



BOARD OF WATER AND NATURAL RESOURCES

June 25, 2026

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 25, 2026

1:00 p.m. CT

1. Call Meeting to Order and Roll Call
2. Approve Agenda
3. Approve Minutes of March 26, 2026 Board Meeting
4. Public Comment Period
5. Amendment to the FY 2025 Clean Water SRF and FY 2025 Drinking Water SRF Intended Use Plans – Andy Bruels
6. Amendments to the State Water Plan, FY 2026 Clean Water SRF, and FY 2026 Drinking Water SRF Intended Use Plans – Andy Bruels
 - a. Crooks
 - b. Milbank
 - c. Randall Community Water District
 - d. Webster
 - e. White
7. Amendment to Shared Resources, Inc. ARPA Grant #2022G-ARP-192 – Andy Bruels
8. Sanitary/Storm Sewer Facilities Funding Applications – Tina McFarling
 - a. Sioux Falls (20)
 - b. Hecla (6)

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. Solid Waste Management Program Funding Applications – Andy Bruels
 - a. Department of Agriculture and Natural Resources
10. Update Authorized Representatives to Act on Behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District – Tina McFarling
11. Planning District Joint Powers Agreements for State Revolving Fund Application and Administration and Davis-Bacon Monitoring – Andy Bruels
12. South Eastern Council of Governments Private Entity Loan Review Joint Powers Agreement – Andy Bruels
13. Dupree Request to Deobligate Clean Water SRF Loan C461247-03 – Tina McFarling
14. Hecla Request to Deobligate Clean Water SRF Loan C461276-03 – Tina McFarling
15. Presho Request to Deobligate Consolidated Loan 2023L-203 – Tina McFarling
16. South Dakota’s Surface Water Quality Assessment and Water Quality Improvement/Protection Strategies Informational Briefing – Josh Strobel and Paul Lorenzen
17. Upcoming Meetings - September 24-25, 2026 – Tina McFarling
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 26, 2026
10:00 a.m. Central Time

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

CALL MEETING TO ORDER: Secretary Todd Bernhard called the meeting to order. The roll was called, and a quorum was present.

Mr. Bernhard stated that Chairman Soholt and Vice Chairman Gene Jones, Jr. were unable to attend the meeting. He requested that the board appoint a temporary chairman.

Motion by Jennings, seconded by Becker, to appoint Gary Drewes as temporary chairman for this meeting. The motion carried unanimously.

BOARD MEMBERS PRESENT: Cameron Becker, Todd Bernhard, Gary Drewes, Bruce Jennings, and Jackie Lanning.

BOARD MEMBERS ABSENT: Jerry Soholt and Gene Jones, Jr.

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

OTHERS: See attached attendance sheet.

APPROVE AGENDA: Motion by Bernhard, seconded by Lanning, to approve the agenda. A roll call vote was taken, and the motion carried unanimously.

APPROVE MINUTES OF JANUARY 8, 2026, AND FEBRUARY 26, 2026, MEETINGS: Motion by Jennings, seconded by Bernhard, to approve the minutes of the January 8, 2026, and February 26, 2026, Board of Water and Natural Resources meetings. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

Tina McFarling announced that Legislative Oversight Committee members Senator Mehlhaff and Representative Uhre-Balk were present for the meeting.

Ms. McFarling reported that Jon Peschong was hired as accountant manager and Megan Briggs resigned as grant and loan specialist.

UPDATE AND AMEND ASSURANCES, TERMS, AND CONDITIONS FOR THE CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM AND THE SOLID WASTE MANAGEMENT PROGRAM: Ms. McFarling reported that the Assurances, Terms, and Conditions for the Consolidated Water Facilities Construction Program and Solid Waste Management Program last had significant updates in November 2016. Since that time there have been changes to standards, state contracts, and grant agreement language. The changes are primarily focused on language consistency and placement within the document. These changes are to ensure future grant agreements are in compliance with current state standards.

A new set of Assurances, Terms, and Conditions for the Consolidated Water Facilities Construction Program and Solid Waste Management Program have been prepared with the help of legal counsel. Other revisions involved minor grammatical changes, new section headings, and updating section references. A draft of the proposed updates for both documents was included in the board packet.

Staff recommended the board adopt the new Assurances, Terms and Conditions for the Consolidated Water Facilities Construction Program and Solid Waste Management Program.

Motion by Becker, seconded by Jennings, to adopt the new Assurances, Terms and Conditions for the Consolidated Water Facilities Construction Program and Solid Waste Management Program. A roll call vote was taken, and the motion carried unanimously.

UPDATE AUTHORIZED REPRESENTATIVES ACT ON BEHALF OF THE BOARD OF WATER AND NATURAL RESOURCES AND THE SOUTH DAKOTA CONSERVANCY DISTRICT: In May 2019, staff worked with the Attorney General's Office to create a document that designates authorized representatives to perform specific duties on behalf of the Board and the District. Specific staff are authorized to perform duties on behalf of the Board of Water and Natural Resources (the "Board") and the South Dakota Conservancy District (the "District") through a series of forms from the Trustee, U.S. Bank, and designation letters from the Department Secretary.

Ms. McFarling stated that, due to staff changes, the Authorized Representatives document needs to be updated. The document outlining the designated staff for certain activities was included in the board packet.

Motion by Jennings, seconded by Lanning, to approve the updated Authorized Representatives document outlining authority for staff to perform specific duties on behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District. A roll call vote was taken, and the motion carried unanimously.

LEGISLATIVE UPDATE: Ms. McFarling provided an update on the following bills that were passed during the 2026 Legislative Session.

SB 37 – An Act to make appropriations for water and environmental purposes and to declare an emergency.

The bill passed as presented, which was consistent with the Board of Water and Natural Resources’ recommendations for the Omnibus Bill. The emergency clause allows for the use of funds prior to July 1st.

SB 222 – An Act to make an appropriation for eligible water, wastewater, storm water, and riparian buffer initiative projects and to declare an emergency.

This bill allocates \$2,000,000 in general funds to the board to award as grants for water, wastewater or solid waste projects and allocates \$8,000,000 to DANR for the riparian buffer initiative projects. The emergency clause allows for the use of funds prior to July 1st.

SB 231 – An Act to create the water infrastructure development fund, to provide an appropriation, to provide for the awarding of grants and loans from the fund for certain rural water projects and to declare an emergency.

The bill creates the water infrastructure development fund and authorizes the Board of Water and Natural Resources to award grants and loans from the fund. The bill allocates \$3,000,000 from the general fund. Expenditures must be for construction, planning, and development of rural water projects.

MEETING SCHEDULE FOR SFY 2027: Ms. McFarling noted that each year the board establishes a tentative meeting schedule for the coming fiscal year. The following meeting dates are proposed for the board’s consideration for SFY 2027.

- September 24-25, 2026
- November 5, 2026
- January 7, 2027
- March 24-25, 2027 (Wed/Thurs.) due to Easter
- June 24-25, 2027

Staff recommended the board set the tentative SFY 2027 schedule for meetings.

Motion by Bernhard, seconded by Lanning, to approve the tentative meeting schedule for SFY 2027. A roll call vote was taken, and the motion carried unanimously.

AMENDMENT TO RANDALL COMMUNITY WATER DISTRICT ARPA GRANT

#22G-ARP-439: Andy Bruels reported that the American Rescue Plan Act (ARPA) funds were originally provided from the \$600,000,000 by the 2022 Senate Bill 62.

During the 2023 legislative session Senate Bill 20 was passed to provide the board discretion on the reallocation of those funds. Reallocated funds may only be provided to existing ARPA grant recipients to meet U.S. Treasury requirements. There is currently \$645,340.55 in unobligated ARPA funds due to some portions of other projects being deobligated.

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. The project received two additional Drinking Water SRF loans totaling \$50,000,000, which were needed for the full project scope.

In June 2024 the ARPA grant was amended to award an additional \$10,000,000 and amended again in May 2025 to award an additional \$1,165,550.05, bringing the total ARPA grant to \$22,422,375.05.

Randall Community Water District has submitted a request for additional ARPA grant consideration.

This project is 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 a storage facility near Platte to the existing tank near Stickney. The proposed improvements will provide enough capacity for 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. There are remaining eligible costs to use additional ARPA grant funds.

Staff recommended awarding an additional \$645,340.55 in ARPA grant funds, bringing the total ARPA grant to \$23,067,715.60.

Greg Powell with Pinpoint Corporation and representing Randall Community Water District discussed the project and thanked the board for considering additional ARPA funding for the project.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-18** approving the Third Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-439 increasing the total grant amount to \$23,067,715.60 for **Randall Community Water District**. A roll call vote was taken, and the motion carried unanimously.

AMENDMENTS TO STATE WATER PLAN, 2026 CLEAN WATER SRF AND 2026 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 2027.

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 (IUP). The State Water Plan applications are

used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists

Three State Water Plan applications were received by the February 1, 2026, 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
Clay Rural Water System	Elk Point’s existing wells and storage tanks do not have sufficient capacity to meet their peak day usage needs. The raw water from the wells has water quality issues related to hardness, iron, and manganese. The city’s existing treatment plant is at the end of its useful life and not able to be expanded for additional capacity. The city would like to pursue connection to the Clay Rural Water System for bulk water supply and construct a new water storage tower to meet peak day demands. The connection portion of the project from Clay RWS to Elk Point for a new water source is eligible for emerging contaminants funding due to manganese issues.	\$16,932,500	Place on the Facilities Plan
Elk Point	Elk Point’s existing wells and storage tanks do not have sufficient capacity to meet their peak day usage needs. The raw water from the wells has water quality issues related to hardness, iron, and manganese. The city’s existing treatment plant is at the end of its useful life and not able to be expanded for additional capacity. The city would like to pursue connecting to the Clay Rural Water System for bulk water supply and construct a new water storage tower to meet peak day demands. The connection portion of the project from Clay RWS to Elk Point for a new water source is eligible for emerging contaminants funding due to manganese issues.	\$15,912,000	Place on the Facilities Plan

Hecla	Hecla proposes to replace 400 feet of sanitary sewer, re-route 850 feet of sanitary sewer to avoid conflicts with other facilities, and replace the existing lift station that is beyond its useful life.	\$2,500,000	Place on the Facilities Plan
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Motion by Becker, seconded by Lanning, to place the three projects on the 2026 State Water Facilities Plan. A roll call vote was taken, and the motion carried unanimously.

Clean Water SRF IUP

Mr. Bruels stated that staff recommended adjustments to actual FFY 2026 SRF allotment levels throughout the narrative sections of the Clean Water SRF Intended Use Plan. These changes were made based on the approved SRF Program amounts by Congress.

An adjustment to the source of the Administrative Set-Aside funds will be made due to the changed grant amounts. The total amount of \$600,000 will remain the same.

Elkton received a previous Clean Water SRF loan and a Clean Water SRF Water Quality grant to make improvements to its sanitary and storm sewer collection systems. During bidding the project a portion of the work scope was removed from the bid due to increased project costs. Elkton has submitted a new funding application to fully fund the remaining work included in the original funding application which was presented later in the board meeting. Additional funds necessary are estimated at \$1,225,000.

Staff recommended that the following projects be added to Attachment I – Project Priority list of the 2026 Clean Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
8	Elkton	\$1,225,000	4.00%, 30 years
8	Hecla	\$2,500,000	4.00%, 30 years

Motion by Jennings, seconded by Bernhard, to approve the changes to the narrative and place the two projects on the Project Priority List of the 2026 Clean Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

Drinking Water SRF IUP

Mr. Bruels stated that staff recommended adjustments to actual FFY 2026 SRF allotment levels throughout the narrative of the Drinking Water SRF Intended Use Plan. These changes are made based on the approved SRF Program amounts by Congress.

Belle Fourche received a previous Drinking Water SRF loan to replace a well. Due to increased project costs, Belle Fourche has submitted a new funding application to fully fund the total project which was presented later in the board meeting.

Elkton received a previous Drinking Water SRF loan to make improvements to its drinking water distribution system. During bidding the project a portion of the work scope was removed from the bid due to increased project costs. Elkton has submitted a new funding application to fully fund the remaining work included in the original funding application which was presented later in the board meeting.

Vermillion received a previous Drinking Water SRF loan to make improvements to its water treatment plant and replace some watermain in the city. Due to increased project costs Vermillion has submitted a new funding application to fully fund the estimated costs.

Staff recommended that the following projects be added to Attachment I – Project Priority list of the 2026 Drinking Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
211	Clay Rural Water System	\$16,932,500	5.00%, 30 years
149	Elk Point	\$15,912,000	3.75%, 30 years
63	Vermillion	\$1,015,000	3.50%, 30 years
22	Belle Fouche	\$623,000	3.50%, 30 years
19	Elkton	\$1,375,000	4.00%, 30 years

Motion by Lanning, seconded by Becker, to approve the changes to the narrative and to place the four projects on the Project Priority List of the 2026 Drinking Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

DAKOTA MAINSTEM REGIONAL WATER SYSTEM STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT AMENDMENT: Mr. Bruels reported that in the Omnibus the 2024 Legislature approved placement of Dakota Mainstem Regional Water System on the State Water Resources Management System (SWRMS) list and 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. The board placed those funds under agreement in March 2025.

The 2026 State Legislature appropriated an additional \$750,000 in grant funds for the Dakota Mainstem Regional Water System study.

Dakota Mainstem Regional Water System is a non-profit entity. Members include municipalities, rural water systems, water associations, water districts, tribal systems, and others.

The final membership has not been set, and canvassing of interested members is currently ongoing. Dakota Mainstem intends to conduct a feasibility study to determine the viability and costs to provide water and system interconnects throughout east central and southeastern South Dakota, northwestern Iowa, southwestern Minnesota, and a small portion of northern Nebraska to ensure water availability to meet current user needs and to provide for future growth in the region.

The department received a request from the Dakota Mainstem Regional Water System to place the \$750,000 appropriation under agreement. The second amendment to the grant agreement was drafted with the assistance of legal counsel.

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

Kurt Pfeifle, executive director, Dakota Mainstem Regional Water System, provided an update on the project and thanked the board for its continued support.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-19** approving the Second Amendment to the State Water Resources Management System grant agreement to the **Dakota Mainstem Regional Water System** for an additional \$750,000 in grant funding for the 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. A roll call vote was taken, and the motion carried unanimously.

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES NEW STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that the 2026 State Legislature appropriated \$500,000 for the development of an online GIS-based wetland screening tool by DANR's Water Quality program. This funding was provided through the State Water Resources Management System component of the State Water Plan under Statewide Hydrology and Water Management Studies. The appropriation language authorized the board to provide the grant for up to one hundred percent of the nonfederal cost of the model development.

The grant will be utilized for the creation of an online wetland screening tool. South Dakota currently lacks a high-resolution map showing where wetlands are located. It is important to map wetlands and understand how they are connected to other protected waters. Currently, the National Wetlands Inventory (NWI), managed by the U.S. Fish and Wildlife Service, provides the only statewide wetland data, but it has been shown to be inaccurate and outdated. Development of an online wetland screening tool will utilize data sources, including existing field-level wetland delineations, to inform and improve the model's accuracy and will be built upon in the future as well. The tool will allow state and federal regulatory staff, local planning departments, developers, landowners, consultants, and the public to understand where wetland resources currently exist.

The department requested that the board place this appropriation under agreement. A grant agreement was drafted with the assistance of legal counsel.

Staff recommended approval of a resolution authorizing the chairman to execute the State Water Resources Management System grant agreement with the Department of Agriculture and Natural Resources.

Mark Mayer, Director, DANR Office of Water, discussed the project.

Motion by Becker, seconded by Jennings, to adopt **Resolution No. 2026-20** approving the State Water Resources Management System grant agreement to the **Department of Agriculture and Natural Resources** for a grant not to exceed \$500,000 to create an online wetland screening tool, and authorizing the chairman of the board to execute the amended Water Resources Management System grant agreement. A roll call vote was taken, and the motion carried unanimously.

DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT AMENDMENT: Mr. Bruels reported that the 2022 State Legislature appropriated \$1,021,500 for the drilling and development of new ground water observation wells and improvements to existing wells for DANR's Water Rights program. The funding was provided through the State Water Resources Management System component of the State Water Plan under the Statewide Hydrology and Water Management Studies Project. The board placed these funds under agreement in March 2022. The current grant end date is May 31, 2026.

The department requested that the board extend the grant deadline to May 31, 2028, and amend Exhibit A, the scope of work.

The time extension of the grant deadline is allowable under the rules and laws, and it will provide additional time. The amendment to Exhibit A is necessary because previous efforts to secure qualified well drillers for both new observation wells and refurbishments were unsuccessful due to limited contractor availability. Staff have evaluated strategies to restructure the work into multiple bid packages to improve participation while still meeting program goals.

The first amendment to the grant agreement was drafted with the assistance of legal counsel.

Staff recommended the approval of a resolution authorizing the chairman to execute the First Amendment to the State Water Resources Management System Grant Agreement with the Department of Agriculture and Natural Resources.

Mark Mayer discussed the project and the reasons for requesting the grant deadline amendment.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-21** approving the First Amendment to the State Water Resources Management System grant agreement to the **Department of Agriculture and Natural Resources** extending the grant deadline to May 31, 2028, and amending Exhibit A, the scope of work, and authorizing the chairman of the board to

execute the amended Water Resources Management System grant agreement. A roll call vote was taken, and the motion carried unanimously.

WATERTOWN STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT AMENDMENT: Mr. Bruels stated that the 2022 State Legislature appropriated \$249,727 in grant funds for the Watertown & Vicinity Big Sioux Flood Control Study, and in 2023 the State Legislature appropriated an additional \$200,273. The board placed these funds under agreement with the city of Watertown in March 2022 and amended the agreement to provide an additional \$200,273 in March 2023.

The 2026 State Legislature appropriated \$175,000 in grant funds for the Watertown & Vicinity Big Sioux Flood Control Study. These funds are for the feasibility level study update of the Watertown & Vicinity Big Sioux Flood Control Study, which is being completed by the United States Army Corps of Engineers. The Corps of Engineers completed a feasibility report and cost-benefit study in the 1990s.

In 2015, the Corps proposed a \$1.05 million update to prepare an integrated Feasibility Study and Environmental Assessment to evaluate alternatives, identify the national economic development plan and alternatives, and recommend a project plan. The Corps of Engineers did not receive funding during 2015.

Based on 2025 Corps of Engineers' estimates the total study cost is \$2,650,000, with the non-federal share being \$1,250,000. The additional costs are primarily due to additional alternatives that the Corps of Engineers and the city wanted to further look at from what had originally been evaluated. That was based on public comment and other feedback from interested parties and adjustments to make sure that any project that would potentially move forward is the right project to minimize impacts to all.

The state cost share commitment on flood control projects has been 50 percent of the non-federal cost share required. This \$175,000 will take the total funding from the state to \$625,000, which is 50 percent of the non-federal cost share required.

The department received a request from the city of Watertown to place the 2026 appropriation under agreement. The second amendment to the grant agreement was drafted with the assistance of legal counsel.

Staff recommended approval of a resolution authorizing the chairman to execute the State Water Resources Management System Grant Agreement Second Amendment with the city of Watertown.

Justin Petersen, Watertown city engineer, discussed the project and thanked the board for continued support of the flood control study.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2026-22** approving the Second Amendment to the State Water Resources Management System grant agreement to the **city of Watertown** for an additional grant not to exceed \$175,000 for the Watertown & Vicinity

Big Sioux Flood Control Study, and authorizing the chairman of the board to execute the amended Water Resources Management System grant agreement. A roll call vote was taken, and the motion carried unanimously.

WATER INVESTMENT IN NORTHERN SOUTH DAKOTA (WINS) STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT AMENDMENT: Mr. Bruels stated that the 2023 State Legislature placed the WINS project on the State Water Resources Management System and appropriated \$5,000,000 in grant funds. The 2024 State Legislature appropriated \$5,000,000, and the 2025 State Legislature appropriated \$2,000,000 in grant funds for the project.

The 2026 State Legislature appropriated an additional \$2,000,000 in grant funds for the WINS project.

The WINS project is a collaborative effort between WEB Water Development Association, the city of Aberdeen, and BDM Rural Water. The project will provide 42.1 million gallons of water per day 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 or control facilities, a pressure reducing facility, and 148 miles of pipeline ranging in size from 20-inch to 54-inch. The primary focus of the funds currently is on pipeline segments in the Bowdle and Ipswich areas that parallel existing WEB lines and increase capacity in the existing system that will allow a portion of the water to be provided to Aberdeen

The department has received a joint request from the three project sponsors to place the 2026 appropriation under agreement. The third amendment to the grant agreement has been drafted with the assistance of legal counsel.

Staff recommended approval of a resolution authorizing the chairman to execute the State Water Resources Management System Grant Agreement Third Amendment with the joint project sponsors.

Shane Phillips, general manager of the WEB Water Development Association, Inc., discussed the project and thanked the board and DANR staff for supporting the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-23** approving the Third Amendment to the State Water Resources Management System grant agreement to the **city of Aberdeen, BDM Rural Water System, and WEB Water Development Association, Inc.** for an additional grant not to exceed \$2,000,000 for the Water Investment in Northern South Dakota project, and authorizing the chairman of the board to execute the amended Water Resources Management System grant agreement. A roll call vote was taken, and the motion carried unanimously.

DEER MOUNTAIN SANITARY DISTRICT REQUEST FOR LOAN PAYMENT AMENDMENT TO LOANS C462485-01, C462485-02, and C462485-03: Ms. McFarling reported that on March 3rd, 2026, the president of Deer Mountain Sanitary District sent a letter requesting that the payment dates for the three Drinking Water SRF loans be amended from

quarterly payments to bi-annual payments in May and November. The loans being amended are the Drinking Water-01 loan, which closed June 25, 2021, the Drinking Water-02 loan, which closed June 23, 2023, and the Drinking Water-03 loan, which closed August 22, 2025.

This change will align the payments for the above loans to coincide with Deer Mountain Sanitary District's receipt of tax payments from the Lawrence County auditor.

Staff recommended approval of the request authorizing Deer Mountain Sanitary District's loan agreements be amended to allow payment date changes to bi-annual in May and November for the three drinking water loans; C462485-01, C462485-02, and C462485-03.

Motion by Jennings, seconded by Becker, to approve amendment of Deer Mountain Sanitary District's loan agreements to allow payment date changes to bi-annual in May and November for Drinking Water SRF loans C462485-01, C462485-02, and C462485-03. A roll call vote was taken, and the motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Prior to presenting the applications and staff recommendations for funding, Mr. Bruels provided an overview of available funds.

Brookings-Deuel Rural Water System (RWS) requested funding to install a new looped system in the Elkton service area, which includes the town of Ward, to provide water to Ward and allow them to remove the existing water source from use. The town of Ward currently operates its own water supply and is experiencing manganese levels that exceed the National Secondary Drinking Water standards.

The estimated total project amount is \$1,400,000, and the amount requested is \$1,300,000. The remaining \$100,000 will come from local funds

The manganese levels in Ward's current water source are above National Secondary Drinking Water Standards. While not a primary drinking water standard manganese is considered an Emerging Contaminant by EPA. This designation allows the use of the Drinking Water SRF I/JA Emerging Contaminants funds for this project, which are required to be provided at 100 percent principal forgiveness when utilized. The other requirement of these funds is that the funding must be provided to or for the benefit of a small or disadvantaged community. Ward qualifies as both, so since the funding is being provided to Brookings-Deuel RWS this project is eligible for these funds.

Staff recommended awarding a \$1,300,000 Drinking Water SRF loan with 100 percent principal forgiveness from the Emerging Contaminants grant.

Brookings-Deuel RWS pledged system revenue for repayment of the loan. Rates are \$57.00 for 5,000 gallons for town users.

Since the funding is to be provided with 100 percent principal forgiveness there is no financial impact to Brookings-Deuel RWS. Ward users may see some additional costs associated with

connection to Brookings-Deuel RWS. Ward currently charges residential users based on flat rate of \$25.00 per month for water. Ward's population is 41, and the town serves 28 customers. Brookings-Deuel RWS bulk usage rates for town users would be \$57.00 per 5,000 gallons. If added entirely to the maximum current rates, the rate would still be less than \$72.00 per month combined. With the removal of wells and source impacts they should be able to reduce costs.

It is anticipated that if Ward were to construct its own treatment improvements the capitol costs would be more than \$4.2 million in total. Ongoing operational costs for Ward to operate its own treatment system would also require additional costs. A comparison of the 15-year present worth analysis for both options shows an annual equivalent cost increase for Ward to construct its own treatment of nearly five times more than connecting to Brookings-Deuel RWS.

Staff recommended awarding the loan 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.

Patrick Deering, DGR Engineering, discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-24** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,300,000 with up to 100 percent principal forgiveness to **Brookings-Deuel Rural Water System** to install a new looped system in the Elkton service area, so it can provide water to the town of Ward, 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. A roll call vote was taken, and the motion carried unanimously.

WEB Water Development Association requested funding to replace Wecota's existing water system with new water lines and install new water meters, pits and valves for all users. WEB Water Association currently serves Wecota as a Class C Bulk User. Following completion of the project WEB water will serve Wecota as individual members instead of a bulk user.

The estimated total project amount is \$363,000, and the amount requested is \$363,000.

Following completion of the project WEB will serve and charge Wecota customers as individual users. Any debt that would be incurred for the project would be assessed directly to those 10 users. If subsidy can be provided for a portion of the project, WEB indicated that it would be interested in using some of its own local cash to remove any required debt. Every \$100,000 in debt would increase rates for Wecota by \$59.15 per user. The consolidation will also allow

Wecota to no longer be responsible for operation of a public water system and meeting current and future regulations.

Staff recommended awarding a Consolidated grant up to 80 percent of the total project costs not to exceed \$290,400.

Mr. Bruels noted that the maximum award allowable from the Consolidated program, by law, is 80.0 percent of project costs or \$2,000,000 per individual project.

WEB's rates are \$99.50 for 7,000 gallons. Based on the staff recommendation and prior discussions with WEB, the \$72,600 not recommended for funding would be provided by WEB to complete the project. If this was incurred as debt and charged to Wecota users, it would increase rates by \$42.95 in addition to the normal rates for a total of \$142.45. With the staff recommendation, that additional \$42.95 will not be necessary, and Wecota users will be treated as regular WEB individual users.

Shane Phillips, general manager of WEB Water Development Association, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2026-25** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and **WEB Water Development Association** for up to 80.0 percent of approved total project costs not to exceed \$290,400 for the Wecota drinking water improvements and consolidation project. A roll call vote was taken, and the motion carried unanimously.

Bryant requested funding for upgrades to its water distribution system, including replacing several blocks of aging infrastructure. The project also includes adding system looping and upgrading the existing water main to a 6-inch main, along with installing new fire hydrants, valves, and renewed or replaced service lines. Portions of this project will be completed in conjunction with the wastewater project, which was presented to the board later in the meeting.

The estimated total project amount is \$2,643,000, and the amount requested is \$2,643,000.

Staff recommended awarding a \$2,643,000 Drinking Water SRF loan at 3.50 percent interest for 30 years with 80.1 percent as principal forgiveness not to exceed \$2,116,000.

Bryant pledged a project surcharge for repayment of the loan. Rates are \$71.80 for 5,000 gallons. Staff analysis indicates a surcharge of \$10.15 is needed for repayment of the \$527,000 loan. Staff believe Bryant can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates of \$76.60 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 2026 Drinking Water SRF capitalization grant.

Karen Guest, IMEG, discussed the project and thanked the board for consideration of funding for the project. Also, present were Carter Klapperich, IMEG, Mayor Noem, and Finance Officer Kristie Sikkink.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2026-26** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,643,000 at 3.50 percent interest for 30 years with 80.1 percent as principal forgiveness not to exceed \$2,116,000 to the **city of Bryant** for Phase 2B of a drinking water improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2026 Drinking Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Canistota requested funding to remove approximately 2,800 feet of water main, install 470 feet of 6-inch water main, install 6,950 feet of 8-inch water main, and remove the existing water tower and replace it with a 50,000-gallon elevated water tower. Portions of this project will be completed in conjunction with the wastewater project, which was presented later in the meeting.

The estimated total project amount is \$7,185,000, and the amount requested is \$7,185,000.

The total requested amount of this project and the wastewater project was larger than DANR staff believed was feasible, especially related to the impacts to user rates, reasonable subsidy, available funding, and similar funding being provided to other communities. Staff worked with the city and its consultant to develop a reduced project scope for a funding award that would still make meaningful improvements to the city's water and wastewater infrastructure. This revised project size for drinking water work is \$3,640,000. To allow the city to potentially complete a slightly larger scope, if positive bids are received and funds are available, DANR intends to include the full scope of the original project in the approval.

Staff recommended awarding a \$3,640,000 Drinking Water SRF loan at 3.75 percent interest for 30 years with 80.0 percent principal forgiveness not to exceed \$2,912,000.

Canistota pledged a project surcharge for repayment of the loan. Rates are \$78.03 for 5,000 gallons. Staff analysis indicates a surcharge of \$11.80 is needed for repayment of the \$728,000 loan bringing rates to \$89.85 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 2026 Drinking Water SRF capitalization grant.

Gabe Laber, HDR Engineering, discussed the project and thanked the board for consideration of funding. Mayor Engbarth and Darin Nugteren, utility manager were also present.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-27** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,640,000 at 3.75 percent interest for 30 years with 80.0 percent principal forgiveness not to exceed \$2,912,000 to the **city of Canistota** for Phase 4 of a street and utility 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 2026 Drinking Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Clear Lake requested funding to improve the existing water distribution system in the southeast part of the city. This includes removal of existing cast iron and asbestos-cement pipe and replacing it with PVC pipe and associated valves, services, hydrants, and other appurtenances. Portions of this project will be completed in conjunction with a storm water project, which was presented to the board later in the meeting.

The estimated total project amount is \$2,696,900, and the amount requested is \$2,696,900.

Staff recommended awarding a \$2,496,000 Drinking Water SRF loan at 4.00 percent interest for 30 years with 54.6 percent principal forgiveness not to exceed \$1,361,000 and awarding a Consolidated grant at 7.5 percent of total project costs not to exceed \$200,000.

Clear Lake pledged a project surcharge for repayment of the loan. Rates are \$86.35 for 5,000 gallons. Staff analysis indicates a surcharge of \$9.65 is needed for repayment of the loan. The current revenues do appear sufficient to allow a restructure of the current user rates to cover this surcharge, other debt, and ongoing operational costs. This would allow total rates to remain at \$86.35.

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 2026 Drinking Water SRF capitalization grant.

Finance Officer Mary Krueger, thanked the board for consideration of funding. Mayor Lisa Lineberg was also present.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2026-28** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,496,000 at 4.00 percent interest for 30 years with 54.6 percent principal forgiveness not to exceed \$1,361,000 to the **city of Clear Lake** 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 2026 Drinking Water SRF capitalization grant; and to adopt **Resolution No. 2026-29** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Clear Lake** for up to 7.5 percent of the total project costs not to exceed \$200,000 for water distribution system improvements. A roll call vote was taken, and the motion carried unanimously.

Salem requested funding for improvements to its water wells to increase well spacing, reduce drawdown effects, and replace wells that are currently in operation nearing their useful life. The project also involves installing monitoring equipment at each well site such as flow meters and level transducers. The proposed improvements will enhance water quality by reducing iron and manganese levels.

The estimated total project amount is \$2,100,000, and the amount requested is \$2,100,000.

Staff recommended awarding a \$2,100,000 Drinking Water SRF loan at 3.75 percent interest for 30 years with 47.7 percent principal forgiveness not to exceed \$1,000,000.

Salem pledged a project surcharge for repayment of the loan. Rates are \$88.69 for 5,000 gallons. Staff analysis indicates a surcharge of \$8.50 is needed for repayment of the \$1,100,000 loan. Staff believe the city can restructure its current rates for a reduction and include the surcharge as well as operational, maintenance, and debt costs with total rates of \$81.00 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 2026 Drinking Water SRF capitalization grant.

Trent Bruce, DGR Engineering, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-30** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,100,000 at 3.75 percent interest for 30 years with 47.7 percent principal forgiveness not to exceed \$1,000,000 to the **city of Salem** for water source 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 2026 Drinking Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Viborg requested funding for Phase 2 of a Drinking Water improvements project. The Phase 2 project involves installing approximately 3,000 feet of 6-inch water main along with valves, hydrants and related appurtenances with reconstruction of the impacted roadways. Portions of this project will be completed in conjunction with a wastewater project, which was presented to the board later in the meeting.

The estimated total project amount is \$2,226,900, and the amount requested is \$2,226,900.

Staff recommended awarding a \$2,226,000 Drinking Water SRF loan at 3.50 percent interest for 30 years with 49.2 percent principal forgiveness not to exceed \$1,093,000.

Viborg pledged a project surcharge for repayment of the loan. Current rates are \$45.79 for 5,000 gallons. Staff analysis indicates a surcharge of \$13.45 is needed for repayment of the loan.

Mr. Bruels noted that Viborg has an additional drinking water funding application with additional debt anticipated. That application was presented to the board later in the meeting. Staff analysis indicates total rates with both associated loans will be \$65.00.

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 2026 Drinking Water SRF capitalization grant.

Pat Carey, Banner Associates, discussed the project and thanked the board for consideration of funding.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2026-31** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,226,000 at 3.50 percent interest for 30 years with 49.2 percent principal forgiveness not to exceed \$1,093,000 to the **city of Viborg** for Phase 2 of a water distribution 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 2026 Drinking Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Brookings-Deuel RWS requested funding to relocate and replace lines along Highway 15 in the Altamont area in conjunction with SD Department of Transportation's reconstruction of the

highway near Clear Lake. The rural water system also plans to increase pipe sizing, which will increase a nearby reservoir's fill rate and allow Wells 4 and 5 to run more consistently.

The estimated total project amount is \$5,550,000, and the amount requested is \$4,700,000. SD Department of Transportation will contribute \$750,000 to the project, and \$100,000 in local cash will be used for the project.

Staff recommended awarding a \$4,700,000 Drinking Water SRF loan at 4.75 percent interest for 30 years.

Mr. Bruels noted that the 4.75 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 of Water and Natural Resources has adopted rates to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction. As a private, non-profit entity Brookings-Deuel RWS is subject to that interest rate for taxable borrowers.

Brookings-Deuel RWS pledged system revenue for repayment of the loan. Current rates are \$79.80 for 7,000 gallons. Staff analysis indicates that, based on the debt associated with this request, Brookings-Deuel RWS has 134 percent debt coverage at current rates and revenues, which exceeds the required 110 percent.

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 Cobank, Brookings-Deuel RWS, and the Conservancy District.

Patrick Deering, DGR Engineering, discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-32** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,700,000 at 4.75 percent interest for 30 years to **Brookings-Deuel RWS** for Highway 15-Altamont pipeline improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Brookings-Deuel RWS, and the Conservancy District. A roll call vote was taken, and the motion carried unanimously.

Gregory requested funding to install or replace approximately 2,650 feet of aging cast iron and asbestos cement watermain with 6- and 8-inch PVC water main along the community's south

side and northern edge. Portions of this project will be completed in conjunction with a wastewater project, which was presented to the board later in the meeting.

The estimated total project amount is \$975,000, and the amount requested is \$975,000.

Staff recommended awarding a \$975,000 Drinking Water SRF loan at 3.5 percent interest for 30 years.

Gregory pledged a project surcharge for repayment of the loan. Current rates are \$54.40 for 5,000 gallons. Staff analysis indicates a surcharge of \$6.90 is needed for repayment of the loan, which would take total rates to \$61.30.

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. Mayor Al Cerny and Finance Officer Trudy Waterman were also present.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2026-33** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$975,000 at 3.5 percent interest for 30 years to the **city of Gregory** for Phase 2 of a water distribution improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Viborg requested funding for Phase 1 Drinking Water Improvements which involves installing approximately 730 feet of 6-inch and 8-inch PVC water main along with valves and related appurtenances along the north side of Highway 19 in coordination with a SD Department of Transportation road replacement project.

The estimated total project amount is \$479,700, and the amount requested is \$479,700.

Staff recommended awarding a \$479,000 Drinking Water SRF loan at 3.50 percent interest for 30 years.

Viborg pledged a project surcharge for repayment of the loan. Rates are \$45.79 for 5,000 gallons. Staff analysis indicates a surcharge of \$5.75 is needed for repayment of this loan. With the prior funding award and a \$13.45 surcharge DANR staff analysis indicates total rates, with both associated loans, will be \$65.00 for 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.

Pat Carey, Banner Associates, discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-34** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$479,000 at 3.50 percent interest for 30 years to the **city of Viborg** for Phase 1 of a Highway 19 drinking water improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Vermillion requested additional funding for its water treatment plant improvements project. The project includes the replacement of equipment that is deteriorated or nearing the end of design life in both the treatment plant and well field. The project also includes some water lines throughout town. The replaced components will result in upgraded equipment and improved efficiency in the treatment plant.

The estimated total project amount is \$8,015,000, and the amount requested is \$1,015,000. The city will use \$7,000,000 from a previous Drinking Water SRF loan for the project.

Staff recommended awarding a \$1,015,000 Drinking Water SRF loan at 4.00 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Current rates are \$37.61 for 5,000 gallons. Staff analysis indicates a surcharge of \$1.50 is needed for repayment of the loan, which would result in total rates of \$39.11 per 5,000 gallons.

Mr. Bruels noted that based on Vermillion's median household income, the city would typically qualify for a reduced interest rate; however, there is also a requirement to meet minimum rates of \$45.00 for 5,000 gallons. Staff reached out to the city of Vermillion regarding raising the rates further, and the city indicated it would not be interested at this time.

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.

Sean Hegyi, Southeastern Council of Governments, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2026-35** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,015,000 at 4.00 percent interest for 30 years to the **city of Vermillion** for water treatment plant 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. A roll call vote was taken, and the motion carried unanimously.

Belle Fourche requested funding to drill a new well, which will increase water supply to the Hat Ranch Well subdivision. The city was awarded a Drinking Water SRF loan in September 2022 for the well. Belle Fourche is seeking additional funding to complete the project.

The estimated total project amount is \$2,383,000, and the amount requested is \$623,000. The city will also use \$1,760,000 from the 2022 Drinking Water SRF loan for this project.

Staff recommended awarding a \$623,000 Drinking Water SRF loan at 3.50 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$36.10 for 5,000 gallons. Staff analysis indicates a surcharge of \$1.25 is needed for repayment of this loan.

Mr. Bruels noted that Belle Fourche has an additional drinking water funding application that will be presented to the board later in the meeting. DANR staff analysis indicates total rates with from both associated loans will be \$46.70.

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 the borrower establishing minimum rates of \$45.00 per 5,000 gallons usage required to receive the disadvantage community interest rate assistance.

Wayne Tonsager, Finance Officer, discussed the project.

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2026-36** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$623,000 at 3.50 percent interest for 30 years to the **city of Belle Fourche** for a Hat Ranch Well subdivision well, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower establishing minimum rates of \$45.00 per 5,000 gallons usage

required to receive the disadvantage community interest rate assistance. A roll call vote was taken, and the motion carried unanimously.

Elkton requested additional funding for Phase 3 and funding for Phase 4 for replacement of existing water main throughout the city. This portion of the project will focus on 3,590 feet of water main, fire hydrants, and service lines in the right of way. Portions of this project will be completed in conjunction with a wastewater project, which was presented to the board later in the meeting.

The estimated total project amount is \$1,375,000, and the amount requested is \$1,375,000.

Staff recommended awarding a \$512,000 Drinking Water SRF loan at 4.00 percent interest for 30 years and awarding a Consolidated grant up to 62.8 percent of total project costs not to exceed \$863,000.

Elkton pledged a project surcharge for repayment of the loan. Current rates are \$72.00 for 5,000 gallons. Staff analysis indicates a surcharge of \$8.00 is needed for repayment of the loan, which would result in total rates of \$80.00 for 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.

Jeff McCormick, SPN Engineering, thanked the board for consideration of funding for the project. Mayor Charles Redmund and Finance Officer Susan Schuurman were also present.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2026-37** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$512,000 at 4.00 percent interest for 30 years to the **city of Elkton** 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2026-38** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Elkton** for up to 62.8 percent of the total project costs not to exceed \$863,000 for water distribution system improvements. A roll call vote was taken, and the motion carried unanimously.

B-Y Water District requested funding to install automated meter readers to their existing system and upgrade approximately 30 percent of the existing meters for compatibility with the new system, valves, and backflow preventers.

The estimated total project amount is \$6,136,980, and the amount requested is \$6,075,000. B-Y Water District will use \$61,980 from local funds for the project.

Staff recommended awarding a \$6,075,000 Drinking Water SRF loan at 3.25 percent interest for 10 years.

Mr. Bruels noted that the 3.25 percent interest rate is 0.25 percent lower than the standard rate and term. The project has been selected for compliance with Build American, Buy American material procurement requirements. The board has adopted rates to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

B-Y Water district pledged system revenue for repayment of the loan. Rates are \$79.25 for 7,000 gallons. B-Y Water District has an additional funding request, which the board considered later in the meeting. Based on this request and the anticipated request B-Y would have approximately 289 percent debt coverage at current rates and revenues.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, B-Y Water District, and the Conservancy District.

Terry Wooton, General Manager of B-Y Water District, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2026-39** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$6,075,000 at 3.25 percent interest for 10 years to **B-Y Water District** for the purchase and installation of automated meter readers, 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 an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, B-Y Water District, and the Conservancy District. A roll call vote was taken, and the motion carried unanimously.

Belle Fourche requested funding to replace its Springs Waterline, which was constructed in the 1920s and has outlived its useful life. The proposed replacement line will include approximately 25,000 feet of 20-inch diameter pipe. The Springs Waterline replacement project will enable additional water supply and increase the reliability of the system.

The estimated total project amount is \$5,123,000, and the amount requested is \$5,123,000.

Staff recommended awarding a \$5,123,000 Drinking Water SRF loan at 3.25 percent interest for 30 years.

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

Belle Fourche pledged a project surcharge for repayment of the loan. Rates are \$36.10 for 5,000 gallons. Staff analysis indicates a surcharge of \$9.35 is needed for repayment of this loan. With the prior funding awarded and \$1.25 surcharge staff analysis indicates total rates for both associated loans will be \$46.70.

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 the recipient establishing minimum rates of \$45.00 per 5,000 gallons usage required to receive the disadvantage community interest rate assistance.

Wayne Tonsager, Finance Officer, discussed the project.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2026-40** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,123,000 at 3.25 percent interest for 30 years to the **city of Belle Fourche** for the Springs waterline replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the recipient establishing minimum rates of \$45.00 per 5,000 gallons usage required to receive the disadvantage community interest rate assistance. A roll call vote was taken, and the motion carried unanimously.

Valley Springs requested funding to replace approximately 1,100 feet of PVC water mains around the city. Portions of this project will be completed in conjunction with a wastewater project, which was presented to the board later in the meeting.

The estimated total project amount is \$1,261,000, and the amount requested is \$1,261,000.

Staff recommended awarding a \$1,261,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

The 3.75 percent interest rate is 0.25 percent lower than the standard rate and term. The project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted interest rates to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Valley Springs pledged a project surcharge for repayment of the loan. Current rates are \$65.56 for 5,000 gallons. Staff analysis indicates a surcharge of \$18.05 is needed for repayment of the loan. The current revenues do appear sufficient to allow restructuring the rates to cover a portion of this surcharge, other debt, and ongoing operational and maintenance costs. This would allow total rates to be \$73.56.

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.

Sean Hegyi, Southeastern Council of Governments, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2026-41** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,261,000 at 3.75 percent interest for 30 years to the **city of Valley Springs** for a drinking water main replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

B-Y Water District requested funding to relocate pump station and water transmission infrastructure that will be impacted by a SD Department of Transportation project, which consists of grading and surfacing SD Highway 18 from east of SD Highway 37 to SD Highway 25 in 2027.

The estimated total project amount is \$11,576,111, and the amount requested is \$5,300,000. Local funds in the amount of \$46,526 and \$6,229,585 in Department of Transportation funding will also be used for the project.

Staff recommended awarding a \$5,300,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

The 3.75 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 has adopted rates to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

B-Y Water District pledged system revenue for repayment of the project. Rates are \$79.25 for 7,000 gallons. Based on this request and the prior request BY-Water District would have 289 percent debt coverage at current rates and revenues.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, B-Y Water District and the Conservancy District.

Terry Wooton, General Manager of B-Y Water District, discussed the project and thanked the board for consideration of funding.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2026-42** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,300,000 at 3.75 percent interest for 30 years to **B-Y Water District** for a Highway 18 waterline replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, B-Y Water District and the Conservancy District. A roll call vote was taken, and the motion carried unanimously.

Crooks requested funding to replace eight blocks, approximately 4,260 feet, of drinking water lines in the city. The existing lines are over 50 years old and have outlived their useful life. Portions of this project will be completed in conjunction with a wastewater project, which was presented to the board later in the meeting.

The estimated total project amount is \$2,090,000, and the amount requested is \$2,090,000.

Staff recommended awarding a \$2,090,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

The 3.75 percent interest rate is 0.25 percent lower than the standard rate and term. The project has been selected for compliance with Build American, Buy American material procurement requirements. The board has adopted rates to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Crooks pledged a project surcharge for repayment of the loan. Rates are \$77.58 for 5,000 gallons. Staff analysis indicates a surcharge of \$18.15 is needed for repayment of the loan. The current revenues appear to be sufficient to allow restructuring of the current user rates to cover this surcharge, other debt, and ongoing operational costs. This would allow total rates to remain at \$77.58.

