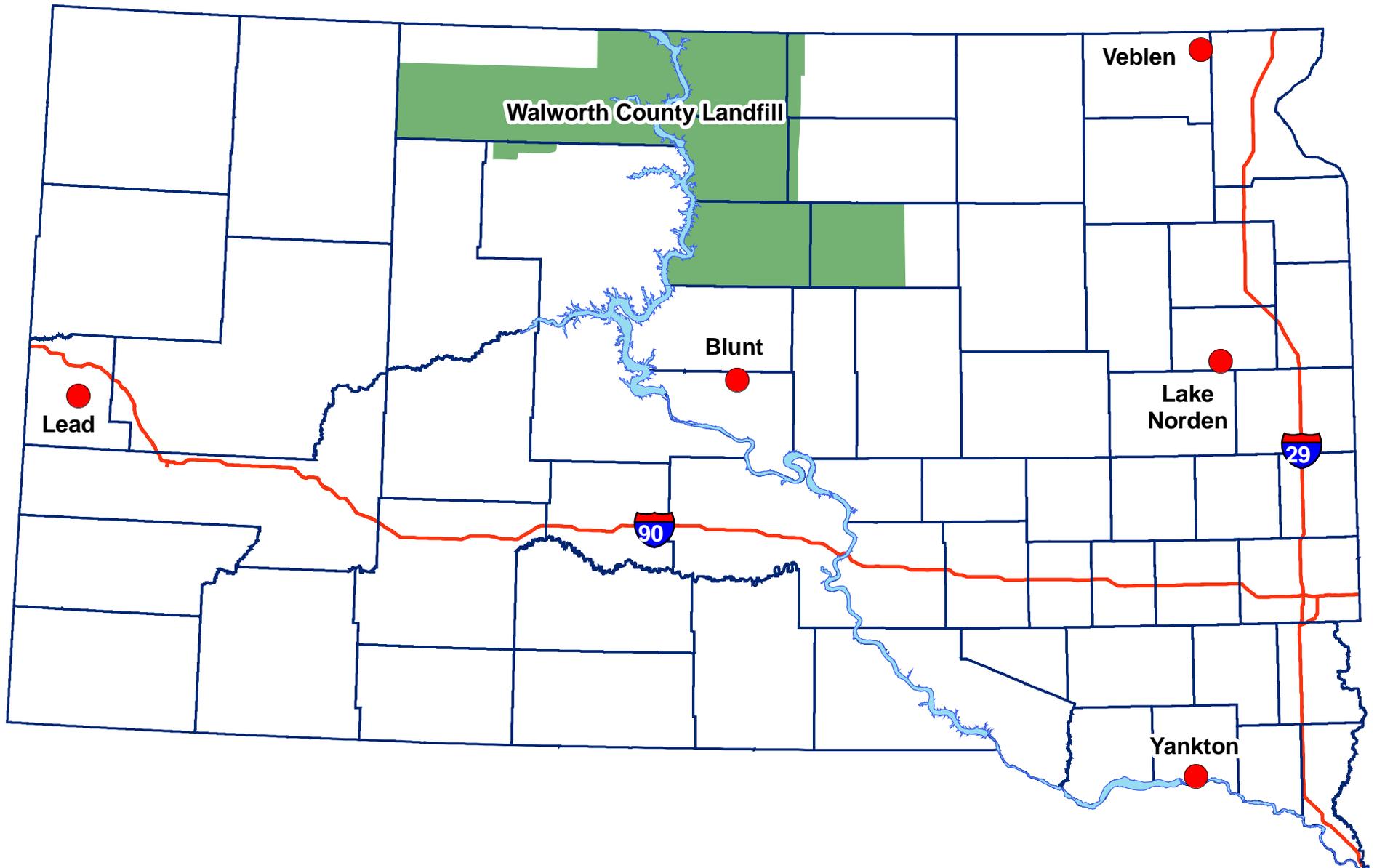


State Water Plan Applications June 2016



Staff is recommending that the following projects be placed on the State Water Facilities Plan:

- Blunt
- Lake Norden
- Lead
- Veblen – Drinking Water
- Veblen – Wastewater
- Walworth County
- Yankton

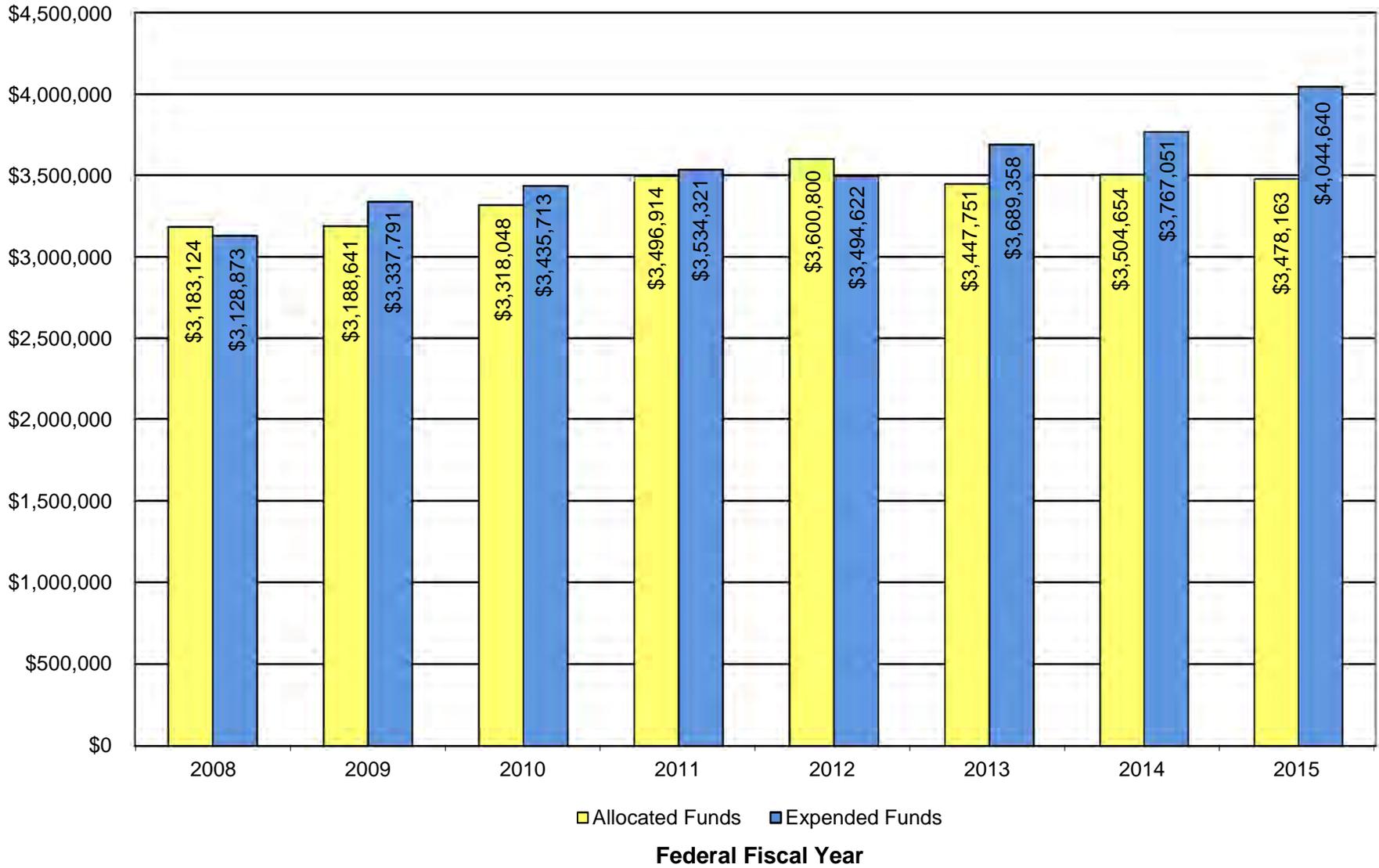
Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
15	Walworth County	\$500,000	2.25%, 10 years
8	Lead	\$48,905	3.25%, 30 years
8	Veblen	\$2,137,000	3.25%, 30 years
5	Blunt	\$530,000	2.25%, 10 years

Staff is recommending that the following projects be added to *Attachment I – Project Priority* list of the Drinking Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
134	Veblen	\$2,976,100	0%, 30 years
73	Yankton	\$34,500,000	3.00%, 20 years
53	Lake Norden	\$500,000	2.25%, 20 years
13	Blunt – Water Meters	\$530,000	2.25%, 10 years
13	Blunt – Distribution	\$115,000	3.25%, 30 years

**Performance Partnership Grant (PPG) Funds
Allocated and Expended by SD DENR**



June 2016 Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	791,138
Reversions:	\$	415,000
Available for Award:	\$	1,206,138

DRINKING WATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2016 Omnibus Appropriation:	\$	1,250,000
Reversions:	\$	-
Awarded to Date:	\$	(1,250,000)
Available for Award:	\$	-

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	33,499,400
FFY-16 Maximum Allocation:	\$	1,662,400
Reverted Principal Forgiveness:	\$	80,012
Awarded to Date:	\$	(35,161,790)
Available For Award:	\$	80,022
Princ. Forg. for Disadvantaged Communities:	\$	-
Total Available for Award:	\$	80,022

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2015):	\$	24,567,413
FFY-16 Cap Grant & Match:	\$	9,000,680
FFY-16 Repayments:	\$	12,000,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	1,820,534
FFY-16 Awards to Date:	\$	(21,972,000)
Available for Award:	\$	25,416,627

June 2016 Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (8-Jan-2016):	\$	136,692
2016 IUP Allocation:	\$	1,300,000
Reversions:	\$	120
SCPG Allotment:	\$	(100,000)
Awarded to Date:	\$	(1,336,000)
Available for Award:	<u>\$</u>	<u>812</u>

WASTEWATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2016 Omnibus Appropriation:	\$	2,750,000
Reversions:	\$	-
Awarded to Date:	\$	(2,750,000)
Available for Award:	<u>\$</u>	<u>-</u>

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	10,865,099
FFY-16 Maximum Allocation:	\$	2,610,000
Reverted Principal Forgiveness:	\$	300,000
Awarded to Date:	\$	(11,270,785)
Available For Award:	<u>\$</u>	<u>2,504,314</u>

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2015):	\$	41,401,115
FFY-16 Cap Grant & Match:	\$	7,410,980
FFY-16 Repayments:	\$	15,500,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	10,669,039
FFY-16 Awards to Date:	\$	(17,993,000)
Available For Award:	<u>\$</u>	<u>56,988,134</u>

Sanitary/Storm Sewer Facilities Funding Applications June 2016



SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Mina Lake Sanitary District (CW-01)

Total Project Cost: \$579,000

BWNR Funding Assistance Requested: \$559,000

Rate/Term: 3.25%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Mina Lake will have to establish a surcharge of \$8.15/account. Current rates are \$55/5,000 gallons.
- 2) Staff analysis indicates that Mina Lake can lower current rates by at least \$6 to offset the rate increase of the surcharge.

Funding Recommendation: \$559,000 Clean Water SRF loan at 3.25% for 30 years

Debt Service Coverage: 110% based on a surcharge of \$8.15 per account

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.
- 3) Contingent upon the Borrower establishing and maintaining separate fund balances for the water and sewer accounts.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Town of Raymond (CW-01)

Total Project Cost: \$1,465,850

BWNR Funding Assistance Requested: \$1,465,850

Rate/Term: 3.25%/30 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Raymond will have to establish a surcharge of \$206.75/account. Current rate is a flat fee of \$22.75.
- 2) The total project cost includes work on the collection system and the treatment facility. The funding recommendation will provide sufficient funding to upgrade the collection system first. Designing the treatment facility based on actual flows after the collection system is replaced may allow the treatment facility to be smaller than currently designed and will ensure the treatment facility has the correct capacity to treat the wastewater.

Funding Recommendation: \$745,000 Clean Water SRF loan with 100% principal forgiveness, a \$90,000 Consolidated loan at 3.25% for 30 years, and a \$65,000 Consolidated grant.

Debt Service Coverage: 100% based on a surcharge of \$11.60 per account for the Consolidated loan. The CWSRF loan will not require a surcharge due to the 100% principal forgiveness.

Contingencies:

- 1) Contingent upon the Borrower adopting two bond resolutions and the resolutions becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.
- 3) Contingent upon receipt of the 2016 Clean Water capitalization grant from EPA.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Town of Keystone (CW-01)

Total Project Cost:	\$631,000
BWNR Funding Assistance Requested:	\$631,000
Rate/Term:	3.0%/20 years
Security Pledged For Repayment Of Loan:	System Revenues

Staff Analysis

- 1) If the requested funding is provided as all loan, Keystone would have to increase its system revenue by approximately 19%. This would increase rates from the current rate of \$49/5,000 gallons to approximately \$58.30/5,000 gallons.
- 2) Keystone has received a Community Development Block Grant of \$375,000 for this project and a concurrent \$98,000 water project.

Funding Recommendation: \$431,000 CWSRF loan at 3% for 20 years.

Debt Service Coverage: 111% based on current rates.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: City of Sioux Falls (CW-37)

Total Project Cost: \$9,287,000
BWNR Funding Assistance Requested: \$9,287,000
Rate/Term: 1.25%/10 years
Security Pledged For Repayment Of Loan: System Revenues

Staff Analysis

- 1) If the requested funding is provided as all loan, Sioux Falls system revenue will provide approximately 126% coverage.
- 2) Sioux Falls has already set rates for 2017 - 2019. Rates for 2018 will be \$33.77/5,000 gallons. This rate will generate 126% coverage.

Funding Recommendation: \$9,287,000 CWSRF loan at 1.25% for 10 years comprised of \$8,838,000 for the sanitary sewer project and \$449,000 for the non point source project.

Debt Service Coverage: 126% based on 2018 rates.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon EPA approval of the Big Sioux Watershed Project Implementation Plan.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: City of Vermillion (CW-08)

Total Project Cost: \$1,327,000
BWNR Funding Assistance Requested: \$812,000
Rate/Term: 3%/20 years
Security Pledged For Repayment Of Loan: System Revenues

Staff Analysis

- 1) If the requested funding is provided as all loan, Vermillion's system revenue will provide approximately 125% coverage. Vermillion's current rate is \$37.17/5,000 gallons.
- 2) Vermillion received a Community Development Block Grant of \$515,000

Funding Recommendation: \$812,000 CWSRF loan at 3% for 20 years.

Debt Service Coverage: 125% based on current rates

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: City of Pierre (CW-08)

Total Project Cost: \$1,450,000
BWNR Funding Assistance Requested: \$1,450,000
Rate/Term: 2.25%/10 years
Security Pledged For Repayment Of Loan: Sales Tax

Staff Analysis

- 1) If funding is provided as all loan Pierre's coverage is 363%.

Funding Recommendation: \$1,450,000 CWSRF loan at 2.25%/10 years

Debt Service Coverage: 363% based on sales tax revenues for 12 consecutive months out of the last 15 months.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Viborg CW-02

Total Project Cost:	\$179,000
BWNR Funding Assistance Requested:	\$105,000
Rate/Term:	3.25%/30 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) If all funding is provided as loan, the city would have 175% coverage based on the current rate of \$23.83 for 5,000 gallons usage.
- 2) Viborg has received a Community Development Block Grant of \$515,000 for this project and a concurrent \$1,047,000 water project.

Funding Recommendation: \$105,000 Clean Water SRF loan at 3.25% for 30 years

Debt Service Coverage: 175% based on current system revenue

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Elk Point CW-07

Total Project Cost:	\$440,000
BWNR Funding Assistance Requested:	\$440,000
Rate/Term:	3.25%/30 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) Staff identified \$205,000 of ineligible costs associated with street reconstruction.
- 2) If all eligible funding is provided as loan, the city would have 255% coverage based on the current rate of \$27.48 for 5,000 gallons usage.

Funding Recommendation: \$235,000 Clean Water SRF loan at 3.25% for 30 years

Debt Service Coverage: 255% based on current system revenue

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Canistota CW-04

Total Project Cost:	\$378,000
BWNR Funding Assistance Requested:	\$378,000
Rate/Term:	3.25% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) This project will be part of a reconstruction of approximately 1,000 feet of Main Street and will replace existing sanitary sewer services under the street to the right of way. The sanitary sewer collection line was replaced more recently as part of a different project. An existing storm sewer inlet will be replaced and one block of new storm sewer will be constructed along Main Street.
- 2) If all funding is provided as loan Canistota would have to establish a surcharge of approximately \$5.90. When added to current rate of \$33.77/5,000 gallons residents would be paying \$39.67/5,000 gallons.
- 3) Canistota has received a Community Development Block Grant of \$396,550 for this project and a concurrent \$96,000 water project.

Funding Recommendation: \$378,000 Clean Water SRF loan at 3.25% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$5.90 per account.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Drinking Water Facilities Funding Applications June 2016



**DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Town of Midland (DW-01)

Total Project Cost: \$715,000
BWNR Funding Assistance Requested: \$715,000
Rate/Term: 2.25%/30 years
Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If funding is provided as all loan, Midland would have to establish a surcharge of \$30.25. Midland recently raised rates from \$25/5,000 gallons to \$34/5,000 gallons to cover a budget shortfall in the water fund. A surcharge of \$30.25 would raise rates to \$64.25/5,000 gallons.
- 2) Midland has received a \$515,000 CDBG grant and a \$20,000 grant from West River Water Development District for this project leaving a unfunded amount of \$180,000.

Funding Recommendation: Rescind resolution #2016-25 which approved a \$275,000 Consolidated grant, based on the contingency that was included with the grant that it would be rescinded if the town received more that 60 percent grant funding from CDBG.

Award a \$225,000 Drinking Water SRF loan at 2.25% for 30 years

Debt Service Coverage: 110% based on a surcharge of \$9.50 per account

Contingencies:

- 1) Contingent upon the Borrower approving a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

**DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Viborg

Total Project Cost: \$1,047,000

BWNR Funding Assistance Requested: \$606,000

Rate/Term: 0%/30 years

Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) If all funding is provided as loan, the city would have 117% coverage based on the current rate of \$40.24 for 5,000 gallons usage.

- 2) Viborg has received a Community Development Block Grant of \$515,000 for this project and a concurrent \$179,000 wastewater project.

Funding Recommendation: \$606,000 Drinking Water SRF loan at 0% for 30 years.

Debt Service Coverage: 117% based on current system revenue.

