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

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

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

Chairman Soholt appointed Cameron Becker as secretary pro tem.

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

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

BOARD MEMBERS ABSENT: Todd Bernhard.

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

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

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

PUBLIC COMMENT PERIOD: There were no public comments.

SERIES RESOLUTION AUTHORIZING STATE REVOLVING FUND PROGRAM BONDS

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

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

Bruce Bonjour, Perkins Coie, discussed the specifics of the Series Resolution, which provides board approval of the Preliminary Official Statement, the Continuing Disclosure Agreement, Notices of Sale for Series 2025A, and supporting schedules prepared by the Conservancy District's financial advisor. The Series Resolution authorizes the chairman and/or secretary of the Conservancy District to file a Coverage Certificate for each program with the Trustee and to do all acts and to execute or accept all documents as may be necessary to carry out and comply with the provisions of the resolution and the documents approved by the resolution.

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

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

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

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

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

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

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

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

Mr. Bruels presented the following applications and funding recommendations.

Mni Waste Water Company

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

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

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

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

Randall Community Water District

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

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

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

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

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

Rapid Valley Sanitary District

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

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

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

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

Shared Resources

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

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

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

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

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

Southern Black Hills Water System

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

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

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

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

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

WEB Water Development Association

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Chairman Soholt declared the meeting adjourned.

Approved June 26, 2025.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources