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

March 27, 2025
1:00 p.m. Central Time

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

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

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

BOARD MEMBERS ABSENT: Gene Jones, Jr.

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

OTHERS: See attached attendance sheet.

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

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

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

PUBLIC COMMENT PERIOD: There were no public comments.

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

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

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

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

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

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

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

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

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

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

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

funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendment of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2026.

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

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

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

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

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

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

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

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

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

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

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

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

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

DAKOTA MAINSTEM REGIONAL WATER SYSTEM STATE WATER RESOURCES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The motion carried unanimously.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2025-10** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$8,300,000 with up to 100 percent principal forgiveness to the **Grant-Roberts Rural Water System** for system improvements in order to provide bulk water to Summit, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the applicant resolution becoming effective following its publication, contingent upon the borrower approving and executing a Promissory Note, and contingent upon receipt of the 2025 Drinking Water State Revolving Fund Emerging Contaminants capitalization grant from EPA. The motion carried unanimously.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant.

A representative of Perkins County presented information on the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-12** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,800,000 at 4.50 percent interest for 30 years with 80.0 percent as principal forgiveness not to exceed \$4,640,000 to **Perkins County Rural Water System** for an elevated storage reservoir and distribution line replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance

with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-13** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,565,000 at 3.0 percent interest for 30 years with 80.3 percent as principal forgiveness not to exceed \$1,259,000 to the **city of Wessington Springs** for distribution system improvements and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the

required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

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

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

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2025-14** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,325,000 at 3.25 percent interest for 30 years to the **city of Mitchell** for the Fifth Avenue utilities project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-15** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,314,000 at 3.0 percent interest for 30 years with 74.5 percent as principal forgiveness not to exceed \$978,000 to the **town of Buffalo Gap** for the Phase 2 distribution line replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level

sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant.

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

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2025-16** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,575,000 at 3.25 percent interest for 30 years with 65.8 percent as principal forgiveness not to exceed \$1,035,000 to the **city of Bryant** for Phase 2 water distribution and storage improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

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

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

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-17** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,240,000 at 3.5 percent interest for 30 years with 43.0 percent as principal forgiveness not to exceed \$1,390,000 to **Fall River Water User District** for the North Angostura booster station project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the

performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Oak Mountain Country Estates Homeowners Association and the District.

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

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

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

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

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

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

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

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

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

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

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2025-20** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,230,000 at 3.25 percent interest for 30 years with 56.5 percent as principal forgiveness not to exceed \$1,260,000 to the **city of Alcester** for water distribution system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-21** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,520,000 at 3.75 percent interest for 30 years to the **city of Hill City** for Phase 1 drinking water improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2025-22** awarding a Consolidated grant at 36.3 percent of approved total project costs not to exceed \$2,000,000 to the **city of Hill City** for Phase 1 drinking water improvements. The motion carried unanimously.

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

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

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

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

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

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

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2025-23** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,946,000 at 3.75 percent interest for 30 years to the **city of Canton** for West Street drinking water improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2025-24** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,158,000 at 3.75 percent interest for 30 years to the **city of Dell Rapids** for Orleans Avenue watermain replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2025-25** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,452,000 at 3.50 percent interest for 30 years with 48.3 percent as principal forgiveness not to exceed \$700,000 to the **city of White** for water distribution system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant; and to adopt **Resolution No. 2025-26** awarding a Consolidated grant at for 31.5 percent of total project costs not to exceed \$665,000 to the **city of White** for water distribution system improvements.. The motion carried unanimously.

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

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

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

Steve McFarland, city of administrator, discussed the project.

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

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

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

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

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

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

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

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

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2025-27** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,714,000 at 3.75 percent interest for 30 years with principal forgiveness of 77.1 percent not to exceed \$2,863,000 to the **town of Columbia** for a wastewater lagoon and line improvement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Clean Water SRF capitalization grant.

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

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

The motion carried unanimously.

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

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

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

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

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

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

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-28** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,827,000 at 3.75 percent interest for 30 years to the **city of Canton** for West Street sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage.

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

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

The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-29** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$5,439,000 at 3.75 percent interest for 30 years to the **city of Hill City** for rehabilitation and expansion of the wastewater treatment facility, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; to adopt **Resolution No. 2025-30** approving a South Dakota Consolidated Water Facilities Construction Program grant

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

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

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

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

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

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

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

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2025-32** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,587,000 at 3.75 percent interest for 30 years to the **city of Groton** for a wastewater improvement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2025-33** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Groton** for up to 30.4 percent of approved total project costs not to exceed \$2,000,000 for a wastewater improvement project. The motion carried unanimously.

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

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

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

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

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

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

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

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

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

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2025-34** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$30,000,000 at 3.75 percent interest for 30 years to the **city of Aberdeen** for wastewater treatment facility improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2025-35** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,964,000 at 3.75 percent interest for 30 years to the **city of Gettysburg** for a wastewater improvement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Staff also recommended the special conditions that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.

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

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

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-36** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$12,344,000 at 3.50 percent interest for 30 years at percent interest to the **city of Box Elder** for Phase 2 of the Highway 14/16 trunk sewer system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2025-37** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Box Elder** for up to 14.0 percent of approved total project costs not to exceed \$2,000,000 for Phase 2 of the Highway 14/16 trunk sewer system improvements. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-38** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,245,000 at 3.75 percent interest for 30 years to the **city of Wessington Springs** for lagoon improvements and lift station rehabilitation, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon . The motion carried unanimously.

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

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

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

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

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

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

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

authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2025 Capitalization Grant from EPA.

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

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2025-40** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,500,000 at 3.75 percent interest for 30 years with principal forgiveness of 80.0 percent not to exceed \$2,000,000 to the **city of Hecla** for Phase II of its wastewater collection reconstruction project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2025 Capitalization Grant from EPA. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2025-41** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,350,000 at 3.50 percent interest for 20 years to the **city of Mitchell** for sanitary and storm sewer upgrades along East 5th Avenue from Burr Street to Foster Street, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-42** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,992,000 at 3.75 percent interest for 30 years to the **city of Dell Rapids** for Orleans Avenue sanitary sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2025-43** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Dell Rapids** for up to 14.4 percent of approved total project costs not to exceed \$500,000 for Orleans Avenue sanitary sewer improvements. The motion carried unanimously.

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

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and the special condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.

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

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2025-44** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,105,000 at 3.50 percent interest for 30 years to the **city of White** for Phase 2 wastewater collection system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and the special condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan; and to adopt **Resolution No. 2025-45** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of White** for up to 49.0 percent of approved total project costs not to exceed \$1,059,000 for Phase 2 wastewater collection system improvements. The motion carried unanimously.

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

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

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

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

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

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

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

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2025-46** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,129,000 at 3.75 percent interest for 30 years to the **city of Webster** for the Industrial Park wastewater project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2025-47** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,782,000 at 3.75 percent interest for 30 years to the **city of Dell Rapids** for the Western Extension Project along SD Highway 115, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2025-48** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,240,000 at 3.75 percent interest for 30 years to the **city of Bryant** for wastewater collection system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Clean Water SRF capitalization grant, and with the Special Condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan.

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

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

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

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-49** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,959,000 at 3.50 percent interest for 30 years with principal forgiveness of 8.9 percent not to exceed \$350,000 to the **town of Keystone** for wastewater collection system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Clean Water SRF capitalization grant, and the Special Condition that engineering costs for this project are not eligible for reimbursement through the Clean Water SRF loan; and to adopt **Resolution No. 2025-50** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **town of Keystone** for up to 29.5 percent of approved total project

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

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

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

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

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

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

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

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-51** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,657,000 3.75 percent interest for 30 years to the **town of Oacoma** for lift station improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. The motion carried unanimously.

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

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

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

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

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

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

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2025-52** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,300,000 at 3.75 percent interest for 30 years to the **town of Veblen** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

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

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

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

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

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

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2025-53** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$488,000 at 3.75 percent interest for 30 years with 38.4 percent principal forgiveness not to exceed \$187,000 to **Garden City** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Clean Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

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

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

Motion by Becker, seconded by Jennings, to adopt **Resolution No. 2025-54** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,600,000 at 3.75 percent interest for 30 years with principal forgiveness of 77.0 percent not to exceed \$2,000,000 to the **town of Java** for Phase 1 of a wastewater line improvement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Clean Water SRF capitalization grant. The motion carried unanimously.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-65** approving the Clean Water State Revolving Fund loan up to a maximum committed amount of \$719,100 at 3.75 percent interest for 30 years to the **Southern Missouri Recycling and Waste Management District** for the purchase of a loader for the landfill, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, and to adopt **Resolution No. 2025-66** approving a South Dakota Solid Waste Management Program grant agreement to the **Southern Missouri Recycling and Waste Management District** for 20.1 percent of approved project costs not to exceed \$180,900 for the construction of Landfill Cell #4. The motion carried unanimously.

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

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

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

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

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

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

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

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

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan and contingent upon the borrower approving a security agreement and mortgage.

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

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

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

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

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

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

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

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

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage; and contingent upon the borrower approving and executing an Intercreditor Agreement between, Rural Utilities Service, Viewfield Rural Water Association, Inc., and the Conservancy District.

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

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

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

Ms. McFarling provided a recap of available funds.

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

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

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

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

Approved June 26, 2025.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources