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Minutes of the
Board of Water and Natural Resources Meeting
In-Person or Remote via Audio/Visual Conference

April 12-13, 2022

APRIL 12, 2022 – 10:00 A.M. CT

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

Chairman Soholt announced that the meeting was streaming live on SD.net, a service of South Dakota Public Broadcasting.

BOARD MEMBERS PARTICIPATING: Jerry Soholt, Karl Adam, Todd Bernhard, Dr. Paul Gnirk, Gene Jones, Jr., and Jackie Lanning.

BOARD MEMBERS ABSENT: Vance Newman.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS: Senator Mary Duvall and Representative Mike Weisgram.

OTHERS PRESENT IN-PERSON: See attached attendance sheets.

APPROVE AGENDA: Motion by Adam, seconded by Lanning, to approve the agenda. Motion carried.

PUBLIC COMMENT PERIOD: There were no public comments.

MEETING SCHEDULE FOR SFY 2023: Mike Perkovich presented the proposed board meeting schedule for SFY 2023.

Motion by Jones, seconded by Adam, to adopt the following meeting schedule for SFY 2023: September 29-30, 2022; November 3, 2022; January 5, 2023; March 30-31, 2023; and June 29-30, 2023. Motion carried.

MAY 17, 2022, MEETING: The board will meet on May 17, 2022, to consider deferred funding applications and to consider approval of ARPA funding for applications that were submitted in 2021.

Mr. Perkovich introduced the DANR Environmental Funding staff to the board.

FUNDING APPLICATIONS: Andy Bruels provided an overview of the American Rescue Plan Act (ARPA) fund distribution criteria. The board approved the ARPA funding distribution criteria at its January 6, 2022, meeting. The criteria were included in Senate Bill 62, which was passed by the 2022 Legislature.

Mr. Bruels discussed available funds for this funding round.

Mr. Bruels and Mr. Perkovich presented the applications and the staff recommendations for funding. Following presentation of each application, representatives discussed their projects and answered questions from the board.

Aberdeen requested funding to increase the capacity of its wastewater treatment facility. Improvements will be made to the main lift station, the biofilter process, the biosolids thickening, stabilization and handling processes, and pumping capabilities. Improvements will also be made to the headworks, primary clarification, activated sludge and final clarification processes, and the UV disinfection operations.

The estimated total project amount is \$56,323,000, and the amount requested is \$51,323,000. Aberdeen is using \$5,000,000 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$18,896,900 and a \$32,426,100 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Aberdeen are \$27.50 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$14.35 is needed for repayment of the loan, bringing overall rates to \$41.85 based on 5,000 gallons usage.

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

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-08** approving ARPA grant agreement 2022G-ARP-100 to the **city of Aberdeen** for all approved project costs not to exceed \$18,896,900 for wastewater treatment facility upgrades and to adopt **Resolution No. 2022-09** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$32,426,100 at 2.125 percent interest for 30 years to the **city of Aberdeen** for wastewater treatment facility upgrades, 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.

Alcester requested funding for Phase 1 of a multi-phase sanitary sewer collection system improvements project. This phase includes open-cut sewer replacement in the Olfstad Street area.

Phase 1 also includes televising of the entire collection system to determine the condition of the collection system to better identify the upcoming Phase 2 project.

The estimated total project amount is \$1,669,000, and the amount requested is \$1,669,000.

Staff recommended awarding an ARPA grant of \$1,418,650 and a \$250,350 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Alcester are \$61.98 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$2.55 is needed for repayment of the loan, bringing overall rates to \$64.53 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 Jones, seconded by Adam, to adopt **Resolution No. 2022-10** approving ARPA grant agreement 2022G-ARP-101 to the **city of Alcester** for all approved project costs not to exceed \$1,418,650 for sanitary sewer improvements and to adopt **Resolution No. 2022-11** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$250,350 at 2.125 percent interest for 30 years to the **city of Alcester** 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. Motion carried.

Alexandria requested funding to install a new sewer interceptor, replace approximately 4,500 feet of sanitary sewer lines and 17 manholes, repair eroded pond dikes at the wastewater treatment facility, and televise a portion of the collection system.

The estimated total project amount is \$2,894,000, and the amount requested is \$2,772,000. Alexandria intends to use \$22,000 in FEMA funding and \$100,000 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$1,080,000 and a \$1,692,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Alexandria are \$31.00 for 5,000 gallons usage. Staff analysis indicates that a surcharge of \$24.00 is needed for repayment of the loan, bringing overall rates to \$55.00 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.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-12** approving ARPA grant agreement 2022G-ARP-103 to the **city of Alexandria** for all approved project costs not to exceed \$1,080,000 for wastewater system improvements; and to adopt **Resolution No. 2022-13** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,692,000 at 2.125 percent interest for 30 years to the **city of Alexandria** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Alexandria requested funding to replace approximately 1,100 feet of cast iron pipe and loop three dead-end lines.

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

Staff recommended awarding an ARPA grant of \$150,000 and a \$350,000 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Alexandria are \$41.50 for 5,000 gallons. Staff analysis indicates that a surcharge of \$4.80 is needed for repayment of the loan, bringing overall rates to \$46.30 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 Lanning, seconded by Adam, to adopt **Resolution No. 2022-14** approving ARPA grant agreement 2022G-ARP-102 to the **city of Alexandria** for all approved project costs not to exceed \$150,000 for water distribution improvements; and to adopt **Resolution No. 2022-15** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$350,000 at 1.875 percent interest for 30 years to **city of Alexandria** for water 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Arlington requested funding to replace approximately 10,200 feet of sewer lines.

The estimated total project amount is \$3,765,000, and the amount requested is \$3,611,388.

Arlington intends to use \$153,612 in local ARPA funds for the wastewater project

Staff recommended awarding an ARPA grant of \$1,190,945 and a \$2,420,443 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Arlington has a flat rate of \$32.00. Staff analysis indicates that a surcharge of \$17.50 is needed for repayment of the loan, bringing overall rates to a \$49.50 flat rate.

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 Adam, seconded by Jones, to adopt **Resolution No. 2022-16** approving ARPA grant agreement 2022G-ARP-105 to the **city of Arlington** for all approved project costs not to exceed \$1,190,945 for wastewater collection improvements; and to adopt **Resolution No. 2022-17** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,420,443 at 2.125 percent interest for 30 years to the **city of Arlington** for wastewater collection 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.

Arlington requested funding to install new water line to provide redundancy on the north side of the city.

The estimated total project amount is \$1,811,000, and the amount requested is \$1,811,000.

Staff recommended awarding an ARPA grant of \$543,300 and a \$1,267,700 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Arlington are \$46.75 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$7.80 is needed for repayment of the loan, bringing overall rates to \$54.65 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 Lanning, to adopt **Resolution No. 2022-18** approving ARPA grant agreement 2022G-ARP-104 to the **city of Arlington** for all approved project costs not to exceed \$543,300 for water system improvements; and to adopt **Resolution No. 2022-19** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,267,700

at 1.875 percent interest for 30 years to **city of Arlington** 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. Motion carried.

Aurora requested funding for Phase 2 of a project to make improvements to its wastewater collection system. This involves replacing approximately 6,200 feet of sewer main 32 manholes, 41 sewer services and casing pipe at three railroad crossings.

The estimated total project amount is \$4,508,000, and the amount requested is \$4,358,859.

Aurora intends to use \$149,141 in local ARPA funds the project.

Staff recommended awarding an ARPA grant of \$2,553,971 and a \$1,804,888 Clean Water SRF loan at 2.125 percent interest for 30 years.

Aurora pledged a project surcharge for repayment of the loan. Aurora has a flat rate of \$55.95. Staff analysis indicates that a surcharge of \$17.30 is needed for repayment of the loan, bringing overall rates to \$73.25.

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

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-20** approving ARPA grant agreement 2022G-ARP-106 to the **city of Aurora** for all approved project costs not to exceed \$2,553,971 for wastewater system improvements, Phase 2; and to adopt **Resolution No. 2022-21** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,804,888 at 2.125 percent interest for 30 years to the **city of Aurora** for wastewater system improvements, Phase 2, 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.

Aurora-Brule Rural Water System requested funding to install 10 miles of parallel water main, a new water storage reservoir, multiple loops within the system, a booster station, and make other line improvements.

The estimated total project amount is \$6,184,220, and the amount requested is \$6,000,000. The rural water system is using \$184,220 in local cash for the project.

Staff recommended awarding an ARPA grant of \$1,855,266 and a \$4,144,734 Drinking Water SRF loan at 1.875 percent interest for 30 years.

Aurora-Brule pledged system revenues for repayment of the loan. Rates are \$63.50 based on 7,000 gallons usage. Staff analysis indicates that aurora-Brule will have 113 percent debt coverage at current rates.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, Aurora Brule Rural Water System, and the Conservancy District.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-22** approving ARPA grant agreement 2022G-ARP-107 to **Aurora-Brule Rural Water System** for all approved project costs not to exceed \$1,855,266 for system improvements and expansion to new users; and to adopt **Resolution No. 2022-23** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,144,734 at 1.875 percent interest for 30 years to **Aurora-Brule Rural Water System** for system improvements and expansion to new users, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, Aurora-Brule Rural Water System, and the Conservancy District. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Baltic requested funding to replace its main lift station at the wastewater lagoons and to replace approximately 1,100 feet of sanitary and storm sewer lines, curb and gutter, and several manholes.

The estimated total project amount is \$1,879,000, and the amount requested is \$1,773,671. Baltic intends to use \$105,329 in local ARPA funds for the wastewater project.

Staff recommended awarding an ARPA grant of \$605,832 and a \$1,167,839 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Baltic are \$44.70 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$8.15 is needed for repayment of the loan, bringing overall rates to \$52.85 based on 5,000 gallons usage.

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

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-24** approving ARPA grant agreement 2022G-ARP-108 to the **city of Baltic** for all approved project costs not to exceed \$605,832 for a main lift station and sanitary sewer replacement project; and to adopt **Resolution No. 2022-25** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,167,839 at 2.125 percent interest for 30 years to the **city of Baltic** for a main lift station and sanitary sewer replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Baltic requested funding to replace approximately 5,000 feet of undersized watermain along Oak Avenue, Second Street, and Ash Avenue and install an additional 2,000 feet of water main to provide looping.

The estimated total project amount is \$1,934,000, and the amount requested is \$1,828,671. Baltic intends to use \$105,329 in local ARPA funds for this project.

Staff recommended awarding an ARPA grant of \$622,332 and a \$1,206,339 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Baltic pledged a project surcharge for repayment of the loan. Rates are \$41.55 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$8.45 is needed for repayment of the loan, bringing overall rates to \$50.00 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.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2022-26** approving ARPA grant agreement 2022G-ARP-109 to the **city of Baltic** for all approved project costs not to exceed \$622,332 for water system improvements; and to adopt **Resolution No. 2022-27** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,206,339 at 2.125 percent interest for 30 years to **city of Baltic** 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. Motion carried.

BDM Rural Water System requested funding for system improvements to address lack of capacity, redundancy, and reliable water supply. The project proposes to construct a new water

treatment plant, install a 450,000-gallon water reservoir, 18 miles of pipe to expand the water system and loop lines for added redundancy, and 382 water meters will also be replaced.

The estimated total project amount is \$11,537,000, and the amount requested is \$11,537,000.

Staff recommended awarding an ARPA grant of \$3,530,083 and an \$8,006,917 Drinking Water SRF loan at 1.875 percent interest for 30 years with 6.4 percent as principal forgiveness not to exceed \$507,867. The principal forgiveness is being provided instead of ARPA grant for rates above \$75.00/7,000 gallons. This frees additional ARPA grant for future projects.

The rural water system pledged system revenue for repayment of the loan. Rates are \$76.90 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for repayment of the loan is 120 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, BDM Rural Water System and the Conservancy District.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-28** approving ARPA grant agreement 2022G-ARP-110 to **BDM Rural Water System** for all approved project costs not to exceed \$3,530,083 for water system improvements; and to adopt **Resolution No. 2022-29** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$8,006,917 at 1.875 percent interest for 30 years with up to 6.4 percent as principal forgiveness not to exceed \$507,867 to **BME Rural Water System** 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 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 an Intercreditor Agreement being approved and executed by Cobank, BDM Rural Water System and the Conservancy District. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Bear Butte Valley Water, Inc. requested funding to install 20 miles of water main along Alkali Road, construct a new 3,500 foot well into the Madison Aquifer, construct a 150,000-gallon ground storage reservoir, a booster station, and miscellaneous site piping and appurtenances.

The estimated total project amount is \$6,317,500, and the amount requested is \$6,317,500.

In March 2021, Bear Butte Valley received a Drinking Water SRF loan that includes a portion of the work requested for the current application. Based on discussions with Bear Butte Valley, the preference is to award all funding under one larger funding agreement. The existing loan will be requested to be deobligated at a future board meeting.

Staff recommended awarding an ARPA grant of \$5,202,000 and a \$1,115,500 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Bear Butte Valley Water, Inc. pledged system revenue for repayment of the loan. Rates are \$112.85 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for repayment of the loan is 174 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Bear Butte Valley Water, Inc. and the Conservancy District.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2022-30** approving ARPA grant agreement 2022G-ARP-111 to **Bear Butte Valley Water, Inc.** for all approved project costs not to exceed \$5,202,000 for Alkali Road expansion, backup well, Greslin storage, and booster station; and to adopt **Resolution No. 2022-31** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,115,500 at 2.125 percent interest for 30 years to **Bear Butte Valley Water, Inc.** for Alkali Road expansion, backup well, Greslin storage, and booster station, 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, Bear Butte Valley Water, Inc. and the Conservancy District. Motion carried.

Beresford requested funding to install a 6-inch water main in the 7th Street right of way to provide a loop in the existing system from 298th Street to Maple Street.

The estimated total project amount is \$672,000, and the amount requested is \$672,000.

Staff recommended awarding a \$672,000 Drinking Water SRF loan at 1.875 percent interest for 30 years. All ARPA funds will be recommended for the wastewater project.

Beresford pledged a project surcharge for repayment of the loan. Rates are \$44.76 for 5,000 gallons. Staff analysis indicates that a surcharge of \$2.65 is needed for repayment of the loan, bringing overall rates to \$47.41 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-32** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$672,000 at 1.875 percent interest for 30 years to the **city of Beresford** 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 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.

Beresford requested funding to address inflow and infiltration problems in its collection system. Pipes will be lined or replaced, manholes will be replaced, and sump pump inspections will be completed to make sure customers are properly discharging. Sewer main will be extended in the 7th Street right of way to eliminate a lift station. Beresford is also proposing a Submerged Attached Growth Reactor and disinfection system for wastewater treatment, as well as dredging of its treatment ponds and disposal of the sludge. The city is under a compliance order to reduce wastewater flows and upgrade their treatment system.

The estimated total project amount is \$14,436,000, and the amount requested is \$14,436,000.

Staff recommended awarding an ARPA grant of \$5,177,347 and a \$9,258,653 Clean Water SRF loan at 2.125 percent interest for 30 years with 1.5 percent as principal forgiveness not to exceed \$134,653. The principal forgiveness is being provided instead of ARPA grant for rates above \$55.00 for 5,000 gallons. This frees additional ARPA grant for future projects.

The city pledged a project surcharge for repayment of the loan. Rates in Beresford are \$23.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$37.00 is needed for repayment of the \$9,124,000 loan, bringing overall rates to \$60.00 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.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-33** approving ARPA grant agreement 2022G-ARP-112 to the **city of Beresford** for all approved project costs not to exceed \$5,177,347 for wastewater system improvements; and to adopt **Resolution No. 2022-34** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$9,258,653 at 2.125 percent interest for 30 years with 1.5 percent as principal forgiveness not to exceed \$134,653 to the **city of Beresford** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Big Sioux Community Water System requested funding to construct a water treatment plant and well field in conjunction with Minnehaha Community Water Corporation. The new entity is called Shared Resources, Inc. To utilize the additional water supply and capacity, Big Sioux Community Water System will need to construct significant water distribution system improvements such as replacing water mains and constructing parallel water lines. The proposed project includes approximately 35.5 miles of water distribution pipe in various sizes throughout the system.

The estimated total project amount is \$17,788,000, and the amount requested is \$17,788,000.

Since this is part of a larger, joint project with Minnehaha Community Water Corporation and the new Shared Resources joint entity, the ARPA grant funds to the projects will be considered all together. Based on discussions with Big Sioux Community Water System and Minnehaha Community Water Corporation, all ARPA grant funding will be provided to the Shared Resources project.

Staff recommended awarding a \$17,788,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Big Sioux Community Water System pledged system revenue for repayment of the loan. Rates are \$64.65 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for the loan is 144 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, CoBank, Big Sioux Community Water System, and the Conservancy District.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-35** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$17,788,000 at 2.125 percent interest for 30 years to **Big Sioux Community Water System** for 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, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, CoBank, Big Sioux Community Water System, and the Conservancy District. Motion carried.

Bowdle requested funding to rehabilitate and make repairs to the current sewer system with Cast in Place Pipe. The city also proposes to install 15-inch and 8-inch PVC pipe in select locations. Lastly, the city proposes to install new 8-inch PVC pipe on 5th Avenue to allow for flow to be redirected during severe cold weather.

The estimated total project amount is \$2,429,000, and the amount requested is \$2,345,309. Bowdle will use local ARPA funding for the project.

Staff recommended awarding an ARPA grant of \$762,176 and a \$1,583,133 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Bowdle has a \$30.00 flat rate. Staff analysis indicates that a surcharge of \$23.20 is needed for repayment of the loan, bringing overall rates to \$53.20.

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 Jones, seconded by Adam, to adopt **Resolution No. 2022-36** approving ARPA grant agreement 2022G-ARP-113 to the **city of Bowdle** for all approved project costs not to exceed \$762,176 for wastewater collection improvements; and to adopt **Resolution No. 2022-37** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,583,133 at 2.125 percent interest for 30 years to the **city of Bowdle** for wastewater collection 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.

Box Elder requested funding for improvements to the drinking water system including an extension of 12-inch water main on Tower Road and replacing the Prairie View Water Tank.

The estimated total project amount is \$6,190,500, and the amount requested is \$6,190,500.

Staff recommended awarding an ARPA grant of \$1,857,150 and a \$4,333,350 Drinking Water SRF loan at 1.625 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Box Elder are \$39.30 for 5,000 gallons. Staff analysis indicates that a surcharge of \$6.85 is needed for repayment of the loan, bringing overall rates to \$46.15.

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 Gnirk, seconded by Lanning, to adopt **Resolution No. 2022-38** approving ARPA grant agreement 2022G-ARP-114 to the **city of Box Elder** for all approved project costs not to exceed

\$1,857,150 for drinking water system improvements; and to adopt **Resolution No. 2022-39** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,333,350 at 1.625 percent interest for 30 years to the **city of Box Elder** 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 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 with Adam, Bernhard, Gnirk Lanning, and Soholt voting aye. Jones abstained.

Brandon requested funding for improvements at its existing water treatment plant to increase the design capacity from 2,000 gallons per minute (gpm) to 4,000 gpm and add reverse osmosis to the plant.

The estimated total project amount is \$24,893,000, and the amount requested is \$24,893,000.

Brandon has informed staff that they are not interested in a Drinking Water SRF loan and will use other funds for the remainder of the project after any ARPA grant is awarded.

Staff recommended awarding an ARPA grant of \$7,467,900.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-40** approving ARPA grant agreement 2022G-ARP-115 to the **city of Brandon** for all approved project costs not to exceed \$7,467,900 for water system improvements. Motion carried.

Britton requested funding to increase the capacity of the Main Lift Station and the South Main Lift Station. Sewer lines will be installed along South Main to include residences and businesses that are currently on septic systems. Replacement of clay pipes will occur in locations throughout the community.

The estimated total project amount is \$1,531,000, and the amount requested is \$1,416,830. Britton will provide local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$504,968 and a \$911,862 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Britton are \$49.32. Staff analysis indicates that a surcharge of \$5.60 is needed for repayment of the loan. Rates could be restructured to lessen some of the surcharge impacts and provide overall rates of \$49.76.

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 Jones, to adopt **Resolution No. 2022-41** approving ARPA grant agreement 2022G-ARP-116 to the **city of Britton** for all approved project costs not to exceed \$504,968 for wastewater system improvements; and to adopt **Resolution No. 2022-42** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$911,862 at 2.125 percent interest for 30 years to the **city of Britton** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Brookings requested funding to install 24-inch sanitary sewer to replace 8-inch and 15-inch existing sewer lines and 1,200 feet of 12-inch sanitary sewer expansion.

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

Staff recommended awarding a \$4,000,000 Clean Water SRF loan at 2.125 percent interest for 30 years. All ARPA funds will be recommended for the drinking water project.

The city pledged a project surcharge for repayment of the loan. Rates in Brookings are \$46.21 for 5,000 gallons. Staff analysis indicates that a surcharge of \$2.10 is needed for repayment of the loan, bringing overall rates to \$48.31.

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 Jones, seconded by Adam, to adopt **Resolution No. 2022-43** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,000,000 at 2.125 percent interest for 30 years to the **city of Brookings** 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. Motion carried.

Brookings requested funding for the construction of a new 6 MGD lime softening water treatment facility along 34th Avenue. The treatment plant will require 28,500 feet of 16-inch raw water line and 16-inch finished water line to feed into the distribution system. The project also includes the construction of six new municipal wells and an additional 17,400 feet of 20-inch transmission main.

The estimated total project amount is \$74,002,500, and the amount requested is \$72,002,500. The city will use \$2,000,000 in local cash for the project.

Staff recommended awarding an ARPA grant of \$21,039,300 and a \$50,963,200 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Brookings are \$39.28 for 5,000 gallons. Staff analysis indicates that a surcharge of \$25.15 is needed for repayment of the loan. Staff believes that rates could be restructured and provide overall rates of \$41.50.

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 Lanning, to adopt **Resolution No. 2022-44** approving ARPA grant agreement 2022G-ARP- 117 to the **city of Brookings** for all approved project costs not to exceed \$21,039,300 for water treatment facilities connection to distribution system; and to adopt **Resolution No. 2022-45** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$50,963,200 at 1.875 percent interest for 30 years to the **city of Brookings** for water treatment facilities connection to distribution 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 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.

Brookings-Deuel Rural Water System requested funding for the construction of 22 miles of 12-inch watermain to interconnect the system's two primary water sources, the Joint Well Field and the Clear Lake Water Treatment Plant. The project will also include six miles of 6-inch watermain to the Lake Cochrane service area to improve low pressures.

The estimated total project amount is \$9,010,800, and the amount requested is \$8,310,800. The rural water system will use \$100,000 in local cash and \$600,000 in Department of Transportation funding.

Staff recommended awarding an ARPA grant of \$2,703,240 and a \$5,607,560 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Brookings-Deuel RWS pledged system revenue for repayment of the loan. Rates are \$60.50 for 7,000 gallons. Staff analysis indicates that at current rates, the debt coverage for the loan is 122 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Cobank, Brookings-Deuel Rural Water System, and the Conservancy District.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-46** approving ARPA grant agreement 2022G-ARP-118 to the **Brookings-Deuel Rural Water System** for all approved project costs not to exceed \$2,703,240 for watermain construction; and to adopt **Resolution No. 2022-47** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,607,560 at 2.125 percent interest for 30 years to the **Brookings-Deuel Rural Water System** for watermain construction, 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, Cobank, Brookings-Deuel Rural Water System, and the Conservancy District. Motion carried.

Bryant requested funding for a Phase 1 water distribution improvements project. The project involves replacing approximately 4,200 feet of water main. The project will be done in conjunction with a sanitary sewer project.

The estimated total project amount is \$2,112,694, and the amount requested is \$2,072,100.

Staff recommended awarding an ARPA grant of \$1,152,100 and a \$920,000 Drinking Water SRF loan at 1.625 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Bryant are \$56.52 for 5,000 gallons. Staff analysis indicates that a surcharge of \$16.35 is needed for repayment of the loan. Staff believes rates could be restructured and stay at the current \$56.52.

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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-48** approving ARPA grant agreement 2022G-ARP-119 to the **city of Bryant** for all approved project costs not to exceed \$1,152,100 for drinking water system improvements – Phase 1; and to adopt **Resolution No. 2022-49** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$920,000 at 1.625 percent interest for 30 years to the **city of Bryant** for drinking water system improvements – Phase 1, 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.

Bryant requested funding for Phase 1 of a sanitary sewer collection improvements project. The project involves replacing approximately 6,000 feet of sanitary sewer line and 900 feet of storm sewer. A flow meter will also be installed at the wastewater treatment facility.

The estimated total project amount is \$2,549,094, and the amount requested is \$2,508,500.

Staff recommended awarding an ARPA grant of \$708,450 and a \$1,800,050 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Bryant are \$30.00. Staff analysis indicates that a surcharge of \$34.25 is needed for repayment of the loan. Staff believes rates could be restructured and provide overall rates of \$54.25.

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.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-50** approving ARPA grant agreement 2022G-ARP-120 to the **city of Bryant** for all approved project costs not to exceed \$708,450 for wastewater system improvements; and to adopt **Resolution No. 2022-51** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,800,050 at 2.125 percent interest for 30 years to the **city of Bryant** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Chancellor submitted two applications requesting funding for its Phase II Infrastructure Improvements project, which involves replacing water and sewer lines in the eastern half of the town.

The cost of the proposed project exceeded the total allowable ARPA project size based on population. The surcharge on each loan required to complete the project financing would have been over \$20.00. Chancellor currently has rates between \$55.00 and \$60.00 for both water and wastewater utilities. The town was sent a letter suggesting the project be downsized. Staff has been in contact with the town regarding downsizing the project, but a decision has yet to be made.

Staff recommended that the board defer the two applications to give Chancellor the opportunity to submit revised applications.

Motion by Lanning, seconded by Adam, to **defer** the **Chancellor** drinking water and storm sewer funding applications. Motion carried.

Clark requested funding to make improvements to the water distribution system. The city proposes to replace asbestos cement pipe and cast-iron pipe throughout the city with PVC and loop dead-end lines. This will involve installing approximately 19,000 feet of water main. The proposed project will also replace water meters, as needed, and paint the water tower.

The estimated total project amount is \$7,857,370, and the amount requested is \$7,612,370. Clark is using \$245,000 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$4,297,054 and a \$3,315,316 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Clark are \$43.00 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$20.25 is needed for repayment of the loan, bringing overall rates to \$63.25 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-52** approving ARPA grant agreement 2022G-ARP-123 to the **city of Clark** for all approved project costs not to exceed \$4,297,054 for water distribution system improvements; and to adopt **Resolution No. 2022-53** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,315,316 at 1.875 percent interest for 30 years to the **city of Clark** 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.

Clark Rural Water System requested funding to construct 20.5 miles of parallel mainline on the upstream side of the Henry Booster Pump and the Crocker Ground Storage Reservoir to increase capacity and pressure in areas currently experiencing low pressure issues.

The estimated total project amount is \$7,240,000, and the amount requested is \$7,240,000.

Staff recommended awarding an ARPA grant of \$2,172,000 and a \$5,068,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The rural water system pledged system revenues for repayment of the loan. Rates are \$64.50 based on 7,000 gallons usage. Staff analysis indicates that raising rates to \$75.00 based on 7,000 gallons would result in debt coverage of 111 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower raising its water rates to a level sufficient to provide the necessary debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Clark Rural Water System and the Conservancy District.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-54** approving ARPA grant agreement 2022G-ARP-124 to **Clark Rural Water System** for all approved project costs not to exceed \$2,172,000 for parallel mainline improvements; and to adopt **Resolution No. 2022-55** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,068,000 at 2.125 percent interest for 30 years to **Clark Rural Water System** for parallel mainline 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 raising its water rates to a level sufficient to provide the necessary debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Clark Rural Water System and the Conservancy District. Motion carried.

Clay Rural Water System requested funding to construct a 1,000,000-gallon ground storage reservoir near the existing Greenfield ground storage reservoir and a 750,000-gallon ground storage reservoir near the Wakonda Water Treatment plant. The booster station at the Greenfield ground storage reservoir will also be replaced. Approximately 20.6 miles of watermain of varying sizes will also be installed.

The estimated total project amount is \$16,517,000, and the amount requested is \$16,517,000.

Staff recommended awarding an ARPA grant of \$4,955,100, a Consolidated Water Facilities Construction Program grant of \$825,850, and a \$10,736,050 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The rural water system pledged system revenues for repayment of the loan. Rates are \$75.10 based on 7,000 gallons usage. Staff analysis indicates that raising rates to \$85.50 based on 7,000 gallons would be required to meet the 110 percent debt coverage requirement.

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 raising its water rates to a level sufficient to provide the necessary debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Clay Rural Water System and the Conservancy District.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-56** approving ARPA grant agreement 2022G-ARP-125 to **Clay Rural Water System** for all approved project costs not

to exceed \$4,955,100 for water system improvements; **Resolution No. 2022-57** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for **Clay Rural Water System** for up to 5.0 percent of eligible costs not to exceed \$825,850 for water system improvements, and to adopt **Resolution No. 2022-58** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$10,736,050 at 2.125 percent interest for 30 years to **Clay Rural Water System** 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 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 raising its water rates to a level sufficient to provide the necessary debt coverage, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Clay Rural Water System and the Conservancy District. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Colton requested funding to rehabilitate and replace segments of sanitary and storm sewer within the community. This will involve lining approximately 7,250 feet of sanitary sewer, replacing 380 feet of sewer line and 1,000 feet of undersized storm sewer, and replacing or rehabilitating 25 manholes.

The estimated total project amount is \$2,609,000, and the amount requested is \$2,609,000.

Staff recommended awarding an ARPA grant of \$2,107,327, a Clean Water SRF Water Quality grant of \$110,323, and a \$391,350 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Colton are \$53.50 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of 5.00 is needed for repayment of the loan, bringing overall rates to \$58.50 based on 5,000 gallons usage.

Colton may need additional rate increases to meet the 110 percent debt coverage requirement on prior loans backed with system revenues.

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 Jones, seconded by Adam, to adopt **Resolution No. 2022-59** approving ARPA grant agreement 2022G-ARP-126 to the **city of Colton** for all approved project costs not to exceed \$2,107,327 for sanitary sewer improvements; **Resolution No. 2022-60** approving a Clean Water SRF Program Water Quality Grant Agreement to the **city of Colton** for up to 4.3 percent of eligible project costs not to exceed \$110,323 for sanitary sewer improvements; and **Resolution No. 2022-61** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$391,350 at 2.125 percent interest for 30 years to the **city of Colton** 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. Motion carried.

Corona requested funding to replace sanitary sewer lines and manholes and install new storm sewer lines.

After the board packet was distributed, the town requested that the application be withdrawn due to the limited ARPA funds available for projects in Corona. The request to withdraw the application was included in the supplemental board packet. Since the application was withdrawn, no action from the board is needed.

Corona originally requested funding to replace approximately 4,700 feet of water main and services lines, install new valves and fire hydrants, and meter the water system in anticipation to connecting to the Grant-Roberts Rural Water System.

After the board packet was distributed, Corona submitted a revised application reflecting only the water meter portion of the project. This involves installation of meter pits and the purchase and installation of meters and check valves in the meter pits. The request to revise the application was included in the supplemental board packet.

The estimated total project amount is \$391,000, and the amount requested is \$391,000.

Staff recommended awarding an ARPA grant of \$312,800 and a \$78,200 Consolidated Water Facilities Construction Program loan at 2.125 percent interest for 30 years.

The town pledged a project surcharge for repayment of the loan. Corona has a flat rate of \$21.00. Staff analysis indicates that a surcharge of \$10.10 is needed for repayment of the loan.

Upon completion of this project, Corona is expecting to connect to the Grant-Roberts Rural Water System as a bulk user. The cost to purchase water will be approximately \$22.00 per month per user. Grant-Roberts has requested funding for a project to make improvements to its system, a portion of which is required in order to provide water to Corona. It is expected that Corona will be assessed a monthly fee for this capital cost, which is estimated to be \$37.00 per month per user. Since Corona is currently unmetered, it is difficult to determine the cost to operate the system. With operating expenses, it is expected that Corona will have rates exceeding \$75.00 per month per user.

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 Lanning, seconded by Jones, to adopt **Resolution No. 2022-62** approving ARPA grant agreement 2022G-ARP-127 to the **town of Corona** for all approved project costs not to exceed \$312,800 for water meter installation; **Resolution No. 2022-63** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$78,200 at 2.125 percent interest for 30 years to the **town of Corona** for water meter installation; the loan is 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.

Corsica requested funding to install storm sewer and replace deficient sewer lines along the Corse Avenue corridor from Main Street to First Street. This will involve approximately four blocks.

The estimated total project amount is \$999,825, and the amount requested is \$897,000. Corsica will use \$102,825 in local ARPA funds for this project.

Staff recommended awarding an ARPA grant of \$341,078 and a \$555,922 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Corsica are \$24.00 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$7.10 is needed for repayment of the loan, bringing overall rates to \$31.10 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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-64** approving ARPA grant agreement 2022G-ARP-129 to the **city of Corsica** for all approved project costs not to exceed \$341,078 for sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-65** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$555,922 at 2.125 percent interest for 30 years to the **city of Corsica** for sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Corsica requested funding for the replacement of water lines along the Corse Avenue corridor from Main Street to First Street.

The estimated total project amount is \$405,000, and the amount requested is \$405,000.

Staff recommended awarding an ARPA grant of \$121,500 and a \$283,500 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Corsica are \$65.00 based on 5,000 gallons usage. Rates were raised from \$35.00 to \$65.00 in October 2021. A surcharge of \$3.65 is needed for repayment of the loan; however, staff analysis indicates that the rates could be restructured, and the utility can be operated with rates of \$55.00 or less 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-66** approving ARPA grant agreement 2022G-ARP-128 to the **city of Corsica** for all approved project costs not to exceed \$121,500 for Corse Avenue water improvements; and to adopt **Resolution No. 2022-67** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$283,500 at 2.125 percent interest for 30 years to the **city of Corsica** for Corse Avenue water improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Crooks requested funding to construct a new lift station on the east side of town to accommodate growth. The project also involves the installation of approximately 3,000 feet of force main and 1,300 feet of gravity sewer to integrate the new lift station into the collection system.

The estimated total project amount is \$1,494,000, and the amount requested is \$1,256,697. Crooks is using \$237,303 of its local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$797,970 and a \$458,727 Clean Water SRF loan at 2.125 percent interest for 30 years.

Crooks pledged a project surcharge for repayment of the loan. Rates in Crooks are \$56.25 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$3.60 is needed for repayment of the loan, bringing overall rates to \$59.85 based on 5,000 gallons usage.

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

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2022-68** approving ARPA grant agreement 2022G-ARP-130 to the **city of Crooks** for all approved project costs not to exceed \$797,970 for the construction of a lift station; and to adopt **Resolution No. 2022-69** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$458,727 at 2.125

percent interest for 30 years to the **city of Crooks** for the construction of a lift station, 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.

Custer requested funding for improvements to its wastewater treatment facility by adding a Submerged Attached Growth Reactor (SAGR) system and installing a new UV disinfection system. The city is also relocating the wastewater treatment facility's discharge point on Flynn Creek to French Creek south of Stockade Lake, which requires installing approximately 3.5 miles of force main and lift station improvements.

The estimated total project amount is \$11,442,109, and the amount requested is \$11,090,000. Custer will use \$352,109 of its local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$6,257,949 and a \$4,832,051 Clean Water SRF loan at 2.125 percent interest for 30 years.

Custer pledged a project surcharge for repayment of the loan. Rates are \$43.81 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$16.75 is needed for repayment of the loan, bringing overall rates to \$60.56 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 Gnirk, seconded by Adam, to adopt **Resolution No. 2022-70** approving ARPA grant agreement 2022G-ARP-131 to the **city of Custer** for all approved project costs not to exceed \$6,257,949 for wastewater treatment facility improvements; and to adopt **Resolution No. 2022-71** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,832,051 at 2.125 percent interest for 30 years to the **city of Custer** 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. Motion carried.

Davison Rural Water System requested funding to install parallel lines and loop existing mains to address supply issues and inadequate pressures within the distribution system. Davison RWS will also upgrade its meter reading capabilities from self-reading of meters to an automatic meter reading system.

