



BOARD OF WATER AND NATURAL RESOURCES

June 26, 2025

1:00 p.m. CT

In-Person or On-Line

Matthew Training Center

Joe Foss Building, 523 E. Capitol

Pierre, SD

The public may participate in-person, by live audio, or by streaming through a computer or other mobile device. The full board packet and directions for access to the meeting and live streaming can be found on the South Dakota Boards and Commissions Portal at

<http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

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 26, 2025

1:00 p.m. CT

1. Call Meeting to Order and Roll Call
2. Approve Agenda
3. Approve Minutes of March 27, 2025, and May 1, 2025, Board Meetings
4. Public Comment Period
5. Extension of PFM Financial Advisors LLC Contract – Andy Bruels
6. Amendments to the Joint Powers Agreement Contracts – Andy Bruels
7. Amendments to the State Water Plan, 2025 Clean Water SRF, and 2025 Drinking Water SRF

Intended Use Plans – Andy Bruels

- a. B-Y Water District – Line Relocation
 - b. B-Y Water District – Meter Upgrades
 - c. Roberts County
 - d. Toronto
8. Drinking Water Facilities Funding Applications - Andy Bruels
 - a. Deer Mountain Sanitary District (177)
 - b. Randall Community Water District (138)
 - c. Henry (123)
 - d. Rapid City (85)
 - e. Springfield (85)

Notice is given to individuals with disabilities that the meeting is being held in a physically accessible location. Individuals requiring assistive technology or other services in order to participate in the meeting or materials in an alternate format should contact Brian Walsh, Nondiscrimination Coordinator, by calling (605) 773-5559 or by email at Brian.Walsh@state.sd.us as soon as possible but no later than two business days prior to the meeting in order to ensure accommodations are available.

9. Sanitary/Storm Sewer Facilities Funding Applications – Tina McFarling
 - a. Springfield (9)
10. Pierre Request for Additional Funding for Clean Water SRF Loan C461288-10 – Tina McFarling
11. Corona Request for Project Scope Amendment for Clean Water State Revolving Fund Loan C461088-01 and Water Quality Grant 2024G-WQ-101 – Tina McFarling
12. Webster Request for Additional Funding Clean Water SRF Loan C461054-07 – Tina McFarling
13. Deadwood Request to Deobligate Drinking Water SRF Loan C462001-01 – Tina McFarling
14. Henry Request to Deobligate Clean Water SRF Loan C461277-01 – Tina McFarling
15. Lincoln County Rural Water System Request to Deobligate Drinking Water SRF Loan C462445-05 – Tina McFarling
16. Vermillion Request to Deobligate Clean Water SRF Loan C461022-13 – Tina McFarling
17. Upcoming Meetings:
 - a. September 25-26, 2025
18. Adjourn

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

March 27, 2025
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, Cameron Becker, Todd Bernhard, Gary Drewes, Bruce Jennings, and Jackie Lanning.

BOARD MEMBERS ABSENT: Gene Jones, Jr.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS: Senator Jim Mehlhaff and Representative Nicole Uhre-Balk.

OTHERS: See attached attendance sheet.

APPROVE AGENDA: Ms. McFarling noted that for Agenda Item 14 j. Southern Missouri Recycling and Waste Management District, the project should be "New Loader Purchase."

Motion by Drewes, seconded by Bernhard, to approve the agenda, as amended. The motion carried unanimously.

APPROVE MINUTES OF JANUARY 9, 2025, MEETING: Motion by Jennings, seconded by Lanning, to approve the minutes of the January 9, 2025, Board of Water and Natural Resources meeting. The motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

FORT PIERRE REQUEST TO DEOBLIGATE DRINKING WATER SRF LOAN C462049-01 AND C462049-02: Tina McFarling reported that on September 29, 2022, the Board of Water and Natural Resources awarded a \$4,230,684 SRF loan to Fort Pierre for a water storage tank project, and on September 26, 2024, the board awarded a \$2,470,434 SRF loan as additional funding for the project.

On January 13, 2025, DANR staff received a letter from Fort Pierre stating that the city will not be utilizing the SRF loan funds for to the water storage tank project, and the city requested that the board deobligate both Drinking Water SRF loans.

Staff recommended that the board rescind Resolution No. 2022-427, which awarded Drinking Water SRF Loan C462049-01, and Resolution No. 2024-139, which awarded Drinking Water SRF Loan C462049-02.

Motion by Drewes, seconded by Lanning, to rescind Resolution No. 2022-427 and Resolution No. 2024-139. The motion carried unanimously

AMENDMENT TO MID-DAKOTA RURAL WATER SYSTEM DRINKING WATER SRF LOAN C462430-07 RESOLUTION: Andy Bruels reported that on June 27, 2024, the Board of Water and Natural Resources adopted Resolution No. 2024-113 awarding a \$14,730,000 Drinking Water SRF loan to the Mid-Dakota Rural Water System (RWS) for the Wessington Springs bulk water supply project.

When corresponding with the borrower's attorney it was brought to staff's attention that the resolution format only listed the principal forgiveness in the contingency portion of the resolution and was not in the correct format that allowed the loan for 100 percent principal forgiveness.

On January 9, 2025, the Board of Water and Natural Resources rescinded Resolution No. 2024-113 and adopted Resolution No. 2025-06 awarding a \$14,730,000 Drinking Water SRF loan with 100 percent principal forgiveness to the Mid-Dakota Rural Water System for the project.

It was later brought to staff's attention that Resolution No. 2025-06 awarded on January 9, 2025, contained technical inaccuracies related to the structure of the borrower, the security for the loan, and the debt position of the loan.

Staff recommended the board rescind Resolution No. 2025-06, which amended the original Drinking Water SRF loan, and adopt a corrected resolution to approving the loan. Staff recommended the loan being contingent on the applicant resolution becoming effective following its publication, the borrower approving and executing a promissory note, and the receipt of the 2023 and 2024 Drinking Water State Revolving Fund Emerging Contaminants capitalization grant from EPA.

Motion by Bernhard, seconded by Becker, to rescind Resolution No. 2025-06, and adopt **Resolution No. 2025-07** approving a State Revolving Fund Loan up to a maximum committed amount of \$14,730,000 with up to 100 percent principal forgiveness to **Mid-Dakota Rural Water System** as is set forth with particularity in the loan agreement and loan obligation contingent upon the applicant resolution becoming effective following its publication, contingent upon the borrower approving and executing a promissory note, and contingent upon the receipt of the 2023 and 2024 Drinking Water State Revolving Fund Emerging Contaminants Capitalization Grant from EPA. The motion carried unanimously.

AMENDMENTS TO STATE WATER PLAN, 2025 CLEAN WATER SRF AND 2025 DRINKING WATER SRF INTENDED USE PLANS: Water projects which will require state

funding or need state support for categorical grant or loan funding must 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 amendment 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 on the plan at this meeting will remain on the facilities plan through December 2026.

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

Seven State Water Plan applications were received by the February 1, 2025, deadline. The list of projects and a map showing the location of the projects were included in the board packet. As Mr. Bruels presented the State Water Plan applications, he also identified the projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists.

Mr. Bruels presented the State Water Facilities Plan applications and staff recommendations.

Project Sponsor	Description	Projected State Funding (\$)	Recommendation
Carriage Hills Water Association	The association currently operates their own water system consisting of wells, storage, and distribution mains. Many aspects of the current system are in need of replacement and the system is now fully within the boundaries of Rapid City. This project would be to replace the existing distribution system infrastructure up to city standards and then become individual users of Rapid City.	\$7,600,000	Place on the Facilities Plan
Henry	This project would replace 7,100 feet of cast iron watermain with PVC, install a new 60,000-gallon ground storage tank and booster pump system, and replace existing services and valves.	\$4,075,170	Place on the Facilities Plan
North Sioux City	This project would replace an existing lift station serving an industrial park area with a new larger lift station to accommodate increased flows. The existing gravity sewer and force main connected to the lift station would also be replaced with larger size pipe to accommodate growth.	\$5,144,180	Place on the Facilities Plan

Board of Water and Natural Resources
March 27, 2025, Meeting Minutes

Rapid City	This is a three-phase project with multiple well related improvements. Phase 1 would make improvements to well #4 to include a new pump, drop pipe, well house and related appurtenances. Phase 2 would include improvements to well #13 for a new pump, larger well casing pipe, connection to a nearby transmission main, and well construction. Phase 3 will include the installation of a new well #14 on a suitable site including a well house and other necessary appurtenances.	\$19,173,000	Place on the Facilities Plan
Salem	The city's drinking water treatment facility is in need of upgrades and equipment replacement. This project will replace the existing treatment filtration skids and associated equipment with new equipment and make improvements in the raw water transmission line to better allow treatment to occur.	\$6,270,000	Place on the Facilities Plan
Salem	This project would install at least one and possibly two additional water wells. The wells are needed to replace existing aged wells, meet user capacity demand, and to be constructed at more appropriate distances apart to alleviate impacts to existing wells from being drawdown and reducing capacity.	\$2,100,000	Place on the Facilities Plan
Wessington	This project would replace or reline with cast-in-place pipe a total of 9,920 feet of existing sanitary collection pipe that was identified as beyond its useful life.	\$3,618,011	Place on the Facilities Plan

Motion by Lanning, seconded by Drewes, to place the seven projects on the 2025 State Water Facilities Plan. The motion carried unanimously.

In addition to the clean water projects the board placed on the 2025 State Water Plan, staff recommended that Bison be placed on the Clean Water SRF Intended Use Plan. Bison previously received a Clean Water SRF loan and a Consolidated grant for improvements to the wastewater collection and treatment system. Due to increased project costs, Bison has submitted a new funding application to fully fund the estimated costs. The funding application was presented to the board for consideration later in the meeting.

Staff recommended that the following projects be added to Attachment I – Project Priority list of the 2025 Clean Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
13	Bison	\$370,000	3.75 percent, 30 years
10	North Sioux City	\$5,144,180	3.75 percent, 30 years
8	Wessington	\$3,618,011	3.75 percent, 30 years

Motion by Bernhard, seconded by Becker, to place the three projects on the Project Priority List of the 2025 Clean Water SRF Intended Use Plan. The motion carried unanimously.

Staff recommended that the following projects be added to Attachment I – Project Priority list of the 2025 Drinking Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
153	Carriage Hills Water Association	\$7,600,000	4.75 percent, 30 years
130	Salem	\$6,270,000	3.50 percent, 30 years
123	Henry	\$4,075,170	3.00 percent, 30 years
95	Salem	\$2,100,000	3.50 percent, 30 years
85	Rapid City	\$19,173,000	3.50 percent, 30 years

Motion by Jennings, seconded by Drewes, to place the four projects on the Project Priority List of the 2025 Drinking Water SRF Intended Use Plan. The motion carried unanimously.

DAKOTA MAINSTEM REGIONAL WATER SYSTEM STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that Section 2 of Senate Bill 16 approved by the 2024 Legislature appropriated \$1,000,000 in grant funds for the Dakota Mainstem Regional Water System study. The board placed these funds under agreement with the Dakota Mainstem Regional Water System in March 2024.

The 2025 State Legislature appropriated an additional \$1,000,000 in grant funds for the Dakota Mainstem Regional Water System study in Section 1 of Senate Bill 33.

Dakota Mainstem Regional Water System is a recently formed entity. Members include municipalities, rural water systems, water associations, water districts, tribal systems, and others. Final membership has not been set, and canvassing of interested members is currently ongoing. The purpose is to conduct a feasibility study to determine the viability and costs to provide water and system interconnects throughout east central and southeastern South Dakota to assure water availability to meet current user needs and provide for future growth.

The department received a request from the Dakota Mainstem Regional Water System, as the local project sponsor, to place the 2025 \$1,000,000 appropriation under agreement. The first amendment to the grant agreement has been drafted with the assistance of DANR legal counsel, and the DANR review process has been completed.

Staff recommended the board adopt a resolution authorizing the board chairman to execute the First Amendment to the State Water Resources Management System Grant Agreement to the Dakota Mainstem Regional Water System.

Kurt Pfeifle, executive director, Dakota Mainstem Regional Water System, provided an update on the project, thanked the board for its continued support and for considering approval of the \$1,000,000 grant.

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2025-08** approving the First Amendment to the State Water Resources Management System grant agreement to the **Dakota Mainstem Regional Water System** for an additional grant not to exceed \$1,000,000 for a feasibility level study, system startup, and administration of the study, and authorizing the chairman of the board to execute the amended Water Resources Management System grant agreement. The motion carried unanimously.

WATER INVESTMENT IN NORTHERN SOUTH DAKOTA STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Andy Bruels stated that WEB Water Development Association is the lead contracting entity for the WINS project.

Mr. Bruels reported that Section 4 of Senate Bill 17, as approved by the 2023 Legislature, appropriated \$5,000,000 in grant funds. Section 3 of Senate Bill 16, as approved by the 2024 Legislature, appropriated \$5,000,000 in grant funds for the Water Investment in Northern South Dakota (WINS) project. The board placed these funds under agreement with the WINS project sponsors in March 2023 and approved the First Amendment to the grant agreement in March 2024.

The 2025 State Legislature appropriated an additional \$2,000,000 in grant funds for the WINS project in Section 2 of Senate Bill 33.

The WINS project is a collaborative effort between WEB Water, the city of Aberdeen, and BDM Rural Water. The project is anticipated to provide up to 42.1 MGD of treated drinking water to the northeast South Dakota region through the three systems. The proposed project consists of a raw water intake, water treatment facility, three storage reservoirs, five pump and control facilities, a pressure-reducing facility, and 148 miles of pipeline ranging in size from 20-inch to 54-inch.

The department received a joint request from the three project sponsors to place the additional 2025 \$2,000,000 appropriation under agreement. The Second Amendment to the grant agreement has been drafted with the assistance of DANR legal counsel, and the DANR review process has been completed.

Staff recommended that the board adopt the resolution authorizing the Chairman to execute the Second Amendment to the State Water Resources Management System Grant Agreement with the joint project sponsors.

Shane Phillips, general manager, WEB Water, provided an update on the WINS project and thanked the board for its continued support and for considering approval of the additional \$2,000,000 grant.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-09** approving the Second Amendment to the State Water Resources Management System grant agreement to the **Water Investment in Northern South Dakota** joint project sponsors for an amount not to exceed \$2,000,000 for engineering design, preconstruction activities, and construction of the facilities included in the project, and authorizing the chairman of the board to execute the amended Water Resources Management System grant agreement.

Chairman Soholt asked if the water provided through the WINS project will replace water that is currently provided to the users of BDM?

Rod Kappes, general manager of BDM Rural Water, answered that the WINS water will supplement BDM's current water supply.

The motion carried unanimously.

LEGISLATIVE UPDATE: Tina McFarling provided an update on the following bills that were approved during the 2025 Legislative Session.

- SB 33 - An Act to make appropriations for water and environmental purposes and to declare an emergency.
- SJR 501 - A Joint Resolution providing legislative approval for a future use water permit application by the Western Dakota Regional Water System.
- HB 1072 - An Act to modernize provisions relating to water development districts.
- HB 1095 - An Act to extend the area in which a director for an irrigation district may reside.

Ms. McFarling noted that several bills were passed regarding open meeting laws. Staff is reviewing the requirements of these new laws to ensure the board will be compliant with requirements when the bills become effective July 1. Staff will provide more information regarding the open meeting laws at a future meeting.

Mr. Drewes stated that he appreciates the legislative action approving SJR 501; however, he was disappointed that the project didn't receive support sooner. He said being able to cooperate and collaborate by bringing good quality water for domestic and agricultural use to all parts of the state is an excellent idea, and he does not believe there is any excuse for South Dakota not to be looking at that since the water is available in the Missouri River, which runs through the middle of the state.

SET SFY 2026 MEETING SCHEDULE: Each year the board establishes a tentative meeting schedule for the coming fiscal year. Ms. McFarling presented the following tentative meeting schedule for State Fiscal Year 2026.

September 25-26, 2025
November 6, 2025
January 8, 2026
March 26-27, 2026
June 25-26, 2026

Motion by Lanning, seconded by Bernhard to approve the tentative SFY 2026 board meeting schedule. The motion carried unanimously.

Chairman Soholt called a recesses. He called the meeting back to order at 1:00 p.m.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Mr. Bruels provided an overview of available funds. He then presented the applications and staff recommendations for funding.

Grant-Roberts Rural Water System requested funding for improvements to its system to enable it to provide water service to Summit. The town of Summit's current water supply contains high levels of iron and manganese in excess of the Health Action Level, and the town has no cost-effective way to improve the water quality. Grant-Roberts Rural Water System is proposing to connect the town as a bulk customer providing bulk water service.

The estimated total project amount is \$8,300,000, and the amount requested is \$8,300,000.

The manganese levels in Summit's current water source are above EPA's Health Action Level. While this is not a primary drinking water standard, EPA considers it an Emerging Contaminant. This designation allows the use of the Drinking Water SRF BIL Emerging Contaminants funds for this project, which are required to be provided at 100 percent principal forgiveness when utilized, and the funding must be provided to or for the benefit of a small or disadvantaged community. Summit qualifies as both a small and disadvantaged community. Even though the funding is being provided to Grant-Roberts RWS, the project is eligible for these funds.

Staff recommended awarding a \$8,300,000 Drinking Water SRF loan with 100 percent principal forgiveness.

Rates are \$64.70 for 7,000 gallons. Since the funding is to be provided at 100 percent principal forgiveness there is no financial impact to Grant-Roberts RWS.

Summit users may see some additional costs associated with connection to Grant-Roberts RWS. Summit currently charges users based on the number of permanent occupants ranging between \$59.00 and \$74.00 per month for water and wastewater, combined. Summits 2020 population was 288. Based on an average of 2.5 persons per household a total of 115 customers are assumed.

Grant-Roberts bulk usage would be a \$400 minimum for the town plus \$3.80 per 1,000 gallons. This would be approximately \$22.50 per 5,000 gallons. If added entirely to the maximum current rates Summit residents would be paying less than \$100 per month combined.

It is anticipated that if Summit were to construct its own treatment improvements the capitol costs would be more than the proposed alternative. Ongoing operational costs for Summit to operate its own treatment system would require costs per 1,000 gallons between \$6.20-\$9.30 depending on operator time needed, which would be substantially more than purchasing from Grant-Roberts RWS.

Staff recommended the loan being contingent upon the applicant resolution becoming effective following its publication, contingent upon the borrower approving and executing a Promissory Note,

and contingent upon receipt of the 2025 Drinking Water State Revolving Fund Emerging Contaminants capitalization grant from EPA.

Nathan Brandenburg, DGR Engineering, discussed the project and thanked the board for consideration of funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2025-10** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$8,300,000 with up to 100 percent principal forgiveness to the **Grant-Roberts Rural Water System** for system improvements in order to provide bulk water to Summit, 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 applicant resolution becoming effective following its publication, contingent upon the borrower approving and executing a Promissory Note, and contingent upon receipt of the 2025 Drinking Water State Revolving Fund Emerging Contaminants capitalization grant from EPA. The motion carried unanimously.

WEB Water Development Association currently serves Pleasant Valley Homeowner Association as a Class C Bulk User. WEB Water requested funding to replace Pleasant Valley's existing water system with new water lines and install new water meters, pits, and valves for all users.

The estimated total project amount is \$892,000, and the amount requested is \$892,000.

With completion of the project WEB will serve and charge Pleasant Valley HOA as individual users. Any debt that would be incurred for the project would be assessed directly to those 42 users. In discussions with WEB, it is believed that if subsidy can be provided for a portion of the project WEB would be interested in using some of their own local cash to remove any required debt. Every \$100,000 of debt would increase rates for Pleasant Valley by \$13.70 per user. The consolidation will also allow Pleasant Valley to no longer be responsible for operation of a public water system and meeting current and future regulations.

Staff recommended awarding a Consolidated grant at 80 percent of approved total project costs not to exceed \$713,600. Mr. Bruels noted that, by law, the maximum award allowable from the Consolidated program is 80 percent of approved total project costs or \$2,000,000 per individual project.

WEB's rates are \$96.64 for 7,000 gallons. Based on staff recommendation and prior discussions with WEB, the \$178,400 not recommended for funding would be provided by WEB to complete the project. If this was instead incurred as debt and charged to Pleasant Valley users, it would increase rates by \$24.50 in addition to normal rates for a total of \$121.04. With the staff recommendation, that additional \$24.50 will not be necessary, and Pleasant Valley users will be treated as regular WEB individual users.

Shane Phillips, Manager of WEB Water, discussed the project.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-11** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of

Water and Natural Resources and the **WEB Water Development Association** for up to 80 percent of approved total project costs not to exceed \$713,600 to replace Pleasant Valley Homeowner Associations' existing water system with new water lines and install new water meters, pits, and valves. The motion carried unanimously.

Perkins County Rural Water System requested funding for the installation of a new elevated 300,000-gallon reservoir in the central part of the system and replacement of approximately 11,200 feet of pipeline to accommodate the increased system pressure during pump runs to fill the tank. The project will also replace approximately 10,000 feet of corroded and leaking ductile iron pipe with PVC and HDPE pipe.

The estimated total project amount is \$5,800,000, and the amount requested is \$5,800,000.

Staff recommended awarding a \$5,800,000 Drinking Water SRF loan at 4.50 percent interest for 30 years with 80.0 percent as principal forgiveness not to exceed \$4,640,000.

The 4.50 percent interest rate is 0.25 percent lower than the standard rate and term that Perkins County would typically qualify for. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Mr. Bruels noted that as a private, non-profit entity Perkins County RWS is subject to the interest rate for taxable borrowers. The rural water system does qualify as a disadvantaged system and is eligible for the principal forgiveness that was recommended.

Perkins County RWS pledged system revenue for repayment of the loan. Rates are \$127.65 for 7,000 gallons.

Staff analysis indicates that a that revenues need to be raised approximately 6.5 percent or \$78,000 annually to provide the required 110 percent debt coverage. Staff estimates this will increase user rates by \$8.30 per month for a 7,000-gallon user, bringing total rates to \$135.95 for 7,000 gallons.

Staff recommended the loan being 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 the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant.

A representative of Perkins County presented information on the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-12** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,800,000 at 4.50 percent interest for 30 years with 80.0 percent as principal forgiveness not to exceed \$4,640,000 to **Perkins County Rural Water System** for an elevated storage reservoir and distribution line replacement, 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 the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

Wessington Springs requested funding due to the city's impending change in the drinking water source from springs to the Mid-Dakota Rural Water System. In response to residents' requests, the city proposes to replace approximately 3,800 feet of asbestos cement and cast-iron pipe with 6- and 8-inch PVC pipe. The project will include replacement of approximately 1,300-feet of 1- and 2-inch service line. This will complete the city's ongoing transition to PVC pipe.

The estimated total project amount is \$1,568,130, and the amount requested is \$1,565,000. The city will provide \$3,130 in local cash for the project.

Staff recommended awarding a \$1,565,000 Drinking Water SRF loan at 3.0 percent interest for 30 years with 80.3 percent as principal forgiveness not to exceed \$1,259,000.

The 3.0 percent interest rate is 0.25 percent lower than the rate and term the city would normally qualify for. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

The city pledged a project surcharge for repayment of the loan. Rates are currently \$55.35 for 5,000 gallons and are anticipated to raise to \$70.00 for 5,000 gallons in June 2025 with the connection to Mid-Dakota RWS. Staff analysis indicates that a surcharge of \$3.20 is needed for repayment of the \$306,000 loan. Based on the anticipated \$70.00 rate from June 2025 it is anticipated with this new surcharge total rates will be \$73.20 for 5,000 gallons.

Staff recommended the loan 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 on receipt of the 2025 Drinking Water SRF capitalization grant.

Camden Hofer, SPN, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-13** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,565,000 at 3.0 percent interest for 30 years with 80.3 percent as principal forgiveness not to exceed \$1,259,000 to the **city of Wessington Springs** for distribution 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 on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

Mitchell requested funding to upgrade water facilities along East Fifth Avenue from Burr Street to Foster Street. The proposed work will include the installation of approximately 2,900 feet of 8-inch PVC water main. The project will be done in conjunction with a wastewater project.

The estimated total project amount is \$1,325,000, and the amount requested is \$1,325,000.

Staff recommended awarding a \$1,325,000 Drinking Water SRF loan at 3.25 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$59.95 for 5,000 gallons. Staff analysis indicates that a surcharge of \$1.10 is needed for repayment of the loan. The current revenues do appear sufficient to allow a restructure of the user rates to cover this surcharge. Mr. Bruels noted that staff is aware the city has entered into a water purchase agreement with Randall Community Water District for a new water connection which will result in future rate increases. Mitchell has provided information that it is anticipated that in 2027, and with all necessary costs, rates will be \$85.33 per 5,000 gallons. While these rates are high, this is something the city has been planning for and understood potential future users may allow these rates to be lessened in the future.

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.

Joe Schroeder, city of Mitchell, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2025-14** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,325,000 at 3.25 percent interest for 30 years to the **city of Mitchell** for the Fifth Avenue utilities 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. The motion carried unanimously.

Buffalo Gap requested funding for Phase 2 to complete replacing the cast iron pipe and 4-inch drinking water mains throughout the town. This alternative will address all known system deficiencies related to the cast iron and 4-inch mains. By making these improvements, the town will have the opportunity to buy bulk water from Fall River Water Users District. Phase 1 was funded in 2022, and construction was completed in 2024.

The estimated total project amount is \$1,314,000, and the amount requested is \$1,314,000.

Staff recommended awarding a \$1,314,000 Drinking Water SRF loan at 3.0 percent interest for 30 years with 74.5 percent as principal forgiveness not to exceed \$978,000.

Buffalo Gap pledged a project surcharge for repayment of the loan. Rates are \$57.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$17.00 is needed for repayment of the \$336,000 loan. Staff believes that Buffalo Gap can restructure its current rates and include the surcharge as well as operational, maintenance, and debt costs with total rates of \$65.00 based on 5,000 gallons usage. Staff recommended the town could restructure their rates in 2022 as part of implementing a surcharge at that time, but it does not appear the restructure was included, and rates were increased the full amount of the surcharge.

Staff recommended the loan 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 on receipt of the 2025 Drinking Water SRF capitalization grant.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-15** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,314,000 at 3.0 percent interest for 30 years with 74.5 percent as principal forgiveness not to exceed \$978,000 to the **town of Buffalo Gap** for the Phase 2 distribution line 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, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

Bryant requested funding to extend one block of water main and replace three blocks of existing cast iron water main, fire hydrants, valves and services lines to the property line. The city also proposes to make improvements to the water tower, including recoating the interior and exterior, installing a screen on the overflow pipe and a vent, and adding an anti-climb gate to the ladder. Portions of this project will be completed in conjunction with a wastewater project.

The estimated total project amount is \$1,575,000, and the amount requested is \$1,575,000.

Staff recommended awarding a \$1,575,000 Drinking Water SRF loan at 3.25 percent interest for 30 years with 65.8 percent as principal forgiveness not to exceed \$1,035,000.

Bryant pledged a project surcharge for repayment of the loan. Rates are \$66.45 for 5,000 gallons. Staff analysis indicates that a surcharge of \$10.10 is needed for repayment of the \$540,000 loan. Staff believes Bryant can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates remaining at current levels of \$66.45 based on 5,000 gallons usage.

Staff recommended the loan 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 on receipt of the 2025 Drinking Water SRF capitalization grant.

Karen Schaefer, IMEG, on behalf of Bryant, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2025-16** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,575,000 at 3.25 percent interest for 30 years with 65.8 percent as principal forgiveness not to exceed \$1,035,000 to the **city of Bryant** for Phase 2 water distribution and storage 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 on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

Fall River Water User District requested funding to construct a new booster station near the corner of Highways 18/79/385 and Angostura Road. The new booster station will increase the flow capacity to the Angostura ground storage reservoir and allow simultaneous operation of the new pump station, the South Madison Well, and the connection to Hot Springs.

The estimated total project amount is \$3,240,000, and the amount requested is \$3,240,000.

Staff recommended awarding a \$3,240,000 Drinking Water SRF loan at 3.5 percent interest for 30 years with 43.0 percent as principal forgiveness not to exceed \$1,390,000.

The water users district pledged system revenue for repayment of the loan. Rates are \$79.75 for 7,000 gallons. Staff analysis indicates that revenues need to be raised by approximately 10 percent or \$110,000 annually to provide the required 110 percent debt coverage. Staff estimates this will increase user rates approximately \$8.00 per month for a 7,000-gallon user, bringing total rates to \$87.75 for 7,000 gallons.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant.

Jeff Davison thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-17** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,240,000 at 3.5 percent interest for 30 years with 43.0 percent as principal forgiveness not to exceed \$1,390,000 to **Fall River Water User District** for the North Angostura booster station 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 rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

Oak Mountain Country Estates Homeowners Association (HOA) owns and operates a public water system. The current system does not have reliable water meters, and this project will help evaluate current and future problems with the water system. The HOA proposes installation of meter pits and new meters at the curb stops.

The estimated total project amount is \$445,000, and the amount requested is \$445,000.

Staff recommended awarding a \$143,000 Consolidated loan at 3.75 percent interest for 30 years and awarding a Consolidated grant at 67.9 percent of approved total project costs not to exceed \$302,000.

The HOA pledged system revenue for repayment of the loan. Rates are \$194.30 for 7,000 gallons. Debt coverage of 100 percent is required for Consolidated loans. Staff analysis indicates that revenues at existing rates are sufficient to provide the required debt coverage for the recommended loan. Staff also believes that with completion of the project additional revenue may be received as there is currently high water loss in the system, and this project is anticipated to reduce that and allow for more accurate billing.

Staff recommended the loan being 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, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Oak Mountain Country Estates Homeowners Association and the District.

A representative of Oak Mountain Country Estates thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-18** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$143,000 at 3.75 percent interest for 30 years to **Oak Mountain Country Estates Homeowners Association (HOA)** for Phase I water distribution system improvements 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, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Oak Mountain Country Estates Homeowners Association and the District; and to adopt **Resolution No. 2025-19** awarding a Consolidated grant at 67.9 percent of approved total project costs not to exceed \$302,000 to **Oak Mountain Country Estates Homeowners Association (HOA)** for Phase I water distribution system improvements. The motion carried unanimously.

Alcester requested funding for improvements to its water distribution system. The project will replace aging watermain along Ofstad Street and the alley west of Highway 11 from 1st Street to 3rd Street. The city also plans to recoat and repair the water tower.

The estimated total project amount is \$2,230,600, and the amount requested is \$2,230,600.

Staff recommended awarding a \$2,230,000 Drinking Water SRF loan at 3.25 percent interest for 30 years with 56.5 percent as principal forgiveness not to exceed \$1,260,000.

The 3.25 percent interest rate is 0.25 percent lower than the rate and term Alcester would normally qualify for. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Alcester pledged a project surcharge for repayment of the loan. Rates are \$53.75 for 5,000 gallons.

Staff analysis indicates that a surcharge of \$11.25 is needed for repayment of the \$970,000 loan, resulting in total rates of \$65.00 per 5,000 gallons.

Staff recommended the loan 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 on receipt of the 2025 Drinking Water SRF capitalization grant.

Dave Hodgson, city of Alcester, explained the project and thanked the board for consideration of funding.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2025-20** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,230,000 at 3.25 percent interest for 30 years with 56.5 percent as principal forgiveness not to exceed \$1,260,000 to the **city of Alcester** for water distribution 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 on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

Hill City requested funding for a drinking water improvements project consisting of a new well, ground storage reservoir, booster pumps, and pressure-reducing valves in the distribution system.

The estimated total project amount is \$5,520,000, and the amount requested is \$5,520,000.

Staff recommended awarding a \$3,520,000 Drinking Water SRF loan at 3.75 percent interest for 30 years and awarding a Consolidated grant at 36.3 percent of total project costs not to exceed \$2,000,000.

Hill City pledged a project surcharge for repayment of the loan. Rates are \$61.50 for 5,000 gallons. Hill City does not qualify, by rule, as disadvantaged, and the maximum Consolidated grant allowed by law is \$2,000,000. Hill City has recently undergone an extensive rate structure analysis with the city's

consultant. This was done to more equitably distribute the costs of water for both residential and commercial users which create a large demand due to tourist usage. Based on this review, it is anticipated that the surcharge required of a 5,000-gallon residential user would be \$27.50 for repayment of the recommended loan. With anticipated operational and maintenance costs that have been developed for Hill City users, total 5,000-gallon rates for a Hill City residential users in 2027 would be approximately \$77.60.

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.

Tana Nichols, mayor of Hill City, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-21** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,520,000 at 3.75 percent interest for 30 years to the **city of Hill City** for Phase 1 drinking water 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; and to adopt **Resolution No. 2025-22** awarding a Consolidated grant at 36.3 percent of approved total project costs not to exceed \$2,000,000 to the **city of Hill City** for Phase 1 drinking water improvements. The motion carried unanimously.

Canton requested funding to replace existing water main on West Street that has experienced multiple breaks. The proposed work includes replacing approximately 2,000 feet of 10-inch water main with a 12-inch water main to replace aging infrastructure and increase capacity in the area.

The estimated total project amount is \$1,946,000, and the amount requested is \$1,946,000.

Staff recommended awarding a \$1,946,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$61.35 for 5,000 gallons. Staff analysis indicates that a surcharge of \$7.45 is needed for repayment of the loan. Staff believes that Canton can restructure its current rates and include the surcharge as well as operational, maintenance, and debt costs at the current rate of \$61.35 based on 5,000 gallons usage.

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.

Harley Ferguson, SECOG, on behalf of the city of Canton, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2025-23** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,946,000 at 3.75 percent interest for 30 years to the **city of Canton** for West Street drinking water 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. The motion carried unanimously.

Dell Rapids requested funding to replace outdated 8-inch watermain with 10-inch watermain along Orleans Avenue. Additionally, on the other side street tie-ins, the 4-inch water mains will be replaced with 6-inch water main pipe. Water main services within the right-of-way will also be replaced.

The estimated total project amount is \$1,158,000, and the amount requested is \$1,158,000.

Staff recommended awarding a \$1,158,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Dell Rapids pledged a project surcharge for repayment of the loan. Rates are \$54.66 for 5,000 gallons. Staff analysis indicates that a surcharge of \$4.15 is needed for repayment of the loan, resulting in total rates of \$58.81 per 5,000 gallons.

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.

Steve McFarland, Dell Rapids city administrator and Mayor Thomas Early, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2025-24** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,158,000 at 3.75 percent interest for 30 years to the **city of Dell Rapids** for Orleans Avenue watermain replacement, 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. The motion carried unanimously.

White requested funding for improvements to its water distribution system. The current system is corroding and experiencing breaks. The project includes water distribution line replacement primarily south of Main Street and west of Hooker Avenue.

The estimated total project amount is \$2,117,506, and the amount requested is \$2,117,506.

Staff recommended awarding a \$1,452,000 Drinking Water SRF loan at 3.50 percent interest for 30 years with 48.3 percent as principal forgiveness not to exceed \$700,000 and awarding a Consolidated grant for 31.5 percent of total project costs not to exceed \$665,000.

The 3.50 percent interest rate is 0.25 percent lower than the rate and term White would normally qualify for. This project was selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

White pledged a project surcharge for repayment of the loan. Rates are \$64.10 for 5,000 gallons. Staff analysis indicates that a surcharge of \$14.75 is needed for repayment of the \$752,000 net loan. Staff believes that White can restructure its current rates and include the surcharge as well as operational, maintenance, and debt costs with total rates of \$75.85 based on 5,000 gallons usage.

Staff recommended the loan 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 on receipt of the 2025 Drinking Water SRF capitalization grant.

Representatives from White were experiencing technical difficulties during the meeting. They sent a message thanking the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2025-25** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,452,000 at 3.50 percent interest for 30 years with 48.3 percent as principal forgiveness not to exceed \$700,000 to the **city of White** for water distribution 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, 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 on receipt of the 2025 Drinking Water SRF capitalization grant; and to adopt **Resolution No. 2025-26** awarding a Consolidated grant at for 31.5 percent of total project costs not to exceed \$665,000 to the **city of White** for water distribution system improvements.. The motion carried unanimously.

Dell Rapids requested funding to extend water main to an area being constructed for future development and connect to the existing 6-inch water main along SD Highway 115.

The estimated total project amount is \$2,018,000, and the amount requested is \$2,018,000.

Staff recommended no funding for this project. The project, when originally applying for placement on the state water plan, was identified as ineligible for Drinking Water SRF funding as it is primarily a future growth project which is not allowed in the program at the federal level. Based on limited funds available Consolidated funding and the project being a lower priority for use of those funds, staff is not recommending any Consolidated funds.

Steve McFarland, city of administrator, discussed the project.

Motion by Drewes, seconded by Jennings, to accept the staff recommendation of no funding for the Dell Rapids Western Avenue utilities extension project. The motion carried unanimously.

SANITARY/ STORM SEWER FUNDING APPLICATIONS: Tina McFarling presented the applications and staff recommendations for funding.

Columbia requested funding to replace approximately 500 feet of sanitary sewer main that is sagging, relocate the existing lagoon, which is currently in the James River floodplain, construct a new lagoon system, install a new lift station and approximately 9,500 feet of force main out to the new lagoon.

The estimated total project amount is \$3,714,000, and the amount requested is \$3,714,000.

Staff recommended awarding a \$3,714,000 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 77.1 percent not to exceed \$2,863,000.

Columbia pledged a project surcharge for repayment of the loan. The town has a flat rate of \$25.00. Staff analysis indicates that a surcharge of \$55.00 per month is needed to cover the \$851,000 net loan. Staff believes rates can be restructured to approximately \$70.00 per month and still provide the necessary debt coverage and operation and maintenance expenses.

Staff recommended the loan 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 on receipt of the 2025 Clean Water SRF capitalization grant.

The town president of Columbia thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2025-27** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,714,000 at 3.75 percent interest for 30 years with principal forgiveness of 77.1 percent not to exceed \$2,863,000 to the **town of Columbia** for a wastewater lagoon and line improvement 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 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 on receipt of the 2025 Clean Water SRF capitalization grant.

Mr. Drewes said he presumes the lagoon was not originally in the flood plain, but the flood plain has changed. He asked if the town is required to build a new lagoon out of the flood plain?

Aaron Moen, Stockwell Engineering, answered that Columbia is not required to move it, but based on past experience with the amount of drainage that has been occurring the past few years, it has certainly caused issues and concerns with the lagoon overtopping at that location.

The motion carried unanimously.

Canton requested funding for sanitary and storm sewer system improvements on West Street. Over the next couple of years, Lincoln County will be constructing a new county justice center which will also be accessed by using West Street. Canton proposes to install a new sanitary sewer collection system, which will be comprised of 12-inch diameter PVC mains, 4- or 6-inch PVC sewer service lines, and eight new manholes. There is currently no sanitary sewer collection system in the area, and properties adjacent to West Street are using private septic systems. The project also includes the installation of reinforced concrete pipe and storm sewer junction boxes and inlets to carry runoff from minor storm events.

The estimated total project amount is \$2,552,000, and the amount requested is \$1,827,000. Other funding for the project includes \$725,000 from the Lincoln County Justice Department.

Staff recommended awarding a \$1,827,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Canton pledged a project surcharge for repayment of the loan. Rates are \$54.34 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$6.10 is needed for repayment of the loan, bringing rates to \$60.44.

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.

Myron Adam, JSA Engineers, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-28** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,827,000 at 3.75 percent interest for 30 years to the **city of Canton** for West Street sanitary and storm sewer 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.

Chairman Soholt asked if the homes currently using septic tanks be connected to the sanitary sewer system?

Mr. Adam said those homes will have the ability to connect once they are fully annexed. They will be given a certain time period to connect, and they will have to connect to the city's collection system.

The motion carried unanimously.

Hill City requested funding for rehabilitation and expansion of the wastewater treatment facility. The expansion portion of the project includes the addition of a second sequencing batch reactor (SBR) train. This will include a preliminary treatment building with a new vortex grit removal system, a new SBR basin, a new clariflocculator, a new fuzzy filter, and a new UV disinfection train. These improvements will expand the treatment process to keep up with the flows and loads created by current and expanding future service population and create redundancy in the treatment process. Rehabilitation of the existing system includes replacing and repairing much of the equipment and electrical components that are reaching the end of design life. The lack of redundancy in the wastewater treatment system has prevented maintenance on some of the equipment.

The estimated total project amount is \$7,521,000, and the amount requested is \$7,521,000.

Staff recommended awarding a \$5,439,000 Clean Water SRF loan at 3.75 percent interest for 30 years, a Consolidated grant at 26.6 percent of approved total project costs not to exceed \$2,000,000, and a Clean Water SRF Water Quality Grant at 1.1 percent of approved total project costs not to exceed \$82,000.

Hill City pledged a project surcharge for repayment of the loan. Rates are \$61.25 for 5,000 gallons usage.

Hill City does not meet the affordability criteria required for Clean Water SRF principal forgiveness, and the maximum Consolidated grant allowed by law is \$2,000,000. Staff anticipates that a surcharge of \$55.30 will be needed for repayment of the recommended loan. Hill City has recently undergone an extensive rate structure analysis with the city's consultant. This was done to more equitably distribute the costs of water for both residential and commercial users, which creates a large demand due to tourist usage. With anticipated operation and maintenance costs that have been developed for Hill City users, total 5,000-gallon rates for a Hill City residential user in 2029 would be approximately \$182.00 per month.

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.

Tana Nichols, Mayor of Hill City, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-29** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$5,439,000 at 3.75 percent interest for 30 years to the **city of Hill City** for rehabilitation and expansion of the wastewater treatment facility, 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; to adopt **Resolution No. 2025-30** approving a South Dakota Consolidated Water Facilities Construction Program grant

agreement between the Board of Water and Natural Resources and the **city of Hill City** for up to 26.6 percent of approved total project costs not to exceed \$2,000,000 for rehabilitation and expansion of the wastewater treatment facility; and to adopt **Resolution No. 2025-31** approving a Clean Water SRF Program Water Quality Grant Agreement to the **city of Hill City** for up to 1.1 percent of eligible project costs not to exceed \$82,000 for rehabilitation and expansion of the wastewater treatment facility. The motion carried unanimously.

Groton requested funding to replace the Aspen lift station on the south end of town. This lift station has been rehabilitated three times since it was installed in 1998. Additionally, approximately 7,000 feet of 8-inch force main will be installed to help transfer peak flows to the wastewater treatment lagoons. At the wastewater lagoons, the city proposes to install an 8-acre primary cell and a 4-acre wetland system. The city has had issues meeting discharge limits, and these changes will increase detention and treatment time to improve the effluent water quality.

The estimated total project amount is \$6,587,000, and the amount requested is \$6,587,000.

Staff recommended awarding a \$4,587,000 Clean Water SRF loan at 3.75 percent interest for 30 years and a Consolidated Grant at 30.4 percent of approved total project costs not to exceed \$2,000,000.

Groton pledged a project surcharge for repayment of the loan. Rates are \$45.00 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$35.40 is needed for repayment of the loan. However, staff believes rates could be restructured to \$75.30 per 5,000 gallons per month and still provide the necessary debt coverage and operation and maintenance.

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.

Ken Miller, IMEG, and Doug Heinrich, Groton finance officer, thanked the board for consideration of funding of the project.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2025-32** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,587,000 at 3.75 percent interest for 30 years to the **city of Groton** for a wastewater improvement 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. 2025-33** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Groton** for up to 30.4 percent of approved total project costs not to exceed \$2,000,000 for a wastewater improvement project. The motion carried unanimously.

Aberdeen requested funding for the wastewater treatment facility project. The project was originally awarded funding in April 2022; however, additional funding is being requested due to bids coming in

above the estimates. The city is proposing to increase the capacity of its wastewater treatment facility. Improvements will be made to the main lift station, the biofilter process, the biosolids thickening, stabilization and handling processes, and pumping capabilities. Improvements will also be made to the headworks, primary clarification, activated sludge and final clarification processes, and the UV disinfection operation.

The estimated total project amount is \$86,323,000, and the amount requested is \$30,000,000. Other funding for the project includes a \$5,000,000 local ARPA grant, an \$18,896,900 State ARPA grant, and a \$32,426,100 Clean Water SRF loan

Staff recommended awarding a \$30,000,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$36.65 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$16.05 is needed for repayment of the loan, which would bring rates to \$52.70 for 5,000 gallons usage.

Ms. McFarling noted that Aberdeen could look at a volume-based surcharge due to some high flow industrial users. This may make residential rates lower.

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.

Stu Nelson, Aberdeen public works director, discussed the project and thanked the board for consideration of funding.

In response to a question from Mr. Drewes, Mr. Nelson stated that the ARPA funds were obligated by the December 31, 2024, contract deadline.

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2025-34** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$30,000,000 at 3.75 percent interest for 30 years to the **city of Aberdeen** for wastewater treatment facility 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. The motion carried unanimously.

Gettysburg requested funding for wastewater improvements, which include cleaning and televising all wastewater lines in town, reshaping the existing lagoons, removing sludge build-up and rippapping the lagoons to increase capacity and prevent further deterioration of the ponds.

The estimated total project amount is \$2,964,000, and the amount requested is \$2,964,000.

Staff recommended awarding a \$2,964,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Gettysburg has a \$17.00 flat rate. Staff analysis indicates that a surcharge of \$17.15 is needed for repayment of the loan; however, staff believes that the current rates do not cover the operation and maintenance expenses for the city. Staff analysis indicates that rates should be approximately \$40.15 per month to cover the loan and ongoing operation and maintenance.

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.

Adam Roseland, mayor of Gettysburg, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2025-35** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,964,000 at 3.75 percent interest for 30 years to the **city of Gettysburg** for a wastewater improvement 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. The motion carried unanimously.

Box Elder requested funding for Phase 2 of the Highway 14/16 trunk sewer system improvements project, which includes replacing 10-inch sanitary sewer main along old Highway 14/16 south and parallel of the 1-90 corridor. Phase 2 starts from Cottonwood Drive and runs to the wastewater treatment plant. This segment of the project includes approximately 15,500 feet of 30- or 36-inch sanitary sewer pipe.

The estimated total project amount is \$14,344,000, and the amount requested is \$14,344,000.

Staff recommended awarding a \$12,344,000 Clean Water SRF loan at 3.50 percent interest for 30 years and a Consolidated Grant at 14.0 percent of approved total project costs up to \$2,000,000.

The 3.50 percent interest rate is 0.25 percent lower than the standard rate and term. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

The project has also been selected as an equivalency project. For the Clean Water SRF program, engineering and architecture procurement is a requirement for equivalency projects. Because most projects do not meet the procurement requirements, engineering costs cannot be reimbursed by the Clean Water SRF loan. The Consolidated program does not have this requirement; therefore, the Consolidated grant is recommended specifically for covering engineering costs.

Box Elder pledged a project surcharge for repayment of the loan. Rates are \$65.85 for 5,000 gallons usage.

Staff analysis indicates that a surcharge of \$20.10 is needed for repayment of the loan, bringing rates to approximately \$86.00 for 5,000 gallons usage; however, the city is exploring ways to restructure the user rates to minimize residential impact.

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. Staff also recommended the special conditions that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.

Ms. McFarling reiterated that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan, which will be a special condition of the loan.

Jennifer Sietsma, Black Hills Council of Local Governments, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-36** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$12,344,000 at 3.50 percent interest for 30 years at percent interest to the **city of Box Elder** for Phase 2 of the Highway 14/16 trunk sewer 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2025-37** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Box Elder** for up to 14.0 percent of approved total project costs not to exceed \$2,000,000 for Phase 2 of the Highway 14/16 trunk sewer system improvements. The motion carried unanimously.

Wessington Springs requested funding to for wastewater system improvements which include re-grading the ground abutting the lagoons to improve drainage and eliminating inflow to the cells, reshaping the wastewater lagoons, and adding liner material and riprap. The lift station rehabilitation will include improving the hoist system, upgrading the electrical service, and a new wet well cover and hatch.

The estimated total project amount is \$1,249,320, and the amount requested is \$1,245,000. Wessington Springs is contributing \$4,320 in local cash for the project.

Staff recommended awarding a \$1,245,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$33.80 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$13.85 is needed for repayment of the loan; however, staff believes that the current rates do not cover the operation and maintenance expenses for

the city. Staff analysis indicates that rates should be \$50.00 per month to cover the loan and ongoing operation and maintenance expenses.

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.

Camden Hofer, SPN & Associates, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-38** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,245,000 at 3.75 percent interest for 30 years to the **city of Wessington Springs** for lagoon improvements and lift station rehabilitation, 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 motion carried unanimously.

Bison requested funding for its wastewater and storm sewer improvements project. This project was originally awarded funding in September 2022. Additional funding is being requested due to increased project costs. Bison proposes to clean and televise the entire collection system to determine the condition of the aging pipe and replace or repair deficient pipes and manholes. Improvements to the wastewater treatment facility include repairing berms and installing riprap. Additionally, measures will be taken to divert stormwater away from the treatment facility to prevent future erosion of the berms.

The estimated total project amount is \$2,584,000, and the amount requested is \$370,000. Other funding for the project includes a \$1,666,000 Clean Water SRF loan and a \$548,000 Consolidated grant.

Staff recommended awarding a \$370,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Bison pledged a project surcharge for repayment of the loan. The rate is a \$55.00 per month. Staff analysis indicates that a surcharge of \$8.25 is needed for repayment of the loan, bringing overall rates to \$63.25 per month.

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.

Luke Clements, board president for the town of Bison, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-39** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$370,000 at 3.75 percent interest for 30 years to the **town of Bison** for wastewater and storm sewer 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. The motion carried unanimously.

Hecla requested funding to continue its wastewater collection reconstruction project with Phase 2 of the project. This portion of the project consists of installing approximately 3,750 feet of sanitary sewer main and 14 manholes.

The estimated total project amount is \$2,500,000, and the amount requested is \$2,500,000.

Staff recommended awarding a \$2,500,000 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 80.0 percent not to exceed \$2,000,000.

Hecla pledged a project surcharge for repayment of the loan. Rates are \$65.50 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$15.95 is needed for repayment of the \$500,000 net loan, bringing overall rates to \$81.45 for 5,000 gallons usage.

Ms. McFarling noted that these rates are higher than other communities. However, due to the limited amount of subsidy available for Clean Water SRF borrowers, there is limited subsidy for Clean Water SRF projects to 80.0 percent of project costs. This is consistent with other funding recommendations for programs with limited subsidy funding and state law for Consolidated grant funding.

Staff recommended the loan 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 receipt of the 2025 Capitalization Grant from EPA.

Mike Siewert, AE2S, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2025-40** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,500,000 at 3.75 percent interest for 30 years with principal forgiveness of 80.0 percent not to exceed \$2,000,000 to the **city of Hecla** for Phase II of its wastewater collection reconstruction 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, and contingent upon receipt of the 2025 Capitalization Grant from EPA. The motion carried unanimously.

Mitchell requested funding for sanitary and storm sewer upgrades along East 5th Avenue from Burr Street to Foster Street. The project includes the installation of approximately 2,600 feet of 8-inch sewer pipe, 2,000 feet of 4-inch sewer pipe and eight manholes on the sanitary sewer side. Storm

sewer improvements include approximately 1,255 feet of 18-inch reinforced concrete pipe storm sewer, 13 drop inlets, and 6 storm sewer manholes.

The estimated total project amount is \$2,350,000, and the amount requested is \$2,350,000.

Staff recommended awarding a \$2,350,000 Clean Water SRF loan at 3.50 percent interest for 20 years.

Mitchell pledged a project surcharge for repayment of the loan. Rates are \$61.43 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$2.60 is needed for repayment of the loan. Mitchell uses volume-based rates; therefore, the surcharge may not impact residential users as much. The current rates do not include a surcharge for Clean Water SRF loan 10. Based on the rate implementation schedule provided by the city, the rates with all surcharges included would be approximately \$68.44 for 5,000 gallons usage in 2028.

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.

Joe Schroeder, city of Mitchell, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2025-41** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,350,000 at 3.50 percent interest for 20 years to the **city of Mitchell** for sanitary and storm sewer upgrades along East 5th Avenue from Burr Street to Foster Street, 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. The motion carried unanimously.

Dell Rapids requested funding for utility improvements along Orleans Avenue from 4th Street to just north of 6th Street. The city is proposing to replace all the sanitary sewer along Orleans Avenue. The city also plans to replace or reroute sanitary sewer along 5th Street east of Orleans Avenue and on 6th Street. All active sanitary sewer services in the right of way will also be replaced with this project. Drainage in this area is poor. The city is proposing to install new curb inlets and storm sewer to capture stormwater runoff and realign the storm sewer so that it is no longer under building structures.

The estimated total project amount is \$3,492,000, and the amount requested is \$3,492,000.

Staff recommended awarding a \$2,992,000 Clean Water SRF loan at 3.75 percent interest for 30 years and a Consolidated Grant at 14.4 percent of approved total project costs not to exceed \$500,000.

Dell Rapids pledged a project surcharge for repayment of the loan. Rates are \$75.72 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$10.85 is needed for repayment of the loan.

Ms. McFarling noted that there is a second funding application from Dell Rapids that may also affect user rates. The user rates for the two projects combined would bring rates to \$95.70 for month. Dell Rapids' rates are higher than most other facilities; however, the city is not eligible for principal forgiveness.

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.

Steve McFarland, city administrator, discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-42** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,992,000 at 3.75 percent interest for 30 years to the **city of Dell Rapids** for Orleans Avenue sanitary sewer 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; and to adopt **Resolution No. 2025-43** approving a 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 14.4 percent of approved total project costs not to exceed \$500,000 for Orleans Avenue sanitary sewer improvements. The motion carried unanimously.

White requested funding for Phase 2 of its wastewater collection system improvements project, which includes wastewater collection line replacement primarily south of Main Street and west of Hooker Avenue (County Highway 25). The proposed locations are Railroad Avenue from Main Street to 5th Street; School Avenue from Main Street to 5th Street; Lincoln Avenue from Main Street to 5th Street; 5th Street from Stella Avenue to Hooker Avenue, and Evans Avenue from 4th Street to 6th Street.

The estimated total project amount is \$2,164,336, and the amount requested is \$2,164,336.

Staff recommended awarding a \$1,105,000 Clean Water SRF loan at 3.50 percent interest for 30 years and a Consolidated Grant at 49.0 percent of approved total project costs not to exceed \$1,059,000.

The 3.50 percent interest rate is 0.25 percent lower than the standard rate and term. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

This project has also been selected as an equivalency project. For the Clean Water SRF program, engineering and architectural procurement is a requirement for equivalency projects. Because most projects do not meet the procurement requirements, engineering costs cannot be reimbursed by the Clean Water SRF loan. The Consolidated program does not have this requirement; therefore, the Consolidated grant is awarded for the main purpose of covering engineering costs.

White pledged a project surcharge for repayment of the loan. White has a flat rate of \$55.00. Staff analysis indicates that a surcharge of \$21.60 is needed for repayment of the loan, bringing rates to \$76.60 per month.

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, and the special condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.

Representatives from White were experiencing technical difficulties during the meeting. They sent a message thanking the board for consideration of funding for the project.

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2025-44** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,105,000 at 3.50 percent interest for 30 years to the **city of White** for Phase 2 wastewater collection 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 the special condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan; and to adopt **Resolution No. 2025-45** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of White** for up to 49.0 percent of approved total project costs not to exceed \$1,059,000 for Phase 2 wastewater collection system improvements. The motion carried unanimously.

Webster requested funding for lining the PVC pipes in their Industrial Park wastewater system. During the investigation of the increased usage of the city's lift station, it was discovered that the gaskets used when the collection system was switched to PVC piping have shrunk, and the system has been opened up to infiltration causing the higher water amounts in the system and increased lift station usage.

The estimated total project amount is \$1,129,000, and the amount requested is \$1,129,000.

Staff recommended awarding a \$1,129,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Webster pledged a project surcharge for repayment of the loan. The city has a \$55.05 flat rate. Staff analysis indicates that a surcharge of \$5.30 is needed for repayment of the loan, bringing rates to \$60.35 per month.

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.

Mike Grosek, mayor, thanked the board for consideration of funding for the project.

In response to a question from Chairman Soholt, Mayor Grosek stated that the PVC in the Industrial Park area was installed approximately 30 years ago.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2025-46** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,129,000 at 3.75 percent interest for 30 years to the **city of Webster** for the Industrial Park wastewater 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. The motion carried unanimously.

Dell Rapids requested funding for its Western Extension Project along SD Highway 115. The city of proposes to extend sewer service west of Dell Rapids. The project includes the construction of a wet pit style lift station equipped with a wet well, valve vault and stand by generator, and force main connecting the lift station to the existing sewer system.

The estimated total project amount is \$2,782,000, and the amount requested is \$2,782,000.

Staff recommended awarding a \$2,782,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Dell Rapids pledged system revenue for repayment of the loan. Wastewater rates are \$75.72 for 5,000 gallons usage. Staff analysis indicates that annual revenue of \$170,500 is needed to provide the necessary debt coverage for the loan. This equates to approximately \$10.10 per user per month. This, along with the surcharge for the Orleans Avenue loan, would bring rates to approximately \$95.70 per month.

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.

Steve McFarland, city administrator, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2025-47** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,782,000 at 3.75 percent interest for 30 years to the **city of Dell Rapids** for the Western Extension Project along SD Highway 115, 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. The motion carried unanimously.

Bryant requested funding for wastewater collection system improvements. The proposed project includes replacing three blocks of existing sanitary sewer main on Prospect Street from 2nd Avenue to 5th Avenue. The project will also include two blocks of expansion, one block on Prospect Street from 2nd Avenue to 1st Avenue, and one block on 2nd Avenue from Prospect Street to Lee Street. All manholes, sanitary sewer main, sewer service pipe and connections will be replaced to the property line.

The estimated total project amount is \$1,240,000, and the amount requested is \$1,240,000.

