 3,582	$ 90,758	$ 142,405	$ 25,199		$ 11,686	$ 85,300	$ 332,187	$ 391,130	$ 524,670	$ 384,860	$ 94,920	$ 2,097,854
Rock Rapids, IA	1.615%	$ 1,790,551	$ 15,341	$ 4,925	$ 124,790	$ 195,804	$ 34,648		$ 16,068	$ 117,286	$ 456,751	$ 537,797	$ 721,412	$ 529,176	$ 130,513	$ 2,884,512
Sheldon, IA	3.817%	$ 4,232,211	$ 36,261	$ 11,642	$ 294,959	$ 462,810	$ 81,895		$ 37,979	$ 277,221	$ 1,079,592	$ 1,271,156	$ 1,705,157	$ 1,250,779	$ 308,485	$ 6,817,937
Sibley, IA	1.909%	$ 2,116,114	$ 18,131	$ 5,821	$ 147,480	$ 231,406	$ 40,948		$ 18,990	$ 138,611	$ 539,798	$ 635,580	$ 852,582	$ 625,392	$ 154,243	$ 3,408,982
Sioux Center, IA	1.762%	$ 1,953,334	$ 16,736	$ 5,373	$ 136,135	$ 213,605	$ 37,798		$ 17,529	$ 127,949	$ 498,275	$ 586,689	$ 786,998	$ 577,284	$ 142,378	$ 3,146,749
Totals	100.000%	$ 114,776,165	$ 950,000	$ 305,000	$ 7,727,511	$ 12,125,000	$ 2,145,546		$ 995,000	$ 7,262,813	$ 28,598,852	$ 38,621,752	$ 45,644,629	$ 32,768,712	$ 8,081,882	$ 185,226,696

Note: The 10-year break in construction shown above is for illustration purposes only. The actual length of the break, if any, will be determined by the Lewis & Clark Board of Directors.

EXHIBIT C

15.81 MGD SYSTEM EXPANSION
WATER TREATMENT PLANT UPGRADE DESIGN DEPOSITS FOR 6th SCU

Member System	ARCA 2nd Amendment Exhibit A-2 Cost Share (%)	Deposit for Design Services
Beresford, SD	3.557%	$ 28,307
Centerville, SD	0.646%	$ 5,140
Harrisburg, SD	1.576%	$ 12,539
Lennox, SD	1.321%	$ 10,510
Lincoln County RWS, SD	5.473%	$ 43,550
Madison, SD	2.936%	$ 23,366
Minnehaha CWC, SD	6.604%	$ 52,552
Parker, SD	1.439%	$ 11,449
Sioux Falls, SD	46.860%	$ 372,909
South Lincoln RWS, SD	0.904%	$ 7,194
Tea, SD	4.442%	$ 35,352
South Dakota Totals	75.757%	$ 602,869
Luverne, MN	2.883%	$ 22,945
Lincoln-Pipestone RWS, MN	4.490%	$ 35,728
Rock County RWS, MN	0.881%	$ 7,010
Worthington, MN	5.712%	$ 45,458
Minnesota Totals	13.966%	$ 111,141
Hull, IA	1.174%	$ 9,346
Rock Rapids, IA	1.615%	$ 12,851
Sheldon, IA	3.817%	$ 30,375
Sibley, IA	1.909%	$ 15,188
Sioux Center, IA	1.762%	$ 14,019
Iowa Totals	10.277%	$ 81,780
Totals	100.000%	$ 795,789

EXHIBIT D

RESERVED CAPACITIES FOR EACH MEMBER AFTER TAKING INTO ACCOUNT THE 15.81 MGD EXPANSION

Member System	Current Reserved Capacity (MGD)	Reserved Capacity (%) [1]	Member Share of 15.81 MGD [2]	Member Reserved Capacity Including 15.81 MGD Expansion (MGD) [3]
Beresford, SD	0.875	3.22%	0.509	1.384
Centerville, SD	0.220	0.81%	0.128	0.348
Harrisburg, SD	0.440	1.62%	0.256	0.696
Lennox, SD	0.440	1.62%	0.256	0.696
Lincoln County RWS, SD	1.541	5.67%	0.896	2.437
Madison, SD	1.000	3.68%	0.581	1.581
Minnehaha CWC, SD	2.201	8.10%	1.280	3.481
Parker, SD	0.490	1.80%	0.285	0.775
Sioux Falls, SD	11.007	40.48%	6.400	17.407
South Lincoln RWS, SD	0.250	0.92%	0.145	0.395
Tea, SD	1.101	4.05%	0.640	1.741
South Dakota Totals	19.565	71.96%	11.376	30.941
Luverne, MN	0.821	3.02%	0.477	1.298
Lincoln-Pipestone RWS, MN	1.100	4.05%	0.640	1.740
Rock County RWS, MN	0.300	1.10%	0.174	0.474
Worthington, MN	1.904	7.00%	1.107	3.011
Minnesota Totals	4.125	15.17%	2.398	6.523
Hull, IA	0.400	1.47%	0.233	0.633
Rock Rapids, IA	0.550	2.02%	0.320	0.870
Sheldon, IA	1.300	4.78%	0.756	2.056
Sibley, IA	0.650	2.39%	0.378	1.028
Sioux Center, IA	0.600	2.21%	0.349	0.949
Iowa Totals	3.500	12.87%	2.036	5.536
Totals	27.190	100.00%	15.810	43.000 [3]

Notes:

[1] These percentages are in accordance with Exhibit 2-1, Base System Percentage (February 25, 2010) of the 2nd Amendment to the ARCA.

[2] These numbers have been rounded to the nearest 1,000 gallons per day as listed below in this table.

[3] The total reserved capacity of the finished system including the 15.81 MGD expansion will be 60 MGD. The total current system reserved capacity is 44.19 MGD (including 17 MGD of additional capacity for Sioux Falls that is not listed in this table).

Depot Lease Renewal

1. THE PARTIES TO THIS LEASE RENEWAL ARE:

   1.1 THE LANDLORD:

   City of Madison, a political subdivision of the State of South Dakota, hereinafter referred to as "City"

   1.2 THE TENANTS:

   The Greater Madison Area Chamber of Commerce, a nonprofit corporation of the State of South Dakota, hereinafter referred to as "Chamber", and

   Lake Area Improvement Corporation, a nonprofit corporation of the State of South Dakota, hereinafter referred to as "LAIC"

2. THE PREMISES:

   Lot Six (6) of Block Two (2) of Gienapp's Industrial Park First Addition to Madison, Lake County, South Dakota; and

   That portion of the Burlington Northern and Santa Fe Railway Company's 100 foot wide property, lying 50 feet from and on each side of the centerline of the Main Track of said Railway Company, as said centerline now exist, in Section Seven (7), Township 106 North, Range 52 West of the 5th P.M., Lake County, South Dakota, being a strip of land 30 feet wide by approximately 353.2 feet in length, bounded on the North by the South boundary of Lots 5 and 6 of Block 2 of Gienapp's Industrial Park First Addition to Madison, as filed in the Lake County Records in Book 7 at Page 69, bounded on the South by a parallel line distant 20 feet as measured at right angles Northerly from said Centerline of said Main Track of said Railway Company, bounded on the East by the Southerly prolongation of the Easterly line of said Lot 6 of Block 2, and bounded on the West by the Southerly prolongation of the Westerly line of said Lot 5 of Block 2, Lake County, South Dakota; having a street address of 315 South Egan Avenue, Madison, South Dakota known as the Depot;

3. ORIGINAL AGREEMENT:

   Whereas the Landlord and Tenants entered into a lease agreement which started on the 1st day of January, 2002, and expires on the 31st day of December, 2011, (hereinafter referred to as the "Lease Agreement").

4. RENEWAL TERM:

   The Landlord and Tenants hereby agree to renew the Lease Agreement for a further term of five (5) year(s) commencing on the 1st day of January, 2012, and ending at midnight on the 31st day of December, 2016 (hereinafter referred to as the "Renewal Term").

The Landlord and Tenants hereby agree to renew the Lease Agreement for a further term of five (5) year(s) commencing on the 1st day of January, 2017, and ending at midnight on the 31st day of December, 2021 (hereinafter referred to as the “Renewal Term”).

The Landlord and Tenants hereby agree to renew the Lease Agreement for a further term of five (5) year(s) commencing on the 1st day of January, 2022, and ending at midnight on the 31st day of December, 2026 (hereinafter referred to as the “Renewal Term”).

5. TERMS AND CONDITIONS:

The Landlord and Tenants agree that all the terms and conditions of the Lease Agreement shall remain in full force and effect, except for the following amendments:

5.1 The monthly rental during the Renewal Term is an amount of ($-0-) zero dollars.

5.2 The Tenants will establish an account and fund the same in the sum of $100.00 per month by each organization for the purposes of improvements, repairs and maintenance to the interior of the building including but not limited to painting, carpeting, and light fixtures. Upon termination of this lease any and all funds in said fund shall become the property of the City.

Signed on this ____ day of December, 2021

CITY OF MADISON

By: ______________________________
Marshall Dennert
Mayor

ATTEST:

____
Sonya Wilt
City Finance Officer