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Minutes of the
Board of Water and Natural Resources Meeting
In-Person or On-Line
Matthew Training Center
523 East Capitol
Pierre, South Dakota

November 7, 2024
1:00 p.m. Central Time

CALL MEETING TO ORDER: Chairman Jerry Soholt called the meeting to order. The roll was called, and a quorum was present.

The meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PRESENT: Jerry Soholt, Todd Bernhard, Cameron Becker, and Bruce Jennings participated in person. Gary Drewes and Jackie Lanning participated remotely.

BOARD MEMBERS ABSENT: Gene Jones, Jr.

LEGISLATIVE OVERSIGHT COMMITTEE: Representative Mike Weisgram and Senator Randy Deibert.

OTHERS: See attached attendance sheet.

APPROVE AGENDA: There were no changes to the posted agenda.

Motion by Bernhard, seconded by Jennings, to approve the agenda. Motion carried unanimously.

APPROVE MINUTES FROM SEPTEMBER 25, 2024, MEETING: Motion by Bernhard, seconded by Becker, to approve the minutes from the September 26, 2024, Board of Water and Natural Resources meeting. Motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

2025 STATE WATER PLAN APPLICATIONS: Water projects which will require state funding or need state support for categorical grant or loan funding must be included on the State Water Plan. At its November planning meeting, the Board of Water and Natural Resources approves projects for placement onto the next year's State Water Facilities Plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the facilities plan at this meeting will remain on the plan through December 2026.

Andy Bruels presented the 36 State Water Plan applications received by the October 1, 2024, deadline. A map showing the location of these projects was included in the board packet.

Board of Water and Natural Resources
November 7, 2024, Meeting Minutes

Project Sponsor	Description	Projected State Funding
Alcester	Drinking Water Improvements Phase 1A and 1B	\$4,374,000
Big Stone City	Water System Improvements Preliminary Engineering	\$100,000
Big Stone City	Wastewater System Improvements Preliminary Engineering	\$205,000
Bryant	Drinking Water Improvements Phase 2A & Water Tower Improvements	\$2,030,000
Bryant	Wastewater Improvements Phase 2A	\$2,225,000
Buffalo Gap	Cast Iron and 4-inch PVC Replacement Phase 2	\$1,314,000
Canton	West Street Drinking Water Improvements	\$1,946,000
Canton	West Street Sanitary and Storm Sewer Improvements	\$2,552,000
Columbia	Wastewater and Stormwater Improvements	\$12,395,003
Fall River Water User District	North Angostura Booster Station	\$3,240,000
Faulkton	Drinking Water Pumphouse	\$668,000
Garden City	Wastewater System Improvements	\$488,000
Gettysburg	Wastewater Improvements	\$2,963,600
Grant-Roberts RWS	Bulk Water Supply to the Town of Summit	\$8,300,000
Groton	Wastewater Improvements	\$6,587,000
Hecla	Wastewater and Stormwater Improvements	\$12,921,000
Hill City	Drinking Water System Improvements	\$10,880,000
Hill City	Wastewater Treatment Expansion and Rehabilitation	\$13,785,000
Ipswich	Stormwater Improvements Phase 3	\$15,130,500
Java	Wastewater Improvements	\$2,555,900
Keystone	Sewer Trunkline Improvements	\$5,609,000
Kingbrook RWS	Pipeline Improvements Badger to Bruce Segment	\$12,750,000
Mitchell	Mitchell Water Distribution Improvements 2025	\$57,000,000
Mitchell	Mitchell Wastewater Collection Improvements 2025	\$55,000,000
Perkins County RWS	New Water Tank and Pipeline Replacement	\$5,800,000
Southern Missouri Recycling and Waste Management District	New Landfill Cell #4	\$850,000
Springfield	Water Distribution Improvements 2025	\$2,250,000
Springfield	Sanitary and Storm Sewer Improvements 2025	\$3,250,000
Two Bit Ranch Estates Homeowners Association	Water Storage Tank and Backup Generator	\$188,000
Veblen	Wastewater Improvements	\$4,585,000

Viewfield Rural Water Association	Water Meter Replacement and SCADA Improvements	\$210,000
Volga	Wastewater Treatment Facility Expansion	\$18,709,000
WEB Water Development Association	Consolidation of Pleasant Valley HOA Users	\$892,000
Wessington Springs	Wastewater Treatment and Lift Station Upgrades	\$1,490,000
White	Watermain Replacement - Phase 2	\$2,117,453
White	Wastewater Replacement - Phase 2	\$2,164,335

Staff recommended placement of the 36 projects on the 2025 State Water Facilities Plan.

Motion by Lanning, seconded by Jennings, to accept the staff recommendations for placement of the 36 projects on the 2025 State Water Facilities Plan. Motion carried unanimously.

PUBLIC HEARING TO ADOPT FFY 2025 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN: Chairman Soholt opened the public hearing.

The purpose of the hearing was to receive public input and adopt the FFY 2025 Clean Water State Revolving Fund (SRF) Intended Use Plan (IUP), Project Priority List, and Bipartisan Infrastructure Law (BIL) Addendum. Copies of the draft documents were included in the board packet.

The hearing was public noticed in accordance with applicable state and federal requirements.

Mr. Bruels presented the FFY 2025 Clean Water SRF IUP and discussed changes from previous years.

The Clean Water SRF IUP consists of three components. One component describes how the state intends to use available funds from the standard program allocation for the year to meet the objectives of the Clean Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as for administration and technical assistance.

The second component of the IUP is a priority list of projects that will be eligible to receive funding. Projects seeking a Clean Water State Revolving Fund loan must be on the priority list.

The third component of the IUP is an Addendum to specifically address the allocation of funds and proposed uses, to include set-aside activities, for the funds provided through the (BIL).

No written comments regarding the FFY 2025 Clean Water SRF IUP were submitted.

Chairman Soholt requested public comments regarding the Clean Water SRF IUP. There were no public comments.

Staff recommended the board approve the FFY 2025 Clean Water Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum.

Motion by Jennings, seconded by Bernhard, to approve the Federal Fiscal Year 2025 Clean Water SRF Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum as presented. The motion carried unanimously.

Chairman Soholt closed the hearing.

PUBLIC HEARING TO ADOPT FFY 2025 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN: Chairman Soholt opened the public hearing.

The hearing was public noticed in accordance with applicable state and federal requirements.

The purpose of the hearing was to receive public input and adopt the FFY 2025 Drinking Water SRF Intended Use Plan (IUP), Project Priority List, and Bipartisan Infrastructure Law (BIL) Addendum. Copies of the draft documents were included in the board packet.

Mr. Bruels presented the FFY 2025 Drinking Water SRF IUP and discussed changes from previous years.

The Drinking Water SRF IUP consists of three components. One component describes how the state intends to use available funds from the standard program allocation for the year to meet the objectives of the Safe Drinking Water Act and further the goal of protecting public health. This includes the amount of funds to be allocated to set-aside activities such as administration, state program management, small system technical assistance, and local assistance and other state programs.

The second component of the IUP is a priority list of projects that will be eligible to receive funding. Projects seeking a Drinking Water State Revolving Fund loan must be on the priority list.

The third component of the IUP is an Addendum to specifically address the allocation of funds and proposed uses, to include set-aside activities, for the funds provided through the BIL.

No written comments regarding the FFY 2025 Drinking Water SRF IUP were submitted.

Chairman Soholt requested public comments regarding the Drinking Water SRF IUP. There were no public comments.

Staff recommended the board approve the FFY 2025 Drinking Water Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum.

Mr. Bruels answered questions from the board regarding subsidy for projects and lead pipe reporting.

Motion by Drewes, seconded by Becker, to approve the Federal Fiscal Year 2025 Drinking Water SRF Intended Use Plan, Project Priority List, and Bipartisan Infrastructure Law Addendum as presented. The motion carried unanimously.

Chairman Soholt closed the hearing.

The slide presentations for the following items are available on the South Dakota Boards and Commissions Portal at <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

STATE WATER RESOURCES MANAGEMENT SYSTEM RECOMMENDATIONS: SDCL 46A-1-2.1 designates the water resource projects included on the State Water Resources Management System (SWRMS) component of the State Water Plan that serve as the preferred priority water development objectives of the state.

Mr. Bruels reported that the Board of Water and Natural Resources annually reviews the projects included on the SWRMS component of the State Water Plan and makes recommendations to the Governor and State Legislature regarding deletions, additions, or retention of projects on the SWRMS list.

The following projects are currently included on the SWRMS list:

Belle Fourche Irrigation Upgrade Project
Big Sioux Flood Control Study
Cendak Irrigation Project
Dakota Mainstem Regional Water System Study
Hydrology and Water Management Studies
Lake Andes-Wagner/Marty II Irrigation Unit
Lewis and Clark Rural Water System
Sioux Falls Flood Control Project
Vermillion Basin Flood Control Project
Water Investment in Northern South Dakota (WINS) Project
Western Dakota Regional Water System Study

Mr. Bruels noted that the Gregory County Pumped Storage project was removed from the SWRMS list due to the 2024 Legislature adopting Senate Bill 7.

The following projects requested SWRMS funding.

Dakota Mainstem Regional Water System Study: Kurt Pfeifle, Dakota Mainstem Regional Water System, provided information on the project through a slide presentation.

Dakota Mainstem Regional Water System is a collaboration of 56 public water systems that will provide alternative and supplemental water supplies to area communities and regional water systems in central and southern portions of eastern South Dakota, southwest Minnesota, northwest Iowa, and the Santee Sioux Tribe in northeast Nebraska.

The project is requesting \$1,000,000 in SWRMS funding for an appraisal study and a feasibility study.

WEB Water (WINS Project): Rod Kappes, BDM, Shane Phillips, WEB, and Robin Bobzein, city of Aberdeen, provided information on the project.

The Water Investment in Northern South Dakota (WINS) project is a collaborative effort between WEB Water, the city of Aberdeen, and BDM Rural Water that will provide water throughout northeast South Dakota to meet current user needs and provide for future growth.

The project is requesting \$5,000,000 in SWRMS funding for continued engineering design, preconstruction activities, and construction of facilities in the WINS project.

The two funding requests were considered during the next agenda item, which is the Omnibus Bill funding presentation.

Staff recommended the board adopt a resolution recommending retention of all current projects on the SWRMS list as preferred, priority objectives of the state.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-146** recommending to the Governor and the State Legislature that all projects currently identified on the State Water Resources Management System be retained as preferred, priority objectives of the state. The motion carried unanimously.

OMNIBUS BILL FUNDING RECOMMENDATIONS: Tina McFarling reported that the board annually conducts a public meeting to take statements from interested parties regarding water and waste funding needs. A board resolution is developed to recommend funding levels to the Governor and Legislature for individual State Water Resources Management System projects, the consolidated program, the solid waste program, and other special appropriations for water development.

Included in the board packet were the Water and Environment Flow Chart, the Lotto Distribution Flow Chart, and the Petroleum Release Compensation and Tank Inspection Fee Flow Chart. Staff prepared the documents based on the history of actual revenues and expected future revenues for State Fiscal Years 2025 and 2026.

Ms. McFarling provided a slide presentation discussing the process for estimating the funding levels available for the appropriation recommendations.

The presentation included a pie chart that represents \$311.5 million that has been appropriated into the dedicated water funding account. The chart also shows the breakout of awards by categories since 1993. South Dakota Codified Law 46A-1-93 prioritizes the award of dedicated water funding for development of public water systems. The percentage of awards for Regional Drinking water projects is 44.5 percent while the awards to municipal drinking water projects is 13.8 percent.

Since 1993, \$67,700,000 has been appropriated from solid waste fees for the Solid Waste Management program with 58.6 percent of those fees being awarded to solid waste disposal projects, 16.0 percent to waste tire disposal projects, and 25.4 percent to recycling projects.

Since dedicated funding sources were established in the early 1990s, the combined dedicated water funding and solid waste fees have provided more than \$379,000,000 for water and wastewater projects throughout South Dakota.

The Omnibus bill authorizes special appropriations for State Fiscal Year 2026 but also includes an emergency clause which allows the funds to become immediately available to the board once the bill is signed by the Governor. The funds will be available for four fiscal years or through June 30, 2029. Available funds are based on actual revenues received through June 30, 2024, and include revenue projections for both state fiscal year 2025 and 2026.

Ms. McFarling discussed the flow charts providing a summary of dedicated funding deposited into the Water and Environment Fund (WEF), the dedicated funding revenue sources, and the projected funds available for appropriation in the 2025 Omnibus Bill. She also discussed the proposed appropriation levels from the WEF and the WEF State Revolving Fund subfunds. The projected Water and Environment Fund deposits total \$11,200,000 for state FY 2026.

Ms. McFarling discussed the remaining funds available for appropriation and break down of the revenue between water and solid waste funding. Going into FY 2026, staff is estimating an overall surplus of \$3,212,000. It is estimated that there will be \$11,200,000 in transfers to the dedicated water fund from the Capital Construction Fund and \$500,000 in Contractor's Excise tax is expected. Loan repayments and interest revenues deposited to the water and solid waste funds are estimated at \$780,000 and the dedicated solid waste fees coming from Tipping Fees and Tire Fees total an estimated \$1,950,000. Adding all the estimated revenue brings the total amount available for appropriation to \$17,642,000 with more than \$2,500,000 available for solid waste funding and \$15,000,000 for dedicated water funding.

The department recommended that the board recommend to the Governor and State Legislature the following line-item appropriation levels for projects on the State Water Resources Management System:

Dakota Mainstem Regional Water System Study	\$1,000,000
Water Investment in Northern South Dakota project	\$2,000,000

The department recommended an appropriation level of \$12,000,000 for the Consolidated Water Facilities Construction Program and \$2,500,000 for the Solid Waste Management Program.

The department also recommended the following Water and Environment Fund Subfund appropriation levels:

State Revolving Fund Administrative Surcharge Fees

Clean Water SRF Water Quality Grants	\$200,000
Clean Water SRF Application and Administration Assistance	\$300,000
Drinking Water SRF Application and Administration Assistance	\$300,000

Federal Set-Aside Funds and Federal Subsidy Payments

Drinking Water SRF Small System Technical Assistance	\$300,000
Clean Water SRF Small System Technical Assistance	\$100,000
Drinking Water Grants for Emerging Contaminants	\$30,000,000
WEF Subfund and Federal Fund Total:	\$31,200,000

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2024-147** recommending to the Governor and State Legislature Water and Environment Fund Fiscal Year 2026 appropriation levels of \$1,000,000 for the Dakota Mainstem Regional Water Study, \$2,000,000 for the Water Investment in Northern South Dakota project, \$12,000,000 for the Consolidated Water Facilities Construction Program, \$2,500,000 for the Solid Waste Management Program, \$200,000 for Clean Water SRF Water Quality Grants, \$300,000 for Clean Water SRF Application and Administration Assistance, \$300,000 for Drinking Water SRF Application and Administration Assistance, \$300,000 for Drinking Water SRF Small System Technical Assistance, \$100,000 for Clean Water SRF Small System Technical Assistance, and \$30,000,000 for Drinking Water Emerging Contaminants Grants. The motion carried unanimously.

STATE FISCAL YEAR 2024 INVESTMENT UPDATE: Casey Kahler provided a slide presentation discussing the SRF investments and investment returns for SFY2024.

There are two SRF Guaranteed Investment Contracts. The first one was contracted in 2001 and 2004 with AIG Matched Funding Corporation (guaranteed by American International Group, Inc.) for 5.07 percent with a maximum investment amount of \$60,000,000 in the Revenue Fund. This Guaranteed Investment Contract had approximately \$51,000,000 invested as of June 30, 2024.

The second Guaranteed Investment Contract, which is also with AIG Matched Funding Corporation, was negotiated in 2005 for 4.41 percent with a maximum investment amount of \$80,000,000 in the Revenue Fund and had approximately \$77,000,000 invested as of June 30, 2024.

The total amount invested in the Guaranteed Investment Contracts is approximately \$128,300,000.

Other investment balances as of June 30, 2024, include \$29,900,000 in U.S. Treasury Bonds, \$9,900,000 in Agency Bonds, and \$89,800,000 in the Federated Money Market Funds for a total investment balance of \$258,100,000.

The amounts shown in the presentation are amounts deposited and not necessarily earned in SFY 2024. The Guaranteed Investment Contracts investment deposits totaled \$6,600,000, US Treasury Bonds totaled \$449,000 in investment deposits, Agency Bond investment deposits totaled \$1,600,000, and investment deposits for the Federated Fund totaled \$6,100,000. The total interest deposits for SFY 2024 were \$18,200,000, which is an almost \$5,600,000 increase from last year.

Mr. Kahler discussed a slide showing a summary of the SFY 2024 SRF Investments, including balances as of June 30, 2024, current interest yield, and SFY 2024 interest deposits. The guaranteed Investment Contracts yielded contracted amounts of 5.07 percent and 4.41 percent. The dollar amounts of U.S. Treasuries were yielding at 4.63 percent, Agency Bonds at 4.616 percent and the Federated Fund at 5.31 percent. Both Treasuries and Agencies are listed as yield to maturity at cost. As of June 30, 2024, the Conservancy District had approximately \$1,500,000,000 in SRF loan obligations.

As of June 30, 2024, there were 522 SRF loans in repayment with an outstanding principal balance of approximately \$645,000,000. In SFY 2024, the Conservancy District received nearly \$58,900,000 in loan repayments of which \$44,000,000 was principal, \$11,300,000 in interest, and approximately \$3,500,000 in Administrative Surcharge fees.

The Board of Water and Natural Resources is required to periodically review the investment policy. DANR staff and PFM have done the periodic review of the investment policy, and it was determined that no changes are needed.

AMENDMENT TO WEB WATER DEVELOPMENT ASSOCIATION ARPA GRANT

#2023-ARP-200: Mr. Bruels reported that there is currently \$56,452 in unobligated ARPA funds, due to some portions of two projects being deobligated. These funds were originally provided from the \$600,000,000 in ARPA funds provided by Senate Bill 62 in 2022. In the 2023 legislative session Senate Bill 20 was passed, which provided the board discretion on the reallocation of those funds. Funds must be under agreement prior to December 31, 2024, to meet U.S. Treasury requirements.

Staff proposed to reallocate the unobligated ARPA funds to WEB Water Development Association project. ARPA funds for the WINS project were originally awarded in 2023 and the project also received an amendment for additional funds in June 2024. The funding is part the Water Investment in Northern South Dakota or WINS project to increase water capacity for WEB and to provide a bulk water connection for Aberdeen and BDM Rural Water, undertaken by all three entities with WEB acting as the lead contracting entity at this time.

Staff recommended awarding an additional \$56,452 in ARPA grant funds bringing the total ARPA grant for this project to \$25,179,832.

Shane Phillips thanked the board and staff for supporting the WINS project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-148** approving the Second Amendment to American Rescue Plan Act Grant Agreement 2023G-ARP-200 to increase the total grant amount to \$25,179,832 for the WEB Water Development Association. Motion carried unanimously.

SOUTH DAKOTA ASSOCIATION OF RURAL WATER SYSTEMS CONTRACT

EXTENSION REQUEST: Ms. McFarling reported that on November 4, 2021, the Board of Water and Natural Resources approved the Small System Technical Assistance contract with the South Dakota Association of Rural Water Systems (SDARWS). The contract period is from

January 1, 2022, through December 31, 2024, with an option to extend the contract for up to three additional years.

On September 18, 2024, the department notified SDARWS of its intent to extend the contract for an additional three years. Through August 2024, SDARWS has provided 3,670 hours of support to 199 small drinking water systems throughout South Dakota. The support includes safe drinking water compliance support, one-on-one operator certification education, valve maintenance, leak detection, mapping distribution systems, rate analysis, and other technical assistance.

With assistance from the Office of Attorney General, a First Amendment for a contract for services for Small System Technical Assistance services has been prepared and was provided as part of the board packet. The contract period is from January 1, 2025, through December 31, 2027.

Some changes in the first amendment include Governor Executive Orders that have been made since the original contract was signed and updates in the contact information for both the state and SDARWS due to retirements.

Staff recommended approval of a resolution authorizing the execution of the Small System Technical Assistance contract extension to SDARWS.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2024-149** approving the First Amendment to the consulting contract with South Dakota Association of Rural Water Systems. Motion carried unanimously.

BOND COUNSEL CONTRACT FOR THE SOUTH DAKOTA CONSERVANCY DISTRICT'S SRF LOAN PROGRAMS: Mr. Bruels reported that Bruce Bonjour, Perkins Coie LLP, has served as bond counsel for the Clean Water State Revolving Fund program since 1993 and the Drinking Water State Revolving Fund program since its inception in 1997.

The current contract expires December 31, 2024. Staff is proposing that the board contract with Mr. Bonjour and his partner Christine Biebel to provide continued service for 2025 through 2027. The proposed contract will provide legal services on 1) the eligibility of loans and the flow of funds within the Master Trust Indenture of both State Revolving Fund programs; 2) the filing of secondary market disclosure information on existing bonds within both programs; and 3) preparing, or cause for preparing, arbitrage rebate reports on existing bonds.

The contract will begin upon execution by all parties and end on December 31, 2027.

Mr. Bruels noted that the draft contract that was prepared with assistance from the Attorney General's Office was included in the board packet.

Staff recommended the board authorize the chairman to execute the contract for bond counsel services.

Motion by Bernhard, seconded by Becker, to authorize the chairman of the Board of Water and Natural Resources to execute the contract with Bruce Bonjour, Perkins Coie, LLP, for bond counsel services for 2025 through 2027. Motion carried unanimously.

2024 ANNUAL REPORT AND 2025 STATE WATER PLAN: In accordance with South Dakota Codified Laws 46A-2-2, 46A-1-10 and 46A-1-14, an Annual Report and State Water Plan is to be presented to the Legislature and the Governor by the first day of the legislative session.

Mr. Bruels noted that the report is similar in format to the report that was presented last year. The annual report provides a brief description of the activities that have been undertaken by the board during calendar year 2024 and includes tables detailing the funding awards approved by the board throughout the year. The board awarded more than \$471,100,000 in grant and loan funding for planning, design, and construction of municipal drinking water, wastewater, lake and watershed restoration, rural water, solid waste disposal, and recycling projects. Mr. Bruels noted that a major contribution to that was the \$105,000,000 in additional ARPA funds that was awarded in June 2024. These awards continue to be critical in having environmental projects being completed across the state.

Table 1, which is the ARPA funding table, in the report will be updated based on the awards the board made today for the additional \$56,000 to WEB Water.

The State Water Plan component of the report identifies the projects approved for placement onto the 2025 facilities plan and provides information for projects on the State Water Resources Management System. The board placed 36 projects on the facilities plan earlier in the meeting, bringing the total number of projects on the 2025 water facilities plan to 380.

Projects that have received funding from the board remain on the facilities plan until project completion and remain eligible to request additional funding if costs increase. The SWRMS component of the State Water plan includes the 11 existing projects on the list and general information regarding each of those projects. During the 2024 legislative session Senate Bill 7 removed the Gregory County pumped storage project from the SWRMS list. The project information is included in this year's report to address that action, but the project will be removed from future year's reports.

The final version of the report will provide the recommendations in the Omnibus Bill, which were just presented, and submits those to the governor and legislature on the funding levels for various water and solid waste projects, the programs, and activities. The board's recommendations for the SWRMS list designations, the funding levels for projects, programs and activities, and the Water and Environment Fund special condition statement are provided as appendices to the report.

Staff recommended approval of the 2024 Annual Report and the 2025 State Water Plan and to authorize the staff to print and distribute the report to the State Legislature, Governor, and other interested parties on behalf of the board.

Motion by Drewes, seconded by Bernhard, to approve the 2024 Annual Report and 2025 State Water Plan, and to authorize the staff to print and distribute the report to the state legislature, the governor, and other interested parties. Motion carried unanimously.

BELLE FOURCHE CHANGE SECURITY PLEDGE FOR DRINKING WATER SRF LOAN

C462012-02: Holly Briggs reported that on September 29, 2022, the Board of Water and Natural Resources awarded the city of Belle Fourche a \$1,760,000 Drinking Water SRF loan for its Hat Ranch well project using system revenue as the pledged security.

When the project was trying to proceed with closing it was found that Board Resolution No. 2022-413 stated that the project pledged a project surcharge with the contingencies of a system revenue. This also caused the city to pass an incorrect resolution.

Staff recommended that the board rescind Resolution No. 2022-413, which awarded the original Drinking Water SRF loan and adopt a new resolution with the correct pledge of system revenue.

Motion by Becker, seconded by Bernhard, to rescind Resolution No. 2022-413 adopt **Resolution No. 2024-50** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,760,000 at 1.625 percent interest for 30 years to the city of Belle Fourche for a well in the Hat Ranch Subdivision, 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.

JANUARY 9, 2025, MEETING: Ms. McFarling discussed possible agenda items for the January board meeting.

ADJOURN: Motion by Bernhard, seconded by Drewes, to adjourn. Motion carried unanimously.

Approved this 9th day of January 2025.

(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 11-7-2024

LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)	Address	Representing
Andy Bruels	Pierre	DANR
Tina McFarling	Pierre	DANR
Holly Briggs	Pierre	DANR
Megan Briggs	Pierre	DANR
Shayenne ^{J. Zimmerman}	Pierre	DANR
Bruce Jennings	Belle Fourche	BWNR
Jerry Scholt	Sixty Falls	BWNR
Bailey McTigue	Pierre	DANR
Mike Weisgram	Fort Pierre	Leg Oversight
TOOD BERNHARD	FORT PIERRE	BWNR
Suzanne McKinley	Pierre	DANR
Shane Phillips	WEB	WEB
Mike Perkovich	Pierre	Brosz Eng.
ROBIN BOBZIE	ABERDEEN	CITY OF ABERDEEN
Rodney Kappas	Groton	BDM Rural Water
Karin Zhao	Pierre	DANR
Dan Gerhardt	PIERRE	DANR
Cory Kahler	PIERRE	DANR