

**ELECTRIC SERVICE TERRITORY
MEMORANDUM OF UNDERSTANDING**

WHEREAS, the City of Vermillion and Clay-Union Electric each have service territory within the Vermillion city limits; and

WHEREAS, electric service territory maps dated September 10, 2014 are on file with the South Dakota Public Utilities Commission defining the respective service territory of each electric service provider; and

WHEREAS, the 2014 maps on file with the SD PUC show Lots 5 and 6, Block 2, Lotuswood Addition as part of the City of Vermillion electric service territory; and

WHEREAS, Clay-Union Electric is providing electrical service to a twin home addressed as 409 and 411 W. Duke Street located on Lot 5, Block 2, Lotuswood Addition; and

WHEREAS, Clay-Union Electric is providing electrical service to a MIDCO repeater located on the west property line of Lot 5, Block 2, Lotuswood Addition; and

WHEREAS, the property owner of Lot 6, Block 2, Lotuswood Addition desires to develop the property; and

WHEREAS, Clay-Union Electric has infrastructure in place to serve the development of Lot 6, Block 2, Lotuswood Addition; and

WHEREAS, the City of Vermillion is currently obligated to pay lost revenue payments which have not yet started as service is not yet needed on Lots 6, 7, 11, 13, 15 through 20, Block 2, and Lots 1 and 3, Block 4, Bliss Pointe Addition, which is in the Clay-Union Electric service territory that was annexed into the City as of May 20, 2013, and for which the 11-year window for lost revenue payments for these lots end May 31, 2024; and

WHEREAS, the City of Vermillion and Clay-Union Electric desire to work together for the development, prosperity, and continued investment in the community.

NOW, THEREFORE, this Memorandum of Understanding and legally binding contract is entered into by and between the City of Vermillion and Clay-Union Electric to set forth in writing the following terms:

1. The City of Vermillion and Clay-Union Electric will cooperate with the PUC to revise maps and documentation that place Lots 5 and 6, Block 2, Lotuswood Addition in the Clay-Union Electric service territory.

2. Clay-Union Electric will provide electric service to the new construction slated to take place on Lot 6, Block 2, Lotuswood Addition and will continue to serve the twin home and MIDCO repeater on Lot 5, Block 2, Lotuswood Addition

3. The City and Clay-Union Electric agree that the City of Vermillion will not make lost revenue payments on the next two Bliss Pointe subdivision lots issued a building permit after the date of this agreement, which will be the only two lots to be exempted from future lost revenue payments. After the issuance of the next two building permits for which the City is exempt from making lost revenue payments, the development of all other Bliss Pointe subdivision lots mentioned in the recitals above will subject the City to make lost revenue payments until responsibility for payments ends on May 31, 2024.

Dated in Vermillion, South Dakota this 19th day of November, 2018.

CITY OF VERMILLION, a municipal
Corporation of the State of South Dakota

By John E. Powell
John E. (Jack) Powell, Mayor

Dated: 11-19-18

CLAY-UNION ELECTRIC

By Tom Larsen
Tom Larsen, President

Dated: 11-27-18