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

- 2) Contingent upon the Borrower demonstrating financial, managerial, and technical capacity.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: City of Lead (CW-09)

Total Project Cost: \$704,000

BWNR Funding Assistance Requested: \$704,000

Rate/Term: 2.25%/10 years

Security Pledged For Repayment Of Loan: Project Surcharge

Staff Analysis

- 1) If the requested funding is provided as all loan, Lead will have to enact a surcharge of \$5.10. Lead's current water rate is \$37.15/5,000 gallons.
- 2) Although this is a drinking water project, it qualifies as a "Green Project" under the Clean Water SRF program, and the recommendation is to fund the project with a Clean Water SRF loan.
- 3) Lead received a Community Development Block Grant of \$411,465.

Funding Recommendation: \$427,000 CWSRF loan at 2.25% for 10 years.

Debt Service Coverage: 110% based on a \$3.10 surcharge on all drinking water customers.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing rates at a level sufficient to provide the required debt coverage.
- 3) Contingent upon the Borrower demonstrating financial, managerial, and technical capacity.

**DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Elk Point

Total Project Cost:	\$721,000
BWNR Funding Assistance Requested:	\$721,000
Rate/Term:	3.25%/30 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) The line replacement project will occur primarily outside of the street and require limited disturbance to the road surface, primarily for service line installation. Staff has determined that most of the costs associated with the road surface replacement are ineligible. The eligible cost for water line replacement is \$564,000.
- 2) If all eligible funding is provided as loan, the city would have 182% coverage based on the current rate of \$32.39 for 5,000 gallons usage.

Funding Recommendation: \$564,000 Drinking Water SRF loan at 3.25% for 30 years.

Debt Service Coverage: 182% based on current system revenue.

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower demonstrating financial, managerial, and technical capacity.

**DRINKING WATER FACILITIES FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Bridgewater

Total Project Cost: \$239,200

BWNR Funding Assistance Requested: \$121,700

Rate/Term: 2.25%/30 years

Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) If all funding is provided as loan, the city would have 165% coverage based on the current rate of \$40.00 for 5,000 gallons usage.

- 2) Bridgewater received a Community Development Block Grant of \$117,500

Funding Recommendation: \$121,000 Drinking Water SRF loan at 2.25% for 30 years.

Debt Service Coverage: 165% based on current system revenue.

Contingencies:

- 1) Contingent upon Borrower adopting a bond resolution and the resolution becoming effective.

- 2) Contingent upon the Borrower demonstrating financial, managerial, and technical capacity.

DRINKING WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Canistota DW-03

Total Project Cost:	\$96,000
BWNR Funding Assistance Requested:	\$96,000
Rate/Term:	3.00% / 30 years
Security Pledged For Repayment Of Loan:	Project Surcharge

Staff Analysis

- 1) This project will replace service lines in conjunction with a project to reconstruct approximately 1,000 feet of Main Street. The water lines were replaced in 2001 but the service lines were not addressed at that time
- 2) If all funding is provided as loan Canistota would have to establish a surcharge of approximately \$1.45. When added to current rate of \$49.84/5,000 gallons residents would be paying \$51.29/5,000 gallons.
- 3) Canistota has received a Community Development Block Grant of \$396,550 for this project and a concurrent \$378,000 wastewater project.

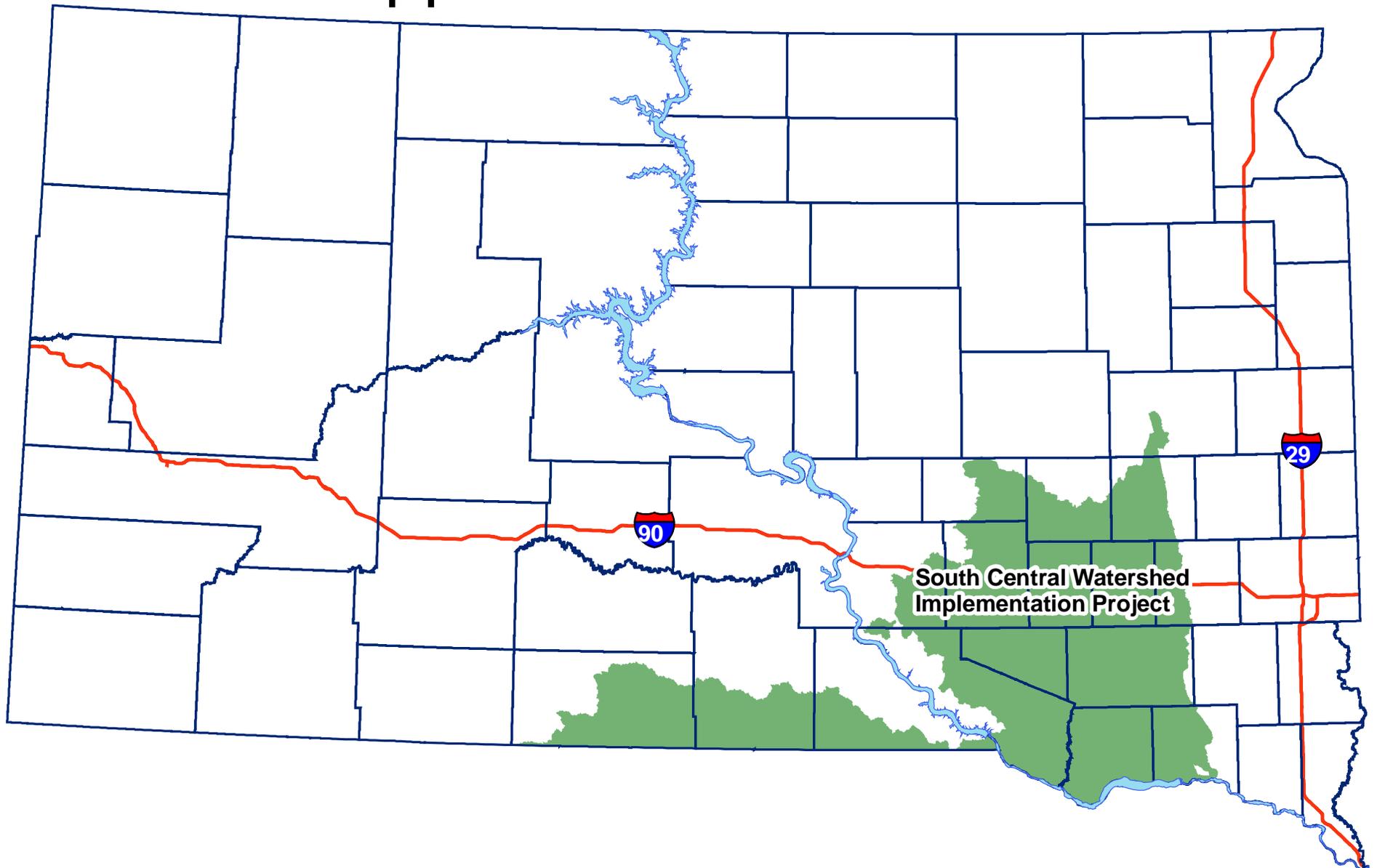
Funding Recommendation: \$96,000 Drinking Water SRF loan at 3.00% for 30 years.

Debt Service Coverage: 110% based on a surcharge of \$1.45 per account.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.
- 2) Contingent upon the Borrower establishing a surcharge at a level sufficient to provide the required debt coverage.
- 3) Contingent upon the Borrower demonstrating financial, managerial, and technical capacity.

Watershed Restoration Project Funding Application June 2016



WATERSHED RESTORATION PROJECT FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: James River Water Development District

Total Project Cost:	\$7,290,118
BWNR Funding Assistance Requested:	\$275,000
Rate/Term:	n/a
Security Pledged For Repayment Of Loan:	n/a

Staff Analysis

- 1) This project is the first segment of a locally planned 10 to 15 year effort to implement Best Management Practices (BMPs) in the Lewis and Clark Lake watershed, Lake Andes, Geddes, and Platte Lake Watersheds, and the impaired reaches of the lower James River watershed and its tributaries. This effort is aimed at restoring water quality to meet designated beneficial uses and address TMDLs established, and to be established, for water bodies in these watersheds.
- 2) The grant funding will provide up to 15 percent cost share for up to eight animal waste management systems.

Funding Recommendation: \$275,000 Consolidated grant.

Small Water Facilities Funding Applications June 2016



SMALL WATER FACILITIES FUNDING APPLICATION

FINANCIAL ANALYSIS SUMMARY

APPLICANT: Viewfield Rural Water Association

Total Project Cost: \$250,000
BWNR Funding Assistance Requested: \$250,000
Rate/Term: 3.25% / 30 years
Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) If funding is provided as all loan, Viewfield Rural Water Association would have 25% coverage based on the current rate of \$120.00/9,000 gallons.
- 2) The anticipated increase cost of operation and maintenance for project will require approximately \$6.35 per user per month. Viewfield Rural Water Association will need to determine if an increase in rates is needed to cover the increased operation and maintenance costs, as current rates do have some additional funds available.
- 3) A \$3.25 increase in rates is needed to provide the 100 percent coverage required on a Consolidated loan.

Funding Recommendation: \$50,000 Consolidated loan at 3.25% for 30 years and a \$200,000 Consolidated grant.

Debt Service Coverage: 102% based on flat rate of \$123.25 for the first 9,000 gallons.

Contingencies:

- 1) Contingent upon the Borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan.
- 2) Contingent upon the Borrower establishing rates at a level sufficient to provide the required debt coverage.
- 3) Contingent upon the Borrower approving a security agreement and mortgage.

SMALL WATER FACILITIES FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: Keystone

Total Project Cost: \$98,000
BWNR Funding Assistance Requested: \$98,000
Rate/Term: 3.0% / 20 years
Security Pledged For Repayment Of Loan: System Revenue

Staff Analysis

- 1) The controls, metering and piping for Well #3 are located in a below-grade vault adjacent to Battle Creek. The location is susceptible to flooding, posing a contamination risk to the entire system. The project is to build an above-grade structure that will house the controls, metering and piping for Well #3.
- 2) If funding is provided as all loan, Keystone would have 135% coverage based on the current rate of \$33.00/5,000 gallons.
- 3) Keystone has received a Community Development Block Grant of \$375,000 for this project and a concurrent \$631,000 wastewater project.

Funding Recommendation: \$98,000 Consolidated loan at 3.0% for 20 years.

Debt Service Coverage: 135% based on current rates.

Contingencies:

- 1) Contingent upon the Borrower adopting a bond resolution and the resolution becoming effective.

June 2016 Available Funds Summary

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM

Available Funds:	\$	791,138
Reversions:	\$	415,000
Available for Award:	\$	1,206,138
Recommended:	\$	(908,000)
Balance:	\$	298,138

DRINKING WATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2016 Omnibus Appropriation:	\$	1,250,000
Reversions:	\$	-
Available for Award:	\$	-
Recommended:	\$	-
Balance:	\$	-

DRINKING WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	33,499,400
FFY-16 Maximum Allocation:	\$	1,662,400
Reverted Principal Forgiveness:	\$	80,012
Awarded to Date:	\$	(35,161,790)
Available For Award:	\$	80,022
Princ. Forg. for Disadvantaged Communities:	\$	-
Total Available for Award:	\$	80,022
Recommended:	\$	-
Balance:	\$	80,022

DRINKING WATER SRF LOANS

Available Prior Year Funds (30-Sept-2015):	\$	24,567,413
FFY-16 Cap Grant & Match:	\$	9,000,680
FFY-16 Repayments:	\$	12,000,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	1,820,534
FFY-16 Awards to Date:	\$	(21,972,000)
Available for Award:	\$	25,416,627
Recommended PF:	\$	-
Recommended Loan:	\$	(1,612,000)
Balance:	\$	23,804,627

June 2016 Available Funds Summary

CLEAN WATER SRF WATER QUALITY GRANTS

Available Prior Year Funds (8-Jan-2016):	\$	136,692
2016 IUP Allocation:	\$	1,300,000
Reversions:	\$	120
SCPG Allotment:	\$	(100,000)
Awarded to Date:	\$	(1,336,000)
Available for Award:	\$	812
Recommended:	\$	-
Balance:	\$	812

WASTEWATER FACILITY GRANTS

BUILD AMERICA BONDS (BABs) FEDERAL SUBSIDY PAYMENTS

2016 Omnibus Appropriation:	\$	2,750,000
Reversions:	\$	-
Available for Award:	\$	-
Recommended:	\$	-
Balance:	\$	-

CLEAN WATER SRF PRINCIPAL FORGIVENESS

Prior Year Principal Forgiveness Allocations:	\$	10,865,099
FFY-16 Maximum Allocation:	\$	2,610,000
Reverted Principal Forgiveness:	\$	300,000
Awarded to Date:	\$	(11,270,785)
Available For Award:	\$	2,504,314
Recommended:	\$	(745,000)
Balance:	\$	1,759,314

CLEAN WATER SRF LOANS

Available Prior Year Funds (30-Sept-2015):	\$	41,401,115
FFY-16 Cap Grant & Match:	\$	7,410,980
FFY-16 Repayments:	\$	15,500,000
Leveraged Bonds:	\$	-
Deobligations/Recissions:	\$	10,669,039
FFY-16 Awards to Date:	\$	(17,993,000)
Available For Award:	\$	56,988,134
Recommended PF:	\$	(745,000)
Recommended Loan:	\$	(14,351,000)
Balance:	\$	41,892,134

June 2016
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Previous Balance of SWMP Funds:	\$ 2,644,068
Reversions:	\$ -
Available for Award:	<u>\$ 2,644,068</u>

Solid Waste Management Applications June 2016



Mattress Recycling and Coil Spring Compactor Video

<https://www.youtube.com/watch?v=0v-FZWdY6Eg>

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION FINANCIAL ANALYSIS SUMMARY

APPLICANT: AGRAT2 LLC

Total Project Cost:	\$322,000
BWNR Funding Assistance Requested:	\$322,000
Rate/Term:	2.25% / 10 years
Security Pledged For Repayment Of Loan:	System Revenue

Staff Analysis

- 1) AGRAT2 LLC is the only mattress and box spring recycling company in South Dakota and has been receiving mattresses and box springs from the Sioux Falls landfill and area retailers since 2011. The metal baler currently being used is not capable of compacting mattress springs and can only handle the metal from box springs.
- 2) AGRAT2 LLC is requesting funding to assist in the purchase of a new baler that can compact springs quicker and more efficiently as well as be compatible with mattress springs. The company would also like to expand its service area beyond Sioux Falls, which will require additional rolling stock. Enclosed trailers and a semi cab is needed as a part of the expansion.
- 3) The South Eastern Council of Governments performs loan analyses for private entities applying to the Solid Waste Management Program and conducted the financial review for the AGRAT2 LLC application. Financial Information is considered **Confidential** in accordance with SDCL46A-1-98 for private entities.

Funding Recommendation: \$209,300 Solid Waste Management Program loan at 2.25% for 10 years and a \$112,700 Solid Waste Management Program grant.

Loan Contingencies:

- 1) Contingent upon the Borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan.
- 2) Contingent upon the Borrower approving a security agreement and mortgage.
- 3) Contingent upon the Borrower approving a personal guaranty agreement and providing a key man life insurance policy not less than the face value of the promissory note naming the Borrower as the beneficiary with the proceeds payable to the Board of Water and Natural Resources to the extent of the outstanding balance of the loan.

Grant Special Condition:

- 1) Grant funds shall be drawn concurrently with the Solid Waste Management Program loan awarded for this project.

**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: Roberts County

Total Project Cost:	\$270,833
BWNR Funding Assistance Requested:	\$135,000
Rate/Term:	n/a
Security Pledged For Repayment Of Loan:	n/a

Staff Analysis

- 1) Roberts County is proposing to construct an expansion to waste cell #2 at the landfill. This expansion will add approximately 79,400 cubic yards of disposal space. The proposed project involves stripping and stockpiling the top soil, excavation of the disposal area, installation of a 24-inch clay liner, installation of leachate piping, replacement of top soil, and other necessary appurtenances.
- 2) Roberts County did not provide a requested loan rate and term on their application, when contacted they indicated they were not interested in loan funds for the the project. Based on the 2014 financial statements, Roberts County had \$419,000 in available funds.

Funding Recommendation: \$75,000 Solid Waste Management Program grant.

**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
FINANCIAL ANALYSIS SUMMARY**

APPLICANT: South Dakota Solid Waste Management Association

Total Project Cost: \$58,000

BWNR Funding Assistance Requested: \$15,000

Rate/Term: n/a

Security Pledged For Repayment Of Loan: n/a

Staff Analysis

- 1) The SDSWMA hosts a joint conference with the North Dakota Solid Waste and Recycling Association once every three years and needs speakers to provide a quality educational and growth experience for attendees. Any awarded funds will cover speaker fees, conference registration and accommodations. The upcoming conference will be held in Deadwood.
- 2) Agencies from North Dakota have also pledged up to \$3,000 of support for the conference.

Funding Recommendation: \$15,000 Solid Waste Management Program grant.

June 2016
Dedicated Solid Waste Management Fees

Solid Waste Management Program (SWMP)

Previous Balance for SWMP Funds:	\$	2,644,068
Reversions:	\$	-
Available for Award:	\$	<u>2,644,068</u>
Recommended:	\$	<u>(412,000)</u>
Balance:	\$	2,232,068

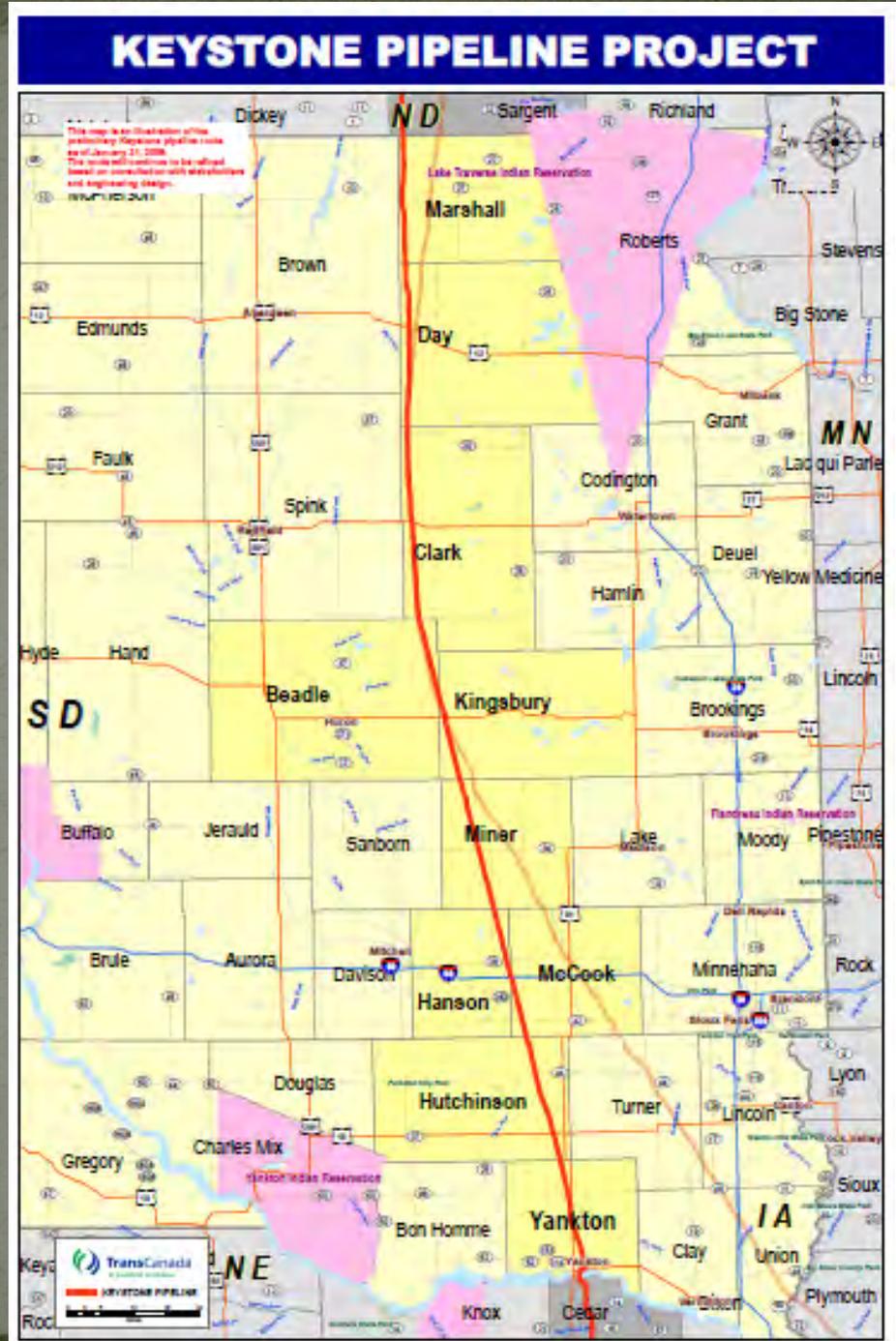
TransCanada Keystone Pipeline Release Near Freeman, SD

South Dakota Department of Environment and Natural
Resources Case No. 2016.056

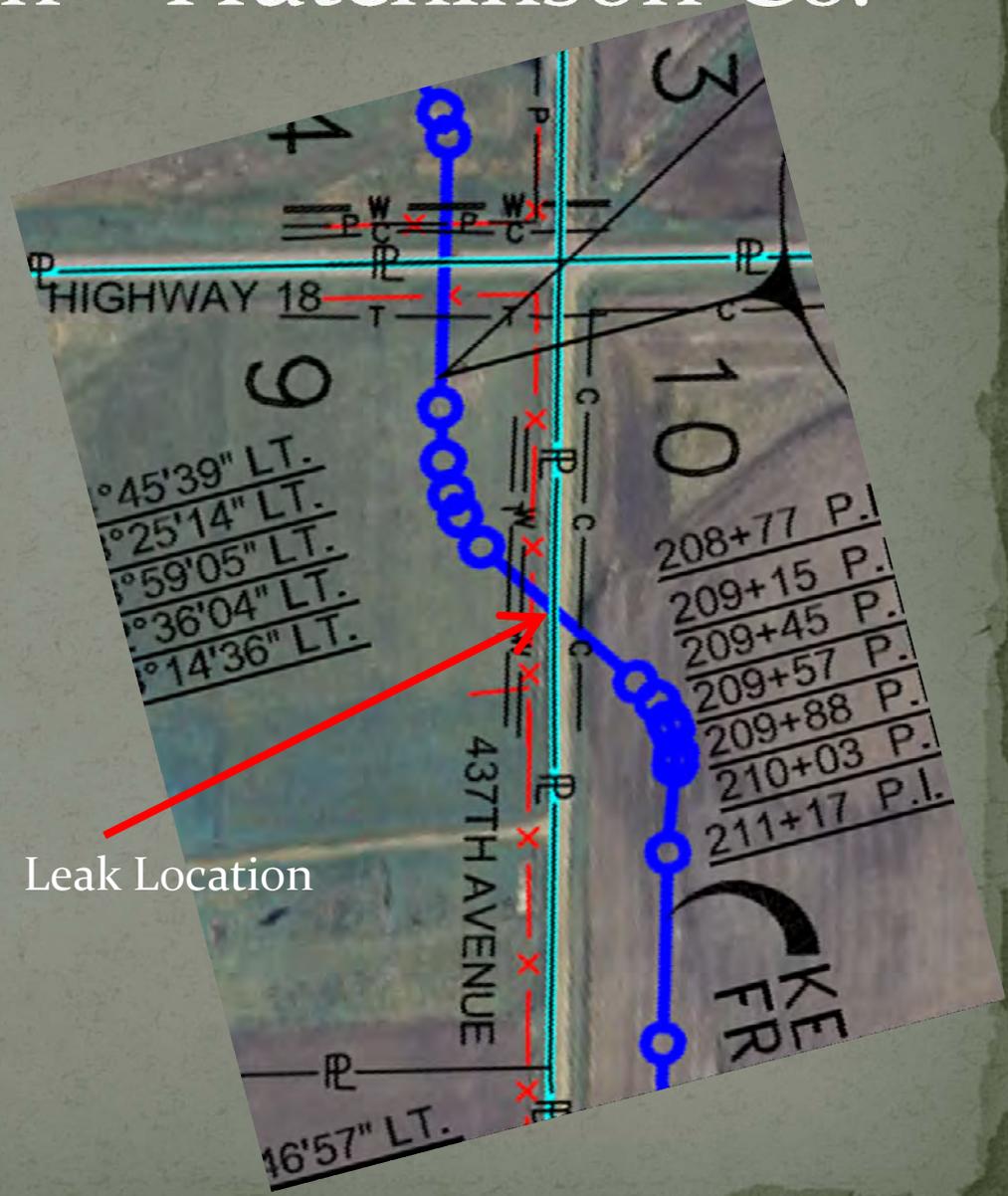
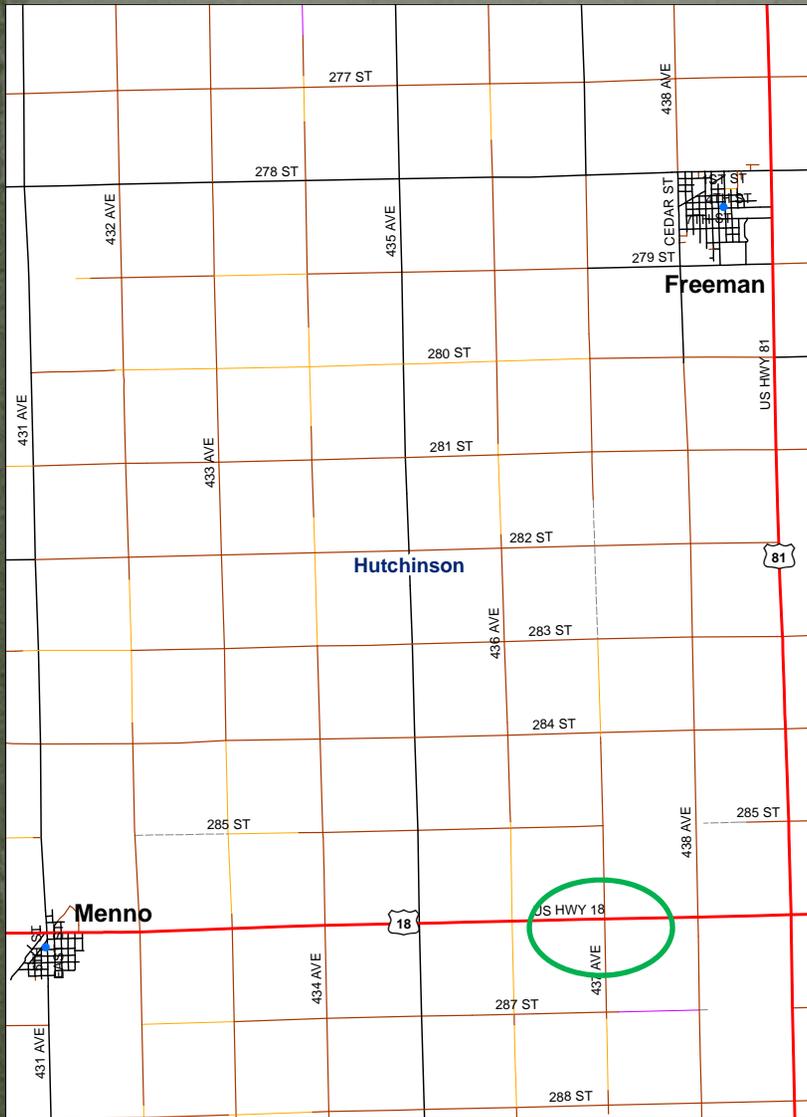
Keystone Pipeline Route in South Dakota

General Pipeline Information:

- 30-inch diameter steel pipe
- Transports crude oil from facilities in Hardisty, Alberta, Canada to US facilities in Cushing, OK, Wood River and Patoka, IL, and the Gulf Coast region
- In operation since 2010



Incident Location – Hutchinson Co.



Incident Summary

- 4/2/16 – 12:36 PM oil on the ground reported by landowner
- 4/2/16 – 12:41 PM TransCanada shuts down the pipeline
- 4/3/16 – DENR onsite - investigation and excavation underway – estimated spill volume equals 400 barrels (16,800 gallons) – impacted soil only – no impacts to surface water bodies or aquifers
- 4/7/2016 – DENR onsite - approximately 1,000 yards of soil removed to temporary storage location in Freeman

April 3, 2016 – Site Photos



Incident Summary - Continued

- 4/8/16 – leak identified - as a girth weld anomaly at the 6:00 position on a transition weld
- 4/9/16 – leak repaired limited operation resumes with Pipeline Hazardous Material Safety Administration (PHMSA) approval
- 4/11/16 – approximately 4,500 yards of soil removed to temporary storage location in Freeman
- 4/12/16 – approximately 7,000 yards of soil removed to temporary storage location in Freeman

April 12, 2016 – Site Photo



Incident Summary - Continued

- 4/19/16 – begin moving contaminated material for final disposal – Waste Management facility near Glencoe, MN
- 4/29/16 – approximately 12,000 yards of soil removed to date
- 5/5/16 – final pipe repair completed
- 5/9/16 – 310 loads of contaminated soil and 34 loads of contaminated water had been delivered to landfill (~ 1/2 of the total)

Incident Summary - Continued

- 5/13/16 – east side assessment report submitted to DENR – Tier 1 action levels achieved
- 5/17/16 – 500 loads of contaminated soil, ~10,000 tons delivered to the landfill (100% of the total – to date)
- 5/17/16 – remaining pipe stabilization efforts underway – final remedial excavation activity to occur within the next two weeks
- 5/25/16 – four of the five pipe stabilization bracing structures installed – final remedial excavation will begin once the final brace is in place

Incident Summary - Continued

- 6/2/16 – final remedial excavation approximately 85% complete – making slow but steady progress
- 6/2/16 – 6/8/16 – west side excavation completed and confirmation samples collected – results indicate all samples either non-detect or below DENR's Tier 1 action levels
- 6/9/16 – backfilling on the west side excavation underway

Incident Summary - Continued

- 6/10/16 – To Date
 - Backfilling on the west side excavation continues
 - Remaining contaminated soils being moved from the temporary storage location to the Waste Management facility near Glencoe, MN
 - Preparations for final surface confirmation sampling and surface restoration underway
 - TransCanada will submit a west side excavation report and a final corrective action report for DENR review

Questions?