Staff recommended awarding a \$1,240,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Bryant pledged a project surcharge for repayment of the loan. Current wastewater rates are \$36.00 per month. Staff analysis indicates that a surcharge of \$29.05 is needed for repayment of the loan. However, staff believes rates could be restructured to \$45.00 per month and still provide the necessary debt coverage and operation and maintenance expenses.

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.

Karen Schaefer, IMEG, and Winfred Noem, mayor of Bryant, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2025-48** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,240,000 at 3.75 percent interest for 30 years to the **city of Bryant** for wastewater collection 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

Keystone requested funding for wastewater collection system improvements, which include upsizing the current 10-inch sewer line to a 15-inch sewer line that runs from the edge of the eastern side of town to the lift station. The existing line flows to a maximum capacity at times during the summer season when the population increases due to the tourists in town and a combination of rain and snow melt can increase the flow during the spring.

The estimated total project amount is \$5,609,000, and the amount requested is \$5,609,000.

Staff recommended awarding a \$3,959,000 Clean Water SRF loan at 3.50 percent interest for 30 years with principal forgiveness of 8.9 percent not to exceed \$350,000 and a Consolidated grant at 29.5 percent of approved total project costs not to exceed \$1,650,000.

Keystone pledged a project surcharge for repayment of the loan. Rates are \$79.00 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$75.35 is needed for repayment of the loan, bringing rates of \$154.35; however, staff believes rates could be restructured to \$119.35 for 5,000 gallons usage and still provide the necessary debt coverage. The town of Keystone is looking into a flow-based rate structure to limit the impact to full-time residential users.

The 3.50 percent interest rate is 0.25 percent lower than the standard rate and term. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

This project has been selected as an equivalency project. For the Clean Water SRF program, engineering and architecture procurement is a requirement for equivalency projects. Because most projects do not meet the procurement requirements, engineering costs cannot be reimbursed by the Clean Water SRF loan. The Consolidated program does not have this requirement; therefore, the Consolidated grant is awarded for the main purpose of covering engineering costs.

Staff recommended the loan 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 on receipt of the 2025 Clean Water SRF capitalization grant, and with the Special Condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.

Zach Grapentine, Interstate Engineering thanked the board for consideration of funding for the project.

Chairman Soholt asked if when it's peak time for the tourist season with increased volume on the systems, is there a way to provide fee structure for the high-intensity usage, then lay it off during the rest of the year when it's not such a high fee?

Mr. Grapentine answered that is the type of consideration Keystone is looking at because they don't want it to affect the full-time residents because they are not the ones that are causing this increase.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-49** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,959,000 at 3.50 percent interest for 30 years with principal forgiveness of 8.9 percent not to exceed \$350,000 to the **town of Keystone** for wastewater collection 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 on receipt of the 2025 Clean Water SRF capitalization grant, and the Special Condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan; and to adopt **Resolution No. 2025-50** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **town of Keystone** for up to 29.5 percent of approved total project

costs not to exceed \$1,650,000 for wastewater collection system improvements. The motion carried unanimously.

Oacoma requested funding to install a submersible style lift station and a concrete valve vault, which will house all effluent valves and fittings, including a flow meter.

The estimated total project amount is \$1,657,000, and the amount requested is \$1,657,000.

Staff recommended awarding a \$1,657,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Oacoma pledged sales tax revenue for repayment of the loan. Staff analysis indicates that the town of Oacoma's sales tax revenue provides more than 700 percent debt coverage.

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

Rich Kirkpatrick, town board, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-51** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,657,000 3.75 percent interest for 30 years to the **town of Oacoma** for lift station 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. The motion carried unanimously.

Veblen requested funding to televise the system to determine the number of replacement clay pipes or ones that could be lined to get the system in compliance. The main project will be replacing the lines that need to be and lining those that are determined to be good enough quality to line. The need for the project is due to high inflow and infiltration into the system.

The estimated total project amount is \$1,300,000, and the amount requested is \$1,300,000.

Staff recommended awarding a \$1,300,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Veblen pledged a project surcharge for repayment of the loan. Veblen has a flat rate of \$30.00. Staff analysis indicates that a surcharge of \$47.40 is needed for repayment of the loan, which would bring rates to \$77.40 per month. However, staff believes rates could be restructured to \$65.40 for 5,000 gallons per month and still provide the necessary debt coverage for operation and maintenance requirements.

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.

Tom Henning, town board, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2025-52** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,300,000 at 3.75 percent interest for 30 years to the **town of Veblen** for wastewater 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

Garden City requested funding to replace the main lift station which was installed in 1978 and outlived its useful life. The new lift station will include removing the existing dry vault and utilizing a pre-packaged fiberglass lift station. This will include duplex submersible pumps and controls, improvements at the wastewater lagoons, new pond control structures, valves, piping, and fencing.

The estimated total project amount is \$488,000, and the amount requested is \$488,000.

Staff recommended awarding a \$488,000 Clean Water SRF loan at 3.75 percent interest for 30 years with 38.4 percent principal forgiveness not to exceed \$187,000.

Garden City pledged a project surcharge for repayment of the loan. The town has a \$35.00 flat rate. Staff analysis indicates that a surcharge of \$55.00 is needed for repayment of the loan, which would bring rates to \$90.00 per month; however, staff believes rates could be restructured to \$70.00 per month and still provide the necessary debt coverage.

Staff recommended the loan 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 on receipt of the 2025 Clean Water SRF capitalization grant.

Jacob Leibke, town board president, town board president, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-53** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$488,000 at 3.75 percent interest for 30 years with 38.4 percent principal forgiveness not to exceed \$187,000 to **Garden City** for wastewater 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 on receipt of the 2025 Clean Water SRF capitalization grant. The motion carried unanimously.

Java requested funding for wastewater collection system improvements to include replacing or relining several blocks of sanitary sewer mains, purchasing generators for the lift stations, and making improvements to the SCADA system.

The estimated total project amount is \$2,600,000, and the amount requested is \$2,600,000.

Staff recommended awarding a \$2,600,000 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 77.0 percent not to exceed \$2,000,000.

Java pledged a project surcharge for repayment of the loan. The town has a \$24.00 flat rate. Staff analysis indicates that a surcharge of \$45.05 is needed for repayment of the loan, bringing rates to \$69.05.

Staff recommended the loan 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 on receipt of the 2025 Clean Water SRF capitalization grant.

Brandon Smid, Helms and Associates, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Jennings, to adopt **Resolution No. 2025-54** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,600,000 at 3.75 percent interest for 30 years with principal forgiveness of 77.0 percent not to exceed \$2,000,000 to the **town of Java** for Phase 1 of a wastewater line improvement 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, and contingent on receipt of the 2025 Clean Water SRF capitalization grant. The motion carried unanimously.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Mr. Bruels provided an overview of available Solid Waste Management Program funds.

Mr. Bruels presented the applications and the staff recommendations for funding. There were 12 funding requested totaling more than \$5,700,000. Not all requests are able to be funded at the requested levels. Mr. Bruels noted that in the past many solid waste funding recommendations have been for 20 percent subsidy. Recycling projects are a higher priority in the solid waste hierarchy, and funding recommendation are typically closer to 50 percent subsidy.

Brown County requested funding to assist in purchasing a new landfill compactor for the Brown County Landfill. The existing compactor has reached the end of its useful life.

The estimated total project amount is \$1,068,611, and the amount requested is \$534,305. The remaining funds for the project will come from local cash.

Staff recommended awarding a Solid Waste Management Program Grant at 20.0 percent of approved total project costs not to exceed \$213,700.

Brown County indicated that it is not interested in a loan and will use local cash for the portion not provided as a grant.

Mike Scott, manager of the Brown County Landfill, thanked the board for consideration of funding for the project. In response to a question from Chairman Soholt, Mr. Scott stated that a compactor should last 10,000 hours; five to seven years.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2025-55** approving a South Dakota Solid Waste Management Program grant agreement to **Brown County** for up to 20.0 percent of approved project costs not to exceed \$213,700 for the purchase of a landfill compactor for the Brown County Landfill. The motion carried unanimously.

Brown County requested funding to assist in construction of a fifth cell at the Brown County Landfill. This will allow the landfill to continue operation into the future.

The estimated total project amount is \$3,718,455, and the amount requested is \$1,859,227, with the remaining project cost coming from local cash.

Staff recommended awarding a Solid Waste Management Program Grant at 18.2 percent of approved total project costs not to exceed \$675,600.

Mr. Bruels noted that this recommendation is slightly less than 20 percent of approved total project costs; however, Brown County is receiving approximately one third of the total Solid Waste Management Program funds available. Mr. Bruels stated that the recommendation is to assure adequate funding is available for all other requests.

Brown County indicated it is not interested in a loan and would use local cash for the portion not provided as a grant.

Mike Scott, manager of the Brown County Landfill, thanked the board for consideration of funding for the project. In response to a question from Mr. Drewes, Mr. Scott stated that Cell #5 will last five to seven years.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-56** approving a South Dakota Solid Waste Management Program grant agreement to **Brown County** for up to 18.2 percent of approved project costs not to exceed \$675,600 for construction of Landfill Cell #5 at the Brown County Landfill. The motion carried unanimously.

Department of Agriculture and Natural Resources requested funding for DANR's Inspection, Compliance, and Remediation program to work with local entities to collect and dispose of PFAS foam or other PFAS products. If not all of the funds are necessary for the PFAS removals, a portion of the funds may be available to regional landfills for waste tire clean-ups, or to school districts to remove old

and potential chemical hazards or used for other solid waste cleanups or removals deemed necessary by DANR staff.

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

The 2025 Legislature approved Senate Bill 33, which allowed for the ability to provide up to \$250,000 to DANR at 100 percent of project costs.

Staff recommended awarding a Solid Waste Management Program Grant at 100 percent of approved total project costs not to exceed \$250,000.

In response to questions from several board members, Mr. Bruels stated that DANR has not received a grant for a couple of years, but in past years, DANR has received funding from the legislature for waste tire cleanups and to remove old and potential chemical hazards from schools. He noted that several of the local fire departments still have PFAS foam on hand for use for firefighting in certain instances; which is a potential environmental hazard. DANR held a cleanup event a few years ago and got rid a fair amount of that material. Following the initial cleanup there was a period of uncertainty regarding EPA regulations on collecting and disposing of PFAS. At this time, those seem to be moving forward and there seems to be reasonable options to collect and dispose of the PFAS material, so that would be the primary purpose of the grant. The last PFAS collection event was done by a licensed hazardous materials handler and transported to a location in Ohio that has an incineration facility. At this time, that is the general framework of what the DANR Inspection, Compliance and Remediation Program intends to do as well.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-57** approving a South Dakota Solid Waste Management Program grant agreement to the **Department of Agriculture and Natural Resources** for 100 percent of approved project costs not to exceed \$250,000 for statewide PFAS foam, solid waste and waste tire cleanup projects. The motion carried unanimously.

Huron requested funding for the purchase of a yard waste collection truck. The truck will also be used as a backup recycling collection vehicle.

The estimated total project amount is \$385,193, and the amount requested is \$192,596. The remaining project costs will be paid with local cash.

Staff recommended awarding a Solid Waste Management Program Grant at 50.0 percent not to exceed \$192,500.

Dale Fortin with the city of Huron thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-58** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Huron** for 50 percent of approved project costs not to exceed \$192,500 for the purchase of a yard waste collection truck. The motion carried unanimously.

Mitchell requested funding to assist in purchasing a tractor-scraper to operate at the landfill. The current scraper is approaching the end of its expected service life.

The estimated total project amount is \$1,207,730, and the amount requested is \$603,865. The remainder of the project will be paid with local cash.

Staff recommended awarding a Solid Waste Management Program Grant at 20.0 percent of approved total project costs not to exceed \$241,500.

Mitchell indicated it is not interested in a loan and would use local cash for the portion not provided as a grant.

Joe Schroeder, city of Mitchell, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2025-59** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Mitchell** for 20 percent of approved project costs not to exceed \$241,500 for the purchase of a tractor-scraper at the landfill. The motion carried unanimously.

Platte requested funding to purchase two recycling trailers. This purchase is expected to reduce solid waste volume at the source and increase recycling within the community, which currently does not provide the service to its residents. The trailers will be hauled when full by city personnel to regional recycling centers for drop-off.

The estimated total project amount is \$39,440, and the amount requested is \$29,000. The city will use \$10,440 in local cash for the project.

Staff recommended awarding a Solid Waste Management Program Grant at 50.0 percent of approved total project costs not to exceed \$19,700.

Platte indicated it is not interested in a loan and would use local cash for the portion not provided as a grant.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-60** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Platte** for 50 percent of approved project costs not to exceed \$19,700 for the purchase of two recycling trailers. The motion carried unanimously.

Roberts County requested funding to purchase a new loader to move daily cover, recycling material, solid waste, and for snow removal at the landfill.

The estimated total project amount is \$339,979, and the amount requested is \$169,989. The county will contribute the remain 50 percent of project costs in local cash.

Staff recommended awarding a Solid Waste Management Program Grant at 20.1 percent of approved total project costs not to exceed \$68,000.

Roberts County indicated it is not interested in a loan and would use local cash for the portion not provided as a grant.

Leif Redinger, Helms and Associates, and Jamie Dahl, landfill manager, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2025-61** approving a South Dakota Solid Waste Management Program grant agreement to **Roberts County** for 20.1 percent of approved project costs not to exceed \$68,000 for the purchase of a loader for the landfill. The motion carried unanimously.

SD Solid Waste Management Association requested funding to assist in hosting the Solid Waste Association of North America's Manager of Landfill Operations Certification course in Pierre, South Dakota. This course is to certify new managers, maintain existing certifications, and train new employees from solid waste disposal facilities statewide. The SD Waste Management Association has conducted these training courses every three years since 2000, and the Board of Water and Natural Resources has supported these in the past to assure the state's solid waste facility operators are well trained.

The estimated total project amount is \$66,500, and the amount requested is \$39,500. The remaining \$27,000 will be provided with registration fees and in-kind match.

Staff recommended awarding a Solid Waste Management Program Grant at 59.4 percent of approved total project costs not to exceed \$39,500.

The grant percentage being recommended is similar to prior year grant levels for training these activities.

Carolyn Trautman, SD Solid Waste Management Association, discussed the training program and thanked the board for consideration of funding.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-62** approving a South Dakota Solid Waste Management Program grant agreement to the **SD Solid Waste Management Association** for 59.4 percent of approved project costs not to exceed \$39,500 for Manager of Landfill Operations Certification course and compost classes. The motion carried unanimously.

South Eastern Council of Governments (SECOG) requested funding to recapitalize the South Eastern Development Foundation revolving loan fund program. The fund is used to originate loans for eligible purposes as defined under the DANR Solid Waste Management Program to for-profit businesses in Clay, Lincoln, McCook, Minnehaha, Turner, and Union Counties.

The total project amount is \$625,000, and the amount requested is \$500,000. SECOG will contribute \$125,000 in local cash.

Staff recommended no funding. While the requested funds are for allowable activities, during calendar year 2024 SECOG requested and received a total of \$1.2 million in Solid Waste Management Program grants for this same type of activity. The funds are being used beneficially, but with many other requests this time far exceeding available funds, staff believes it is more equitable to provide funding

for other projects first, which would not leave any funds available for this request. Staff did inform SECOG of this being likely soon after applications were received to allow them to plan accordingly.

Lynne Keller Forbes, thanked the board and staff for the past support given to the organization.

Motion by Lanning, seconded by Jennings, to deny funding for South Eastern Council of Local Governments. The motion carried unanimously.

Southern Missouri Recycling and Waste Management District requested funding to purchase a new loader to replace the current loader that is nearing the end of its useful life.

The estimated total project amount is \$150,000, and the amount requested is \$150,000.

Staff recommended awarding a \$120,000 Solid Waste Management Program loan at 3.50 percent interest for 20 years and awarding a Solid Waste Management Program grant at 20.0 percent of approved total project costs not to exceed \$30,000.

Southern Missouri Recycling & Waste Management District pledged system revenue for repayment of the loan. Rates are \$62.00 per ton for municipal solid waste.

Staff analysis indicates that, at current system revenues and expenses, coverage exceeds the required 100 percent debt coverage for this loan.

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

Aaron Moen, Stockwell Engineers, thanked the board for consideration of funding for the project.

In response to a question from Chairman Soholt, Mr. Moen stated that the current loader has lasted for approximately ten years, so hopefully the new loader will last ten years as well.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2025-63** approving the South Dakota Solid Waste Management Program loan agreement up to a maximum committed amount of \$120,000 at 3.50 percent interest for 20 years to the **Southern Missouri Recycling and Waste Management District** for the purchase of a loader for the landfill, contingent upon the borrower adopting a bond resolution and the resolution becoming effective; and to adopt Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2025-64** approving a South Dakota Solid Waste Management Program grant agreement to the **Southern Missouri Recycling and Waste Management District** for 20 percent of approved project costs not to exceed \$30,000 for the purchase of a loader for the landfill. The motion carried unanimously.

Southern Missouri Recycling & Waste Management District requested funding to complete final closure of Cell #3 in conjunction with expansion of the facility into the fourth cell. Construction activities include unclassified excavation, placement and compaction of a clay liner, installation of a LDPE membrane liner and extension of the HDPE leachate collection and conveyance piping.

The estimated total project amount is \$904,350, and the amount requested is \$900,000. Other funds include \$4,350 in local cash

As a landfill cell construction project many aspects of the project are eligible for Clean Water SRF loan funding related to water quality protection. The district had this project placed on the State Water Plan anticipating Clean Water SRF loan funding being necessary.

Staff recommended awarding \$719,100 Clean Water SRF loan at 3.75 percent interest for 30 years and awarding a Solid Waste Management Program grant at 20.1 percent of approved total project costs not to exceed \$180,900.

The district pledged system revenue for repayment of the loan. Rates are \$62.00 per ton for municipal solid waste. Staff analysis indicates that, at current system revenues and expenses, coverage exceeds the required 110 percent debt coverage for this loan. This includes the anticipated needs of revenue for the loan recommended in the previous request.

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

Aaron Moen, Stockwell Engineers, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-65** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$719,100 at 3.75 percent interest for 30 years to the **Southern Missouri Recycling and Waste Management District** for the purchase of a loader for the landfill, 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 to adopt **Resolution No. 2025-66** approving a South Dakota Solid Waste Management Program grant agreement to the **Southern Missouri Recycling and Waste Management District** for 20.1 percent of approved project costs not to exceed \$180,900 for the construction of Landfill Cell #4. The motion carried unanimously.

Vermillion requested funding for the purchase of a bulldozer needed for landfill operations at the Vermillion Regional Sanitary Landfill. The existing bulldozer was purchased in 2017 and needs to be replaced.

The estimated total project amount is \$511,344, and the amount requested is \$511,344.

Staff recommended awarding a \$409,100 Solid Waste Management Program loan at 3.25 percent interest for seven years and awarding a Solid Waste Management Program grant at 20.0 percent of approved total project costs not to exceed \$102,200.

Vermillion pledged system revenue for repayment of the loan. Rates are \$55.50 per ton for Municipal Solid Waste. Staff analysis indicates that, at current system revenues and expenses, coverage exceeds the required 100 percent debt coverage for this loan.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower executing a revised Joint Powers Agreement.

Luke Rodig, Burns McDonnell, thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-67** approving the South Dakota Solid Waste Management Program loan agreement up to a maximum committed amount of \$409,100 at 3.25 percent interest for seven years to the **city of Vermillion** for the purchase of a bulldozer at the landfill, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower executing a revised Joint Powers Agreement; and to adopt **Resolution No. 2025-68** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Vermillion** for 20 percent of approved project costs not to exceed \$102,200 for the purchase of a bulldozer at the landfill. The motion carried unanimously.

Mr. Bruels noted that all but \$26.00 in Solid Waste Management funds has been awarded.

SMALL WATER FACILITIES FUNDING APPLICATIONS: Ms. McFarling presented the two applications and the staff recommendations for funding.

Two-Bit Ranch Homeowners Association requested funding for water storage tank improvements and the purchase of a backup generator. Installation of a new backup generator would allow the system to continue operating during power outages and eliminate dependency on an operator having to manually turn the pumps on and off during emergencies. Refurbishing the existing 20,000-gallon tank will prolong the usable age of the tank. This includes new coats of epoxy on the inside and outside of the tank and installing an exterior ladder and access hatch to allow access to the tank.

The estimated total project amount is \$188,000, and the amount requested is \$188,000.

Staff recommended awarding a \$188,000 Consolidated Water Facilities Construction Program loan at 3.75 percent interest for 30 years.

The homeowners association pledged system revenue for repayment of the loan. Current rates are \$213.16 for 5,000 gallons usage. Staff analysis indicates that the facility is generating enough revenue to meet the required debt coverage. Based on the financial statements received from the homeowner association, user rates could be \$106.00 per month and still provide the necessary debt coverage and operation and maintenance expenses.

Staff recommended the loan being 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 and contingent upon the borrower approving a security agreement and mortgage.

Deryn Beck, Brosz Engineering, thanked the board for consideration of funding for the project.

In response to a question from Chairman Soholt, Ms. Beck stated that there are 14 homes with 32 residents, with room for expansion, included the homeowners association.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2025-69** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement up to a maximum committed amount of \$188,000 at 3.75 percent interest for 30 years to **Two-Bit Ranch Homeowners Association** for water storage tank improvements and a backup generator 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 and contingent upon the borrower approving a security agreement and mortgage. The motion carried unanimously.

Viewfield Rural Water Association, Inc. requested funding for the installation of new water meters with a mobile reading system at each of the individual services on the system. Current meters must be manually read each month. With the vast area the system covers, this becomes time consuming, and leaks or breaks may go undetected for weeks. The proposed system will come with billing software to assist with billing operations. Additionally, the system plans to relocate the SCADA system to a separate room from the treatment processes along with system upgrades, which include remote control of system pumps for wells.

The estimated total project amount is \$210,000, and the amount requested is \$210,000.

Staff recommended awarding a \$90,000 Consolidate Water Facilities Loan at 3.50 percent interest for 20 years and a Consolidated Grant at 57.2 percent up to \$120,000.

Viewfield pledged system revenue for repayment of the loan. Current rates are \$130.00 for 7,000 gallons usage.

Staff analysis indicates that the facility is generating enough revenue to meet the required debt coverage.

Staff recommended the loan being 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; and contingent upon the borrower approving and executing an Intercreditor Agreement between, Rural Utilities Service, Viewfield Rural Water Association, Inc., and the Conservancy District.

Larry Gossard, Viewfield Rural Water Association, Inc., thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2025-70** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement up to a maximum committed amount of \$90,000 at 3.50 percent interest for 20 years to **Viewfield Rural Water Association, Inc.** for a water meter project, 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; and contingent upon the borrower approving and executing an Intercreditor Agreement between, Rural Utilities Service, Viewfield Rural Water Association, Inc., and the Conservancy District; and to adopt **Resolution No. 2025-71** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **Viewfield**

Rural Water Association, Inc. for up to 57.2 percent of approved total project costs not to exceed \$120,000 for a water meter project. The motion carried unanimously.

Ms. McFarling provided a recap of available funds.

NEXT MEETING: The board will hold a special remote meeting on May 1, 2025, to consider approval of a Series Resolution authorizing SRF Program Bonds, Series 2025A, amendments to ARPA funding agreements, and deobligations.

The next regular board meeting is scheduled for June 26, 2025. Ms. McFarling discussed possible agenda items.

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

The meeting adjourned at 4:15 p.m. Central Time.

Approved June 26, 2025.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardIDis108>

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

May 1, 2025
10:30 a.m. Central Time

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

Chairman Soholt appointed Cameron Becker as secretary pro tem.

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

BOARD MEMBERS PRESENT: Jerry Soholt, Cameron Becker, Gary Drewes, Bruce Jennings, Gene Jones, Jr., and Jackie Lanning.

BOARD MEMBERS ABSENT: Todd Bernhard.

DANR STAFF: Andy Bruels, Tina McFarling, and Shayenne Ritzman, DANR Financial and Technical Assistance.

OTHERS: Bruce Bonjour, Perkins Coie; Jessica Cameron Mitchell, PFM; Senator Jim Mehlhaff, Legislative Oversight Committee, Greg Powell, Randall Community Water District, Rusty Schmidt, Rapid Valley Sanitary District, Scott Buss, Shared Resources, Ted Wick, Southern Black Hills Water System, and Shane Phillips, WEB Water Development Association.

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

PUBLIC COMMENT PERIOD: There were no public comments.

SERIES RESOLUTION AUTHORIZING STATE REVOLVING FUND PROGRAM BONDS

SERIES 2025A: Tina McFarling reported that it is anticipated that the South Dakota Conservancy District will issue approximately \$180,000,000 in State Revolving Fund Program Bonds during the week of May 19, 2025. Under the current market conditions, the Conservancy District is contemplating the issuance of additional bonds to provide for the current refunding of approximately \$28,405,000 of outstanding State Revolving Fund Program Revenue Bonds, Series 2014B, to achieve debt service savings. The issue will consist of one tax-exempt series, 2025A,

being issued to provide leverage funds for both the Clean Water and Drinking Water SRF programs and the current refunding of the 2014B series bonds.

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 2025A, and supporting schedules prepared by the Conservancy District's financial advisor. The Series Resolution authorizes the chairman 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.

Jessica Cameron Mitchell, PFM Financial Advisors, discussed the structure of the bond issue and current market conditions.

Staff recommended approval of the Series Resolution authorizing State Revolving Fund Program Bonds, Series 2025A and the execution and delivery of certain documents.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2025-72** authorizing the State Revolving Fund Program Bonds, Series 2025A, and authorizing execution and delivery of certain documents. The motion carried unanimously.

AMENDMENTS TO PRIOR ARPA-FUNDED PROJECTS: Andy Bruels reported that during the 2024 Legislative Session, Senate Bill 53 was passed. Section 1 of the bill appropriated an additional \$89,384,221 of American Rescue Plan Act (ARPA) funds for water and wastewater infrastructure. These funds were awarded by the Board of Water and Natural Resources to eligible projects in June 2024. Section 2 of the bill included up to \$28,000,000 of additional ARPA fund authority to the board. This was included in case other state agency-funded ARPA efforts were not able to utilize all of their funding.

In January 2025, DANR was informed by the Bureau of Finance and Management that \$4,538,979.69 of ARPA funds would be transferred to the Board of Water and Natural Resources to allocate to existing ARPA projects.

Additionally, some projects originally funded through the \$600,000,000 of ARPA funds provided by Senate Bill 62 in 2022 have deobligated portions of the funding. During the 2023 Legislative Session Senate Bill 20 was passed to provide the Board of Water and Natural Resources discretion on the reallocation of those funds. This is currently \$1,285,462.36, bringing the total ARPA dollars available to re-award to \$5,824,442.05.

Mr. Bruels noted that in January 2024 the Board of Water and Natural Resources adopted a resolution recommending that additional funds be provided only to projects having previously received ARPA funding and that the systems sponsoring those projects serve regional areas. With these funds being more limited than in 2024, staff reached out to six existing recipients that serve regional areas, the projects are to increase capacity for current users and future growth, and the projects represent significant geographic and population areas of the state. These projects

also all have remaining eligible project costs to incur to utilize the funding being recommended. Several of the recommendations are similar in size based on a larger project scope and total amount, and two are smaller based on the eligible costs and scope.

Mr. Bruels presented the following applications and funding recommendations.

Mni Waste Water Company

On April 13, 2022, the Mni Waste Water Company was awarded a \$6,448,598 ARPA grant as partial funding for a total \$43,400,000 project.

In June 2024 the ARPA grant was amended to award an additional \$6,545,503 in ARPA grant funds, bringing the total ARPA grant to \$12,994,101. This project was to install approximately 28.2 miles of 16-inch treated water pipeline, 9.6 miles of 10-inch treated water pipeline, a 1,000,000-gallon water tower, and appurtenances including valves, pumps, and air releases. The existing pipeline along Highway 63 is undersized, causing pressure to fall below 20 psi. This project replaces the undersized pipeline along Highway 63 and will serve as the main pipeline for the northern tier of the Cheyenne River Sioux Tribe. The project has been fully bid, and costs exceeded the currently awarded funding as well.

Staff recommended awarding an additional \$1,165,548 in ARPA grant funds, bringing the total ARPA grant to \$14,159,649.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2025-73** approving the Second Amendment to the America Rescue Plan Act Grant Agreement (2022G-ARP-171) with the **Mni Waste Water Company** to increase the total grant amount to \$14,159,649. The motion carried unanimously.

Randall Community Water District

On June 23, 2022, the Randall Community Water District was awarded a \$38,734,175 Drinking Water SRF loan and a \$11,256,825 ARPA grant. On September 29, 2022, an additional \$45,000,000 Drinking Water SRF loan was awarded for a second phase of this project to provide the remaining funds needed for the full project scope.

In June 2024 the ARPA grant was amended to award an additional \$10,000,000 in ARPA grant funds, bringing the total ARPA grant to \$21,256,825. This project was to address increasing demand among existing customers as well as supply water to the city of Mitchell. The ARPA funded project will consist of 38 miles of HDPE pipe from storage facility near Platte to the existing tank near Stickney. The proposed improvements will provide enough capacity to the system to allow Mitchell to connect their redundant water line. Booster stations, storage facilities, and an upgrade to the Platte Water Treatment Plant will be necessary to complete the proposed improvements. The project has been fully bid and costs have exceeded the currently awarded funding.

Staff recommended awarding an additional \$1,165,550.05 in ARPA grant funds, bringing the total ARPA grant to \$22,422,375.05.

Greg Powell, Brosz Engineering, discussed the project and thanked the board for consideration of additional funding.

Motion by Becker, seconded by Jennings, to adopt **Resolution No. 2025-74** approving the Second Amendment to the America Rescue Plan Act Grant Agreement (2022G-ARP-439) with the **Randall Community Water District** to increase the total grant amount to \$22,422,375.05. The motion carried unanimously.

Rapid Valley Sanitary District

On September 29, 2022, the Rapid Valley Sanitary District was awarded a \$1,679,000 Drinking Water SRF loan and a \$5,000,000 ARPA grant, an additional \$5,359,000 ARPA grant was provided by Pennington County for the project. This project was to expand the distribution system by installing a 12-inch water main from Reservoir Road north of Homestead Street to Cheyenne Boulevard, constructing a new 2-million-gallon concrete storage tank, and drilling a new well to provide service to Box Elder. This project was not awarded additional state ARPA grant funds in June 2024. At that time the project did not believe it would have additional ARPA-eligible costs. After fully bidding the project, it has been determined there will be eligible ARPA costs to support the requested additional funds at this time.

Staff recommended awarding an additional \$663,000 in ARPA grant funds, bringing the total state ARPA grant to \$5,663,000.

Rusty Schmidt, Rapid Valley Sanitary District, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Jones, to adopt **Resolution No. 2025-75** approving the First Amendment to the America Rescue Plan Act Grant Agreement (2022G-ARP-508) with the **Rapid Valley Sanitary District** to increase the total grant amount to \$5,663,000. The motion carried unanimously.

Shared Resources

On April 13, 2022, the Shared Resources project was awarded a \$69,983,400 Drinking Water SRF loan and a \$38,276,600 ARPA grant. In June 2024 the ARPA grant was amended to award an additional \$10,000,000 in ARPA grant funds, bringing the total ARPA grant to \$48,276,600.

Shared Resources is a joint effort between Minnehaha Community Water Corporation and the Big Sioux Community Water System. The project includes an 8-MGD treatment plant, well field, distribution pipeline, and two storage tanks. Shared Resources will treat and deliver water to both systems then distribute water to the existing customer base.

Staff recommended awarding an additional \$1,165,548 in ARPA grant funds, bringing the total ARPA grant to \$49,442,148.

Scott Buss, Minnehaha Community Water Corporation, discussed the project and thanked the board for consideration of additional funding.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2025-76** approving the Second Amendment to the America Rescue Plan Act Grant Agreement (2022G-ARP-192) with the **Shared Resources, Inc.** to increase the total grant amount to \$49,442,148. The motion carried unanimously.

Southern Black Hills Water System

On April 13, 2022, the Southern Black Hills Water System was awarded a \$540,000 Drinking Water SRF loan and a \$3,060,000 ARPA grant. On March 28, 2024, an additional \$1,584,000 Drinking Water SRF loan and \$1,597,000 Consolidated grant was awarded for the project. In June 2024 the ARPA grant was amended to award an additional \$542,432, bringing the total ARPA grant to \$3,602,432.

The project is to extend the existing water system main from the two wells at Paramount Point Subdivision approximately five miles northeast to the Spring Creek Acres Subdivision to provide redundancy. The project will also construct a new well, booster pump station, new elevated storage reservoir, chlorination and SCADA systems, and new pressure reducing stations. The project has been fully bid, and costs have exceeded the currently awarded funding.

Staff recommended awarding an additional \$500,000 in ARPA grant funds, bringing the total ARPA grant to \$4,102,432.

Ted Wick, Southern Black Hills Water System, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-77** approving the Second Amendment to the America Rescue Plan Act Grant Agreement (2022G-ARP-196) with the **Southern Black Hills Water System** to increase the total grant amount to \$4,102,432. The motion carried with Becker, Drewes, Jennings, Lanning, and Soholt voting aye. Jones abstained from voting.

WEB Water Development Association

In June 2023, WEB Water Development Association was awarded a \$14,623,380 ARPA grant. The project has also received \$12,000,000 in State Water Resources Management System grant funds. In June 2024 and November 2024, the ARPA grant was amended to award an additional \$10,500,000 and \$56,452, respectively, in ARPA grant funds, bringing the total ARPA grant to \$25,179,832. The funding is part of a much larger project to increase water capacity for WEB and allow WEB to provide a bulk water connections for Aberdeen and BDM Rural Water. The project is known as the Water Investment in Northern South Dakota or WINS project, undertaken by all three entities with WEB acting as the lead contracting entity and the ARPA project sponsor. The project has been fully bid, and costs have exceeded the currently awarded funding.

Staff recommended awarding an additional \$1,164,796 in ARPA grant funds, bringing the total ARPA grant to \$26,344,628. Mr. Bruels noted that this is slightly less than some of the other recommendations for large regional projects. This lower amount reflects the additional ARPA grant funds that were amended into the project in November 2024, which other projects did not receive.

Shane Phillips, general manager of WEB Water, speaking on behalf of the WINS project, discussed the project and thanked the board for consideration of additional funding.

In response to a question from Chairman Soholt, Mr. Phillips stated that the existing WEB pipe is a 30-inch pipe that starts at the Missouri River and goes east, and the further east it goes, it reduces in size. The new pipe that is currently being installed is 49 ½ inch steel pipe. Both of those pipes will be utilized together; they will run parallel and will be online at the same time.

Motion by Becker, seconded by Drewes, to adopt **Resolution No. 2025-78** approving the Third Amendment to the America Rescue Plan Act Grant Agreement (2023G-ARP-200) with the **WEB Water Development Association** to increase the total grant amount to \$26,344,628. The motion carried unanimously.

WATERTOWN REQUEST TO DEOBLIGATE DRINKING WATER SRF LOAN C462029-03: Ms. McFarling reported that on June 23, 2022, the Board of Water and Natural Resources awarded a \$4,857,300 Drinking Water SRF loan and a \$2,081,700 ARPA grant to the city of Watertown for its new well field project.

The ARPA grant was deobligated in March 2024 due to the project missing grant-required plans and specifications submittal deadlines. The city, at that time, wished to keep the Drinking Water SRF loan to try to complete the project.

On March 24, 2025, DANR received a letter from Watertown Municipal Utilities stating that the city will not be utilizing the Drinking Water SRF loan funds awarded for the new wellfield project, and the city requested to deobligate the \$4,857,300 Drinking Water SRF loan.

Staff recommended the board rescind Resolution No. 2022-399 which awarded Drinking Water SRF Loan C462029-03.

Motion by Jennings, seconded by Jones, to rescind Resolution No. 2022-399 which awarded Drinking Water SRF Loan C462029-03. The motion carried unanimously.

SOUTHERN MISSOURI RECYCLING AND WASTE MANAGEMENT DISTRICT REQUEST TO DEOBLIGATE SOLID WASTE MANAGEMENT PROGRAM LOAN 2025L-SW-201 AND GRANT 2025G-SW-201: Ms. McFarling stated that on June 27, 2024, the Board of Water and Natural Resources awarded a \$400,000 SWMP loan and a \$100,000 SWMP grant to the Southern Missouri Recycling and Waste Management District for the purchase of a landfill baler.

Board of Water and Natural Resources
May 1, 2025, Meeting Minutes

On March 25, 2025, DANR received a letter from Southern Missouri Recycling and Waste Management District stating that they will not be utilizing the Solid Waste Management Program loan or grant funds awarded for the baler purchase and requesting to deobligate the funding package awarded. Southern Missouri Recycling and Waste Management District is choosing to instead focus on completion of the new landfill disposal cell the board awarded funding for in March 2025.

Staff recommended the board rescind Resolution No. 2024-133 which awarded Solid Waste Management Program Loan 2025L-SW-201 and rescind Resolution No. 2024-134 which awarded Solid Waste Management Program Grant 2025G-SW-201.

Motion by Lanning, seconded by Drewes, to rescind Resolution No. 2024-133 which awarded Solid Waste Management Program Loan 2025L-SW-201 and rescind Resolution No. 2024-134 which awarded Solid Waste Management Program Grant 2025G-SW-201. The motion carried unanimously.

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

Chairman Soholt declared the meeting adjourned.

Approved June 26, 2025.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

June 26, 2025

Item 5

TITLE: Extension of PFM Financial Advisors LLC Contract

EXPLANATION: In June 2021, the Board of Water and Natural Resources, acting as the South Dakota Conservancy District, entered into a consultant contract with PFM Financial Advisors LLC to provide services to the State in connection with the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program.

PFM Financial Advisors LLC has served as the SRF Financial Advisor since 2003. The Board's current contract with PFM Financial Advisors LLC ends on June 30, 2025.

The primary purpose of the amendment is to extend the contract period to June 30, 2029, and increase the total contract amount to an amount not to exceed \$1,000,000.

The amendment has been prepared with assistance from the Office of the Attorney General and reviewed by PFM Financial Advisors, LLC.

RECOMMENDED ACTION: Approve the resolution authorizing the first amendment to the PFM Financial Advisors LLC contract.

CONTACT: Andy Bruels, 773-5559

STATE OF SOUTH DAKOTA
FIRST AMENDMENT TO
CONSULTANT/CONTRACTOR CONTRACT
FOR
CONSULTANT SERVICES
BETWEEN

PFM Financial Advisors, LLC.
45 South Seventh Street, Suite 2950
Minneapolis, MN 55402
hereafter referred to as Consultant

South Dakota Conservancy District
523 East Capitol Avenue
Pierre, SD 57501
hereafter referred to as State

WHEREAS, on or about July 1, 2021, the State and the Consultant entered into a Consultant Contract (the “Agreement”) for financial advisory services; and

WHEREAS, the Agreement expires June 30, 2025; and

WHEREAS, Paragraph 10 of the Agreement states in relevant part that “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.”

WHEREAS, the parties deem it to their mutual benefit to enter into a First amendment to the Agreement to extend the term of the Contract for an additional four years, to increase the total contract amount, to amend the Work Plan attached as Exhibit A, and to amend the rate schedule attached as Exhibit B, and to add state required clauses.

NOW THEREFORE, in consideration of the foregoing and of the mutual promises contained herein, the parties agree as follows:

A. Paragraph 2 of the Agreement is amended to read as follows:

2. This agreement shall be effective upon execution and will end on June 30, 2029, unless sooner terminated pursuant to the terms hereof. Notice of intent to renew shall be given by the State to the Consultant in writing prior to term’s expiration as provided in the Agreement.

B. Paragraph 4.E of the Agreement is amended to read as follows:

4.E. The TOTAL CONTRACT AMOUNT will not exceed \$1,000,000.

C. A new Paragraph 23 is added to read as follows:

23. CERTIFICATIONS

A. COMPLIANCE WITH EXECUTIVE ORDER 2020-01:

Executive Order 2020-01 provides that for contractors, vendors, suppliers or subcontractors with five (5) or more employees who enter into a contract with the State that involves the expenditure of one hundred thousand dollars (\$100,000) or more, by signing this Agreement Contractor certifies and agrees that it has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of this Agreement, with a person or entity that is either the State of Israel, or a company doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or doing business in the State of Israel, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Contractor further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

B. COMPLIANCE WITH SDCL Ch. 5-18A:

Contractor certifies and agrees that the following information is correct:

The bidder or offeror is not an organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates, of those entities or business associations, regardless of their principal place of business, which is ultimately owned or controlled, directly or indirectly, by a foreign parent entity from, or the government of, the People's Republic of China, the Republic of Cuba, the Islamic Republic of Iran, the Democratic People's Republic of Korea, the Russian Federation, or the Bolivarian Republic of Venezuela.

It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the purchasing agency to reject the bid or response submitted by the bidder or offeror on this project and terminate any contract awarded based on the bid or response, and further would be cause to suspend and debar a business under SDCL § 5-18D-12.

The successful bidder or offeror further agrees to provide immediate written notice to the purchasing agency if during the term of the contract it no longer complies with this certification and agrees such noncompliance may be grounds for contract termination and would be cause to suspend and debar a business under SDCL § 5-18D-12.

C. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY, AND VOLUNTARY EXCLUSION:

By signing this Agreement, Contractor certifies that neither Contractor nor its principals are presently debarred, suspended, proposed for debarment or suspension, or declared ineligible from participating in transactions by the federal government or any state or local government department or agency. Contractor further agrees that it will immediately notify the State if during the term of this Agreement Contractor or its principals become subject to debarment, suspension or ineligibility from participating in transactions by the federal government, or by any state or local government department or agency.

D. CERTIFICATION OF NO STATE LEGISLATOR INTEREST:

Contractor (i) understands neither a state legislator nor a business in which a state legislator has an ownership interest may be directly or indirectly interested in any contract with the State that was authorized by any law passed during the term for which that legislator was elected, or within one year thereafter, and (ii) has read South Dakota Constitution Article 3, Section 12 and has had the opportunity to seek independent legal advice on the applicability of that provision to this Agreement. By signing this Agreement, Contractor hereby certifies that this Agreement is not made in violation of the South Dakota Constitution Article 3, Section 12.

- D. Exhibit A of the Agreement is deleted, and a new Exhibit A is added to read as set forth in Exhibit A hereto, which by this reference is made a part hereof.
- E. Exhibit B of the Agreement is deleted, and a new Exhibit B is added to read as set forth in Exhibit B hereto, which by this reference is made a part hereof.
- F. This First Amendment is expressly identified as a part of the Agreement.
- G. Except as specifically amended hereby, the terms and conditions of the Agreement shall continue in full force and effect according to the tenor thereof.

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

STATE

CONSULTANT

SOUTH DAKOTA
CONSERVANCY DISTRICT

PFM FINANCIAL ADVISORS LLC

BY: _____
Jerry Soholt (date)
Chairman

BY: _____
Jessica Cameron Mitchell (date)
Managing Director

EXHIBIT A

WORK PLAN

SCOPE OF SERVICES

The Consultant will provide the services detailed below in connection with the issuance of taxable and tax-exempt bonds by the South Dakota Conservancy District, including the District's outstanding bonds. Services include ongoing programmatic support, as well as transaction related services. An overview of the services to the Conservancy District includes:

Programmatic Support

- ✓ Maintain and update the custom cash flow models and loan portfolios created on behalf of the Conservancy District.
- ✓ Monitor the Conservancy District's outstanding debt for potential refunding's.
- ✓ Create specialized models, as needed and requested.
- ✓ Analyze program capacity and financing needs.
- ✓ Notify the Conservancy District of any proposed or ratified regulatory changes which may impact its programs or financings.
- ✓ Provide ongoing analysis and support for interactions with and garnering approvals from EPA, as requested.
- ✓ Assist the Conservancy District with ongoing administrative decisions related to its programs.
- ✓ Keep the Conservancy District apprised of new financing products, as well as changes to industry practice.
- ✓ Educate staff and board, as requested.
- ✓ Be available to the Conservancy District to answer questions, attend meetings, furnish research and provide opinions and services, as requested.
- ✓ Other services as may be requested by the Conservancy District.

Transaction Related Services

Consultant expects to provide all of the transaction related services expected of a traditional financial advisory relationship. Following is a summary of the services provided regardless of sale method:

- ✓ Coordinate financing team members, including maintaining a time schedule, creating a distribution list, and maintenance of a costs of issuance budget.
- ✓ Make recommendations with respect to security provisions, mode of debt, maturity schedules, amortization schedules, redemption provisions and credit enhancement features. Provide ongoing updates to cash flow models and updated bond sizing.

- ✓ Work with bond counsel and other financing team members to develop the required legal, disclosure and other financing documents.
- ✓ Assist in the development of requests for proposals, evaluation of proposals and selection of ancillary service providers, such as managing underwriters (negotiated sale), private placement agents, remarketing agents (variable rate transactions) printers, credit enhancement providers, liquidity providers (variable rate transactions) and such other professionals as requested.
- ✓ Review the appropriate sale method.
- ✓ Implement a comprehensive credit rating strategy appropriate to the financing. Develop rating agency presentations, default tolerance analyses, and participate in those meetings.
- ✓ After the sale, prepare final transaction schedules including, but not limited to, debt service, pricing summary, proof of arbitrage yield, 8038 statistics and tax levies when appropriate.
- ✓ Assist in developing a strategy for the investment of bond proceeds.
- ✓ Assist staff and other members of the financing team in the bond closing process, including preparation of a closing memorandum.
- ✓ Prepare and deliver a post-sale analysis documenting the results of the sale, summarize the essential terms of the offering, identify market conditions at the time of sale, analyze the performance of the underwriting team, as applicable, and describe the sales results of other comparable issues in the market.

Negotiated Sale Method. The following tasks will be performed for bonds sold through negotiated sale. These tasks are in addition to the tasks which are common to all financings.

- ✓ Review the marketing plan and participate in investor meetings, as applicable.
- ✓ Represent the Conservancy during the planning, structuring, and marketing of the issue.
- ✓ For fixed rate transactions, prepare an independent analysis of market conditions and proposed interest rates based upon comparable issues.
- ✓ For fixed rate transactions, we will actively monitor the sale of the debt during the order period and provide recommendations regarding re-pricing of all or a part of the debt structure. Negotiate the most favorable interest rates with the managing underwriters during the course of pre-marketing, order taking period and final pricing.
- ✓ Review and advise upon bond orders and allotments. Provide a detailed analysis of the underwriting team performance and composition of investors, as applicable.

Competitive Sale Method. Should the Conservancy District decide to utilize a competitive sale process, the following additional tasks would be performed:

- ✓ Provide analysis necessary to determine appropriate bid parameters.
- ✓ Disseminate disclosure and bid documents.
- ✓ Market the issue to potential bidders.
- ✓ Set-up and manage sale process including bid receipt and tabulation.

EXHIBIT B

RATE SCHEDULE FOR NON-TRANSACTIONAL SERVICE

Hourly Rate Schedule

Managing Director	\$375.00
Director	\$325.00
Senior Managing Consultant	\$280.00
Senior Analyst	\$255.00
Analyst	\$225.00
Associate	\$125.00

RATE SCHEDULE FOR SERVICES RELATED TO BOND TRANSACTION

Par amount	\$0.90 per \$1,000 of bonds (\$25,000 minimum and \$175,000 maximum)
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June 26, 2025

Item 6

TITLE: Amendments to the Joint Powers Agreements for SRF Application and Administration and Davis-Bacon Monitoring

EXPLANATION: The board has contracted with the planning districts to assist entities with State Revolving Fund (SRF) applications and administration since 2005 and with Davis-Bacon monitoring since 2009. Pursuant to Intended Use Plans and Omnibus bills, the board has allocated funds to each of the planning districts to continue to provide this assistance to recipients of SRF funding.

At its meeting on June 24, 2021, the board entered into new Joint Powers Agreements with each of the planning districts to provide for SRF application and administration and Davis-Bacon monitoring.

On January 5, 2023, the board approved an amendment to the Joint Powers Agreement contracts to increase the allocated funds towards payment for SRF applications, administration, and Davis-Bacon monitoring. Due to the influx of applications, especially related to ARPA funding, the agreements were amended to allow for additional costs.

Several districts are now anticipated to exceed the estimated amount of their amendment, and funds need to be added to have availability to pay out the remaining contractual obligations.

The Second Amendments to the Joint Powers Agreements are as follows:

Planning District	Amending Amount	New Contract Amount
Black Hills Council of Local Governments	\$50,000	\$590,000
Central South Dakota Enhancement District	\$40,000	\$205,000
First District Assn of Local Governments	\$0	\$735,000
Northeast Council of Governments	\$100,000	\$540,000
South Eastern Council of Governments	\$100,000	\$1,080,000
Planning and Development District III	\$0	\$605,000

RECOMMENDED ACTION: Approve the Second Amendments to the Joint Powers Agreements with the planning districts for SRF loan application and administration and Davis-Bacon monitoring.

CONTACT: Holly Briggs, 773-6110

TITLE: Amendments to State Water Plan and 2025 Clean Water State Revolving Fund and 2025 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 amendment 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 2026.

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, 2025, deadline.

- a) B-Y Water District – Line Relocation
- b) B-Y Water District – Meter Upgrades
- c) Roberts County
- d) Toronto

Clean Water SRF Amendments

Staff is recommending that the following projects be amended onto the 2025 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
16	Pierre	\$516,000	3.25%, 10 years
16	Roberts County	\$2,000,000	3.75%, 30 years

June 26, 2025

Item 7

Drinking Water SRF Amendments

Staff is recommending that the following projects be amended onto the 2025 Drinking Water State Revolving Fund Project Priority List:

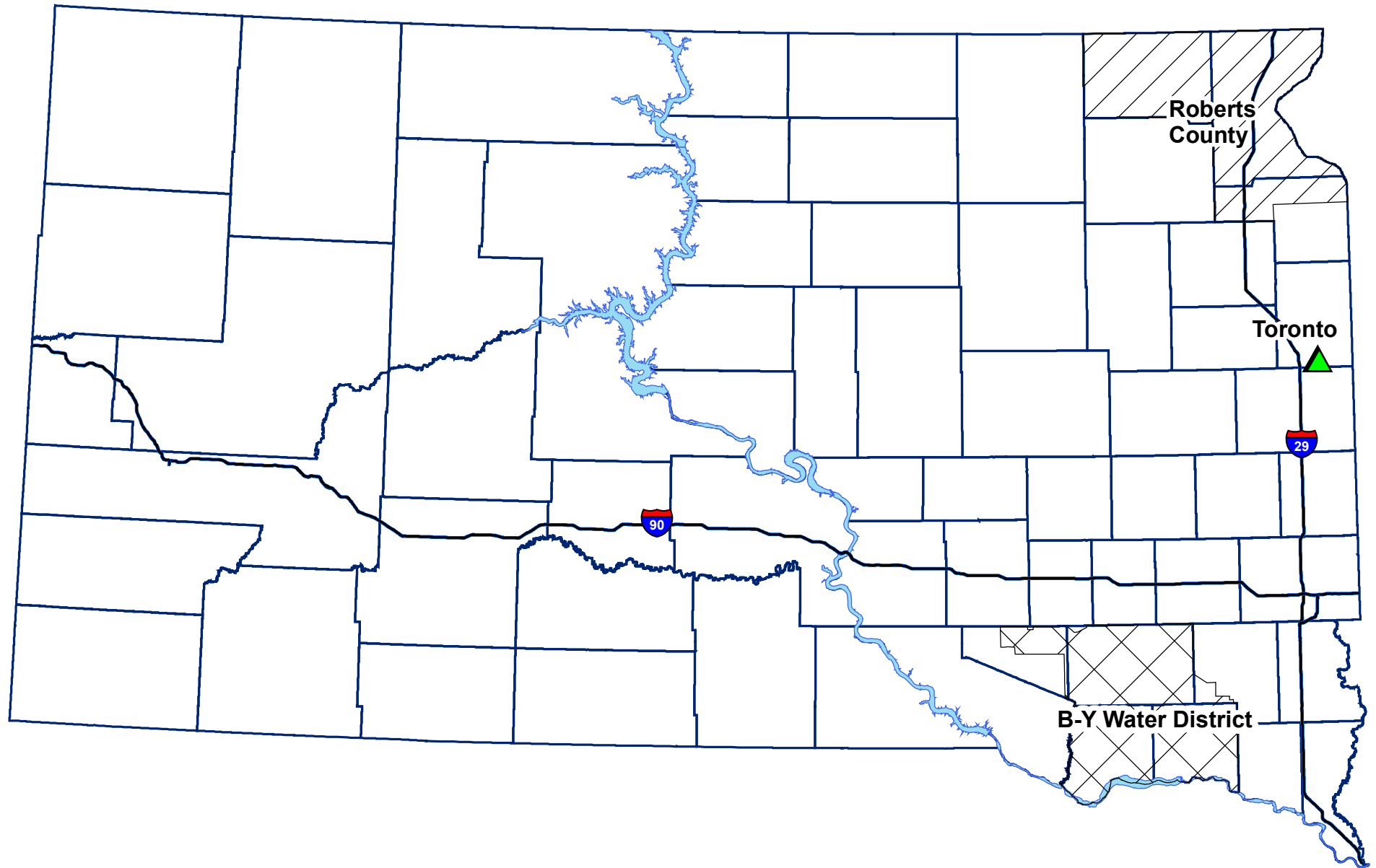
Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
177	Deer Mountain Sanitary District	\$450,000	3.50%, 30 years
138	Randall Community Water District	\$5,000,000	3.50%, 30 years
77	Toronto	\$700,000	3.25%, 30 years
18	B-Y Water District – Meter Upgrades	\$4,000,000	3.25%, 10 years
8	B-Y Water District – Line Relocation	\$13,200,000	3.75%, 30 years

RECOMMENDED ACTION: Approve amendment of projects onto the State Water Plan and 2025 Clean Water State Revolving Fund and 2025 Drinking Water State Revolving Fund Intended Use Plans

CONTACT: Andy Bruels, 773-5559

State Water Plan

June 2025



RECEIVED

MAY 05 2025

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: B-Y Water District Address: PO Box 248 Tabor, SD 57063	Proposed Funding Package Projected State Funding <u>13,200,000</u> Local Cash <u>93,827</u> Other: _____ Other: _____ TOTAL <u>13,293,827</u>
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Project Title: Water Line Relocation

Description: (Include present monthly utility rate.)

The South Dakota Department of Transportation (SDDOT) is planning to grade and resurface SD Hwy 18 from 1-mile east of SD Hwy 37 to SD Hwy 25 (18 miles) in 2027. Due to the proposed SDDOT project portions of the B-Y Water District's water main infrastructure (facilities) will be impacted and require relocation. Currently, B-Y Water District (B-Y) has seven (7) miles of 24" DIP transmission line, seven (7) miles of 10" PVC mainline, and a pump station located on the west side of the SDDOT project. There are also 4" PVC and smaller diameter lines on the eastern 3.5 miles of the project. A significant portion of this project is the 24" DIP line that serves the City of Mitchell. The project will include special provisions to ensure the City of Mitchell's water supply is minimally impacted throughout the construction phase. The same provisions will be made for the other B-Y customers.

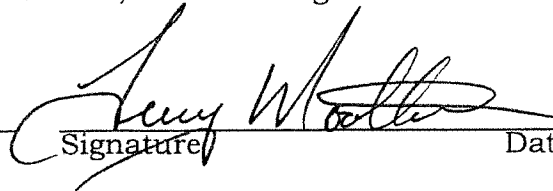
The District's water rate for 7,000 gallons is \$79.25. This rate was set in January 2025 and is reviewed annually.

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.

Terry Wootton, Manager

Name & Title of Authorized Signatory
(Typed)

 5/1/25
Signature Date

RECEIVED

MAY 05 2025

SD EForm - 0487LD V4

Department of Agriculture
and Natural Resources

State Water Plan Application

Applicant: B-Y Water District Address: PO Box 248 Tabor, SD 57063	Proposed Funding Package	
	Projected State Funding	4,000,000
	Local Cash	26,000
	Other:	
	Other:	
	TOTAL	4,026,000

Project Title: Automatic Read Meters

Description: (Include present monthly utility rate.)

B-Y Water District supplies potable water to approximately 5,300 customers across seven counties in southeast South Dakota. Currently, customers are required to read and self report their meter readings monthly. The District is proposing to incorporate automated meter reading (AMR) with advanced metering infrastructure (AMI) across their current distribution system. The project will include new registers and communication equipment for all customer meters, and replacement of approximately 30% of existing water meters, pressure reducing valves, and backflow preventers. Approximately 75% of the meters are located in the customers' homes, and the remaining 25% are located in meter pits. The project includes facility planning, designing, bidding, and installation services. Work activities will include installation of meter registers, communications equipment. Additional elements are replacement of existing pressure-reducing valves and backflow preventers, where necessary.

The District's water rate for 7,000 gallons is \$79.25. This rate was set in January 2025 and is reviewed annually.

The Applicant Certifies That:

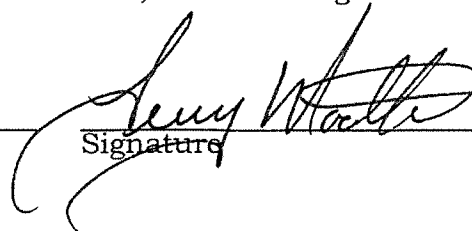
I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Terry Wootton, Manager

Name & Title of Authorized Signatory
(Typed)

Signature

Date

 5/1/25

State Water Plan Application

Applicant: Roberts County Landfill Address: 411 2nd Ave. Ste. 1B Sisseton, SD 57262	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Projected State Funding</td> <td style="width: 30%; text-align: right; border-bottom: 1px solid black;">2,000,000.00</td> </tr> <tr> <td>Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td>Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">2,000,000.00</td> </tr> </table>	Projected State Funding	2,000,000.00	Local Cash		Other: _____		Other: _____		TOTAL	2,000,000.00
Projected State Funding	2,000,000.00										
Local Cash											
Other: _____											
Other: _____											
TOTAL	2,000,000.00										

Project Title: New Solid Waste Cell Construction

Description: (Include present monthly utility rate.)

