



**BOARD OF WATER
AND NATURAL RESOURCES**

June 28, 2018

DIGITAL DAKOTA NETWORK

Via Digital Dakota Network (DDN)

Thursday, June 28, 2018

1:00 p.m. CDT

Live audio of the meeting and the full board packet can be found on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

A list of DDN sites is attached.

AGENDA

****Scheduled times are estimates only. Some items may be delayed due to prior scheduled items or may be moved up on the agenda.****

June 28, 2018

1:00 p.m. CDT

1. Call meeting to order
2. Approve agenda
3. Approve minutes of the March 27, 2018 meeting
4. Amendment to State Water Plan, 2018 Clean Water State Revolving Fund Intended Use Plan, and 2018 Drinking Water State Revolving Fund Intended Use Plan — Andy Bruels
 - a. Bryant – Wastewater and Storm Sewer
 - b. Bryant – Water
 - c. Mitchell – Sanborn Boulevard
 - d. Mitchell – East Central
 - e. Salem
5. Amendment to the 2017 Clean Water State Revolving Fund Intended Use Plan — Andy Bruels
6. Amendment to the 2016 Clean Water State Revolving Fund Intended Use Plan — Andy Bruels
7. Amendment to the 2017 Drinking Water State Revolving Fund Intended Use Plan — Andy Bruels
8. Sanitary/Storm Sewer Facilities Funding Applications—Mike Perkovich
 - a. Presho (7)
 - b. Cavour (6)

Notice is given to individuals with disabilities that this meeting is being held in a physically accessible location. Please notify the Department of Environment and Natural Resources at least 48 hours before the meeting if you have a disability for which special arrangements must be made. The telephone number for making arrangements is (605) 773-4216.

9. Drinking Water Facilities Funding Applications—Andy Bruels
 - a. Rapid City (150)
 - b. Leola (33)
 - c. Sheridan Lake Highlands Homeowners Association (17)
 - d. Marion (14)
 - e. Grenville (12)
 - f. Butte Meade Sanitary Water District (10)
10. Solid Waste Management Program Funding Application—Drew Huisken
 - a. Rapid City
11. Watershed Restoration Project Funding Application—Mike Perkovich
 - a. James River Water Development District
12. Salem Request to Amend the scope of Drinking Water State Revolving Fund Loan C462057-04 and Consolidated grant 2018G-109 – Abbey Larson
13. Ree Heights Request to Amend Drinking Water State Revolving Fund Loan C462386-01 – Andy Bruels
14. South Eastern Council of Governments Private Entity SWMP Loan Review Joint Powers Agreement—Andy Bruels
15. Amendment to Public Financial Management, Inc. Contract – Mike Perkovich
16. Mid-Dakota Rural Water System, Inc. request to amend its parity agreement among Bureau of Reclamation, USDA Rural Development, the South Dakota Conservancy District, and CoBank – Jonathon Peschong
17. Department of Environment and Natural Resources State Water Resources Management System Grant Agreement – Jonathon Peschong
18. 2018 Bond Issue – Mike Perkovich
19. Discussion of HB 1172—Public Comment Period – Mike Perkovich
20. Election of Board Officers – Mike Perkovich
21. September 27-28, 2018 Meeting
22. Adjourn

Digital Dakota Network Sites

Board of Water and Natural Resources

**June 28, 2018
1:00 p.m. Central Daylight Time**

ABERDEEN

Northern State University

Location Map:

<https://www.northern.edu/about/campus/campusmap>

Beulah Williams Library, Room 154

BROOKINGS

Department of Transportation

2131 34th Avenue

HURON

Department of Transportation

901 Dakota Avenue North

MITCHELL

Mitchell Technical Institute

Location Map:

<https://www.mitchelltech.edu/campus-map>

MTI Technology Center, Room 155

PIERRE

Capitol Building

500 E. Capitol Ave.

Room B12, Studio A

RAPID CITY

Rapid City Emergency Operations Center

130 Kansas City Street

Pennington County Administration Building – 1st Floor Conference Room

SIOUX FALLS

University Center

Location Map:

http://www.sduniversitycenter.org/images/data/files/FADM%201st%20%26%202nd%20Floor%20Plans%20January%202017%208_5x11.pdf

Room FADM 257

WATERTOWN

South Dakota Department of Environment and Natural Resources

2001 9th Avenue SW

Suite 500

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

Minutes of the
Board of Water and Natural Resources Meeting
Matthew Training Center
523 East Capitol
Pierre, South Dakota

March 27, 2018
1:00 p.m. CDT

CALL MEETING TO ORDER: Due to the absence of Chairman Johnson and Vice Chairman Jones, the meeting was called to order by Secretary Bernhard. A quorum was present.

Mr. Bernhard requested a motion from the board appointing a chairman pro tem for this meeting.

Motion by Gnirk, seconded by Goldhammer, to appoint Jerry Soholt as chairman pro tem.
Motion carried unanimously.

Mr. Soholt announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Jerry Soholt, Todd Bernhard, Paul Goldhammer, and Paul Gnirk.

BOARD MEMBERS ABSENT: Brad Johnson, Jackie Lanning, and Gene Jones.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS PRESENT: None.

OTHERS PRESENT: See attached attendance sheets.

APPROVE AGENDA: Motion by Bernhard, seconded by Gnirk, to approve the meeting agenda. Motion carried unanimously.

APPROVE MINUTES OF JANUARY 4, 2018, MEETING: Motion by Goldhammer, seconded by Gnirk, to approve the minutes of the January 4, 2018, Board of Water and Natural Resources meeting. Motion carried unanimously.

**PERKINS COIE LLP CONFLICT WAIVER REQUEST FOR SIMULTANEOUS
REPRESENTATION OF SOUTH DAKOTA CONSERVANCY DISTRICT AND CITY OF
SIOUX FALLS:** Mike Perkovich reported that Bruce Bonjour, Perkins Coie, serves as bond counsel for the Clean Water and Drinking Water State Revolving Fund programs. Mr. Bonjour is working with the city of Sioux Falls on a bond issue.

Because Sioux Falls has several outstanding Clean Water and Drinking Water State Revolving Fund loans, Mr. Bonjour has requested the consent of the South Dakota Conservancy District to

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undertake representation of the city of Sioux Falls, in a matter in which the interests of the district and the city are potentially adverse, while continuing its representation of the district in other matters related to Clean Water and Drinking Water State Revolving Fund programs.

Mr. Perkovich stated that legal counsel recommended that the board, in its capacity as the district's governing body, consider the request and decide whether to authorize the chairman to sign the consent for simultaneous representation. Independently, the South Dakota Attorney General has consented to this.

Staff recommended the board authorize the chairman to execute the consent letter for Perkins Coie's simultaneous representation of the South Dakota Conservancy District and the city of Sioux Falls.

Motion by Bernhard, seconded by Gnirk, to authorize the chairman to execute the consent letter for Perkins Coie's simultaneous representation of the South Dakota Conservancy District and the city of Sioux Falls. Motion carried unanimously.

Mr. Perkovich announced the Jim Feeney has taken a position with South Eastern Council of Governments in Sioux Falls. He thanked Mr. Feeney for his mentorship and guidance throughout his time at DENR. Mr. Perkovich noted that through Mr. Feeney's guidance, the funding programs and the procedures that were developed have gone well.

Mr. Soholt thanked Mr. Feeney for his service to the state.

AMENDMENTS TO STATE WATER PLAN, 2018 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN, AND 2018 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN

Amendments to State Water Plan

Andy Bruels reported that water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto the State Water Facilities Plan and provides for amendment of projects onto the plan on a quarterly basis. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2019.

Projects seeking a Clean Water or Drinking Water State Revolving Fund loan must be included on the project priority list of the Intended Use Plan. The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

Fourteen State Water Plan applications were received by the February 1, 2018, deadline. Mr. Bruels identified the projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists as he presented the State Water Plan applications.

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Bowdle requested amendment onto the facilities plan to replace drinking water pipes on Main Street that are beyond their useful life. The estimated total project cost is \$395,000. The project will also be placed on the Clean Water IUP with nine priority points and an estimated loan of \$395,000 at 2.25 percent interest for 30 years.

Bowdle requested amendment onto the facilities plan to replace sanitary sewer collection pipes on Main Street that are beyond their useful life. The estimated total project cost is \$355,000. The project will be placed on the Clean Water IUP with eight priority points and an estimated loan of \$355,000 at 2.5 percent interest for 30 years.

Butte Meade Sanitary Water District requested amendment onto the facilities plan to replace 2.5 miles of asbestos cement water main with PVC pipe. This portion of the system is experiencing excessive breaks and is beyond its useful life. The estimated total project cost is \$413,000. The project will be placed on the Drinking Water IUP with 10 priority points and an estimated loan of \$413,000 at 2.25 percent interest for 30 years.

Colome requested amendment onto the facilities plan to replace water meters with a radio read system and to install an elevated water storage tank. The estimated total project cost is \$1,220,360. The storage tank portion of the project will be placed on the Drinking Water IUP with 28 priority points and an estimated loan of \$1,220,360 at 2.25 percent interest for 30 years. The meter portion of the project will be placed on the Clean Water IUP with five priority points and an estimated loan of \$345,000 at 2.0 percent interest for 10 years.

Gayville requested amendment onto the facilities plan to replace water meters with a radio read system. The estimated total project cost is \$46,000. The project will be placed on the Drinking Water IUP with 13 priority points and an estimated loan of \$46,000 at 2.0 percent interest for 10 years. The project will also be placed on the Clean Water IUP with five priority points and an estimated loan of \$46,000 at 2.0 percent interest for 10 years.

Geddes requested amendment onto the facilities plan to replace water meters with a radio read system and to install an elevated water storage tank. The estimated total project cost is \$1,927,488. The project will be placed on the Drinking Water IUP with 88 priority points and an estimated loan of \$1,927,488 at 2.0 percent interest for 30 years.

Grenville requested amendment onto the facilities plan to replace water meters with a radio read system and to replace curb stops, distribution valves, and hydrants that are no longer operational. The estimated total project cost is \$351,415. The project will be placed on the Drinking Water IUP with 12 priority points and an estimated loan of \$351,415 at 2.0 percent interest for 30 years.

Leola requested amendment onto the facilities plan to replace water meters with a radio read system, to install a pump house and booster pumps to fill the storage tank, and to install 14,000 feet of PVC water main to remove old lines and loop the system. The estimated total project cost is \$2,642,000. The project will be placed on the Drinking Water IUP with 33 priority points and an estimated loan of \$2,642,000 at 2.0 percent interest for 30 years.

Marion requested amendment onto the facilities plan to replace water meters with a radio read system. The estimated total project cost is \$512,000. The project will be placed on the Drinking

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Water IUP with 14 priority points and an estimated loan of \$512,000 at 2.0 percent interest for 10 years. The project will also be placed on the Clean Water IUP with six priority points and an estimated loan of \$512,000 at 2.0 percent interest for 10 years.

Mitchell requested amendment onto the facilities plan to abandon the existing water treatment plant and cost share with B-Y Water District to make improvements to the B-Y system to allow Mitchell to receive adequate water supply to meet peak day demands. The existing water towers will be painted and have mixers installed to improve water quality, and a water storage tower will be constructed to replace an aging tower. The city will replace approximately 14,000 feet of aging water main with PVC. The estimated total project cost is \$16,800,232. The project will be placed on the Drinking Water IUP with 38 priority points and an estimated loan of \$14,300,232 at 2.25 percent interest for 30 years.

Presho requested amendment onto the facilities plan to replace sanitary sewer collection pipes throughout the community that are beyond their useful life. The estimated total project cost is \$3,787,000. The project will be placed on the Clean Water IUP with seven priority points and an estimated loan of \$3,787,000 at 2.5 percent interest for 30 years.

Sheridan Lake Highlands Homeowners Association requested amendment onto the facilities plan to refinance a local bank loan in order to provide a longer term for manageable debt repayment. The local bank loan was used to purchase the system from the original developer. The association will also drill a new well, construct a well house, make improvements to the storage tank, and construct a booster station to increase pressures. The estimated total project cost is \$617,700. The project will be placed on the Drinking Water IUP with 17 priority points and an estimated loan of \$617,700 at 2.25 percent interest for 20 years.

Tea requested amendment onto the facilities plan to construct a new meter building on 85th Street and provide a second connection to Lewis & Clark Regional Water System. The meter building and pumps are to serve a sparsely developed area currently outside of the city. The few current users are being served by Lincoln Rural Water System. The estimated total project cost is \$1,155,000. This project will not be placed on the Drinking Water IUP since the project is for future development and is not eligible for Drinking Water SRF funding.

Tea requested amendment onto the facilities plan to install sanitary sewer lines on 93rd Street to provide for future development in that area of the city. The estimated total project cost is \$2,285,000. The project will be placed on the Clean Water IUP with eight priority points and an estimated loan of \$2,285,000 at 2.5 percent interest for 30 years.

Staff recommended amending all 14 projects onto the State Water Facilities Plan.

Motion by Gnirk, seconded by Bernhard, to amend all 14 projects onto the State Water Facilities Plan. Motion carried unanimously.

Amendments to 2018 Clean Water SRF IUP

Mr. Bruels stated that changes were made to Attachments 2 and 3 of the Clean Water SRF IUP to reflect the amendments presented earlier.

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Staff recommended amending all six projects to the Project Priority list of the Clean Water SRF IUP.

Motion by Goldhammer, seconded by Gnirk, to accept the staff recommendations regarding amendments to the Clean Water SRF IUP. Motion carried unanimously.

Amendments to 2018 Drinking Water SRF IUP

Mr. Bruels stated that changes were made to Attachments 2 and 3 to reflect the amendments presented earlier.

Mr. Bruels noted that the Tea 85th Street water meter building project is not recommended for amendment onto the Drinking Water SRF IUP. This project is primarily for future growth of undeveloped area, which is not Drinking Water SRF-eligible, and the project does not help to address a health and safety concern for the city's users.

Staff recommended the addition of the projects presented earlier, with the exception of the Tea 85th Street water meter building project, onto the Project Priority list of the Drinking Water SRF IUP.

Motion by Goldhammer, seconded by Bernhard, to accept the staff recommendation regarding amendments to the 2018 Drinking Water SRF IUP. Motion carried unanimously.

AMENDMENTS TO 2017 DRINKING WATER SRF IUP: Mr. Bruels stated that the FY 2017 Drinking Water State Revolving Fund IUP was approved by the Board of Water and Natural Resources in November 2016 and amended in March, June, July, and September 2017.

For a project to utilize principal forgiveness allowed by a specific capitalization grant, it must be on the IUP associated with that year's capitalization grant. In order to maximize the use of each year's capitalization grant principal forgiveness allocation, it is necessary to amend projects to prior years' IUPs.

Staff recommended the board amend Attachment I - Project Priority List of the FY 2017 Drinking Water IUP by adding the following entries:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
137	Clark Rural Water System	\$2,950,000	2.00%, 30 years
87	Oelrichs	\$447,000	2.25%, 30 years
67	Ree Heights	\$509,000	2.25%, 30 years

Motion by Bernhard, seconded by Goldhammer, to accept the staff recommendation regarding amendments to the 2017 Drinking Water SRF IUP. Motion carried unanimously.

AMENDMENTS TO 2016 DRINKING WATER SRF IUP: Mr. Bruels stated that the FY 2016 Drinking Water State Revolving Fund IUP was approved by the Board of Water and Natural

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Resources in November 2015 and amended in March, June, and September 2016 and in June 2017.

For a project to utilize principal forgiveness allowed by a specific capitalization grant, it must be on the IUP associated with that year's capitalization grant. In order to maximize the use of each year's capitalization grant principal forgiveness allocation, it is necessary to amend projects to prior years' IUPs.

Staff recommended amending Attachment I - Project Priority List of the FY 2016 Drinking Water IUP by adding the following entries:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
137	Clark Rural Water System	\$2,950,000	2.00%, 30 years
87	Oelrichs	\$447,000	2.25%, 30 years
67	Ree Heights	\$509,000	2.25%, 30 years

Motion by Goldhammer, seconded by Bernhard, to accept the staff recommendation regarding amendments to the 2016 Clean Water SRF IUP. Motion carried unanimously.

AVAILABLE FUNDING: Mr. Perkovich reviewed available funds for the Consolidated Water Facilities Construction Program, Drinking Water SRF Water Construction Grants, Drinking Water SRF Principal Forgiveness, Drinking Water SRF Loans, Clean Water SRF Water Quality Grants, Clean Water SRF Principal Forgiveness, and Clean Water SRF loans.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS: Mike Perkovich presented the Sanitary/Storm Sewer Facilities funding applications and the staff recommendations. The projects were presented in priority points order as identified in the Clean Water SRF IUP. A map showing the location of the applications was included in the board packet.

Lake Byron Sanitary District requested funding to install a centralized wastewater collection and treatment system to serve the residents at Lake Byron. The wastewater collection system will consist of grinder pumps and force main. Treatment will be accomplished with an artificial wetland system.

The district anticipates bidding the project in the spring of 2019 with project completion in the fall of 2020.

The estimated total project amount is \$5,475,000, and the amount requested is \$5,475,000

The district recently began charging landowners within the district \$30.00 per month to generate funds for the project.

In March 2014, Lake Byron received a \$1,843,000 Clean Water SRF loan and \$500,000 Consolidated grant for the same project. The project languished, and after staff met with the Lake Byron Sanitary District board in June 2015, it was apparent that the sanitary district board

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was unlikely to proceed as planned. The board rescinded the funding in March 2016. Staff met with the Lake Byron Sanitary District board on February 16, 2018. There is a new board in place that seems much more prepared to carry the project forward.

Staff recommended awarding a \$3,475,000 Clean Water SRF loan at 2.5 percent interest for 30 years and awarding a Consolidated grant for 36.6 percent of eligible costs not to exceed \$2,000,000. The Consolidated grant amount is the maximum allowable amount that can be awarded without legislative approval.

The district has pledged project surcharge for repayment of the loan. The financial analysis determined that a surcharge of \$79.20 is required to provide the necessary coverage. Residents will be paying an additional \$18.00 per month to cover the projected operating and maintenance costs, bringing overall rates to \$97.20 per month.

Staff recommended awarding the loan contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Mike Hofer, Lake Byron Sanitary District, and Terry Aaker, SPN & Associates, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2018-16** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,475,000 at 2.5 percent interest for 30 years to the **Lake Byron Sanitary District** for a wastewater collection and treatment system project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2018-17** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **Lake Byron Sanitary District** for up to 36.6 percent of approved total project costs not to exceed \$2,000,000 for a wastewater collection and treatment system project. Motion carried unanimously.

Crooks requested funding to replace 4,000 feet of sanitary sewer and install 2,100 feet of storm sewer in the Palmira neighborhood in the city.

The city anticipates bidding the project in June 2018 with a project completion date of November 2018.

The estimated total project amount is \$2,052,000, and the amount requested is \$2,052,000.

Rates in Crooks are \$34.34 based on 5,000 gallons water usage.

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Staff recommended awarding a \$2,052,000 Clean Water SRF loan at 2.5 percent interest for 30 years.

The city has pledged system revenues for repayment of the loan. Staff analysis indicates that a \$7.50 rate increase is needed to provide the 110 percent coverage, resulting in rates of approximately \$41.85 for 5,000 gallons usage.

Staff recommended awarding the loan contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Jamison Rounds, Mayor of Crooks, and Gabe Laber, DGR Engineering, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2018-18** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,052,000 at 2.5 percent interest for 30 years to the **city of Crooks** for the Palmira utility improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates sufficient to provide the required debt coverage. Motion carried unanimously.

Dell Rapids requested funding to replace portions of the wastewater and storm water collection systems. This is the first phase of several phases. The request also includes a nonpoint source component. These funds will be used to install nonpoint source best management practices in the Big Sioux River basin, such as stream stabilization, grazing management, agricultural waste management, and creating vegetative buffers.

The city anticipates bidding the project in February 2019 with a project completion date of October 2020.

The estimated total project amount is \$5,602,000, and the amount requested is \$4,953,000 with \$4,324,000 for a wastewater and storm water collection project and \$629,000 for nonpoint source activities.

Rates in Dell Rapids are \$54.40 per 5,000 gallons usage.

Staff recommended awarding a \$2,661,700 Clean Water SRF loan at the nonpoint source incentive rate of 1.5 percent interest for 30 years and awarding a Consolidated grant for 46.3 percent of eligible costs not to exceed \$2,000,000. The loan will consist of two bond series – one in the amount of \$2,324,000 for the wastewater and storm water improvements and one in the amount of \$337,700 for the nonpoint source component.

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Because the loan amount for the wastewater and storm water portion of the project was reduced with the award of the Consolidated grant, the nonpoint source amount was subsequently reduced as well. The Consolidated grant amount is the maximum allowable amount that can be awarded without legislative approval.

Dell Rapids has pledged a project surcharge for repayment of the loan. The financial analysis determined that a surcharge of \$7.20 is required to provide the necessary coverage, which will bring the rates to \$61.60.

Staff recommended awarding the loan contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and with the special condition that the borrower may not draw funds from the proceeds of the Series NPS-A Borrower Bond until EPA approves the revised budget for the Big Sioux Watershed Implementation Project.

Staff also recommended awarding the Consolidated grant with the special condition that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

Justin Wyland, city administrator, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Goldhammer, to adopt **Resolution No. 2018-19** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,661,700 at 1.5 percent interest for 30 years to the **city of Dell Rapids** for the southeast Phase 1 and railroad utility improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and with the special condition that the borrower may not draw funds from the proceeds of the Series NPS-A Borrower Bond until EPA approves the revised budget for the Big Sioux Watershed Implementation Project; and to adopt **Resolution No. 2018-20** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Dell Rapids** for up to 46.3 percent of approved total project costs not to exceed \$2,000,000 for the southeast Phase 1 and railroad utility improvements project with the special condition that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Humboldt requested funding to replace 6,400 feet of vitrified clay pipe and 3,000 feet of sewer services. This is the second phase of a multi-phase project to make improvement to the wastewater system.

The town of Humboldt anticipates bidding the project in February 2019 with a project completion date of October 2019.

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The estimated total project amount is \$3,876,000, and the amount requested is \$3,876,000.

Humboldt's rates are \$33.00 per month based on 5,000 gallons usage.

Staff recommended awarding a \$1,876,000 Clean Water SRF loan, at 2.5 percent for 30 years and awarding a Consolidated grant for 51.6 percent of eligible costs not to exceed \$2,000,000. The \$2,000,000 Consolidated grant award is the maximum allowable amount that can be awarded without legislative approval.

Humboldt has pledged system revenue for repayment of the loan. Staff analysis indicates rates of approximately \$50.00 will provide the required 110 percent coverage.

Staff recommended the awarding the loan contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Staff also recommended awarding the Consolidated grant with the special condition that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

Jon Fischer, Stockwell Engineers, and Laura Schultz, finance officer, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution No. 2018-21** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,876,000 at 2.5 percent interest for 30 years to the **town of Humboldt** for the Phase 2 wastewater collection improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2018-22** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **town of Humboldt** for up to 51.6 percent of approved total project costs not to exceed \$2,000,000 with the special condition that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for the Phase 2 wastewater collection improvements project. Motion carried unanimously.

Philip requested funding to make storm sewer improvements in the southwest area of town as part of a utility and street improvements project. The project will replace 5,350 feet of curb and gutter and install 1,900 feet of reinforced concrete pipe.

Philip anticipates bidding the project in May of 2018 with a project completion date of November 2018.

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The estimated total project amount is \$536,000, and the amount requested is \$536,000.

Staff recommended awarding a \$536,000 Clean Water SRF loan at 2.5 percent for 30 years.

The city has pledged sales tax revenue for repayment of the loan. Staff analysis indicates this source of funds will provide 998 percent debt coverage.

Staff recommended awarding the loan contingent upon the borrower adopting a bond resolution and the resolution becoming effective.

Mike Vetter, mayor, and Jeff McCormick, SPN and Associates, discussed the project and answered questions from the board.

Motion by Goldhammer, seconded by Gnirk, to adopt **Resolution No. 2018-23** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$536,000 at 2.5 percent interest for 30 years to the **city of Philip** for the southwest storm water system improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

Philip requested funding to replace 4,300 feet of sanitary sewer lines in the southwest area of town as part of the utility and street improvements project.

Philip anticipates bidding the project in May of 2018 with a project completion date of November 2018.

The estimated total project amount is \$1,370,000, and the amount requested is \$605,000. The city has been awarded a \$765,000 Community Development Block Grant to cover the remaining project costs.

Rates in Philip are \$30.00 based on 5,000 gallons usage.

Staff recommended awarding a \$605,000 Clean Water SRF loan at 2.5 percent for 30 years.

The city has pledged a project surcharge for repayment of the loan. Staff analysis indicates that a surcharge of \$5.75 is needed to provide the necessary coverage on the loan. Wastewater rates in Philip were raised from \$24.50 based on 5,000 gallons usage to \$30.00 in September 2017. Staff analysis indicates the new rate would cover the surcharge if the rate was restructured.

Staff recommended awarding the loan contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Mike Vetter, mayor, discussed the project and answered questions from the board.

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Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2018-24** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$605,000 at 2.5 percent interest for 30 years to the **city of Philip** for the southwest wastewater system improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Presho requested funding to replace sewer mains along Main Street in conjunction with a paving and sidewalk project.

The city anticipates bidding the project in March 2019 with a project completion date of December 2019.

The estimated total project amount is \$1,968,535, and the amount requested is \$1,198,000.

Presho has a \$30.00 flat rate.

Staff recommended awarding a \$1,198,000 Clean Water SRF loan at 2.5 percent for 30 years.

The city has pledged a project surcharge for repayment of the loan. Wastewater rates in Presho were raised from a flat rate of \$23.00 to a flat rate of \$30.00 effective January 1, 2018. A surcharge of \$17.40 is required to provide the necessary coverage on a loan of \$1,198,000; however, staff analysis indicates the new rate would cover the surcharge if the rate was restructured.

Staff recommended awarding the loan contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Angela Ehlers, city council president, and Terry Aaker, SPN and Associates, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2018-25** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,198,000 at 2.5 percent interest for 30 years to the **city of Presho** for the sewer main replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

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Cavour requested funding to replace a portion of its wastewater collection system using conventional open-trench construction. These sewer lines were identified to be in severe condition as part of a 2014 televising report and were identified as too structurally damaged to be suitable for Cured-In-Place Pipe (CIPP) relining.

The town of Cavour anticipates bidding the project in June 2018 with a project completion date of September 2019.

The estimated total project amount is \$1,056,000, and the amount requested is \$956,000. The city intends to apply to the James River Water Development District for a \$100,000 grant for this project.

Cavour has a flat rate of \$31.00.

Staff recommended deferring the funding decision on this application until the June 2018 Board of Water and Natural Resources meeting.

Mr. Perkovich explained that in order to preserve the Consolidated funds, staff tries to maximize the use of principal forgiveness. There were no applicants this funding round that met the eligibility requirements for Clean Water SRF principal forgiveness. Specifically, most were unable to meet the median household income criteria. Median household income data provided by the American Community Survey is used; however, community income surveys can be used in lieu of American Community Survey median household income data.

After reviewing the median household income data of the applicants, Cavour appeared to be a likely candidate to become eligible for principal forgiveness through the income survey route. Staff worked with Northeast Council of Governments to initiate the income survey. The survey was not complete prior to the board meeting. Deferring the application will give the community additional time to complete the survey.

Motion by Goldhammer, seconded by Bernhard, to defer the funding application for the town of Cavour to the June 2018 Board of Water and Natural Resources meeting. Motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Mr. Bruels presented the applications and the staff recommendations for funding.

Clark Rural Water System requested funding for a project that will improve water quality and system pressures throughout Clark Rural Water System's distribution system. The system is near or at capacity and is extremely strained during peak demands. The project also proposes to connect the city of Willow Lake as a bulk water user as well as provide individual service to the town of Bradley residents.

In order to provide service to Willow Lake, improvements will need to be made to the system to increase capacity. The project includes looping of lines and installation of parallel pipe to

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increase pressure and redundancy in the system, as well as construction of a 6-inch PVC service to Willow Lake.

Bradley's existing distribution system is experiencing excessive leaks, low pressures, and poor water quality and needs to be replaced. The project will install new distribution system piping, valves and meters. Once these improvements are completed, customers in Bradley will be metered and become Clark RWS customers.

Improvements will also be made in the northwest portion of the system to help convey water to the Crocker Booster Pump Station and minimize pressure losses in that region. These improvements include installing parallel lines on the north and south sides of the Crocker station.

Clark RWS anticipates opening bids in August of 2018 and final completion of improvements by June 2019.

The estimated total project amount is \$2,950,000, and the amount requested is \$2,950,000.

The rural water system's rates are \$64.50 per 7,000 gallons usage.

Clark RWS is the applicant for the funds and this is one project in total; however, there are three distinct projects that should be viewed somewhat separately when considering how to fund this project. The town of Bradley components of the project to become individual users of Clark RWS and have the needed improvements made is \$900,000 of the total cost. The cost for Clark RWS to provide bulk service to Willow Lake is \$600,000. The remaining \$1,450,000 is for Clark RWS as a system. Based on conversations with Clark RWS, the portions of any debt taken on specifically for Bradley and Willow Lake will be assessed back to those users since they are the only ones to benefit from those costs.

In most cases, rural water systems are limited to 20-year loan terms unless the entire system qualifies as disadvantaged for reduced rates and a 30-year term. For this project, since a large portion of the costs are related to serving Bradley and Willow Lake, the disadvantaged rate and term of 2.0 percent for 30 years can be applied to the loan to Clark RWS. This offers additional savings for the Clark RWS's portion of the project, which would otherwise not be available.

Staff recommended awarding a \$2,950,000 Drinking Water SRF loan at 2.0 percent interest for 30 years with 43.1 percent principal forgiveness not to exceed \$1,270,000.

Clark RWS has pledged system revenue for repayment of the loan.

Staff recommended awarding the loan 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, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Intercreditor Agreement being approved and executed by Cobank, Clark Rural Water System, and the District, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service USDA, Clark Rural Water System, and the District.

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Joe Munson, Banner Associates, and Jim O'Hara, Willow Lake city council vice president, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution No. 2018-26** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,950,000 at 2.0 percent interest for 30 years with 43.1 percent principal forgiveness not to exceed \$1,270,000 to **Clark Rural Water System** for connection to Willow Lake and Bradley and for 2018 system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, 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, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Intercreditor Agreement being approved and executed by Cobank, Clark Rural Water System, and the District, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service USDA, Clark Rural Water System, and the District. Motion carried unanimously.

Sioux Rural Water System requested funding for well field improvements to include rehabilitation of existing wells, raw water pipeline, and meter pits. Treatment improvements are for the expansion of the Castlewood water treatment plant and improvements to the Sioux RWS water treatment plant. The project also includes additional pipeline and pumping facilities in the distribution system and installation of radio meter reading infrastructure and customer meters. Work associated with the residents of the city of Hazel becoming individual customers of Sioux RWS is also part of this project.

Sioux RWS anticipates bidding the first project in September 2018 with all projects being completed by December 2020.

The estimated total project amount is \$11,321,000, and the amount requested is \$10,921,000.

Sioux RWS rates are \$64.23 per 7,000 gallons usage.

Staff recommended awarding a \$9,821,000 Drinking Water SRF loan at 2.25 percent interest for 20 years and awarding a Drinking Water SRF Construction grant for 9.8 percent of project costs not to exceed \$1,100,000.

Sioux RWS has pledged system revenue for repayment of the loan. Staff analysis indicates that a 15 percent increase in base revenues would provide 110 percent coverage on the loan bringing rural residential rates to \$73.90 for 7,000 gallons usage if applied equally among all users.

Staff recommended awarding the loan 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., contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service USDA, Sioux Rural Water System, and the District.

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Staff also recommended awarding the Drinking Water SRF Construction grant with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Heath Thompson, manager of the rural water system, discussed the project and answered questions from the board.

Motion by Goldhammer, seconded by Bernhard, to adopt **Resolution No. 2018-27** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$9,821,000 at 2.25 percent interest for 20 years to **Sioux Rural Water System** for 2018 water system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, 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, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service USDA, Sioux Rural Water System, and the District, and to adopt **Resolution No. 2018-28** approving the Drinking Water SRF Construction grant agreement to **Sioux Rural Water System** for up to 9.8 percent of approved total project costs not to exceed \$1,100,000 with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds. Motion carried unanimously.

Oelrichs requested funding for water tower rehabilitation, fire hydrant replacement, installation of meter setters, and backflow prevention valves.

Oelrichs anticipates bidding the project in September of 2018 with a project completion date of April 2019.

The estimated total project amount is \$447,370, and the amount requested is \$447,370.

Rates in Oelrichs are \$75.00 per 5,000 gallons usage.

Staff recommended awarding a \$447,000 Drinking Water SRF loan at 2.25 percent for 30 years with 80 percent principal forgiveness not to exceed \$357,600.

Oelrichs pledged a project surcharge for repayment of the loan. The surcharge required to provide 110 percent coverage on the net loan of \$89,400 is \$5.20; however, staff analysis indicates that Oelrichs can restructure its rates and establish the surcharge with no raise in rates.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

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Joe Messinio, town board president, and Terry Aaker, SPN and Associates, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Goldhammer, to adopt **Resolution No. 2018-29** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$447,000 at 2.25 percent interest for 30 years with 80 percent principal forgiveness not to exceed \$357,600 to the **town of Oelrichs** for water system and meter improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Ree Heights requested funding to replace the water distribution system. Upon completion of the project, Mid-Dakota Rural Water System will take over all operational and maintenance requirements of the system and serve Ree Heights as individual users.

The town of Ree Heights anticipates bidding the project during the summer of 2018 with project completion in the spring of 2019.

The estimated total project amount is \$509,470, and the amount requested is \$509,000.

Rates in Ree Heights are \$23.00 per 5,000 gallons usage.

Staff recommended awarding a \$509,000 Drinking Water SRF loan at 2.25 percent interest for 30 years with 84.5 percent principal forgiveness not to exceed \$430,000.

Ree Heights pledged a project surcharge for repayment of the loan. Once connected to Mid-Dakota RWS, Ree Heights residents will pay \$64.50 per 5,000 gallons usage plus a surcharge to pay for the debt associated with the SRF loan. A surcharge of \$7.50 is needed to provide the required coverage on the net loan of \$79,000, bringing rates for Ree Heights residents to \$72.00 for 5,000 gallons usage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the borrower demonstrating adequate technical, managerial, and financial capacity, and contingent on the borrower entering into an agreement with Mid-Dakota RWS acceptable to the District and Bond Counsel to, among other things, maintain and operate the system and collect the surcharge for a term not less than the term of the loan agreement.

Lyle Schumacher, Bartlett & West, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2018-30** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$509,000 at 2.25 percent interest for 30 years with 84.5 percent principal forgiveness not to exceed \$430,000 to

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the **town of Ree Heights** for a waterline replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, contingent upon the borrower demonstrating adequate technical, managerial, and financial capacity, and contingent on the borrower entering into an agreement with Mid-Dakota RWS acceptable to the District and Bond Counsel to, among other things, maintain and operate the system and collect the surcharge for a term not less than the term of the loan agreement. Motion carried unanimously.

Lake Norden requested funding to improve the drinking water system by replacing the leaking filter in the water treatment facility and the outdated controls. The city will also develop water wells with higher quality water to blend with the existing raw water, which is high in iron and manganese. In addition, the city will construct a raw water line to the existing water treatment facility to connect to the well field.

Lake Norden anticipates bidding the project in January of 2019 with project completion in October 2019.

The estimated total project amount is \$2,446,000, and the amount requested is \$2,446,000.

Lake Norden's rates are \$24.31 per 5,000 gallons usage.

At the time of application, Lake Norden had applied for a \$969,000 Federal Economic Development Authority grant. They were unsure if these grant funds would be received, and requested the full project amount from the board. In March, the city was informed they did receive the grant and, therefore, staff's recommendation is for the project amount less the grant funds received.

Staff recommended awarding a \$1,477,000 Drinking Water SRF loan at 2.0 percent interest for 20 years.

Lake Norden has pledged a project surcharge for repayment of the loan. The surcharge needed for repayment of the loan would be \$33.20 per user if charged equally to all users. The Agropur cheese factory accounts for at least 75 percent of the water system revenues. Assuming Agropur's contribution to the upcoming surcharge remains at this level, the other users would be assessed an \$8.35 surcharge, bringing monthly residential rates to \$32.70 for 5,000 gallons usage.

Lake Norden would typically be eligible for a loan term of 30 years for this project; however, with Agropur currently undergoing a large expansion project, a tax increment financing (TIF) district has been formed, and a TIF is only allowed to exist for 20 years. With a large portion of the water use and debt service coming directly from Agropur, the loan term needs to match the term of the TIF district for debt security. To ensure that funds are available for the debt repayment, an agreement will need to be executed between Agropur, the city, and Hamlin

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County to ensure that if Agropur chooses to cease operations in Lake Norden, the TIF district funds will still be available for the city to ensure repayment of the debt.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower entering into an agreement among Agropur, Inc., Hamlin County, and the District that provides additional security for the loan.

Jason Aho, mayor, discussed the project and answered questions from the board.

Motion by Goldhammer, seconded by Gnirk, to adopt **Resolution No. 2018-31** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,477,000 at 2.0 percent interest for 20 years to the **city of Lake Norden** for water system improvements; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower entering into an agreement among Agropur, Inc., Hamlin County, and the District that provides additional security for the loan. Motion carried unanimously.

Humboldt requested funding to upgrade to an automatic meter reading system by replacing existing water meters.

The town of Humboldt anticipates bidding the project in October 2018 with project completion in March 2019.

The estimated total project amount is \$290,000, and the amount requested is \$290,000.

Humboldt's rates are \$35.00 per 5,000 gallons usage.

Water conservation projects, to include water meters, are eligible for Clean Water SRF funding. This project can also be used to meet the Green Project Reserve requirements included in the 2015 through 2017 Clean Water capitalization grants. Providing funding for this project with a Clean Water SRF loan helps meet the reporting requirements for green project reserve. This will not adversely affect the Drinking Water SRF Program as there were no Green Project Reserve requirements associated with any of the recent Drinking Water SRF capitalization grants.

Staff recommended awarding a \$290,000 Clean Water SRF loan at 2.0 percent interest for 10 years.

Humboldt has pledged system revenue for repayment of the loan. Staff analysis indicates that a rate increase of \$5.95 is needed to provide the required debt coverage, which will result in rates of \$40.95 for 5,000 gallons usage.

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Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Jon Fischer, Stockwell Engineers, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution No. 2018-32** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$290,0000 at 2.0 percent interest for 10 years to the **city of Humboldt** for a water meter replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Bridgewater requested funding to replace water meters in the city and install equipment that will allow meters to be read remotely.

The city of Bridgewater anticipates bidding the project in August 2018 with project completion in October 2018.

The estimated total project amount is \$243,000, and the amount requested is \$243,000.

Bridgewater's rates are \$40.00 per 5,000 gallons usage.

Staff recommended awarding a \$243,000 Drinking Water SRF loan at 1.0 percent interest for 10 years.

Bridgewater has pledged system revenue for repayment of the loan. Staff analysis indicates a rate increase of approximately \$1.75 will provide the required 110 percent debt coverage, bringing total rates to \$41.75 for 5,000 gallons usage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Gabe Laber, DGR Engineering, discussed the project and answered questions from the board.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution No. 2018-33** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$243,0000 at 1.0 percent interest for 10 years to the **city of Bridgewater** for a water meter replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the

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borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Dell Rapids requested funding to replace ductile iron and asbestos cement water main in the southeast area of the city with 10,200 feet of 6- and 8-inch PVC water main. The current water main is past its useful life, and the city is experiencing issues with water loss. This project will be done in conjunction with the sanitary sewer replacement project. Two railroad crossings will also be replaced in conjunction with the railroad rebuilding the crossing.

The city of Dell Rapids anticipates bidding the project in February 2019 with project completion in October 2020.

The estimated total project amount is \$3,135,000, and the amount requested is \$2,486,000. Dell Rapids intends to contribute \$649,000 in local cash for the project.

Rates in Dell Rapids are \$38.20 per 5,000 gallons usage.

Staff recommended awarding a \$2,486,000 Drinking Water SRF loan, at 2.5 percent interest for 30 years.

The city has pledged a project surcharge for repayment of the loan. The surcharge required on the loan is \$7.70; however, staff analysis indicates that Dell Rapids can restructure its rates and establish the surcharge and keep rates at approximately \$40.00 for 5,000 gallons usage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Justin Wyland, city administrator, discussed the project and answered questions from the board.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2018-34** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,486,000 at 2.5 percent interest for 30 years to the **city of Dell Rapids** for a water main replacement project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Crooks requested funding to replace 5,000 feet of PVC water main in the Palmira development. Water services, fire hydrants, and valves throughout the development will also be replaced. The existing water main was installed over 40 years ago and has reached the end of its useful life.

The city anticipates bidding the project in June 2018 with project completion in November 2018.

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The estimated total project amount is \$1,214,000, and the amount requested is \$1,214,000.

Rates in Crooks are \$34.34 per 5,000 gallons usage.

Staff recommended awarding a \$1,214,000 Drinking Water SRF loan at 2.5 percent interest for 30 years.

Crooks has pledged system revenue for repayment of the loan. Staff analysis indicates that a \$4.00 rate increase is needed to provide the 110 percent coverage with a pledge of system revenues resulting in rates of about \$38.35 for 5,000 gallons usage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Jamison Rounds, Mayor, discussed the project.

Motion by Gnirk, seconded by Goldhammer, to adopt **Resolution No. 2018-35** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,214,000 at 2.5 percent interest for 30 years to the **city of Crooks** for the Palimira utility improvements project; and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.
Motion carried unanimously.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION: Andy Bruels discussed available funds for this funding round.

Mr. Bruels presented the Solid Waste Management Program funding application and the staff recommendation for funding. A map showing the location of the project was included in the board packet.

Black Gold Biochar, LLC is a private for profit entity. In accordance with SDCL 46A-1-98, any documentary material or data made or received by the board or DENR for the purpose of furnishing financial assistance to a business to the extent that the material or data consists of trade secrets or commercial or financial information regarding the operation of such business is not public record and is exempt from disclosure. Any discussion or consideration of such trade secrets or commercial or financial information by the board may be done in executive session.

Black Gold Biochar proposes to use its gasification process to eliminate large green waste piles that have accumulated at the Hot Springs maintenance facility. Black Gold Biochar's gasification machine is currently set up in Custer, and is requesting financial assistance to transport and set up at the site in Hot Springs.

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The gasification machine has the capability to process several cubic yards of woody biomass per hour, but first the wood waste will need to be chipped. This project proposes rental of an industrial-sized wood chipper for use in the gasification machine.

Project expenses will include travel, other equipment rental, transportation, set-up, and recurring labor costs. The project is anticipated for a one-year cleanup of the current green waste and an ongoing five-year cleanup of newly produced waste, with an opportunity for renewal.

The estimated total project amount is \$420,000, and the amount requested is \$250,000.

Staff recommended no funding for this project. Wood waste is typically not sent to a landfill for disposal; it is usually burned at the receiving facility or chipped. Chips can be used for livestock bedding, landscaping within a community, or composted for use as soil amendments. It has been staff's policy to not provide any grant funding to for-profit entities for projects that do not remove waste from being sent to a landfill, therefore, the project does not address the state's solid waste management hierarchy.

Based on the overall project information provided in the application, and after review, staff does not believe the project should be awarded a loan.

Staff believes that funding from the board would provide a benefit to the city of Hot Springs residents if funding were provided directly to the city. The city could apply for funding to help process the wood waste. If a local use for the wood waste or a business cannot be found to take the waste at its own cost, the city can use the funds to pay for removal and disposal of the wood waste.

Mr. Bruels answered questions from the board.

Motion by Bernhard, seconded by Goldhammer, to deny funding to Black Gold Biochar, LLC. Motion carried unanimously.

COLMAN REQUEST TO AMEND CONSOLIDATED WATER FACILITIES

CONSTRUCTION PROGRAM GRANT 2017G-105: Mr. Bruels reported that in March 2016, the board awarded a \$500,000 Drinking Water SRF loan and a \$700,000 Consolidated Water Facilities Construction Program grant to the city of Colman for replacement of water main adjacent to Highway 34 and to address a funding shortfall in a previous water tower replacement project. The project represents the third and final phase of a multi-phase project to replace the majority of both the water and wastewater systems with PVC pipe. The Highway 34 water main replacement project was completed in October of 2017, and the total eligible costs have exceeded the available funding by approximately \$46,000.

On January 22, 2018, the department received a letter from the city of Colman requesting \$46,000 in additional funding from the Board of Water and Natural Resources to address the funding shortfall. Construction costs exceeded the estimates at the time of the original award.

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The city has since contacted the East Dakota Water Development District for assistance in the \$46,000 shortfall. East Dakota agreed to fund 50 percent of the shortfall, which is \$23,000, leaving a remaining shortfall of \$23,000.

Staff recommended the board approve the First Amendment to Consolidated Water Facilities Construction Program Grant 2017G-105, increasing the total project amount to \$1,223,000, and adjusting the grant percentage to 59.2 percent of total eligible project costs, not to exceed \$723,000.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution No. 2018-36** approving the First Amendment to Consolidated Program Grant Agreement 2017G-105 to the **city of Colman** increasing the total project amount to \$1,223,000 and adjusting the grant percentage to up to 59.2 percent of approved total project costs not to exceed \$723,000. Motion carried unanimously.

SIOUX RURAL WATER SYSTEM REQUEST TO AMEND THE SCOPE OF DRINKING WATER SRF LOAN C462433-01 AND CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM GRANT 2016G-106: Eric Meintsma reported that in March 2015, the board awarded a \$2,515,000 Drinking Water SRF loan and a \$2,000,000 Consolidated grant to Sioux Rural Water System for construction of improvements to its water system. Construction for the projects associated with this loan and grant are nearly complete, and Sioux Rural Water is anticipating having approximately \$600,000 in excess funding.

The department received a letter from Sioux Rural Water requesting to amend the scope of the current SRF loan and Consolidated grant to include projects established in the 2018 water system improvements facility plan. The 2018 water system improvements facility plan establishes the projects associated with the funding application addressed by the board earlier today. This amendment will allow Sioux Rural Water to use the excess funds from the first funding package on those projects as well.

Staff recommended the board approve the First Amendment changing the project scope of Drinking Water SRF Loan C462433-01 contingent upon Sioux Rural Water adopting a resolution approving the form of the amended loan agreement, and that the board approve the First Amendment to Consolidated Water Facilities Construction Program Grant 2016G-106 to include the projects proposed in the 2018 Water Systems Improvements facility plan.

Motion by Bernhard, seconded by Goldhammer, to adopt **Resolution No. 2018-37** approving the first amendment to the **Sioux Rural Water System** Drinking Water SRF loan for a change in project scope to include projects established in the 2018 water system improvements facility plan contingent upon Sioux Rural Water adopting a resolution approving the form of the amended loan agreement; and to adopt **Resolution No. 2018-38** approving the first amendment to the **Sioux Rural Water System** Consolidated Program grant agreement 2016G-106 for a change in project scope to include projects established in the 2018 water system improvements facility plan. Motion carried unanimously.

WESTPORT REQUEST TO AMEND FUNDING AND SCOPE OF CLEAN WATER SRF LOAN C461409-01 AND CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM GRANT 2017G-101: Mr. Meintsma reported that in March 2016, the board

Board of Water and Natural Resources
March 27, 2018, Meeting Minutes

awarded a \$445,000 Clean Water SRF loan at 3.25 percent interest for 30 years and a \$172,000 Consolidated grant to the town of Westport to replace a sanitary sewer lift station and to construct storm sewers. The estimated total project cost was \$617,000.

Westport recently contacted the department with a request to reduce the project scope and eliminate the storm sewer construction from the project. This will reduce the estimated project cost to \$300,000.

Staff determined that the lift station only project is not eligible for a loan with a 30 year term, so amending the current loan is not an option, and a new funding package will be necessary.

Staff recommended the board approve the request to reduce the current funding package to \$300,000 and revise the project scope to only include the replacement of a sewer lift station by rescinding Resolution No 2016-69, which approved the Clean Water SRF loan, and approve a \$270,000 Consolidated Water Facilities Construction Program loan at 3.0 percent interest for 20 years contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Staff also recommended the board approve the First Amendment to Consolidated grant 2017G-101 to 10 percent of approved costs not to exceed a maximum grant of \$30,000.

Staff analysis indicated that a surcharge of \$26.00 will be necessary to cover the debt service. With operation and maintenance costs estimated at \$6.25, staff determined that rates could be restructured to \$32.25.

Ted Dickey, Northeast Council of Governments, answered questions from the board.

Motion by Goldhammer, seconded by Bernhard, to rescind Resolution No. 2016-69 and to adopt **Resolution No. 2018-39** approving a Consolidated Water Facilities Construction Program loan to the **town of Westport** not to exceed \$270,000 at 3.0 percent interest for 20 years to replace the sanitary sewer lift station contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2018-40** approving the First Amendment to Consolidated Program Grant Agreement 2017G-101 to the **town of Westport** for up to 10 percent of approved total project costs not to exceed \$30,000 to replace the sanitary sewer lift station. Motion carried unanimously.

Andy Bruels provided an overview of available funds for the June funding round.

LEGISLATIVE UPDATE: Jim Feeney reported on bills of interest to the department and the board that were passed during the 2018 legislative session.

BOARD OF WATER AND NATURAL RESOURCES SFY 2019 MEETING SCHEDULE:
Mr. Perkovich presented the proposed SFY 2019 board meeting schedule.

Motion by Bernhard, seconded by Goldhammer, to adopt the following meeting schedule for SFY 2019:

Board of Water and Natural Resources
March 27, 2018, Meeting Minutes

September 27-28, 2018
November 8, 2018
January 3, 2019
March 28-29, 2019
June 27-28, 2019

Motion carried unanimously.

Jay Gilbertson, East Dakota Water Development District, offered to set up a tour of projects in the Pierre area during the September meeting.

JUNE MEETING: The next meeting is scheduled for June 28-29, 2018, at the Matthew Training Center, Foss Building, in Pierre. Mr. Perkovich highlighted some possible agenda items for that meeting.

ADJOURN: Motion by Gnirk, seconded by Bernhard, that the meeting be adjourned. Motion carried unanimously.

Approved this 28th day of June, 2018.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-27-18

LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)	Address	Representing
PAUL GNIRK	New Underwood	BWNR
Jim O'Hara	Willow Lake	WL. City Council
Terry Aaker	Mitchell	SPN
TED HAGGR	WATERTOWN	FIRST DISTRICT
Gabe Haber	Sioux Falls	DGR
JEFF MCCORMICK	Mitchell	SPN
Abby Larson	Pierre	DENR
Paul Suthmann	Wall	BWNR
Jay Schalt	Sioux Falls	BWNR
Michael Vetter	Philip	City of Philip
Andy Bruels	Pierre	DENR
David Ruhmke	Pierre	DENR
Mike Perkovich	Pierre	DENR
Jim Anderson	Pierre	DENR
Angela Ehlers	Presho	Presho
Bill Lass	Rapid City	BTCLB
Joe Meenan	O'Rourke	Board
Katie & Roy Mervanich	DeWitts	Board & Water Dept
Laura Schultz		Town of Humboldt
Jon Fischer	Sioux Falls	Stockwell / Humboldt
Marion Kautz	PO Box 220	CSDED

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-27-18

LOCATION Matthew Training Center

Name (PLEASE PRINT)	Address	Representing
KATHRYN SMITH	Philip	City of Philip
MARTY GARTNER	Philip	City of Philip
JUSTIN WOILAND	DELL RAPIDS	CITY OF DELL RAPIDS
Cherie Boatman	Dell Rapids	CITY OF DELL RAPIDS
Ronae Phinney	PO Box 103	REE HEIGHTS
Mike Holter	Huron	Lake Byron SSP
Scott Gross	Miller	Mid Dakota Rural Water
Heath Thompson	SRWIS	manager@5100ruralwater.ca
Kent Roe	"	Board member
Jason Aho	Lake Norton	City of Lake Norton
Lytle Schumack	Shady Falls	Bartlett & West
Todd Bernhard	Fort Pierre	BWNR
Brandon Smid	Helms & Associates	Aberdeen SD
Joe Munson	Banner Assoc SF	Banner
Emeline Hoblick	Pierre	CSDEP
BOB MERCER	Pierre	Newspaper
Jim Feeney	Pierre	DENR
Gregg Jorgenson	Brookings	Banner Assoc.
Jamison Rouns	Crook	City of Crook
Ted Dickey	Aberdeen	NECOA
Jay Gilberson	Brookings	East Dakota WDD

June 28, 2018

Item 4

TITLE: Amendment to State Water Plan, 2018 Clean Water State Revolving Fund and 2018 Drinking Water State Revolving Fund Intended Use Plans

EXPLANATION: Water projects which will require state funding or need state support for categorical grant or loan funding need to be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendments of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed onto the plan at this meeting will remain on the facilities plan through December 2019.

Projects seeking a Clean Water or Drinking Water State Revolving Fund loan must be included on the project priority list of the Intended Use Plan. The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

The following is the list of State Water Plan applications received by the May 1, 2018 deadline.

- a. Bryant – Wastewater and Storm Sewer
- b. Bryant - Water
- c. Mitchell – Sanborn Boulevard
- d. Mitchell – East Central
- e. Salem

Staff is recommending that the following projects be amended onto the 2018 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected & Term
10	Mitchell - Sanborn	\$6,077,000	2.50%, 30 years
10	Mitchell – East Central	\$2,223,000	2.50%, 30 years
5	Bryant	\$4,612,000	2.50%, 30 years

June 28, 2018

Item 4

Additionally staff is recommending that the following projects be amended onto the 2018 Drinking Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
150	Rapid City	\$950,000	2.00%, 20 years
55	Salem	\$1,144,000	2.25%, 30 years
33	Mitchell - Sanborn	\$1,705,000	2.25%, 30 years
33	Mitchell – East Central	\$475,000	2.25%, 30 years
8	Bryant	\$1,051,000	2.00%, 30 years

RECOMMENDED ACTION: Approve amendment of projects onto the State Water Plan, 2018 Clean Water State Revolving Fund and 2018 Drinking Water State Revolving Fund Intended Use Plans

CONTACT: Andy Bruels, 773-4216

State Water Plan Applications



State Water Plan Application

Applicant: City of Bryant Address: PO Box 145 Bryant, SD 57221-0145	RECEIVED APR 20 2018 <small>Division of Financial & Technical Assistance</small>	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Projected State Funding</td><td style="width: 40%; text-align: right;"><u>\$4,612,000</u></td></tr> <tr> <td>Local Cash</td><td style="text-align: right;"><u>\$200,000</u></td></tr> <tr> <td>Other: CDBG</td><td style="text-align: right;"><u>\$770,000</u></td></tr> <tr> <td>Other:</td><td style="text-align: right;"><u> </u></td></tr> <tr> <td style="text-align: right;">TOTAL</td><td style="text-align: right;"><u>\$5,582,000</u></td></tr> </table>	Projected State Funding	<u>\$4,612,000</u>	Local Cash	<u>\$200,000</u>	Other: CDBG	<u>\$770,000</u>	Other:	<u> </u>	TOTAL	<u>\$5,582,000</u>
Projected State Funding	<u>\$4,612,000</u>											
Local Cash	<u>\$200,000</u>											
Other: CDBG	<u>\$770,000</u>											
Other:	<u> </u>											
TOTAL	<u>\$5,582,000</u>											

Project Title: Bryant Wastewater Main/Storm Sewer Replacement Project

Description: (Include present monthly utility rate.)

The City is proposing to construct improvements to the wastewater and storm sewer systems. The project will replace and install approximately 13,800 LF of vitrified clay pipe with PVC pipe, install 35 manholes, install approximately 2,700 LF of cast in place pipe relining on existing mains, replace approximately 2,640 LF of storm sewer and construct street repairs plus all of the other necessary appurtenances to complete the project. The Town's existing wastewater distribution system consists of various sizes of VCP. The pipes have reached the end of their useful life. The older pipes have tendency to crack easily leading to breaks. The cracks, breaks and joints in the older VCP create a potential for infiltration and inflow to enter the wastewater collection system. The City would like to replace the older storm sewer pipes during the wastewater main replacement project. Deficiencies in the wastewater system need to be corrected. DGR provided the preliminary engineering and cost estimates for the project. Bryant's wastewater rate for 5,000 gallons of usage is \$30/month. The city has an established reserve account for the wastewater fund.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Winfred Noem Mayor
 Name & Title of Authorized Signatory
 (Typed)

Winfred Noem 4-12-18
 Signature Date

State Water Plan Application

Applicant: City of Bryant Address: PO Box 145 Bryant, SD 57221-0145 Phone Number: 605-628-2931	Proposed Funding Package Projected State Funding <u>\$1,051,000</u> Local Cash <u>\$100,000</u> Other: CDBG <u>\$770,000</u> Other: _____ TOTAL <u>\$1,921,000</u>
--	--

Project Title: Bryant Water Main Replacement Project

Description: (Include present monthly utility rate.)

The City is proposing to construct improvements to the water system. The project will replace and install approximately 7,993 LF of cast iron pipe with PVC pipe, install 20 hydrants, and construct street repairs plus all of the other necessary appurtenances to complete the project. The Town's existing water distribution system consists of various sizes of PVC and cast iron lines. The cast iron water lines that have reached the end of their useful life. The older cast iron pipes have tendency to become brittle and crack easily causing breaks. The cracks and breaks in the water lines create a potential for contamination to enter the water distribution system. The system has several dead-end lines. Dead-end lines allow a longer water retention time in the pipe that can be detrimental to water quality and cause potential safety hazards. Deficiencies in the water system need to be corrected. DGR provided the preliminary engineering and cost estimates for the project. Bryant's water rate for 5,000 gallons of usage is \$46.75/month. The city has an established reserve account for the water fund.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Winfred Noem Mayor
 Name & Title of Authorized Signatory
 (Typed)

Winfred Noem 4-12-18
 Signature Date

State Water Plan Application

<p>Applicant: City of Mitchell Address: 612 N. Main Mitchell SD 57301</p> <p>Phone Number: 605-995-8143</p>	<p>RECEIVED MAY 02 2018</p> <p>Division of Financial & Technical Assistance</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right;"><u>\$7,750,000</u></td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right;"><u>\$32,000</u></td> </tr> <tr> <td>Other:</td> <td style="text-align: right;"><u> </u></td> </tr> <tr> <td>Other:</td> <td style="text-align: right;"><u> </u></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;"><u>\$7,782,000</u></td> </tr> </table>	Projected State Funding	<u>\$7,750,000</u>	Local Cash	<u>\$32,000</u>	Other:	<u> </u>	Other:	<u> </u>	TOTAL	<u>\$7,782,000</u>
Projected State Funding	<u>\$7,750,000</u>											
Local Cash	<u>\$32,000</u>											
Other:	<u> </u>											
Other:	<u> </u>											
TOTAL	<u>\$7,782,000</u>											

Project Title: Sanborn Boulevard - 1st to 15th Avenue

Description: (Include present monthly utility rate.)

The City of Mitchell is in the process of reconstructing the northern portion of Sanborn Boulevard running from 1st to 15th Avenue. Work activities include replacement of all underground infrastructure to include water, sanitary sewer and storm sewer to relieve street flooding on this emergency route. All of which will compromise the entire road surface thereby requiring replacement of the road bed and driving surface. The City has commenced work on Phase I whereas the project before you consists of Phases II and III. Phase I is to be self financed while Phases II and III are hoped to be financed with SD DENR assistance. At this time the project is over 95% designed and awaits final approvals and funding prior to moving forward. Plans are to submit funding applications on July 1, 2018 then securing a funding package in September and bidding the project in the months thereafter. Work activities are estimated to occur over the 2019 and 2020 construction seasons with substantial completion on the fall of 2020.

The current water fee for the City of Mitchell is \$3.00 base fee plus \$3.90 per unit (750 gallons) for a total of \$29.13 for 5,000 gallons. Sanitary sewer is \$24.77 for 5,000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Stephanie Ellwein
Name & Title of Authorized Signatory
(Typed)


Signature

04/31/18

Date

State Water Plan Application

<p>Applicant: City of Mitchell Address: 612 N. Main Mitchell SD 57301</p> <p>Phone Number: 605-995-8143</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Projected State Funding</td><td style="width: 30%; text-align: right;"><u>\$2,950,000</u></td></tr> <tr> <td>Local Cash</td><td style="text-align: right;"><u>\$48,470</u></td></tr> <tr> <td>Other:</td><td><u> </u></td></tr> <tr> <td>Other:</td><td><u> </u></td></tr> <tr> <td style="text-align: right;">TOTAL</td><td style="text-align: right;"><u>\$2,998,470</u></td></tr> </table>	Projected State Funding	<u>\$2,950,000</u>	Local Cash	<u>\$48,470</u>	Other:	<u> </u>	Other:	<u> </u>	TOTAL	<u>\$2,998,470</u>
Projected State Funding	<u>\$2,950,000</u>										
Local Cash	<u>\$48,470</u>										
Other:	<u> </u>										
Other:	<u> </u>										
TOTAL	<u>\$2,998,470</u>										

Project Title: East Central Drainage Improvement

Description: (Include present monthly utility rate.)

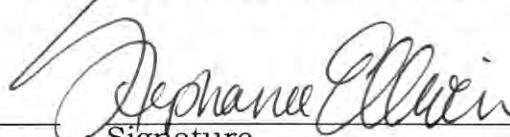
The City of Mitchell retained SPN Associates to prepare a comprehensive study addressing flooding concerns in a section of the city now referred to as the East Central Drainage Area. This area is best described as one square mile drainage basin consisting of curb and gutter, ditches, and undersized storm sewers for a developing area. A complicating factor associated with the project area involves potential project financing. A portion of the project area falls within an active Tax Increment Financing District allowing the District to address costs associated with any proposed improvements within the District boundaries. While eligible for SD-DENR funding the City wishes to limit these funds to the improvement lying outside of the TIF District. These improvements include replacement of all underground infrastructure to include water, sanitary sewer and storm sewer. All of which will compromise the entire road surface thereby requiring replacement of the road bed and driving surface. Please refer to the attached engineering report for further details.

The current water fee for the City of Mitchell is \$3.00 minimum plus \$3.90 per unit (750 gallons) for a total of \$29.13 for 5,000 gallons. Sewer is \$24.77 for 5,000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Stephanie Ellwein
Name & Title of Authorized Signatory
(Typed)



Signature

04/31/18

Date

RECEIVED

APR 16 2018

Division of Financial
& Technical Assistance

SD EForm - 0487LD V3

State Water Plan Application

Applicant:	Proposed Funding Package
City of Salem	Projected State Funding <u>\$1,144,000</u>
Address:	Local Cash _____
PO Box 249 Salem, South Dakota 57058	Other: _____
Phone Number: 605-425-2301	Other: _____
	TOTAL <u>\$1,144,000</u>

Project Title: Water Treatment Plant Improvements

Description: (Include present monthly utility rate.)

The City of Salem has been experiencing problems with its water treatment plant. There have been several failures with the ultra filtration (UF) modules. Currently, only five of the fourteen modules are functioning. Additionally, the City has experienced broken PVC piping, failed pumps, and plugged cartridge filters on the nanofiltration (NF) skid. In addition, operation and maintenance costs are substantially higher than projected. The City is having its engineer review the system to determine options to correct the operational problems, improve the treatment quality of the system, and reduce long term maintenance. A pilot plant may be needed in order to help make a determination of the treatment options going forward.

Currently, the City of Salem charges a flat \$23 for water in addition to .0045 cents per gallon. This calculates to \$45.50 for a 5,000 gallon per user monthly charge. There are also two monthly water surcharges of \$9.90 and \$2.00.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robin Rayman, Mayor

Name & Title of Authorized Signatory
(Typed)



Signature

Date

June 28, 2018

Item 5

TITLE: Amendment to the FY 2017 Clean Water SRF Intended Use Plan

EXPLANATION: The FY 2017 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2016 and amended in March, June and September 2017.

Staff recommends that the following projects be amended onto the 2017 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
7	Presho	\$3,787,000	2.50%, 30 years
6	Marion	\$512,000	2.00%, 10 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2017 Clean Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

June 28, 2018

Item 6

TITLE: Amendment to the FY 2016 Clean Water SRF Intended Use Plan

EXPLANATION: The FY 2016 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2015 and amended in March, June, and September 2016 and June 2017.

For a project to utilize principal forgiveness allowed by a specific capitalization grant it must be on the Intended Use Plan associated with that capitalization grant. In order to maximize the use of each year's capitalization grant, it is necessary to amend projects to prior years' Intended Use Plans.

It is proposed to amend Attachment I - Project Priority List of the FY 2016 Clean Water Intended Use Plan by adding the following entries:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
7	Presho	\$3,787,000	2.50%, 30 years
6	Marion	\$512,000	2.00%, 10 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2016 Clean Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

June 28, 2018

Item 7

TITLE: Amendment to the FY 2017 Drinking Water SRF Intended Use Plan

EXPLANATION: The FY 2017 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2016 and amended in March, June, July, and September 2017 and March 2018.

For a project to utilize principal forgiveness allowed by a specific capitalization grant it must be on the Intended Use Plan associated with that capitalization grant. In order to maximize the use of each year's capitalization grant, it is necessary to amend projects to prior years' Intended Use Plans.

It is proposed to amend Attachment I - Project Priority List of the FY 2017 Drinking Water Intended Use Plan by adding the following entries:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
150	Rapid City	\$950,000	2.00%, 20 years
33	Leola	\$2,642,000	2.00%, 30 years
12	Grenville	\$351,415	2.00%, 30 years

RECOMMENDED ACTION: Approve the proposed amendments to the 2017 Drinking Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The project priority points shown in the Intended Use Plan are listed in parentheses.

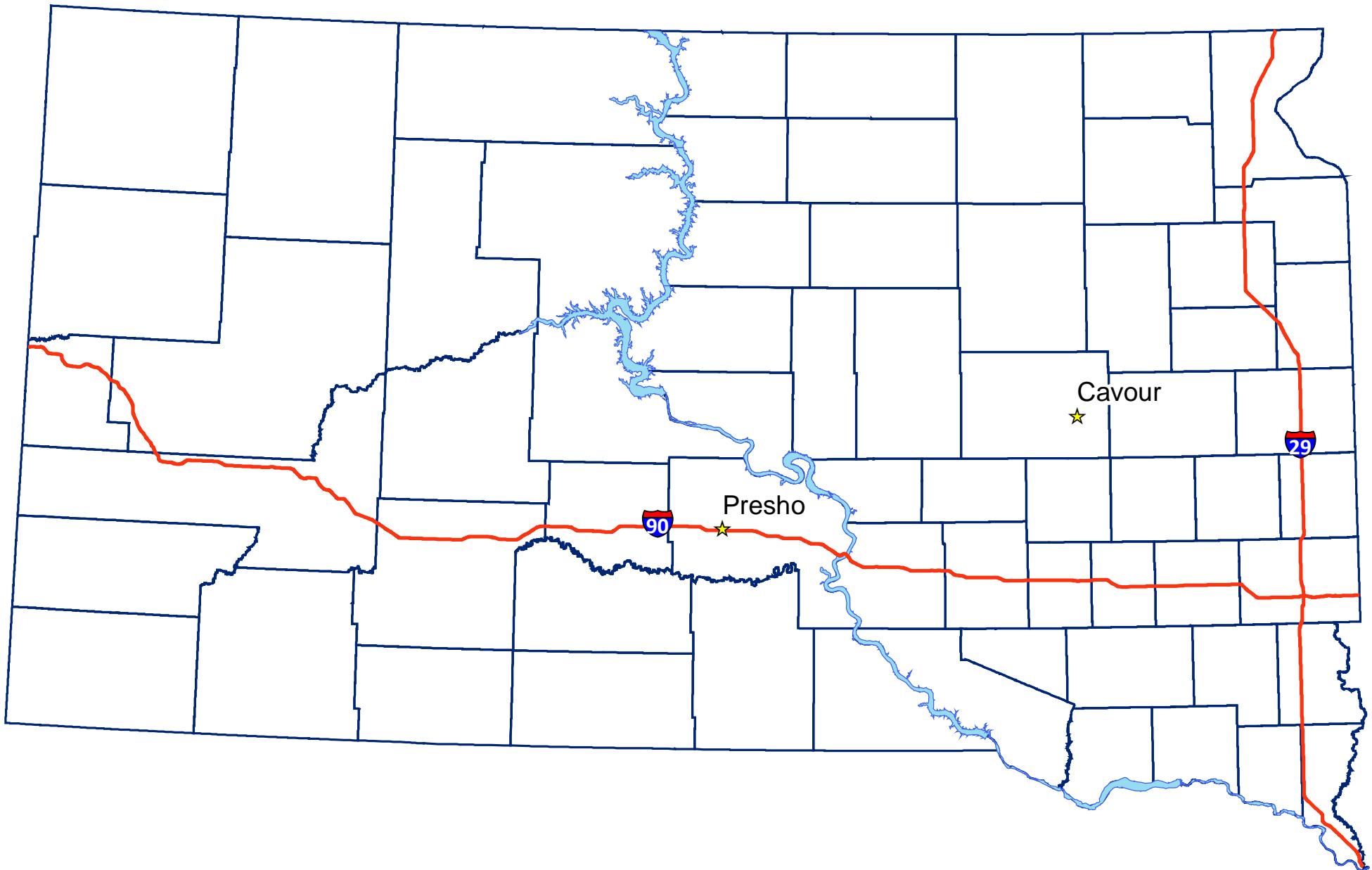
- a. Presho (7)
- b. Cavour (6)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets with a financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsssf0618.pdf>

If you would like a hard copy of the applications, please contact Mike Perkovich at (605) 773-4216.

Sanitary/Storm Sewer Facilities Funding Applications



FUNDING REQUEST EVALUATION FORM
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF PRESHO

Project Title: Sewer Improvements

Funding Requested: \$3,600,000

Other Proposed Funding: None

Total Project Cost: \$3,600,000

Project Description: Replacement of sanitary sewer designated as high priority as determined from televising the sewer system. This will include replacement of approximately 16,000 feet of 8-inch sewer pipe and 7,700 feet of 4-inch sanitary service pipe.

Alternatives Evaluated: The No Action alternative is not recommended because of the poor condition of the sanitary sewer as determined from televising the collection system.

The recommended alternative is to replace the sanitary sewer rated as high priority. Lining this pipe was eliminated from consideration because the sewer condition is not suitable for lining.

Implementation Schedule: The city of Presho anticipates bidding the project in March 2019 with a project completion date of December 2019.

Service Population: 507

Current Domestic Rate: \$30.00 flat rate

Interest Rate: 2.5% Term: 30 years Security: Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Presho would have to establish a surcharge of approximately \$52.23. After restructuring its rates residents would be paying \$78.00/5,000 gallons. In March 2018, Presho received a \$1,980,000 Clean Water SRF loan. This rate takes into account the surcharge required for that loan.

25% Funding Subsidy: \$900,000 subsidy with a loan of \$2,700,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$2,700,000 Presho would have to establish a surcharge of approximately \$39.17 thereby, after restructuring, paying a rate \$65.00/5,000 gallons. In March 2018, Presho received a \$1,980,000 Clean Water SRF loan. This rate takes into account the surcharge required for that loan.

55% Funding Subsidy: \$2,000,000 subsidy with a loan of \$1,600,000.

Coverage at 55% Subsidy: Based on a 50% subsidy and a loan of \$3,600,000 Presho would have to establish a surcharge of approximately \$23.25 thereby, after restructuring, paying a rate \$49.00/5,000 gallons. In March 2018, Presho received a \$1,980,000 Clean Water SRF loan. This rate takes into account the surcharge required for that loan.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

Applicant:	Proposed Funding Package		
City of Presho	Requested Funding	\$3,600,000	
Address: PO Box 100 Presho, SD 57568-100	Local Cash	0	
Subapplicant:	Other:	CDBG?	0
DUNS Number: 03-136-1962	Other:	USDA RD?	0
	Other:		
		TOTAL	\$3,600,000

Project Title: Sewer Improvements

Description:

The City of Presho has retained Schmucker, Paul, Nohr and Associates to prepare a preliminary report to identify the improvements that are needed in the sewer collection system and the storm water system.

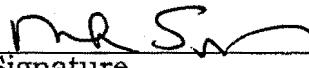
The proposed improvements contained in this report would comprehensively replace wastewater utilities throughout the community, restore the street surface on Main Street, and provide improved drainage of Main Street.

The City charges \$29.00 (\$23.00 minimum + \$2.00/1,000 gallons after 2,000 gallons of consumption) to 300 household and commercial users for 5,000 gallons of drinking water. The City current charged \$23.00 for 5,000 gallons of wastewater, but it increased that rate to \$30.00/5,000 gallons as of January 1, 2018

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Sprenger, Mayor
Name & Title of Authorized Signatory
(Typed)


Signature

March 07 2018

Date

FUNDING REQUEST EVALUATION FORM
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF CAVOUR

Project Title: Wastewater Improvements Phase II

Funding Requested: \$956,000

Other Proposed Funding: \$100,000 – James River Water Development District

Total Project Cost: \$956,000

Project Description: The town of Cavour plans to replace a portion of its wastewater collection system using conventional open-trench construction. These sewer lines were identified to be in severe condition as part of a 2014 televising report and were identified as too structurally damaged to be suitable for Cured-In-Place Pipe (CIPP) relining. The entire sanitary collection system in the town of Cavour is past its useful life and is allowing significant infiltration and inflow to enter the system.

Alternatives Evaluated: Alternative 1: No Action. This alternative was not selected because it will not address structural deficiencies identified in the 2014 televising report which contribute to significant infiltration and inflow to the town of Cavour's sanitary sewer system.

Alternative 2: Combination of Sanitary Sewer Replacement and Sanitary Sewer Cured-In-Place Pipe (CIPP) relining. This alternative proposes to use the results of the 2014 televising report to rehabilitate certain structurally stable parts of the collection system with CIPP. The town decided to replace only those portions of the collection system in more severe condition with new PVC sewermain installed with conventional open-trench construction methods. To reduce project costs, the town decided to eliminate the CIPP relining portion of the project,

Implementation Schedule: The town of Cavour anticipates bidding the project later this year with a project completion date of September 2019.

Service Population: 141

Current Domestic Rate: \$31.00 flat rate

Interest Rate: 2.5% Term: 30 years Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan, Cavour would have to establish a surcharge of approximately \$75.65. When added to current rate of \$31.00/5,000 gallons, residents would be paying \$106.65/5,000 gallons.

25% Funding Subsidy: \$239,000 subsidy with a loan of \$717,000.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$717,000, Cavour would have to establish a surcharge of approximately \$56.75 thereby paying a rate \$87.75/5,000 gallons.

50% Funding Subsidy: \$478,000 subsidy with a loan of \$478,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$478,000, Cavour would have to establish a surcharge of approximately 37.85 thereby paying a rate \$68.85/5,000 gallons.

75% Funding Subsidy: \$717,000 subsidy with a loan of \$239,000.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$239,000, Cavour would have to establish a surcharge of approximately \$18.90 thereby paying a rate \$49.90/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

<p>Applicant: City of Cavour</p> <p>Address: PO Box 75 Cavour SD 57324</p> <p>Subapplicant:</p> <p>DUNS Number: 805456352</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td><td style="width: 30%; text-align: right;">\$956,000</td></tr> <tr> <td>Local Cash</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other: JRWDD</td><td style="text-align: right;">\$100,000</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td style="text-align: right;">TOTAL</td><td style="text-align: right; border-top: 1px solid black;">\$1,056,000</td></tr> </table>	Requested Funding	\$956,000	Local Cash	_____	Other: JRWDD	\$100,000	Other:	_____	Other:	_____	TOTAL	\$1,056,000
Requested Funding	\$956,000												
Local Cash	_____												
Other: JRWDD	\$100,000												
Other:	_____												
Other:	_____												
TOTAL	\$1,056,000												

Project Title: Cavour Phase II Wastewater Line Replacement Project

Description:

In Phase I of the project, the City of Cavour replaced the lift station and all of the outfall line from the lift station to the lagoon and made minor repairs to the lagoon. Phase II is replacing the rest of the wastewater collection system in town either through removing and replacing the line or by lining the existing wastewater lines if possible.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Lisa Gogolin, Town President
Name & Title of Authorized Signatory
(Typed)


Signature December 22, 2017
Date

June 28, 2018

Item 9

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting. The projects are listed in priority point order as shown in the Intended Use Plan, and the points are listed in parentheses.

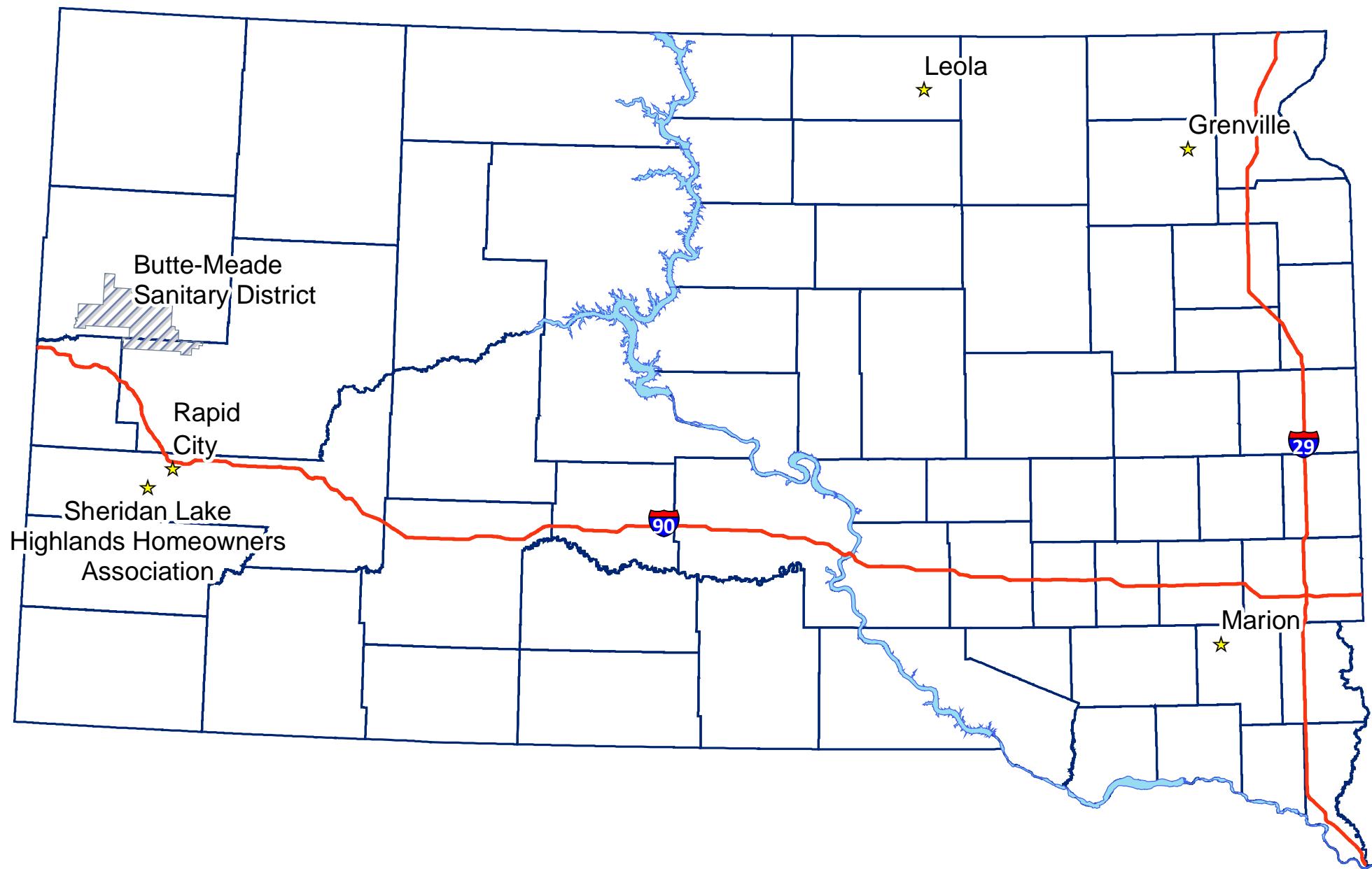
- a. Rapid City (150)
- b. Leola (33)
- c. Sheridan Lake Highlands Homeowners Association (17)
- d. Marion (14)
- e. Grenville (12)
- f. Butte Meade Sanitary Water District (10)

COMPLETE APPLICATIONS: Application cover sheets and summary sheets with financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWRAppsDWF0618.pdf>

If you would like hard copies of the applications, please contact Andy Bruels at (605) 773-4216.

Drinking Water Facilities Funding Applications



FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF RAPID CITY

Project Title: East Rapid City Water System Expansion

Funding Requested: \$950,000

Other Proposed Funding: \$1,500,000 - Local Cash
\$4,626,000 - DWSRF
\$1,000,000 – CWFCP Grant

Total Project Cost: \$8,076,000

Project Description: The city of Rapid City is nearing completion of the East Rapid City Water System Expansion project funded in part by a DWSRF loan. This is a project to expand the city water distribution system to serve users located east of the city limits. The city bid six individual contracts to complete the project. A review of the actual costs to date and projected costs of the final two construction contracts were used to determine that there will be a funding shortfall. The last two contracts were bid after the city submitted the funding application to address the shortfall.

Alternatives Evaluated: The alternatives were addressed in the original funding application.

Implementation Schedule: The city of Rapid City has bid and completed most of this project. The final components of this project were bid this spring and have completion dates of fall 2018.

Service Population: 72,500

Current Domestic Rate: \$31.37 per 5,000 gallons usage

Interest Rate: 2.00 % Term: 20 years Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Rapid City would have 210% coverage based on the current rate of \$37.37/5,000 gallons.

10% Funding Subsidy: \$95,000 subsidy with a loan of \$855,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$855,000, Rapid City would have 234% coverage based on the current rate of \$37.37/5,000 gallons.

20% Funding Subsidy: \$190,000 subsidy with a loan of \$760,000.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$760,000, Rapid City would have 263% coverage based on the current rate of \$37.37/5,000 gallons.

50% Funding Subsidy: \$475,000 subsidy with a loan of \$475,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$475,000, Rapid City would have 421% coverage based on the current rate of \$37.37/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

Applicant:
City of Rapid City

Address:
300 6th St.
Rapid City, SD 57701

Subapplicant:

DUNS Number:
057222119

RECEIVED
MAR 28 2018
Division of Financial
& Technical Assistance

Proposed Funding Package

Requested Funding	\$950,000
Local Cash	
Other: Prior SRF Award	\$4,626,000
Other: Prior CWFCP Awar	\$1,000,000
Other: Prior Local Cash	\$1,500,000
TOTAL	\$8,076,000

Project Title: East Rapid City Water System Expansion Project

Description:

The East Rapid City Water System Expansion Project serves a project area east of the City and comprises several residential areas (see attached map) that have had water sources that were inadequate, unreliable and in many cases which did not comply with EPA safe drinking water standards. Individual residential developments were not able to develop feasible project alternatives on their own so ultimately the East Rapid City Water System Expansion Project was developed as the only feasible, regional solution. The project consists of the extension of water to these neighborhoods from a new water line connecting the City with the Rapid City Regional Airport. The project was financed through both City funds and DENR funds. The City is securing the loan portion with surcharges on the users of the extended water system being used to pay back the City. The DENR funding was awarded in 2014 and consisted of substantial grant and principal forgiveness which enabled the East Rapid City water user's surcharges to be set at an affordable level. The project has been under construction for the past year, however, it has now been identified that additional funding is needed to complete the project - hence this new funding request. Any grant or principal forgiveness awarded as part of this new funding request will help to preserve the affordability of the surcharges the water users must pay.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Steve Allender, Mayor
Name & Title of Authorized Signatory
(Typed)

Signature

Date

3-19-18

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF LEOLA

Project Title:	Drinking Water Improvements
Funding Requested:	\$2,641,000
Other Proposed Funding:	\$770,000 - Community Development Block Grant
Total Project Cost:	\$2,641,000
Project Description:	<p>The City of Leola plans to upgrade all water meters in the city, construct a new booster pump house and replace watermain throughout the community. Outdated water meters have caused purchased rural water to be unaccounted for which contributes to a loss of revenue for the city of Leola. The city will replace all existing meters in town and implement technology allowing the meters to be read remotely. The existing pumping system that moves water from the ground storage tank into the water tower is located in the city shop and is approaching the end of its useful life. A new pump house building would be constructed which would contain a new pumping system, recirculating pumps to prevent freezing and an emergency backup generator. Aging and undersized asbestos cement and ductile iron watermain, dead-end water lines, and inoperable valves contribute to leaks, breaks and water pressure issues in the community. Leola will replace all 4-inch asbestos cement and ductile iron pipe and loop the system in many locations with approximately 12,000 feet of 6-inch PVC watermain. All pipe less than 2 inches in size, valves and hydrants will also be replaced throughout the city.</p>
Alternatives Evaluated:	<p>Alternative 1: No Action. This alternative will not address issues with water loss or the aging infrastructure of Leola and was not selected.</p> <p>Water Storage Alternative 1: New Pump House Building. This alternative proposes relocating the pumps that currently transfer water from the ground storage reservoir to the elevated storage tank from the city shop to a new building. This building will also house recirculating pumps to prevent freezing and a backup generator. This alternative was selected because the current pumps require replacement, the city feels the existing elevated tank still has some years of useful life left and a new elevated tank would be an expensive burden for the community.</p>

Water Storage Alternative 2: New Single Pedestal 50,000-Gallon Elevated Storage Tank. This alternative proposes constructing a new water tower 30 feet higher in elevation than the current tower along with a pump house. This alternative was not selected primarily due to cost and because the city wishes to gain maximal utility from their existing tower.

Water Storage Alternative 3: New 50,000-Gallon Multi-Leg Elevated Storage Tank. This alternative proposes constructing a new water tower and pump house. This alternative was not selected because these types of water towers have a higher annualized cost to the city than a single pedestal tower.

Water Distribution Alternative 1: Water Meters. This alternative proposes installing new water meters throughout town. A system allowing meters to be read by a passing vehicle will also be installed. This alternative was selected because the existing meters are outdated and it will increase water revenues for Leola through reduction of unbilled water.

Water Distribution Alternative 2: Replacement of 4-inch asbestos cement and ductile iron pipe and pipe less than 2 inches with 6-inch PVC adding looping, valves, and hydrants. This alternative will lay approximately 12,000 feet of 6-inch PVC to upsize smaller lines and loop many locations in the community as well as replace all valves and hydrants in the city. In the facility plan, several other water distribution alternatives were presented which proposed only undertaking portions of Water Distribution Alternative 2. This alternative was selected over similar alternatives as it targets the most vulnerable water distribution lines, loops portions of the community, and fixes all issues with hydrants and valves in the entire city.

Water Distribution Alternative 3: Replacement of all asbestos cement, 4-inch ductile iron pipe and pipe less than 2 inches with 6-inch PVC, adding valves and hydrants, and adding Looping. This alternative replaces all asbestos cement watermain, 4-inch ductile iron pipe, and undersized pipe while installing new hydrants and valves throughout the town. This alternative also adds the looping present in water distribution alternative 2. Another water distribution alternative was also considered which was identical to this alternative without the proposed looping. This and similar alternatives were not selected due to the significant capital cost.

Implementation Schedule: The City of Leola anticipates bidding the project in January of 2019 with a project completion date of November 2019.

Service Population: 457

Current Domestic Rate: \$46.00 per 5,000 gallons usage

Interest Rate: 2.00% Term: 30 years Security: Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Leola would have to establish a surcharge of approximately \$43.35. When added to current rate of \$46.00/5,000 gallons residents would be paying \$89.35/5,000 gallons.

50% Funding Subsidy: \$1,320,500 subsidy with a loan of \$1,320,500.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$1,320,500 Leola would have to establish a surcharge of approximately \$21.20 thereby paying a rate \$67.20/5,000 gallons.

70% Funding Subsidy: \$ 1,878,700 subsidy with a loan of \$792,300.

Coverage at 70% Subsidy: Based on a 70% subsidy and a loan of \$792,300 Leola would have to establish a surcharge of approximately \$13.00 thereby paying a rate \$59.00 /5,000 gallons.

90% Funding Subsidy: \$2,362,000 subsidy with a loan of \$279,000.

Coverage at 90% Subsidy: Based on a 90% subsidy and a loan of \$2,362,000 Leola would have to establish a surcharge of approximately \$4.35 thereby paying a rate \$50.35 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ALLEN PRINCE

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

<p>Applicant: City of Leola</p> <p>Address: PO Box 108 Leola, SD456-0108</p> <p>Subapplicant:</p> <p>DUNS Number: 037982886</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td><td style="width: 30%; text-align: right;"><u>\$2,641,000</u></td></tr> <tr> <td>Local Cash</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td style="text-align: right;">TOTAL</td><td style="text-align: right;"><u>\$2,641,000</u></td></tr> </table>	Requested Funding	<u>\$2,641,000</u>	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	TOTAL	<u>\$2,641,000</u>
Requested Funding	<u>\$2,641,000</u>												
Local Cash	_____												
Other:	_____												
Other:	_____												
Other:	_____												
TOTAL	<u>\$2,641,000</u>												

Project Title: Leola Drinking Water Improvement Project

Description:

The City of Leola is proposing to make improvements to their water system. These improvements will include constructing a new pump house building, replacing all of their water meters and replace all of their 4" AC/DI and lines less than 2" to be replaced with 6" PVC piping plus adding 6" PVC loops to the system along with new valves and fire hydrants. The water system improvements will serve the needs of the citizens of Leola. The funds will be used to assist the city in alleviating the current problems with the water loss and update their current system.

Leola's current rate for drinking water is \$46.00 per user per month for 5,000 gallons.

The City of Leola is also applying to CDBG in the amount of \$770,000 for this project as well.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Doug Yost, Mayor
Name & Title of Authorized Signatory
(Typed)

03/19/2018

Date

Signature

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: SHERIDAN LAKE HIGHLANDS HOMEOWNER'S ASSOCIATION

Project Title:	Water System Financing and Improvements
Funding Requested:	\$301,700
Other Proposed Funding:	None
Total Project Cost:	\$301,700
Project Description:	<p>Sheridan Lake Highlands Homeowner's Association's proposed project includes the refinancing of the purchase of their water system from the developer, drilling a new well, and improvements to their existing well house.</p> <p>Well house improvements include a 1½-inch transmission pipeline and underground power feed, modification of the interior piping systems to allow wells to pump together or separately, and separate chemical feed systems for each well.</p>
Alternatives Evaluated:	<p>The "No Action" alternative for water supply was not considered acceptable because it would not address the deficiency in water production capacity and lack of redundant supply source.</p> <p>Sheridan Lake Highlands also considered regionalizing with other water systems, including Rapid City and Colonial Pine Hills Sanitary District. The potential for utilities to be extended from Rapid City to Sheridan Lake Highlands would not be possible until 2030, and the regionalization with Colonial Pine Hills was more expensive than drilling a new well. Therefore, these options were not considered feasible.</p>
Implementation Schedule:	<p>The alterations to the well house are necessary for the treatment of the water from the new well and to allow the new well to pump in conjunction or separately from the current well.</p> <p>Sheridan Lake Highlands Homeowners Association anticipates bidding the project in January 2019 with a project completion date of September 2019.</p>

Service Population: 55

Current Domestic Rate: \$110 based on 10,000 gallons usage

Interest Rate: 2.50% Term: 30 years Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Sheridan Lake Highlands Homeowners Association would have 25% coverage based on the current rate of \$110.00/10,000 gallons.

25% Funding Subsidy: \$75,425 subsidy with a loan of \$226,275.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$226,275, Sheridan Lake Highlands Homeowners Association would have 33% coverage based on the current rate of \$110.00/10,000 gallons.

50% Funding Subsidy: \$150,850 subsidy with a loan of \$150,850.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$150,850, Sheridan Lake Highlands Homeowners Association would have 50% coverage based on the current rate of \$110.00/10,000 gallons.

75% Funding Subsidy: \$226,275 subsidy with a loan of \$75,425.

Coverage at 75% Subsidy: Based on a 75% subsidy and a loan of \$75,425, Sheridan Lake Highlands Homeowners Association would have 100% coverage based on the current rate of \$110.00/10,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ABBEY LARSON

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

<p>Applicant: Sheridan Lake Highlands, Inc. (HOA)</p> <p>Address: 23468 Dry Sage Lane Rapid City, SD 57702</p> <p>Subapplicant:</p> <p>DUNS Number: 031233173</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="width: 30%; text-align: right;"><u>\$301,700</u></td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td>Other:</td> <td style="text-align: right;">_____</td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;"><u>\$301,700</u></td> </tr> </table>	Requested Funding	<u>\$301,700</u>	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	TOTAL	<u>\$301,700</u>
Requested Funding	<u>\$301,700</u>												
Local Cash	_____												
Other:	_____												
Other:	_____												
Other:	_____												
TOTAL	<u>\$301,700</u>												

Project Title: Sheridan Lake Highlands Water System Financing and Improvements

Description:

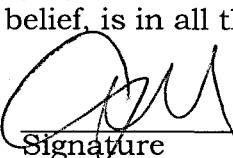
Sheridan Lake Highlands (SLH), Inc. is seeking financing for the purchase of the community water system servicing Sheridan Lake Highlands Subdivision. The water system was purchased by SLH, Inc. from the original developer of the subdivision in 2017, but, due to time constraints, interim financing was secured in the amount of \$200,000 from West River Foundation (WRF) for the purchase until such time permanent financing could be secured from DENR. The WRF loan is due September, 2018. An additional \$50,000 for the water system is also still owed to the original developer, Dean Kelly Construction (DKC), Inc., with payments due in August 2018 & 2019.

SLH, Inc. is also proposing to make alterations to their existing well house in order to accommodate additional water flow from a second well being installed by DKC, Inc. in the southwest portion of the subdivision in the future. The improvements to the well house include: a 1 1/2" transmission pipeline and underground power feeder between the new well and the existing well house; combining flows from both the existing well and the new well for discharge to the 3" supply line to the storage tank; modification of the interior piping systems to allow both wells to pump together as well as individually; and, separate chemical feed systems for each well. The estimated cost of these improvements is \$51,700.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Angela Vancas, President
Name & Title of Authorized Signatory
(Typed)


3/31/18

Signature

Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF MARION

Project Title: Water Meter Replacement

Funding Requested: \$522,000

Other Proposed Funding: None

Total Project Cost: \$522,000

Project Description: The city of Marion proposes to replace approximately 387 water meters with new radio read units. The current meters are over 20 years old and have reached their useful life. Water losses in Marion have been excessive, and replacing the water meters will help reduce water losses and increase efficiency in the billing process.

Alternatives Evaluated: The “no action” alternative was considered but rejected due to the age and operating efficiency of the current meters.

Implementation Schedule: The city anticipates bidding the project in September 2018 with a project completion date of January 2019.

Service Population: 838

Current Domestic Rate: \$40.00 per 5,000 gallons usage

Interest Rate: 2.0% Term: 10 years Security: Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Marion would have to establish a surcharge of approximately \$13.67. When added to current rate of \$40.00/5,000 gallons, and after restructuring, residents would be paying \$48.35/5,000 gallons.

10% Funding Subsidy: \$52,200 subsidy with a loan of \$469,800.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$469,800 Marion would have to establish a surcharge of approximately \$12.31 thereby, after restructuring, paying a rate \$47.00/5,000 gallons.

20% Funding Subsidy: \$104,400 subsidy with a loan of \$417,600.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$417,600 Marion would have to establish a surcharge of approximately \$10.94 thereby, after restructuring, paying a rate \$45.65/5,000 gallons.

30% Funding Subsidy: \$156,600 subsidy with a loan of \$365,400.

Coverage at 30% Subsidy: Based on a 30% subsidy and a loan of \$365,400 Marion would have to establish a surcharge of approximately \$9.57 thereby, after restructuring, paying a rate \$44.25/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: JIM ANDERSON

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

Applicant:
City of Marion

Address:
PO Box 94
Marion, SD 57043

Subapplicant:
N/A

DUNS Number:
612474668

RECEIVED
APR 03 2018

Division of Financial
& Technical Assistance

Proposed Funding Package

Requested Funding \$522,000

Local Cash _____

Other: _____

Other: _____

Other: _____

TOTAL \$522,000

Project Title: Water Meter Replacement Project

Description:

The City of Marion wants to replace the existing water meters with remote read water meters. There are approximately 387 customers billed monthly for water use, as of December of 2017. The existing water meters are a variety of units that are over 20 years old, near the life expectancy for typical municipal meters. Upgrading the meters with the remote read option will greatly increase the efficiency of the meter reading process. Currently, the City of Marion depends upon the customers to report meter readings. This leads to human-error as well as delayed readings. Remote read meters will allow the City to track customers' water usage in real-time, and pinpoint issues such as leaks or open faucets as they occur, improving customer service. Water losses in the City of Marion have been excessive and averaged 23% from 2010 to 2015. The addition of new water meters should greatly reduce the City's water losses.

The current water rate for the City of Marion is \$40.00/5,000 gallons, and no reserve fund has been established for this project.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ron Globke, Mayor City of Marion
Name & Title of Authorized Signatory
(Typed)

Signature

3-23-18

Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: TOWN OF GRENVILLE

Project Title: Water Meter and Valve Replacement

Funding Requested: \$352,000

Other Proposed Funding: None

Total Project Cost: \$352,000

Project Description: The Town of Greenville plans to replace its water meters and valves which have outlived their useful life. The new water meters will be a radio read system.

Alternatives Evaluated: The “No Action” alternative was not considered acceptable because it would not address the unmetered water issues that are caused by the outdated meters. It would also not have addressed issues with valves that have become inoperable.

The town also considered installing meter pits for easy access to the water meters without the homeowner being available. This alternative was more expensive than install new meters with a mobile read system. Since the mobile read system would allow the town to read all the meters from a central location, it was decided that was the preferred alternative.

Implementation Schedule: The town of Greenville anticipates bidding the project in November 2018 with a project completion date of July 2019.

Service Population: 54

Current Domestic Rate: \$42.00 per 5,000 gallons usage

Interest Rate: 2.00% Term: 30 years Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If all funding is provided as loan Greenville would have to establish a surcharge of approximately \$28.70. When added to current rate of \$42.00/5,000 gallons residents would be paying \$70.70/5,000 gallons.

20% Funding Subsidy: \$70,000 subsidy with a loan of \$282,000.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$282,000 Greenville would have to establish a surcharge of approximately \$22.85 thereby paying a rate \$64.85/5,000 gallons.

50% Funding Subsidy: \$176,000 subsidy with a loan of \$176,000.

Coverage at 50% Subsidy: Based on a 50% subsidy and a loan of \$176,000 Greenville would have to establish a surcharge of approximately \$14.35 thereby paying a rate \$56.35 /5,000 gallons.

80% Funding Subsidy: \$282,000 subsidy with a loan of \$70,000.

Coverage at 80% Subsidy: Based on a 80% subsidy and a loan of \$70,000 Greenville would have to establish a surcharge of approximately \$5.75 thereby paying a rate \$46.50 /5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ABBEY LARSON

FINANCIAL REVIEW COMPLETED BY: LUKUS LEIDHOLT

Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

<p>Applicant: Town of Greenville</p> <p>Address: PO Box 12 Greenville, SD 57239-0012 605-486-4540</p> <p>Subapplicant:</p> <p>DUNS Number: 111604401</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td><td style="width: 30%; text-align: right;"><u>\$352,000</u></td></tr> <tr> <td>Local Cash</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td>Other:</td><td style="text-align: right;">_____</td></tr> <tr> <td style="text-align: right;">TOTAL</td><td style="text-align: right;">\$352,000</td></tr> </table>	Requested Funding	<u>\$352,000</u>	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	TOTAL	\$352,000
Requested Funding	<u>\$352,000</u>												
Local Cash	_____												
Other:	_____												
Other:	_____												
Other:	_____												
TOTAL	\$352,000												

Project Title: Greenville Water Meter and Valve Replacement Project

Description:

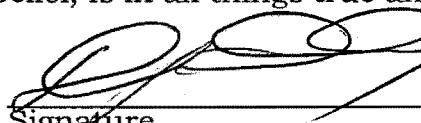
The Town of Greenville is proposing to replace their water meters which have outlived their useful life. The meters are unreliable and the Town is unable to get replacement meters or parts for the meters. They are experiencing water loss estimated at approximately 15 percent. The Town of Greenville is also proposing to replace valves which are non-operational, to ensure better control of the system.

The Town of Greenville receives water supply from WEB and does not have their own storage facility. Monthly water rates are \$24.00 for the first 1,000 gallons and an additional \$4.50 per 1,000 gallons above the first 1,000. The monthly rate for 5,000 gallons is \$42.00.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Michael Gonzales, President
Name & Title of Authorized Signatory
(Typed)



Signature

March 19, 2018

Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
APPLICANT: BUTTE MEADE SANITARY WATER DISTRICT

Project Title:	Water Line Replacement
Funding Requested:	\$413,000
Other Proposed Funding:	None
Total Project Cost:	\$413,000
Project Description:	<p>Butte Meade Sanitary Water District is proposing to replace approximately 2.7 miles of pipe in their service area. The installation will replace 6- and 8-inch asbestos cement pipe that will be affected by an SDDOT project on Highway 212 that is expected in 2020. The new line, consisting mostly of 8-inch PVC pipe, will be installed in a corridor on the south side of Highway 212. The asbestos cement pipe in this area has had problems with leaks and several segments have already been replaced.</p> <p>This project also includes a 3-inch water line extending south from Highway 212 to serve existing users in the area.</p>
Alternatives Evaluated:	<p>The No Action alternative is not recommended because it would not allow Butte Meade to provide service to some existing customers and would limit their ability to distribute water to the east and west service areas.</p> <p>The “Trenchless Method” alternative was considered but was determined to not be feasible for the entire length of the project. Trenchless methods will be used for portions of this project in conjunction with the selected alternative.</p> <p>The recommended alternative is the “Open Trench Method” for replacement on the 6 and 8-inch lines that will be disturbed by the SDDOT project. The new pipe will be installed south of Highway 212. The open trench method was determined to be the most economical alternative. Trenchless technology will be used for the three highway crossings that are anticipated in this project.</p>
Implementation Schedule:	Butte Meade Sanitary Water District anticipates bidding the project in early 2019 with a completion date in late Summer/Fall 2019.
Service Population:	2,005

Current Domestic Rate: \$53.00 per 5,000 gallons usage

Interest Rate: 2.25% Term: 20 years Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount: If funding is provided as all loan, Butte-Meade would have 177% coverage based on the current rate of \$53/5,000 gallons.

10% Funding Subsidy: \$41,300 subsidy with a loan of \$371,000.

Coverage at 10% Subsidy: Based on a 10% subsidy and a loan of \$371,000 Butte-Meade would have 180% coverage based on the current rate of \$53/5,000 gallons.

20% Funding Subsidy: \$82,600 subsidy with a loan of \$330,400.

Coverage at 20% Subsidy: Based on a 20% subsidy and a loan of \$330,400 Butte-Meade would have 183% coverage based on the current rate of \$61/7,000 gallons.

25% Funding Subsidy: \$103,250 subsidy with a loan of \$309,750.

Coverage at 25% Subsidy: Based on a 25% subsidy and a loan of \$309,750 Butte-Meade would have 185% coverage based on the current rate of \$53/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

<p>Applicant: Butte Meade Sanitary Water District</p> <p>Address: 117 Girard Ave. Newell, SD 57760</p> <p>Subapplicant: Division of Financial & Technical Assistance</p> <p>DUNS Number: 012654393</p>	<p>Proposed Funding Package</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Requested Funding</td> <td style="width: 30%; text-align: right;"><u>\$413,000</u></td> </tr> <tr> <td>Local Cash</td> <td><u> </u></td> </tr> <tr> <td>Other:</td> <td><u> </u></td> </tr> <tr> <td>Other:</td> <td><u> </u></td> </tr> <tr> <td>Other:</td> <td><u> </u></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right;"><u>\$413,000</u></td> </tr> </table>	Requested Funding	<u>\$413,000</u>	Local Cash	<u> </u>	Other:	<u> </u>	Other:	<u> </u>	Other:	<u> </u>	TOTAL	<u>\$413,000</u>
Requested Funding	<u>\$413,000</u>												
Local Cash	<u> </u>												
Other:	<u> </u>												
Other:	<u> </u>												
Other:	<u> </u>												
TOTAL	<u>\$413,000</u>												

Project Title: Water Line Replacement Project

Description:

The Butte-Meade Sanitary Water District serves about 420 sq. miles in rural Butte and Meade Counties. It also serves the Town of Fruitdale and is the backup supply for Nisland and Newell. The number of water connections has increased over time – from 223 in 1973, to 886 now. The system has 3 wells but one of these is only for emergencies due to radium. The system has over 300 miles of pipe from 1½" to 8" diameter. In 2020 the SDDOT will reconstruct part of Hwy. 212. This project will change the ground elevation and will require removal of parts of the District's 6" and 8" asbestos/cement (AC) mains. This older AC pipe is leak-prone with segments replaced in the past. One such project occurred about 1 mile west of the proposed SDDOT project. The new project will include approx. 2.7 miles of new pipe (mostly 8") and will extend west to connect to that previously-replaced segment. The project will also extend line through and to the east of the SDDOT project limits. The new line will be relocated to the south side of Hwy. 212 and will require about 3 highway crossings. Also included will be a new 3-inch water line extended to the south on the east end of the SDDOT project and will serve existing and future users in this area – although no new users are now proposed. The entire water project must be completed before the SDDOT project occurs in 2020.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Bob Lewis, Board President
Name & Title of Authorized Signatory
(Typed)

Bob Lewis
Signature

3-14-18
Date

June 28, 2018

Item 10

TITLE: Solid Waste Management Program Funding Application

EXPLANATION: The following application has been received by DENR for funding consideration at this meeting.

a. Rapid City

COMPLETE APPLICATIONS: An application cover sheet and summary sheet with financial analysis has been provided as part of the board packet. The complete application is available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsother0618.pdf>

If you would like a copy of the application, please contact Drew Huisken at (605) 773-4216.

Solid Waste Management Program Funding Applications



FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: CITY OF RAPID CITY

Project Title: Landfill Cell #18 Construction

Funding Requested: \$1,000,000

Other Proposed Funding: \$3,556,944 – Local Cash

Total Project Cost: \$4,556,944

Project Description: Rapid City is currently constructing a new landfill cell as part of the continuing operation of the facility. This new cell will be constructed with a synthetic liner, leachate collection system and leachate pond with a discharge line into the municipal sanitary sewer.

Type: Regional Landfill

Service Population: 118,500

Financial & History Information:

On March 28, 2014 Rapid City was awarded a \$1,500 SWMP grant to purchase recycling bins to be used at city events.

On June 28, 2013 Rapid City was awarded \$400,000 in SWMP grants for front-end upgrades to its landfill site including an automated scale for commercial haulers and separate in-bound and out-bound scales for private citizens and for a secured 24-hour drop-off area for recyclables and yard waste to allow after hours use of these services by citizens

On January 8, 2010 Rapid City was awarded a \$250,000 SWMP grant for an on-site leachate remediation system.

Implementation Schedule: Rapid City began construction on March 8, 2018 with a project completion date of September 30, 2018.

Fees: \$59.00 per ton – Municipal Solid Waste

Engineering Review Completed By: Allen Prince

Financial Review Completed By: Jon Peschong

Solid Waste Management Program Application

Applicant

City of Rapid City Solid Waste Operations

Proposed Funding Package

	RECEIVED	SWMP Funds:	\$1,000,000
Address	11/04/2018	Local Cash:	\$3,556,944
300 6th St Rapid City SD 57701	Division of Financial & Technical Assistance	Other:	
		Other:	
		Other:	
Phone Number	605-355-3496	Total Project Cost:	\$4,556,944

Project Title: Cell 18 Liner and Leachate Collection

Description:

The City of Rapid City is constructing Cell 18 at the Rapid City Landfill. The Rapid City Landfill is an active Municipal Solid Waste Landfill (MSWLF), operating since 1960. The existing landfill site is approximately 451 acres located on the southwestern corner of the intersection of Highway 79 and Catron Boulevard south of Rapid City, SD. Cells 1 – 14 are closed cells with final cover in place. Cell 16 is currently the active cell, with Cell 15 partially

constructed but not yet receiving waste. Cell 17 is an inactive cell with intermediate cover with plans to install final cover in the fall of 2017 through the spring of 2018. See Figure 1 on the following page for an overall site layout.

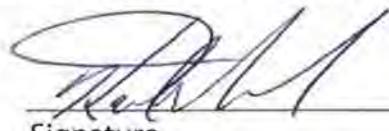
FMG Engineering was retained by the City of Rapid City to design Cell 18 and preliminary design of Cell 19. This included assisting with the required permit modifications and amendments, providing liner and leachate collection system designs, cell grading plans and construction documents, and perform a geotechnical evaluation of the project site and provide geotechnical design parameters. The design has been approved by SD DENR, bids received, and awarded to Foothills Contracting of Aberdeen, SD. Construction will be completed by September 30, 2018.

The Applicant certifies that:

I declare and affirm under the penalties of perjury that this application has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Karl Merbach, Solid Waste Superintendent

Name and Title of Authorized Signatory (Typed)


3-29-2018

 Signature Date

June 28, 2018

Item 11

TITLE: Watershed Restoration Project Funding Application

EXPLANATION: The following application has been received by DENR for funding consideration at this meeting.

- a. James River Water Development District

COMPLETE APPLICATIONS: An application cover sheet and summary sheet has been provided as part of the board packet. A complete application is available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRappsother0618.pdf>

If you would like a hard copy of the application, please contact Mike Perkovich at (605) 773-4216.

Watershed Restoration Project Application



FUNDING REQUEST EVALUATION FORM
WATERSHED RESTORATION FUNDING APPLICATION
APPLICANT: JAMES RIVER WATER DEVELOPMENT DISTRICT

Project Title: South Central Watershed Implementation Project - Segment 1

Funding Requested: \$500,000

Other Proposed Funding:

\$2,835,329– USDA EQIP
\$2,377,566 – USDA RCPP
\$5,146,410 – Local
\$1,068,000– State (Consolidated & SRF Water Quality)
\$ 330,000 – Conservation Commission
\$1,192,000 – James River Water Development District
\$2,347,787 – US EPA Section 319

Total Project Cost: \$15,797,092

Project Description:

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, Academy and Platte Lake Watersheds, impaired reaches of the lower James River watershed and Vermillion River watershed. 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.

Implementation Schedule: Upon funding availability to January 4, 2021

Service Population: 17 counties in south central South Dakota

REVIEW COMPLETED BY:

BARRY MC LAURY

Watershed Restoration Project Funding Application

Consolidated Water Facilities Construction Program (CWFCP)

CW SRF Water Quality Grants (WQ Grant)

Applicant:	Proposed Funding Package	
James River Water Development District	Requested Funding	\$500,000
Address:	Local Cash	\$5,146,410
PO Box 849 Huron, SD 57350	Other: 319/SRF-WQ Fund	\$2,590,787
	Other: Secured CWFCP	\$825,000
	Other: Local/Fed/RCPP	\$6,734,895
	TOTAL	\$15,797,092

Project Title: South Central Watershed Implementation Project-Segment I

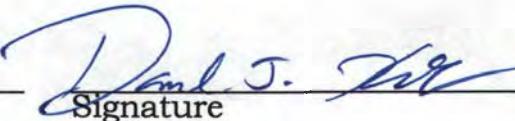
Description:

This proposal is for Segment I of the South Central Watershed Project. The project is a combination of the successful Lewis and Clark, Lower James, and Vermillion River watersheds. Drainages affected by this watershed area are the ones that flow into Lewis and Clark Lake on the Missouri River, Dawson Creek, Firesteel Creek, Pierre Creek and Wolf Creek which supply the lower area of the James River, and the East and West Forks of Vermillion River. The size of the watershed covers approximately 6,500,000 acres. The project main effort is to restore water quality to meet designated beneficial uses and address TMDL's established for the these water bodies listed; reducing sedimentation into the Lewis and Clark Lake and the lower James River are also a primary focus. South Central also assists in directing partnership assistance in the watershed to solve feedlot waste runoff and other non-point pollution problems from grazing acres. Previous segments were successful in installing animal waste systems and the addition of these funds would aid in the completion of more of these same systems.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dan Klimisch, Chairman JRWDD Board
Name & Title of Authorized Signatory
(Typed)

 Date 3-15-19

June 28, 2018

Item 12

TITLE: City of Salem Request to Amend the scope of Drinking Water State Revolving Fund Loan C462057-04, and Consolidated Water Facilities Construction Program Grant 2018G-109.

EXPLANATION: In March 2017, the Board awarded a \$302,000 Drinking Water SRF loan and a \$500,000 Consolidated grant to the city of Salem for improvements to the water distribution system. Construction for the projects associated with this loan and grant has started, and the city of Salem is anticipating having an excess of at least \$36,000.

On March 7, 2018, the department received a letter from the city of Salem requesting to amend the scope of the current funding to include a pilot study of their current water treatment plant.

The city has been experiencing problems with its water treatment plant including the failure of several ultrafiltration modules. There are also failed pumps and plugged cartridge filters on the nanofiltration skid. The city's engineer has reviewed the system and decided that a pilot plant study would help determine the best treatment options going forward.

RECOMMENDED ACTION: Approve the First Amendment to the Drinking Water SRF Loan C462057-04 and Consolidated Water Facilities Construction Program Grant 2018G-109, effectively changing the scope of the loan and grant to include the proposed pilot study.

CONTACT: Abbey Larson, 773-4222

City of SALEM

P.O. Box 249
Salem, South Dakota 57058
Phone (605) 425-2301
FAX (605) 425-3194
salemisd.com



Mayor Robin Rayman

RECEIVED

MAR 07 2018

Division of Financial
& Technical Assistance

February 28, 2018

Abbey Larson
SDDENR
Foss Building
523 East Capitol Ave
Pierre, SD 57501

RE: Salem Street and Utility Improvements Project
DWSRF C462057-04

Dear Ms. Larson:

Gabe Labe, Project Engineer from DGR Engineering, has discussed utilizing the Drinking Water Funding for the street project on the water plant with DENR. Since the Salem Street & Utility Improvement project is under budget, and the City is in need of funding for improvements to their water treatment plant; the city is respectively asking if DENR would be willing to allow engineering, pilot plant costs and other non-construction activities for the Water Treatment Plant Renovation planning and pilot study be added to the Street & Utility Improvement Project's scope for funding reimbursement.

Thank you for your consideration and if you have any questions please contact Lori Heumiller, Finance Officer, 605-425-2301.

Sincerely,

A handwritten signature in black ink that reads "Robin Rayman".

Robin Rayman
Mayor
City of Salem, SD

June 28, 2018

Item 13

TITLE:	Ree Heights Request to Amend Drinking Water State Revolving Fund Loan C462386-01
EXPLANATION:	<p>On March 27, 2018, the Board of Water and Natural Resources awarded the town of Ree Heights a \$509,000 Drinking Water State Revolving Fund loan with 84.5 percent principal forgiveness not to exceed \$430,000 to replace the town's water system. Upon completion of the project, Mid-Dakota Rural Water System will take over ownership and all operational and maintenance requirements of the system and serve Ree Heights users as individual users.</p> <p>Mid-Dakota has since offered to provide financial assistance for all project costs exceeding \$430,000. On June 1, 2018, the Board of Water and Natural Resources received a letter from Ree Heights requesting that the loan amount be reduced from \$509,000 to \$430,000 with 100% principal forgiveness.</p>
RECOMMENDED ACTION:	Rescind Resolution #2018-30 and approve a resolution amending the amount of Drinking Water State Revolving Fund loan C462386-01 from \$509,000 with 84.5 percent principal forgiveness not to exceed \$430,000 to the amount of \$430,000 with 100% principal forgiveness.
CONTACT:	Andy Bruels 773-4216

RECEIVED

JUN 01 2018

Division of Financial
& Technical Assistance

Ree Heights Town
PO Box 182
Ree Heights SD 57371

May 31, 2018

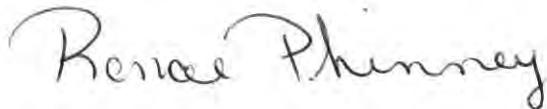
Mike Perkovich, Program Administrator
Department of Environment & Natural Resources
523 East Capitol Avenue
Pierre, SD 57501-3182

Dear Mr. Perkovich:

On March 23, 2018 the Board of Water and Natural Resources approved a Drinking Water State Revolving Fund loan of \$509,000 with 84.5 percent principal forgiveness not to exceed \$430,000 for our water distribution system upgrade project. This would leave \$79,000 for the Town of Ree Heights to repay after project completion. As you are aware Mid-Dakota Rural Water System would then take over the system and serve the town as individual customers.

In further discussions with Mid-Dakota, a second alternative has developed. Mid-Dakota would provide assistance for all costs that exceed the \$430,000 principal forgiveness and recover those costs from individual users in the town of Ree Heights via Mid-Dakota's usual and customary fee structure. Therefore the town of Ree Heights requests that the Drinking Water State Revolving Fund loan be amended to a \$430,000 loan with 100 percent principal forgiveness. If approved it would mean that Ree Heights will not have to collect funds to repay a loan that was used to update its water distribution system that it will no longer own.

Sincerely,
Renae Phinney, Town Board President



Cc: Ted Dickey, Northeast Council of Governments, Aberdeen, SD
Scott Gross, Mid-Dakota RWS, Miller, SD
Connie Aymar, Mid-Dakota RWS, Miller, SD

June 28, 2018

Item 14

TITLE:

South Eastern Council of Governments Private Entity Loan Review Joint Powers Agreements

EXPLANATION:

In 2014, the board entered into a \$7,500 Joint Powers Agreement with the South Eastern Council of Governments to provide private entity loan review services. \$315 was expended under this contract which expires on July 1, 2018. This contract cannot be extended.

Section 2 of this past legislative session's Omnibus Bill (HB 1098) appropriated \$2.5 million from the Water and Environment Fund to the Board's Solid Waste Management Program. SDCL Chapter 46A-1 which authorizes the Solid Waste Management Program, allows the Board to use funds from the appropriation to contract for services to administer the program including processing and reviewing private entity solid waste loan applications.

Staff prepared a Joint Powers Agreement to place \$7,500 of this amount under agreement with the South Eastern Council of Governments effective July 1, 2018 through June 30, 2022. The agreement will limit the reimbursement rate to \$70.00 per hour and caps the review of each application at 15 hours without prior written approval.

RECOMMENDED

ACTION:

Approve the Joint Powers Agreement with the South Eastern Council of Governments

CONTACT:

Andy Bruels
773-4216

June 28, 2018

Item 15

TITLE:

Amendment to Public Financial Management, Inc. Contract

EXPLANATION:

In June 2015, the Board of Water and Natural Resources, acting as the South Dakota Conservancy District, entered into a consultant contract with Public Financial Management, Inc. to provide services to the State in connection with the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program.

Public Financial Management has served as the SRF Financial Advisor since 2003. The Board's current contract with Public Financial Management terminates on June 30, 2018.

The primary purpose of the amendment is to extend the contract period to June 30, 2021 and increase the total contract amount to an amount not to exceed \$275,000. The amendment also reflects a name change from Public Financial Management to PFM Financial Advisors, LLC and adds sections dealing with Consultant's responsibilities as a registered municipal advisor pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2.

The amendment has been prepared with assistance from the Office of Attorney General and legal counsel and reviewed by PFM Financial Advisors, LLC and the Department of Environment and Natural Resources.

RECOMMENDED ACTION:

Approve the resolution authorizing the amendment to the Financial Advisor contract.

CONTACT:

Mike Perkovich, 773-4216

June 28, 2018

Item 16

TITLE: Mid-Dakota Rural Water System, Inc. request to amend its parity agreement among Bureau of Reclamation, USDA Rural Development, the South Dakota Conservancy District, and CoBank.

EXPLANATION: Mid-Dakota Rural Water System, Inc. has been approved for a \$35,072,000 financing package from USDA Rural Development to expand and improve its distribution system east of Highmore and refinance certain outstanding debt with the Bureau of Reclamation.

Part of the financing package includes a \$3,800,000 private funding loan from CoBank which is guaranteed by USDA Rural Development.

