



Special Meeting Agenda

WEDNESDAY, APRIL 8, 2026

12:30 PM

(District 1) Joel Arends
(District 2) Betty Otten
(District 3) Tiffani Landeen, Chair
(District 4) Douglas Putnam
(District 5) Jim Schmidt, Vice-Chair

Commission Meeting Room

104 N. Main Street

Canton, SD

P 605.764.2581

Auditor@lincolncountysd.org

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ZOOM MEETING INFORMATION

- 1) Join Zoom Meeting
<https://us02web.zoom.us/j/83050392673?pwd=uonz27ECbeawfo6zJD8gsGKZqAAgeH.1>

Meeting ID: 830 5039 2673

Passcode: 208814

One tap mobile

+16699009128,,83050392673# US (San Jose)

+12133388477,,83050392673# US (Los Angeles)

ROUTINE BUSINESS:

- 1) Board action to approve Agenda.

REGULAR BUSINESS:

- 1) Consider motion to authorize the chair to execute an Annexation Agreement with the City of Canton. (Drew DeGroot)
- 2) Consider motion to authorize the chair to execute a Road & Utility Construction Agreement with the City of Canton. (Drew DeGroot)

OPPORTUNITY FOR PUBLIC COMMENT

EXECUTIVE SESSION:

- 1) Executive Session: Discussing the qualifications, competence, performance, character or fitness of any public officer or employee or prospective public officer or employee--the term "employee" does not include any independent contractor, SDCL 1-25-2(1).
- 2) Executive Session: Consulting with legal counsel or reviewing communications from legal counsel about proposed or pending litigation or contractual matters, SDCL 1-25-2(3).
- 3) Executive Session: Preparing for contract negotiations or negotiating with employees or employee representatives, SDCL 1-25-2(4).

ADJOURNMENT



MEETING DATE

April 8, 2026

ORIGINATOR:

ROUTINE BUSINESS: 1.

Board action to approve Agenda.

REQUESTED ACTION:

FACTS AND VETTING:

ATTACHMENTS

None



MEETING DATE

April 8, 2026

ORIGINATOR:

Drew DeGroot, Chief Civil Deputy State's Attorney

REGULAR BUSINESS: 1.

Consider motion to authorize the chair to execute an Annexation Agreement with the City of Canton.

REQUESTED ACTION:

Motion to authorize the chair to execute an Annexation Agreement with the City of Canton.

FACTS AND VETTING:

ATTACHMENTS

1. Annexation Agreement 2026 4.6.2026

**ANNEXATION AGREEMENT
BETWEEN CITY OF CANTON
AND LINCOLN COUNTY, SOUTH DAKOTA**

Acres: Approximately 40 acres (**Exhibit 001** attached hereto)

Existing Zoning: A-1 Agricultural

Existing Land Use: a portion which is vacant and a portion which is under construction for the Lincoln County Justice Center

2030 City of Canton Comprehensive Plan Designation(s): Commercial/Industrial

NOTE: All references to standards within this agreement are references to standards found within the most recently adopted version of the Engineering Design Standards (EDS) for the City of Canton.

This Agreement is made and entered into this _____ day of _____, 2025, by and between the CITY OF CANTON, a South Dakota Municipal Corporation, of 210 N Dakota Street, Canton, South Dakota, 57013 (hereinafter “City”) and Lincoln County, South Dakota (hereinafter “County”).

WHEREAS, City and County intend to establish the general terms and conditions to be incorporated into an Annexation Agreement (hereinafter “Agreement”) entered into between the parties pursuant to SDCL § 9-4-1.1, under which real property owned by County described in **Exhibit 001** attached hereto, will be annexed into the municipal boundaries of the City of Canton and the construction and reconstruction of infrastructure associated therewith.

NOW, THEREFORE, for good and valuable consideration, including the obligations of the parties contained herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Petition.** County has filed a Petition for Annexation of the real property, identified in **Exhibit 001**, in form and manner attached hereto as **Exhibit 002**. **Exhibit 001** is a copy of the legally recorded plat of the real property. County will execute a Petition for Annexation Agreement, in form and manner attached hereto as **Exhibit 003**.
2. **Street Addressing:** Street addresses shall remain in effect until annexation is effective. Once effective, street addresses shall be updated to fit the City of Canton addressing system.
3. **Utilities:**
 - a. **Water Services.** The real property described in **Exhibit 001** (hereinafter “Property”) will be connected to the City water system. The cost associated with connecting the Property to the City water system, including acquisition of any easements or permits deemed necessary by the city in relation thereto, shall be at the sole expense of County, must be undertaken by entities licensed to do so, and must meet City design standards.

- b. **Sanitary Sewer Services.** County is required to connect to the City of Canton sanitary sewer system at County's sole expense. The cost associated with connecting the property to the City sanitary sewer system, including acquisition of any easements or permits deemed necessary by City in relation thereto, must be undertaken by entities licensed to do so, and must meet City design standards. County will be responsible for designing, installing, and paying for lateral extensions and service lines and mainline hook-ups for each specific building structure constructed on the property.
- c. **Obligations of the parties.**
- i. Relative to sanitary sewer lines, cost to increase the size of the lines, and improvements thereof County will be responsible to:
 1. Construct and pay for a 10" sewer line from the point of connection to the to-be-constructed 12" sewer main located in 480th Avenue to the West of edge of the County property in form and location as depicted on the Easement attached as **Exhibit 004**.
 2. Design, construct, and pay for a 12" sewer main line within the public right-of-way from the point of connection with the City sewer main located at SD Highway 18 northwardly to the County's North property line on 480th Avenue, in form and manner as depicted on **Exhibit 005** attached hereto.
 - ii. Relative to sanitary sewer lines, cost to increase the size of the lines and improvements thereof:
 1. For the sanitary sewer within the permanent easement on Tract 1 Lincoln County Courthouse Addition as depicted on **Exhibit 004**, City requires County, pursuant to SDCL § 5-18C-4, to install a sanitary sewer main and the size of such sanitary sewer main to be a larger sewer main and at extra depth than necessary for County's requirements. City agrees it will pay the price difference necessary for the larger sewer line, which the amount total to be \$238,000, pursuant to the attached Exhibit 006, Sanitary Sewer Costs – Tract 1 – Lincoln County Courthouse Addition and 480th Avenue Projection Construction Cost Estimates.
 2. For the sanitary sewer within the public right-of-way of 480th Avenue from the connection point at US Highway 18 to the County's main entrance point on 480th Avenue, City requires that County, pursuant to SDCL § 5-18C-4, to install a sanitary sewer line and the size of such sanitary sewer line to be a larger sewer line and at extra depth than necessary for County's requirements. City agrees it will pay actual the price difference necessary for upsizing the sanitary sewer to 12" diameter main, installing the 12" sanitary sewer at extra depth, and installing seven sanitary sewer services, which the current estimated amount total to be \$248,518, pursuant to the attached **Exhibit 006**, Sanitary Sewer Costs – Tract 1 – Lincoln County Courthouse Addition and 480th Avenue

Project Construction Cost Estimates. The makeup of the costs to the City is \$43,118 for pipe-size increase plus seven 6" sanitary stub outs, plus \$205,400 for trench dewatering and additional depth, equals an estimated cost to City of \$248,518.00. County agrees that it will pay for the costs incurred to improve the street section to 5" of asphalt over 9" of aggregate base course.

3. For the sanitary sewer within the public right-of-way of 480th Avenue from the connection point at County's main entrance on 480th Avenue northwardly to County's North property line, County will install a 12" sanitary sewer line pursuant to the attached Exhibit 006A. The makeup of the costs to the City is 100% of the installation costs which is estimated to be approximately \$ [REDACTED]. City will promptly remit payment upon construction approval and final invoice from County. County agrees that it will pay for the costs incurred to improve the street section to 5" of asphalt over 9" of aggregate base course. This provision of the contract is subject to additional City approval upon cost estimates provided by the County for such change and scope of work.
4. **Zoning:** The real property identified in **Exhibit 001** is currently zoned agricultural and once annexed will be brought in as the closest existing zoning type which is Planned Development for the City of Canton. The parties agree that following annexation the property will be zoned Planned Development or such other zoning classification the parties deem necessary to accommodate thereon the structures currently being built and other public service facilities as defined in the 2011 Revised Canton Zoning Regulations as amended.
5. **Subdivision Regulations.** County will, following annexation and to the extent required by state law, comply with Ordinance No. 1008 City of Canton Subdivision Regulations and any amendments thereto.
6. **Design Standards.** It is agreed and understood by County that for new structures built following annexation of the Property:
 - a. County will follow all design standards of the City to the extent required by state law.
 - b. County will pay all expenses with respect to the development of the new structure and real property, and as otherwise provided herein.
 - c. Applicable sales and use tax will be paid by the responsible parties in compliance with state law.
 - d. County agrees at the time of 480th Avenue reconstruction under the City of Canton engineering design standards, which includes at a minimum, sidewalks, curb and gutter, storm sewer system, street lighting, and hard surfacing, the total project costs will be divided on a frontage linear footage basis and assessed accordingly to the adjoining property owners in amounts determined

by the City Commission as expressly authorized pursuant to SDCL Chapter 9-43 or other state law.

7. **Annexation Stipulations and Costs-Annual Fees:** Following annexation, annual fees levied against property within the City of Canton will also be levied against the real property identified on **Exhibit 001**. The City has, or may have in the future, drainage, storm sewer, sanitary sewer, street maintenance, and such other fees to fund the operation and maintenance of public utilities and infrastructure. The City may only assess costs or assessments expressly authorized by state law. These fees are, or in the future may be, paid annually with property taxes, if any, and assessments or in any other manner authorized by law. There may be additional fees, costs, and assessments not otherwise stated herein which the County will be responsible for on real property located within the municipal boundaries of the City of Canton, including the apportionment of total reconstruction costs of the street at a future time in accordance with SDCL Chapter 9-43 or other state law. All city assessments, costs, or fees recited in this agreement shall be subject to amendment by the City Commission. Nothing in this agreement shall prevent, prohibit, diminish, or impair the City's governmental authority to tax, assess, adopt fees, or regulations in compliance with state law.

8. **Streets and Roads:** 480th Avenue is required to be repaired following the installation of a 12" sewer line by the county in the form and manner as depicted on **Exhibit 005**. Additionally, any further development of the area will need to be coordinated with the City of Canton.. County agrees that it will be responsible for any costs and expenses for lane improvements on 480th Avenue necessitated by its future development of the property. Any future improvements necessitated in connection to Lot H1, as set forth in section 12 herein, shall be the sole responsibility of the City. Construction of road connections from US Highway 18 to 480th Avenue will need to be constructed to existing engineering design standards and subdivision regulations and in form and manner approved by City.

County acknowledges it has performed a Traffic Impact Study for Access, attached hereto as **Exhibit 007**, and incorporated herein by reference the same as if set forth in full herein. The City acknowledges that it has been provided notice that the County is updating the aforementioned Traffic Impact Study for Access and the parties agree that any amendments to the Traffic Impact Study for Access will be attached as Exhibit 007A.

County agrees that it will, following installation of the 12" sewer main in 480th Avenue, restore 480th Avenue in form and manner as approved by City and as detailed in **Exhibit 005**.

9. **Drainage:** County is responsible to meet applicable City ordinance standards for any storm water drainage issues associated with construction of the Lincoln County Justice Center and any future development on the Property. Wetland and other environmental issues are the sole responsibility of County.

10. **Sidewalk:** Installation of sidewalks will be installed to the design standards in compliance with local, state, and/or federal within four (4) years or when public sidewalks become adjacent or across from County property set forth in **Exhibit 001**, whichever is earlier.
11. **Fees & Taxes:** Following annexation, any subdivision or development of the property will be subject to City fees and taxes, if any, in effect at the time of platting and during development. County must pay development costs and all other fees and taxes, if any, associated with plats and/or construction plan reviews, permits, and inspections as well as filing the requisite surety bonds and compliance with ordinances on subdivision construction improvements.
12. **Transfer of Property.** County will plat, in form and manner attached as **Exhibit 008**, and then Deed to City, in form and manner attached as **Exhibit 009**, that certain real property identified in such **Exhibit 008** and **Exhibit 009**.

County will give City a Temporary Construction easement for the installation and improvements on certain real property, in form and manner attached as **Exhibit 0010**.

The City agrees that it may not assess or levy any assessments, costs, or fees on the County in relation to any future improvements, limited to future road improvements and utility improvements made within the platted and deeded property set forth in **Exhibit 008** and **Exhibit 009**.
13. **Capital Improvement Project.** City has completed a \$5 million capital improvement project as the City Sanitary Sewer Improvement Project downstream from the County Property, which project, in part, benefits the to-be-annexed Property. The capital improvement sanitary sewer project improved the overall sanitary sewer system in the western part of the City of Canton and provides expanded capacity to serve County facilities and other future development on the West side of the City of Canton.
14. The parties agree that this Agreement and any exhibits attached to it may be amended only by mutual consent of the parties in writing.
15. This Agreement will be construed, applied, and enforced in accordance with South Dakota law.
16. It is expressly understood and agreed by the parties that time is of the essence in this Agreement.
17. This Agreement sets forth the entire understanding of the parties. This Agreement supersedes any and all prior negotiations, discussions, agreements, and understandings between the parties. This Agreement may not be modified or amended except by a written agreement executed by all parties.

18. The parties and their counsel have participated jointly in the negotiation and drafting of this Agreement. In the event of an ambiguity or question of intent or interpretation arises, this Agreement is construed as if drafted jointly by the parties and no presumption or burden of proof arises favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.
19. If any provision contained in this Agreement is for any reason held to be invalid, illegal, void or unenforceable in any respect, such provision must be deemed modified so as to constitute a provision conforming as nearly as possible to such invalid, illegal, void or unenforceable provision while still remaining valid and enforceable or omitted if it cannot be so modified; and the remaining terms or provisions contained herein are not affected thereby.
20. Warranties and Representations of County: County hereby warrants and represents to City that (i) County has the power and authority to execute and deliver, and perform its obligations and agreements contained in this Agreement; (ii) County has taken all action necessary to authorize the execution, delivery and performance of this Agreement; (iii) the execution, delivery and performance of this Agreement by County will not constitute a violation of or default under any agreement, order, decree, law, rule or regulation to which County is a party or by which County is bound; and (iv) this Agreement is a legal and binding obligation of County enforceable against County in accordance with its terms.
21. Warranties and Representations of the City: City hereby warrants and represents to the other parties that (i) the City has the power and authority to execute, deliver and perform City's covenants, obligations and agreements contained in this Agreement; (ii) City and its governing body have taken all action necessary to authorize the execution, delivery and performance of this Agreement by City; (iii) the execution, delivery and performance of this Agreement by City will not constitute a violation of or default under any agreement, order, decree, law, rule or regulation to which the City is a party or by which the City is bound; and (iv) this Agreement is a legal and binding obligation of City enforceable against City in accordance with the terms, upon approval by the Canton City Commission and either the expiration of 20 days thereafter with no referendum petition filed referring approval of this Agreement to a vote of the public or the approval of this Agreement by public vote if a referendum petition is timely filed.
22. County acknowledges that City will repeal the Memorandum of Understanding with the County regarding urbanization of 480th Avenue and has no objection to such repeal.

This agreement pertains only to fees associated with the property to be annexed, identified in **Exhibit 001**, and does not apply to other property.

CITY OF CANTON

By: _____

Its: Mayor

ATTEST:

LINCOLN COUNTY, SOUTH DAKOTA

By: _____
Its: Chairperson

ATTEST:



MEETING DATE

April 8, 2026

ORIGINATOR:

Drew DeGroot, Chief Civil Deputy State's Attorney

REGULAR BUSINESS: 2.

Consider motion to authorize the chair to execute a Road & Utility Construction Agreement with the City of Canton.

REQUESTED ACTION:

Motion to authorize the chair to execute a Road & Utility Construction Agreement with the City of Canton.

FACTS AND VETTING:

ATTACHMENTS

1. Road Construction Agreement Amended 4.6.2026

ROAD & UTILITY CONSTRUCTION AGREEMENT

This Agreement is made and entered into by and between the City of Canton, referred to in this Agreement as the "CITY", Canton Township, referred to in this Agreement as the "TOWNSHIP", and Lincoln County, South Dakota, referred to in this Agreement as the "COUNTY."

WHEREAS, this Agreement does not establish a separate legal entity as contemplated by SDCL 1-24-5. The cooperative undertaking described in this Agreement will be financed and conducted under the provisions of this Agreement. Each party has responsibilities under the terms of this Agreement and no joint board or administrator will be used. No real property will be purchased in connection with this Agreement;

WHEREAS, this Agreement is being made and entered into for mutual benefit of the COUNTY, CITY, and TOWNSHIP and the citizens of the respective parties therein;

NOW THEREFORE, the parties mutually agree upon the following:

1. RESPONSIBILITIES OF THE PARTIES

- A. The COUNTY & CITY have mutually agreed to utility improvements and one-time road improvements for a portion of N. West St., otherwise referred to as 480th Avenue and as set forth and fully incorporated herein as Exhibit A. The COUNTY shall complete such work to the mutual benefit of the parties. Such work includes removal of existing materials, sanitary sewer main installation, sanitary sewer stub out installation, concrete replacement, grading, asphalt paving, and ditch restoration and seeding where necessary. Such work may include additional sanitary sewer main and sanitary sewer stub installation in the area highlighted north of the south entrance as depicted in Exhibit 005 of the Agreement.
- B. The CITY and TOWNSHIP shall bear no costs for such one-time road improvements. The CITY shall only be responsible for such additional sanitary sewer or utility work requested by the CITY and mutually agreed upon by the parties. The parties acknowledge that the South Dakota Department of Transportation has advised the City and County that it has no authority to require the parties to make improvements to the intersection of 480th Avenue or U.S. Highway 18.
- C. The COUNTY shall only be responsible for such road and sanitary sewer work to be performed on 480th Avenue as provided in the Annexation Agreement, attached hereto as Exhibit B and incorporated herein by reference.
- D. The COUNTY will use the funds allocated under this Agreement solely for the purpose of one-time road construction and utility improvements on 480th Avenue which is under the COUNTY, CITY and TOWNSHIP supervision and control until annexation. After

completion of such improvements, the CITY and TOWNSHIP shall retain ownership and maintain such supervision, maintenance, and control as mutually agreed upon by the CITY and TOWNSHIP.

- E. The COUNTY shall record the current condition of all detour routes and COUNTY shall be responsible for any damage to such roads, excluding normal wear and tear. Any damage from construction or truck traffic shall be the sole responsibility of the COUNTY. The parties agree that the COUNTY may utilize the COUNTY Highway Department to remedy such damage caused by detour traffic or compensate the CITY or TOWNSHIP for such damage at the sole discretion of the COUNTY.

ADDITIONAL PROVISIONS:

1. INDEPENDENCE OF THE PARTIES

Any COUNTY, CITY, or TOWNSHIP employee engaged in joint action under this Agreement will remain an employee of his agency during participation in joint action under this Agreement. Each agency will retain exclusive responsibility for its officers, agents, and employees while these officers, agents, and employees are engaged in joint action under this Agreement, including but not limited to any responsibility for regular and overtime wages and salaries, unemployment benefits, workers' compensation coverage, health insurance, or other benefits, and liability coverage and indemnity, except as otherwise specifically provided in this Agreement.

2. TERM

This Agreement will become effective upon the last signature and will expire upon completion of the project and warranty period; except as otherwise set forth herein.

3. PROJECT PLANNING AND CONSTRUCTION

The COUNTY will be the contracting party for all road and sanitary sewer construction projects funded under this Agreement and will be responsible for the preliminary engineering, construction engineering, contract administration and construction costs for all projects except for such additional work specifically requested by the TOWNSHIP or CITY.

4. PAVEMENT MARKING COSTS

Initial pavement marking costs contemplated under this Agreement shall be the responsibility of the County.

5. AMENDMENTS

This Agreement may not be amended, except in writing, which writing will be expressly identified as a part of this Agreement and be signed by an authorized

representative of each of the parties.