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.

Jake Morris, DGR Engineering, discussed the project and thanked the board for consideration of funding. Mayor Butch Oseby was also present.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-43** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,090,000 at 3.75 percent interest for 30 years to the **city of Crooks** for Phase 2 of a drinking water mains replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

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

Whitewood requested additional funding for the wastewater treatment facility project. This project was originally awarded funding in September 2023; however, additional funding is being requested due to changes in the project.

The city has inadequate treatment capabilities to meet effluent limits in its discharge permit. The project consists of two main improvements: 1) installation of a lift station to pump wastewater influent from the primary treatment process into the oxidation ditch and 2) construction and purchase of a 2-channel oxidation ditch to provide treatment to meet ammonia limits.

Updates from the original project that led to this request include modification of site piping that added an increase in site work, additional heater added to the DSB structure, added electric utility costs, and updated contingency costs considering the delay in construction and ensuring the project is fully funded

The estimated total project amount is \$7,107,000, and the amount requested is \$1,942,000. Funds from the previous SRF loan will also be used for the project.

Staff recommended awarding a \$1,942,000 Clean Water SRF loan at 4.00 percent interest for 30 years with principal forgiveness of 36.5 percent not to exceed \$708,000.

Whitewood pledged a project surcharge for repayment of the loan. Whitewood has a flat rate of \$60.00 per month.

Staff analysis indicates a surcharge of \$13.30 per month is needed for repayment of the \$1,234,000 net loan, bringing rates to \$73.30 per month.

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 2026 Clean Water SRF capitalization grant.

Joe Noble, AE2S, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-44** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,942,000 at 4.00 percent interest for 30 years with principal forgiveness of 36.5 percent not to exceed \$708,000 to the **city of Whitewood** 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, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2026 Clean Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Howard requested funding for wastewater treatment system improvements to satisfy the requirements of new permit limits. A system of submerged diffused aeration will be installed in Cells 1 and 2 to add oxygen into and mix the wastewater. The existing Cell 2 berms will be raised approximately two feet to allow for more operating depth. An additional secondary lagoon cell will be added for additional treatment and for a longer retention time. An artificial wetland will also be constructed, which will provide additional treatment and retention time.

The estimated total project amount is \$2,816,288, and the amount requested is \$2,816,288.

Staff recommended awarding a \$2,816,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Howard pledged a project surcharge for repayment of the loan. Current rates are \$59.10 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$30.90 is needed for repayment of the loan. However, staff believes rates could be restructured to \$72.50 for 5,000 gallons 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Brian Duval, Brosz Engineering, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2026-45** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,816,000 at 4.00 percent interest for 30 years to the **city of Howard** 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. A roll call vote was taken, and the motion carried unanimously.

Lake Poinsett Sanitary District requested funding for Phase 1 of its west and northwest collection system improvements project. Phase 1 improvements include the construction of a total retention stabilization pond that will serve all three phases of this project and will be built on land already owned by the sanitary district. Collection system improvements include the construction of seven main lift stations and associated force mains to deliver wastewater to the treatment pond and construction of wastewater collection piping and services to eliminate septic tanks for the Phase 1 area from approximately 194th Street/Olsen's Subdivision along West Lake Drive to Grape First Addition.

The estimated total project amount is \$8,799,110, and the amount requested is \$8,799,110.

Staff recommended awarding a \$6,299,000 Clean Water SRF loan at 4.00 percent interest for 30 years, a Consolidated grant at 22.8 percent of total project costs not to exceed \$2,000,000, and a General Fund Grant at 5.7 percent of total project costs not to exceed \$500,000.

The sanitary district pledged system revenues for repayment of the loan. The sanitary district has a flat rate of \$246.00 per quarter, which is equivalent to \$82.00 per month.

Staff analysis indicates that \$280,000 annually is required to provide the required 110 percent debt coverage. Staff estimates this will require an increase in annual revenues of \$190,000. User rates will need to increase approximately 30 percent, which is \$24.50 per month bringing total rates to approximately \$106.50 per month.

Lake Poinsett Sanitary District does not meet the affordability criteria required for Clean Water SRF principal forgiveness, and the maximum Consolidated grant allowed by state law is \$2,000,000.

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.

Pat Carey, Banner Associates discussed the project. Lake Poinsett Sanitary District board member Joe Mohlenhoff thanked the board for consideration of funding. Also present was the district's clerk, Lydia Fuhr.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2026-46** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$6,299,000 at 4.00 percent interest for 30 years to **Lake Poinsett Sanitary District** for Phase 1 of the west and northwest wastewater collection improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the

Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage; to adopt **Resolution No. 2026-47** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **Lake Poinsett Sanitary District** for up to 22.8 percent of approved total project costs not to exceed \$2,000,000 for Phase 1 of the west and northwest wastewater collection improvements project; and to adopt **Resolution No. 2026-48** approving a General Fund Grant to **Lake Poinsett Sanitary District** at 5.7 percent of total project costs not to exceed \$500,000 for Phase 1 of the west and northwest wastewater collection improvements project. A roll call vote was taken, and the motion carried unanimously.

Roscoe requested funding for a wastewater treatment system improvements project. The wastewater facility is required to become a total retention facility. This requires approximately seven acres of land to expand and build a new artificial wetland. A new lift station will also be needed.

The estimated total project amount is \$2,260,000, and the amount requested is \$2,260,000.

Staff recommended awarding a \$2,260,000 Clean Water SRF loan at 4.00 percent interest for 30 years with principal forgiveness up to 64.6 percent not to exceed \$1,458,000.

The city pledged a project surcharge for repayment of the loan. Current rates are \$49.50 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$23.75 is needed for repayment of the net loan of \$802,000, bringing rates to \$73.25 for 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, and contingent on receipt of the 2026 Clean Water SRF capitalization grant.

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

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2026-49** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,260,000 at 4.00 percent interest for 30 years with principal forgiveness up to 64.6 percent not to exceed \$1,458,000 to the **city of Roscoe** for wastewater treatment 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 2026 Clean Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Hill City requested funding for Phase 2 of the rehabilitation and expansion of the wastewater treatment facility project. Phase 1 of the project was awarded in March 2025.

Phase 2 of the project is for the construction and design necessary to bring the new treatment facility online. Construction will include the installation of a bypass pumping system and temporary filtration units to maintain uninterrupted service during construction. The project will also include a new clariflocculator basin, fuzzy disk filter system, ultraviolet (UV) disinfection, and associated electrical building and equipment.

The estimated total project amount is \$4,659,000, and the amount requested is \$4,659,000.

Staff recommended awarding a \$1,659,000 Clean Water SRF loan at 4.00 percent interest for 30 years, a Consolidated grant up to 43.0 percent of total project costs not to exceed \$2,000,000, and a General Fund Grant at 21.5 percent of total project costs not to exceed \$1,000,000.

Hill City pledged a project surcharge for repayment of the loan. Rates are currently \$83.24 for 5,000 gallons usage. Staff anticipates the surcharge required of a 5,000-gallon residential user will be \$12.25. Hill City has recently undergone an extensive rate structure analysis with its 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 the surcharges from Phases 1 and 2 as well as the anticipated operation and maintenance costs that have been developed for Hill City, rates for a residential user in 2029 would be approximately \$199.20 per month.

Hill City does not meet the affordability criteria required for Clean Water SRF principal forgiveness and the maximum Consolidated grant allowed by state law is \$2,000,000.

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.

Nate Anderson, administrator, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-50** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,659,000 at 4.00 percent interest for 30 years to the **city of Hill City** for Phase 2 of a wastewater treatment expansion and rehabilitation 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; to adopt **Resolution No. 2026-51** 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 43.0 percent of approved total project costs not to exceed \$2,000,000 for Phase 2 of a wastewater treatment expansion and rehabilitation project; and to adopt **Resolution No. 2026-52** approving a General Fund Grant to the **city of Hill City** at 21.5 percent of total project costs not to exceed \$1,000,000 for Phase 2 of a wastewater treatment expansion and rehabilitation project. A roll call vote was taken, and the motion carried unanimously.

Prairiewood Sanitary District requested funding for a sewer improvement project. The sanitary district proposes various improvements to the lift station and treatment facility for the system to fully comply with its discharge permit. Treatment system improvements include cleaning of existing cell bottoms and embankments, sludge removal, new compacted clay liner and rip rap, and surfacing the gravel access road.

The estimated total project amount is \$1,895,000, and the amount requested is \$1,895,000.

Staff recommended awarding a \$1,249,000 Clean Water SRF loan at 4.00 percent interest for 30 years and a Consolidated grant at 34.1 percent of total project costs not to exceed \$646,000.

The sanitary district pledged system revenues for repayment of the loan. The sanitary district has a \$180.00 quarterly flat rate, which is equivalent to \$60.00 per month.

Staff analysis indicates that \$153,600 in revenues is needed to provide the required debt coverage. Staff estimates that user rates will need to increase approximately \$40.00 per month, bringing total rates to \$100.00 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 rates at a level sufficient to provide the required debt coverage.

Matt Prehn, Prairiewood Sanitary District board member, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2026-53** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,249,000 at 4.00 percent interest for 30 years to **Prairiewood Sanitary District** for a wastewater collection and treatment improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2026-54** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and **Prairiewood Sanitary District** for up to 34.1 percent of total project costs not to

exceed \$646,000 for a wastewater collection and treatment improvements project. A roll call vote was taken, and the motion carried unanimously.

Aberdeen requested additional funding for the wastewater treatment facility project. This project was originally awarded funding in April 2022, and additional funding was awarded in March 2025. Funding is being requested to cover final costs and contingencies.

Aberdeen proposes 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 \$102,521,000, and the amount requested is \$16,198,000. Other funding provided for the project includes a \$5,000,000 local ARPA grant, an \$18,896,900 State ARPA grant, and previous Clean Water SRF loans totaling \$62,426,100.

Staff recommended awarding a \$16,198,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Current rates are \$41.50 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$9.05 is needed for repayment of the loan. Also, the surcharge of \$16.05 for Clean Water - 05 SRF loan has not been added to the rates. With both the surcharge for Clean Water - 05 SRF loan and the surcharge for the recommended loan, city rates will be approximately \$67.05 for 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.

Amanda Fischer, Aberdeen Water Reclamation Facility thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2026-55** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$16,198,000 at 4.00 percent interest for 30 years to the **city of Aberdeen** for a wastewater treatment facility improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Mitchell requested funding for the 13th Avenue storm and sanitary sewer project. The proposed project will be located along 13th Avenue between Wisconsin Street and Minnesota Street. The

primary goal is to reroute stormwater flow west toward a proposed detention pond that will be located near the SD Hwy 37 Bypass. The project will also include replacement of the existing clay sanitary sewer lines.

The estimated total project amount is \$2,059,425, and the amount requested is \$1,560,000. Other funding for the project includes \$499,425 in local cash.

Staff recommended awarding a \$1,560,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Mitchell pledged a project surcharge for repayment of the loan. Rates are \$61.43 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$1.45 is needed for repayment of the loan. This, in addition to the surcharge for the loan awarded in January, will bring overall rates to \$66.43 for 5,000 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.

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

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2026-56** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,560,000 at 4.00 percent interest for 30 years to the **city of Mitchell** for the 13th Avenue storm and sanitary sewer 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. A roll call vote was taken, and the motion carried unanimously.

Hot Springs requested funding for a wastewater treatment system improvements project. The city proposes to replace its current, aging, wastewater treatment facility. The current system is approaching the end of its useful life, with aging infrastructure, odor and corrosion issues, and an expiring irrigation agreement. The city proposes headworks improvements along with aerated lagoons. The headworks will provide preliminary treatment and flow control to protect the downstream lagoon facilities.

The project is divided into two phases. This funding application is for Phase 1 of the project, which will include construction of a preliminary treatment building to provide screening and grit removal, rehabilitation of the existing administration building to support continued operations, as well as sitework associated with the installation of new process piping and utilities necessary to integrate and operate the proposed preliminary treatment building with the existing facility and the future lagoon treatment system proposed under Phase 2 of the project.

The estimated total project amount is \$9,166,000, and the amount requested is \$9,166,000.

Staff recommended awarding a \$9,166,000 Clean Water SRF loan at 4.0 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Hot Springs has a flat rate of \$33.99 per month.

Staff analysis indicates a surcharge of \$29.70 is needed for repayment of the loan. However, staff believes the current rates could be restructured to \$55.00 for 5,000 gallons and still provide the necessary funds for operation and maintenance and the required debt coverage.

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.

Mayor Bob Nelson thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2026-57** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$9,166,000 at 4.00 percent interest for 30 years to the **city of Hot Springs** for Phase 1 of a wastewater system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Milbank requested funding for wastewater treatment facility improvements. The last major improvement at the city's wastewater treatment facility was a phased project that started in 2003 and was final in 2012. Much of the equipment installed during that project is nearing or has reached the end of its 20-year useful life. Additionally, there was equipment that was not replaced during the last major upgrade which must be replaced. The city is proposing a phased approach for improvements at the wastewater treatment facility. The city is requesting funding for phase 1 of the project.

Phase 1 of the project includes replacement of the SCADA systems and construction of the influent pumping and pretreatment facility improvements. The current influent pumping facilities present capacity, reliability, safety, and maintenance issues that must be addressed. The existing pretreatment building and influent pumping facilities do not have adequate egress and hydraulic capacity and need replacement of aging pretreatment equipment and building infrastructure.

The estimated total project amount is \$17,500,000, and the amount requested is \$17,500,000.

Staff recommended awarding a \$15,500,000 Clean Water SRF loan at 4.00 percent interest for 30 years and a Consolidated grant up to 11.5 percent of total project costs not to exceed \$2,000,000.

Milbank pledged a project surcharge for repayment of the loan. Rates are \$35.74 for 5,000 usage.

Milbank does not meet the affordability criteria required for Clean Water SRF principal forgiveness and the maximum Consolidated grant allowed in law is \$2,000,000. Staff anticipates the surcharge required of a 5,000-gallon residential user would be \$55.00 for repayment of the loan, bringing overall rates to \$90.74 for 5,000 gallons. Staff did reach out to the city and its consultants about the increase in rates. The city stated that they understood and requested to move forward with the application.

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.

Mayor Pat Raffety thanked the board for consideration of funding for the project. City Administrator Steve Pendergrass, Finance Officer Cynthia Schumacher, and Dennis Rebelein and Pat Carey with Banner Associates were also present.

Motion by Becker, seconded by Jennings, to adopt **Resolution No. 2026-58** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$15,500,000 at 4.00 percent interest for 30 years to the **city of Milbank** for Phase 1 of a wastewater treatment facility improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2026-59** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Milbank** for up to 11.5 percent of total project costs not to exceed \$2,000,000 for Phase 1 of a wastewater treatment facility improvements project. A roll call vote was taken, and the motion carried unanimously.

Salem requested funding for city-wide sanitary sewer system improvements. The city proposes to complete Cured in Place Pipe (CIPP) lining of various sanitary sewer mains throughout the city's collection system to correct deficiencies and reduce inflow and infiltration. The project will include isolated excavation, point repairs as needed to facilitate the lining, and adding a submersible pump and discharge pipe to the existing lift station at the treatment lagoons to

increase capacity. The proposed project includes approximately 10,370 feet of various sizes of CIPP lining.

The estimated total project amount is \$1,620,000, and the amount requested is \$1,620,000.

Staff recommended awarding a \$1,620,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Salem pledged a project surcharge for repayment of the loan. Rates are \$62.25 for 5,000 gallons. Staff analysis indicates a surcharge of \$12.95 is needed for repayment of the loan. However, staff believes rates could be restructured to \$70.00 for 5,000 gallons 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Laurie Heumiller, Finance Officer, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2026-60** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,620,000 at 4.00 percent interest for 30 years to the **city of Salem** for city-wide sanitary 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. A roll call vote was taken, and the motion carried unanimously.

Crooks requested funding for Phase 2 street and utility improvements project, which will include the reconstruction of surfacing and utilities of eight blocks on 1st Avenue, 3rd Street, and 4th Street as well as replacement of existing utilities along West Avenue.

Phase 2 of the projection includes the replacement of the existing vitrified clay sanitary sewer collection system. While the age of the trunk sewer system is unknown, it remains critical to Crooks' sewer system as it conveys sewage for a large portion of the central residential district of the community. It is estimated that 3,330 feet of PVC sewer main will be installed as well as 2,200 feet of RCP storm sewer.

The estimated total project amount is \$3,030,000, and the amount requested is \$3,030,000.

Staff recommended awarding a \$2,334,000 Clean Water SRF loan at 3.75 percent interest for 30 years and a Consolidated grant up to 23.0 percent of total project costs not to exceed \$696,000.

The 3.75 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 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Additionally, 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.

Crooks pledged a project surcharge for repayment of the loan. Rates are \$70.70 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$20.30 is needed for repayment of the loan. However, staff believes rates could be restructured to \$75.00 for 5,000 gallons usage 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

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

Jake Morris, DGR Engineering, discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2026-61** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,334,000 at 3.75 percent interest for 30 years to the **city of Crooks** for Phase 2 of a sanitary and storm sewer replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2026-62** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Crooks** for up to 23.0 percent of total project costs not to exceed \$696,000 for Phase 2 of a sanitary and storm sewer replacement project, with the special condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.. A roll call vote was taken, and the motion carried unanimously.

Custer requested funding for a 5th Street collection system improvements project.

The SD Department of Transportation is currently working on design of the reconstruction of the Hwy 16/385/5th Street corridor through the city of Custer. The city intends to make improvements to the sanitary sewer collection system in conjunction with the project. The proposed project will include replacing existing vitrified clay pipe sewer mains, upsizing mains from 4- and 6-inch to a minimum of 8-inch PVC and lowering mains that are in conflict with the Department of Transportation's proposed storm sewer improvements.

The estimated total project amount is \$2,650,000, and the amount requested is \$2,650,000.

Staff recommended awarding a \$2,650,000 Clean Water SRF loan at 4.0 percent interest for 30 years with 80.2 percent principal forgiveness not to exceed \$2,125,000.

Custer pledged a project surcharge for repayment of the loan. Rates are \$70.66 for 5,000 gallons usage.

Staff analysis indicates a surcharge of \$2.60 is needed for repayment of the \$525,000 net loan, bringing rates to \$73.25 for 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 2026 Clean Water SRF capitalization grant.

Mayor Robert Brown discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-63** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,650,000 at 4.00 percent interest for 30 years with principal forgiveness up to 80.2 percent principal forgiveness not to exceed \$2,125,000 to the **city of Custer** for 5th Street 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 2026 Clean Water SRF capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Gregory requested funding for Phase 2 of a wastewater collection system improvements project. The city proposes work in two high priority areas; the first being along Spencer, Felton, and Rice Avenues on the south side of the city and the second along a two-block segment of Spencer Avenue on the northern edge of the community. Sewer work will include the replacement of approximately 3,750 feet of clay sewer pipes with new 8-inch PVC line, along with replacement of several existing manholes. The project is expected to significantly reduce infiltration and inflow in the collection system.

The estimated total project amount is \$1,750,000, and the amount requested is \$1,750,000.

Staff recommended awarding a \$1,750,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$50.20 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$14.30 is needed for repayment of the loan, bringing rates to 64.50 for 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

Camden Hofer, SPN & Associates, thanked the board for consideration of funding for the project. Mayor Al Cerny and Finance Officer Trudy Waterman were also present.

Motion by Becker, seconded by Jennings, to adopt **Resolution No. 2026-64** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,750,000 at 4.00 percent interest for 30 years to the **city of Gregory** for Phase 2 of a wastewater collection system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Lemmon requested funding for a sanitary sewer rehabilitation and replacement project. The city proposes rehabilitation of approximately 6,640 feet of sewer line. An additional 4,820 feet of sewer line will be replaced. The project also includes the replacement of 10 manholes and the rehabilitation of 19 more manholes. Work included will encompass several areas of the city which are considered the most severely compromised. The area includes portions of Main Avenue, 3rd Avenue, 4th Avenue, and 3rd Street.

The estimated total project amount is \$4,700,000, and the amount requested is \$4,700,000.

Staff recommended awarding a \$4,700,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Lemmon pledged a project surcharge for repayment of the loan. Lemmon has a flat rate of \$29.50 per month. Staff analysis indicates a surcharge of \$34.40 is needed for repayment of the loan, bringing rates to \$63.90 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.

Chris Bobzien, HDR Engineering, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-65** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,700,000 at 4.00 percent interest for 30 years to the **city of Lemmon** for a sanitary sewer rehabilitation and replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Canistota requested funding for Phase 4 of a street and utility improvements project. The city proposes to remove and replace approximately 6,950 feet of sewer pipe, install approximately 6,710 feet of various sizes of storm sewer and approximately 19,200 feet of concrete curb and gutter. The sanitary sewer portion of the project will be located in the north half of the city. The storm sewer improvements will be at various locations throughout the city.

Staff followed up with the city and the city's consulting engineer. The original project costs would cause a significant increase in user rates. As with the drinking water project presented earlier in the meeting, the city and the consulting engineer reduced the scope of the work to a project with a cost of \$4,112,000. However, the original project scope will be reviewed as part of the project award, in case the project receives favorable bids.

The estimated total project amount is \$6,306,200, and the amount requested is \$6,306,200.

Staff recommended awarding a \$3,612,000 Clean Water SRF loan at 4.0 percent interest for 30 years with principal forgiveness of 69.6 percent not to exceed \$2,513,000 and awarding a general fund grant at 12.2 percent of total project costs not to exceed \$500,000.

Canistota pledged a project surcharge for repayment of the loan. Rates are \$77.32 for 5,000 gallons. Staff analysis indicates a surcharge of \$19.00 is needed for repayment of the loan, bringing rates to \$96.32 for 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 2026 Clean Water SRF capitalization grant.

Gabe Laber, HDR Engineering, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2026-66** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,612,000 at 4.00 percent interest for 30 years with principal forgiveness of 69.6 percent not to exceed \$2,513,000

to the **city of Canistota** for Phase 4 of a sanitary and storm sewer 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 2026 Clean Water SRF capitalization grant; and to adopt **Resolution No. 2026-67** approving a General Fund Grant to the **city of Canistota** 12.2 percent of total project costs not to exceed \$500,000 for Phase 4 of a sanitary and storm sewer replacement project. A roll call vote was taken, and the motion carried unanimously.

Elkton requested funding for the remainder of Phase 3 and Phase 4 of a wastewater system improvements project. The city proposes to improve the sanitary sewer along North Drive as well as the underfunded portion of Phase 3, which includes Antelope Street from 7th to 8th Street. The improvements include replacing approximately 2,540 feet of 8-inch sewer main and seven sanitary sewer manholes, and 20 sanitary sewer service lines will be replaced to the edge of the street right-of-way.

The estimated total project amount is \$1,225,000, and the amount requested is \$1,225,000.

Staff recommended awarding a \$632,000 Clean Water SRF loan at 4.00 percent interest for 30 years and awarding a Consolidated grant at 48.5 percent of total project costs not to exceed \$593,000.

Elkton pledged a project surcharge for repayment of the loan. Rates are \$70.15 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$9.85 is needed for repayment of the loan, bringing rates to \$80.00 for 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.

Jeff McCormick, SPN & Associates, thanked the board for consideration of funding. Elkton's finance officer was also present.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-68** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$632,000 at 4.00 percent interest for 30 years to the **city of Elkton** for Phases 3 and 4 of a wastewater system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2026-69** approving a South Dakota Consolidated Water Facilities

Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Elkton** for up to 48.5 percent of total project costs not to exceed \$593,000 for Phases 3 and 4 of a wastewater system improvements project. A roll call vote was taken, and the motion carried unanimously.

Northdale Sanitary District requested funding for as sanitary sewer reroute project. Northdale Sanitary proposed installing a new forcemain along Daisy Drive and abandonment of the exiting forcemain along East Daisy Drive. The existing forcemain is being abandoned due to the high failure risk as it is in close proximity to a sinkhole. Approximately 2,500 feet of forcemain will need to be installed as part of this project.

The estimated total project amount is \$1,181,000, and the amount requested is \$1,181,000.

Staff recommended awarding a \$1,181,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Northdale Sanitary District pledged system revenues for repayment of the loan. The sanitary district has a flat rate of \$45.00 per month. Staff analysis indicates that approximately \$234,800 in revenues is needed for the required debt coverage. Staff estimates this will increase user rates by approximately \$20.00 per month, bringing total rates to \$65.00 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 rates at a level sufficient to provide the required debt coverage.

Cotty Hayes, Northdale Sanitary District board member, discussed the project and thanked the board for consideration of funding for the project. Board member Allen Orr was also present.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2026-70** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,181,000 at 4.00 percent interest for 30 years to the **Northdale Sanitary District** for a sanitary sewer re-route project in the Hideaway Hills Subdivision, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Valley Springs requested funding for a street and utility improvements project. The city proposes to remove and replace sanitary sewer mains throughout the city. The project will replace 2,370 feet of sanitary sewer main with 8-inch sanitary sewer pipe. The city also proposes storm sewer and box culvert work along with constructing approximately 4,730 feet of concrete curb and gutter. The project area is Sunny Side Avenue from Dunham Street to Maple Street.

The estimated total project amount is \$2,417,000, and the amount requested is \$2,417,000.

Staff recommended awarding a \$2,087,000 Clean Water SRF loan at 3.75 percent interest for 30 years and awarding a Consolidated Grant at 13.7 percent of total project costs not to exceed \$330,000.

Valley Springs pledged a project surcharge for repayment of the loan. Rates are \$35.00 for 5,000 gallons.

Staff analysis indicates a surcharge of \$30.00 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 around \$75.00 per month to cover the loan and ongoing operation and maintenance.

The 3.75 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 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Additionally, 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

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

Rick Larsen, Mayor of Valley Springs, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2026-71** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,087,000 at 3.75 percent interest for 30 years to the **city of Valley Springs** for a sanitary and storm sewer replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2026-72** approving a South Dakota Consolidated Water Facilities

Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Valley Springs** for up to 13.7 percent of total project costs not to exceed \$330,000 for a sanitary and storm sewer replacement project, with the special condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan. A roll call vote was taken, and the motion carried unanimously.

Viborg requested funding for a collection system improvements project. The city is proposing open-cut sewer replacement of 550 feet of 4-inch service piping, 2,500 feet of 8-inch sanitary sewer, 1,100 feet of 12-inch sanitary sewer, and 12 manholes. The area of the project is near Peterson Drive and Pioneer Avenue, as well as along Sorenson Street and Nora Street.

The estimated total project amount is \$1,946,800, and the amount requested is \$1,946,800.

Staff recommended awarding a \$1,946,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Viborg pledged a project surcharge for repayment of the loan. Rates are \$42.65 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$24.60 is needed to provide debt coverage for the recommended loan.

Ms. McFarling noted that a second application is being considered as the next item on the agenda. If both projects are awarded, the rates would be \$70.40 for 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.

Pat Carey, Banner & Associates, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2026-73** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,946,000 at 4.00 percent interest for 30 years to the **city of Viborg** for a collection system Phase 2 improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Viborg requested funding for a Highway 19 sanitary sewer relocation project. The city proposes the relocation of portions of the sanitary sewer system in conjunction with the Department of Transportation's Highway 19 project. The project includes the installation of two new manholes, installation of 760 feet of 8-inch sanitary sewer, and 90 feet of 4-inch sanitary sewer.

The estimated total project amount is \$249,200, and the amount requested is \$249,200.

Staff recommended awarding a \$249,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Viborg pledged a project surcharge for repayment of the loan. Rates are \$42.65 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$3.15 is needed for repayment of the loan. This surcharge, in conjunction with the previous item that also awarded funding to the city of Viborg, would bring rates to \$70.40 for 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.

Pat Carey, Banner & Associates, discussed the project and thanked the board for consideration of funding.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2026-74** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$249,000 at 4.00 percent interest for 30 years to the **city of Viborg** for a Highway 19 sanitary sewer relocation project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Bryant requested funding for Phase 2B of a wastewater improvements project. The city proposes to replace approximately 2,500 feet of aging VCP sewer main located on Hill St. from SD Highway 28 to one half block north on 4th Ave., one Railway St. from SD Highway 28 to midway between 4th Ave. and 5th Avenue, on 4th Ave. between Hill St. and Railway St. and between Hill St. and Underwood St., and on Prospect St. between 5th Ave. and 7th Ave.

The estimated total project amount is \$2,259,000, and the amount requested is \$2,259,000.

Staff recommended awarding a \$2,259,000 Clean Water SRF loan at 4.00 percent interest for 30 years with principal forgiveness of 57.5 percent not to exceed \$1,298,000.

Bryant pledged a project surcharge for repayment of the loan. Rates are \$70.05 for 5,000 gallons usage. Staff analysis indicates a surcharge of \$23.20 is needed for repayment of the loan, which would bring rates to \$93.25 for 5,000 gallons usage. However, staff believes rates could be restructured to \$73.25 for 5,000 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 2026 Clean Water SRF capitalization grant.

Karen Guest, IMEG, discussed the project and thanked the board for consideration of funding.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-75** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,259,000 at 4.00 percent interest for 30 years with principal forgiveness of 57.5 percent not to exceed \$1,298,000 to the **city of Bryant** for Phase 2B of a wastewater improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2026 Clean Water SRF capitalization grant.. A roll call vote was taken, and the motion carried unanimously.

Clear Lake requested funding for a storm sewer improvements project. The city proposes storm sewer improvements in conjunction with a drinking water distribution project. The project includes the replacement of aging and undersized storm sewer infrastructure. The proposed project area is Sixth street and Seventh Street from Second Avenue to Prospect Avenue, First and Second Avenues from Fifth Street to Lockhart Street, and Prospect Avenue from Sixth Street to Lockart Street.

The estimated total project amount is \$2,130,400, and the amount requested is \$2,130,400.

Staff recommended awarding a \$2,130,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Clear Lake pledged a project surcharge for repayment of the loan. Rates are \$67.65 for 5,000 gallons. Staff analysis indicates a surcharge of \$18.85 is needed for repayment of the loan. However, staff believes rates could be restructured to keep the current rates of \$67.65 for 5,000 gallons 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

Finance Officer Mary Krueger discussed the project and thanked the board for consideration of funding. Mayor Lisa Lundberg was also present.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2026-76** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,130,000 at 4.00

percent interest for 30 years to the **city of Clear Lake** for 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. A roll call vote was taken, and the motion carried unanimously.

Wilmot requested funding for an outfall line to the wastewater treatment facility. The city proposes the replacement of the 18-inch vitrified clay pipe outfall line from the intersection of Park Avenue and Main Street to the wastewater treatment facility on the east side of the city.

The estimated total project amount is \$850,000, and the amount requested is \$850,000.

Staff recommended awarding a \$850,000 Clean Water SRF loan at 4.00 percent interest for 30 years.

Wilmot pledged a project surcharge for repayment of the loan. Wilmot has a \$55.50 per month flat rate. Staff analysis indicates a surcharge of \$17.75 is needed for repayment of the loan, bringing rates to \$73.25.

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.

Mayor Zachery Sempel thanked the board for consideration of funding.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-77** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$850,000 at 4.00 percent interest for 30 years to the **city of Wilmot** for an outfall line to 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. A roll call vote was taken, and the motion carried unanimously.

Ms. McFarling provided an update on available funds.

Temporary Chair Drewes requested that staff email the available funds information to the board members.

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.

Mr. Bruels noted that in the past many solid waste funding recommendations have been for 20 percent subsidy for public entities. Public entities' recycling projects are typically provided more subsidy due to being a higher priority in the solid waste hierarchy, and funding recommendations are typically closer to 50 percent subsidy. Usually, subsidy levels for private non-profit entities are very limited.

Belle Fourche requested funding for construction of a new landfill cell in Area 3 at the landfill. This project will add airspace capacity to the landfill, a composite base liner system, leachate collection components, and a pumping system to convey leachate to the city's sanitary sewer infrastructure and wastewater treatment lagoons.

The estimated total project amount is \$2,836,000, and the amount requested is \$2,836,000.

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

Mr. Bruels noted that Belle Fourche annually transfers over \$1.4 million from the landfill fund to its general fund to assist in other city expenses. These transfers are not something DANR staff encourage as they result in fewer funds being available for landfill operations and higher user costs that would otherwise be necessary for landfill operations.

Staff recommended awarding a \$2,552,400 Clean Water SRF loan at 3.75 percent interest for 20 years and awarding a Solid Waste Management Program grant at 10.0 percent of the total project cost not to exceed \$283,600.

Belle Fourche pledged system revenue for repayment of the loan. Rates are \$68 per ton for municipal solid waste. Staff analysis indicates that with the current system revenues and expenses the debt coverage is 525 percent for this loan.

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

Jason LaFayette, Administrator for the city of Belle Fourche, thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2026-78** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,552,400 at 3.75 percent interest for 20 years to the **city of Belle Fourche** for construction of a new landfill cell in Area 3 of 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. 2026-79** approving a South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and the **city of Belle Fourche** for up to 10.0 percent of the total project costs not to exceed \$283,600 for construction of a new landfill cell in Area 3 of the landfill. A roll call vote was taken, and the motion carried unanimously.

Sioux Falls requested funding to renovate and expand the existing household hazardous waste facility. Improvements include constructing a new storage building, loading dock repairs, and interior repairs of the existing facility. These improvements will allow the city to continue to keep these materials from entering the landfill and are more safely handled for all with the facility improvements.

The estimated total project amount is \$700,000, and the amount requested is \$350,000. The city will contribute \$350,000 in local cash.

Staff recommended awarding a Solid Waste Management Program Grant at 50.0 percent of the total project cost not to exceed \$350,000.

Josh Petersen, city of Sioux Falls, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2026-80** approving a South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and the **city of Sioux Falls** for up to 50.0 percent of the total project costs not to exceed \$350,000 to renovate and expand the existing household hazardous waste facility. A roll call vote was taken, and the motion carried unanimously.

Vermillion requested funding for modifications to the existing landfill which includes partial closure of existing cells that have reached capacity and constructing a new cell to meet future solid waste demands. The proposed work will include construction of a liner and leachate collection system, final grading, soil cover, and erosion control measures.

The estimated total project amount is \$2,842,500, and the amount requested is \$2,700,375. The city will contribute \$142,125 in local cash

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

Staff recommended awarding \$2,132,000 Clean Water SRF loan at 3.5 percent interest 10 years and award a Solid Waste Management Program grant at 20.0 percent of the project cost not to exceed \$568,000.

The city pledged system revenue for repayment of the loan. Rates are \$69.50 per ton for municipal solid waste. Staff analysis indicates that at current system revenues and expenses debt coverage is 210 percent 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 between the city of Vermillion, the city of Yankton, Clay County, and Yankton County.

Jacob Hedman, Burns McDonnell, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2026-81** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,132,000 at 3.50 percent interest for 10 years to the **city of Vermillion** for landfill Cell 7 construction and Cell 2-4 partial closure, 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 executing a revised Joint Powers Agreement between the city of Vermillion, the city of Yankton, Clay County, and Yankton County; and to adopt **Resolution No. 2026-82** approving a South Dakota Solid Waste Management Program grant agreement between the Board of Water and Natural Resources and the **city of Vermillion** for up to 20.0 percent of the total project costs not to exceed \$568,000 for landfill Cell 7 construction and Cell 2-4 partial closure. A roll call vote was taken, and the motion carried unanimously.

Zahntech requested funding to expand its facility and install additional equipment to boost processing capacity, enabling the company to manage all recyclable and hard-to-recycle plastic waste and convert it into composite products, primarily fence posts. Zahntech is a private for-profit entity in the Lennox area.

The estimated total project amount is \$5,002,500, and the amount requested is \$2,500,000. Zahntech has applied for \$2,500,000 in funding from the Governor's Office of Economic Development (GOED) and a loan from a local bank.

Staff recommended that the board defer action on the application until June 2026. By rule, the board may defer action on funding decisions for up to 120 days.

Mr. Bruels stated that staff has been in discussions with GOED and Zahntech representatives regarding the funding request and the overall project. These discussions have continued regarding the ability for staff to develop a funding recommendation for the board to consider. At this time staff are not prepared to provide a final recommendation for funding.

Motion by Bernhard, seconded by Jennings, to defer board action on the Zahntech funding application until the June 25, 2026, board meeting. A roll call vote was taken, and the motion carried.

Mr. Bruel provided a recap of available Solid Waste Management Program funds.

NEXT MEETING: The next Board of Water and Natural Resources meeting is scheduled for June 25, 2026. Ms. McFarling discussed possible agenda items.

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

Approved on June 25, 2026.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources

June 25, 2026

Item 5

TITLE: Amendment to the FY 2025 Clean Water SRF and FY 2025 Drinking Water SRF Intended Use Plans

EXPLANATION: The FFY 2025 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2024, and amended in March, June, September, and November of 2025.

The FFY 2025 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2024, and amended in January, March, June, and September of 2025.

At the time both Intended Use Plans were approved there were insufficient projects to fully utilize the SRF program funds specifically for Emerging Contaminants. When approved it was not anticipated to request to receive the \$1,043,000 of funds available through the Clean Water SRF program or to transfer those funds to the Drinking Water SRF program for eligible projects.

In March 2026 the Board eligible projects for use of the IJA Emerging Contaminants grant funds were placed on the Drinking Water SRF Intended Use Plan. Changes to the Intended Use Plan narrative discussion regarding the use and transfer of funds from the 2025 Clean Water SRF Emerging Contaminants grant to the 2025 Drinking Water Emerging Contaminants grant are needed to allow these funds to be fully utilized.

RECOMMENDED ACTION: Approve the proposed amendments to the FFY 2025 Clean Water SRF Intended Use Plan and FFY 2025 Drinking Water SRF Intended Use Plan

CONTACT: Andy Bruels, 773-4216

TITLE: Amendments to State Water Plan and FY 2026 Clean Water State Revolving Fund and FY 2026 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 2027.

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, 2026, deadline.

- a) Crooks
- b) Milbank
- c) Randall Community Water District
- d) Webster
- e) White

Clean Water SRF Amendments

Narrative Changes:

Staff is recommending adjustments to actual FFY 2026 SRF allotment levels throughout the document. These changes are made based on the approved SRF program amounts by Congress.

Staff is recommending that the following projects be amended onto the 2026 Clean Water State Revolving Fund Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
6	White	\$325,000	4.00%, 30 years

June 25, 2026

Item 6

Drinking Water SRF Amendments

Narrative Changes:

Staff is recommending adjustments to actual FFY 2026 SRF allotment levels throughout the document. These changes are made based on the approved SRF program amounts by Congress.

Staff is recommending that the following projects be amended onto the 2026 Drinking Water State Revolving Fund Project Priority List:

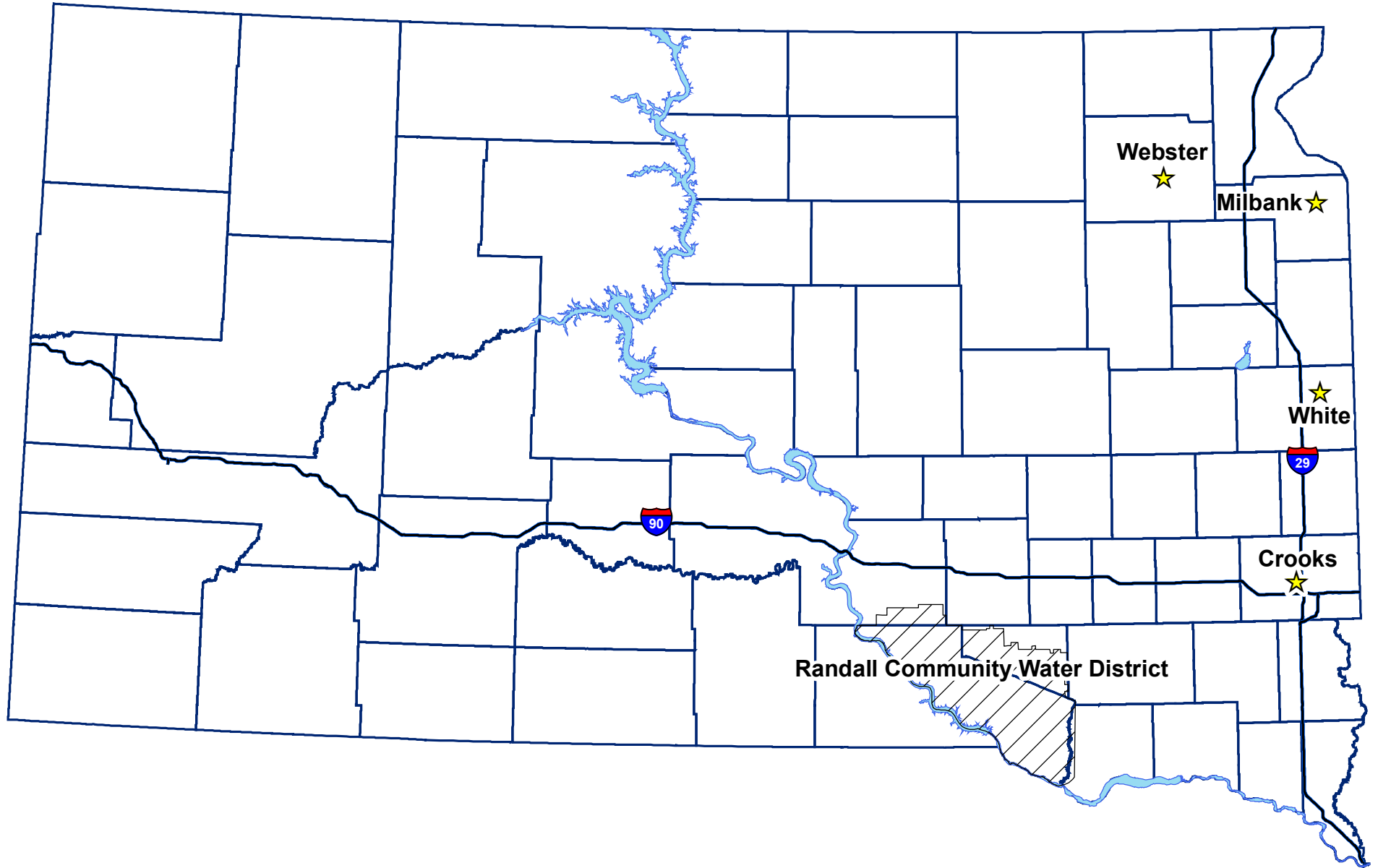
Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
164	Milbank	\$10,000,000	3.75%, 20 years
90	Webster	\$908,000	2.75%, 10 years
15	Crooks	\$3,800,000	4.00%, 30 years

RECOMMENDED ACTION: Approve amendment of projects onto the State Water Plan, proposed changes to the 2026 Clean Water State Revolving Fund, and proposed changes to the 2026 Drinking Water State Revolving Fund Intended Use Plans

CONTACT: Andy Bruels, 773-4216

State Water Plan Applications

June 2026



State Water Plan Application

Applicant: City of Crooks Address: 701 S. West Avenue PO Box 785 Crooks, South Dakota 57020	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$3,800,000</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;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$3,800,000</td> </tr> </table>	Projected State Funding	\$3,800,000	Local Cash	_____	Other:	_____	Other:	_____	TOTAL	\$3,800,000
Projected State Funding	\$3,800,000										
Local Cash	_____										
Other:	_____										
Other:	_____										
TOTAL	\$3,800,000										

Project Title: Southeast Water Distribution Improvements

Description: (Include present monthly utility rate.)

The Crooks' Southeast Water Distribution Improvements begins at the City water tower near the intersection of Dianne Street & West Ave, extending approximately ½ mile south to 258th Street, and continuing approximately 1.75 miles east along 258th Street ending near the intersection of Dawson Avenue.

Crooks' Southeast Water Distribution Improvements proposes the installation of approximately 2.5 miles of watermain. Initial pipe sizing estimates installation of a 12" main, which provides the necessary volumes of water to service both the current & future demands for southeastern Crooks. Proposed improvements to the distribution system include implementation of a second connection between the City of Crooks and their bulk water provider, Minnehaha Community Water Corporation. This connection will allow for redundancy between systems and address capacity limitations. Additional benefits include having all customers served by a single distribution system with consistent and reliable volumes and pressures, as opposed to the inconsistent service that exists today.

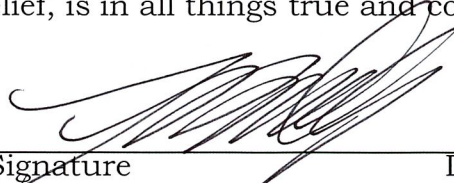
The current water rate for 5,000 gallons of usage is \$81.20

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.

F. Butch Oseby, Mayor

 Name & Title of Authorized Signatory
 (Typed)



 Signature

 Date 04/27/2026

State Water Plan Application

Applicant: City of Milbank Address: 1001 E. 4th Ave. #301 Milbank, SD 57252-2657 Phone Number: 605-432-9575	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$10,000,000</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;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$10,000,000</td> </tr> </table>	Projected State Funding	\$10,000,000	Local Cash	_____	Other:	_____	Other:	_____	TOTAL	\$10,000,000
Projected State Funding	\$10,000,000										
Local Cash	_____										
Other:	_____										
Other:	_____										
TOTAL	\$10,000,000										

Project Title: 2.0 MGD Water Treatment Plant Construction

Description: (Include present monthly utility rate.)