The estimated total project amount is \$1,256,042, and the amount requested is \$1,250,000. The rural water system will use \$6,042 in local cash for the project.

Staff recommended awarding an ARPA grant of \$439,615 and a \$810,385 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Davison RWS pledged system revenues for repayment of the loan. Rates are \$86.20 based on 7,000 gallons usage. Staff analysis indicates the 110 percent debt coverage requirement can be met with the current rates

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, Davison Rural Water System and the Conservancy District.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2022-72** approving ARPA grant agreement 2022G-ARP-132 to **Davison Rural Water System** for all approved project costs not to exceed \$439,615 for system improvements and automatic meter reading equipment; and to adopt **Resolution No. 2022-73** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$810,385 at 2.125 percent interest for 30 years to **Davison Rural Water System** for system improvements and automatic meter reading equipment, 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, Davison Rural Water System and the Conservancy District. Motion carried.

Dell Rapids requested funding to replace 3,300 feet of sewer lines and 4,900 feet of storm sewer. Work will be primarily on Third Street from SD Highway 15 to Orleans Avenue. The request includes a nonpoint source component to install best management practices in the Big Sioux River Watershed.

The estimated total project amount is \$6,530,300, and the amount requested is \$6,530,300, which includes \$640,300 for the nonpoint source component and \$5,890,000 for the wastewater component.

In order to minimize multiple grants to manage and to minimize the overall wastewater rate, staff recommended that all ARPA grant funds be allocated to the wastewater project. The total ARPA grant amount would remain unchanged if split among two grants.

Staff recommended awarding an ARPA grant of \$2,702,300 and a \$3,534,287 Clean Water SRF loan at the NPS Incentive Rate of 1.375 percent interest for 30 years.

The loan amount consists of \$3,187,700 for the wastewater and storm water improvements and \$346,687 for the nonpoint source activities. The decreased nonpoint source amount is due to the grant award decreasing the loan amount.

Dell Rapids pledged a project surcharge for repayment of the loan. Rates are \$61.75 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$9.40 is needed for repayment of the loan, bringing overall rates to \$71.15 based on 5,000 gallons usage.

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

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2022-74** approving ARPA grant agreement 2022G-ARP-133 to the **city of Dell Rapids** for all approved project costs not to exceed \$2,702,300 for Third Street sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-75** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,534,287 at 1.375 percent interest for 30 years to the **city of Dell Rapids** for Third Street sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Dell Rapids requested funding to replace approximately 3,800 feet of water mains. Work will be primarily on Third Street from SD Highway 15 to Orleans Avenue.

The estimated total project amount is \$2,136,000, and the amount requested is \$2,136,000.

Staff recommended awarding a \$2,136,000 Drinking Water SRF loan at 2.125 percent interest for 30 years. The recommendation does not include an ARPA grant since all ARPA funds were applied to the wastewater project.

Dell Rapids pledged a project surcharge for repayment of the loan. Rates are \$44.90 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$6.15 is needed for repayment of the loan, bringing overall rates to \$51.05 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 Gnirk, seconded by Lanning, to adopt **Resolution No. 2022-76** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,136,000 at 2.125 percent interest for 30 years to the **city of Dell Rapids** for a water main replacement project, and

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

Department of Agriculture and Natural Resources (DANR) requested funding to purchase 10-year easements for riparian buffer strips to improve surface water quality throughout the state. Funding will target watersheds found in ARSD 74:51:03.

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

Staff recommended awarding an ARPA grant of \$1,000,000. Funding this request at 100 percent grant is in accordance with the criteria of providing increased funding for non-point source improvements.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-77** approving ARPA grant agreement 2022G-ARP-1343 to the **Department of Agriculture and Natural Resources** for all approved project costs not to exceed \$1,000,000 for the riparian buffer initiative. Motion carried.

Emery requested funding to replace outdated and undersized storm sewer and inlets as well as increasing the size of the outlet pipe to Plum Creek. This project would also connect inlets installed during a recent school improvements project to the collection system.

The estimated total project amount is \$2,494,000, and the amount requested is \$2,494,000.

Staff recommended awarding an ARPA grant of \$2,119,900 and a \$374,100 Clean Water SRF loan at 2.125 percent interest for 30 years.

Emery pledged a project surcharge for repayment of the loan. Rates are \$53.65 for 5,000 gallons. Staff analysis indicates that a surcharge of \$6.75 is needed for repayment of the loan, bringing overall rates to \$60.40.

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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-78** approving ARPA grant agreement 2022G-ARP-135 to the **city of Emery** for all approved project costs not to exceed \$2,119,900 for sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-79** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$374,100 at 2.125 percent interest for 30 years to the **city of Emery** for sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery

of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Gayville requested funding to replace approximately 11,000 feet of 8-inch sanitary sewer main and 2,250 feet of storm sewer of varying sizes. The proposed project will include construction of a lift station and minor rehabilitation of the wastewater treatment pond piping and splitter structures.

The estimated total project amount is \$4,429,000, and the amount requested is \$4,358,000. Local ARPA funds will be used for the remainder of the funding.

Staff recommended awarding an ARPA grant of \$2,993,100 and a \$1,364,900 Clean Water SRF loan at 2.125 percent interest for 30 years.

Gayville pledged a project surcharge for repayment of the loan. Rates are \$25.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$31.80 is needed for repayment of the loan, bringing overall rates to \$56.80.

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 Adam, to adopt **Resolution No. 2022-80** approving ARPA grant agreement 2022G-ARP-136 to the **town of Gayville** for all approved project costs not to exceed \$2,993,100 for sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-81** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,364,900 at 2.125 percent interest for 30 years to the **town of Gayville** for sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Grant-Roberts Rural Water System requested funding to add transmission capacity so that the system's two reservoirs can fill during high water use periods in summer months. Additional pipeline looping and parallels will be completed to distribute water to existing and new customers and improve the reliability of the water system. This phase will also include 24 miles of pipeline and other appurtenances to allow the town of Corona to access the Grant-Roberts Rural Water System.

The estimated total project amount is \$6,794,000, and the amount requested is \$6,794,000. This project will provide service to the residents of Corona.

Staff recommended awarding an ARPA grant of \$2,433,600 and a \$4,360,400 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Grant-Roberts RWS pledged system revenue for repayment of the loan. Rates are \$57.30 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for the loan is 128 percent.

The Corona portion is \$1,502,000 with an ARPA allocation of \$846,000. Based on the staff recommendation, a surcharge of \$37.00 per user would be required at the recommended funding level for Corona users. The cost to purchase water will be approximately \$22.00 per month per user. With the prior loan for meters and a surcharge of \$10.10, including the operating expenses, it is expected that Corona will have rates exceeding \$75.00 per month per user.

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

Motion by Lanning, seconded by Jones, to adopt **Resolution No. 2022-82** approving ARPA grant agreement 2022G-ARP-137 to **Grant-Roberts Rural Water System** for all approved project costs not to exceed \$2,433,600 for system improvements; and to adopt **Resolution No. 2022-83** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,360,400 at 2.125 percent interest for 30 years to **Grant-Roberts Rural Water System** for 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. and contingent upon the borrower approving a security agreement and mortgage. Motion carried.

Gregory requested funding for the installation or replacement of approximately 15,000 feet of sanitary sewer in various areas throughout the community.

The estimated total project amount is \$4,452,000, and the amount requested is \$4,452,000.

Staff recommended awarding an ARPA grant of \$1,335,600 and a \$3,116,400 Clean Water SRF loan at 2.125 percent interest for 30 years.

Gregory pledged a project surcharge for repayment of the loan. Rates are \$32.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$18.20 is needed for repayment of the loan, bringing overall rates to \$50.20.

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 Gnirk, seconded by Jones, to adopt **Resolution No. 2022-84** approving ARPA grant agreement 2022G-ARP-139 to the **city of Gregory** for all approved project costs not to exceed \$1,335,600 for wastewater system improvements; and to adopt **Resolution No. 2022-85** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,116,400 at 2.125 percent interest for 30 years to the **city of Gregory** 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 resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Gregory requested funding for the installation or replacement of approximately 22,000 feet of water main.

The estimated total project amount is \$3,485,000, and the amount requested is \$3,485,000.

Staff recommended awarding an ARPA grant of \$1,045,500 and a \$2,439,500 Drinking Water SRF loan at 0.00 percent interest for 30 years.

Gregory pledged a project surcharge for repayment of the loan. Rates are \$34.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$10.20 is needed for repayment of the loan, bringing overall rates to \$44.20.

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 Gnirk, seconded by Lanning, to adopt **Resolution No. 2022-86** approving ARPA grant agreement 2022G-ARP-138 to the **city of Gregory** for all approved project costs not to exceed \$1,045,500 for water distribution improvements, and to adopt **Resolution No. 2022-87** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,439,500 at 0.00 percent interest for 30 years to the **city of Gregory** for a water 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Hanson Rural Water System requested funding for improvements to the distribution infrastructure including paralleling and looping of existing mains and automatic meter reading technology.

The estimated total project amount is \$3,639,529, and the amount requested is \$3,630,000.

Staff recommended awarding an ARPA grant of \$1,273,835 and a \$2,356,165 Drinking Water SRF loan at 1.625 percent interest for 30 years.

Hanson RWS pledged system revenues for repayment of the loan. Rates are \$77.25 for 7,000 gallons. Staff analysis indicates that at the current rates, the debt coverage for repayment of the loan is 146 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, Hanson Rural Water System and the Conservancy District.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2022-88** approving ARPA grant agreement 2022G-ARP-140 to **Hanson Rural Water System** for all approved project costs not to exceed \$1,273,835 system improvements and automatic meter reading equipment, and to adopt **Resolution No. 2022-89** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,356,165 at 1.625 percent interest for 30 years to **Hanson Rural Water System** for a system improvements and automatic meter reading equipment, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Rural Utilities Service, Hanson Rural Water System and the District. Motion carried.

Harrisburg requested funding to update aging and undersized sanitary sewer and storm sewer infrastructure. Approximately 17,000 feet of pipe will be replaced, 6,200 feet of sewer service line will be installed, and 10,500 feet of storm sewer will be installed. This project will be constructed concurrently with the water distribution project in the area.

Harrisburg is also proposing to increase wastewater capacity on the west side of the city by installing sewer interceptors to convey wastewater from the western sub-basins back to the central collection system.

The estimated total project amount is \$17,749,000, and the amount requested is \$16,549,073.

Staff recommended awarding an ARPA grant of \$7,367,727, a Consolidated grant at 4.5 percent of total project costs not to exceed \$787,450, and a \$8,393,896 Clean Water SRF loan at 2.125 percent interest for 30 years. The ARPA grant amount is based on all ARPA grant funds for Harrisburg's combined water and sewer projects and is being applied to the wastewater project to help offset rate impacts. The consolidated grant is being provided in place of ARPA funds for rates being above \$55.00 per 5,000 gallons to reserve ARPA funds for future rounds.

Harrisburg is pledging a project surcharge for repayment of the loan. Rates are \$94.18 for 5,000 gallons. Staff analysis indicates that a surcharge of \$15.00 is needed for repayment of the loan, bringing overall rates to \$109.18.

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 Jones, seconded by Bernhard, to adopt **Resolution No. 2022-90** approving ARPA grant agreement 2022G-ARP-141 to the **city of Harrisburg** for all approved project costs not to exceed \$7,367,727 for trunk sewer improvements and southeastern sewer and storm sewer improvements; to adopt **Resolution No. 2022-91** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **city of Harrisburg** for up to 4.5 percent of eligible costs not to exceed \$787,450 for trunk sewer improvements and southeastern sewer and storm sewer improvements, and to adopt **Resolution No. 2022-99** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$8,393,896 at 2.125 percent interest for 30 years to the **city of Harrisburg** for trunk sewer improvements and southeastern sewer 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.

Harrisburg requested funding to update aging water distribution lines. The project will replace cast iron and PVC water lines with 8-inch or 120inch PVC. Approximately 26,000 feet of pipe will be replaced, and 6,200 feet of water service line will be installed. The project will be constructed concurrently with the sanitary sewer and storm sewer project.

The estimated total project amount is \$6,305,000, and the amount requested is \$6,305,000.

Staff recommended awarding a \$6,305,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Harrisburg pledged a project surcharge for repayment of the loan. Rates are \$33.86 for 5,000 gallons. Staff analysis indicates that a surcharge of \$11.25 is needed for repayment of the loan, bringing overall rates to \$45.11.

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 Adam, seconded by Lanning, to adopt **Resolution No. 2022-100** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$6,305,000 at 2.125 percent interest for 30 years to the **city of Harrisburg** for a water line replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Hartford requested funding to construction of a wastewater treatment facility that will treat and discharge residential and industrial waste from Hartford and the surrounding area. The city is currently under a compliance schedule for ammonia violations and this project will allow the city to come into compliance and provide for future growth in the city and potentially for other surrounding communities to regionalize too. The project would also upgrade the collection system, install a new lift station, and a force main to the new treatment facility.

The estimated total project amount is \$16,762,000, and the amount requested is \$16,162,216.

Hartford's funding request is above the maximum ARPA project size limitations, however, due to the compliance issues Hartford is eligible to receive ARPA funding in excess of those criteria.

Staff recommended awarding an ARPA grant of \$8,980,784 and a \$7,181,432 Clean Water SRF loan at 2.125 percent interest for 30 years.

Hartford pledged a project surcharge for repayment of the loan. Rates are \$45.55 for 5,000 gallons. Staff analysis indicates that a surcharge of \$26.00 is needed for repayment of the loan, bringing overall rates to \$71.55.

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 Jones, seconded by Bernhard, to adopt **Resolution No. 2022-101** approving ARPA grant agreement 2022G-ARP-142 to the **city of Hartford** for all approved project costs not to exceed \$8,980,784 for construction of a wastewater treatment facility; and to adopt **Resolution No. 2022-102** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$7,181,432 at 2.125 percent interest for 30 years to the **city of Hartford** for construction of a wastewater treatment facility, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture

of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Hermosa requested funding for the expansion of the of the lagoon treatment system by modifying an existing cell and adding a third cell. The project would also include an extension of sewer into a currently unserved area called Gumbo Lily Lane.

The estimated total project amount is \$1,150,000, and the amount requested is \$1,074,000.

Staff recommended awarding an ARPA grant of \$375,400 and a \$698,600 Clean Water SRF loan at 2.125 percent interest for 30 years.

Hermosa pledged a project surcharge for repayment of the loan. Rates are \$34.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$12.80 is needed for repayment of the loan, bringing overall rates to \$46.80.

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 Gnirk seconded by Jones, to adopt **Resolution No. 2022-103** approving ARPA grant agreement 2022G-ARP-144 to the **town of Hermosa** for all approved project costs not to exceed \$375,400 for wastewater treatment expansion and Gumbo Lily improvements; and to adopt **Resolution No. 2022-104** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$698,600 at 2.125 percent interest for 30 years to the **town of Hermosa** for wastewater treatment expansion and Gumbo Lily 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.

Hermosa requested funding to construct a new Madison aquifer well of approximately 2,000 feet in depth with 2.5 miles of water main to connect the well to the system. Hermosa also plans to construct an ion-exchange water treatment system to remove radiological contaminants and upsize water main in an area known Gumbo Lily Lane and loop the area into existing infrastructure.

The estimated total project amount is \$3,525,000, and the amount requested is \$3,025,000.

Staff recommended deferral of the application.

If Hermosa were to pursue the current project to drill a new well and install the water treatment system, staff's recommendation would be to award an ARPA grant of \$163,044 and a \$2,861,956

Drinking Water SRF loan at 1.625 percent interest for 30 years. Staff analysis indicates that a surcharge of \$43.60 is needed for repayment of the loan, bringing overall rates to \$82.60.

This recommendation provides ARPA grant funds for only the Gumbo Lilly portion of the project and does not include a match for the county's \$500,000 ARPA in the project. Staff's reason for this is that the project goes against cost effective regionalization to connect to the Southern Black Hills Water System to serve the community.

The option of the connecting to Southern Black Hills Water System, which is estimated to be a capitol cost of \$1,000,000 or less, plus the \$543,480 Gumbo Lilly Lane work would be \$1,543,580 for the total project. With the county local ARPA and State ARPA match, the \$1,000,000 capital connection cost to Southern Black Hills Water System could be fully funded.

The purchase price for the Southern Black Hills Water System's minimum charge is \$4,000 per month for one million gallons, which amounts to \$15.75 per user per month and an average of nearly 4,000 gallons per user with an additional charge of \$4.00 per thousand after that. This would result in rates of \$60.55, which includes the current \$39.00, \$19.75 for 5,000 gallons, and a \$5.80 Gumbo Lilly surcharge. This rate could potentially be lower due to the city's current operation and maintenance being reduced by an estimated \$5.00 to \$10.00 per user per month as a result of no longer operating their own wells or treatment resulting in total rates of \$50.00 to \$55.00 monthly for 5,000 gallons.

Motion by Gnirk, seconded by Lanning, to **defer** the **Hermosa** drinking water funding application. Motion carried.

Hudson requested funding to replace approximately 16,000 feet of vitrified clay pipe to eliminate sags, reduce infiltration, and improve system reliability.

The cost of the wastewater improvements totaled \$8,322,000. Based on the ARPA funding criteria, a substantial loan with a surcharge in excess of \$170 would be required to complete the project. DANR send a letter to Hudson suggesting the city downsize its project.

Staff recommendation is to defer the application to give Hudson the opportunity to submit a revised application.

Hudson also requested funding to make improvements to its water system. The town is proposing to demolish the existing water tanks and replace them with a 50,000-gallon ground storage tank and booster system. The project would install approximately 22,000 feet of 8-inch water main to replace aging lines and loop the distribution system.

The cost of the water improvements totaled \$8,196,000. Based on the ARPA funding criteria, a substantial loan with a surcharge in excess of \$155 would be required to complete the project. Hudson has been sent a letter suggesting the city downsize its project.

Staff recommendation is to defer the application to give Hudson the opportunity to submit a revised application.

Motion by Adam, seconded by Lanning, to **defer** the **Hudson** wastewater and water funding applications. Motion carried.