Project Narrative:

The Roberts County Landfill is approaching the end of its available airspace for permitted solid waste disposal. The estimated airspace left will be used up within 24-36 months. This funding request is to assist in the expansion to the west of the existing waste disposal area. This expansion area will be called Unit 2. This funding request is for the initial scope is to include a 5 year Cell for waste disposal along with a leachate and storm water ponds to serve the whole unit. With this expansion, the Roberts County Landfill will be able to continue to provide the essential service of safe and proper disposal of solid waste for the surrounding communities. However this project will need significant financial assistance in the form of grant and loan dollars. The county intends to increase their tipping fees as necessary to accommodate the capital funding options available to them. Their tipping fees recently increased by ~10% at the start of 2025 with additional increases expected for debt service. The County's goal is to have all capital projects to be self-funded with debt paid off within useful life of the cell. However, the initial expansion requires significant assistance. The county commission is hopeful that with the State's assistance, to continue to provide this needful and necessary service to the area citizens.

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.

Tom Vergeldt, Chairman

 Name & Title of Authorized Signatory
 (Typed)


 Signature

4-29-25
 Date

State Water Plan Application

Applicant: Town of Toronto Address: PO Box 333 Toronto, SD 57268	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right; padding-bottom: 10px;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Projected State Funding</td> <td style="border-bottom: 1px solid black; text-align: right;">700,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="border-bottom: 1px solid black; text-align: right;">700,000</td> </tr> </table>	Proposed Funding Package		Projected State Funding	700,000	Local Cash		Other:		Other:		TOTAL	700,000
Proposed Funding Package													
Projected State Funding	700,000												
Local Cash													
Other:													
Other:													
TOTAL	700,000												

Project Title: Town of Toronto

Description: (Include present monthly utility rate.)

The Town of Toronto has been approached by the South Dakota Department of Transportation (DOT) to relocate sections of the existing water main under Main Street. This relocation is necessary to accommodate the installation of the DOT's new storm sewers and highway surfacing within their right of way for Highway 28.

The water main improvements project will include the removal and replacement of the existing water main with a new C900 PVC water main, along a new alignment and elevation that is not in conflict with the DOT's storm sewer and paving operations. The project is expected to include approximately 2640 feet of water main replacement and the installation of 6 fire hydrants and 17 gate valves.

The project is expected to let in Spring of 2026, with construction to be performed shortly after. The water main portion of the project is expected to take 1.5-2 months from initial installation to having the main placed into service. The DOT's portion of the project will cover the pavement removals and replacement, and the installation of the storm sewer, the Town will only be responsible for water main related items.

The Town's current water rates are \$31 monthly plus \$4.10 per 1000 gallons, or \$51.50 per 5000 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.

Kristin Hunter, Vice President

Name & Title of Authorized Signatory
(Typed)


 Signature

04/30/2025

Date

Additional Comments:

The project is intended to facilitate the DOT project by relocation of the existing water main to eliminate conflicts.

*The provided expected monthly user rates are based on the total surcharge added to facilitate the project in addition to the current water rates which are paid directly to Brookings Deuel Rural Water System (BDRW). It has not yet been determine if the additional surcharge will be a charge by the Town or by BDRW.

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications were received by DANR by the April 1, 2025, deadline for funding consideration at this meeting. The number in parentheses is the project priority points as assigned in the Intended Use Plan.

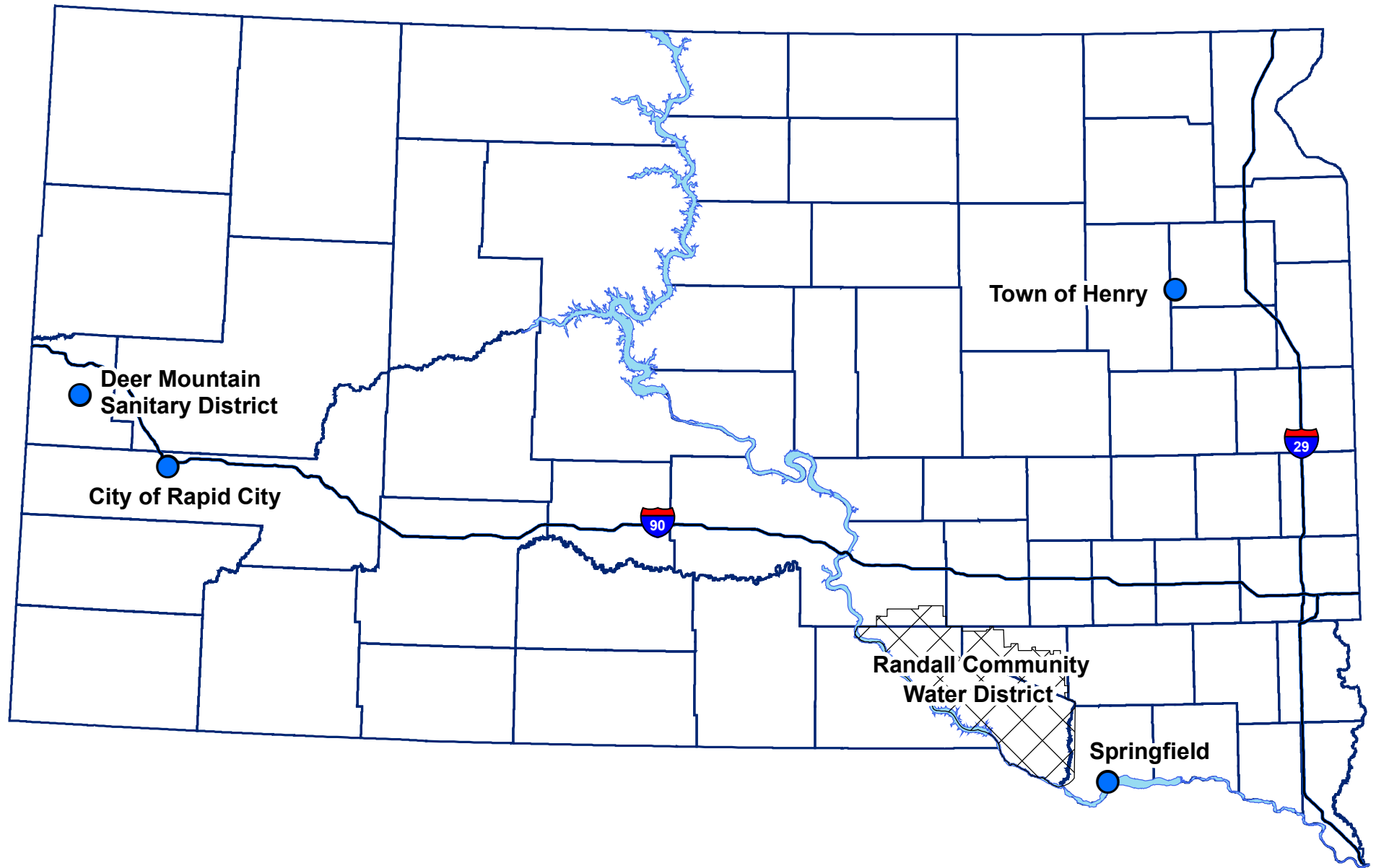
- a. Deer Mountain Sanitary District (177)
- b. Randall Community Water District (160)
- c. Henry (123)
- d. Rapid City (85)
- e. Springfield (85)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets have been provided as part of the board packet. The complete applications and summary sheets are available online and can be accessed by using the link on the Board Agenda.

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

Drinking Water Funding Applications

June 2025



Drinking Water Facilities Funding Application

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

Applicant: Deer Mountain Sanitary District Address: PO Box 195, Lead, SD 57754 Subapplicant: Water System Improvements - Additional Funding Request Unique Entity ID: VVMCZVVKKSX9	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$450,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other: SDDANR SRF 2020</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,174,000</td> </tr> <tr> <td style="text-align: right;">Other: SDDANR SRF 2022</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,047,350</td> </tr> <tr> <td style="text-align: right;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; font-weight: bold;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$5,671,350</td> </tr> </table>	Requested Funding	\$450,000	Local Cash		Other: SDDANR SRF 2020	\$2,174,000	Other: SDDANR SRF 2022	\$3,047,350	Other: _____		TOTAL	\$5,671,350
Requested Funding	\$450,000												
Local Cash													
Other: SDDANR SRF 2020	\$2,174,000												
Other: SDDANR SRF 2022	\$3,047,350												
Other: _____													
TOTAL	\$5,671,350												

Project Title: Water System Improvements - Additional Funding Request

Description:

Deer Mountain Sanitary District (DMSD), located near Lead, SD, is seeking additional funding for their system-wide improvements project including the following: 1) Wellhouse/Water treatment building & equipment; 2) 110,000 gallon storage tank; 3) Water Meters; 4) Distribution system replacement; and, 5) Booster station.

DMSD acquired the existing water system servicing the subdivision and has been operating and maintaining it since January, 2022. Due to the age and condition of the existing system, DMSD is planning complete installation of a new public water system

Funding for the proposed project was previously applied for by DMSD and awarded by the Board of Water and Natural Resources in 2020 (\$2,174,000) and additional funding in 2022 (\$3,047,350). Due to increase in construction costs, DMSD is needing additional \$450,000 to complete the project.

Users of the existing private water system are currently being charged a flat rate of \$145 per month.

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.

Osborne Enderby, President

Name & Title of Authorized Signatory
(Typed)

Signature

Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
DEER MOUNTAIN SANITARY DISTRICT

Project Title: Water System Improvements – Additional Funding

Funding Requested: \$450,000

Other Proposed Funding: \$2,174,000 – DWSRF Funding 2020
\$3,001,552 – DWSRF Funding 2022
\$45,798 – ARPA Funding 2022

Total Project Cost: \$5,671,350

Project Description: Deer Mountain Sanitary District (DMSD) is seeking additional funding for their system-wide improvements project including a well house and water treatment building and related equipment, a 110,000-gallon storage tank, water meters, complete distribution system replacement, and a booster station.

Funding for the proposed project was award by the board in June of 2020. Additional funding was awarded in September of 2022. Due to increases in construction cost, DMSD is requesting an additional \$450,000.

Implementation Schedule: Construction of this project began in June of 2023.

Service Population: 126

Current Domestic Rate: \$70.00 per 5,000 gallons (effective 7/1/25)

Interest Rate: 3.50% Term: 30 Security: Project Surcharge

REVIEW COMPLETED BY: DAN GERHARDT

Drinking Water Facilities Funding Application

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

Applicant: Randall Community Water District Address: 445 E. Main Street Lake Andes, SD 57356 Subapplicant: Unique Entity ID: 605989367	Proposed Funding Package <div style="text-align: right;"> Requested Funding \$5,000,000 Local Cash _____ Other: _____ Other: _____ Other: _____ <div style="text-align: right;">TOTAL \$5,000,000</div> </div>
--	---

Project Title:

Description:

Randall Community Water District has opted to construct a 30 inch HDPE pipeline to Mitchell, SD in order to have adequate capacity for its current customers....Aurora-Brule Rural Water and Davison Rural Water and its new customer, the City of Mitchell. Installation of a 30 inch pipeline will result in some additional costs. The funds requested are to help cover those costs.

Current Rates: \$42 minimum and \$3.30 per 1000 gallons

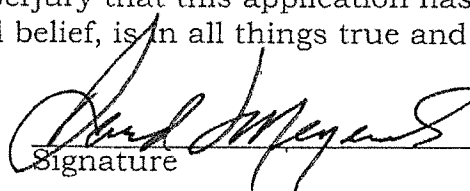
Rate for 7000 gallons = \$62.40

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.

Dave Meyerink

Name & Title of Authorized Signatory
(Typed)


Signature

March , 2025
Date

FUNDING REQUEST EVALUATION FORM
DRINKING WATER FACILITIES FUNDING APPLICATION
RANDALL COMMUNITY WATER DISTRICT

Project Title:	Regional Waterline Upgrade		
Funding Requested:	\$5,000,000		
Other Proposed Funding:	\$38,734,175 – DWSRF Funding June 2022 \$22,422,375 – ARPA grants 2022-2025 \$45,000,000 – DWSRF Funding September 2022		
Total Project Cost:	\$111,156,550		
Project Description:	<p>Randall CWD is in the construction phase for a project to address increasing demand among existing customers as well as supply additional water to the city of Mitchell. The project consists of installation of 30-inch HDPE pipe from the storage tank near Stickney to Mitchell. The proposed improvements will provide enough capacity in the system to allow Mitchell to connect their redundant water line. Booster stations and storage facilities will be necessary to complete the proposed improvements. Treatment facility upgrades will also be made to increase treated water capacity for the system.</p> <p>Proposed improvements will also include air release valves, fittings, hydrants, and other necessary appurtenances.</p> <p>Additional funding is being requested due to an increase in pipe size from 24-inches to 30-inches.</p>		
Implementation Schedule:	The project is currently under construction with an expected completion in 2026.		
Service Population:	16,716		
Current Domestic Rate:	\$62.40 per 7,000 gallons		
Interest Rate:	3.50%	Term:	30 years
		Security:	System Revenue

REVIEW COMPLETED BY: DAN GERHARDT

Drinking Water Facilities Funding Application

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

Applicant: Town of Henry Address: 111 Main Street PO Box 117 Henry, SD 57243 Subapplicant: Unique Entity ID: <div style="background-color: red; color: black; padding: 2px;">46-0326361</div> RJ2JPJRW3SK5	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,075,170</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,075,170</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$4,075,170	Local Cash		Other:		Other:		Other:		TOTAL	\$4,075,170
Proposed Funding Package															
Requested Funding	\$4,075,170														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$4,075,170														

Project Title: Water System Improvements Phase 2 & 3

Description:

The city is proposing to construct improvements to the water system. The project will replace and install approximately 7,100 LF of cast iron water main with six inch PVC pipe, install 11 hydrants, install approximately 1,200 LF of service lines, install 2,000 Ft of 3" PVC Watermain, install 60,000 gallon ground storage tank with booster pump station, reconnect customer services for 44 connections, valves, street repairs, plus any other necessary appurtenances to complete the project. According to the engineering report, the town's existing water distribution system consists of mainly cast iron pipes with some PVC water lines. The cast iron pipe are getting brittle which is causing cracks and breaks in the water lines that create a potential for contamination to enter the water distribution system and result in lost water. The system is mostly dead-end lines with little looping. Dead-end lines allow a longer water retention time in the pipe that can be detrimental to water quality and a health hazard. The Town currently has no water storage. Current residential water rates are \$50.25 per customer per month for 5,000 gallons usage.

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.

Mark O'Neill Board President

Name & Title of Authorized Signatory
(Typed)


Signature

04/22/2025

Date

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

Project Title:	Water System Improvements Phases 2 and 3	
Funding Requested:	\$4,075,170	
Other Proposed Funding:	None	
Total Project Cost:	\$4,075,170	
Project Description:	The Town of Henry is proposing to construct improvements to the existing system that is cracking and breaking and consists of dead-end lines watermain. They plan to replace the existing watermain and install a ground storage tank with booster pump station.	
Implementation Schedule:	Henry anticipates bidding the project in May 2026, with project completion by winter 2027.	
Service Population:	256	
Current Domestic Rate:	\$50.25per 5,000 gallons	
Interest Rate:	2.75%	Term: 30 years
		Security: Project Surcharge

ENGINEERING REVIEW COMPLETED BY: BAILEY MCTIGUE

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: Rapid City Well #4 Improvements Unique Entity ID: KN7AL7HF44B3	Proposed Funding Package <table style="width: 100%;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">3,932,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">3,932,000</td> </tr> </table>	Requested Funding	3,932,000	Local Cash		Other:		Other:		Other:		TOTAL	3,932,000
Requested Funding	3,932,000												
Local Cash													
Other:													
Other:													
Other:													
TOTAL	3,932,000												

Project Title: Rapid City Well #4 Improvements

Description:

City of Rapid City is proposing improvements to several of its municipal wells. Project 1-Well #4 Improvements: Install new well pump and motor, drop pipe, pitless adapter and construct a new well house on site for Well #4 due to current well site being very confined and not conducive to the construction of a new well (\$3,931,500).

City of Rapid City's 2025 rate for residential users is per 5,000 gallons is \$51.81 per month for single-family residential users with a meter size of 3/4 inch or less. Rates increase for larger meter sizes and type of user. CORC has already approved a graduated fee schedule where rates will increase annually 2025-2028, with the rate per 5,000 gallons in 2028 being \$68.93/month for single-family residential users with a 3/4 inch or less meter size.

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.

Jason Salamun, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

Date

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

Project Title:	Well #4 Improvements
Funding Requested:	\$3,932,000
Other Proposed Funding:	None
Total Project Cost:	\$3,932,000
Project Description:	The city of Rapid City is proposing improvements to its municipal well #4. The project includes construction of a new well house and includes a new well pump and motor, drop pipe, and pitless adapter.
Implementation Schedule:	Rapid City anticipates bidding the project in January 2026 with a project completion date of October 2027.
Service Population:	78,824
Current Domestic Rate:	\$51.81 per 5,000 gallons
Interest Rate: 3.50%	Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: SUZANNE MCKINLEY

Drinking Water Facilities Funding Application

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

RECEIVED

APR 03 2025

Applicant: City of Springfield Address: PO Box 446 Springfield, SD 57062 Subapplicant: Unique Entity ID: CNMTSC2WJDR6	Proposed Funding Package Requested Funding \$505,000 Local Cash _____ Other: _____ Other: _____ Other: _____ TOTAL \$505,000	Department of Agriculture and Natural Resources
--	--	--

Project Title: Eleventh, Ash and Oak Street Utilities Project

Description:

The project will consist of the replacement of a total of approximately 1,290 linear feet of ACP water main along segments of 11th Street and Oak Street in the vicinity of the Springfield Elementary School. Approximately 450 feet of 12" PVC pipe and 840 feet of 6" pipe will be installed. The project will also include the replacement of service pipes and valves within the rights-of-way and the installation of several fire hydrants.

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.

Scott Kostal, Mayor

Name & Title of Authorized Signatory
(Typed)

Scott Kostal
Signature

2-3-2025
Date

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

Project Title:	Watermain Improvements Eleventh, Ash, and Oak Streets
Funding Requested:	\$505,000
Other Proposed Funding:	None
Total Project Cost:	\$505,000
Project Description:	The city is proposing to replace a total of approximately 1,290 feet of asbestos cement pipe water main along segments of 11th Street and Oak Street nearby the Springfield Elementary School. Approximately 450 feet of 12-inch PVC pipe and 840 feet of 6-inch pipe will be installed. The project will also include the replacement of service pipes and valves within the rights-of-way and the installation of several fire hydrants.
Implementation Schedule:	The city of Springfield anticipates bidding the project in January 2026 with a project completion date of November 2026.
Service Population:	2,216
Current Domestic Rate:	\$75.00 per 5,000 gallons
Interest Rate:	3.25 %
Term:	30 years
Security:	Project Surcharge

REVIEW COMPLETED BY: KARIN ZHAO

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following application has been received by DANR by the April 1, 2025, deadline, for funding consideration at this meeting. The number in parentheses is the project priority points as assigned in the Intended Use Plan.

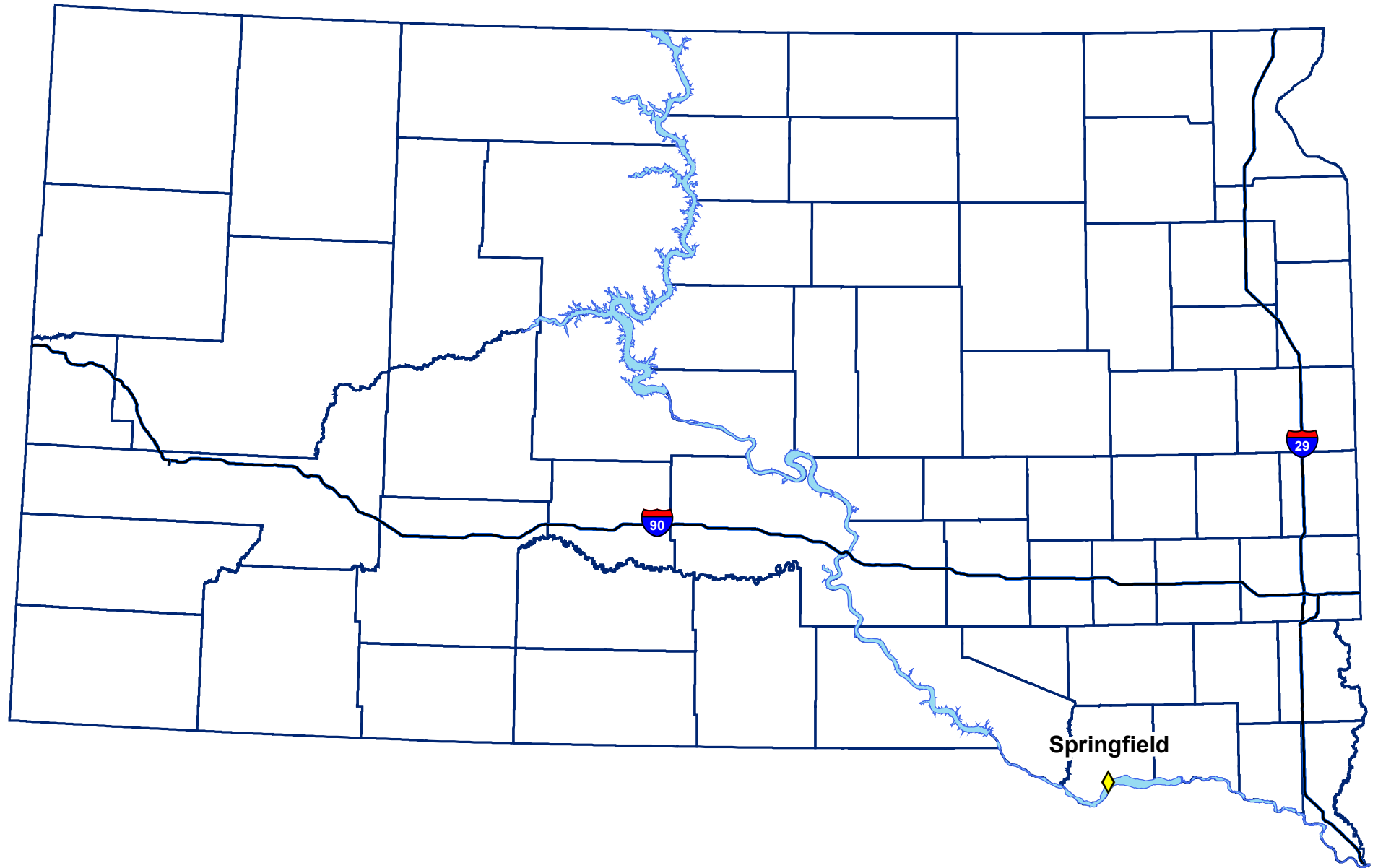
a. Springfield (9)

COMPLETE APPLICATIONS: The application cover sheet and summary sheet have been provided as part of the board packet. The complete application and summary sheet are available online and can be accessed by using the link on the Board Agenda.

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

Sanitary/Sewer Funding Applications

June 2025



Sanitary/Storm Sewer Facilities Funding Application**RECEIVED**Clean Water State Revolving Fund Program (CWSRF)
Consolidated Water Facilities Construction Program (CWFCP)

APR 03 2025

Applicant: City of Springfield Address: PO Box 446 Springfield, SD 57062 Subapplicant: Unique Entity ID: CNMTSC2WJDR6	Proposed Funding Package Requested Funding <u>\$565,000</u> Local Cash _____ Other: _____ Other: _____ Other: _____ TOTAL <u>\$565,000</u>	Department of Agriculture and Natural Resources
--	--	--

Project Title: Eleventh, Ash and Oak Street Utilities Project

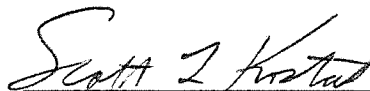
Description:

The project will consist of the replacement of sanitary sewer lines along segments of 11th Street and Oak Street in the vicinity of the Springfield Elementary School. A total of approximately 1,150 linear feet of VCP sewer pipe will be replaced with 8" PVC pipe, manholes adjacent to the proposed sanitary sewer will be replaced, and sewer services within the right-of-way will be replaced with 4" PVC pipe.

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.

Scott Kostal, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

 2-3-2025
Date

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

Project Title:	Sanitary Sewer Improvements Eleventh, Ash, and Oak Streets
Funding Requested:	\$565,000
Other Proposed Funding:	None
Total Project Cost:	\$565,000
Project Description:	The city is proposing to replace sanitary sewer lines along segments of 11 th Street and Oak Street nearby the Springfield Elementary School. A total of approximately 1,150 feet of clay sewer pipe will be replaced with 8-inch PVC, manholes adjacent to the proposed sanitary sewer will be replaced, and sewer services within the right-of-way will be replaced with 4-inch PVC pipe.
Implementation Schedule:	The city of Springfield anticipates bidding the project in January 2026 with a project completion date of November 2026.
Service Population:	2,216
Current Domestic Rate:	\$24.00 flat rate
Interest Rate:	3.75 %
Term:	30 years
Security:	Project Surcharge

REVIEW COMPLETED BY: KARIN ZHAO

TITLE: Pierre Additional Funding Request for Clean Water State Revolving Fund Loan C461288-10.

EXPLANATION: On March 28, 2024, the City of Pierre was awarded a \$1,303,200 Clean Water SRF loan and a \$325,800 Solid Waste Management Program grant for their Landfill Cell #4 Construction project.

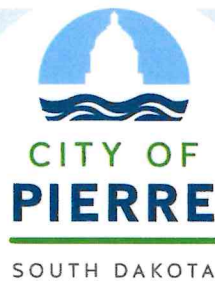
On May 27, 2025, the Department of Agriculture and Natural Resources received correspondence from the City of Pierre stating that after reviewing bid results additional funding is needed to move forward with the project.

The City of Pierre is requesting an additional \$516,000 to cover the remainder of the project cost. This increase will bring the project total to \$2,145,000.

RECOMMENDED ACTION: Rescind Resolution #2024-73 which awarded the original Clean Water SRF loan and award a \$1,819,200 Clean Water SRF loan at 3.25% for 10 years.

The Clean Water SRF loan is contingent on the borrower adopting a bond resolution and the resolution becoming effective.

CONTACT: Megan Briggs, 605.773.4222



May 23, 2025

Andy Bruels
Department of Agriculture and Natural Resources
523 E. Capitol Ave.
Pierre, SD 57501

RE: Landfill Cell 4 Design & Construction Project
DANR Loan #C461288-10

Mr. Bruels,

On March 28, 2024, the Board of Water and Natural Resources awarded a \$1,303,200 Clean Water State Revolving Fund loan at 3.25% for 10 years and a \$325,800 Solid Waste Management Program Grant. This landfill project includes the design, bidding and construction of Cell 4 at the City's Subtitle D Regional Landfill. Bids for the project were opened on 02/06/2025, with the low bid being \$1,822,534.23. The construction bids came in over-estimate. The scope of work for engineering was also modified during the bid process leading to increased cost.

The City of Pierre respectfully requests an amendment to the Loan #C461288-10 for an additional \$516,000 to cover the shortfall.

Please let me know if you have any questions or need any additional information.

Sincerely,


Kristi Honeywell
City Administrator

June 26, 2025

Item 11

TITLE: Corona Request for Project Scope Amendment for Clean Water State Revolving Fund Loan C461088-01 and Water Quality Grant 2024G-WQ-101

EXPLANATION: On March 30, 2023, the town of Corona was awarded a \$540,000 Clean Water SRF (CWSRF) loan and a \$772,000 CWSRF Water Quality Grant (CWSRFWQ) for the sanitary & storm sewer system improvements phase I project.

On April 10, 2025, the Department of Agriculture and Natural Resources received a letter from the town of Corona requesting the scope of the CWSRF loan C461088-01 and CWSRFWQ Grant 2024G-WQ-101 be amended. The town of Corona originally included work in and around the wastewater treatment facility lagoons on the State Water Plan but did not include that work at the time a funding application was submitted due to funding limitations. Since recent bids were lower than estimated, the town of Corona now requests to amend the project scope to include the wastewater treatment facility improvements.

RECOMMENDED ACTION: Amend the scope of Clean Water SRF loan C461088-01 and CWSRFWQ grant 2024G-WQ-101 to include the proposed wastewater treatment facility improvements.

CONTACT: Tina McFarling, 605-773-4216

*Town of Corona
P. O. Box 96
Corona, SD 57227*

April 10, 2025

Karin Zhao
SD DANR
Joe Foss Building
523 E. Capitol Avenue
Pierre, SD 57501-3182

**RE: Main Street Infrastructure Improvements
Corona, South Dakota**

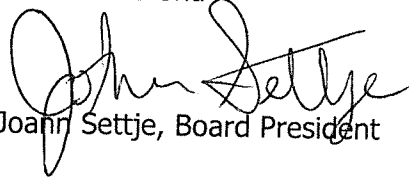
Karin:

In December 2022, DGR Engineering submitted an SRF Funding Application on behalf of the Town of Corona for a community wide sanitary sewer, water, and storm sewer infrastructure improvements project. The Town received clean water funding (C461088-01) through this program and has recently bid the project. Since that time, we have determined the need to include work in and around the WWTF lagoons. This area was included in the original environmental process, but the scope of work in the funding application did not include the wastewater treatment facility related work. We are requesting an amendment to the project scope to include this work so already obligated funding can be utilized for these improvements. An exhibit that depicts the proposed improvements is attached. No additional funding will be requested as the total funding package is expected to be adequate to cover these costs.

If you have any questions or need additional information, please contact us.

Sincerely,

Town of Corona



Joann Settje, Board President

cc: DGR Engineering

June 26, 2025

Item 12

TITLE: Webster request for Additional Funding Clean Water SRF Loan C461054-07

EXPLANATION: On March 27, 2025, the Board of Water and Natural Resources awarded Webster a \$1,129,000 Clean Water SRF loan for its industrial park wastewater improvements project.

On June 5, 2025, the Board of Water and Natural Resources received a letter and updated application information requesting additional funding for Webster's industrial park wastewater improvements project. Based on updated cost estimates additional funds are need to complete the project as proposed.

RECOMMENDED ACTION: Staff recommendation is to rescind Resolution #2025-46 which awarded the original Clean Water SRF loan and award a new resolution to approve the loan for the total amount for \$1,964,000. The loan would be contingent on the borrower adopting a bond resolution and the resolution becoming effective and the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

CONTACT: Holly Briggs, 773-6110

City of Webster

Heart of the South Dakota Lake Region

P.O. Box 539
Webster, South Dakota 57274

Telephone
(605) 345-3241

Mr. Andrew Bruels

Department of Agriculture and Natural Resources

523 East Capitol

Pierre, SD 57501

Dear Mr. Bruels:

The City of Webster applied for funding in December 2024 to secure financing to repair the wastewater lines in their Industrial Park. Funding for the project was awarded by the Board of Water and Natural Resources Thursday March 27, 2025, in the amount of \$1,129,000 with a loan through the Clean Water State Revolving Loan Fund.

C461054-07 C461072-05 The City of Webster would like to formally request an amendment to the scope of their loan which is associated with their current wastewater project. The amended dollar amount to be implemented to the project, according to updated engineering costs, is \$835,000. The mentioned amendment was discovered during the design of the project and will require additional funding to ensure all wastewater pipes are lined to prevent infiltration into the system.

Sincerely,



Mike Grosek

Mayor

The City of Webster is an equal opportunity employer and provider.

June 26, 2025

Item 13

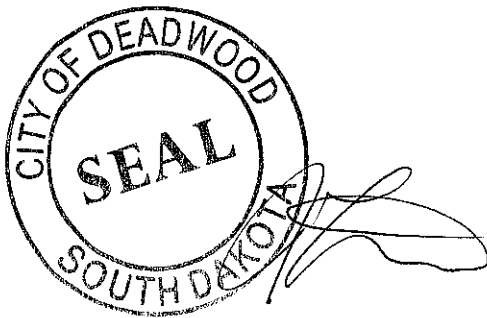
TITLE:	Deadwood Request to Deobligate Drinking Water SRF Loan C462001-01
EXPLANATION:	<p>On June 27, 2024, the Board of Water and Natural Resources awarded Deadwood a \$2,897,000 SRF loan for a dedicated 12-inch water line from Highway 85 to the maintenance shop area and a booster station to serve existing lines and potentially create a new pressure zone.</p> <p>On May 7, 2025, DANR staff received a letter from the city of Deadwood, stating that bids for the project came in lower than expected and the city would like to self-fund the project. The letter requested to deobligate the \$2,897,000 Drinking Water SRF loan.</p>
RECOMMENDED ACTION:	Rescind Resolution #2024-118 which awarded the Drinking Water SRF loan for the project.
CONTACT:	Tina McFarling, 773-6261



FINANCE OFFICE
Deadwood City Hall
102 Sherman Street - Deadwood, South Dakota 57732
Telephone (605) 578-2600
Fax (605) 722-0786

To: Department of Agriculture and Natural Resources
From: Jessica McKeown, Finance Officer
Date: May 7, 2025
Re: City of Deadwood Highway 85 Drinking Water Extension Project

Due to bids coming in lower than expected on the Highway 85 Drinking Water Project, the City of Deadwood has decided to self-fund the project. We kindly request to de-obligate funds and close out the DWSRF loan.



June 26, 2025

Item 14

TITLE:	Henry Request to Deobligate Clean Water SRF Loan C461277-01
EXPLANATION:	<p>On June 29, 2023, the Board of Water and Natural Resources awarded Henry a \$2,000,000 SRF loan for its wastewater system improvements project.</p> <p>On May 29, 2025, DANR staff received an letter from Henry requesting to deobligate loan C461277-01 stating that the funds are no longer required due to the scope of the work having changed.</p>
RECOMMENDED ACTION:	Rescind Resolution #2023-72 which awarded the Clean Water SRF loan for this project.
CONTACT:	Megan Briggs, 773-4222

RECEIVED

By Bailey McTigue at 11:51 am, May 29, 2025

The Town of Henry
111 Main Street
P O Box 117
Henry, SD 57243
605-532-3230

Subject: Request for Deobligation of Funds, C461277-01

Dear Bailey McTigue- Department of Agriculture and Natural Resources,

I am writing to formally request the deobligation of funds associated with the Clean Water Project for the Town of Henry.

After a thorough review of the project, it has been determined that the funds are no longer required due to the scope of work that has changed. As a result, the obligated funds in the amount of \$2,000,000.00 (C461277-01) are no longer necessary and should be deobligated.

Brandon Schmid, SPN Helm's Engineers & Surveyors, has the supporting documentation to assist in processing this request.

We kindly request that you confirm receipt of this letter and provide an update on the status of the deobligation process. Should you require further information or documentation, please do not hesitate to contact me at 605-532-3230 or townofhenry@itctel.com.

Thank you for your prompt attention to this matter. I appreciate your cooperation.

Sincerely,



Amber Dill
Finance Officer
Town of Henry

June 26, 2025

Item 15

TITLE:	Lincoln County Rural Water System Request to Deobligate Drinking Water SRF Loan C462445-05
EXPLANATION:	<p>On September 26, 2024, the Board of Water and Natural Resources awarded Lincoln County Rural Water System with a \$1,740,000 Drinking Water SRF loan for its Veterans Parkway relocation project.</p> <p>On May 5, 2025, DANR staff received a letter from Lincoln County Rural Water System, stating the System will not be utilizing the Drinking Water SRF loan funds correlating to the Veterans Parkway relocation project due to finding funding elsewhere and requesting to deobligate the \$1,740,000 Drinking Water SRF loan.</p>
RECOMMENDED ACTION:	Rescind Resolution #2024-141 which awarded the Drinking Water SRF loan for the project.
CONTACT:	Holly Briggs, 773-6110



27066 Henry Pl. • Sioux Falls, SD 57108 • (605) 767-2966 • office@lincolncoruralwater.com

May 5, 2025

South Dakota Board of Water and Natural Resources
523 East Capitol Ave
Pierre, SD 57501

RE: Lincoln County Rural Water System

To whom it may concern,

Lincoln County Rural Water System, Inc. (LCRWS) on September 26, 2024 was awarded a \$1,740,000 Drinking Water SRF loan at 4.75% for 30 years. Due to the increased interest rates for rural water systems, we decided to explore other funding sources. LCRWS recently secured funding for this project through USDA Rural Development, and therefore, are requesting the Board of Water and Natural Resources de-obligate this specific funding request. Please let us know if you have any questions or need additional information.

Sincerely,

Lincoln County Rural Water System



Robin Dykstra, Manager

June 26, 2025

Item 16

TITLE: Vermillion Request to Deobligate Clean Water SRF Loan C461022-13

EXPLANATION: In March 2024, the Board of Water and Natural Resources awarded Vermillion a \$4,211,500 Clean Water SRF loan for its Northeast Sanitary Sewer Basin extension project.

On April 14, 2025, DANR staff received a letter from Vermillion requesting to deobligate loan C461022-13 stating that the funds are no longer required due to the developer changing their plans for the sewer installation in the project area.

RECOMMENDED ACTION: Rescind Resolution #2024-61 which awarded the Clean Water SRF loan for this project.

CONTACT: Tina McFarling, 773-4216



25 Center Street • Vermillion, SD 57069

Ph: 605.677.7050 • Fax: 605.677.5461

Info@cityofvermillion.com

www.vermillion.us

April 14, 2025

Jerry Soholt, Chairman
Board of Water and Natural Resources
Joe Foss Building
523 E. Capitol Ave.
Pierre, SD 57501

RE: Northeast Sanitary Sewer Basin Extension Project Funding Application

Dear Chairman Soholt:

The City of Vermillion submitted a Sanitary/Storm Facilities Funding applications for the Northeast Sewer Basin project by the January 1, 2024, application deadline. At the March 2024 Board of Water and Natural Resources (BWNR) meeting this project was awarded \$4,211,500.

The City of Vermillion respectfully requests that the Northeast Sewer Basin CW-13 to be de-obligated. This is due to a developer changing the plans for their facility.

The City of Vermillion greatly appreciates the time and effort the Department of Agriculture and Natural Resources (DANR) staff have provided in reviewing the Northeast Sewer Basin application.

If you have questions concerning this application, please feel welcome to contact me at (605) 677-7092 or at katier@cityofvermillion.com.

Sincerely,

A handwritten signature in black ink that reads "Katie E. Redden".

Katie Redden
Finance Officer
City of Vermillion