The proposed project is a Gravity Iron and Manganese Removal Water Treatment Plant located on the existing city site on the west side of Milbank. The existing site allows for the existing restroom, office and lab to continue to be used in the pump house building, rather than needing to construct a new office, lab and restroom facilities at a new site. Another savings is that the Ground Storage Reservoir can be used for chlorine contact time following the filter rather than construction of a clearwell.

Concerns regarding water quality have been expressed over the years by residents and water users alike. Raw water evaluations of the well water in 2023 and 2025 have confirmed the legitimacy of these concerns. Multiple secondary drinking water standards set by the EPA have been exceeded in recent tests of Milbank's well water. The standards that are exceeded include manganese, iron, sulfate and total dissolved solids (TDS), showing the need for the proposed improvements.

The current water rate per user in Milbank is \$23.00 for base plus \$2.20 per cubic foot.

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.

Pat Raffety, Mayor

 Name & Title of Authorized Signatory
 (Typed)



 Signature

4/28/2026

 Date

State Water Plan Application

Applicant:	Proposed Funding Package
Address:	Projected State Funding _____
	Local Cash _____
	Other: _____
	Other: _____
	TOTAL _____

Project Title:

Description: (Include present monthly utility rate.)

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.

_____ Name & Title of Authorized Signatory (Typed)	<i>Scott Pick</i> Signature	_____ Date
--	--------------------------------	---------------

State Water Plan Application

Applicant: City of Webster Address: PO Box 539 Webster SD 57274	Proposed Funding Package Projected State Funding _____ Local Cash <u>\$908000</u> Other: _____ Other: _____ <p style="text-align: right;">TOTAL <u>\$908000</u></p>
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Project Title: Webster Water Meter Replacement Project

Description: (Include present monthly utility rate.)

Webster is needing to update their water meters to enable them to collect water data easily from residences. The old system needs replacement of the meters and updated software.

Webster is planning to install a tower system to make reading the new water meters more efficient and is replacing 1,075 meters along with upgrading the system. This would upgrade all water meters in the city.

Current water rates are: \$55.35 per user for 1135 users for 5,000 gallons.

The Applicant Certifies That:

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

Mike Grosek, Mayor, City of Webster

 Name & Title of Authorized Signatory
 (Typed)



 Signature

4.30.26

 Date

State Water Plan Application

Applicant: City of White South Dakota Address: 300 W Main St PO Box 682 White, SD 57276	Proposed Funding Package <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Projected State Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$325,000</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;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$325,000</td> </tr> </table>	Projected State Funding	\$325,000	Local Cash	_____	Other:	_____	Other:	_____	TOTAL	\$325,000
Projected State Funding	\$325,000										
Local Cash	_____										
Other:	_____										
Other:	_____										
TOTAL	\$325,000										

Project Title: Storm Sewer Improvements

Description: (Include present monthly utility rate.)

The City of White is proposing improvements to their storm water collection system. The proposed project will include storm sewer pipe, area inlets, curb inlets, junction boxes, culverts, flared end sections and associated grading, surfacing restoration and street surfacing restoration.

The proposed project area is: W 5th Street from Stella Ave to S Hooker Ave, N Railroad Ave from W 5th St to W Main St, S School Ave from W 5th St to W Main St, S Lincoln Ave from W 5th St to W Main St, 4th St from S Railroad Ave to East of S Lincoln Ave, and the alleys north and south of Deubrook Area Junior/Senior High School.

Current utility rates:

Sanitary Sewer: \$25/month base + \$30 Phase 1 surcharge + \$21.60 Phase 2 surcharge

Water: \$25/month/2000 gallons + \$5.50/1000 gallons (above 2000 gal) + \$27.60 Phase 1 surcharge + \$14.75 Phase 2 surcharge

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.

Matt Lagerstrom, Mayor of White, SD

 Name & Title of Authorized Signatory
 (Typed)



 Signature

5/1/26

 Date

June 25, 2026

Item 7

TITLE: Amendment to Shared Resources, Inc. ARPA Grant #2022G-ARP-192

EXPLANATION: There is currently \$206,749.07 of unobligated ARPA funds due to some portions of other projects being deobligated. These funds were originally provided from the \$600 million of ARPA funds provided by 2022 Senate Bill 62. In the 2023 legislative session, Senate Bill 20 was passed to provide the board discretion on the reallocation of those funds. Reallocated funds may only be provided to existing ARPA grant recipients to meet U.S. Treasury requirements.

Shared Resources, Inc. has submitted a request for additional ARPA grant consideration. 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 and they will then distribute water to their existing customer base. This project also has remaining eligible project costs to incur and utilize the funding to be recommended.

COMPLETE APPLICATIONS: The letter requesting additional ARPA grant fund consideration has been provided as part of the board packet.

CONTACT: Andy Bruels, (605) 773-4216.



November 24, 2025

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

RE: ARPA Grant #2022G-ARP-192

Dear Mr. Soholt:

On April 13, 2022 Shared Resources was awarded a \$38,276,000 ARPA grant #2022G-ARP-192.

It is my understanding that some additional ARPA funds have become available for reallocation and will be awarded by the Board of Water and Natural Resources to eligible projects. It is also my understanding the projects that received a previous ARPA grant, that provide service to a regional area, that have eligible costs remaining for reimbursement can request consideration for the funds, and that have higher than average user rates are being considered primarily for these funds.

We have been notified by the Department of Agriculture and Natural Resources that Shared Resources would be considered for up to \$2,000,000 in ARPA additional grant funds. Shared Resources is formally requesting consideration by the Board of Water and Natural Resources for these additional funds to be awarded.

Enclosed to support this request is a revised resolution authorizing the request for the additional funding.

Sincerely,

A handwritten signature in cursive script that reads "Lloyd A. Rave".

Lloyd A. Rave
President

cc: SECOG
First Planning District
Banner Associates

SHARED RESOURCES
RESOLUTION NO. 2025-02

A RESOLUTION AUTHORIZING THE BOARD PRESIDENT TO ENTER INTO AN AGREEMENT FOR FINANCIAL ASSISTANCE BETWEEN SHARED RESOURCES AND SOUTH DAKOTA DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES.

WHEREAS, Shared Resources has determined it is necessary to proceed with WATER TREATMENT PLANT, STORAGE, AND DISTRIBUTION (the "Project"); and

WHEREAS, Shared Resources has determined that financial assistance will be necessary to undertake the Project and an application for financial assistance to the South Dakota Board of Water and Natural Resources (the "Board") was prepared; and

WHEREAS, Shared Resources submitted a funding application for the Project to the Board; and

WHEREAS, the American Rescue Plan Act (ARPA) Grant Agreement allows for additional grant allocations; and

WHEREAS, Shared Resources is requesting consideration up to an additional \$2,000,000; and

WHEREAS, Shared Resources received \$49,442,148 ARPA funds.

NOW, THEREFORE, BE IT RESOLVED BY SHARED RESOURCES:


1. That Shared Resources is hereby authorizing a request for consideration by the Board for up to \$2,000,000 of additional ARPA grant funds to be provided for this project.
2. That the Shared Resources is hereby authorized to execute the applications and submit it to the South Dakota Board of Water and Natural Resources and to execute and deliver such other documents and perform all acts necessary to effectuate the application for financial assistance.
3. That the Board President is hereby designated as the authorized representative of Shared Resources to do all things on its behalf to certify and sign payment requests in the event financial assistance is awarded for the Project.

Date adopted: November 24, 2025.



Authorized Signatory

ATTEST:



Name and Title
MCWC

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

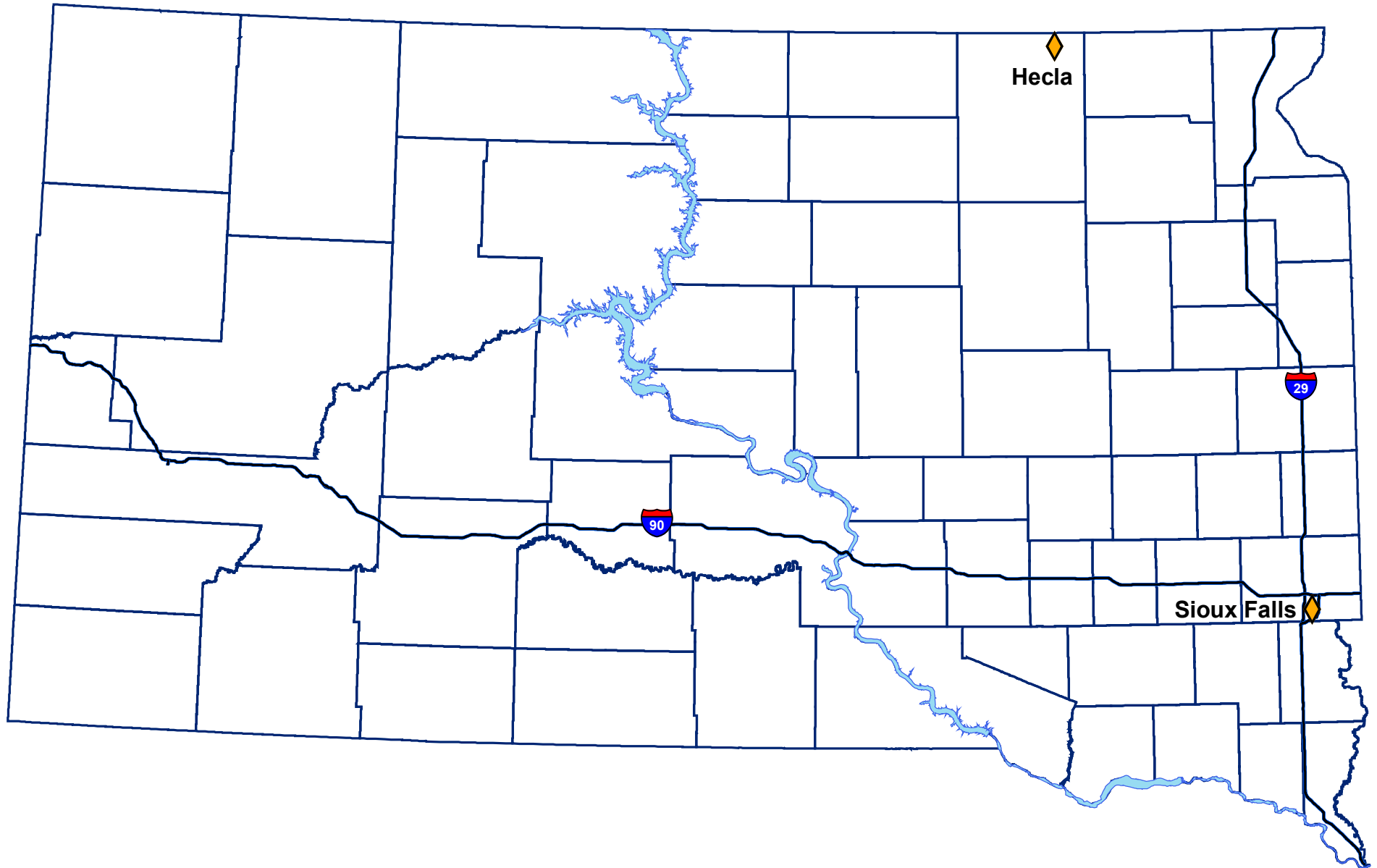
EXPLANATION: The following applications have been received by DANR by the April 1, 2026, deadline, for funding consideration at this meeting. The number in parentheses is the project priority points as assigned in the Intended Use Plan.

- a. Sioux Falls (20)
- b. Hecla (6)

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 Tina McFarling at (605) 773-4216.

Sanitary/Sewer Funding Applications June 2026



Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Sioux Falls Address: 224 West 9th Street Sioux Falls, South Dakota 57104 Subapplicant: NA Unique Entity ID: YRPLVUUZ1FN5	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center;">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;">\$51,900,000</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: 3px double black;">\$51,900,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$51,900,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	TOTAL	\$51,900,000
Proposed Funding Package															
Requested Funding	\$51,900,000														
Local Cash	_____														
Other:	_____														
Other:	_____														
Other:	_____														
TOTAL	\$51,900,000														

Project Title: Water Reclamation Facility Expansion-Primary Clarifiers

Description:

The City of Sioux Falls WRF was originally constructed in phases beginning in 1980 with the final phase completed in 1986. The original facility was designed to accommodate an average day flow of 13.4 MGD and a peak instantaneous flow of 27 MGD. As part of the 2009 WRF master plan, the capacity of the facility was re-rated with an increase to 21 MGD average flow and 35 MGD peak equalized flow. With future growth of the city, the projected needs for the future of the facility is 30.1 MGD average daily flow and 57 MGD peak flow. In 2018, the Sioux Falls Wastewater Treatment and Collection System Master Plan was completed which presented a review of the existing collection system and WRF capacities complete with a recommended five year capital improvements plan. It reflects the timing for the following needs: 1) provide reliability due to age and condition, and avert risk for failure for the WRF and select lift stations, 2) increase existing and hydraulic capacity for growth for the WRF, collections systems, and lift stations, 3) increase organic capacity for growth at the WRF, 4) meet future growth needs, and 5) improve treatment operations. The Water Reclamation Facility currently utilizes four primary clarifiers for the removal of total suspended solids, oil, and grease, reducing the demand for BOD5 in the secondary treatment process. This funding application covers new and additional primary clarifier construction.

Current monthly wastewater rates for 2026 are \$48.44 for domestic use and \$75.57 for business use.

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.

FOR Paul TenHaken, Mayor _____ Name & Title of Authorized Signatory (Typed)	 _____ Signature	3/9/26 _____ Date
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FUNDING REQUEST EVALUATION FORM
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION
APPLICANT: CITY OF SIOUX FALLS

Project Title: Water Reclamation Facility Primary Clarifier Expansion

Funding Requested: \$51,900,000

Other Proposed Funding: None

Total Project Cost: \$51,900,000

Project Description: The City of Sioux Falls is proposing to demolish the existing primary clarifier and all other associated components, construct three new primary clarifiers and construct a new sludge pumping building, a new influent splitter box, and a new effluent splitter box. This will remedy part of the aging Water Reclamation Facility as part of the Sioux Falls Wastewater Treatment and Collection System Master Plan.

Implementation Schedule: The City of Sioux Falls anticipates bidding the project in August 2026 with a project completion date of Spring 2029.

Service Population: 219,588

Current Domestic Rate: \$48.44 per 5,000 gallons

Interest Rate: 3.75% Term: 20 years Security: Revenue Bond

REVIEW COMPLETED BY: BAILEY MCTIGUE

Sanitary/Storm Sewer Facilities Funding Application

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

Applicant: City of Hecla Address: PO Box 188 Hecla, SD 57446 Subapplicant: Unique Entity ID: K7XRJ8NZW5V9	<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;">2,500,000</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: 3px double black;">2,500,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	2,500,000	Local Cash	_____	Other:	_____	Other:	_____	Other:	_____	TOTAL	2,500,000
Proposed Funding Package															
Requested Funding	2,500,000														
Local Cash	_____														
Other:	_____														
Other:	_____														
Other:	_____														
TOTAL	2,500,000														

Project Title: Hecla Wastewater Project Phase III

Description:

The City of Hecla is proposing to fully replace, CIPP line, re-route, and/or spot repair the remaining portions of their existing sanitary sewer collection system that has not been previously repaired or replaced under their previous funding package. In addition to the sanitary sewer collection system repairs, the City of Hecla is proposing to replace their existing sanitary lift station, provide a backup power source for the lift station, provide a backup pumps for the lift station, install associated lift station equipment, and address any other needed sanitary infrastructure rehabilitation.

The City of Hecla is also proposing to asphalt some of the previously impacted asphalt roadways that were removed and temporarily graveled under their previous funding package. The roadways were removed for replacement of sewer and replaced temporarily as gravel to allow for the roads to go through a minimum of one freeze thaw cycle due to high groundwater conditions causing settling concerns. The asphalt roads are not currently being replaced under their previous funding package to prioritize more linear footage sewer replacement/ repairs.

Current sanitary sewer rates are \$81.45.

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.

Randy Pfutzenreuter, Mayor

Name & Title of Authorized Signatory
(Typed)

Signature

3/31/26

Date

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

Project Title: Wastewater Collection Improvements - Phase 3

Funding Requested: \$2,500,000

Other Proposed Funding: None

Total Project Cost: \$2,500,000

Project Description: The city of Hecla is proposing to improve their sewer collection with relining/repairing at least 11,000 ft of sewer line system including a full lift station replacement. The project was split into phases, and this funding application is for the third phase.

Implementation Schedule: The city of Hecla anticipates bidding the project in January 2027 with a project completion date of December 2027.

Service Population: 193

Current Domestic Rate: \$81.45 per 5,000 gallons

Interest Rate: 4.00 % Term: 30 years Security: Project Surcharge

REVIEW COMPLETED BY: SAM SARKOTA

June 25, 2026

Item 9

TITLE: Solid Waste Management Program Funding Applications

EXPLANATION: The following application was received by DANR by the April 1, 2026, deadline for funding consideration at this meeting.

a. Department of Agriculture and Natural Resources

COMPLETE APPLICATIONS: The application cover sheet and summary sheet have been provided as part of the board packet. The complete application and summary sheet is 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 Andy Bruels at (605) 773-4216.

Solid Waste Management Program Application

<p>Applicant South Dakota Department of Agriculture and Natural Resources (DANR)</p> <p>Address Joe Foss Building 523 East Capitol Pierre, SD 57501-3182</p>	<p style="text-align: center;">Proposed Funding Package</p> <p style="text-align: right;">SWMP Funds: <u>\$250,000</u></p> <p style="text-align: right;">Local Cash: _____</p> <p>Other: _____</p> <p>Other: _____</p> <p>Other: _____</p> <p style="text-align: right;">Total Project Cost: <u>\$250,000</u></p>
--	---

Project Title: Statewide PFAS Foam, Solid Waste, or Waste Tire Cleanups

Description:

DANR proposes to continue to fund the statewide cleanup of PFAS foam, solid waste, and waste tires with SWMP funds. A primary use of these funds will be for DANR's Inspection, Compliance, and Remediation program to work with local entities for collection and disposal of per-and polyfluoroalkyl substances (PFAS) firefighting foam or other PFAS products.

A portion of these funds may be available to regional landfills in South Dakota to conduct waste tire collection and disposal events.

If needed, funds may also be utilized by school districts to remove old and potentially hazardous chemicals from their science classrooms and labs. DANR proposes to fund these projects with a one-time assistance of 50 percent cost share up to a maximum of \$10,000.

Finally, funds may be used for other solid waste cleanups or removals deemed necessary by DANR staff to protect the state's natural resources.



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.

Hunter Roberts, Secretary

Name and Title of Authorized Signatory (Typed)


Signature

3-6-2016

Date

FUNDING REQUEST EVALUATION FORM
SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATION
APPLICANT: DEPARTMENT OF AGRICULTURE AND NATURAL RESOURCES

Project Title: Statewide PFAS Foam, Solid Waste, or Waste Tire Cleanups

Funding Requested: \$250,000

Other Proposed Funding: None

Total Project Cost: \$250,000

Project Description: Department of Agriculture and Natural Resources (DANR) proposes to use funds for DANR's Inspection, Compliance, and Remediation program to work with local entities to collect and dispose of PFAS foam or other PFAS products. 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 to protect the state's natural resources.

Implementation Schedule: NA

Service Population: Statewide

Interest Rate: NA Term: NA Security: NA

ENGINEERING REVIEW COMPLETED BY: BAILEY MCTIGUE

June 25, 2026

Item 10

TITLE: Update Authorized Representatives to Act on Behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District

EXPLANATION: In May 2019, staff worked with the Attorney General’s Office to create a document that designates authorized representatives to perform specific duties on behalf of the Board and the District.

Specific staff are authorized to perform duties on behalf of the Board of Water and Natural Resources (the “Board”) and the South Dakota Conservancy District (the “District”) through a series of forms from the Trustee, U.S. Bank, and designation letters from the Department Secretary.

Due to staff changes, the Authorized Representatives document needs to be updated. Attached is the document outlining the designated staff for certain activities.

RECOMMENDED ACTION: Approve the updated Authorized Representatives document outlining authority for staff to perform specific duties on behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District.

CONTACT: Tina McFarling 773-4216

AUTHORIZED REPRESENTATIVE(S) OF THE SOUTH DAKOTA BOARD OF WATER AND NATURAL RESOURCES AND THE SOUTH DAKOTA CONSERVANCY DISTRICT.

The Secretary of the Department and Authorize Representative(s) listed below are authorized to perform specific duties on behalf of the Board of Water and Natural Resources (the “Board”) and the South Dakota Conservancy District (the “District”).

1. The following personnel are authorized to sign Loan Disbursement and Administrative Disbursement Orders for the Clean Water and Drinking Water State Revolving Fund Programs.
 - a. Tina McFarling, Program Administrator
 - b. Andrew Bruels, Division Director
 - c. Jon Peschong, Finance and Internal Control Manager
 - d. Adarsh Nair, Grant & Loan Specialist I
 - e. Leander Austin, Grant & Loan Specialist I

2. The following personnel are authorized to sign or approve Uniform Commercial Code filings.
 - a. Tina McFarling, Program Administrator
 - b. Andrew Bruels, Division Director
 - c. Jon Peschong, Finance and Internal Control Manager
 - d. Adarsh Nair, Grant & Loan Specialist I
 - e. Leander Austin, Grant & Loan Specialist I

3. The following personnel are authorized to sign IRS forms on behalf of the District in connections with Arbitrage Rebates, Arbitrage Payments, or W9s.
 - a. Tina McFarling, Program Administrator
 - b. Andrew Bruels, Division Director
 - c. Jon Peschong, Finance & Internal Control Manager
 - d. Adarsh Nair, Grant & Loan Specialist I
 - e. Leander Austin, Grant & Loan Specialist I

4. The following personnel are authorized to select, buy, and sell investments on behalf of the District for the Clean Water and Drinking Water State Revolving Fund Programs.
 - a. Tina McFarling, Program Administrator
 - b. Andrew Bruels, Division Director
 - c. Jon Peschong, Finance & Internal Control Manager

5. The following personnel are authorized to direct the Trustee to transfer funds from any account or fund under the Master Trust Indenture to provide flexibility for the Clean Water and Drinking Water State Revolving Fund Programs, including any transfers from time to time as authorized by the Master Trust Indenture. In addition, the following personnel are authorized

to direct the Trustee to establish and maintain additional accounts or subaccounts for the purposes described above or to account for allocation of restricted and unrestricted moneys under the Master Trust Indenture.

- a. Tina McFarling, Program Administrator
- b. Andrew Bruels, Division Director
- c. Jon Peschong, Finance & Internal Control Manager
- d. Adarsh Nair, Grant and Loan Specialist I
- e. Leander Austin, Grant and Loan Specialist I

I hereby certify that the above representative(s) are authorized to act on behalf of the Board of Water and Natural Resources and the South Dakota Conservancy District as specified above.

Dated this 25th day of June, 2026

{Seal}

Chairman, Board of Water
and Natural Resources

Attest:

Secretary, Board of Water
and Natural Resources

TITLE: Planning District Joint Powers Agreements for State Revolving Fund 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.

The agreements limit the SRF application/administration reimbursement rate to \$13,000 per loan application, subject to three installment payments: (1) approval of loan by BWNR, (2) first disbursement of funds to borrower, and (3) final disbursement of funds to borrower.

The agreements limit the Davis-Bacon reimbursement rate to \$2,000 per loan application subject to two installment payments: (1) first disbursement of funds to borrower and (2) upon receipt of the contractor’s payrolls and employee interviews. Davis-Bacon monitoring payments are made to the planning districts only if no Community Development Block Grant (CDBG) has been awarded for the project, because the planning districts are already required to perform that monitoring for CDBG recipients.

Staff proposes to enter into Joint Powers Agreements with each of the planning districts for SRF application and administration and Davis-Bacon monitoring in the following amounts:

Planning District	Amount
Black Hills Council of Local Governments	\$988,000
Central South Dakota Enhancement District	\$254,000
First District Assn of Local Governments	\$1,545,000
Northeast Council of Governments	\$825,000
South Eastern Council of Governments	\$1,438,000
Planning and Development District III	\$863,000

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

CONTACT: Andy Bruels, 773-5559

June 25, 2026

Item 12

TITLE: South Eastern Council of Governments Private Entity Loan Review Joint Powers Agreement

EXPLANATION: In June 2022, the board entered into a \$7,500 Joint Powers Agreement with the South Eastern Council of Governments to provide private entity loan review services. The contract expires on June 30, 2026, and this contract cannot be extended.

Section 4 of this past legislative session’s Omnibus Bill (SB 37) appropriated \$3.4 million from the Water and Environment Fund to the Board’s Solid Waste Management Program. SDCL Chapter 46A-1, which authorizes the Solid Waste Management Program, allows the Board to use funds from the appropriation to contract for services to administer the program including processing and reviewing private entity solid waste loan applications.

Staff prepared a Joint Powers Agreement to place \$10,000 of this amount under agreement with the South Eastern Council of Governments effective July 1, 2026 through June 30, 2030. The agreement will limit the reimbursement rate to \$100.00 per hour and caps the review of each application at 15 hours without prior written approval.

RECOMMENDED ACTION: Approve the Joint Powers Agreement with the South Eastern Council of Governments

CONTACT: Andy Bruels, 773-5559

June 25, 2026

Item 13

TITLE: Dupree Request to Deobligate Clean Water SRF Loan C461247-03

EXPLANATION: On June 23, 2022, the Board of Water and Natural Resources awarded Dupree a \$1,314,452 Clean Water SRF loan for its Wastewater System Improvement project.

On June 4, 2026, DANR staff received a letter from the city of Dupree requesting to deobligate the \$1,314,452 Clean Water SRF loan C461247-03.

RECOMMENDED ACTION: Rescind Resolution #2022-339 which awarded the Clean Water SRF loan for the project.

CONTACT: Tina McFarling, 773-5559

City of Dupree

P.O. Box # 276
511 4th Street
Dupree, SD 57623-0276

Phone: 605-365-5181
Fax: 605-365-5183

Em: dcouncil@lakotanetwork.com

June 4, 2026

Andy Bruels
DANR
523 East Capitol Avenue
Pierre, SD 57501-0523

Andy Bruels,

This letter serves as notice that on Monday evening, June 1, 2026, the City Council of Dupree chose to reject the SRF loan of \$1,314,452.00 and deobligate the funds.

It was determined that the current grant amounts that have been awarded are sufficient for the projects being worked on.

Sincerely,



Sam Owen,

Mayor, City of Dupree

June 25, 2026

Item 14

TITLE: Hecla Request to Deobligate Clean Water SRF Loan C461276-03

EXPLANATION: On March 27, 2025, the Board of Water and Natural Resources awarded Hecla a \$2,500,000 SRF loan for its Phase II Wastewater Improvement Project.

On March 31, 2026, DANR staff received a letter from the city of Hecla requesting to deobligate the \$2,500,000 Clean Water SRF loan C461276-03.

RECOMMENDED ACTION: Rescind Resolution #2025-40 which awarded the Clean Water SRF loan for the project.

CONTACT: Tina McFarling, 773-5559



March 31, 2026

Andy Bruels
DANR
523 East Capitol Avenue
Pierre, SD 57501

Dear Mr. Bruels:

The City of Hecla is requesting to rescind the Hecla Phase II Wastewater Improvement Clean Water State Revolving Fund #C461276-03.

We truly appreciate the financial assistance your agency has provided our city in the past and look forward to working with your agency on future water and wastewater projects.

If you require any additional information regarding this matter, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Randy Pfitzenreuter', is written over a faint, light blue circular stamp or watermark.

Randy Pfitzenreuter
Mayor
City of Hecla

CC: Ted Dickey, NECOG
Matthew Mazourek, AE2S

"This Institution is an equal opportunity provider and employer."

June 25, 2026

Item 15

TITLE: Presho Request to Deobligate Consolidated Loan 2023L-203

EXPLANATION: On June 23, 2022, the Board of Water and Natural Resources awarded Presho a \$105,000 Consolidated loan for its Water Meter Replacement project.

On April 21, 2026, DANR staff received a letter from the town of Presho requesting to deobligate the \$105,000 Consolidated loan 2023L-203. The town utilized local funds for the portion of the project that would have required the loan and the loan is no longer necessary.

RECOMMENDED ACTION: Rescind Resolution #2022-377 which awarded the Consolidated loan for the project.

CONTACT: Tina McFarling, 773-5559

City of Presho

P.O. Box 100
108 N. Main Avenue
Presho, SD 57568

preshocity@kennebectelephone.com
(605) 895-2337

April 21, 2026

Mayor

Angela Ehlers

Council Members

Kimm Schweitzer
Carl Brakke
Grady Floyd
Betsy Brodrecht
Emily Freeman
Austin Berry

Finance Officer

vacant

Public Works Supt.

John Uthe

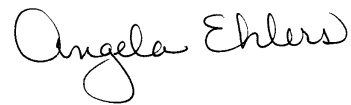
SD Department of Agriculture and Natural Resources
Environmental Funding Program
523 E Capitol Avenue
Pierre, SD 57501-3182

Dear Mr. Bruels:

The City of Presho requests de-obligation of the \$105,000 Consolidated Program Loan 2023L-203 awarded in June, 2022. We apologize that the Department was not notified earlier of our decision to not use the loan. We were able to use reserve funds to pay for the water meter replacement project.

Thank you for bringing this matter to our attention. Please let us know if there is other information or forms needed for the de-obligation.

Sincerely,



Angela Ehlers, mayor

June 25, 2026

Item 16

TITLE: South Dakota's Surface Water Quality Assessment and Water Quality Improvement/Protection Strategies Informational Briefing

EXPLANATION: The Surface Water Quality Report is a biannual document, required under the Clean Water Act, that assesses waterbodies in the state to determine whether they meet water quality standards.

Once pollutants of concern are identified on a lake, river or stream, a Total Maximum Daily Load (TMDL) report is written to identify the sources of pollution and recommend restoration activities to achieve water quality standard attainment. The state implements Clean Water Act programs that are designed to prevent, reduce and eliminate pollution in waters.

CONTACT: Joshua Strobel (605) 773-6710