6. TERMINATION

The CITY or TOWNSHIP may terminate this Agreement at any time with or without cause and with or without notice. If the CITY or TOWNSHIP terminates this Agreement the COUNTY shall bear no responsibility for the completion of construction to the designated roadway set forth in Exhibit A, other than assessments, fees, and costs authorized by state law.

7. FUNDING AVAILABILITY

This Agreement depends upon the continued availability of appropriated funds and expenditure authority from Lincoln County Board of Commissioners. If for any reason the County fails to appropriate funds, or funds become unavailable by operation of law, this Agreement may be terminated by the COUNTY. If funds are not appropriated, County shall be responsible for restoring the road to its previous condition prior to the start of construction.

8. INDEMNIFICATION

The COUNTY will indemnify and defend the CITY and TOWNSHIP, its officers, agents, and employees against any and all actions, suits, damages, liability, or other proceedings that arise as a result of any act or omission of the COUNTY or the COUNTY'S officers, agents, or employee including construction, completion, and the installation of sanitary mains, stub outs, grading, and asphalt paving on and under the portions of 480th Avenue set forth in Exhibit A. The COUNTY is not required to be responsible for nor to defend against claims or damages arising solely from errors or omissions of the CITY or TOWNSHIP, its officers, agents, or employees. The COUNTY shall name the CITY and TOWNSHIP as an additional insured for purposes of this Agreement. Responsibilities of indemnification shall survive this Agreement in full force and effect.

9. RECORDS RETENTION AND AUDIT PROVISION

- A. The COUNTY will keep accounting records clearly identified with the Agreement.
- B. Upon reasonable notice, the COUNTY will allow the CITY or TOWNSHIP, through any authorized representative, to have access to and the right to examine and copy all records, books, papers, or documents related to services rendered under this Agreement. The COUNTY will keep these records clearly identified and readily accessible for a period of three (3) years after the date final payment under this Agreement is made and all other pending matters are closed.

10. COMPLIANCE WITH LAWS

The COUNTY will comply with all federal and state laws, and coordinate with the CITY and TOWNSHIP to ensure that such road improvements are made to the satisfaction of the traffic impact study required herein. As built engineering plans shall be provided to the CITY and TOWNSHIP. The CITY and its engineer will be authorized to use and review such as built plans but ownership shall be retained by the COUNTY's engineer. The COUNTY will procure all licenses, permits, or other rights necessary for the fulfillment of their obligations under this Agreement. The CITY agrees to give the COUNTY any and all permits, if applicable, for the work to be performed under this Agreement, except otherwise provided by Annexation Agreement. Any fees associated with any permit shall be waived by the CITY.

11. CONTROLLING LAW

This Agreement will be governed by and construed in accordance with the laws of the State of South Dakota. The venue for any lawsuit pertaining to or affecting this Agreement will be in Circuit Court, Second Judicial Circuit, Lincoln County, South Dakota.

12. SEVERABILITY

If any court of competent jurisdiction holds any provision of this Agreement unenforceable or invalid, such holding will not invalidate or render unenforceable any other provision of this Agreement.

13. SUPERCESSION

All other prior discussions, communications, and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and, except as specifically provided in this Agreement, this Agreement constitutes the entire Agreement with respect to the subject matter other than as expressly provided by an Annexation Agreement between the COUNTY and the CITY.

14. SIGNATURE AUTHORITY

- A. This Agreement is binding upon the parties, their successors, heirs, assigns, purchasers, and grantees. Amendments to this Agreement can only be made in writing and this Agreement shall remain in full force and effect unless otherwise modified by any amendment.
- B. This Agreement may be executed in one or more counterparts, each of which when executed and delivered, shall be an original, but all such counterparts shall constitute one and the same instrument.

We the undersigned mutually agree to the foregoing terms and conditions as the complete agreement entered into between the parties.

Time is of the essence of this Agreement.

CITY OF CANTON

By: _____
Sandra Lundstrom
Its: Mayor

ATTEST:

Finance Officer {seal}

LINCOLN COUNTY BOARD OF COMMISSIONERS

BY: _____
Tiffani Landeen, Commission Chair

ATTEST:

Deputy Auditor

CANTON TOWNSHIP BOARD OF SUPERVISORS

BY: _____
Sam Eiesland, Chair

ATTEST:

Clerk

DRAFT