Humboldt requested funding for Phase 3 of a sanitary sewer collection improvements project. The project involves replacing approximately 7,000 feet of sanitary sewer line and 3,000 feet of service lines and lining an additional 1,200 feet of sewer line.

The estimated total project amount is \$2,801,000, and the amount requested is \$2,801,000.

Staff recommended awarding an ARPA grant of \$2,380,850 and a \$420,150 Clean Water SRF loan at 2.125 percent interest for 30 years.

Humboldt pledged a project surcharge for repayment of the loan. Rates are \$50.52 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$6.60 is needed for repayment of the loan, bringing overall rates to \$57.12 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 Jones, seconded by Bernhard, to adopt **Resolution No. 2022-105** approving ARPA grant agreement 2022G-ARP-148 to the **town of Humboldt** for all approved project costs not to exceed \$2,380,850 for sanitary sewer improvements; and to adopt **Resolution No. 2022-106** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$420,150 at 2.125 percent interest for 30 years to the **town of Humboldt** 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. Motion carried.

Humboldt requested funding for Phase 3 of a water distribution improvements project. The project involves replacing approximately 4,150 feet of water main.

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

Staff recommended awarding an ARPA grant of \$520,300 and a \$425,700 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Humboldt pledged a project surcharge for repayment of the loan. Rates are \$48.53 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$6.70 is needed for repayment of the loan, bringing overall rates to \$55.23 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 Adam, seconded by Lanning, to adopt **Resolution No. 2022-107** approving ARPA grant agreement 2022G-ARP-147 to the **town of Humboldt** for all approved project costs not to exceed \$520,300 for water distribution improvements, and to adopt **Resolution No. 2022-108** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$425,700 at 2.125 percent interest for 30 years to the **town of Humboldt** for a water 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Irene requested funding to replace the existing 4-inch force main to the treatment lagoons with a 6-inch PVC force main and to make improvements to the wastewater treatment facility, which includes constructing a new inlet structure, as well as new control and effluent structures and removing sludge in the lagoon cells.

The estimated total project amount is \$584,000, and the amount requested is \$584,000.

Staff recommended awarding an ARPA grant of \$496,400 and a \$87,600 Clean Water SRF loan at 2.125 percent interest for 30 years.

Irene pledged a project surcharge for repayment of the loan. Rates are \$58.97 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$1.90 is needed for repayment of the loan, bringing overall rates to \$60.87 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-109** approving ARPA grant agreement 2022G-ARP-149 to the **city of Irene** for all approved project costs not to exceed \$496,400 for wastewater treatment and force main improvements; and to adopt **Resolution No. 2022-110** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$87,600 at 2.125 percent interest for 30 years to the **city of Irene** for wastewater treatment and force main 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.

Irene requested funding to replace its existing 50,000-gallon tower with a 100,000-gallon pedestal tank at a higher elevation.

The estimated total project amount is \$2,024,000, and the amount requested is \$2,024,000.

Staff recommended awarding an ARPA grant of \$1,720,400 and a \$303,600 Drinking Water SRF loan at 1.625 percent interest for 30 years.

Irene pledged a project surcharge for repayment of the loan. Rates are \$57.05 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$5.40 is needed for repayment of the loan, bringing overall rates to \$62.45 based on 5,000 gallons usage.

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

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2022-111** approving ARPA grant agreement 2022G-ARP-150 to the **city of Irene** for all approved project costs not to exceed \$1,720,400 for water tower improvements, and to adopt **Resolution No. 2022-112** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$303,600 at 1.625 percent interest for 30 years to the **city of Irene** for a water tower 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 with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Joint Well Field, Inc. is a jointly owned and operated water source and treatment facility that serves both Brookings-Deuel Rural Water System and Kingbrook Rural Water System. Joint Well Field received a \$5,523,000 loan in March 2021 to make improvements to the water treatment plant and construct a new 1.2-million-gallon ground storage reservoir. Bids came in higher than estimated, so Joint Well Field requested \$650,000 to cover the shortfall.

Staff request is to defer funding until the May meeting. At that meeting we will be awarding ARPA funds to several projects that were funded last year. Joint Well Field's shortfall will be addressed at that time.

Motion by Bernhard, seconded by Adam, to **defer the Joint Well Field, Inc.** water treatment plant improvements funding application. Motion carried.

Joint Well Field, Inc. also requested funding for the construction of a new gravity filtration water treatment plant to increase capacity of the existing system and the drilling of two wells.

The estimated total project amount is \$9,560,000, and the amount requested is \$9,560,000.

Staff recommended awarding an ARPA grant of \$2,868,000 and a \$6,592,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Joint Well Field, Inc. pledged system revenues for repayment of the loan. Rates for both Kingbrook RWS and Brookings-Deuel RWS are \$1.74 per 1000 gallons. Staff analysis indicates debt coverage of 191 percent at the current rates.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan and contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Citizen's Bank, Joint Well Field, and the Conservancy District.

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2022-113** approving ARPA grant agreement 2022G-ARP-151 to **Joint Well Field Inc.** for all approved project costs not to exceed \$2,868,000 for a new water treatment plant, and to adopt **Resolution No. 2022-114** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$6,592,000 at 2.125 percent interest for 30 years to **Joint Well Field Inc.** for a new water treatment plant, 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.

Kadoka requested funding to make improvement to the sanitary sewer and storm sewer utilities on Poplar Street. This will involve replacing approximately 4,100 feet of vitrified clay pipe sewer main. In addition, approximately 6,400 of curb and gutter, 2,500 feet of storm sewer main and storm inlets will be installed.

The estimated total project amount is \$2,873,000, and the amount requested is \$2,744,781. Kadoka will use \$128,219 of its local ARPA funds for the project

Staff recommended awarding an ARPA grant of \$913,188 and a \$1,831,593 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Kadoka has a flat rate of \$32.00. Staff analysis indicates that a surcharge of \$27.20 is needed for repayment of the loan. Staff believes that Kadoka could restructure its rates and repay the loan and cover operating expenses with a flat rate of \$49.55.

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 Gnirk, seconded by Jones, to adopt **Resolution No. 2022-115** approving ARPA grant agreement 2022G-ARP-153 to the **city of Kadoka** for all approved project costs not to exceed \$913,188 for Poplar Street and Hwy. 248 North Alley sanitary sewer replacement; and to adopt **Resolution No. 2022-116** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,831,593 at 2.125 percent interest for 30 years to the **city of Kadoka** for Poplar Street and Hwy. 248 North Alley sanitary sewer replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Kadoka requested funding to make improvement to drinking water utilities on Poplar Street. This will involve replacing approximately 2,300 feet of asbestos cement water pipe.

The estimated total project amount is \$641,000, and the amount requested is \$641,000.

Staff recommended awarding an ARPA grant of \$192,300 and a \$448,700 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Kadoka are \$40.50 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$4.25 is needed for repayment of the loan, bringing overall rates to \$44.75 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 Gnirk, seconded by Lanning, to adopt **Resolution No. 2022-117** approving ARPA grant agreement 2022G-ARP-152 to the **city of Kadoka** for all approved project costs not to exceed \$192,300 for Poplar Street drinking water improvements, and to adopt **Resolution No. 2022-118** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$448,700 at 1.875 percent interest for 30 years to the **city of Kadoka** for Poplar Street drinking water improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Kennebec requested funding to replace and upsize storm sewer along Main Street and to replace approximately 90 percent of the town's sanitary sewer system, which is currently outdated clay pipe.

The estimated total project amount is \$3,132,000, and the amount requested is \$2,392,000. Kennebec will use \$40,000 in local ARPA funds, \$100,000 in local cash, and a \$600,000 DOT Community Access Grant for the project.

Staff recommended awarding an ARPA grant of \$1,725,500 and a \$666,500 Clean Water SRF loan at 2.125 percent interest for 30 years.

Kennebec pledged a project surcharge for repayment of the loan. The town has a flat rate of \$35.00. Staff analysis indicates that a surcharge of \$20.00 is needed for repayment of the loan, bringing overall rates to a flat rate of \$55.00.

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.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2022-119** approving ARPA grant agreement 2022G-ARP-154 to the **town of Kennebec** for all approved project costs not to exceed \$1,725,500 for sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-120** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$666,500 at 2.125 percent interest for 30 years to the **town of Kennebec** for sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Kingbrook Rural Water System requested funding to make significant improvements through its system. Kingbrook RWS has several existing facilities that are operating beyond firm capacity and need to be replaced or improved. These include the Badger Pump Station, DeSmet Water Treatment Plant, Chester Water Treatment Plant, Oakwood Pump Station, and the Orland Pump Station. The project also involves construction of an elevated tank near Arlington, Booster Pump Station near Bryant, and relocation and resizing of pipeline segments along Highway 25 north of DeSmet.

The estimated total project amount is \$33,000,000, and the amount requested is \$32,750,000. Kingbrook RWS is contributing \$250,000 in local cash to the project.

Staff recommended awarding an ARPA grant of \$9,900,000 and a \$22,850,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Kingbrook RWS pledged system revenues for repayment of the loan. Rates are \$67.15 based on 7,000 gallons usage. Staff analysis indicates that the 110 percent debt coverage requirement will be exceeded based on revenues expected in 2023.

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, Cobank, Kingbrook Rural Water System, and the Conservancy District.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-121** approving ARPA grant agreement 2022G-ARP-155 to **Kingbrook Rural Water System** for all approved project costs not to exceed \$9,900,000 for water system improvements, and to adopt **Resolution No. 2022-122** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$22,850,000 at 2.125 percent interest for 30 years to **Kingbrook Rural Water System** for a 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, Cobank, Kingbrook Rural Water System, and the Conservancy District. Motion carried.

Lake Poinsett Sanitary District requested funding to expand its wastewater system to the west and northwest side of the lake. The project consists of construction of a wastewater collection system with 12 lift stations and a stabilization pond treatment facility to accommodate unserved residents.

The total cost of the project is \$12,736,000. Based on the ARPA funding criteria, a substantial loan with a surcharge in excess of \$55.00 would be required to complete the project. Lake Poinsett Sanitary District was sent a letter suggesting the district downsize its project. As a result, Lake Poinsett Sanitary District submitted a letter asking that the application be deferred to give the sanitary district time to reprioritize its project and submit a revised funding application. Staff recommended that the board defer the application.

Motion by Lanning, seconded by Jones, to **defer** the **Lake Poinsett Sanitary District** funding application. Motion carried.

Lake Preston requested funding for Phase 2A of a project to make improvements to the wastewater and storm water utilities in the south and east portions of the city. This will involve

approximately 10 blocks of sewer line replacement or rehabilitation and replacing and upsizing storm sewer.

The estimated total project amount is \$2,921,000, and the amount requested is \$2,921,000.

Staff recommended awarding an ARPA grant of \$2,338,675 and a \$582,325 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Lake Preston are \$52.50 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$7.80 is needed for repayment of the loan, bringing overall rates to \$60.30 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.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-123** approving ARPA grant agreement 2022G-ARP-157 to the **city of Lake Preston** for all approved project costs not to exceed \$2,338,675 for sanitary and storm sewer improvements – Phase 2; and to adopt **Resolution No. 2022-124** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$582,325 at 2.125 percent interest for 30 years to the **city of Lake Preston** for sanitary and storm sewer improvements – Phase 2, 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.

Lake Preston requested funding for Phase 2A of a project to make improvements to the drinking water utilities in the south and east portions of the city. This will involve approximately 4,500 feet of water main replacement.

The estimated total project amount is \$2,599,000, and the amount requested is \$2,599,000

Staff recommended awarding an ARPA grant of \$2,167,175 and a \$431,825 Drinking Water SRF loan at 1.875 percent interest for 30 years.

Lake Preston pledged a project surcharge for repayment of the loan. Rates are \$68.75 based on 5,000 gallons usage. Staff analysis indicates that a surcharge of \$5.60 is needed for repayment of the loan, bringing overall rates to \$74.35. 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.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-125** approving ARPA grant agreement 2022G-ARP-156 to the **city of Lake Preston** for all approved project costs not to exceed \$2,167,175 for drinking water system improvements – Phase 2, and to adopt **Resolution No. 2022-126** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$431,825 at 1.875 percent interest for 30 years to the **city of Lake Preston** for drinking water system improvements – Phase 2, 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.

Lennox requested funding to replace approximately 6,700 feet of sanitary sewer mains and 8,500 feet of curb and gutter, and storm sewer pipe as part of a multi-phased effort to make infrastructure improvements in the Central Basin.

The city is also proposing to make improvements to its wastewater treatment facility. This involves conversion of abandoned infiltration basins into 3.4 million gallons of additional equalization storage, installation of basin covers for additional thermal protection, electrical improvements, installation of a mechanical bio-solids dewatering press, and other miscellaneous improvements.

The estimated total project amount is \$7,279,000, and the amount requested is \$7,279,000.

Staff recommended awarding an ARPA grant of \$4,003,450 and a \$3,275,550 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Lennox has a flat rate of \$66.70. Staff analysis indicates that a surcharge of \$12.50 is needed for repayment of the loan, bringing the flat rate to \$79.20.

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 Jones, seconded by Adam, to adopt **Resolution No. 2022-127** approving ARPA grant agreement 2022G-ARP-159 to the **city of Lennox** for all approved project costs not to exceed \$4,003,450 for wastewater system improvements; and to adopt **Resolution No. 2022-128** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,275,550 at 2.125 percent interest for 30 years to the **city of Lennox** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the

borrower establishing a surcharge at a level sufficient to provide the required debt coverage.
Motion carried.

Lennox requested funding to replace approximately 6,700 feet of water mains as part of the multi-phased Central Basin Improvements project.

The estimated total project amount is \$2,976,000, and the amount requested is \$2,976,000.

Staff recommended awarding an ARPA grant of \$1,636,800 and a \$1,339,200 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Lennox are \$56.97 based on 5,000 gallons. Staff analysis indicates that a surcharge of \$4.95 is needed for repayment of the loan, bringing overall rates to \$61.92 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 Lanning, seconded by Bernhard, to adopt **Resolution No. 2022-129** approving ARPA grant agreement 2022G-ARP-158 to the **city of Lennox** for all approved project costs not to exceed \$1,636,800 for Central Basin water improvements – Phase 4, and to adopt **Resolution No. 2022-130** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,339,200 at 1.875 percent interest for 30 years to the **city of Lennox** for Central Basin water improvements – Phase 4, 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.

Lesterville requested funding for improvements to its storm sewer system. The project will replace the existing 12-inch clay tile storm sewer with 18-inch to 24-inch diameter reinforced concrete pipe and add drop inlets. Sections of the existing storm sewer system are blocked or damaged and cannot adequately convey run-off.

The estimated total project amount is \$1,335,000, and the amount requested is \$1,310,000. Lesterville will use \$23,426 in local ARPA funds and \$1,574 in local cash for the project.

Staff recommended awarding an ARPA grant of \$763,300 and a \$546,700 Clean Water SRF loan at 2.125 percent interest for 30 years.

Lesterville pledged a project surcharge for repayment of the loan. Lesterville has a \$23.00 flat rate. Staff analysis indicates that a surcharge of \$32.00 is needed for repayment of the loan, bringing the flat rate to \$55.00.

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.

Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2022-131** approving ARPA grant agreement 2022G-ARP-160 to the **town of Lesterville** for all approved project costs not to exceed \$763,300 for storm sewer improvements; and to adopt **Resolution No. 2022-132** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$546,700 at 2.125 percent interest for 30 years to the **town of Lesterville** for storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Lewis and Clark Rural Water System requested funding for a large capacity expansion of its system. The proposed project consists primarily of four projects: construction of two solids contact units, a sludge thickener, three lime sludge drying beds, and a 3.0 million-gallon clearwell and high service pump station. These improvements are necessary to increase the plant capacity from 45 MGD to 60 MGD. Several communities are already using more than their contracted volume of water, and this expansion will allow Lewis and Clark RWS to fully meet all contracted water demands and provide the capacity for those systems already above those contracted amounts.

The estimated total project amount is \$43,787,000, and the amount requested is \$43,787,000.

Staff recommended awarding an ARPA grant of \$13,136,100. Lewis and Clark RWS is not interested in a loan at this time, and these funds will be used to fully fund certain portions of the proposed work.

This grant will have the following additional language added to the ARPA agreement:

- The award will be limited to drawing and utilizing no more than \$7,300,000 of ARPA grant funds prior to April 1, 2023.
- During the 2023 legislative session as a part of the annual Omnibus Bill, the Department of Agriculture and Natural Resources and the Board of Water and Natural Resources will propose that Lewis and Clark's existing \$7,700,000 State Water Resources Management System loan be converted to a grant.
- If the conversion of the \$7,700,000 loan to a grant is approved by the legislature, the ARPA grant total will be \$7,300,000, resulting in a combined grant allocation of \$15,000,000 to Lewis & Clark RWS.

- If conversion of the loan to a grant is unsuccessful, Lewis & Clark will be allowed to utilize the full ARPA award of \$13,136,100.

The reason this will be included in the ARPA grant agreement is that it would be beneficial for the board to retain some additional ARPA funds to use in the future, and it provides the ability for Lewis & Clark to receive additional funds. DANR and Lewis & Clark have discussed these requirements and both parties have determined it would be favorable.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-133** approving ARPA grant agreement 2022G-ARP-161 to the **Lewis and Clark Rural Water System** for all approved project costs not to exceed \$13,136,100 for expansion to 60 MGD. Motion carried.

Lincoln County Rural Water System requested funding for transmission improvements to serve additional users without negatively impacting existing customers. The project will install approximately 16.5 miles of pipeline and include looping of dead-end lines.

The estimated total project amount is \$3,791,000, and the amount requested is \$3,791,000.

Staff recommended awarding an ARPA grant of \$1,137,300 and a \$2,653,700 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Lincoln County RWS pledged system revenue for repayment of the loan. The rural water system's rates are \$70.50 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for the loan is 148 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Lincoln County Rural Water System and the Conservancy District.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-134** approving ARPA grant agreement 2022G-ARP-162 to the **Lincoln County Rural Water System** for all approved project costs not to exceed \$1,137,300 for water system improvements, and to adopt **Resolution No. 2022-135** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,653,700 at 2.125 percent interest for 30 years to the **Lincoln County Rural Water System** 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 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.

Madison requested funding for approximately 21,000 feet of watermain replacement and installation of new water lines to loop the system.

The estimated total project amount is \$12,308,500, and the amount requested is \$11,658,500.

Staff recommended awarding an ARPA grant of \$4,342,550 and a \$7,315,950 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Madison pledged a project surcharge for repayment of the loan. Rates in Madison are \$43.70 for 5,000 gallons. Staff analysis indicates that a surcharge of \$11.65 is needed for repayment of the loan, bringing overall rates to \$55.00.

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.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-136** approving ARPA grant agreement 2022G-ARP-164 to the **city of Madison** for all approved project costs not to exceed \$4,342,550 for drinking water system improvements, and to adopt **Resolution No. 2022-137** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$7,315,950 at 2.125 percent interest for 30 years to the **city of Madison** 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 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.

Madison requested funding for replacement of 16,800 feet of sanitary sewer lines and installation of 3,500 feet of storm sewer piping.

The estimated total project amount is \$5,692,400, and the amount requested is \$5,192,400.

Staff recommended awarding an ARPA grant of \$1,907,720 and a \$3,284,680 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Madison are \$49.29 for 5,000 gallons. Staff analysis indicates that a surcharge of \$5.45 is needed for repayment of the loan, bringing overall rates to \$54.74.

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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-138** approving ARPA grant agreement 2022G-ARP-163 to the **city of Madison** for all approved project costs not to exceed \$1,907,720 for sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-139** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,284,680 at 2.125 percent interest for 30 years to the **city of Madison** for sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Mid-Dakota Rural Water System requested funding to update the existing water system by installing a new advanced metering infrastructure system for water meters, paralleling of pipe, addition of a new backwash recovery system and additional membrane capacity.

The estimated total project amount is \$45,335,000, and the amount requested is \$45,335,000.

Staff recommended awarding an ARPA grant of \$13,867,250, a Consolidated grant at 4.5 percent of project costs not to exceed \$2,000,000, and a \$29,467,750 Drinking Water SRF loan at 1.875 percent interest for 30 years. The consolidated grant is being provided in place of ARPA funds for rates being above \$55 per 5,000 gallons to reserve ARPA funds for future rounds.

Mid-Dakota RWS pledged system revenue for repayment of the loan. Mid-Dakota's rates are \$78.00 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for repayment of the loan is 78 percent. Mid-Dakota will need to increase rates to provide the required 110 percent debt coverage. If applied proportionally to all rate classes, it is anticipated rural household rates for 7,000 gallons would be \$88.00.

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, Cobank, Bureau of Reclamation, Mid-Dakota Rural Water System and the Conservancy District.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-140** approving ARPA grant agreement 2022G-ARP-165 to **Mid-Dakota Rural Water System** for all approved project costs not to exceed \$13,867,250 for drinking water system improvements; **Resolution No. 2022-141** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for **Mid-Dakota Rural Water System** for up to 4.5 percent of eligible costs not to exceed \$2,000,000 for drinking water system improvements, and to adopt **Resolution No. 2022-142** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$29,467,750 at 1.875 percent interest for 30 years to **Mid-Dakota Rural 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 raising its water rates to a level sufficient to provide the necessary debt coverage, 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, Cobank, Bureau of Reclamation, Mid-Dakota Rural Water System and the Conservancy District. Motion carried.

Miller requested funding for a wastewater project to replace sewer mains in the area of East 7th Street and Donlin Street. Approximately 1,700 feet of 8-inch PVC sewer main will be installed.

The estimated total project amount is \$910,421, and the amount requested is \$797,000.

Staff recommended awarding an ARPA grant of \$113,421 and a \$683,579 Clean Water SRF loan at 2.125 percent interest for 30 years. The ARPA grant amount is based on all ARPA grant funds beyond the local match for Miller's combined water and sewer projects, being applied to the water project to help offset rate impacts.

The city pledged a project surcharge for repayment of the loan. Rates in Miller are \$59.20 for 5,000 gallons. Staff analysis indicates that a surcharge of \$3.70 is needed for repayment of the loan, bringing overall rates to \$62.90.

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 Lanning, seconded by Adam, to adopt **Resolution No. 2022-143** approving ARPA grant agreement 2022G-ARP-166 to the **city of Miller** for all approved project costs not to exceed \$683,579 for wastewater improvements – Phase 4; and to adopt **Resolution No. 2022-144** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$683,579 at 2.125 percent interest for 30 years to the **city of Miller** for wastewater improvements – Phase 4, 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.

Miller requested funding to complete several water projects including abandoning wells, 28,000 feet of asbestos cement watermain replacement and looping, and making improvements to the existing ground storage tank.

The estimated total project amount is \$4,307,421, and the amount requested is \$4,194,000.

Staff recommended awarding an ARPA grant of \$2,733,245 and a \$1,460,755 Drinking Water SRF loan at 1.875 percent interest for 30 years. The ARPA grant amount is based on all ARPA grant funds beyond the local match for Miller's combined water and sewer projects, being applied to the water project to help offset rate impacts.

The city pledged a project surcharge for repayment of the loan. Rates in Miller are \$57.54 for 5,000 gallons. Staff analysis indicates that a surcharge of \$7.15 is needed for repayment of the loan, bringing overall rates to \$64.69.

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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-145** approving ARPA grant agreement 2022G-ARP-167 to the **city of Miller** for all approved project costs not to exceed \$2,733,245 for drinking water system improvements, and to adopt **Resolution No. 2022-146** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,460,755 at 1.875 percent interest for 30 years to the **city of Miller** 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 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 with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Mina Lake Sanitary District requested funding to replace 430 residential water meters and 10 commercial water meters. The replacement of these meters will help reduce water loss, which accounts for over 15 percent of the total water used in the system.

The estimated total project amount is \$352,000, and the amount requested is \$352,000.

Staff recommended awarding an ARPA grant of \$105,600 and a \$246,400 Drinking Water SRF loan at 1.875 percent interest for 10 years.

Mina Lake Sanitary District pledged a project surcharge for repayment of the loan. Rates are \$69.38 for 7,000 gallons. Staff analysis indicates that a surcharge of \$7.20 is needed for repayment of the loan. Staff believes that by restructuring rates, they can remain \$75.00 or less.

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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-147** approving ARPA grant agreement 2022G-ARP-168 to the **Mina Lake Sanitary District** for all approved project costs not to exceed \$105,600 for water meter replacement, and to adopt **Resolution No. 2022-148** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$246,400 at 1.875 percent interest for 10 years to the **Mina Lake Sanitary District** for water meter replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Sohlt voting aye. Jones abstained.

Minnehaha Community Water Corporation requested funding to construct a new water treatment plant and well field in conjunction with Big Sioux Community Water System, the new entity is called Shared Resources, Inc. To utilize the additional water supply, Minnehaha Community Water Corporation will need to construct significant water distribution system improvements such as replacing water mains and constructing parallel water lines. The proposed project includes approximately 38.3 miles of water distribution pipe in various sizes.

The estimated total project amount is \$44,349,000, and the amount requested is \$44,349,000.

As this is part of a larger joint project with Big Sioux Community Water System and the new Shared Resources, the ARPA grant funds to the projects will be considered all together. Based on discussions with Big Sioux Community Water System and Minnehaha Community Water Corporation, all ARPA grant funding will be provided to the Shared Resources project.

Staff recommended awarding a \$44,349,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Minnehaha Community Water Corporation pledged system revenue for repayment of the loan. Rates are \$71.50 for 7,000 gallons. Staff analysis indicates that at current rates, the debt coverage for the loan is 140 percent. Additional rate and debt coverage will be discussed during the Shared Resources presentation.

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, Minnehaha Community Water Corporation and the Conservancy District.

Motion by Adam, seconded by Lanning, to adopt **Resolution No. 2022-149** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$44,349,000 at 2.125 percent interest for 30 years to the **Minnehaha Community Water Corporation** 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, and contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Minnehaha Community Water Corporation and the Conservancy District. Motion carried.

Mission Hill requested funding to televise the sanitary sewer system, make spot repairs to the sanitary sewer, rehabilitate an existing lift station, and construct an artificial wetland at the wastewater treatment facility.

The estimated total project amount is \$851,010, and the amount requested is \$820,000.

Staff recommended awarding an ARPA grant of \$267,034 and a \$552,966 Clean Water SRF loan at 2.125 percent interest for 30 years.

Mission Hill pledged a project surcharge for repayment of the loan. Rates are \$45.00 for 5,000 gallons. Staff analysis indicates that a surcharge of \$30.55 is needed for repayment of the loan. Staff believes that by restructuring rates they can remain at \$50.55.

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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-150** approving ARPA grant agreement 2022G-ARP-169 to the **town of Mission Hill** for all approved project costs not to exceed \$267,034 for wastewater system improvements; and to adopt **Resolution No. 2022-151** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$552,966 at 2.125 percent interest for 30 years to the **town of Mission Hill** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Mitchell requested funding for upgrades at the wastewater treatment facility including a new laboratory facility, headworks process improvements, refurbishing of the electrical building,

equalization at the South Plant, new activated sludge blower building, new clarifier, and new aerobic sludge digestion and dewatering.

The estimated total project amount is \$30,000,000, and the amount requested is \$27,195,000.

Mitchell submitted four total funding applications; three sanitary and storm sewer projects and one drinking water project with a total requested amount of \$38,847,223. In order to minimize multiple grant awards to manage and to keep wastewater rates closer to most other communities, staff recommended that all ARPA grant funds be allocated to the wastewater treatment facility upgrade project. The total ARPA grant amount would remain unchanged if split into multiple grants.

Staff recommended awarding an ARPA grant of \$12,775,696, a Consolidated grant at 5.1 percent of total project costs not to exceed \$1,519,868, and a \$12,899,436 Clean Water SRF loan at 2.125 percent interest for 30 years. The consolidated grant is being provided in place of ARPA funds for rates being above \$55 per 5,000 gallons to reserve ARPA funds for future rounds.

The city pledged a project surcharge for repayment of the loan. Rates in Mitchell are \$40.74 for 5,000 gallons. Staff analysis indicates that a surcharge of \$9.41 is needed for repayment of the loan. With the two additional wastewater project loans to be presented next overall rates are anticipated to be \$61.84. This includes an additional \$7.31 of surcharges for current loans that are still be enacted.

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 Lanning, seconded by Adam, to adopt **Resolution No. 2022-152** approving ARPA grant agreement 2022G-ARP-170 to the **city of Mitchell** for all approved project costs not to exceed \$12,775,696 for wastewater treatment facility upgrades – Phase 2; to adopt **Resolution No. 2022-153** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **city of Mitchell** for up to 5.1 percent of eligible costs not to exceed \$1,519,868 for wastewater treatment facility upgrades – Phase 2; and to adopt **Resolution No. 2022-154** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$12,899,436 at 2.125 percent interest for 30 years to the **city of Mitchell** for wastewater treatment facility upgrades – Phase 2, 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.

Mitchell requested funding to extend wastewater infrastructure along a portion of SD Highway 37, construction of a gravity sewer main in the vicinity of Harmon Drive, replacement of the Ohlman Street lift station, and replacement of the 23rd Avenue sewage lift station.

The estimated total project amount is \$4,760,000, and the amount requested is \$4,760,000.

Staff recommended awarding a \$4,760,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Mitchell are \$40.74 for 5,000 gallons. Staff analysis indicates that a surcharge of \$3.47 is needed for repayment of the loan. With the two additional wastewater project loans, overall rates are anticipated to be \$61.84.

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 Adam, adopt **Resolution No. 2022-155** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,760,000 at 2.125 percent interest for 30 years to the **city of Mitchell** 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. Motion carried.

Mitchell requested funding to extend wastewater and storm sewer infrastructure into a planned residential development located just north of Lake Mitchell. Approximately 3,250 feet of sewer line will be installed along with 2,330 feet of storm sewer piping of various diameter.

The estimated total project amount is \$1,245,000, and the amount requested is \$1,245,000

Staff recommended awarding a \$1,245,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Mitchell are \$40.74 for 5,000 gallons. Staff analysis indicates that a surcharge of \$0.91 is needed for repayment of the loan. With the two additional wastewater project loans, overall rates are anticipated to be \$61.84.

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 Jones, seconded by Lanning, adopt **Resolution No. 2022-156** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,245,000 at 2.125 percent interest for 30 years to the **city of Mitchell** for Livesay Land wastewater and storm sewer, 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.

Mitchell requested funding for the extension of water mains along South Dakota Highway 37 and along West Harmon Street and the looping of water lines around 12th and 13th Streets.

The estimated total project amount is \$2,842,223, and the amount requested is \$2,840,000.

Staff recommended awarding a \$2,840,000 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Mitchell are \$36.88 for 5,000 gallons. Staff analysis indicates that a surcharge of \$1.94 is needed for repayment of the loan. Overall rates are anticipated to be \$46.42. This includes a surcharge of \$7.60 for a current 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 a surcharge at a level sufficient to provide the required debt coverage.

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2022-157** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,840,000 at 1.875 percent interest for 30 years to the **city of Mitchell** 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 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.

Mni Wasté Water Company submitted three funding requests. The requests total \$68,888,302, which is above the maximum ARPA project size limitations for the system of \$25,623,000. The staff's ARPA grant recommendations in total are based on 30 percent of the maximum project amount.

Mni Wasté Water Company requested funding for the installation of approximately 37.8 miles of treated water pipeline, a one-million-gallon water tower, and appurtenances including valves, pumps, and air releases. The existing pipeline along Highway 63 is undersized, causing pressure to fall below 20 psi. This project replaces the undersized pipeline along Highway 63 and will serve as the main pipeline for the northern tier of the Cheyenne River Sioux Tribe.

The estimated total project amount is \$43,441,000, and the amount requested is \$13,081,000.

Staff recommended awarding a \$6,448,598 ARPA grant. The remaining funds in the project currently are provided through a State and Tribal Assistance Grant and USDA Rural Development loan and grant. While this award will not fully fund the project, based on discussions with Mni' Waste representatives any additional loan funds for the project would make more sense to come through USDA Rural Development as they are able to offer a lower rate and longer terms to the system and, with an existing USDA loan, duplication of requirements may result in extra costs that would be unnecessary to incur.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2022-158** approving ARPA grant agreement 2022G-ARP-171 to **Mni Wasté Water Company** for all approved project costs not to exceed \$6,448,598 for Hwy. 63 north transmission main. Motion carried.

Mni Wasté Water Company requested funding for slide repair. Mni Wasté noticed a significant visible ground shift along the raw water line of its water source in the spring of 2020. Soil engineers were immediately contacted to monitor changes and develop a stabilization plan. Lack of moisture throughout 2021 kept the top side of the hill in place; however, drought and changes in river levels have revealed weakness underneath the hill 50-80 feet below the raw water line. This project will stabilize the raw water line and the entire system's water source.

The estimated total project amount is \$2,938,302, and the amount requested is \$1,938,302.

Staff recommended awarding a \$1,238,302 ARPA grant. The remaining funding for this project is being provided through USDA Rural Development grants and an anticipated Community Development Block Grant (CDBG) grant award. The amount awarded is anticipated to be the remaining funds required and will fully fund this project.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2022-159** approving ARPA grant agreement 2022G-ARP-224 to **Mni Wasté Water Company** for all approved project costs not to exceed \$1,238,302 for intake slide repair. Motion carried.

Mni Wasté Water Company requested funding for the installation of approximately 43.4 miles of treated water pipeline and appurtenances including three pump stations. The pipeline in this project will follow the existing pipeline along Highway 212 and will extend farther west to tie into the Perkins County Rural Water System. The existing pipeline along Highway 212 is undersized for the current demand causing high friction loss and low pressure issues in several areas along the route.

The estimated total project amount is \$53,869,000, and the amount requested is \$53,869,000.

Staff recommended that the board defer action on this application. The full ARPA grant amounts are being provided to the intake slide remediation and Hwy 63 north projects. Based on discussions with Mni Wasté they would like to pursue this project, but the source of funds needs further discussion. At this time the recommendation to defer action will allow DANR staff, Mni Wasté, and other potential funding sources to develop a plan for the system to move forward.

Motion by Jones, seconded by Lanning, to **defer** the **Mni Wasté Water Company** funding application for the Hwy. 212 West project. Motion carried.

Morristown requested funding to make upgrades to its drinking water system. The system experiences water quality issues due to water age and insufficient disinfection and lacks sufficient water storage and pressure. To address these deficiencies, the town proposes to relocate the chlorine dose point, add a large ground storage tank and booster pumps, and build improved flush points into the distribution system.

The estimated total project amount is \$214,760, and the amount requested is \$202,600. Morristown is using \$12,160 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$69,292 and a \$133,308 Consolidated loan at 2.125 percent interest for 30 years.

Morristown has pledged system revenues for repayment of the loan. Staff is working with the town to change the pledge to a project surcharge to avoid constitutional debt limitations.

Rates in Morristown are \$38.90 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$11.20 is needed for repayment of the loan, bringing overall rates to \$50.10 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-160** approving ARPA grant agreement 2022G-ARP-172 to the **town of Morristown** for all approved project costs not to exceed \$69,292 for water system improvements; and to adopt **Resolution No. 2022-161** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$133,308 at 2.125 percent interest for 30 years to the **town of Morristown** for water system improvements 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 with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

North Sioux City requested funding to construct wastewater infrastructure in an undeveloped parcel of land south of the city limits and west of I-29.

Due to concerns with increased material costs, the city requested that the application be deferred until the May board meeting. Staff recommended that the board defer the application.

Staff recommended that the board defer action on this application.

Motion by Jones, seconded by Lanning, to **defer** the **North Sioux City** wastewater funding application. Motion carried.

North Sioux City requested funding for improvements to the Streeter Drive Water Treatment Plant.

Due to concerns with increased material costs, the city requested this application be deferred until the May board meeting. Staff recommended that the board defer the application.

Motion by Bernhard, seconded by Adam, to **defer** the **North Sioux City** water funding application. Motion carried.

Northville requested funding to replace water meters, loop dead-end lines, and construct a 40,000-gallon above ground water tank and booster station.

The cost of the proposed project exceeded the total allowable ARPA project size based on population. The surcharge on the loan required to complete the project financing would have been more than \$30.00. Northville's current water rate is \$44.66 based on 5,000 gallons usage. Staff sent a letter to Northville suggesting the city downsize the project, but a response has not yet been received.

Staff recommended that the board defer the application to give Northville the opportunity to resubmit a revised application.

Motion by Adam, seconded by Jones, to **defer** the **Northville** funding application. Motion carried.

Parker requested funding for Phase 6 of a wastewater utilities improvements project. This involves replacing approximately 8,700 feet of 8-inch PVC sanitary sewer and 6,300 feet of storm sewer.

The estimated total project amount is \$4,625,000, and the amount requested is \$4,625,000.

Staff recommended awarding an ARPA grant of \$2,543,750 and a \$2,081,250 Clean Water SRF loan at 2.125 percent interest for 30 years.

Parker pledged a project surcharge for repayment of the loan. Rates in Parker are \$54.07 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$16.45 is needed for repayment of the loan, bringing overall rates to \$70.52 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 Lanning, seconded by Jones, to adopt **Resolution No. 2022-162** approving ARPA grant agreement 2022G-ARP-175 to the **city of Parker** for all approved project costs not to exceed \$2,543,750 for sanitary sewer improvements; and to adopt **Resolution No. 2022-163** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of

\$2,081,250 at 2.125 percent interest for 30 years to the **city of Parker** 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. Motion carried.

Parker requested funding for Phase 6 of a water utilities improvements project that will replace 4-inch cast iron pipe with approximately 11,300 feet of 6-inch PVC watermain.

The estimated total project amount is \$3,707,000, and the amount requested is \$3,707,000.

Staff recommended awarding an ARPA grant of \$2,038,850 and a \$1,668,150 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Parker are \$54.62 based on 5,000 gallons usage. A surcharge of \$12.25 is needed for repayment of the loan. Staff analysis indicates the city could restructure its rates and cover the required surcharge and operating expenses with rates of \$59.00 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.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-164** approving ARPA grant agreement 2022G-ARP-174 to the **city of Parker** for all approved project costs not to exceed \$2,038,850 for watermain improvements – Phase 6, and to adopt **Resolution No. 2022-165** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,668,150 at 1.875 percent interest for 30 years to the **city of Parker** for watermain improvements – Phase 6, 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.

Parkston requested funding for upgrades to its wastewater treatment system by installing an ammonia removal system and disinfection system and dredging of the ponds to remove accumulated solids.

The estimated total project amount is \$3,280,300, and the amount requested is \$3,016,000. Parkston will use \$264,126 in local ARPA funding and \$174 in local cash for the project.

Staff recommended awarding an ARPA grant of \$1,089,740 and a \$1,926,260 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Parkston has a \$27.00 flat rate. A surcharge of \$10.05 is needed for repayment of the loan. Approximately \$6.00 will be need for operation of the new ammonia removal and disinfection systems. This will bring overall rates to approximately \$43 per user.

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 Adam, to adopt **Resolution No. 2022-166** approving ARPA grant agreement 2022G-ARP-176 to the **city of Parkston** for all approved project costs not to exceed \$1,089,740 for wastewater treatment system improvements; and to adopt **Resolution No. 2022-167** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,926,260 at 2.125 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.

Peever requested funding to replace all vitrified clay pipe in the wastewater collection system and associated manholes, replace a lift station, and place riprap on the lagoon berms.

The cost of the project exceeded the total allowable ARPA project size based on population. The surcharge on the loan required to complete the project financing would have been more than \$70.00. The town was sent a letter suggesting that the project be downsized, but a response has not yet been received. Staff recommended deferral of the application to give Peever the opportunity to resubmit a revised application.

Motion by Jones, seconded by Lanning, to **defer** the **town of Peever** funding application. Motion carried.

Perkins County Rural Water System requested funding to add three storage tanks to its system - a 300,000-gallon elevated storage tank in the Central service area, a 400,000-gallon elevated storage tank in the Lemmon service area, and a 400,000-gallon ground storage tank at the main booster station. Transmission and distribution lines will also be upgraded to accommodate increased pressure and handle peak demands.

The estimated total project amount is \$7,060,000, and the amount requested is \$7,060,000.

Staff recommended awarding an ARPA grant of \$2,471,000 and a \$4,589,000 Drinking Water SRF loan at 1.625 percent interest for 30 years.

Perkins County RWS pledged system revenues for repayment of the loan. The rural water system has rates of \$122.89 based on 7,000 gallons usage. Staff analysis indicates that rates of \$145.00 per 7,000 gallons will be needed to satisfy the 110 percent debt coverage requirement.

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 raising its wastewater rates to a level sufficient to provide the necessary coverage, and contingent upon the borrower approving a security agreement and mortgage.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2022-168** approving ARPA grant agreement 2022G-ARP-178 to the **Perkins County Rural Water System** for all approved project costs not to exceed \$2,471,000 for construction of storage tanks and pipeline improvements; and to adopt **Resolution No. 2022-169** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,589,000 at 1.625 percent interest for 30 years to the **Perkins County Rural Water System** for construction of storage tanks and pipeline improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower raising its wastewater rates to a level sufficient to provide the necessary coverage, and contingent upon the borrower approving a security agreement and mortgage. Motion carried. With Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Philip requested funding to clean, televise, and line 1,950 feet of sewer line using cured-in-place pipe and to replace 300 feet of vitrified clay pipe and 12 manholes.

The estimated total project amount is \$353,500, and the amount requested is \$216,698. Philip will use \$136,802 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$160,771 and a \$55,927 Consolidated loan at 2.00 percent interest for 20 years. A Consolidated loan is being recommended in lieu of an SRF loan due to the size of the loan.

The city pledged a project surcharge for repayment of the loan. Rates in Philip are \$30.00 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$0.70 is needed for repayment of the loan, bringing overall rates to \$30.70 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 Gnirk, seconded by Jones, to adopt **Resolution No. 2022-170** approving ARPA grant agreement 2022G-ARP-179 to the **city of Philip** for all approved project costs not to exceed \$160,771 for wastewater system improvements; and to adopt **Resolution No. 2022-171** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$55,927 at 2.00 percent interest for 20 years to the **city of Philip** for wastewater system improvements 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.

Pickerel Lake Sanitary District requested funding to rehabilitate or replace the 13 main lift stations within the collection system that are at the end of their useful life. The project may potentially connect another 56 users.

The estimated total project amount is \$2,963,000, and the amount requested is \$2,963,000.

Staff recommended awarding an ARPA grant of \$2,158,000 and a \$805,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

Pickerel Lake Sanitary District pledged a project surcharge for repayment of the loan. The sanitary district has a \$62.50 flat rate. Staff analysis indicates a surcharge of \$12.55 is needed for repayment of the loan, bringing overall rates to a \$75.05 flat rate.

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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-172** approving ARPA grant agreement 2022G-ARP-180 to the **Pickerel Lake Sanitary District** for all approved project costs not to exceed \$2,158,000 for wastewater system improvements; and to adopt **Resolution No. 2022-173** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$805,000 at 2.125 percent interest for 30 years to the **Pickerel Lake 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Pickstown requested funding to rehabilitate its existing collection system. The proposed project will remove inflow from sump pumps in the town, rehabilitate approximately 3,750 feet of sewer main using cured-in-place liner, and rehabilitate approximately 36 manholes.

The estimated total project amount is \$1,400,000, and the amount requested is \$1,362,000. Pickstown will use \$38,000 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$435,200 and a \$926,800 Clean Water SRF loan at 2.125 percent interest for 30 years.

Pickstown pledged a project surcharge for repayment of the loan. The town has rates of \$25.50 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$25.60 is needed for repayment of the loan, bringing overall rates to \$51.10 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 Gnirk, seconded by Jones, to adopt **Resolution No. 2022-174** approving ARPA grant agreement 2022G-ARP-181 to the **town of Pickstown** for all approved project costs not to exceed \$435,200 for wastewater collection improvements; and to adopt **Resolution No. 2022-175** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$926,800 at 2.125 percent interest for 30 years to the **town of Pickstown** for wastewater collection 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.

Plankinton requested funding to replace or line all deficient sewer lines throughout the community. This will involve lining approximately 10,000 feet of sewer line using cured-in-place pipe and replacing approximately 11,000 feet of vitrified clay pipe and 35 manholes. The project also involves installing a lift station to serve a proposed housing development.

The estimated total project amount is \$5,430,250, and the amount requested is \$5,306,000. Plankinton will use \$124,134 in local ARPA funds and \$116 in local cash for the project.

Staff recommended awarding an ARPA grant of \$2,795,616 and a \$2,510,384 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Plankinton are \$32.00 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$23.00 is needed for repayment of the loan, bringing overall rates to \$55.00 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

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2022-176** approving ARPA grant agreement 2022G-ARP-182 to the **city of Plankinton** for all approved project costs not to

exceed \$2,795,616 for wastewater collection system improvements; and to adopt **Resolution No. 2022-177** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,510,384 at 2.125 percent interest for 30 years to the **city of Plankinton** 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. Motion carried.

Platte requested funding to extend sewer service to existing and future businesses along Highway 44 and facilitate future development in the Kuiper Addition. The project includes the installation of approximately 2,800 feet of gravity sewer and construction of a lift station and 300 feet of force main.

The estimated total project amount is \$693,000, and the amount requested is \$690,000. Platte will use \$3,000 in local cash for the project.

Staff recommended awarding an ARPA grant of \$207,900 and a \$482,100 Clean Water SRF loan at 2.125 percent interest for 30 years.

Platte pledged a project surcharge for repayment of the loan. The city has a \$42.75 flat rate. Staff analysis indicates a surcharge of \$3.10 is needed for repayment of the loan, bringing overall rates to flat rate of \$45.85.

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 Jones, to adopt **Resolution No. 2022-178** approving ARPA grant agreement 2022G-ARP-183 to the **city of Platte** for all approved project costs not to exceed \$207,900 for sanitary sewer improvements; and to adopt **Resolution No. 2022-179** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$482,100 at 2.125 percent interest for 30 years to the **city of Platte** 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. Motion carried.

Platte requested funding to extend water service to existing and future businesses along Highway 44, recoat the elevated storage tank, and install new meters and an automatic meter reading system.

The estimated total project amount is \$656,175, and the amount requested is \$426,000. The city will use \$224,000 in local ARPA funds and \$6,175 in local cash for the project.

Discussion:

Staff recommended awarding an ARPA grant of \$286,453 and a \$139,547 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged project revenue for repayment of the loan. Rates in Platte are \$55.83 based on 5,000 gallons usage. A surcharge of 0.90 is needed for repayment of the loan; however, staff analysis indicates that rates can be restructured so the surcharge and operating expenses can be cover at the current rate.

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 Gnirk, seconded by Bernhard, to adopt **Resolution No. 2022-180** approving ARPA grant agreement 2022G-ARP-184 to the **city of Platte** for all approved project costs not to exceed \$286,453 for drinking water system improvements, and to adopt **Resolution No. 2022-181** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$139,547 at 1.875 percent interest for 30 years to the **city of Platte** 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 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 with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Powder House Pass Community Improvement District requested funding to expand the wastewater treatment facility. The facility, which was constructed in 2017, is reaching its capacity. The project will expand the Moving Bed Bioreactor system and install a new lift station and force main for Phase 3 of the development.

The estimated total project amount is \$7,501,000, and the amount requested is \$7,501,000.

Staff recommended awarding an ARPA grant of \$337,500 and a \$7,163,500 Clean Water SRF loan at 2.125 percent interest for 30 years.

Powder House Pass pledged a special assessment for repayment of the loan. Platted lots are paying an annual special assessment of \$625 per year. Staff analysis indicates that an additional special assessment of \$930 per year per platted lot is needed for repayment of the loan. This will bring the total assessment to \$1,555 per year.

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

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2022-182** approving ARPA grant agreement 2022G-ARP-185 to **Powder House Pass Community Improvement District** for all approved project costs not to exceed \$337,500 for wastewater treatment facility expansion and lift station installation; and to adopt **Resolution No. 2022-183** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$7,163,500 at 2.125 percent interest for 30 years to **Powder House Pass Community Improvement District** for wastewater treatment facility expansion and lift station installation, 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.

Randall Community Water District requested funding for three projects to make improvements to its water distribution system. These projects will address increased demand and increase capacity to accommodate existing growth in the system. The projects include a total of 37.1 miles pipe installation in the Cedar Grove, Lakeview Colony, and Carda Tank service areas.

The estimated total project amount is \$9,036,250, and the amount requested is \$9,036,250.

Staff recommended awarding a \$2,710,875 ARPA grant and a \$6,325,375 Drinking Water SRF loan at 1.875 percent interest for 30 years.

Randall Community Water District pledged system revenue for repayment of the loan. The water district has rates of \$52.20 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for repayment of the loan is 131 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by CoBank, Rural Utilities Service, First National Bank, Randall Community Water District, and the Conservancy District.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2022-184** approving ARPA grant agreement 2022G-ARP-186 to **Randall Community Water District** for all approved project costs not to exceed \$2,710,875 for water distribution system upgrades, and to adopt **Resolution No. 2022-185** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$6,325,375 at 1.875 percent interest for 30 years to **Randall Community Water District** for water distribution system upgrades, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of

the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon an Intercreditor Agreement being approved and executed by CoBank, Rural Utilities Service, First National Bank, Randall Community Water District, and the Conservancy District. Motion carried.

Rapid City requested funding to build out the South Plant with the addition of secondary clarifiers and hydraulic improvements which will allow the South Plant to assume all of the flow while meeting permit limits. This project would also decommission the North Plant.

The estimated total project amount is \$145,000,000, and the amount requested is \$145,000,000.

Staff recommended awarding a \$43,500,000 ARPA grant and a \$101,500,000 Clean Water SRF loan at 2.0 percent interest for 20 years.

Rapid City pledged system revenue for repayment of the loan. Rates in Rapid City are \$34.28 for 5,000 gallons. Staff analysis indicates that at current rates the debt coverage for repayment of the loan is 125 percent.

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

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2022-186** approving ARPA grant agreement 2022G-ARP-187 to the **city of Rapid City** for all approved project costs not to exceed \$43,500,000 for wastewater treatment facility improvements – South Plant; and to adopt **Resolution No. 2022-187** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$101,500,000 at 2.0 percent interest for 20 years to the **city of Rapid City** for wastewater treatment facility improvements – South Plant, 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.

Ravinia requested funding to improve the drainage throughout the stormwater system. This project will install approximately 5,000 feet of storm sewer piping of varying size and make improvements to stormwater conveyance that will alleviate flooding of the wastewater treatment facility.

The estimated total project amount is \$1,865,250, and the amount requested is \$1,865,000.

Staff recommended awarding a \$191,700 ARPA grant, a Consolidated grant at 78.4 percent of total project costs not to exceed \$1,462,300, and a \$211,000 Consolidated loan at 2.125 percent interest for 30 years.

Ravinia has had several instances of stormwater causing flooding at the wastewater treatment facility, which caused the town to be out of compliance with its surface water discharge permit. The staff funding recommendation considers the need to address this ongoing issue and address it.

Ravinia pledged a project surcharge for repayment of the loan. The town has a \$25.00 flat rate. Staff analysis indicates a surcharge of \$34.65 is needed for repayment of the loan, and current rates can be restructured to remain at \$55.00.

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.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2022-188** approving ARPA grant agreement 2022G-ARP-188 to the **town of Ravinia** for all approved project costs not to exceed \$191,700 for storm sewer improvements; to adopt **Resolution No. 2022-189** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **town of Ravinia** for up to 78.4 percent of eligible costs not to exceed \$1,462,300 for storm sewer improvements; and to adopt **Resolution No. 2022-190** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$211,000 at 2.125 percent interest for 30 years to the **town of Ravinia** for storm sewer improvements 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.

Salem requested funding to replace approximately 11,000 feet of clay sanitary sewer and 9,250 feet of cast iron watermain in the Industrial Park area. Additional work includes relining of existing sanitary sewer between the developed area of town and the treatment lagoons, replacement and installation of new storm collection piping

The estimated total project amount is \$2,704,000, and the amount requested is \$2,704,000.

Staff recommended awarding a \$811,200 ARPA grant and a \$1,892,800 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Salem are \$40.00 for 5,000 gallons. Staff analysis indicates a surcharge of \$12.00 is needed for repayment of the loan, bringing overall rates to \$52.00.

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.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2022-191** approving ARPA grant agreement 2022G-ARP-190 to the **city of Salem** for all approved project costs not to exceed \$811,200 for Industrial Park area sanitary and storm sewer improvements; and to adopt **Resolution No. 2022-192** approving a Clean Water State Revolving Fund loan up to a maximum

committed amount of \$1,892,800 at 2.125 percent interest for 30 years to the **city of Salem** for Industrial Park area sanitary and storm sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Salem requested funding to replace approximately 9,250 feet of cast iron and asbestos cement watermain in the Industrial Park area.

The estimated total project amount is \$1,417,000, and the amount requested is \$1,417,000.

Staff recommended awarding a \$779,350 ARPA grant and a \$637,650 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Salem pledged a project surcharge for repayment of the loan. Rates in Salem are \$64.16 for 5,000 gallons. Staff analysis indicates a surcharge of \$3.84 is needed for repayment of the loan, bringing overall rates to \$68.00.

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.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-193** approving ARPA grant agreement 2022G-ARP-189 to the **city of Salem** for all approved project costs not to exceed \$779,350 for Industrial Park area watermain improvements, and to adopt **Resolution No. 2022-194** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$637,650 at 2.125 percent interest for 30 years to the **city of Salem** for Industrial Park area watermain 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.

Seneca requested funding for treatment facility improvements to include installing new depth gauges in both cells, building gravel access around the existing ponds, installing new perimeter fencing, signage, replacing force main and installing new rip-rap. The project will also televise the collection system to identify deficiencies.

The estimated total project amount is \$641,800, and the amount requested is \$641,800.

The request is above the ARPA project size limitations of \$198,000. Staff recommended removing the rip-rap component of the project and funding a total project of \$351,950.

Staff recommended awarding a \$168,300 ARPA grant and a \$183,650 Clean Water SRF loan at 2.125 percent interest for 30 years.