RECOMMENDED ACTION: Approve the execution of the Third Amended and Restated Intercreditor Agreement among the Bureau of Reclamation, CoBank, USDA Rural Development, and the South Dakota Conservancy District.

CONTACT: Jon Peschong
773-4216

Ruhnke, David

From: Timothy Engel <tme@mayadam.net>
Sent: Friday, June 01, 2018 3:53 PM
To: Ruhnke, David
Subject: [EXT] Mid-Dakota (MAGT file: 9613) - One of Two
Attachments: doc05791220180531165746.pdf

Dave:

As we've discussed, I am legal counsel for Mid-Dakota Rural Water System, Inc. ("Mid-Dakota"). This email relates to Mid-Dakota's financing package to (i) expand and improve its distribution system east of Highmore; and (ii) refinance certain of the indebtedness currently owed to the United States Bureau of Reclamation ("BOR"). A "sources and uses" worksheet prepared by USDA-RD is attached hereto as "Attachment One" and provides more detail concerning the funding sources, amounts, and proposed uses of the funds.

(PLEASE NOTE THAT I SPLIT THE ATTACHMENTS UP INTO TWO PDFs - THE SECOND ATTACHMENT WILL FOLLOW SHORTLY)

Mid-Dakota is currently indebted to BOR for the initial construction of the project, to USDA-RD for a previous project to improve and upgrade the water treatment plant and related work, and to the South Dakota Conservancy District (the "District") for some miscellaneous projects, including the construction of certain water storage tanks. A spreadsheet showing Mid-Dakota's current debt, including the payments due thereon, is attached with the label "Attachment Two."

As I mentioned on the phone, USDA-RD now requires a public/private funding component for projects such as this one. The Bank for Cooperatives ("Co-Bank") is the "private" funding partner for this project. USDA-RD has issued a commitment and the interest rate on that loan has been locked in. Co-Bank has also issued a commitment, but it won't lock its interest rate until it receives assurances that the existing lenders (BOR, USDA-RD and the District have consented to the new loan and will enter into a new Intercreditor Agreement giving CoBank a lien (held in parity with the other lenders) on system revenues. A copy of the Conditional Commitment for Guarantee given by USDA to Co-Bank, is attached and marked as "Attachment Three". CoBank doesn't normally issue commitment letters, so I don't have one of those. I have, however, asked them to put together a letter restating the terms and committing to provide the financing.

"Attachment Four" shows the anticipated new payments after the BOR debt is paid down and the new payments to USDA-RD and Co-Bank start coming due.

So you can verify Mid-Dakota's ability to make the payments and the new debt service ratio, I've also attached the following:

"Attachment Five" - Mid-Dakota's Proforma Income Statement for the calendar year ended 12/31/17;

"Attachment Six" - Mid-Dakota's Proforma Income Statement for the period 1/1/18 through 4/30/18 (the most recent reporting period available);

"Attachment Seven" - Mid-Dakota's adopted Budget and Work Plan for CY 2018;

"Attachment Eight" - The application filed with CoBank for the companion loan from Co-Bank. (This may not be particularly helpful, but is offered in the interest of full disclosure); and

"Attachment Nine" - the body of the application filed with USDA, and a marked up copy of the "underwriting" screen provided by USDA personnel showing USDA's calculation of the new debt service ratio.

As noted above, Co-Bank won't lock in its interest rate and advance funds to pay down the BOR debt until it receives the assurances described above. As you are no doubt aware, we are currently in a rising interest rate environment. Accordingly, the sooner those assurances can be provided, the better for the overall project. **Therefore, we respectfully request that the board of the District take up this request at its June meeting.**

Please let me know if you have any questions or need any additional information. If this is what you need, we're happy to incorporate this information into a more formal letter from Mid-Dakota.

Thank you!

Tim

MAY ADAM

Since 1881

Tim Engel

May, Adam, Gerdes & Thompson LLP

503 S. Pierre Street

PO Box 160

Pierre, SD 57501

(605)224-8803

Fax (605)224-6289

tme@mayadam.net

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Timothy Engel

From: Claeys, Austin - RD, Mitchell, SD <Austin.Claeys@sd.usda.gov>
Sent: Wednesday, May 23, 2018 8:24 AM
To: Timothy Engel; 'Scott Gross'; Connie Aymar (connie.aymar@mdrws.com)
Cc: Potts, Tim - RD, Rapid City, SD
Subject: Mid-Dakota, MAGT file: 9613 - water of east of Highmore projectRD

Follow Up Flag: Follow up
Flag Status: Flagged

*Attachment
One*

Here is the Sources and Uses as outlined in the LOC.

"2. Project Funding – The Agency is offering the following funding for your project:

Agency Loan -	\$31,272,000.00
---------------	-----------------

This offer is based upon the following additional funding being obtained.

CoBank Guaranteed Loan-	\$3,800,000.00
-------------------------	----------------

<u>TOTAL PROJECT COST</u> -	\$35,072,000.00
------------------------------------	-----------------

3. Project Budget – Funding from all sources has been budgeted for the estimated expenditures as follows:

<u>Project Costs:</u>	<u>Total Budgeted:</u>
Construction	\$14,093,000
Contingency	\$1,409,367
Engineering Fees	
Includes:	
Design	\$1,067,000
Construct Admin	\$916,000
Environmental	\$50,000
Admin/Legal	\$310,000
Refinance	\$16,226,633
Interim Interest	\$1,000,000
<u>TOTAL</u>	<u>\$35,072,000</u>

Obligated loan funds not needed to complete the proposed project will be de-obligated prior to start of construction. An amended letter of conditions will be issued for any changes to the total project budget."

Austin C. Claeys | Loan Specialist

Rural Development

United States Department of Agriculture

1820 N Kimball, Suite C | Mitchell SD 57301-6100

Phone: 605.299.3349 | Fax: 855.262.1941

www.rd.usda.gov/sd | "Committed to the future of rural communities"

USDA is an equal opportunity provider, employer, and lender.

June 28, 2018

Item 17

TITLE:

Department of Environment and Natural Resources State Water Resources Management System Grant Agreement

EXPLANATION:

Pursuant to the Board's recommendation, the 2017 Legislature appropriated to the State Water Resources Management System component of the State Water Plan additional funds for statewide Hydrology and Water Management Studies to manage and protect state water resources. In Section 1 of Senate Bill 70, the 2017 Legislature appropriated \$450,000 to the Board for grants to state and local project sponsors of hydrology and water management studies. Currently, approximately \$103,000 of these funds are available.

The Department of Environment and Natural Resources' Geological Survey Program has submitted a request for a \$10,000 grant to help fund a United States Geological Survey high resolution hydrographic mapping study in the lower Big Sioux River Basin. Other entities contributing to the project include USGS (\$20,000), SD DOT (\$20,000), City of North Sioux City (\$3,333), Dakota Dunes Community Improvement District (\$3,333), and Union County (\$3,333). A fact sheet explaining the project is attached for your reference.

The primary goal of the project is to determine more accurate flow routes for flood waters and runoff from heavy precipitation events. The area under study has a complex drainage pattern through a heavily developed area. The project will give state and local authorities a better understanding of potential impacts from severe drainage events in the area.

RECOMMENDED ACTION:

Approve the resolution authorizing the Chairman to execute the State Water Resources Management System Grant Agreement with the Department of Environment and Natural Resources.

CONTACT:

Andy Bruels
773-4216

Fact Sheet for
High-Resolution Hydrographic Mapping for the Lower Big Sioux River Basin
(Modified from USGS proposal, March 2018)

Background and Problem

Accurate mapping of drainage features historically has been difficult in much of eastern South Dakota because of poorly defined drainage resulting from low topographic relief and numerous depressions, wetlands, and lakes.

Interest has recently been expressed in additional high-resolution mapping in southern Union County. The communities of Elk Point, Jefferson, Dakota Dunes, and North Sioux City are located within the proposed study area and this project will provide several benefits relative to drainage management, storm-water management, and road and highway infrastructure.

Objectives and Approach

The objective of the proposed project will be to perform high-resolution hydrographic mapping within specific hydrologic units in the Big Sioux River and Missouri River watersheds (fig. 1). The project will determine surface drainage networks from LiDAR-derived digital elevation models (DEMs). A primary part of the effort involves hydro-enforcing the DEMs at locations where culverts allow water to pass through man-made obstructions, such as roadbeds, railroad grades, and levees. Without hydro-enforcement, the drainage network will not accurately reflect the true drainage pathways. Hydro-enforcing the DEMs will be accomplished using existing culvert inventories, GIS analysis, aerial imagery, and field inspections to identify culvert locations.

Products and Funding

The proposed high-resolution hydrographic mapping project will result in several primary datasets including primary flow direction, flow accumulation, locations of flow conveyance features, and associated metadata (see fig. 2 for example). All of these datasets will be delivered to cooperating agencies in GIS format. Another product will be revised LiDAR-derived watershed boundaries corresponding to the existing 12-digit Watershed Boundary Dataset for South Dakota.

Total funding of \$60,000 will be needed for full project implementation. Planned funding will include \$20,000 from the SD Department of Transportation, \$20,000 from a combination of the SD Department of Environment and Natural Resources and local government entities, and \$20,000 from USGS, contingent on availability of funds. The project will take 18 to 24 months to complete.

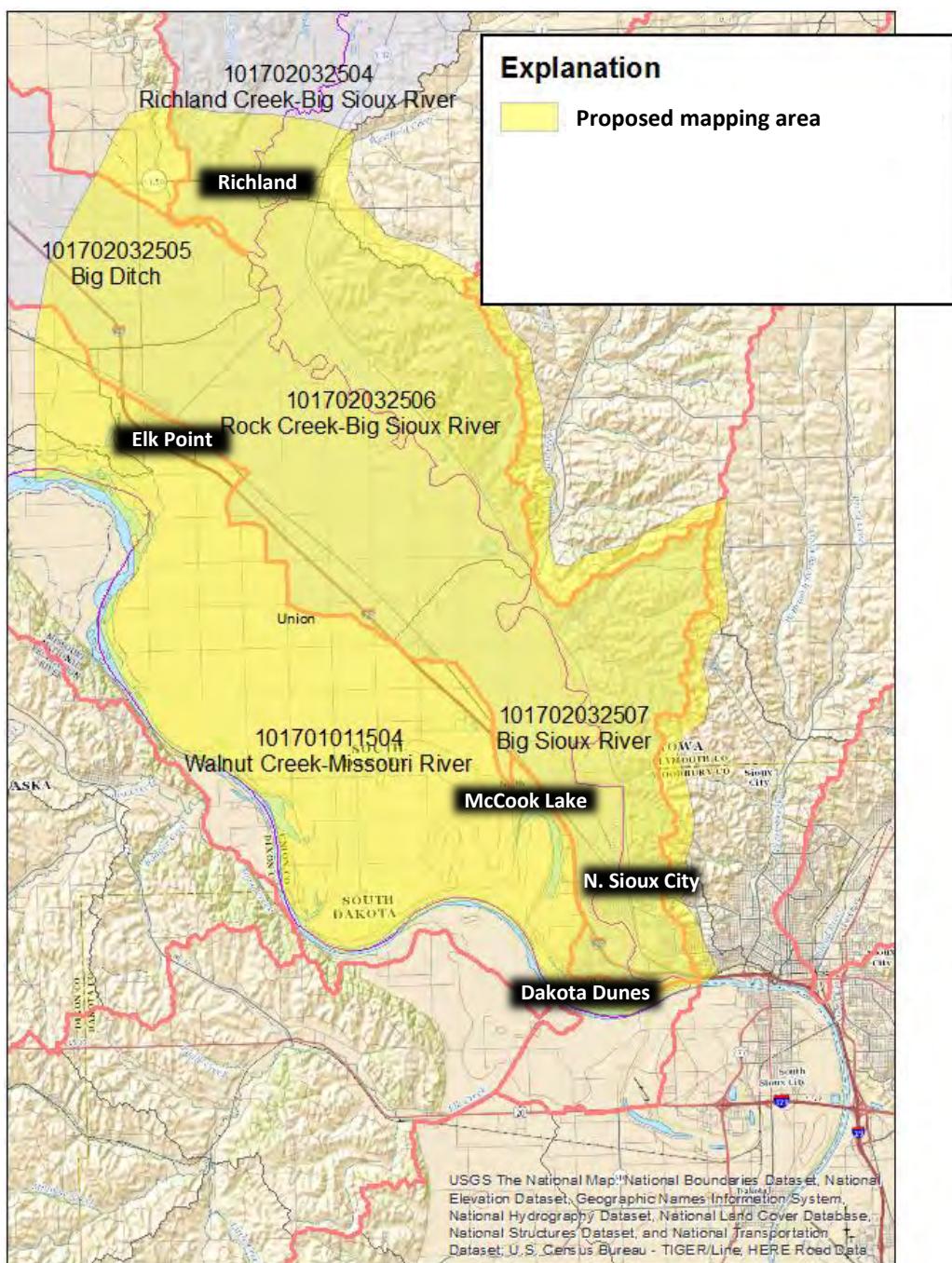


Figure 1. Proposed project area.

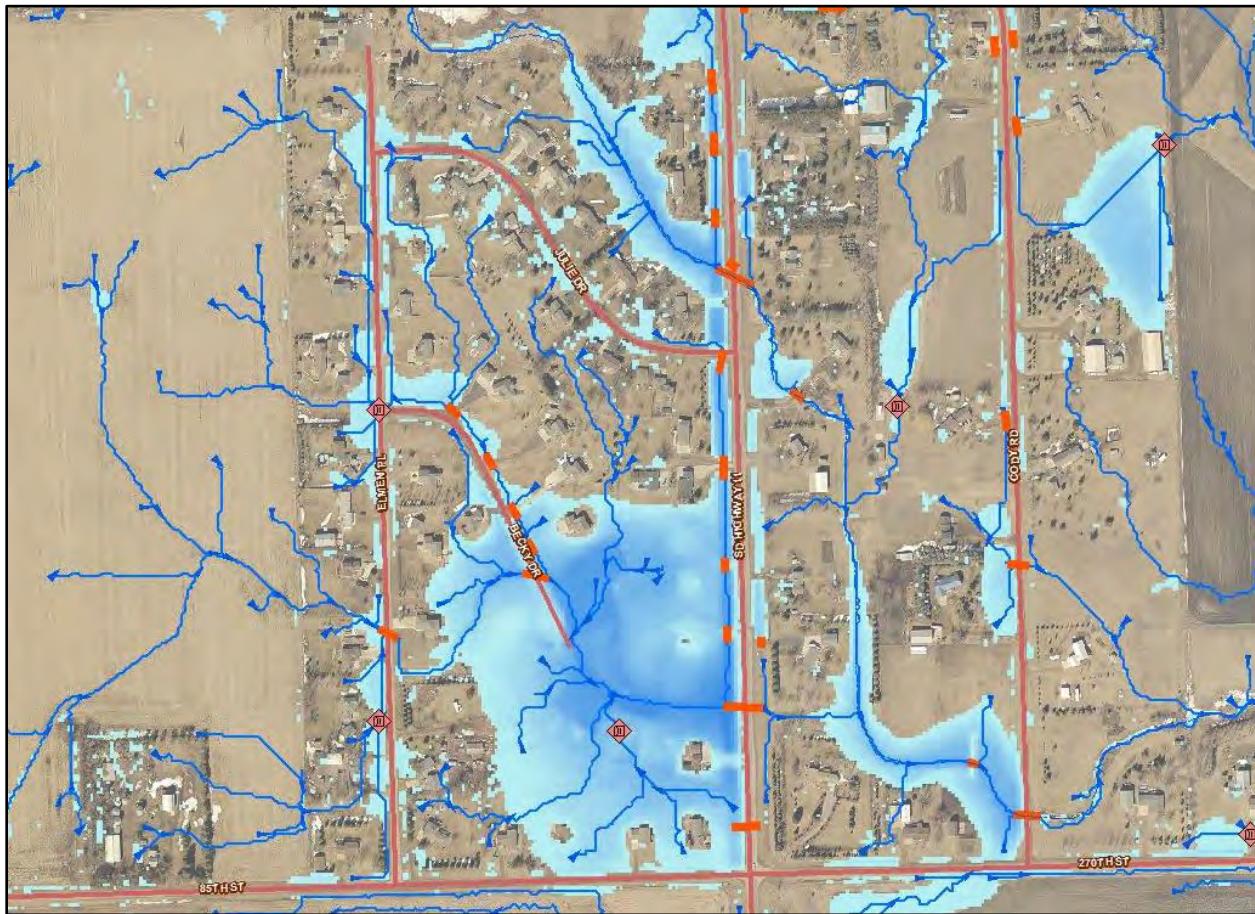


Figure 2. Example of project products showing flow paths and ponding areas in an area of Lincoln County, SD.

June 28, 2018

Item 18

TITLE: 2018 Bond Issue

EXPLANATION: Staff requests authorization to distribute a Request for Proposals (RFP) for investment banking services for the SRF Programs. The Board of Water and Natural Resources, acting as the South Dakota Conservancy District, will seek proposals from qualified firms to provide investment banking, underwriting and additional services, such as remarketing, related to negotiated issuances for a period of three years. It is anticipated that the District will issue State Revolving Fund Program Bonds Series 2018. Proceeds of the 2018 Bonds will be used to provide additional leverage proceeds in an amount to be determined. The proceeds will be issued on a tax-exempt basis with a final maturity of 20 years. The District may issue additional series in the future to leverage the SRF Programs, provide state match for capitalization grants, and refinance outstanding bonds, as needed.

Staff requests that Chairman Johnson appoint a BWNR committee to work with the SRF financial team in the review and ranking of proposals. At the committee's option, interviews of candidates may be conducted.

Staff also requests authorization to negotiate a contract with Bruce Bonjour, Perkins Coie, for bond counsel services.

The following is the anticipated schedule for the selection process:

- Release of RFP: July 9th
- Proposal Deadline: August 1st
- Rank Proposals: by August 15th
- Interviews: Week of August 20th
- Selection of Underwriting Team: September 28th

RECOMMENDED ACTION: Authorize staff to distribute the Request for Proposals for Investment Banking services and to negotiate a contract with Bruce Bonjour, Perkins Coie for bond counsel service related services to the 2018 Bond Issue.

CONTACT: Mike Perkovich, 773-4216

REQUEST FOR PROPOSALS FOR INVESTMENT BANKING SERVICES

On behalf of

SOUTH DAKOTA CONSERVANCY DISTRICT

Clean Water and Drinking Water State Revolving Fund Loan Programs
Released July 9, 2018

The Board of Water and Natural Resources (“Board”), acting as the South Dakota Conservancy District (“District”) is seeking proposals from qualified firms to provide investment banking, underwriting and additional services, such as remarketing, related to negotiated issuances for a period of three years. Additional bonds are to be issued pursuant to the Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010 (the “Master Indenture”) to fund projects within the State of South Dakota’s (“State”) Clean Water State Revolving Fund Program (“CW SRF Program”) and Drinking Water State Revolving Fund Program (“DW SRF Program”) (collectively, “SRF Programs”). The District currently anticipates issuing State Revolving Fund Program Bonds, Series 2018 (the “2018 Bonds”). Proceeds of the 2018 Bonds will be used to provide additional leverage proceeds of approximately \$_____ million. The leveraged proceeds will be issued on a tax-exempt basis with a final maturity of 20 years. As needed or prudent, the District may issue additional series to leverage the SRF Programs, provide additional state match for capitalization grants or refinance outstanding bonds in the future.

Investment banking firms may submit a proposal to serve as senior manager or co-manager. Joint proposals will not be accepted. The District reserves the right to add one or more co-managers and/or identify a selling group to the underwriting team at its sole discretion, although there is no guarantee that co-managers will be selected.

Background

The District is a governmental agency, body politic and corporate within the State of South Dakota and the Board is its governing body. Under state law, the Board administers the SRF Programs. Personnel from the South Dakota Department of Environment and Natural Resources provide staff support for the Board of Water and Natural Resources.

The SRF Programs receive capitalization grants from the U.S. Environmental Protection Agency (“EPA”). The State must provide match dollars for these capitalization grants. The District does that by issuing revenue bonds. Under South Dakota Codified Law (SDCL 46A-1-31), the District has the authority to issue bonds for the purpose of funding all or part of the revolving funds required for either or both of the programs.

The District has issued state revolving fund bonds or bond anticipation notes since 1989 as indicated in the table below:

Issue	Original Principal Amount	Principal Outstanding at 06/01/18	Purpose
1989	\$ 5,785,000	\$ --	CWSRF State Match
1992	4,180,000	--	CWSRF State Match
1994A	10,220,000	--	Refunding and CWSRF State Match
1995A	7,970,000	--	CWSRF State Match and Leveraged
1996A	2,770,000	--	CWSRF State Match
1998A	6,450,000	--	DWSRF State Match
2001	5,270,000	--	DWSRF State Match
2001	4,405,000	--	CWSRF State Match
2004	38,460,000	--	Refunding, DWSRF State Match and Leveraged
2005	50,000,000	--	State Match and Leveraged
2008	40,000,000	--	State Match and Leveraged
2009 BAN	55,000,000	--	State Match and Leveraged
2010 BAN	54,330,000	--	Refinancing of 2009 BANs
2010A	38,695,000	38,695,000	Refunding
2010B	53,685,000	14,865,000	Refunding
2012A	69,775,000	42,725,000	Refunding
2012B	53,530,000	13,470,000	Refunding, CWSRF State Match and Leveraged
2014A	\$9,060,000	3,845,000	State Match
2014B	\$50,755,000	45,900,000	Refunding and Leveraged
2017A	\$16,730,000	16,730,000	State Match
2017B	\$77,870,000	77,870,000	Refunding and Leveraged
TOTAL	\$4,39,255,000	\$254,100,000	

Available Documents

Various resource documents pertaining to the Programs, including the most recent Official Statement, the Master Indenture, 2017 Series Resolution, project lists and annual reports, are available at:

<http://denr.sd.gov/srfrfp.aspx>

Objectives

The objective of the District is to select the best-qualified firm(s) whose background demonstrates the experience and capability to assist the District, as well as other financing team members, with respect to SRF program management issues generally, development of the best possible bond structure for the 2018 Bonds and any additional series, and pricing and distributing the 2018 Bonds and any additional series at the lowest

overall cost and financing risk. Please note that PFM Financial Advisors LLC (“PFM”) has developed and will continue to prepare and maintain SRF Program cash flows in consultation with the District and its trustee.

Scope of Services for the Senior Manager

The scope of services to be rendered to the District by the senior manager in connection with the issuance of the proposed 2018 Bonds will include, but not be limited to, the following:

1. Consult with the District, its financial advisor and bond counsel regarding its SRF Programs generally and with respect to the structure and sizing of the proposed financing;
2. Assist bond counsel in preparation of legal documentation and official statement for the financing, as may be requested;
3. Consult with bond counsel and other advisors as to necessary amendments to the Master Indenture;
4. Participate with the District, its financial advisor and bond counsel in activities associated with rating agency reviews, as may be requested;
5. Submit a proposal to the District which will constitute a contract for the purchase of the bonds for resale to investors;
6. Assist financing team members in all other matters as necessary to ensure the successful marketing and sale of the 2018 Bonds;
7. Prepare and deliver preliminary pricing information to the District and its financial advisor at least one week prior to the scheduled sale. This information should include:
 - a. Actual quotations for the spread components;
 - b. An estimated interest rate scale detailing rates and yields;
 - c. Details on comparable recent sales, indicating the interest rates, spread components, ratings, unusual aspects, and so forth;
 - d. A description and characterization of the current market (if the market is considered "adverse," the justification should appear here);
 - e. The sales method - syndicate or selling group (proposed members of a syndicate should be indicated, and the District maintains the right to add other firms); and
 - f. The proposed strategy and desirability for marketing to retail customers and to institutional investors.
8. Prepare a post-sale summary of a transaction. This document should include (i) all relevant pricing information; (ii) a breakdown of orders between retail and institutional buyers; (iii) orders and allotments by firm, if applicable; and (iv) a

- discussion of any circumstances relating to the market or the District's offering that may have impacted the sale results;
9. Coordinate closing arrangements with bond counsel, financial advisor, trustee and the District; and

Scope of Services for Co-Managers (to be selected at the sole discretion of the District)

The scope of services to be rendered by any co-senior manager and/or co-manager in connection with the issuance bonds will include, but not be limited to, the following:

1. Consultation with the District regarding its Programs and review of financing alternatives working with the District, its financial advisor, other members of the financing team, and book-running senior manager;
2. Review the preliminary and final official statement for the bond issue;
3. Actively participate in the marketing of the bonds;
4. Assist the District and the book-running senior manager in other matters as necessary to ensure the successful marketing and sale of bonds; and
5. Participate in the preparation of preliminary pricing information and post-sale analysis as requested by the book-running senior manager.

Contents of Proposal

Each respondent is expected to review the available documents prior to submitting its proposal. The proposal shall be prepared and submitted in such form and on such date as specified elsewhere in this RFP. Each page shall be numbered and the proposal shall not exceed fifteen pages in length (including the Transmittal Letter).

Proposals should be prepared simply and economically, providing concise descriptions of the respondent's ability to meet the requirements of this RFP. Emphasis should be on completeness, clarity and on straightforward responses to the questions posed.

Proposals which, in the judgment of the District, fail to meet the requirements of this RFP, or are in any way incomplete, conditional, obscure, or which contain additions or deletions not called for, alterations or other irregularities, or in which errors occur, may be rejected at the District's discretion. The District reserves the right to waive any requirements of or informalities in any proposal or to reject any or all proposals if it determines that it is in its best interest to do so.

Senior manager candidate firms should submit a complete response to all the required elements of the RFP as described below.

1. *Transmittal Letter:* Each respondent shall prepare a transmittal letter summarizing the principal points of the respondent's proposal. The letter shall be

signed by an officer of the firm who would serve as the primary contact for this engagement and include that person's address, telephone number, fax number and email address.

2. *Experience:* Please describe your experience and capabilities related to your firm's senior managed transactions. Emphasis should be placed on experience with state revolving fund loan programs, similar pooled loan programs that do not involve housing programs, and South Dakota issuers, especially public and private utilities.
3. *Marketing and Distribution Capabilities:* Please comment on the marketing and distribution capabilities of your firm nationally and in South Dakota. Please identify recent (since January 1, 2013) SRF and other pooled loan (not including housing) tax-exempt for which your firm participated as senior manager, co-senior manager or co-manager. Identify the number and location of your South Dakota offices, if any, noting the number of retail brokers and institutional salespersons at each location.
4. *Comments on South Dakota's SRF Program:* Discuss the marketing approach that you feel is appropriate for the 2018 Bonds and the District's bonds going forward.
5. *Project Team:* Please identify the members of your firm that will participate in the completion of the District's financings and their respective roles. Brief resumes may be attached as an appendix to the proposal and will not count against the page limit.
6. *General Information About the Firm:* Has your firm exited from any phase of the public finance market in the last five years? Please identify any SEC, IRS, MSRB or state law enforcement agency litigation or investigation in which your firm is currently involved, or has been involved, since January 1, 2013. Indicate your firm's commitment to public finance and specify the magnitude of staff reductions or increases, if any, in your municipal trading and underwriting, sales and investment banking areas during this same five-year period.
7. *Compensation:* Provide a detailed description of proposed compensation, assuming triple-A ratings from Moody's Investors Service, Inc. and Standard & Poor's Ratings Group on the 2018 Bonds. Indicate which amounts will be fixed upon your engagement and which would vary depending upon market conditions. Also, please indicate how credit rating/enhancement and/or the target market might affect your proposed compensation, if at all.
 - a. Management fee.
 - b. Expenses. Please include a detailed itemization of anticipated expenses that you would expect to be paid from bond proceeds, including underwriter's counsel. Identify one or two firms that you believe are qualified and available to serve as underwriter's counsel on the 2018 Bonds and their estimated fee. Please note that preliminary and final official statements are expected to be prepared by bond counsel, not underwriter's counsel.

- c. Takedown by maturity.
- d. Underwriting fee, if any.
- e. Any miscellaneous charges not included in the categories above.

<i>Component</i>	<i>Price per Bond</i>
<i>Management/Structuring Fee</i>	
<i>Average Takedown</i>	
<i>Underwriting Fee</i>	
<i>Expenses</i>	

8. *Conflict of Interest:* If your firm should be selected, the Board may require further disclosure of any client relationships that may give rise to a conflict of interest with the Board or the District.

Co-manager candidate firms should respond to, at a minimum, elements 1, 2, 3, 5, 6, and 8 noted above and (i) identify the additional value of selecting one or more co-managers for the financing; (ii) specifically describe how the inclusion of co-managers can contribute to the success of the marketing effort for any bonds issued; and (iii) state the proposed method and estimated amount of compensation for provision of co-manager services, if any. When responding to element 2, please include co-senior and co-manager experience in addition to senior manager experience.

Criteria and Process for Selection

Proposals will be evaluated in light of the following criteria which are listed in descending order of importance:

- Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology of a marketing plan to meet the financing objectives (25 points)
- Overall ability and proven history in handling financings for other State Revolving Fund programs, similar pooled loan financings, and South Dakota bond financings, especially public or private utilities (20 points)
- Project management techniques and resources available to perform the work, including any specialized services, within the specified time limits for the financing (15 points)
- Compensation (15 points)
- Record of past performance, including price and cost data from previous financings, quality of work, ability to meet schedules, cost control, and contract administration (10 points)
- Familiarity with South Dakota and its public drinking water and wastewater systems (5 points)

- Availability to travel to South Dakota (5 points)

This is not a competitive bidding invitation. An evaluation committee, which may include staff from the SRF Programs, the Office of the Attorney General and the District's bond counsel and financial advisor, will review the submittals. The committee will make a recommendation to the District. At the discretion of the District, candidates may be invited to make oral presentations. Final selection will be made by the District.

Proposals which in the judgment of the evaluation committee fail to meet the requirements of this RFP, or which are in any way incomplete, conditional, or which contain additions or deletions not called for, alterations or other irregularities, or in which errors occur, may be rejected by the evaluation committee. The evaluation committee reserves the right to waive any requirements of or informalities in any proposal or to reject any or all proposals if it determines that it is in the District's best interest to do so.

Proposal Due Date and Contact for Questions

Twelve (12) copies of your proposal should be submitted to Mike Perkovich, Program Administrator, Department of Environment and Natural Resources, 523 East Capitol Avenue, Pierre, South Dakota 57501 by 2:00 P.M., Central Time, on Wednesday, August 1, 2018. Additionally, please provide an electronic copy of your proposal to both Mr. Perkovich and Jessica Cameron, PFM Financial Advisors LLC, at mike.perkovich@state.sd.us and cameronj@pfm.com, respectively. Questions regarding this RFP may be directed to Ms. Cameron at (612) 338-3535 or cameronj@pfm.com.

Proposed Time Schedule

RFP Distributed	July 9, 2018
Proposals Due	August 1, 2018
Interviews, if any	Week of August 20, 2018
Selection of Underwriting Team	September 28, 2018
Anticipated Closing	Prior to December 31, 2018

Terms and Conditions

- The evaluation committee will make a recommendation to the District on which firm(s) to hire as underwriter or as part of an underwriting team. The District will consider the recommendation when selecting the firm(s) that will serve in this role but will make the final determination regarding final selection of the firm(s).
- The District reserves the right to reject any and all proposals or to select the proposal deemed to be the most advantageous for the District. The District reserves the right to select only one or any number of firms included in any joint proposal. The District may request additional information and clarification from any or all firms at any time during the selection process.

- All firms that submit a proposal will be notified of the final selection.
- The District may negotiate the compensation of the selected firm(s). The District may elect to establish the fees quoted in a proposal as a ceiling which final fees cannot exceed, with the final compensation to be determined at the time bonds are sold.
- The District will engage the firm(s) subject to the terms and conditions specified by the District and will contract consistent with such terms. While the proposed engagement is for three years beginning upon the sale date of the 2018 Bonds, the District reserves the right to remove or replace any firm(s) during this period or to issue competitive financings during this period.
- The firm(s) shall not subcontract or assign any work under the SRF Programs without the written consent of the District.
- The firm(s) may be paid only from bond proceeds. If for any reason bonds cannot be issued, the firm(s) will not be entitled to reimbursement for any fees or expenses incurred relating to the failed issuance.

State Not Liable for Expense of Proposals

Neither the State nor the District shall be liable for any expenses incurred by any applicant in preparing or presenting its proposal.

Non-Discrimination Statement

The State of South Dakota requires that all contractors, vendors, and suppliers doing business with any State agency, department, or institution, provide a statement of non-discrimination. By signing and submitting their proposal, the offeror certifies they do not discriminate in their employment practices with regard to race, color, creed, religion, age, sex, ancestry, national origin or disability.

Proprietary Information

The proposal of the successful offeror(s) becomes public information. Proprietary information can be protected under limited circumstances such as client lists and non-public financial statements. Pricing and service elements are not considered proprietary. An entire proposal may not be marked as proprietary. Offerors must clearly identify in the Executive Summary and mark in the body of the proposal any specific proprietary information they are requesting to be protected. The Executive Summary must contain specific justification explaining why the information is to be protected. Proposals may be reviewed and evaluated by any person at the discretion of the State. All materials submitted become the property of the State of South Dakota and may be returned only at the State's option.

Standard Contract Terms and Conditions

Any contract or agreement resulting from this RFP will include, at a minimum, the substance of the State's standard contract terms and conditions as set forth in Attachment A attached hereto and by this reference incorporated herein.

DRAFT

ATTACHMENT A
Standard Contract Terms and Conditions

**STATE OF SOUTH DAKOTA
AGREEMENT FOR INVESTMENT BANKING SERVICES**

Agreement made and entered into this _____ day of _____, 20____, by and between the South Dakota Conservancy District, acting by and through the South Dakota Board of Water and Natural Resources, Joe Foss Building, 523 East Capitol Ave., Pierre, SD 57501-3182 (the "District") and _____, _____, _____, _____ (the "Underwriter").

The District hereby enters into this Agreement for services with Underwriter in consideration of and pursuant to the terms and conditions set forth herein.

1. The Underwriter will perform those services described in the Scope of Services attached hereto as Exhibit A and by this reference incorporated herein. The Underwriter is providing its services as an underwriter for the District's Bonds as set forth in Exhibit A. The District acknowledges that the Underwriter is not its financial advisor or municipal advisor as such term is defined in Section 15B of the Securities Exchange Act of 1934. The District further acknowledges that the Underwriter is not its tax, legal or accounting advisor. Nothing in this Agreement shall be deemed to create any fiduciary relationship between the District and the Underwriter.

2. The term of this Agreement shall commence on _____, _____ and end on _____, _____, unless sooner terminated pursuant to the terms hereof.

3. The Underwriter will not use State equipment, supplies or facilities. The Underwriter will provide the District with its Employer Identification Number, Federal Tax Identification Number or Social Security Number upon execution of this Agreement.

4. The District will make payment for services upon satisfactory completion of the services as described in the Fee Schedule, attached hereto as Exhibit B and by this reference incorporated herein. The parties acknowledge that payment for services related to the District's State Revolving Fund Program Bonds.

5. While performing services hereunder, the Underwriter is an independent contractor and not an officer, agent, or employee of the State of South Dakota.

6. The parties acknowledge that Underwriter serves as the _____ manager for the 2018 Bonds, and that the District entered into a separate agreement with _____ to serve as book running _____ manager for the 2018 Bonds. The District reserves the right to utilize one or more of the Underwriter, and _____ for any future bond issues undertaken by the District during the term of this Agreement pursuant to mutually agreed upon amendment to the separate agreements. All liabilities and designation rules will be determined by the District. In the event of any direct conflict between the terms of a provision of this Agreement and any provision of a subsequent contract entered into with respect to a specific series of bonds, the terms of the subsequent contract shall prevail.

7. This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Underwriter breaches any of the terms or conditions hereof, this Agreement may be terminated by the District at any time with or without notice. If termination for such a default is effected by the District, any payments due to Underwriter at the time of termination may be adjusted to cover any additional costs to the District because of Underwriter's default. Upon termination the District may take over the work and may award another party an agreement to complete the work under this Agreement. If after the District terminates for a default by Underwriter it is determined that Underwriter was not at fault, then the Underwriter shall be paid for eligible services rendered and expenses incurred up to the date of termination.

8. This Agreement may not be assigned without the express prior written consent of the District. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.

9. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.

10. The Underwriter will comply with all federal, state and local laws, regulations, ordinances, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.

11. The Underwriter may not use subcontractors to perform the services described herein without the express prior written consent of the District. The

Underwriter will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement. The Underwriter will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.

12. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Secretary of the Department of Environment and Natural Resources on behalf of the District, and by and to _____, on behalf of the Underwriter, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.

13. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

14. 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 herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.

In Witness Whereof, the parties signify their agreement effective the date above first written by the signatures affixed below.

SOUTH DAKOTA
CONSERVANCY DISTRICT

UNDERWRITER

BY: _____
(NAME)

(TITLE)

(DATE)

BY: _____
(NAME)

(TITLE)

(DATE)

EXHIBIT A
SCOPE OF SERVICES

When serving as _____ manager the Underwriter will:

1. Consult with the District, its financial advisor, trustee, tax counsel, and bond counsel regarding its SRF Programs generally and with respect to the structure and sizing of the proposed financing;
2. Answer questions from bond counsel in connection with bond counsel's preparation of legal documentation and official statement for the financing, as may be requested;
3. Consult with bond counsel and other advisors as to necessary amendments to the Master Trust Indenture;
4. Participate with the District, its financial advisor and bond counsel in activities associated with rating agency reviews, as may be requested;
5. Submit a bond purchase agreement to the District which, when executed by both parties, will constitute a contract for the purchase of the bonds for resale to investors;
6. Assist the District in all other matters as necessary to ensure the successful marketing and sale of the additional Bonds;
7. Prepare and execute a detailed marketing plan;
8. Coordinate underwriting team and ensure timely dissemination of all materials to underwriting team.
9. Prepare and deliver preliminary pricing information to the District and its financial advisor at least one week prior to the scheduled sale. This information should include:
 - a. Actual quotations for the spread components;
 - b. An estimated interest rate scale detailing rates and yields;
 - c. Details on comparable recent sales, indicating the interest rates, spread components, ratings, unusual aspects, and so forth;
 - d. A description and characterization of the current market (if the market is considered "adverse," the justification should appear here);
 - e. The sales method - syndicate or selling group (proposed members of a syndicate should be indicated, and the District maintains the right to add other firms); and
 - f. The proposed strategy and desirability for marketing to retail customers and to institutional investors.
10. Prepare a post-sale summary of a transaction. This document should include (i) all relevant pricing information; (ii) a breakdown of orders between retail and institutional

buyers; (iii) orders and allotments by firm, if applicable; and (iv) a discussion of any circumstances relating to the market or the District's offering that may have impacted the sale results.

11. Coordinate closing arrangements with bond counsel, financial advisor, trustee and the District.

When serving as a co-senior manager, the Underwriter will:

1. Consult with the District regarding its Programs and review of financing alternatives working with the District, its financial advisor, other members of the financing team, and book-running senior manager;
2. Review the preliminary and final official statement for the bond issue;
3. Actively participate in the marketing of the bonds;
4. Assist the District and the book-running senior manager in other matters as necessary to ensure the successful marketing and sale of bonds;
5. Participate in the preparation of preliminary pricing information and post-sale analysis as requested by the book-running senior manager.

EXHIBIT B
FEE SCHEDULE

For future Bond Issues during the term of this Agreement, the Underwriter will not be paid a management or underwriting fee. Expenses will be paid as incurred. If serving as a book-running senior manager, the Underwriter will provide proposed takedowns by maturity based upon the then current market, proposed transaction parameters, and marketing plan. Such proposed takedowns will be reviewed by the District and its financial advisor to determine reasonableness, and this Exhibit B will be amended to reflect the agreed upon fees.

DRAFT

June 28, 2018

Item 19

TITLE:

Discussion of HB 1172 – Public Comment Period

EXPLANATION:

HB 1172 added the following language to SDCL 1-25-1:

The chair of the public body shall reserve at every official meeting by the public body a period for public comment, limited at the chair's discretion, but not so limited as to provide for no public comment.

The Office of the Attorney General has advised that the Chair, with input from the Board, needs to determine how long to designate the public comment period and whether it will be at the beginning or the end of the meeting.

RECOMMENDED

ACTION:

Advise staff when to schedule the public comment period within the agenda and establish the duration of the comment period.

CONTACT:

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