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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 28, 2024
1:00 p.m. Central Time

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

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

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

BOARD MEMBERS ABSENT: Gene Jones, Jr.

OTHERS: See attached attendance sheet.

Tina McFarling introduced new board member Cameron Becker who was appointed to fill the vacancy left by Vance Newman.

Ms. McFarling stated that board member Dr. Paul Gnirk passed away in January 2024.

APPROVE AGENDA: Motion by Drewes, seconded by Bernhard, to approve the agenda as amended. Motion carried unanimously.

APPROVE MINUTES OF JANUARY 4, 2024, MEETING: Motion by Drewes, seconded by Bernhard, to approve the minutes of the January 4, 2024, Board of Water and Natural Resources meeting. Motion carried unanimously.

PUBLIC COMMENT PERIOD: Jay Gilbertson, East Dakota Water Development District, commented on Missouri River issues, proposed large water distribution projects, and tribal water rights.

AMENDMENTS TO STATE WATER PLAN, 2024 CLEAN WATER SRF AND 2024 DRINKING WATER SRF INTENDED USE PLANS: Water projects that 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 2025.

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.

Thirteen State Water Plan applications were received by the February 1, 2024, deadline. A list of projects was included in the board packet. As he presented the State Water Plan applications, Andy Bruels also identified those 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
Box Elder	An area of the sanitary sewer system along Highway 14/16 needs replacement and upsizing, the city will install 15,500 feet of 30- and 36-inch pipe. The new pipe will help reduce inflow and infiltration from the existing pipe and provide for future growth capacity in the trunk sewer system.	\$14,344,000	Place on Facilities Plan
Central City	Installation of storm sewer inlets, pipe, and valley gutter to manage and convey stormwater overflow across a major arterial street.	\$182,000	Place on Facilities Plan
Dell Rapids	Replacement 4,600 feet of new PVC watermain along and adjacent to Orleans Avenue. The project also includes a western area drinking water expansion which would not be eligible for Drinking Water SRF funding as it is considered future growth.	\$3,540,000	Place on Facilities Plan
Dell Rapids	Replacement of approximately 3,800 feet of sanitary sewer and 2,200 feet of storm sewer along and adjacent to Orleans Avenue. The project will also include a western area sewer expansion with a lift station and total of 5,500 feet of sewer main and forcemain to connect to the existing system.	\$8,540,000	Place on Facilities Plan
Elk Point	Reconfiguration and replacement of wastewater treatment lagoon piping to better utilize existing treatment capacity and improve facility loading, aeration to further reduce loading and meet required permit limits would be installed.	\$2,200,000	Place on Facilities Plan

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Grant-Roberts Rural Water System	Construction of 3.8 miles of parallel pipeline within the service area to meet user demands and pressurize the system, consolidate the community of Marvin as individual users and replace existing meters, and construct an emergency connection to Milbank to provide a redundant water supply.	\$2,549,000	Place on Facilities Plan
Lincoln County Rural System	Need to move the existing watermain to a new alignment to avoid Veterans Parkway road construction and better accommodate the planned use of the area to include the installation for approximately 1.25 miles of 8- and 12-inch pipe.	\$713,000	Place on Facilities Plan
Oak Mountain Country Estates HOA	This is a small development near Deadwood and currently utilizes an existing well the city has as its sole water source, the project would install a new well, install an ion exchange treatment system, replace existing storage tanks with two 12,000-gallon ground water tanks, replace meters to for water loss, and replace approximately 17,000 feet of existing water main.	\$6,348,000	Place on Facilities Plan
Powder House Pass Community Improvement District	Expansion of the current wastewater treatment facility to accommodate additional growth, installation of a new lift station and sanitary sewer lines, and improvements to an existing lift station to allow expansion into undeveloped areas.	\$2,075,000	Place on Facilities Plan
Rapid Valley Sanitary District	Construction of a new trunk sewer line and collection pipe to disconnect users from the city of Rapid City system and construction of a new wastewater treatment facility.	\$60,000,000	Place on Facilities Plan
Sioux Falls	Installation of sanitary sewer, an equalization basin, and larger lift station and forcemain to fully complete the Basin 15 sewer expansion project.	\$11,000,000	Place on Facilities Plan
Weston Heights Sanitary District	Replacement of approximately 1,500 feet of sanitary sewer and related appurtenances on Rosilee Lane, Krista Street, and Susan Street.	\$1,111,000	Place on Facilities Plan
West River Lyman Jones Rural Water System	Construction of 26 miles of parallel or increased size pipeline in various locations to meet user demands and pressurize the system and install a total of 600,000-gallons of additional storage capacity in the Elbon service area.	\$14,769,000	Place on Facilities Plan

Motion by Bernhard, seconded by Lanning, to place the 13 projects on the 2024 State Water Facilities Plan. Motion carried unanimously.

In response to a question by Mr. Drewes, Mr. Bruels stated that the priority points for both the Clean Water and Drinking Water IUP are established in administrative rule. The points are based on the type of project being constructed.

In addition to the clean water projects the board just placed on the 2024 State Water Plan there were five additional projects, Green Valley Sanitary District, Hudson, Kadoka, Parkston, and Worthing, to be placed on the Clean Water SRF IUP. Mr. Bruels discussed additional projects and recommended that the following projects be added to Attachment I – Project Priority list of the 2024 Clean Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
29	Green Valley Sanitary District	\$9,322,000	3.75 percent, 30 years
25	Parkston	\$1,500,000	3.75 percent, 30 years
25	Elk Point	\$2,200,000	3.75 percent, 30 years
14	Worthing	\$1,800,000	3.75 percent, 30 years
14	Box Elder	\$14,344,000	3.75 percent, 30 years
12	Sioux Falls	\$11,000,000	3.50 percent, 20 years
10	Dell Rapids	\$8,540,000	3.75 percent, 30 years
9	Rapid Valley Sanitary District	\$60,000,000	3.75 percent, 30 years
9	Weston Heights Sanitary District	\$1,111,000	3.75 percent, 30 years
8	Kadoka	\$800,000	3.75 percent, 30 years
7	Hudson	\$1,295,000	3.75 percent, 30 years
4	Central City	\$182,000	3.75 percent, 30 years
2	Powder House Pass Community Improvement District	\$2,075,000	3.75 percent, 30 years

Motion by Drewes, seconded by Lanning, to place the 13 projects on the 2024 Clean Water SRF Project Priority List. Motion carried unanimously.

In addition to the drinking water projects the board just placed on the 2024 State Water Plan there were two additional projects, Faith, and Hudson, to be placed on the Drinking Water SRF IUP. Mr. Bruels discussed the additional projects and recommended that the following projects be added to Attachment I – Project Priority list of the 2024 Drinking Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
102	Oak Mountain Country Estates Homeowner’s Association	\$6,348,000	3.75 percent, 30 years
76	Grant-Roberts Rural Water System	\$2,549,000	3.75 percent, 30 years
48	Hudson	\$1,107,000	3.50 percent, 30 years
33	West River/Lyman Jones Rural Water System	\$14,769,000	3.50 percent, 30 years

11	Dell Rapids	\$3,540,000	3.75 percent, 30 years
7	Lincoln County Rural Water System	\$713,000	3.75 percent, 30 years
3	Faith	\$1,250,000	3.25 percent, 30 years

Motion by Bernhard, seconded by Becker, to place the seven projects on the 2024 Drinking Water SRF Project Priority List. Motion carried unanimously.

DAKOTA MAINSTEM REGIONAL WATER SYSTEM STATE WATER RESOURCES

MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that Section 1 of Senate Bill 16 approved by the 2024 Legislature amended the State Water Resources Management System list in SDCL 46A-1-2.1 to add the Dakota Mainstem Regional Water System study as a preferred priority project of the state.

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 legislation authorized the state grant to the local project sponsors for a feasibility level study, system startup, and administration of the study. The grant is to be subject to the terms and conditions established by the Board of Water and Natural Resources.

The department received a request from the Dakota Mainstem Regional Water System, as the local project sponsor, to place the \$1,000,000 appropriation under agreement. A grant agreement was drafted with the assistance of DANR legal counsel.

Staff recommended the board approve a resolution authorizing the chairman to execute the State Water Resources Management System grant agreement with the Dakota Mainstem Regional Water System.

Kurt Pfeifle, executive director for the South Dakota Association of Rural Water Systems, discussed the Dakota Mainstem Regional Water System project and thanked the board for consideration of approval of the \$1,000,000 grant.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-21** approving the State Water Resources Management System grant agreement to the **Dakota Mainstem Regional Water System** for an amount 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 Water Resources Management System grant agreement. Motion carried unanimously.

WATER INVESTMENT IN NORTHERN SOUTH DAKOTA STATE WATER RESOURCES

MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that Section 4 of Senate Bill 17 approved by the 2023 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.

The 2024 State Legislature appropriated an additional \$5,000,000 in grant funds for the WINS project in Section 3 of Senate Bill 16.

The department received a request from the three project sponsors to place the additional 2024 \$5,000,000 appropriation under agreement. The first amendment to the grant agreement was drafted with the assistance of DANR legal counsel.

Staff recommended the board approve a resolution authorizing the chairman to execute the First Amendment to the State Water Resources Management System grant agreement with the joint project sponsors.

Robin Bobzien, city of Aberdeen, discussed the project and thanked the board for consideration of approval of the \$5,000,000 grant.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-22** approving the First 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 \$5,000,000 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. Motion carried unanimously.

WESTERN DAKOTA REGIONAL WATER SYSTEM STATE WATER RESOURCES MANAGEMENT SYSTEM GRANT AGREEMENT: Mr. Bruels reported that Section 5 of Senate Bill 17 as approved by the 2023 Legislature appropriated \$1,000,000 in grant funds for the Western Dakota Regional Water System study. The board placed these funds under agreement with the Western Dakota Regional Water System in March 2023.

The 2024 Legislature appropriated an additional \$1,000,000 in grant funds for the Western Dakota Regional Water System study in Section 4 of Senate Bill 16.

The department received a request from the Western Dakota Regional Water System, as the local project sponsor, to place the additional 2024 appropriation of \$1,000,000 under agreement. The first amendment to the grant agreement was drafted with the assistance of DANR legal counsel.

Staff recommended the board approve a resolution authorizing the chairman to execute the First Amendment to the State Water Resources Management System grant agreement with the Western Dakota Regional Water System.

Cheryl Chapman, executive director for the Western Dakota Regional Water System, discussed the project and thanked the board for consideration of approval of the \$1,000,000 grant.

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2024-23** approving the First Amendment to the State Water Resources Management System grant agreement to the **Western Dakota Regional Water System** for an amount 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. Motion carried unanimously.

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

Southern Black Hills Water System requested funding for improvements including extending existing water system main from the existing wells at Paramount Point Subdivision five miles northeast to Spring Creek Acres Subdivision. In addition, a new well, booster pump station, elevated storage reservoir, chlorination, and SCADA systems, pressure reducing valves, and other related appurtenances will be installed. When complete, the project will serve both Paramount Point and Spring Creek Acres as well as other existing and new development along the pipeline route.

The estimated total project amount is \$6,781,000, and the amount requested is \$3,181,000. Southern Black Hills Water System received a \$3,060,000 ARPA grant and a \$540,000 Drinking Water SRF loan for this project in April 2022.

Staff recommended awarding a \$1,584,000 Drinking Water SRF loan at 3.75 percent interest for 30 years and a Consolidated grant for 50.3 percent of project costs not to exceed \$1,597,000.

Southern Black Hills Water System pledged system revenue for repayment of the loan. Rates are \$134.00 for 7,000 gallons. Staff analysis indicates that a that revenues need to be raised by approximately \$50,000 annually to provide the required 110 percent debt coverage. Staff estimated that this will increase user rates by approximately \$10.00 per month for a 7,000-gallon user, bringing total rates to \$144.00 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 upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Southern Black Hills Water System, Inc. and the Conservancy District.

Staff also recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Ted Wick, Chairman of the Southern Black Hills Water System board of directors, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-24** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,584,000 at 3.75 percent interest for 30 years to the **Southern Black Hills Water System** for drinking water 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 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 upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Southern Black Hills Water System, Inc. and the Conservancy District; and to adopt **Resolution No. 2024-25** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **Southern Black**

Hills Water System for up to 50.3 percent of approved total project costs not to exceed \$1,597,000 for drinking water system improvements with the special condition that grant funds will be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Seneca requested funding to replace water meters for all service connections. Current meters are no longer reading accurately or not working at all. Installing new water meters will allow the town to accurately record water loss and usage. In addition, the town will construct new 2-inch looping lines to eliminate dead-end lines.

The estimated total project amount is \$440,800, and the amount requested is \$440,800.

Staff recommended awarding a \$440,800 Drinking Water SRF loan at 3.25 percent interest for 30 years with 73.1 percent as principal forgiveness not to exceed \$321,800.

Seneca pledged a project surcharge for repayment of the loan. Rates are \$75.50 for 5,000 gallons. Staff analysis indicates that a surcharge of \$25.00 is needed for repayment of the \$119,000 loan. Seneca's existing rates are high; however, the existing meters are self-read by users, and most do not function properly, so the actual water charges are not accurate. Staff reviewed Seneca's annual expenses and determined that a charge of approximately \$40.00 per user would support the expenses. When combined with the \$25.00 surcharge a total rate of \$65.00 per month would be charged. With the completion of this project Seneca will have accurate water billing and be able to determine a rate structure that accurately charges users and supports expenses for the system.

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 2024 Drinking Water SRF capitalization grant.

Kathy Bitzer, town of Seneca, thanked the board for consideration of funding for project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-26** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$440,800 at 3.25 percent interest for 30 years with 73.1 percent as principal forgiveness not to exceed \$321,800 to the **town of Seneca** water meter installation 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 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

Sioux Rural Water System (RWS) requested funding for water system improvements including pipeline construction, pump replacement at the Sioux Water Treatment Plant, well construction, new service to an existing mobile home park, and construction of a ground storage reservoir.

The estimated total project amount is \$11,402,165, and the amount requested is \$11,252,165. Sioux RWS intends to contribute \$150,000 in local cash for this project,

Mr. Bruels stated that one aspect of this project is to provide funding for a mobile home park known as Pelican Plaza. Pelican Plaza currently has its own water system, which has had safe drinking water violations in the last year. Funding included in this project would allow Sioux RWS to reconstruct the system and provide individual service to those customers to provide safe and quality drinking water. The estimated cost for this portion of the project is approximately \$600,000 when including engineering costs.

Staff recommended awarding a \$11,252,165 Drinking Water SRF loan at 3.50 percent interest for 30 years with 5.3 percent as principal forgiveness not to exceed \$600,000. The principal forgiveness being recommended will cover the project costs for the Pelican Plaza related construction. With this funding package, staff recommended that those users not be charged any additional debt surcharge and instead pay normal Sioux RWS customer rates.

The interest rate for this loan is recommended at 3.50 percent instead of the normal 3.75 percent interest rate Sioux RWS 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.

Sioux RWS pledged system revenue for repayment of the loan. Rates are \$87.90 for 7,000 gallons. Staff analysis indicates that revenues need to be raised approximately \$190,000 annually to provide the required 110 percent debt coverage. Staff estimates this will increase user rates by approximately \$5.15 per month for a 7,000-gallon user and would bring total rates to \$93.05 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, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Sioux Rural Water System and the Conservancy District, and contingent upon receipt of the 2024 Drinking Water SRF capitalization grant.

Travis Steffensen, Sioux Rural Water System, thanked the board for consideration of funding for this project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-27** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$11,252,165 at 3.50 percent interest for 30 years with 5.3 percent as principal forgiveness not to exceed \$600,000 to **Sioux Rural Water System, Inc.** water 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 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, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Sioux Rural Water System and the Conservancy District, and contingent upon receipt of the 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

Lake Preston requested funding to replace aged cast iron water lines in the area south of U.S. Highway 14. Approximately 4,000 feet of water line will be replaced on Lake Avenue, Fremont Avenue, and Southeast 4th Street. Work will include replacement of water mains, service lines, valves, hydrants, and related appurtenances.

The estimated total project amount is \$2,492,100, and the amount requested is \$2,492,100.

Staff recommended awarding a \$2,492,100 Drinking Water SRF loan at 3.50 percent interest for 30 years with 85.0 percent as principal forgiveness not to exceed \$2,118,200.

Lake Preston pledged a project surcharge for repayment of the loan. Rates are \$79.10 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$5.85 is needed for repayment of the \$373,900 loan. Staff believes Lake Preston can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates of \$82.95 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 upon receipt of the 2024 Drinking Water SRF capitalization grant.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-28** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,492,100 at 3.50 percent interest for 30 years with 85.0 percent as principal forgiveness not to exceed \$2,118,200 to the **city of Lake Preston** 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 upon receipt of the 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

Valley Heights Estates Sanitary District requested funding to purchase the existing water distribution system from the current private owner. After acquisition of the system the district needs to make improvements to the existing distribution system and work with the city of Box Elder to upgrade pumps and pipes to provide needed water pressure and flows. Box Elder currently provides water to the district's residents through the privately owned system.

The estimated total project amount is \$3,339,000, and the amount requested is \$3,339,000.

Valley Heights Estates has been working for several years with the current private owner to take ownership of the system and needs to make system improvements as the district. Unfortunately, these discussions have not yet resulted in a purchase agreement. The private owner has provided a cost for the acquisition but neither Valley Heights Estates or DANR staff believe the amount is reasonable for the condition of the system and what it is worth. The existing system needs significant improvements, which the current owner has not been interested in undertaking, to assure water is available for residents. The other option for Valley Heights Estates is for the district to construct a new water system and disconnect from the current privately owned system. This is not an ideal option and comes with an increased cost, but if the system purchase cannot be done at a reasonable cost, then it would be the only option for the district to pursue. DANR wants to assure that Valley Heights Estates users are not subject to burdensome rates beyond what is typical for a system similar to this system.

DANR believes if a reasonable system purchase price from the current owner can be agreed upon the district, working with the city of Box Elder, can take steps to make the necessary improvements and assure safe, affordable drinking water for residents.

Staff recommended that the board defer action on this application to allow continued discussion with the private owner to, hopefully, reach a reasonable purchase price that is supportable and will allow the district to make the needed improvements.

Mr. Bruels noted that, per administrative rule, the board has 120 days from presentation of an application to make a final funding decision. Staff proposed to bring the Valley Heights Estates Sanitary District application to the board at the June meeting, which meets that requirement.

Jay Wickham, board president of Valley Heights Estates Sanitary District, discussed the project and the discussions that have taken place with the owner of the water system regarding the purchase price.

Motion by Drewes, seconded by Bernhard, to defer action on the application until the June 2024 board meeting. Motion carried unanimously.

Hudson requested funding for the water storage and distribution improvements project, which replaces existing water storage tanks, 22,000 feet of water main and appurtenances. Additional funding is required due to increased project costs. The initial funding for this project was approved in April 2022.

The estimated total project amount is \$3,268,000, and the amount requested is \$1,107,000. The funding package also includes \$61,695 in local cash, a \$967,656 state ARPA grant, an \$831,649 Drinking Water SRF loan, and \$300,000 in Department of Transportation (DOT) funding.

Staff recommended awarding a \$1,107,000 Drinking Water SRF loan at 3.50 percent interest for 30 years with 70.7 percent as principal forgiveness not to exceed \$782,000.

Hudson pledged a project surcharge for repayment of the loan. Rates are \$64.50 for 5,000 gallons. Staff analysis indicates that a surcharge of \$9.75 is needed for repayment of the \$325,000 loan. Staff believes that Hudson can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates of \$70.00 based on 5,000 gallons usage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2024 Drinking Water SRF capitalization grant.

Harley Ferguson, SECOG, thanked the board for consideration of funding for the project.

In response to a question from Mr. Drewes, Mr. Bruels stated that Hudson was approved for a \$300,000 Community Access grant from DOT for this project.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2024-29** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,107,000 at 3.50 percent interest for 30 years with 70.7 percent as principal forgiveness not to exceed \$782,000 to the **town of Hudson** for water storage and distribution 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 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

Aberdeen requested funding to construct a 1.5-million-gallon elevated water storage tower with a 16-inch transmission line. The tower will be installed in the northeast part of the city to supply additional water to users in that part of town and increase storage for the community.

The estimated total project amount is \$12,870,000, and the amount requested is \$10,000,000. The funding package also includes \$870,000 in local cash and \$2,000,000 in funding from the US Economic Development Administration.

Staff recommended awarding a \$10,000,000 Drinking Water SRF loan at 3.50 percent interest for 20 years.

The city pledged a project surcharge for repayment of the loan. Rates are \$35.50 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$6.75 is needed for repayment of the loan, bringing total rates to \$42.25.

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

Robin Bobzien, city manager, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-30** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$10,000,000 at 3.50 percent interest for 20 years to the **city of Aberdeen** for the construction of a water tower and transmission

line, 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. Motion carried unanimously.

Aurora requested funding for improvements to its drinking water distribution system to address increasing water demands within the city. The project includes installing of a 250,000-gallon elevated water tower to replace the existing 50,000-gallon tank, 1,400 feet of 8-inch diameter water main to connect the tank and making distribution system improvements.

The estimated total project amount is \$3,383,200, and the amount requested is \$3,383,200.

Staff recommended awarding a \$1,751,000 Drinking Water SRF loan at 3.75 percent interest for 30 years, a Consolidated grant for 17.8 percent of project costs not to exceed \$601,400, and a Drinking Water SRF Construction grant for 30.5 percent of project costs not to exceed \$1,030,800.

Aurora pledged a project surcharge for repayment of the loan. Rates are \$43.68 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$20.00 is needed for repayment of the loan. Mr. Bruels noted that in reviewing the city's financial information, it appears a rate increase is necessary to fully fund existing operational costs, with rates of approximately \$50.00. When combined with the surcharge for the loan, total rates are anticipated to be \$70.00.

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 recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Nancy Price, city of Aurora, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-31** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,751,000 at 3.75 percent interest for 30 years to the **city of Aurora** for water 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; to adopt **Resolution No. 2024-32** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **city of Aurora** for up to 17.8 percent of approved total project costs not to exceed \$601,400 for water system improvements with the special condition that grant funds will be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project; and to adopt **Resolution No. 2024-33** approving an SRF Drinking Water Construction grant for up to 58.9

percent of all approved total project costs not to exceed \$1,030,800 for water system improvements with the special condition that grant funds will be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Parker requested funding to reconstruct existing infrastructure by replacing cast iron watermain and looping portions of infrastructure as phase 6B of an ongoing project. The city requested additional funding to account for increased construction costs for the remaining portion of the project and some additional areas of work were requested.

The estimated total project amount is \$5,784,000, and the amount requested is \$2,077,000. The funding package also includes \$2,038,850 in state ARPA match and a \$1,668,150 Drinking Water SRF loan (DW-05).

Staff recommended awarding a \$1,215,000 Drinking Water SRF loan at 3.75 percent interest for 30 years and awarding a Drinking Water SRF Construction grant for 41.6 percent of project costs not to exceed \$862,000.

Parker pledged a project surcharge for repayment of the loan. Rates are \$80.80 for 5,000 gallons. Staff analysis indicates that a surcharge of \$11.00 is needed for repayment of the loan.

In 2022 staff recommended that Parker restructure rates and have total rates of \$59.00 for the funding awarded. It appears the city instead added a surcharge onto the existing rates and raised them above necessary levels. Staff believes that Parker can restructure rates and include the surcharge as well as other debt, operational, and maintenance costs with total rates of \$70.00 based on 5,000 gallons usage.

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

Staff also recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Paul Kraft, Banner Associates, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-34** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,215,000 at 3.75 percent interest for 30 years to the **city of Parker** for Phase 6B of a water utilities improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2024-35** approving an SRF Drinking Water Construction grant for up to 41.6 percent of all approved total project costs not to exceed \$862,000 for Phase 6B of a water utilities improvements project with the special condition that grant funds will be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Elkton requested funding for replacement of existing cast iron water main throughout the city. This phase will focus on 1,900 feet of water main replacement, fire hydrants and valves. The project also includes replacement of up to an additional 1,500 feet of 6- and 8-inch water main, fire hydrants, and valves if funding is available for this work.

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

Staff recommended awarding a \$778,000 Drinking Water SRF loan at 3.75 percent interest for 30 years and awarding a Drinking Water SRF Construction grant for 22.2 percent of project costs not to exceed \$222,000.

Elkton pledged a project surcharge for repayment of the loan. Rates are \$57.85 for 5,000 gallons. Staff analysis indicates that a surcharge of \$12.15 is needed for repayment of the loan, bringing total rates to \$70.00.

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

Staff also recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Steve Jensen, city of Elkton, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2024-36** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$778,000 at 3.75 percent interest for 30 years to the **city of Elkton** for water distribution system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution No. 2024-37** approving an SRF Drinking Water Construction grant for up to 22.2 percent of all approved total project costs not to exceed \$222,000 for water distribution system improvements with the special condition that grant funds will be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Lincoln County RWS requested funding for a second connection to Lewis & Clark Regional Water System. Approximately 1.5 miles of 12-inch pipe and 3.75 miles of 8-inch pipeline will tie the new Lewis & Clark connection to the existing system. The project will include valves, flushing hydrants, directional drilled crossings, and appurtenances.

The estimated total project amount is \$3,078,000, and the amount requested is \$3,078,000.

Staff recommended awarding a \$3,078,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Lincoln County RWS pledged system revenue for repayment of the loan. Rates are \$78.50 for 7,000 gallons. Staff analysis indicates that current rates will provide 160 percent 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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, Lincoln County Rural Water System, and the Conservancy District.

Robin Dykstra, Lincoln County RWS, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-38** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,078,000 at 3.75 percent interest for 30 years to **Lincoln County Rural Water System, Inc.** to construct a second connection to Lewis & Clark Regional Water System, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Lincoln County Rural Water System, and the Conservancy District. Motion carried unanimously.

Clear Lake requested funding to replace 4-inch watermain and appurtenances in the northwest corner of the city from 9th Avenue to 7th Avenue and from North Street to Fourth Street. This application is for approximately 7,000 feet of 6-inch PVC watermain, 10 hydrants, 25 water valves, and appurtenances.

The estimated total project amount is \$3,694,000, and the amount requested is \$3,694,000.

Staff recommended awarding a \$3,694,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Clear Lake pledged a project surcharge for repayment of the loan. Rates are \$60.40 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$30.60 is needed for repayment of the loan. Clear Lake has been completing smaller projects using ongoing revenue from rates annually. Staff believes the city can restructure its current rates and include the surcharge as well as operational and maintenance costs with total rates of \$65.00 based on 5,000 gallons usage.

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

Mary Krueger, finance officer, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2024-39** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,694,000 at 3.75 percent interest for 30 years to the **city of Clear Lake** for water distribution system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Colton requested funding to replace approximately 1,200 feet of water main to improve the distribution system.

The estimated total project amount is \$766,000, and the amount requested is \$766,000.

Staff recommended awarding \$766,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Colton pledged system revenue for repayment of the loan. Current rates are \$60.58 for 5,000 gallons. Staff analysis indicates that current system revenues will not provide the required 110 percent debt coverage so an average user increase of \$1.17 per month will be needed, bringing total rates to \$61.75.

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.

Mikayla Fraser, finance officer, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-40** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$766,000 at 3.75 percent interest for 30 years to the **city of Colton** for 4th Street water infrastructure 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 rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Kingbrook RWS requested funding to construct eight miles of 12-inch and seven and one-half miles of 10-inch transmission main and other facilities to enhance the reliability of the existing water system and to add capacity in the DeSmet water treatment plant service area. The new facilities will add to the existing infrastructure including the source, pumping, storage, and pipelines.

The estimated total project amount is \$15,016,000, and the amount requested is \$14,500,000. Funding for the project also includes \$516,000 in local cash.

Staff recommended awarding a \$14,500,000 Drinking Water SRF loan at 3.50 percent interest for 30 years.

Mr. Bruels noted that the interest rate for this loan is recommended at 3.50 percent instead of the normal 3.75 percent interest Kingbrook RWS 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.

Kingbrook RWS pledged system revenue for repayment of the loan. Rates are \$73.35 for 7,000 gallons. Staff analysis indicates that revenues need to be raised by approximately \$500,000 annually to provide the required 110 percent debt coverage. Staff estimates this will increase user rates by approximately \$7.80 per month for a 7,000-gallon user, bringing total rates to \$81.15.

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 upon an Intercreditor Agreement being approved and executed by CoBank, Rural Utilities Service, Kingbrook Rural Water System and the Conservancy District.

Heath Thompson, general manager, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-41** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$14,500,000 at 3.50 percent interest for 30 years to **Kingbrook Rural Water System** the 2024 pipeline 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 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 upon an Intercreditor Agreement being approved and executed by CoBank, Rural Utilities Service, Kingbrook Rural Water System and the Conservancy District. Motion carried unanimously

Platte requested funding for exterior work required for the rehabilitation of the city's water storage reservoirs. The city previously requested and received funding for improvements to the interior of these structures.

The estimated total project amount is \$374,100, and the amount requested is \$370,000. Other funding for the project includes \$4,100 in local cash.

Staff recommended awarding \$370,000 Drinking Water SRF loan at 3.25 percent interest for 10 years.

Platte pledged a project surcharge for repayment of the loan. Rates are \$61.91 for 5,000 gallons. Staff analysis indicates that a surcharge of \$5.45 is needed for repayment of the loan. Staff believes Platte can restructure its current rates and include the surcharge as well as operational and maintenance costs and remain at the current rate of \$61.91 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.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-42** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$370,000 Drinking Water SRF loan at 3.25 percent interest for 10 years to the **city of Platte** for rehabilitation of water reservoirs, 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. Motion carried unanimously.

Faith requested funding for the installation of a new 250,000-gallon elevated storage tank, a line from Tri-County/Mni Waste Water Association, a back-up generator, and a new water main to connect the new tank to the system. In addition, three blocks of water main will be replaced and upsized along West Fourth Avenue and West Sixth Street.

The estimated total project amount is \$4,250,000, and the amount requested is \$1,250,000. The funding package also includes a \$3,000,000 Drinking Water SRF loan with \$2,040,000 as principal forgiveness.

Staff recommended awarding a \$1,250,000 Drinking Water SRF loan at 3.25 percent interest for 30 years with 49.6 percent as principal forgiveness not to exceed \$620,000.

The city pledged a project surcharge for repayment of the loan. Rates are \$76.40 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$12.00 is needed for repayment of the \$630,000 net loan. In 2022, staff recommended that Faith restructure rates and have total rates of \$55.90 for the funding that was awarded at that time. Mr. Bruels stated that it appears the city instead added a surcharge onto the existing rates and raised the rates above necessary levels. Staff analysis indicates that Faith can restructure its rates and include the surcharge as well as other debt, operational, and maintenance costs with total rates of \$70.00 based on 5,000 gallons usage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon on receipt of the 2024 Drinking Water SRF capitalization grant.

Tim Hartman, KLJ Engineering, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-43** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,250,000 at 3.25 percent interest for 30 years with 49.6 percent as principal forgiveness not to exceed \$620,000 to the **city of Faith** for a water storage tank and water line 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 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

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

Green Valley Sanitary District requested funding for a sanitary sewer collection system project. Green Valley Sanitary District is an unsewered community located just east of Rapid City on the south side of Highway 44. Due to the high groundwater in the area and failing septic systems, concerns over contamination of Rapid Creek have arisen.

In April 2020, the Board of Water and Natural Resources awarded a \$2,000,000 Consolidated grant and a \$370,000 Water Quality grant to Green Valley Sanitary District. Due to delays in securing funding and construction cost increases construction has not begun, and project costs have changed. The 2020 Consolidated grant and Clean Water SRF Water Quality grant are set to expire in April 2024.

Originally, a conventional style system with a lift station and forcemain costs soared to over \$15,000,000. The engineers reevaluated the design and are now proposing a pressurized sewer system. Each home will have its own pumping unit that will pump sewage to the main. Once the homes are connected the septic systems will be abandoned. Rapid Valley Sanitary District will operate and maintain the new system.

The estimated total project amount is \$9,447,000, and the amount requested is \$9,322,000. Other funding for the project includes a \$125,000 grant from West Dakota Water Development District.

Staff recommended that the board rescind Resolution No. 2020-53 which awarded the 2020 Consolidated grant and Resolution No. 2020-54 which awarded the 2020 Clean Water SRF Water quality grant, and approve a resolution awarding a \$2,763,000 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of up to 100 percent not to exceed \$2,763,000, a Consolidated grant at 21.2 percent of project costs up to \$2,000,000, and a Clean Water SRF Water Quality grant at 2.6 percent of project costs up to \$237,000.

DANR and Green Valley Sanitary District have been working with USDA Rural Development to provide additional funding for this project. USDA Rural Development has the ability to offer a lower interest rate and a 40-year loan term. There could also be some grant funding available for the project.

Since the staff recommendation is all subsidy, the funding will not impact user rates. Based on discussions with the entities, it is estimated that the total project funding will have user rates of approximately \$110.88 for 5,000 gallons usage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA.

Zach Grapentine, Interstate Engineering, thanked the board for consideration of funding for the project. He answered questions regarding the project.

Motion by Drewes, seconded by Bernhard, to rescind Resolution No. 2020-53 which awarded the 2020 Consolidated grant and Resolution No. 2020-54 which awarded the 2020 Clean Water SRF Water quality grant, and adopt **Resolution No. 2024-44** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,763,000 at 3.75 percent interest for 30 years with 100 percent as principal forgiveness not to exceed \$2,763,000 to the **Green Valley Sanitary District** for a sanitary sewer collection system 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 receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA; to adopt **Resolution No. 2024-45** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **Green Valley Sanitary District** for up to 21.2 percent of approved total project costs not to exceed \$2,000,000 for a sanitary sewer collection system project; and to adopt **Resolution 2024-46** approving a State Revolving Fund Program Water Quality Grant Agreement to the **Green Valley Sanitary District** for up to 2.6 percent of approved total project costs not to exceed \$237,000 for a sanitary sewer collection system project. Motion carried unanimously.

Parkston requested funding for its wastewater treatment facility improvements. This project received funding in April 2022. When the project was let to bid only one bid was received, which was significantly more than the estimated costs.

The wastewater treatment facility improvements include the installation of an ammonia removal system, installation of a disinfection system, and dredging of the treatment ponds to remove accumulated solids and restore pond capacity.

The estimated total project amount is \$5,716,507, and the amount requested is \$1,500,000. Other funding for the project includes a \$3,045,960 Clean Water SRF loan and a \$1,089,740 state ARPA grant.

Staff recommended awarding a \$1,500,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Parkston pledged a project surcharge for repayment of the loan. The city has a \$50.00 flat rate. Staff analysis indicates that a surcharge of \$9.55 is needed for repayment of the loan, bringing rates to \$59.55 for 5,000 gallons usage.

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

Dave Hoffman, former mayor of Parkston, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-47** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,500,000 at 3.75 percent interest for 30 years to the **city of Parkston** for wastewater treatment system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Clear Lake requested funding for upgrades to its wastewater collection and storm sewer collection system.

For wastewater, the improvements include replacing the main lift station, valve vault, appurtenances, and the force main pipe to the primary cell of the wastewater treatment system. The main lift station is more than 30 years old, is showing signs of deterioration, and is also hydraulically overloaded.

The stormwater improvements will be done in conjunction with drinking water improvements and include Phase 1A northwest of the city. The area is generally defined as from 9th Avenue to 7th Avenue along 2nd Street. This project will address 1,800 feet of storm sewer pipe and seven storm sewer structures.

The estimated total project amount is \$3,500,000, and the amount requested is \$3,500,000.

Staff recommended awarding a \$3,500,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Clear Lake pledged a project surcharge for repayment of the loan. The city has a \$48.15 flat rate. Staff analysis indicates that a surcharge of \$29.65 is needed for repayment of the loan; however, staff believes that rates can be restructured, and a total rate of \$60.50 for 5,000 usage will provide the necessary debt coverage.

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

Mary Krueger, finance officer, thanked the board for consideration of funding.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2024-48** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,500,000 at 3.75 percent interest

for 30 years to the **city of Clear Lake** 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. Motion carried unanimously.

Spring Creek Cow Creek Sanitary District requested funding for upgrades to its wastewater treatment system. Due to design changes because of regulatory requirements, the cost of the project has increased significantly. This project originally received funding in April 2022.

Spring Creek Cow Creek Sanitary District is proposing a Moving Bed Biofilm Reactor (MBBR) plant. This will consist of a screening structure, aeration tank that will be the biofilm reactor, a clarifier and UV disinfection system. The sanitary district will also construct a forcemain to the Missouri River for discharge.

The estimated total project amount is \$4,860,740, and the amount requested is \$3,627,880. Other funding for the project includes a \$369,858 state ARPA grant and an \$863,002 Clean Water SRF loan.

Staff recommended awarding a \$3,627,880 Clean Water SRF loan at 3.75 percent interest for 30 years.

The sanitary district pledged a project surcharge for repayment of the loan. The 2024 adopted rate is \$41.24 for 5,000 gallons. Staff analysis indicates that a surcharge of \$67.10 is needed for repayment of the loan, bringing the rates to \$108.34 for 5,000 gallons usage.

This system is being designed for a significant amount of future development. As users are added on to the system, the sanitary district can look to restructure the surcharge rates. An additional 50 users will bring the rates below \$100 per month 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.

Kathleen Schuh, board president of the sanitary district, thanked the board for consideration of funding.

Ms. McFarling answered questions from the board regarding discharging the wastewater into the river.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-49** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,627,880 at 3.75 percent interest for 30 years to the **Spring Creek Cow Creek Sanitary District** for sanitary 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. Motion carried unanimously.

Niche Sanitary District requested funding for wastewater system improvements. The sanitary district is responsible for the operation and maintenance of an on-site wastewater treatment system serving 25 single family residences. The onsite system consists of multiple septic tanks and drain fields. The sanitary district is requesting funding to connect users to the city of Summerset collection and treatment system.

The existing system is failing, and reuse of the existing drain fields is not recommended due to their proximity to residential properties and the recharge areas for water aquifers in the Black Hills region. The project consists of new collection mains, service lines, and pumping systems to convey wastewater from the residences to the Summerset system.

The estimated total project amount is \$1,697,000, and the amount requested is \$1,697,000.

Staff recommended awarding a \$220,000 Clean Water SRF loan at 3.75 percent interest for 30 years, a Consolidated grant at 36.7 percent of project costs up to \$656,000, and a Clean Water SRF Water Quality grant at 48.4 percent of project costs up to \$821,000.

Niche Sanitary District pledged a project surcharge for repayment of the loan. The sanitary district has a \$50.00 flat, which includes sewer, road, and garbage services. Staff analysis indicates that a surcharge of \$45.00 is needed for repayment of the recommended loan. Additionally, Summerset will be charging users a rate of \$65.00 per month. Based on the financial information, Niche Sanitary District users will have rates of \$110.00 per month.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA.

Staff recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Karen Harris, president of the sanitary district, thanked the board for consideration of funding.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2024-50** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$220,000 at 3.75 percent interest for 30 years to the **Niche Sanitary District** 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 upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA; to adopt **Resolution No. 2024-51** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of

Water and Natural Resources and the **Niche Sanitary District** for up to 36.7 percent of approved total project costs not to exceed \$656,000 for wastewater system improvements with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds; and to adopt **Resolution 2024-52** approving a State Revolving Fund Program Water Quality Grant Agreement to the **Niche Sanitary District** for up to 48.4 percent of approved total project costs not to exceed \$821,000 for wastewater system improvements with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

Mobridge requested funding for improvements to its wastewater treatment plant. The upgrades include the construction of new final clarifiers and repurposing existing tanks for new treatment processes and a new sludge dewatering system.

The estimated total project amount is \$8,370,000, and the amount requested is \$7,350,000. Other funding for the project includes a \$1,020,000 Community Development Block Grant (CDBG).

Staff recommended awarding a \$7,350,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Mobridge has a \$23.00 flat rate. Staff analysis indicates that a surcharge of \$23.05 is needed for repayment of the loan. In reviewing the city's financial information, it appears a rate increase is necessary to fully fund existing operational costs, with rates of approximately \$38.90. With the \$23.05 surcharge total rates of \$61.95 are anticipated.

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.

Michael Gorder, Moore Engineering, thanked the board for consideration of funding.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-53** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$7,350,000 at 3.75 percent interest for 30 years to the **city of Mobridge** for wastewater treatment 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. Motion carried unanimously.

Rapid City requested funding for its wastewater treatment plant upgrades. Funding for this project was originally awarded in April 2022. The additional funding is due to an unprecedented cost increase since 2021.

The city is building out the South Plant and decommissioning the North Plant at the Water Reclamation Plant. The North Plant has reached the end of its useful life and will become functionally unable to meet future permit requirements.

The estimated total project amount is \$180,000,000, and the amount requested is \$35,000,000. Other funding for the project includes a \$43,500,000 state ARPA grant and a \$101,500,000 Clean Water SRF loan.

Staff recommended awarding a \$35,000,000 Clean Water SRF loan at 3.50 percent interest for 20 years.

Rapid City pledged system revenues for repayment of the loan. Current rates are \$39.20 for 5,000 gallons. The city will increase rates by 12 percent incrementally from 2024 to 2028. Staff analysis indicates that anticipated revenues will provide 339 percent debt coverage.

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

Eduardo Lopez, city of Rapid City, discussed the project and thanked the board for consideration of funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-54** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$35,000,000 at 3.50 percent interest for 20 years to the **city of Rapid City** for water reclamation facility south plant improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

Worthing requested funding for upgrades to the wastewater lagoons, wastewater collection, and storm sewer collection systems. This project received funding in April 2022. Additional funding is needed to complete the project.

The project includes rehabilitating an old lagoon and installing a submerged attached growth reactor (SAGR) system. The city is also installing around 4,700 linear feet of PVC sanitary sewer collection piping to replace vitrified clay piping in the southeast area of the city. The city will reconstruct the streets and storm sewer collection system in this area of the city.

The estimated total project amount is \$4,554,961, and the amount requested is \$1,800,000. Other funding for the project includes a \$1,699,961 state ARPA grant and a \$1,055,000 Clean Water SRF loan.

Staff recommended awarding a \$1,078,000 Clean Water SRF loan at 3.75 percent interest for 30 years and a Clean Water SRF Water Quality grant at 40.2 percent of project costs up to \$722,000.

Worthing pledged a project surcharge for repayment of the loan. Current rates are \$55.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$15.00 is needed for repayment of the loan, bringing overall rates to \$70.00 for 5,000 gallons usage.

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

Staff recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

John Fischer, Stockwell Engineering, thanked the board for consideration of funding. In response to a question from Chairman Sohlt, Mr. Fischer explained how a submerged attached growth reactor works.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2024-55** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,078,000 at 3.75 percent interest for 30 years to the **city of Worthing** 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; and to adopt **Resolution No. 2024-56** approving a State Revolving Fund Program Water Quality Grant Agreement to the **city of Worthing** for up to 40.2 percent of approved total project costs not to exceed \$722,000 for wastewater treatment facility improvements with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

Gary requested funding for improvements to the wastewater collection system. The project includes a televising survey of the existing system and the replacement of existing vitrified clay pipe with either new PVC or cast in place pipe, depending on the condition of the sewer determined in the survey. The project will also include manhole replacement, rehabilitation of lateral services, and associated street and surface repairs.

The estimated total project amount is \$2,015,822, and the amount requested is \$2,015,822.

Staff recommended awarding a \$2,015,822 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 40.5 percent not to exceed \$815,000.

Gary pledged a project surcharge for repayment of the loan. Rates are \$32.75 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$37.80 is needed for repayment of the recommended loan; however, staff believes that rates could be restructured to \$65.45 for 5,000 gallons and still meet 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 upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA.

Larry Stokes, mayor of Gary, thanked the board for consideration of funding.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2024-57** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,015,822 at 3.75 percent interest for 30 years with principal forgiveness of 40.5 percent not to exceed \$815,000 to the **city of Gary** for wastewater 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 upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA. Motion carried unanimously.

Sioux Falls requested funding for Phases 2A and 2B of the Basin 15 project. Basin 15 is located northwest of the current city limits. This area is near 12th Street (SD Hwy. 42) and Ellis Road. The full Basin 15 project will be constructed in phases and will open over 1,200 acres of land for future development. Phase 1 is underway to install a pipe and infrastructure from the existing collection system two miles to the west. Phases 2A and 2B will connect to the stopping point of Phase 1 and extend infrastructure to the south of 12th Street for roughly a mile.

The estimated total project amount is \$23,130,000, and the amount requested is \$23,130,000.

Staff recommended awarding a \$23,130,000 Clean Water SRF loan at 3.25 percent interest for 20 years.

This project has been identified as a BABA friendly project, qualifies for the BABA incentive of a reduced interest rate.

The city pledged revenue bond proceeds for repayment of the loan. Rates are \$43.55 per month. Staff analysis indicates that anticipated revenues will provide 118 percent debt coverage.

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

Chad Comes, city engineer, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-58** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$23, 130,000 at 3.25 percent interest for 20 years to the **city of Sioux Falls** for the Basin 15 Phase 2A and Phase 2B 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. Motion carried unanimously.

Parker requested funding to upgrade infrastructure in need of replacement. Phase 6 of the project originally received funding in April 2022. The city is requesting additional funding due to increased construction costs.

Wastewater collection system improvements include replacing all existing clay sewer piping with PVC pipe in addition to manhole replacement and ancillary work. The improvements will be on areas of Kimball Street, First Street, 2nd Street, 3rd Street, Spruce Avenue, Cedar Avenue, and Juniper Avenue.

Stormwater collection improvements include replacing clay piping with new storm sewer piping on areas of Kimball Street, First Street, Second Street, Third Street, and Fifth Street. New storm sewer will be installed along areas of Sanborn and Cedar Streets.

The estimated total project amount is \$6,294,000, and the amount requested is \$1,669,000. Other funding for the project includes a \$2,543,750 state ARPA grant and a \$2,081,250 Clean Water SRF loan.

Staff recommended awarding a \$1,669,000 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 \$52.45 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$15.60 is needed for repayment of the loan; however, staff believes rates could be restructured to \$63.15 for 5,000 gallons usage and still provide the necessary debt coverage.

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

Paul Kraft, Banner Associates, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-59** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,669,000 at 3.75 percent interest for 30 years to the **city of Parker** for Phase 6B of a utility improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Lake Preston requested funding to replace aged sanitary sewer lines in the area south of U.S. Highway 14. The project includes the replacement of approximately 3,600 linear feet of sanitary sewer main, sewer service lines, manholes, and related ancillary items.

The estimated total project amount is \$2,653,600, and the amount requested is \$2,653,600.

Staff recommended awarding a \$2,653,600 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 40.1 percent not to exceed \$1,063,600.

Lake Preston pledged a project surcharge for repayment of the loan. Rates are \$45.95 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$25.60 is needed for repayment of the loan; however, staff believes rates could be restructured to \$65.00 for 5,000 gallons and still provide the necessary debt coverage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA.

Weston Blasius, Banner Associates, thanked the board for consideration of funding for the project.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-60** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,653,600 at 3.75 percent interest for 30 years with principal forgiveness of 40.1 percent not to exceed \$1,063,600 to the **city of Lake Preston** for Phase 2B wastewater treatment system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA. Motion carried unanimously.

Vermillion requested funding to extend sewer services to the Northeast Basin, a large, mostly undeveloped area northeast of the current city limits. The proposed project is to construct a central sewer interceptor within the right of way of 317th Street extending from Plum Street to 466th Avenue. Additionally, a lift station will be placed adjacent to the proposed interceptor and will discharge to the existing manhole located near the intersection of 317th Street and Norbeck Street.

The estimated total project amount is \$4,211,500, and the amount requested is \$4,211,500.

Staff recommended awarding a \$4,211,500 Clean Water SRF loan at 3.50 percent interest for 20 years.

The city pledged revenue bond proceeds for repayment of the loan. Rates are \$47.12 for 5,000 gallons. Staff analysis indicates that at the recommended funding level the system will have to increase rates to approximately \$70.70 to meet the required debt coverage. The total rates would include a \$31.25 surcharge for the Clean Water SRF loan 12 that has not yet been passed by the city.

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.

Shane Gries, city of Vermillion, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Drewes, to adopt **Resolution No. 2024-61** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,211,500 at 3.50 percent interest for 20 years to the **city of Vermillion** to extend sewer service to the Northeast Basin, 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. Motion carried unanimously.

Iroquois requested funding for improvements to the wastewater collection and treatment systems. The city is requesting funding for phase one of the project which is to replace the main lift station and forcemain. The main lift station has reached the end of its useful life. Additionally, the current 4-inch forcemain is undersized to handle peak hour flows. The city proposes to replace the 4-inch forcemain with a 6-inch forcemain to be able to handle the peak flows.

The estimated total project amount is \$1,900,000, and the amount requested is \$1,900,000.

Staff recommended awarding a \$1,900,000 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 59.9 percent not to exceed \$1,137,000.

Iroquois pledged a project surcharge for repayment of the loan. The city has a \$45.00 flat rate. Staff analysis indicates that a surcharge of \$31.40 is needed for repayment of the recommended loan; however, staff believes rates could be restructured to \$65.00 for 5,000 gallons usage and still provide the necessary debt coverage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA.

Stephanie Arbeiter, finance officer, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-62** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,900,000 at 3.75 percent interest for 30 years with principal forgiveness of 59.9 percent not to exceed \$1,137,000 to the **city of Iroquois** for wastewater collection and treatment system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA. Motion carried unanimously.

Alcester requested funding for improvements to its sanitary sewer collection system. Phase I of the project will include cleaning and televising of the collection system. Cured in Place Piping (CIPP) will be used for the collection system on Ofstad Street and the alley between Ofstad Street and Union Street. Service lines and manholes may require replacement.

The estimated total project amount is \$1,530,000, and the amount requested is \$1,530,000.

Staff recommended awarding a \$1,530,000 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 50.1 percent not to exceed \$766,000.

The city pledged a project surcharge for repayment of the loan. Rates are \$66.98 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$10.00 is needed for repayment of the loan, bringing rates to approximately \$77.00 for 5,000 gallons usage.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA.

Tanya Miller, Banner Associates, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-63** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,530,000 at 3.75 percent interest for 30 years with principal forgiveness of 50.1 percent not to exceed \$766,000 to the **city of Alcester** for sanitary sewer 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 upon receipt of the 2024 Clean Water State Revolving Fund capitalization grant from EPA. Motion carried unanimously.

Colton requested funding for infrastructure improvements along 4th Street. This project will replace a segment of 8-inch clay sanitary sewer that is currently inaccessible due to the proximity of adjacent buildings. The sanitary sewer will be re-aligned from the railroad right of way to the city owned right of way. Work will include the connection to the existing upstream and downstream manholes, addition of new manhole and approximately 550 linear feet of 10-inch PVC sewer main. This will allow the city reliable access to the sanitary utility.

The estimated total project amount is \$323,748, and the amount requested is \$323,748.

Staff recommended awarding a \$323,748 Clean Water SRF loan at 3.75 percent interest for 30 years.

Colton pledged revenue bond proceeds for repayment of the loan. Rates are \$61.50 for 5,000 gallons usage. Staff analysis indicates that current rates provide sufficient revenue to meet the require debt coverage.

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

Mikayla Fraser, finance officer, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2024-64** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$323,748 at 3.75 percent interest for 30 years to the **city of Colton** for the 4th Street sewer infrastructure improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

Elkton requested funding for Phase III of its wastewater system improvements. Phase III is in the north part of the city and will include replacement of 3,530 linear feet of vitrified clay sewer main, 11 sanitary manholes, and 43 service lines. The new sewer construction allows for regrading of the sewer system and allows an existing lift station to be eliminated. The project also includes replacement of up to an additional 2,230 feet of sanitary sewer and manholes if funding is available for this work.

The estimated total project amount is \$1,870,000, and the amount requested is \$1,870,000.

Staff recommended awarding a \$936,000 Clean Water SRF loan at 3.75 percent interest for 30 years and a Clean Water SRF Water Quality grant at 50.0 percent of project costs up to \$934,000.

The city pledged a project surcharge for repayment of the loan. Rates are \$55.10 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$15.05 is needed for repayment of the loan, bringing overall rates to approximately \$70.15 for 5,000 gallons usage.

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

Staff recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Steve Jensen, city of Elkton, thanked the board for consideration of funding for the project.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-65** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$936,000 at 3.75 percent interest for 30 years to the **city of Elkton** for Phase III of a wastewater system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a

surcharge at a level sufficient to provide the required debt coverage; and to adopt **Resolution 2024-66** approving a State Revolving Fund Program Water Quality Grant Agreement to the **city of Elkton** for up to 50.0 percent of approved total project costs not to exceed \$934,000 for Phase III of a wastewater system improvements project. Motion carried unanimously.

Kadoka requested funding for its vitrified clay pipe replacement and Poplar Street sanitary sewer and drainage project. This project was originally awarded funding in April 2022. The additional funding is requested due to bids coming in higher than anticipated.

The vitrified clay pipe replacement project will replace 1,880 linear feet of 8-inch sewer main, 150 linear feet of 4- and 6-inch service lines, and all necessary appurtenances. The Poplar Street project includes the replacement of 2,180 linear feet of vitrified clay pipe with 8-inch PVC piping along with adjoining manholes and services lines. Additionally, 6,410 linear feet of concrete curb and gutter with 19 storm drain inlets will send storm water through 1,960 linear feet of 24 inch storm sewer and 570 linear feet of 12 inch storm sewer.

The estimated total project amount is \$3,673,000, and the amount requested is \$800,000. Other funding for the project includes \$128,219 in local ARPA funds, a \$913,188 state ARPA grant, and a \$1,831,593 Clean Water SRF loan.

Staff recommended awarding a \$800,000 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 \$60.70 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$14.65 is needed for repayment of the loan; however, staff believes rates could be restructured to \$64.20 for 5,000 gallons usage and still provide the necessary debt coverage.

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

Nick Zolowski, SPN & Associates, thanked the board for consideration of funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-67** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$800,000 at 3.75 percent interest for 30 years to the **city of Kadoka** for wastewater system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

North Brookings Sanitary District requested funding for wastewater collection system improvements. North Brookings Sanitary and Water District is located one-half mile north of Brookings and provides services to various SDSU facilities, the USDA Entomology Research Unit, and Sunnyview housing development. The project consists of cured-in-place-piping rehabilitation and

a flow measurement system for Sunnyview. Wastewater bills, which are split between SDSU, USDA, and Sunnyview and are based on metered wastewater flow.

The estimated total project amount is \$2,359,000, and the amount requested is \$2,359,000.

Staff recommended awarding a \$1,597,450 Clean Water SRF loan at 3.75 percent interest for 30 years and a Consolidated grant at 32.3 percent of project costs up to \$761,550.

The district pledged a project surcharge for repayment of the loan. Rates are \$44.67 for 5,000 gallons usage for Sunnyview residents, \$215.96 for SDSU, and \$254.96 for USDA

Based on information from the district, the debt will be divided between the three entities. The debt percentages are 45 percent for SDSU, 45 percent for Sunnyview, and 10 percent for USDA. Staff analysis indicates that a surcharge of \$69.60 is needed for Sunnyview residents for repayment of the loan with the grant applied toward Sunnyview's debt percentage. This will bring Sunnyview user rates to \$114.00 for 5,000 gallons usage.

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

Staff recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Dan Humberg, North Brookings Sanitary and Water District, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-68** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,597,450 at 3.75 percent interest for 30 years to the **North Brookings Sanitary and Water District** 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; and to adopt **Resolution No. 2024-69** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **North Brookings Sanitary and Water District** for up to 32.3 percent of approved total project costs not to exceed \$761,550 for wastewater system improvements with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

Hudson requested funding for sanitary sewer improvements. It was determined during the design that the project boundaries could be expanded, and storm sewer work could tie into the existing project. The funding is for additional storm sewer and boundary work. The project will consist of approximately 3,090 linear feet of sanitary sewer replacement and 650 linear feet of stormwater

collection line replacement and extend the stormwater collection line by another 400 linear feet. Additional junction boxes and inlets will be installed to improve the drainage in the town's core downtown district.

The estimated total project amount is \$2,973,000, and the amount requested is \$1,295,000. Other funding for the project includes a \$721,820 state ARPA grant, a \$656,180 Clean Water SRF loan, and a \$300,000 SD DOT Community Access grant.

Staff recommended awarding a \$648,000 Clean Water SRF loan at 3.75 percent interest for 30 years and a Consolidated grant at 50.0 percent of project costs up to \$647,000.

Hudson pledged a project surcharge as repayment of the loan. Rates are \$74.90 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$19.34 is needed for repayment of the recommended loan; however, staff believes rates could be restructured and remain at \$74.90 for 5,000 gallons usage and still provide the necessary debt coverage.

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

Staff recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds.

Harley Ferguson, SECOG, thanked the board for consideration of funding for the project.

Motion by Becker, seconded by Bernhard, to adopt **Resolution No. 2024-70** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$648,000 at 3.75 percent interest for 30 years to the **town of Hudson** for 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. 2024-71** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and the **town of Hudson** for up to 50.0 percent of approved total project costs not to exceed \$647,000 for sanitary sewer improvements with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Clean Water SRF loan funds. Motion carried unanimously.

Viborg requested funding to provide sanitary sewer connections to a 36-acre industrial park. The project consists of 734 linear feet of 8- inch main and associated services and appurtenances. Storm sewer improvements include approximately 500 linear feet of 18-inch diameter storm sewer and associated inlets.

The estimated total project amount is \$1,012,000, and the amount requested is \$512,000. Other funding for the project includes a \$500,000 GOED Local Infrastructure Improvement Program grant.

Staff recommended awarding a \$512,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Viborg pledged revenue bond proceeds for repayment of the loan. Rates are \$42.12 for 5,000 usage. Staff analysis indicates that user rates need to be \$48.42 for 5,000 gallons usage to provide the necessary debt coverage for the loan.

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.

Harley Ferguson, SECOG, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Becker to adopt **Resolution No. 2024-72** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$512,000 at 3.75 percent interest for 30 years to the **city of Viborg** for a sanitary sewer extension project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Mr. Bruels provided an overview of available Solid Waste Management Program funds. He then presented the applications and the staff recommendations for funding.

Pierre requested funding to design, bid, and construct Landfill Cell 4 for solid waste disposal at the existing regional landfill site.

The estimated total project amount is \$1,629,000, and the amount requested is \$1,629,000.

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

Staff recommended awarding a \$1,303,200 Clean Water SRF loan at 3.25 percent interest for 10 years and awarding a Solid Waste Management Program grant at 20.0 percent of project costs not to exceed \$325,800.

The city pledged second penny sales tax revenue for repayment of the loan. Staff analysis indicates that the city's second penny sales tax available revenue provides over 1400 percent debt coverage.

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

Nick Waters, engineer for the city of Pierre, thanked the board for consideration of funding for the project.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-73** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,303,200 at 3.25 percent interest for 10 years to the **city of Pierre** for the design and construction of Cell 4 at the Pierre Regional 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. 2024-74** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Pierre** for up to 20.0 percent of eligible costs not to exceed \$325,800 for the design and construction of Cell 4 at the Pierre Regional Landfill. Motion carried unanimously.

Sioux Falls requested funding for upgrades to the leachate and landfill gas collection systems at the Sioux Falls Regional Sanitary Landfill. These systems have been in place for approximately 20 years and are nearing the end of their useful life. Maintenance and repairs grow more challenging as replacement parts become obsolete or discontinued. The proposed project will upgrade the SCADA systems for continued monitoring and control of the leachate and gas collection systems.

The estimated total project amount is \$2,950,000, and the amount requested is \$600,000. The city will contribute \$2,350,000 in local cash for the project.

Staff recommended awarding a Solid Waste Management Program grant at 20.0 percent of project costs not to exceed \$590,000.

Sioux Falls indicated the city is not interested in a loan and will use local funds for the portion of the project not funded by the grant.

Don Kuper, Sioux Falls Regional Landfill, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-75** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Sioux Falls** for up to 20.0 percent of eligible costs not to exceed \$590,000 for upgrades to the leachate and landfill gas collection systems at the Sioux Falls Regional Sanitary Landfill. 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 estimated total project amount is \$625,000, and the amount requested is \$500,000.

Staff recommended awarding a Solid Waste Management Program grant at 80.0 percent of project costs not to exceed \$500,000.

Lynne Keller Forbes, president and CEO of the South Eastern Development Foundation, thanked the board for consideration of funding. She answered questions from the board regarding the projects funded by the revolving loan fund program.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2024-76** approving a South Dakota Solid Waste Management Program grant agreement to **South Eastern Council of Governments** for up to 80.0 percent of eligible costs not to exceed \$500,000 for the Regional Revolving Loan Fund Recapitalization project. Motion carried unanimously.

Winner requested funding for the purchase of new equipment. The city of Winner has purchased an existing recycling structure from Tripp County. All existing equipment was included in the purchase. The city will incorporate elements to enable the transfer of solid waste from local collection rates to then haul to the Tri-County Landfill near Pukwana. In addition, the city wishes to implement standardized solid waste containers for individual and commercial uses. The project also includes the purchase of a walking floor trailer, used semi tractor, and four roll off containers. A mini excavator has also been purchased to facilitate the loading of garbage within the facility.

The estimated total project amount is \$1,428,642, and the amount requested is \$875,000. The city will contribute \$553,642 in local cash for the project.

Staff recommended awarding a Solid Waste Management Program grant at 35.0 percent of project costs not to exceed \$500,000. The recommended amount is based on this equipment serving both solid waste and recycling purposes. This is consistent with past board awards for this type of project.

Winner indicated the city was not interested in a loan and will use local funds for the portion of the project not funded by the grant.

Chandra Phillips, finance officer, thanked the board for consideration of funding.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-77** approving a South Dakota Solid Waste Management Program grant agreement to the **city of Winner** for up to 35.0 percent of eligible costs not to exceed \$500,000 for the purchase of equipment. Motion carried unanimously.

Mr. Bruels provided an overview of Solid Waste Management Program funds available for the next funding round.

Ms. McFarling provided an overview of available funds for the Consolidated Water Facilities Construction Fund, Drinking Water SRF Water Construction grants, Clean Water SRF Water Quality grants, Drinking Water SRF principal forgiveness, Drinking Water BIL supplemental principal

forgiveness, Clean Water SRF principal forgiveness, Clean Water BIL supplemental principal forgiveness,

RESCIND MEDICINE MOUNTAIN SCOUT RANCH CONSOLIDATED LOAN 2024L-301: Holly Briggs reported that on September 28, 2023, the Board of Water and Natural Resources awarded Medicine Mountain Scout Ranch a \$73,000 Consolidated loan for its water supply upgrade project.

Within the award, a contingency stated if the borrower was not able to complete all contingencies within a 6-month timeframe the loan would be deobligated.

On January 19, 2024, DANR received an email from Black Hills Council of Local Governments confirming that Medicine Mountain Scout Ranch will not be making use of the \$73,000 and requesting to deobligate the loan for this project.

Staff recommended the board rescind Resolution No. 2023-102 which awarded the Consolidated loan for this project.

Motion by Drewes, seconded by Bernhard, to rescind Resolution No. 2023-102. Motion carried unanimously.

RESCIND NORTH SIOUX CITY CLEAN WATER SRF LOAN C462009-3: Megan Briggs reported that on June 29, 2023, the Board of Water and Natural Resources awarded North Sioux City a \$580,000 Drinking Water SRF loan for its water system interconnection project.

On February 9, 2024, DANR received a letter from North Sioux City requesting to rescind the SRF Drinking Water loan stating that it will be privately funded.

Staff recommended the board rescind Resolution No. 2023-80.

Motion by Becker, seconded by Bernhard, to rescind Resolution No. 2023-80, which awarded the Drinking Water SRF Loan C462009-03.
. Motion carried unanimously.

NORTH SIOUX CITY CHANGE OF PLEDGE FOR DRINKING WATER SRF LOAN C462009-3: Megan Briggs reported that on May 17, 2022, the Board of Water and Natural Resources awarded North Sioux City a \$5,627,193 Drinking Water SRF loan (Resolution No. 2022-283) and a \$1,723,807 American Rescue Plan Act (ARPA) grant (Resolution No. 2022-284) for the Streeter Drive water treatment plant project. The pledge on the original application was system revenue.

On January 22, 2024, DANR received a letter from North Sioux City requesting that the pledge be changed from a revenue bond to a project surcharge. The city's bond counsel has confirmed that the city can make this adjustment.

Staff analysis indicates that a surcharge of \$17.95 will be needed to provide the required 110% debt coverage.

Staff recommended the board rescind Resolution No. 2022-283 and adopt a resolution approving a new \$5,627,193 Drinking Water SRF loan at 2.125 percent interest for 30 years. The loan would be 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.

Motion by Bernhard, seconded by Lanning, to rescind Resolution No. 2022-283 and adopt **Resolution No. 2024-78** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,627,193 at 2.125 percent interest for 30 years to the **city of North Sioux City** for the Streeter Drive water treatment plant expansion 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. Motion carried unanimously.

PLEASANT VALLEY HOMEOWNERS ASSOCIATION REQUEST TO RESCIND DRINKING WATER SRF LOAN C462502-01: Megan Briggs reported that on September 29, 2022, the Board of Water and Natural Resources awarded Pleasant Valley Homeowners Association a \$249,000 Drinking Water SRF loan (Resolution No. 2022-434) and a \$149,000 American Rescue Plan Act (ARPA) grant (Resolution No. 2022-433) for a drinking water system improvements project.

On March 4, 2024, DANR received a letter from Pleasant Valley Homeowners Association requesting to rescind the SRF Drinking Water loan because they are unable to move forward with the project at this time.

Staff recommended the board rescind Resolution No. 2022-434.

Motion by Drewes, seconded by Lanning, to rescind Resolution No. 2022-434, which awarded Drinking Water SRF I C462502-01 to the Pleasant Valley Homeowners Association. Motion carried unanimously.

AMEND BELLE FOURCHE RESOLUTION NO. 2023-87: Megan Briggs reported that on June 29, 2023, the city of Belle Fourche was awarded a \$287,192 Solid Waste Management Program loan for its solid waste shredder and related purchase project. When closing the loan, DANR staff became aware that the loan number printed in Board of Water and Natural Resources Resolution No. 2023-87 was incorrect. The loan number reads 2023L-SW-200, and the loan number should read 2023L-SW-400. The 2023L-SW-200 loan number has already been assigned to a loan previously awarded.

Staff recommended the board amend Resolution No. 2023-87, which awarded the Solid Waste Management Program Loan to correct the loan number from 2023L-SW-200 to 20023L-SW-400.

Motion by Lanning, seconded by Becker, to adopt **Resolution No. 2024-79** amending Paragraph 1 of Resolution 2023-87 to read as follows, "1. That the board hereby approves the Solid Waste Management Program Loan (2023L-SW-400) to the borrower in an amount not exceeding \$287,192. Motion carried unanimously.

MEETING SCHEDULE FOR SFY 2025: Ms. McFarling presented the following proposed board meeting schedule for SFY 2025:

September 26-27, 2024
November 7, 2024
January 9, 2025
March 27-28, 2025
June 26-27, 2025

LEGISLATIVE UPDATE: Ms. McFarling provided an update on the following bills that were introduced in the 2024 Legislative Session and signed by the Governor.

- SB 16 - An Act to make appropriations for water and environmental purposes and to declare an emergency.
- SB 7 - An Act to revise the water resources projects list.
- SB 53 - An Act to make an appropriation for eligible water and wastewater projects and to declare an emergency.
- SB 66 - An Act to make an appropriation for eligible water, wastewater, and storm water projects throughout state government, and to declare an emergency.
- HB 1124 - An Act to provide for the temporary filling of water development district board positions created as a result of population increases.
- HB 1130 - An Act to revise water development district boundaries.

NEXT MEETING: The next meeting is scheduled for June 27-28, 2024. Ms. McFarling discussed possible agenda items.

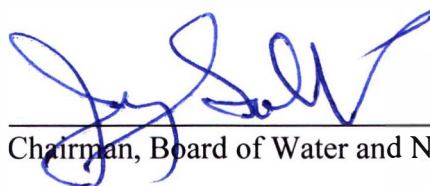
Chairman Soholt noted at a future meeting he would like the agenda to include a discussion ways the water districts could investigate consolidation to save money.

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

The meeting adjourned at 4:25 p.m. Central Time.


Approved June 27, 2024.

(SEAL)



Chairman, Board of Water and Natural Resources

ATTEST:



Secretary, Board of Water and Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 3-28-2024

LOCATION Matthew Training Center - Pierre, SD

Name (PLEASE PRINT)	Address	Representing
Gary Drewes	Rapid City	
Tina McFarling	Pierre	DANR
Andy Bruels	Pierre	DANR
Casy Kahler	Pierre	DANR
Kurt Pfeifle	Madison	SDARWS
Cameron Becker	Marion	BWNR
Cheryl Chapman	Rapid City	WORWS
TODD BERNHARD	FORT PIERRE	BWNR
Karin Zhao	Pierre	DANR
Travis Steffensen	Watertown	Sioux Rural Water
Jim Thyon	Watertown	Sioux Rural Water
Shayenne Kitzman	Pierre	DANR
Megan Briggs	Pierre	DANR
Holly Briggs	Pierre	DANR
Nick Waters	Pierre	City of Pierre
Robert Orzick	Abbeville	CITY OF ABBEVILLE
Mike Perkovich	Pierre	Brosz Eng.
DAN GERHARDT	Pierre	DANR
Mike Weisgram	Fort Pierre	leg oversight
Jay Gilbertson	Brookings	East Dakota WDD
Stacey Titus	City of Rapid City	City of Rapid City

