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Minutes of the  
Board of Water and Natural Resources  
In-Person or On-Line  
DANR Large Conference Room  
523 East Capitol  
Pierre, SD

February 26, 2026  
1:30 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, Gary Drewes, Bruce Jennings, and Gene Jones, Jr.

BOARD MEMBERS ABSENT: Cameron Becker and Jackie Lanning.

DANR STAFF: Andy Bruels, Jon Peschong, and Shayenne Ritzman, DANR Financial and Technical Assistance.

OTHERS: Bruce Bonjour, Perkins Coie; Jessica Cameron Mitchell and Miles Silbert, PFM; Chris Cartier, US Bank; David McVey, Assistant Attorney General (board counsel).

APPROVE AGENDA: Motion by Bernhard, seconded by Jennings, to approve the agenda. The motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

CONSULTING CONTRACT AMENDMENT WITH PERKINS COIE, LLP FOR BOND COUNSEL SERVICES FOR STATE REVOLVING FUND PROGRAM SERIES 2026AB BOND ISSUE: Andy Bruels reported that Bruce Bonjour, Perkins Coie LLP, has served as bond counsel for the South Dakota Conservancy District since 1994. The current contract with Mr. Bonjour and Perkins Coie, LLP became effective November 11, 2024.

The current contract did not take into account multiple bond issuances over a calendar year; therefore, Section II(A)(11) is being amended as follows:

(11) For legal services in connection with the proposed issuance and sale of one or more new series of fixed rate new money bonds (as defined in Exhibit A hereto as the “New Series of Bonds”) for the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program, a fixed fee of \$95,000 for each New Series of Bonds, payable only upon the actual issuance and sale of any such New Series of Bonds.

Additionally, Section 11(D) is being amended as follows to increase the stated maximum contract amount of fees and expenses related to any such new series of bonds and any additional arbitrage calculations for the number of outstanding series of bonds.

D. TOTAL CONTRACT AMOUNT is an amount not to exceed \$647,000 payable as compensation to Attorney, and not to exceed \$115,000 in reimbursement of actual costs from third party arbitrage rebate consultant, for a Total Contract Amount not to exceed \$762,000. Payment will be made pursuant to itemized invoices which identify the applicable service provided as listed in II(A) (1) through (11) above. Payment will be made consistent with SDCL Ch. 5-26.

Mr. Bruels noted that staff worked with legal counsel from the Office of Attorney General to prepare the “First Amendment to Agreement for Legal Services” for bond counsel services. The contract runs through December 31, 2027.

Staff recommended the board adopt a resolution authorizing the execution of the amended bond counsel contract.

Mr. Bruels answered questions from the board.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2026-16** authorizing a contract with Bruce A. Bonjour of Perkins Coie to serve as bond counsel, and in connection with the preparation of Program documents to allow for the issuance of Bonds, as set forth in the First Amendment to Agreement for Legal Services and authorizing the chairman of the Board of Water and Natural Resources to execute the First Amendment to Agreement for Legal Services. The motion carried unanimously.

SERIES RESOLUTION AUTHORIZING STATE REVOLVING FUND PROGRAM BONDS

SERIES 2025A: Mr. Bruels reported that it is anticipated that the South Dakota Conservancy District will issue approximately \$225,000,000 in State Revolving Fund Program Bonds, Series 2026AB during the week of March 30, 2026.

The Series 2026A Bonds are taxable bonds being issued to provide funds sufficient, together with other available moneys, (a) to provide funds in the approximate amount of \$1,500,000 to be deposited to the Clean Water State Match Loan Account established with respect to the Series 2026A Bonds which, together with amounts derived from EPA and deposited into the Federally Capitalized Loan Account, are to be loaned to Borrowers, (b) to provide funds in the approximate amount of \$7,500,000 to be deposited to the Drinking Water State Match Loan Account established with respect to the Series 2026A Bonds which, together with amounts derived from EPA and deposited into the Federally Capitalized Loan Account, are to be loaned to Borrowers, and (c) to pay associated costs of issuance.

The Series 2026B Bonds are tax exempt bonds being issued to provide funds sufficient, together with other available moneys, (a) to provide funds in the approximate amount of \$125,000,000 to be deposited to the Drinking Water Leveraged Loan Account established with respect to the Series 2026B Bonds which funds are to be loaned to borrowers, (b) to provide funds in the approximate amount of \$75,000,000 to be deposited to the Clean Water Leveraged Loan Account established with

respect to the Series 2026B Bonds which funds are to be loaned to Borrowers, and (c) to pay associated costs of issuance.

The board was provided with a copy of the Series Resolution for the Series 2026AB Bonds prepared by SRF bond counsel, Bruce Bonjour, Perkins Coie.

Bruce Bonjour, Perkins Coie, discussed the specifics of the Series Resolution, which provides board approval of the Preliminary Official Statement, the Continuing Disclosure Agreement, Notices of Sale for Series 2026AB, and supporting schedules prepared by the Conservancy District's financial advisor. The Series Resolution authorizes the chair, vice chair and/or secretary of the Conservancy District to file a Coverage Certificate for each program with the Trustee and to do all acts and to execute or accept all documents as may be necessary to carry out and comply with the provisions of the resolution and the documents approved by the resolution. The Series Resolution also allows for such signatures to be accomplished electronically.

Staff recommended approval of the Series Resolution authorizing State Revolving Fund Program Bonds, Series 2026AB and the execution and delivery of all necessary documents.

Motion by Soholt, seconded by Jones, to adopt **Resolution No. 2026-17** authorizing the State Revolving Fund Program Bonds, Series 2026AB, and authorizing execution and delivery of all necessary documents. The motion carried unanimously.

AMENDMENT TO 2026 CLEAN WATER SRF AND 2026 DRINKING WATER SRF INTENDED USE PLANS: Mr. Bruels stated that the FFY 2026 Clean Water Intended Use Plan (IUP) and the Drinking Water State Revolving Fund IUP were approved by the Board of Water and Natural Resources in November 2025.

At the time both IUPs were approved staff did not recommend the transfer of any funds between the SRF programs to meet program needs. It was indicated that the need for transfer of funds would be further evaluated during the year. Based on further review and discussion with the SRF Program Financial advisor it is proposed to amend both programs' 2026 IUPs by including the changes to the section below.

Deletions are overstricken and additions are underlined. Additional changes will be made to Table 2 in both programs' Intended Use Plans to correctly show the transfer amount indicated for approval.

#### AMOUNT OF FUNDS TRANSFERRED BETWEEN THE DRINKING WATER SRF AND THE CLEAN WATER SRF

The Safe Drinking Water Act Amendments of 1996 and subsequent Congressional action allows states to transfer an amount equal to 33 percent of its Drinking Water SRF capitalization grant to the Clean Water SRF or an equivalent amount from the Clean Water SRF to the Drinking Water SRF. States can also transfer state match, investment earnings, or principal and interest repayments between SRF programs and may transfer a previous year's allocation at any time.

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South Dakota transferred \$15,574,320 from the Clean Water SRF to the Drinking Water SRF program in past years. In FFY 2006 and 2011, \$7.5 million of leveraged bond proceeds and \$10 million of repayments, respectively were transferred from the Drinking Water SRF program to the Clean Water SRF program. With the anticipated FFY 2026 capitalization grant, the ability exists to transfer more than \$95.1 million from the Clean Water SRF program to the Drinking Water SRF program. More than \$91.2 million could be transferred from the Drinking Water SRF Program to the Clean Water SRF program. Table 2 (pages 13 and 14) itemizes the amount of funds transferred between the programs and the amount of funds available to be transferred.

No base program transfers are currently proposed for FFY 2026, this will be evaluated further during the year. Based on program demands and the need for funds able to be utilized for taxable borrower purposes in the Drinking Water SRF during FFY 2026 \$25 million of repayment proceed funds will be transferred from the Clean Water SRF to the Drinking Water SRF. To provide sufficient funds for Clean Water SRF purposes \$25 million of leveraged bond tax-exempt proceeds will be transferred from the Drinking Water SRF to the Clean Water SRF from new bond issuances planned for FFY 2026.

Staff recommended the board approve the proposed amendments to the FFY 2026 Clean Water SRF IUP and FFY 2026 Drinking Water SRF IUP.

Motion by Bernhard, seconded by Jones, to approve the amendments to the FFY 2026 Clean Water SRF IUP and FFY 2026 Drinking Water SRF IUP as discussed above. The motion carried unanimously.

ADJOURN: Motion by Drewes, seconded by Jennings, to adjourn. The motion carried unanimously.

Chairman Soholt declared the meeting adjourned.

Approved March 26, 2026.



ATTEST:

Chairman, Board of Water and Natural Resources

Secretary, Board of Water and Natural Resources