Seneca pledged a project surcharge for repayment of the loan. The town has a \$20.00 flat rate. Staff analysis indicates a surcharge of \$36.50 is needed for repayment of the loan, bringing overall rates to \$56.50.

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 Lanning, seconded by Adam, to adopt **Resolution No. 2022-195** approving ARPA grant agreement 2022G-ARP-191 to the **town of Seneca** for all approved project costs not to exceed \$168,300 for wastewater system improvements; and to adopt **Resolution No. 2022-196** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$183,650 at 2.125 percent interest for 30 years to the **town of Seneca** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

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

The estimated total project amount is \$108,260,000, and the amount requested is \$108,260,000.

As discussed in the previous presentations for Minnehaha Community Water Corporation and Big Sioux Community Water System, all ARPA funding for the entities will be provided to the Shared Resources project. This is a new regionalization effort that will assist the region and the systems to serve current members and allow for future growth in the region. The split of the usage and costs proposed is 35 percent interest for Big Sioux Community Water System and 65 percent interest for Minnehaha Community Water Corporation. This is the basis for repayment considerations for repayment of the loan.

Staff recommended awarding a \$38,276,600 ARPA grant and a \$69,983,400 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Shared Resources pledged system revenue for repayment of the loan.

Minnehaha Community Water Corporation's rates are \$71.50 for 7,000 gallons and Big Sioux Community Water System's rates are \$64.65 for 7,000 gallons.

In order to meet the 110 percent debt coverage requirement for the loan, Minnehaha Community Water Corporation will have to increase net revenues by 31 percent and Big Sioux Community Water System will have to increase net revenues by 61 percent. As future users connect to systems, it is possible that these rates may be lowered.

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 an established lease agreement, and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-197** approving ARPA grant agreement 2022G-ARP-192 to **Shared Resources** for all approved project costs not to exceed \$38,276,600 for joint water treatment plant and distribution system, and to adopt **Resolution No. 2022-198** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$69,983,400 at 2.125 percent interest for 30 years to **Shared Resources** for joint water treatment plant and distribution 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, contingent upon an established lease agreement, and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Sioux Rural Water System requested funding for a new 300,000-gallon elevated storage tank in the southwest portion of the system where storage is currently inadequate. Pipeline will be installed in two different locations in the system to improve service pressure to existing customers and provide adequate water delivery to the proposed elevated tank.

The estimated total project amount is \$5,081,000, and the amount requested is \$4,981,000.

Staff recommended awarding a \$1,778,350 ARPA grant and a \$3,202,650 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Sioux Rural Water System pledged system revenue for repayment of the loan. The rural water system's rates are \$80.10 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage is 153 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Sioux Rural Water System, and the Conservancy District.

Motion by Lanning, seconded by Jones, to adopt **Resolution No. 2022-199** approving ARPA grant agreement 2022G-ARP-193 to **Sioux Rural Water System** for all approved project costs not to exceed \$1,778,350 for water system improvements, and to adopt **Resolution No. 2022-200** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,202,650 at 2.125 percent interest for 30 years to **Sioux Rural Water System** 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 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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, Sioux Rural Water System, and the Conservancy District. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

South Lincoln Rural Water System requested funding for system-wide improvements including the installation of an elevated water tank, a new pump station and a new water treatment plant. The project addresses capacity issues in portions of the distribution system and increasing demands within the existing service area.

The estimated total project amount is \$16,222,624, and the amount requested is \$16,062,000.

Staff recommended awarding a \$5,677,918 ARPA grant and a \$10,384,082 Drinking Water SRF loan at 2.125 percent interest for 30 years.

South Lincoln Rural Water System pledged system revenue for repayment of the loan. The rural water system has rates of \$81.20 for 7,000 gallons. Staff analysis indicates that at projected rates of \$93.40 for 7,000 gallons, when the loan will begin repayment, the debt coverage for the loan will be 117 percent.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Cobank, South Lincoln Rural Water System and the Conservancy District.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2022-201** approving ARPA grant agreement 2022G-ARP-194 to **South Lincoln Rural Water System** for all approved project costs not to exceed \$5,677,918 for water system improvements, and to adopt **Resolution No.**

2022-202 approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$10,384,082 at 2.125 percent interest for 30 years to **South Lincoln Rural Water System** 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 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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, Cobank, South Lincoln Rural Water System and the Conservancy District. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Chairman Soholt declared the meeting in recess for the day.

APRIL 13, 2022 – 8:30 A.M. CT

Chairman Soholt called the meeting back to order. A quorum was present.

South Shore requested funding for improvements to its water system. The city intends to replace approximately 17,000 feet of 3-inch water line with 6-inch PVC, construct an elevated storage tank, and develop a second well for redundancy.

The cost of the improvements totaled \$6,090,920. Based on the ARPA funding criteria, a substantial loan with a surcharge in excess of \$130 would be required to complete the project. A letter was sent to South Shore suggesting the city downsize its project. Staff recommended deferral of the application to give South Shore the opportunity to submit a revised application.

Motion by Bernhard, seconded by Adam, to **defer** the **South Shore** funding application. Motion carried.

Southern Black Hills Water System requested funding to extend the existing water system main from the two wells at Paramount Point Subdivision approximately five miles northeast to Spring Creek Acres Subdivision. Southern Black Hills also proposes to construct a new well, booster pump station, new elevated storage reservoir, chlorination and SCADA systems, and new pressure reducing valve locations to better serve existing customers and new development in Custer and Pennington Counties.

The estimated total project amount is \$3,600,000, and the amount requested is \$3,600,000.

Staff recommended awarding an ARPA grant of \$3,060,000 and a \$540,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The water system pledged system revenues for repayment of the loan. Southern Black Hills Water System's rates are \$126.00 based on 7,000 gallons usage. Staff analysis indicates that current rates provide 128 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, Southern Black Hills Water System, and the Conservancy District.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2022-203** approving ARPA grant agreement 2022G-ARP-196 to **Southern Black Hills Water System** for all approved project costs not to exceed \$3,060,000 for system improvements and connection of Paramount Point to Spring Creek Acres, and to adopt **Resolution No. 2022-204** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$540,000 at 2.125 percent interest for 30 years to **Southern Black Water System** for system improvements and connection of Paramount Point to Spring Creek Acres, 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, Southern Black Hills Water System, and the Conservancy District. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Sohlt voting aye. Jones abstained.

Spring Creek/Cow Creek Sanitary District requested funding to upgrade and renovate its sanitary sewer lagoon system. This involves rehabilitating lagoon cells 1 and 3 to include the installation of a synthetic liner, 8-inch PVC influent piping, and an inlet structure with a splitter box. The project also includes converting lagoon cell 2 into an artificial wetland.

The estimated total project amount is \$1,232,860, and the amount requested is \$1,232,860.

Staff recommended awarding an ARPA grant of \$369,858 and a \$863,002 Clean Water SRF loan at 2.125 percent interest for 30 years.

Spring Creek/Cow Creek Sanitary District pledged a project surcharge for repayment of the loan. Rates are \$30.32 based on 7,000 gallons usage. Staff analysis indicates a surcharge of \$15.20 is needed for repayment of the loan, bringing overall rates to \$45.52 based on 7,000 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 Adam, seconded by Jones, to adopt **Resolution No. 2022-205** approving ARPA grant agreement 2022G-ARP-197 to **Spring Creek/Cow Creek Sanitary District** for all approved project costs not to exceed \$369,858 for wastewater system improvements; and to adopt **Resolution No. 2022-206** approving a Clean Water State Revolving Fund loan up to a maximum

committed amount of \$863,002 at 2.125 percent interest for 30 years to **Spring Creek/Cow Creek 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Spring Creek/Cow Creek Sanitary District requested funding to construct a 200,000-gallon elevated water storage tank and to demolish the current ground storage tank and pump house.

The estimated total project amount is \$2,220,000, and the amount requested is \$2,220,000.

Staff recommended awarding an ARPA grant of \$1,776,000 and a \$444,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Spring Creek/Cow Creek Sanitary District pledged a project surcharge for repayment of the loan. Rates are \$66.98 based on 7,000 gallons usage. Staff analysis indicates a surcharge of \$7.85 is needed for repayment of the loan, bringing overall rates to \$74.83 based on 7,000 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-207** approving ARPA grant agreement 2022G-ARP-198 to **Spring Creek/Cow Creek Sanitary District** for all approved project costs not to exceed \$1,776,000 for water storage and distribution improvements, and to adopt **Resolution No. 2022-208** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$444,000 at 2.125 percent interest for 30 years to **Spring Creek/Cow Creek Sanitary District** 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Springfield requested funding to replace deficient water mains along segments of Pine Street, Elm Street, and 11th Street. The project will install approximately 1,600 feet of water main in these areas, which will be done in conjunction with a street surfacing project funded by the city.

The estimated total project amount is \$380,000, and the amount requested is \$190,000. Springfield will use \$190,000 in local ARPA funding for the project.

Staff recommended awarding an ARPA grant of \$131,000 and a Consolidated Grant of \$59,000 to cover engineering expenses. ARPA funding cannot be used for engineering unless federal procurement procedures were followed, which is not the case.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-209** approving ARPA grant agreement 2022G-ARP-199 to the **city of Springfield** for all approved project costs not to exceed \$131,000 for watermain replacement, and to adopt **Resolution No. 2022-210** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **city of Springfield** for up to 15.6 percent of eligible costs not to exceed \$59,000 for watermain replacement. Motion carried.

Summerset requested funding to increase its wastewater treatment facility capacity by 100 percent by expanding the capacity of the sequencing batch reactor process, aerobic digesters, blowers, and reed beds.

The estimated total project amount is \$9,995,000, and the amount requested is \$9,519,321. Summerset will use \$475,679 in local ARPA funding for the project.

Staff recommended awarding an ARPA grant of \$3,596,279 and a \$5,923,042 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Summerset has a \$50.60 flat rate. A surcharge of \$24.15 is needed for repayment of the loan. Staff analysis indicates the city could restructure its rates and cover the required surcharge and operating expenses with a flat rate of approximately \$64.15.

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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-211** approving ARPA grant agreement 2022G-ARP-200 to the **city of Summerset** for all approved project costs not to exceed \$3,596,279 for wastewater treatment plant expansion; and to adopt **Resolution No. 2022-212** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$5,923,042 at 2.125 percent interest for 30 years to **city of Summerset** for wastewater treatment plant expansion, 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.

Tea requested funding to expand municipal utility services to existing industrial and commercial properties in the Hagedorn Industrial Park and a rural subdivision that was recently annexed. This will require approximately 4,300 feet of sanitary sewer lines and 5,100 feet of water lines.

Tea is contemplating putting the city's local ARPA funds into the project and is requesting that the application be deferred until the May 17, 2022, board meeting to better review project budgets. Staff recommended that both applications be deferred.

Motion by Adam, seconded by Bernhard, to **defer the city of Tea** funding applications. Motion carried.

Timber Lake requested funding to improve its water system in advance of the planned expansion of the Mni Wašté Rural Water System, which will provide bulk service to Timber Lake. The project involves constructing a 50,000-gallon water tower, replacing approximately 16,400 feet of old 4-inch cast iron pipe, and installing 17 new hydrants and valves and 80 new curb stops. Water mains will also be looped to alleviate stagnant water in the mains.

The estimated total project amount is \$4,034,725, and the amount requested is \$3,175,491. Timber Lake will use \$89,234 in local ARPA funds and is seeking to secure a \$770,000 Community Development Block Grant for the project.

Staff recommended awarding an ARPA grant of \$2,624,491 and a \$551,000 Drinking Water SRF loan at 1.875 percent interest for 30 years.

Timber Lake pledged a project surcharge for repayment of the loan. Rates of \$67.50 based on 5,000 gallons usage went into effect January 1st. Prior to that, rates were \$51.50, and the system was operating at a surplus. A surcharge of \$10.40 is needed for repayment of the loan. Staff analysis indicates the city could restructure its rates and cover the required surcharge and operating expenses at a rate of \$55 or less.

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 Lanning, seconded by Adam, to adopt **Resolution No. 2022-213** approving ARPA grant agreement 2022G-ARP-203 to the **city of Timber Lake** for all approved project costs not to exceed \$2,624,491 for water distribution and storage improvements, and to adopt **Resolution No. 2022-214** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$551,000 at 1.875 percent interest for 30 years to the **city of Timber Lake** for water distribution and storage improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

TM Rural Water District requested funding to install four miles of parallel 12-inch water main to address low water pressure situations during high water demand periods.

The estimated total project amount is \$8,448,000, and the amount requested is \$8,448,000.

Staff recommended awarding an ARPA grant of \$2,534,400 and a \$5,913,600 Drinking Water SRF loan at 1.625 percent interest for 30 years.

TM Rural Water District's rates are \$67.55 based on 7,000 gallons usage. Staff analysis indicates that current rates provide 200 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, TM Rural Water System and the Conservancy District.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2022-215** approving ARPA grant agreement 2022G-ARP-204 to the **TM Rural Water District** for all approved project costs not to exceed \$2,534,400 for water system improvements, and to adopt **Resolution No. 2022-216** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,913,600 at 1.625 percent interest for 30 years to the **TM Rural Water District** 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 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, TM Rural Water System and the Conservancy District. Motion carried.

Tripp County Water User District requested funding to make system-wide improvements to its system. Improvements include replacing two storage tanks that are currently beyond their useful life, installing approximately 61 miles of pipe to parallel and loop lines to increase water pressure, and developing a new well field to address water supply issues.

The estimated total project amount is \$13,500,000, and the amount requested is \$13,300,000. Tripp County Water User District will use \$200,000 in local cash for the project.

Staff recommended awarding an ARPA grant of \$4,050,000 and a \$9,250,000 Drinking Water SRF loan at 0 percent interest for 30 years.

Tripp County Water User District pledged system revenues for repayment of the loan. Rates are \$68.23 based on 7,000 gallons usage. Staff analysis indicates that current rates provide 123 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, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Tripp County Water User District and the Conservancy District.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2022-217** approving ARPA grant agreement 2022G-ARP-205 to the **Tripp County Water User District** for all approved project costs not to exceed \$4,050,000 for water system improvements, and to adopt **Resolution No. 2022-218** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$9,250,000 at 0.00 percent interest for 30 years to the **Tripp County Water User District** 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 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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, Tripp County Water User District and the Conservancy District. The motion carried with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Tyndall requested funding for improvements to wastewater utilities primarily in the vicinity of 12th Avenue, 14th Avenue, and Washington Street. This involves the replacement of approximately seven blocks of sanitary sewer.

The estimated total project amount is \$1,056,000, and the amount requested is \$873,000. Tyndall will use \$182,760 in local ARPA funds and \$240.00 in local cash for the project.

Staff recommended awarding an ARPA grant of \$182,760 and a \$690,240 Clean Water SRF loan at 2.125 percent interest for 30 years.

All ARPA eligibility was applied to the water funding package to keep water rates below \$55.00

The city pledged a project surcharge for repayment of the loan. Rates in Tyndall are \$35.00 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$5.40 is needed for repayment of the loan, bringing overall rates to \$40.40 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 Adam, seconded by Jones, to adopt **Resolution No. 2022-219** approving ARPA grant agreement 2022G-ARP-206 to the **city of Tyndall** for all approved project costs not to exceed \$182,760 for sanitary sewer improvements; and to adopt **Resolution No. 2022-220** approving a

Clean Water State Revolving Fund loan up to a maximum committed amount of \$690,240 at 2.125 percent interest for 30 years to **city of Tyndall** 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. Motion carried.

Tyndall requested funding for improvements to water utilities primarily in the vicinity of 12th Avenue, 14th Avenue, and Washington Street. This involves the replacement of approximately 18 blocks of water main.

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

Staff recommended awarding an ARPA grant of \$807,144 and a \$1,192,856 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Tyndall are \$43.25 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$9.05 is needed for repayment of the loan, bringing overall rates to \$52.30 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 Jones, to adopt **Resolution No. 2022-221** approving ARPA grant agreement 2022G-ARP-207 to the **city of Tyndall** for all approved project costs not to exceed \$807,144 for watermain replacement, and to adopt **Resolution No. 2022-222** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,192,856 at 1.875 percent interest for 30 years to the **city of Tyndall** for watermain replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Volga requested funding for improvements to its drinking water system, including additional lines to loop watermains, two wells to increase raw water capacity, and installing the necessary piping to connect the new wells to the system.

The estimated total project amount is \$2,525,000, and the amount requested is \$2,162,340. Volga will use \$362,660 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$902,564 and a \$1,259,776 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Volga are \$23.98 based on 5,000 gallons. Staff analysis indicates a surcharge of \$5.00 is needed for repayment of the loan, bringing overall rates to \$28.98 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 Jones, seconded by Adam, to adopt **Resolution No. 2022-223** approving ARPA grant agreement 2022G-ARP-208 to the **city of Volga** for all approved project costs not to exceed \$902,564 for drinking water system improvements, and to adopt **Resolution No. 2022-224** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,259,776 at 2.125 percent interest for 30 years to the **city of Volga** 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 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.

Wagner requested funding to replace approximately 1,650 feet of asbestos cement water main along Walnut Avenue.

The estimated total project amount is \$475,000, and the amount requested is \$237,500. The city will use \$237,500 in local ARPA funds in the project.

Staff recommended awarding an ARPA grant of \$147,500 and a Consolidated Grant of \$90,000 to cover engineering expenses.

ARPA funding cannot be used for engineering unless federal procurement procedures are followed, which was not the case.

Motion by Bernhard, seconded by Adam, to adopt **Resolution No. 2022-225** approving ARPA grant agreement 2022G-ARP-209 to the **city of Wagner** for all approved project costs not to exceed \$475,000 for Walnut Avenue watermain upgrades; to adopt **Resolution No. 2022-226** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **town of Ravinia** for up to 19.0 percent of eligible costs not to exceed \$237,500 for Walnut Avenue watermain upgrades. Motion carried.

Watertown requested funding to make improvements to its wastewater collection and treatment systems. The project will include replacement of the final clarifier and improvements to the primary clarifier; sludge pumps, the recirculation pump, effluent pumping; and biosolids

dewatering; and make plant-wide electrical and HVAC improvements. Improvements to the collection system involve upsizing seven lift stations and replacing approximately 5,100 feet of sewer and lining another 9,700 feet of lines.

The estimated total project amount is \$35,714,000, and the amount requested is \$32,014,000 . The city will use \$3,700,000 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$12,194,200 and a \$19,819,800 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Watertown are \$27.30 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$7.55 is needed for repayment of the loan, bringing overall rates to \$34.85 based on 5,000 gallons usage.

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

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2022-227** approving ARPA grant agreement 2022G-ARP-210 to the **city of Watertown** for all approved project costs not to exceed \$12,194,200 for wastewater collection and treatment facility improvements; and to adopt **Resolution No. 2022-228** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$19,819,800 at 2.125 percent interest for 30 years to **city of Watertown** for wastewater collection and 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. Motion carried.

WEB Water Development Association requested funding to run parallel raw water pipe from the intake to the treatment plant. Currently, there exists a 24-inch pipe and a 30-inch pipe is proposed to be installed next to it. Funding will be used to upsize the pipe from 30-inch to 48-inch in anticipation of a much large drinking water regionalization that will provide water to the city of Aberdeen and BDM water in the coming years.

The estimated total project amount is \$11,202,000, and the amount requested is \$6,520,000.

Staff recommended awarding a \$6,520,000 ARPA grant. The grant recommendation is for 100% of the requested amount due to regionalization with Aberdeen and BDM and additional projects will be forthcoming.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2022-229** approving ARPA grant agreement 2022G-ARP-211 to the **WEB Water Development Association** for all approved project costs not to exceed \$6,520,000 for raw water pipe expansion. Motion carried.

Webster requested funding to replace or reline 25,000 feet of clay pipe in their wastewater collection system.

The estimated total project amount is \$7,558,000, and the amount requested is \$7,403,673.

Webster submitted two sanitary and storm sewer projects with a requested total amount of \$7,756,673. In order to minimize multiple grant awards, staff recommended all ARPA grant funds be allocated to the wastewater project. The total ARPA grant amount would remain unchanged if split into multiple grants.

Staff recommended awarding an ARPA grant of \$4,065,673 and a \$3,338,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Webster are \$41.55 for 5,000 gallons. Staff analysis indicates a surcharge of \$12.20 is needed for repayment 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 a surcharge at a level sufficient to provide the required debt coverage.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-230** approving ARPA grant agreement 2022G-ARP-213 to the **city of Webster** for all approved project costs not to exceed \$4,065,673 for wastewater system improvements; and to adopt **Resolution No. 2022-231** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,338,000 at 2.125 percent interest for 30 years to **city of Webster** for wastewater system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Webster requested funding to add storm water collection to two areas of the city where it currently does not exist.

The estimated total project amount is \$353,000, and the amount requested is \$353,000.

Staff recommended awarding a \$353,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Webster are \$41.55 for 5,000 gallons. Staff analysis indicates a surcharge of \$1.30 is needed for repayment of the loan, bringing overall rates to \$55.00, when combined with the prior wastewater 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 a surcharge at a level sufficient to provide the required debt coverage.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2022-232** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$353,000 at 2.125 percent interest for 30 years to **city of Webster** for storm water collection 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.

Webster requested funding to continue improvements to its water distribution system that would replace existing cast iron pipes with approximately 16,000 feet of 6-inch PVC.

The estimated total project amount is \$4,433,000, and the amount requested is \$4,278,673.

Staff recommended awarding an ARPA grant of \$2,422,717 and a \$1,855,956 Drinking Water SRF loan at 1.625 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Webster are \$68.45 for 5,000 gallons. Staff analysis indicates a surcharge of \$6.35 is needed for repayment of the loan however Webster can restructure rates and stay at the current \$68.45.

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 Adam, seconded by Lanning, to adopt **Resolution No. 2022-233** approving ARPA grant agreement 2022G-ARP-212 to the **city of Webster** for all approved project costs not to exceed \$2,422,717 for water system improvements, and to adopt **Resolution No. 2022-234** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,855,956 at 1.625 percent interest for 30 years to the **city of Webster** 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. Motion carried.

Wessington requested funding to clean and televise sewer lines to identify deficiencies in the system and develop future improvements.

The estimated total project amount is \$46,000, and the amount requested is \$23,000.

Staff recommended awarding a Consolidated grant of 50.0 percent of total project costs not to exceed \$23,000. The Consolidated grant is being provided in place of ARPA funds as these costs are considered engineering expenses and would not be eligible for ARPA funding based on procurement requirements.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2022-235** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **town of Wessington** for up to 50.0 percent of eligible costs not to exceed \$23,000 for cleaning and televising sewer lines. Motion carried.

Wessington Springs requested funding to replace the existing asbestos cement and cast-iron water main within the College Avenue corridor.

The estimated total project amount is \$679,000, and the amount requested is \$679,000.

Staff recommended awarding an ARPA grant of \$337,925 and a \$341,075 Drinking Water SRF loan at 1.625 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Wessington Springs are \$48.75 for 5,000 gallons. Staff analysis indicates a surcharge of \$2.85 is needed for repayment of the loan, bringing rates to \$51.60.

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

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2022-236** approving ARPA grant agreement 2022G-ARP-216 to the **city of Wessington Springs** for all approved project costs not to exceed \$337,925 for College Avenue drinking water improvements, and to adopt **Resolution No. 2022-237** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$341,075 at 1.625 percent interest for 30 years to the **city of Wessington Springs** for College Avenue drinking water improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried.

Wessington Springs requested funding to replace the approximately four and a half blocks of existing asbestos cement and cast-iron water main within the Second Street corridor.

The estimated total project amount is \$773,238, and the amount requested is \$180,833.

Staff recommended awarding a \$180,883 ARPA Grant. Wessington Springs is providing \$162,911 of local ARPA match for the project and the remaining ARPA funds provided will fund the requested amount. The city will need to use local city funds to pay for the engineering portion of the project.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2022-238** approving ARPA grant agreement 2022G-ARP-214 to the **city of Wessington Springs** for all approved project costs not to exceed \$180,883 for Second Street drinking water improvements. Motion carried.

Wessington Springs requested funding to replace clay pipe sewer mains within the College Avenue corridor.

The estimated total project amount is \$322,700, and the amount requested is \$322,700.

Staff recommended awarding an ARPA grant of \$278,726 and a \$43,974 Consolidated loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Wessington Springs has a \$30.00 flat rate. Staff analysis indicates a surcharge of \$0.40 is needed for repayment of 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 a surcharge at a level sufficient to provide the required debt coverage.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-239** approving ARPA grant agreement 2022G-ARP-215 to the **city of Wessington Springs** for all approved project costs not to exceed \$278,726 for College Avenue sewer improvements; and to adopt **Resolution No. 2022-240** approving a South Dakota Consolidated Water Facilities Construction Program loan agreement not to exceed \$43,974 at 2.125 percent interest for 30 years to the **city of Wessington Springs** for College Avenue sewer improvements 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.

Wessington Springs requested funding to replace approximately four and a half blocks of existing clay sanitary main within the Second Street corridor.

The estimated total project amount is \$606,387, and the amount requested is \$176,387.

Staff recommended awarding \$176,387 Clean Water SRF loan at 2.125 percent interest for 30 years. All ARPA grant funds for wastewater were provided on the College Avenue project.

The city pledged a project surcharge for repayment of the loan. Wessington Springs has a \$30.00 flat rate. Staff analysis indicates a surcharge of \$1.60 is needed for repayment of the loan. With the College Avenue loan surcharge, total rates would be \$32.00.

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.

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2022-241** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$176,387 at 2.125 percent interest for 30 years to **city of Wessington Springs** for Second Street sanitary main 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.

West River/Lyman Jones Rural Water System requested funding to install 10.6 miles of new water main to serve areas and improve capacity in Mellette, Haakon, and Lyman counties. A 300,000-gallon ground water storage tank and necessary electrical controls will be installed in Pennington County.

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

Staff recommended awarding a \$1,200,000 ARPA grant and a \$2,800,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The rural water system pledged system revenue for repayment of the loan. Rates are \$57.50 for 7,000 gallons. Staff analysis indicates that at current rates the debt coverage for repayment of the loan will be 752 percent.

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

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2022-242** approving ARPA grant agreement 2022G-ARP-217 to the **West River/Lyman Jones Rural Water System** for all approved project costs not to exceed \$1,200,000 for 2022 distribution and storage improvements, and to adopt **Resolution No. 2022-243** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,800,000 at 2.125 percent interest for 30 years to the **West River/Lyman Jones Rural Water System** for 2022 distribution and storage improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan and contingent upon the borrower approving a security agreement and mortgage. Motion carried.

Western Dakota Regional Water System is a newly formed entity to help further evaluate a proposed solution to the lack of water and the ability to provide long-term drought resiliency for the western region of the state. It will review the potential to construct a pipeline from the Missouri River to serve significant geographic areas west of the Missouri River. At this time funding is needed to complete preliminary engineering studies and reports to provide a final project scope and determine which systems are interested in participation. The information gathered and results will allow the newly formed regional water system to pursue construction and funding of a project in the future.

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

Staff recommended awarding an \$8,000,000 ARPA Grant. This award is being provided at 100 percent of the requested amount as it will provide the initial funds to perform the necessary engineering study to determine the feasibility of pursuing this project necessary to assure the region to be served of having adequate drinking water for current and future populations in the case of a long-term drought.

This funding will allow the study to move forward and additional funding for the study necessary to pursue federal authorization of a project and future construction funding will be needed in the coming years.

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2022-244** approving ARPA grant agreement 2022G-ARP-218 to the **Western Dakota Regional Water System** for all approved project costs not to exceed \$8,000,000 for engineering study and preliminary design. Motion carried.

White requested funding for Phase 1 of a water distribution and sanitary sewer collection improvements projects. The projects involve replacing approximately 7,900 feet of water main and 6,800 of sanitary sewer line. The water project would also recoat the water storage tank.

The cost of the drinking water and wastewater projects totaled \$8,247,100. Based on the ARPA funding criteria, a substantial loan with total rates in excess of \$150 combined per month would be required to complete the project. A letter was sent to White suggesting the city downsize the project. As a result, White submitted a letter requesting that the application be deferred to give the city time to reprioritize its project and submit a revised funding application. Staff recommended deferring the two applications.

Motion by Adam, seconded by Bernhard, to **defer the city of White's** drinking water application and sanitary sewer application. Motion carried.

Wilmot requested funding to upgrade the wastewater collection system. The project involves cleaning and televising the south portion of the collection system and replacing approximately 8,600 feet of sewer and line another 6,800 with cast-in-place-pipe.

The estimated total project amount is \$4,092,000, and the amount requested is 4,002,408. Wilmot will use \$89,592 in local ARPA funds for the project.

Staff recommended awarding an ARPA grant of \$1,962,408 and a \$2,040,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Wilmot has a \$21.50 flat rate. Staff analysis indicates a surcharge of \$33.55 is needed for repayment of the loan, bringing overall rates to a flat fee of \$55.05.

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 Jones, seconded by Adam, to adopt **Resolution No. 2022-245** approving ARPA grant agreement 2022G-ARP-221 to the **city of Wilmot** for all approved project costs not to exceed \$1,962,408 for wastewater collection system improvements; and to adopt **Resolution No. 2022-246** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,040,000 at 2.125 percent interest for 30 years to **city of Wilmot** 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. Motion carried.

Worthing requested funding to upgrade the wastewater treatment facility. To address organic overloading at the treatment facility, a lagoon cell that was abandoned in 1997 will be rehabilitated and brought it into service. A submerged attached growth reactor (SAGR) will be installed to meet future treatment requirements. This will require construction of a new lift station at the lagoon site.

The estimated total project amount is \$2,845,000, and the amount requested is \$2,754,961. Worthing will use \$90,039 in local ARPA funds in the project.

Staff recommended awarding an ARPA grant of \$1,699,961 and a \$1,055,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Worthing are \$43.25 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$11.75 is needed for repayment of the loan, bringing overall rates to \$55.00 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.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2022-247** approving ARPA grant agreement 2022G-ARP-222 to the **city of Worthing** for all approved project costs not to exceed \$1,699,961 for wastewater and storm water system improvements; and to adopt **Resolution No. 2022-248** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,055,000 at 2.125 percent interest for 30 years to **city of Worthing** for wastewater and storm 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. Motion carried.

Yankton requested funding for improvements to the wastewater treatment facility. The improvements will allow the treatment facility to address existing and future demands and anticipated regulatory requirements. The proposed project includes installing a new inlet building with grit removal; a secondary clarifier; UV equipment and mixing systems; making structural repairs and electrical improvements; replacing outdated equipment; and adding nutrient removal facilities.

The estimated total project amount is \$44,565,600, and the amount requested is \$42,000,000. Yankton will use \$2,500,000 in local ARPA funds and \$65,600 in local cash for the project.

Staff recommended awarding an ARPA grant of \$16,681,550, a \$2,000,000 Consolidated grant, and a \$23,318,450 Clean Water SRF loan at 2.0 percent interest for 20 years. To minimize multiple grants to manage and minimize the overall wastewater rate, staff recommended all ARPA grant funds be allocated to the wastewater treatment project. The total ARPA grant amount would remain unchanged if split among multiple grants.

The city pledged a project surcharge for repayment of the loan. Rates in Yankton are \$45.22 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$24.45 is needed for repayment of the loan. This surcharge, coupled with the \$7.55 surcharge needed for the collection system improvements project, will result in overall rates of \$77.22 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 Adam, seconded by Bernhard, to adopt **Resolution No. 2022-249** approving ARPA grant agreement 2022G-ARP-223 to the **city of Yankton** for all approved project costs not to exceed \$16,681,550 for wastewater treatment facility improvements; to adopt **Resolution No. 2022-250** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **city of Yankton** for up to 4.5 percent of eligible costs not to exceed \$2,000,000 for wastewater treatment facility improvements; and to adopt **Resolution No. 2022-251** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$23,318,450 at

2.0 percent interest for 20 years to the **city of Yankton** 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. Motion carried.

Yankton requested funding for improvements to the wastewater collection system. The city identified eight projects in various parts of the city that replace existing lines or extend sewer to undeveloped areas.

The estimated total project amount is \$7,200,000, and the amount requested is \$7,200,000.

Staff recommended awarding a \$7,200,000 Clean Water SRF loan at 2.0 percent interest for 20 years. All ARPA funding was awarded to the previous project.

The city pledged a project surcharge for repayment of the loan. Rates in Yankton are \$45.22 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$7.55 is needed for repayment of the loan. This surcharge, coupled with \$24.45 surcharge needed for the wastewater treatment facility improvements, will result in overall rates of \$77.22 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 Jones, seconded by Lanning, to adopt **Resolution No. 2022-252** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$7,200,000 at 2.0 percent interest for 20 years to the **city of Yankton** 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. Motion carried.

Yankton requested funding for improvements to its water storage and distribution system. The project involves replacing water main in 22 separate areas of the city, recoating two elevated water storage tanks, and replacing all water meters over five years old with automatic read meters.

The estimated total project amount is \$8,202,000, and the amount requested is \$8,202,000.

Board of Water and Natural Resources
April 12-13, 2022, Meeting Minutes

Staff recommended awarding an \$8,202,000 Drinking Water SRF loan at 1.875 percent interest for 20 years. All ARPA funding was awarded to the wastewater treatment project.

Yankton pledged a project surcharge for repayment of the loan. The city has rates of \$59.01 based on 5,000 gallons usage. Staff analysis indicates a surcharge of \$6.25 is needed for repayment of the loan, bringing overall rates to \$65.26 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

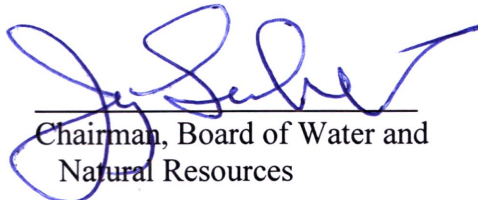
Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2022-253** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$8,202,000 at 1.875.0 percent interest for 20 years to the **city of Yankton** for water storage and distribution system improvements, and 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 with Adam, Bernhard, Gnirk, Lanning, and Soholt voting aye. Jones abstained.

Mr. Perkovich provided an overview of available funds.

ADJOURN: Motion by Adam, seconded by Bernhard, to adjourn. Motion carried.


Approved this 23 day of June 2022.

(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 4-12-22

LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)	Address	Representing
PAUL GNIRK	NEW UNDERWOOD	BWNR
Jerry Scholt	Sioux Falls	BWNR
Joe Munsan	Tea	Banner
Dennis Hebelein	Brookings	Banner
Mike Perkouch	Pierre	DANR
Stephanie Riggie	Pierre	DANR
Megan Johnson	Pierre	DANR
TODA BERNHARD	FORT PIERRE	BWNR
KARL ADAM	PIERRE	BWNR
Jackie Lannily	Brookings	BWNR
Andy Bruels	Pierre	DANR
Dave Ruhmk	Pierre	DANR
Aaron Miller	Sioux Falls	DGR Engineering
Drew Huiskin	Pierre	DANR
Abbey Larson	Rapid City	DANR
Matt Oedekoven	Rock Rapids, IA	DGR Engineering
JEFF MCCORMACK	Mitchell SD	SPN
Kurt Pfeiffer	Madison	SPARWS
Oliver Ezans	Pierre	DANR
Mary Durall	Pierre	Legis Oversight
Mike Weisgram	Fort Pierre	"

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 4-13-22

LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)	Address	Representing
Jerry Scholt	Sioux Falls	BWNR
KARL ADAM	PIERRE	BWNR
Andy Bruels	Pierre	DANR
TODD BERNHARD	FOOT PIERRE	BWNR
David Ruhuke	Pierre	DANR
Mike Perkovich	Pierre	DANR
Stephanie Riggie	Pierre	DANR
Mary Duvall	Pierre	Legis Oversight
Kurt Pfeifer	Madison	SDA RWS
DelRon Peters	HOR-Sioux Falls	HDR
Magen Johnson	Pierre	DANR
Joe Munson	Teg	Banner
Dennis Hebeleis	Brookings	Banner
Olivier Izanc	Pierre	DANR
Suzanne McKinley	Pierre	DANR
JEFF McCORMICK	Mitchell	SPN
Mike Weisgram	Fort Pierre	Legis Oversight
PAUL GRIFFIN	New Underwood	BWNR