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Minutes of the
Board of Water and Natural Resources Meeting
Remote Meeting Via Audio/Visual Conference

June 25, 2020
1:00 p.m. Central Time

CALL MEETING TO ORDER: The meeting was called to order by Chairman Jerry Soholt. 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 PRESENT: Jerry Soholt, Gene Jones, Todd Bernhard, Paul Gnirk, Kathryn Johnson, and Karl Adam.

BOARD MEMBERS ABSENT: Jackie Lanning.

APPROVE AGENDA: Dr. Gnirk requested that Election of Officers be moved up on the agenda, after Public Comment Period, because Mr. Bernhard had to leave the meeting at 2:00 p.m.

Motion by Bernhard, seconded by Johnson, to approve the agenda, as amended. A roll call vote was taken, and the motion carried unanimously.

APPROVE MINUTES OF APRIL 17, 2020 AND APRIL 27, 2020, MEETINGS: Motion by Gnirk, seconded by Jones, to approve the minutes of the April 17, 2020, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

Motion by Gnirk, seconded by Bernhard, to approve the minutes of the April 27, 2020, Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

ELECTION OF OFFICERS: Gnirk nominated Jerry Soholt as chairman, Gene Jones as vice chairman, and Todd Bernhard as secretary.

Motion by Johnson, seconded by Gnirk, to cease nominations and cast a unanimous ballot for the following slate of offices: Jerry Soholt, chairman, Gene Jones, vice chairman, and Todd Bernhard, secretary. A roll call vote was taken, and the motion carried unanimously.

RESCISSION OF MADISON CLEAN WATER SRF LOANS C461024-03 AND C461024-04: Stephanie Riggle reported that on April 27, 2020, the Board of Water and Natural Resources awarded a Clean Water SRF loan for \$3,287,000 and a Clean Water SRF loan \$3,073,000 to the city of Madison for improvements to the storm water and the wastewater collection systems, respectively.

After the presentation of the funding recommendations and approval by the board, the city of Madison decided to seek funding through Rural Development instead due to lower interest rates.

Staff recommended that the board rescind Resolutions No.2020-58 and No. 2020-59, which approved the two Clean Water SRF loans to the city of Madison.

Motion by Gnirk, seconded by Bernhard, to rescind Resolution No. 2020-58 and No. 2020-59, which approved the two Clean Water SRF loans to the city of Madison. A roll call vote was taken, and the motion carried unanimously.

RESCISSION OF WESTPORT CONSOLIDATED WATER FACILITIES CONSTRUCTION

PROGRAM LOAN 2019L-104: Jonathan Peschong reported that on March 27, 2018, the board awarded a \$270,000 Consolidated loan to the town of Westport to replace the existing lift station with a duplex submersible lift station and install 2,800 feet of sewer line. The loan was closed on July 1, 2019, but no reimbursements have been made and no progress has been made on this project.

Staff received a document, which was included in the board packet, from Westport that states that the borrower waives any written notice requirement as provided in the Loan Agreement and acknowledges this suspension of loan and revocation of the commitment amount.

Westport has submitted a new application for the project since the initial funding package included a Consolidated grant that has expired.

Staff recommended the board rescind Resolution No. 2018-39, which approved the \$270,000 Consolidated loan 2019L-104 to the town of Westport.

Motion by Jones, seconded by Adam, to rescind Resolution No. 2018-39, which approved Consolidated loan 2019L-104 to the town of Westport. A roll call vote was taken, and the motion carried unanimously.

AMENDMENTS TO STATE WATER PLAN, 2020 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN, AND 2020 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN

Amendments to State Water Plan

Andy Bruels reported that water projects that will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement on State Water Facilities Plan and provides for amendment of projects onto the plan on a quarterly basis. Placement of a project on the State Water Plan provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2021.

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

The department received six State Water Plan applications by the May 1, 2020, deadline. Mr. Bruels provided a map showing the location of the applications. Mr. Bruels identified the projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists as he presented the State Water Plan applications.

Gregory requested placement onto the facilities plan to replace and reline the existing sanitary sewer collection lines, replace the existing cast iron and asbestos cement drinking water lines, replace two existing lift stations and make improvements to the wastewater treatment facility. The estimated total project cost is \$19,944,400. The project will be placed on the Clean Water IUP with 15 priority points and an estimated loan amount of \$13,192,000 at 2.125 percent interest for 30 years. The project will also be placed on the Drinking Water IUP with 95 priority points and an estimated loan amount of \$6,752,000 at 0.00 percent for 30 years.

Mitchell requested placement onto the facilities plan to televise, replace and reline large areas of sanitary sewer collection lines throughout the city, and replace or rehabilitate several existing lift stations throughout the city. The estimated total project cost is \$23,100,000. The project will be placed on the Clean Water IUP with 12 priority points and an estimated loan amount of \$23,100,000 at 2.125 percent interest for 30 years.

Rapid City - Elk Vale requested amendment onto the facilities plan to install upgraded wastewater gravity and force main lines that enter into and exit the Elk Vale Lift Station, these line upgrades will increase the capacity for sewer service in the surrounding area. Total Project Cost is \$8,000,000. The project will be placed on the Clean Water IUP with 12 priority points and an estimated loan amount of \$7,800,000 at 2.125 percent interest for 30 years.

Rapid City - Water Reclamation Facility requested amendment onto the facilities plan to make upgrades at the Water Reclamation Facility a new clariflocculator on the aeration basin will be installed and replacement of siphon pipes near the screenings building will be completed. The estimated total project cost is \$6,175,000. The project will be placed on the Clean Water IUP with 20 priority points and an estimated loan amount of \$6,075,000 at 2.00 percent interest for 20 years.

Rapid City - Landfill requested amendment onto the facilities plan to construct a landfill cap for existing waste cell #16, construct a landfill gas collection and control system and make improvements to the existing gas collection and control system, and construct a new landfill disposal cell. The estimated total project cost is \$4,960,000. The project will be placed on the Clean Water IUP with 16 priority points and an estimated loan amount of \$4,760,000 at 2.00 percent interest for 20 years.

Tea requested amendment onto the facilities plan to construct a 750,000-gallon elevated storage tank. The tank will serve a newly annexed area not connected to the current city system with no storage currently for existing users. The estimated total project cost is \$3,152,000. The project will be placed on the Drinking Water IUP with 21 priority points and an estimated loan amount of \$3,152,000 at 2.125 percent interest for 30 years.

Staff recommended amending all six projects onto the 2020 facilities plan.

Motion by Adam, seconded by Bernhard, to place the six projects on the 2020 State Water Facilities Plan.

Amendments to 2020 Clean Water SRF IUP

In addition to the clean water projects that were placed on the 2020 State Water Plan there were three additional projects to be placed onto the Clean Water SRF Project Priority List.

Claremont received a previous Clean Water SRF loan for a sanitary sewer replacement project. Due to estimated project costs increasing and a change to the design to eliminate a lift station, which requires additional sewer lines, Claremont is requesting additional funds. Additional funds necessary for the project were originally estimated at \$1,000,000. Mr. Bruels noted that an application for funding would be presented later in the meeting. The project will be placed on the Clean Water IUP with 12 priority points and an estimated loan amount of \$1,000,000 at 2.125 percent interest for 30 years.

Lake Norden is currently on the State Water Plan and was previously on the Intended Use Plan for a project to rehabilitate the wastewater treatment facility and replace a lift station. Last year, when preparing the IUP, this project was inadvertently removed from the IUP. Lake Norden submitted a funding application for the lift station replacement and needs to be added to the IUP to allow that funding to be recommended. The project will be placed on the Clean Water IUP with 7 priority points and an estimated loan amount of \$671,000 at 2.125 percent interest for 30 years.

Westport received a previous Consolidated grant and loan package to fund a lift station replacement project. Westport has not yet begun the project. The grant has expired, and the project costs have increased from the original request. The new estimated project cost is \$352,000. The project will be placed on the Clean Water IUP with 6 priority points and an estimated loan amount of \$352,000 at 2.00 percent interest for 20 years.

Staff recommended the addition of all eight projects, as shown below, to the Project Priority list of the Clean Water SRF IUP.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
20	Rapid City–WRF Improvement	\$6,075,000	2.00%, 20 years
16	Rapid City - Landfill	\$4,760,000	2.00%, 20 years
15	Gregory	\$13,192,400	2.125%, 30 years
12	Claremont	\$1,000,000	2.125%, 30 years
12	Mitchell	\$23,100,000	2.125%, 30 years
12	Rapid City – Elk Vale	\$7,800,000	2.125%, 30 years
7	Lake Norden	\$671,000	2.125%, 30 years
6	Westport	\$352,000	2.00%, 20 years

Motion by Gnirk, seconded by Jones, to accept the staff recommendation regarding amendments to the 2020 Clean Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

Amendments to 2019 Drinking Water SRF IUP

In addition to the drinking water projects that were placed on the 2020 State Water Plan there was one additional project to be placed onto the Drinking Water SRF Project Priority List.

Kingbrook Rural Water System received a previous Drinking Water SRF loan to repair the water distribution system and serve the residents of Oldham as individual users. Bids were recently opened, and the original loan amount of \$1,245,000 is approximately \$400,000 less than the total anticipated costs of the project. Kingbrook RWS is requesting additional funds. The additional funds are estimated at \$400,000, and an amendment for the additional funding will be presented to the board later in the meeting. The project will be placed on the Drinking Water IUP with 88 priority points and an estimated loan amount of \$1,645,000 at 2.25 percent interest for 30 years.

Staff recommended the addition of all three projects, as shown below, to the Project Priority list of the Drinking Water SRF IUP.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
95	Gregory	\$6,752,000	0.00%, 30 years
88	Kingbrook Rural Water System	\$1,645,000	2.25%, 30 years
21	Tea	\$3,152,000	2.125%, 30 years

Motion by Johnson, seconded by Bernhard, to accept the staff recommendation regarding amendments to the 2020 Drinking Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

AMENDMENTS TO THE FY 2019 CLEAN WATER SRF INTENDED USE PLAN: The FY 2019 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2018 and amended in March, June and September 2019 and April 2020.

For a project to utilize principal forgiveness allowed by a specific capitalization grant, it must be on the Intended Use Plan associated with that capitalization grant. In order to maximize the use of each year’s capitalization grant, it is necessary to amend projects to prior years’ Intended Use Plans.

Staff proposed to amend Attachment I - Project Priority List of the FY 2019 Clean Water Intended Use Plan by adding the following entries:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
13	Delmont	\$1,770,000	2.125%, 30 years
8	Andover	\$1,168,750	2.125%, 30 years

Motion by Jones, seconded by Adam, to accept the staff recommendation regarding amendments to the 2019 Clean Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

AVAILABLE FUNDING: Mike Perkovich reviewed available funds for the Consolidated Water Facilities Construction Program, Drinking Water Facility Grants Build America Bonds (BABs) Federal Subsidy Payments, Drinking Water SRF Loans, Drinking Water SRF Principal Forgiveness, Clean Water SRF Water Quality Grants, Wastewater Facility Grants Build America Bonds (BABs) Federal Subsidy Payments, Clean Water SRF loans, and Clean Water SRF Principal Forgiveness.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS: Mr. Perkovich presented the applications and staff recommendations for funding.

Fort Pierre requested funding for major modifications to its wastewater treatment facility to better remove ammonia. Deficiencies in the system have resulted in multiple permit violations, which has resulted in a Notice of Violation from the Department of Environment and Natural Resources.

Fort Pierre anticipates bidding the project in October 2020 with project completion in July 2022.

The estimated total project amount is \$3,701,000, and the amount requested is \$3,701,000.

Rates in Fort Pierre are \$35.60 based on 5,000 gallons usage.

Staff recommended awarding a \$3,701,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$12.65. Staff analysis indicates the city can cover the debt and any increased operation and maintenance as a result of the project with rates of \$45 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.

Rick Hohn, city engineer and Mayor Gloria Hanson, provided information on the project.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2020-74** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,701,000 at 2.125 percent interest for 30 years to the city of **Fort Pierre** for wastewater improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried with Adam, Gnirk, Johnson, Jones, and Sohlt voting aye. Bernhard abstained.

Huron requested funding to construct new sequencing batch reactors (SBRs), abandon the existing ones, and rehabilitate the pretreatment building. The current SBRs are undersized for current demands and cannot provide adequate BOD and ammonia removal.

Huron anticipates bidding the project in August of 2020 with project completion in December 2021.

The estimated total project amount is \$14,946,000, and the amount requested is \$14,946,000.

Rates in Huron are \$30.72 based on 5,000 gallons usage.

Staff recommended awarding a \$14,946,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required on the loan is \$11.65, bringing overall rates to \$42.37; however, staff analysis indicates Huron could restructure its rates to cover operating expenses and provide the required surcharge with no rate increase.

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.

Puallyn Carey, Huron Finance Officer and Ted Dickey, Northeast Council of Governments provided information on the project.

Motion by Bernhard, seconded by Johnson, to adopt **Resolution No. 2020-75** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$14,946,000 at 2.125 percent interest for 30 years to the city of **Huron** for wastewater pretreatment improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Pierre requested funding for Phase I of a two-phase wastewater treatment system improvement project. The work in this phase includes a new submersible lift station, influent pumping and solids-screening upgrades, modifications to the digester and solids handling processes, replacement of the outfall line pipe, and installation of an emergency pump facility on the outfall line in case of flooding. The primary clarifiers and trickling filter will be removed to address odor issues and modifications will be made to the secondary treatment processes.

Pierre anticipates bidding the project in July 2020 with project completion in December 2021.

The estimated total project amount is \$15,310,602, and the amount requested is \$15,310,602.

Rates in Pierre are \$48.84 for 5,000 gallons usage.

Staff recommended awarding a \$15,310,000 Clean Water SRF loan at 2.0 percent interest for 20 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$13.50. Staff analysis indicates Pierre could restructure its rates and operate the system and provide the required surcharge with no rate increase.

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.

Brad Palmer and John Childs, city of Pierre provided information on the project.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2020-76** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$15,310,000 at 2.0 percent interest for 20 years to the city of **Pierre** for a wastewater treatment plant redesign project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Eagle Butte requested funding to replace two lift stations, 2,900 feet of collection line, and 10 manholes. Improvements will also be made at the wastewater treatment facility to include replacing riprap and improving drainage.

The estimated total project amount is \$5,506,000, and the amount requested is \$5,506,000

Eagle Butte has a flat rate of \$30.85.

Staff recommended that the board deny funding. Staff believes Eagle Butte would be better served to utilize USDA Rural Development funding. Eagle Butte is eligible for the poverty loan rate of 1.375 percent interest compared to SRF Program's current rate of 2.125 percent interest. The Rural Development loan is a 40-year note, whereas SRF loans are a 30-year note. For every \$1,000,000 borrowed from Rural Development the surcharge per user would be \$2.55, and the total interest paid over 40 years would be \$301,757. For comparative purposes, for every \$1,000,000 borrowed from the SRF Program the surcharge per user would be \$3.55, and the total interest paid over 30 years would be \$354,956.

After performing the financial analysis, staff believes it would be doing Eagle Butte a disservice by funding the project through the State Revolving Fund Program.

Aaron Miller, DGR Engineering provided information on the project.

Motion by Bernhard, seconded by Johnson, to deny funding to the city of Eagle Butte. A roll call vote was taken, and the motion carried unanimously.

Delmont requested funding to rehabilitate approximately 18,500 feet of sewer lines and replace several manholes, replace pumps and controls at the lift stations, and make improvements to the treatment facility involving bank reconstruction and installation of riprap.

Delmont anticipates bidding the project in early 2021 with completion in December 2021.

The estimated total project amount is \$3,631,845, and the amount requested is \$1,770,000. When the application was submitted Delmont had received a \$770,000 Community Development Block Grant and was also seeking funding from Rural Development.

Delmont has flat rate of \$37.00 per user.

Delmont was recently awarded a Rural Development loan in the amount of \$888,000 at the poverty rate of 1.375 percent interest for 40 years and a grant in the amount of \$763,845. This leaves a funding shortfall of \$1,210,000.

Staff recommended awarding a \$1,210,000 Clean Water SRF loan with 100 percent as principal forgiveness.

With the proposed funding package consisting of 75.5 percent subsidy, rates in Delmont are expected to be a flat fee of approximately \$54.00.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon receipt of the 2020 Clean Water State Revolving Fund capitalization grant.

Robert Hotchkiss, Trustee provided information on the project.

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2020-77** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,210,000 with 100 percent principal forgiveness the town of **Delmont** for a sewer system improvement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon receipt of the 2020 Clean Water State Revolving Fund capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Claremont requested funding for wastewater improvements. Claremont received a \$1,832,000 Clean Water SRF loan with \$1,387,000 in principal forgiveness in March 2019. The project involved replacement of most of the wastewater collection system, rehabilitation of existing lift stations, and replacement of the clay liner in the treatment ponds with synthetic liners. High groundwater was discovered while conducting investigations during the design phase. The engineer has determined that extensive dewatering will likely be necessary to construct the new collection system which was not considered when estimating the project cost. Claremont has also identified additional work that will allow further optimization of the collection system operation and maintenance by eliminating a

lift station. Bids were recently opened, and \$625,000 is needed to cover the dewatering and newly identified work.

Claremont anticipates completing the project by the end of the year.

The new estimated total project amount is \$2,457,000, and the amount requested is \$625,000.

Claremont has a flat rate of \$47.00 per user of which \$32.85 is needed to pay the surcharge on the existing loan.

Staff recommended awarding a \$625,000 Clean Water SRF loan at 2.125 percent interest for 30 years with 89 percent as principal forgiveness not to exceed \$556,000.

Claremont pledged a project surcharge for repayment of the loan. A surcharge of \$4.70 is needed to provide the coverage requirement on the net loan of \$69,000, bringing rates to \$51.70.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2020 Clean Water State Revolving Fund capitalization grant.

Shane Johnson, Claremont Town President and Karen Schaefer, Helms & Associates provided information on the project.

Motion by Bernhard, seconded by Johnson, to adopt **Resolution No. 2020-78** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$625,000 with at 2.125 percent interest for 30 years with 89 percent as principal forgiveness not to exceed \$556,000 the town of **Claremont** for a wastewater improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2020 Clean Water State Revolving Fund capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Aurora requested funding for Phase I of a two-phase wastewater system improvements project. This phase will replace or reline portions of the collection system to reduce infiltration of clear water into the system and includes improvements to the main lift station. Phase II is to upgrade the wastewater treatment facility and is expected to cost \$4.5 to \$5.0 million.

Aurora anticipates bidding the project in March 2021 with project completion in July 2022.

The estimated total project amount is \$4,352,000, and the amount requested is \$4,352,000.

The city has a flat rate of \$42.60 per user.

Staff recommended awarding a \$2,002,000 Clean Water SRF loan at 2.125 percent interest for 30 years, a Consolidated grant for 46 percent of eligible costs not to exceed \$2,000,000, and a Build America Bonds grant for 8.1 percent of eligible costs not to exceed \$350,000.

Aurora pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$21.35. Staff analysis indicates Aurora could restructure its rates and operate the system and provide the required surcharge with rates of approximately \$43.00 when an existing Clean Water SRF loan is paid off in January 2022.

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

Staff also recommend a Special Condition to the Consolidated Grant and the Build America Bonds Grant that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

Motion by Jones, seconded by Johnson, to adopt **Resolution No. 2020-79** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,002,000 at 2.125 percent interest for 30 years to the city of **Aurora** for a wastewater system improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; to adopt **Resolution No. 2020-80** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city of **Aurora** for up to 46.0 percent of eligible costs not to exceed \$2,000,000 for wastewater system improvements with the special condition that grant funds must be drawn concurrently with Clean Water SRF loan; and adopt **Resolution No. 2020-81** approving a Wastewater Facility Grant Agreement to the city of **Aurora** for up to 8.1 percent of eligible costs not to exceed \$350,000 for wastewater system improvements with the special condition that grant funds for reimbursement of the project costs must be drawn concurrently with the Clean Water SRF loan funds. A roll call vote was taken, and the motion carried unanimously.

Todd Bernard left the meeting at 2:00 p.m. because of another commitment.

Renner Sanitary District requested funding to make improvements to its sanitary and stormwater sewer systems to reduce the amount of groundwater entering the sanitary sewer collection system. Flood-proofing improvements will be made to three of the district's five lift stations and SCADA and controls will be updated as needed. The district pumps its wastewater to the Sioux Falls Water Reclamation Facility and is charged based on volume.

Renner Sanitary District anticipates bidding the project in March 2021 with project completion in October 2021.

The estimated total project amount is \$2,125,000, and the amount requested is \$2,125,000.

The sanitary district charges a flat rate of \$71.00 per user.

Staff recommended awarding a \$1,147,000 Clean Water SRF loan at 2.125 percent interest for 30 years and awarding a Consolidated grant for 46.1 percent of eligible costs not to exceed \$978,000.

The district pledged system revenues for repayment of the loan. Staff analysis indicates the 110 percent coverage requirement could be met with a flat rate of \$75.00 per month. By eliminating excess water in the collection system, it is likely that the monthly rate could be reduced in the future.

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

Staff also recommended a special condition to the Consolidated grant that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

Roger Scheibe, Renner Sanitary District provided information on the project.

Motion by Adam, seconded by Johnson, to adopt **Resolution No. 2020-82** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,147,000 at 2.125 percent interest for 30 years to the **Renner Sanitary District** for a sanitary and stormwater improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage; and adopt **Resolution No. 2020-83** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **Renner Sanitary District** for up to 46.1 percent of eligible costs not to exceed \$978,000 for sanitary and stormwater improvements with the special condition that grant funds must be drawn concurrently with Clean Water SRF loan

Andover requested funding to remove storm water flows from the sanitary sewer collection system. This involves relining a large portion of the collection system and constructing a storm sewer trunk line that will remove a large amount of the storm flows. The excessive storm flows have resulted in unauthorized discharges, and the town is under a compliance order to address the situation.

The town of Andover anticipates bidding the project in the spring of 2021 with project completion in the fall of 2021.

The estimated total project amount is \$1,168,750, and the amount requested is \$1,168,750.

Andover has a flat rate of \$38.00 per user.

Staff recommended awarding a \$1,168,000 Clean Water SRF loan at 2.125 percent interest for 30 years with 91.5 percent as principal forgiveness not to exceed \$1,068,000.

Andover pledged a project surcharge for repayment of the loan.

Andover has two existing loans – a Clean Water SRF loan and a Consolidated loan. Staff analysis indicated that the current rates do not appear to provide sufficient revenue to meet the loan coverage requirements and pay operating expenses. Staff believes rates of approximately \$56 are needed. At staff's request, the Midwest Assistance Program has reached out to the community to provide technical assistance.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2020 Clean Water State Revolving Fund capitalization grant.

Charlene Voss, Andover Trustee, provided information on the project.

Motion by Johnson, seconded by Jones, to adopt **Resolution No. 2020-84** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,168,000 at 2.125 percent interest for 30 years to the town of **Andover** for a sewer improvement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon receipt of the 2020 Clean Water State Revolving Fund capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Eureka submitted an application by the January 1, 2020, deadline seeking \$4,959,448 on a project to replace all the clay tile pipe and brick and concrete block manholes in the wastewater collection system. This application was deferred at the April 27, 2020, meeting by the Board of Water and Natural Resources due to pending applications for Rural Development funding and a Community Development Block Grant. Since then, Eureka was offered a funding package through Rural Development. The city submitted a letter to the department withdrawing the funding application for consideration by the Board of Water and Natural Resources.

Lake Norden requested funding to replace the main lift station with a new lift station located at the wastewater treatment facility. The existing lift station is beyond its useful life and undersized to meet current needs.

Lake Norden anticipates bidding the project in July of 2020 with project completion in June 2021.

The estimated total project amount is \$671,000, and the amount requested is \$671,000.

Rates in Lake Norden are \$43.70 based on 5,000 gallons usage.

Staff recommended awarding a \$671,000 Clean Water SRF loan at 2.0 percent interest for 20 years.

Lake Norden pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$10.70. Staff analysis indicates Lake Norden could restructure its rates and operate the system and provide the required surcharge with rates of \$45.00.

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.

A representative of Lake Norden provided information on the project.

Motion by Johnson, seconded by Jones, to adopt **Resolution No. 2020-85** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$671,000 at 2.125 percent interest for 30 years to the city of **Lake Norden** for wastewater lift station improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Westport requested funding to replace a lift station that is in poor condition. Westport received a \$270,000 Consolidated loan and a \$30,000 Consolidated grant in March 2016 to address this issue. The project was bid in the summer of 2019, but bids came in higher than anticipated and were rejected. The grant expired March 31, 2020.

Westport anticipates bidding the project in January 2021 with project completion in December 2021.

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

Westport has a flat rate of \$35.00 per user.

Staff recommended awarding a \$352,000 Consolidated loan at 2.0 percent interest for 20 years.

The surcharge required for repayment of the loan is \$32.50 per user. Staff analysis indicates Westport can restructure its rates and cover the required surcharge and operating expenses with a flat rate of \$42.50 per user. Westport also has a loan that matures in April 2024 with a balance of \$9,700. It appears Westport has the cash on hand to retire the debt. The town could then cover the required surcharge and operating expenses with a flat rate of \$40.00 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.

Doreen Hertel, Finance Officer, provided information on the project.

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2020-86** approving a Consolidated Water Facilities Construction Program loan to the town of **Westport** not to exceed the maximum committed amount of \$352,000 at 2.0 percent interest for 20 years contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATION: Mr. Bruels presented the Drinking Water Facilities applications and the staff recommendations for funding.

Springfield requested funding to construct a new water treatment plant. The facility will intake water from the Missouri River then proceed through pre-treatment, a membrane ultra-filtration treatment, and disinfection system.

Springfield anticipates bidding the project in November of 2020 with completion in December 2021.

The estimated total project amount is \$7,355,200, and the amount requested is \$6,600,000.

Rates in Springfield are \$37.00 per 5,000 gallons.

The city has received a \$550,000 Community Development Block Grant for the project. Springfield is also pursuing funding from Rural Development as it appears it will qualify for the poverty rate of 1.375 percent interest with a 40-year term, so may be eligible to receive some grant funding through Rural Development also. Based on the interest rate and term it appears the best option for the city would be funding through Rural Development for any loan component in the project. A decision by Rural Development on the funding of the project has not yet been made.

Staff recommended awarding a \$2,000,000 Drinking Water SRF loan with 100 percent principal forgiveness.

Mike Durfee State Prison accounts for approximately 50 percent of the water use in Springfield. It is anticipated that the city will establish a separate surcharge amount for the prison based on the prison's average usage, which will reduce the impact to the residential users' rates. Based on conversations with Rural Development, DENR staff believes rates can be kept at less than \$55 per residential user, based on the recommended funding. If the city chooses to restructure their rates, staff believes rates could be up to \$10 less per user.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon receipt of the 2020 Drinking Water State Revolving Fund capitalization grant.

Mayor Mike Lee and Amanda Hofer, SPN & Associates provided information on the project.

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2020-87** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,000,000 with 100 percent principal forgiveness to the city of **Springfield** for water treatment plant 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 bond resolution and the resolution becoming effective and contingent upon receipt of the 2020 Drinking Water State Revolving Fund capitalization grant. A roll call vote was taken, and the motion carried unanimously.

Kingbrook Rural Water System requested funding to provide individual service to the residents of the town of Nunda. This involves replacing the water distribution system with new PVC water lines, meter pits, and service lines. Improvements in the Kingbrook RWS system will also be necessary in order to maintain service to the rural customers while supplying service to Nunda. This will include replacing a booster station and line work.

Kingbrook RWS anticipates bidding the project in the spring of 2021 with project completion in the fall of 2021.

The estimated total project amount is \$849,000, and the amount requested is \$836,500. Kingbrook RWS will provide \$12,500 in local cash hook-up fees for the project.

The rural water system's rates are \$62.40 per 7,000 gallons and \$54.00 per 5,000 gallons.

Kingbrook RWS is the applicant for funding and is ultimately responsible for any loan repayment; however, all of the work involved is solely to benefit the residents of Nunda, and that should be the focus when considering how to fund this project. Staff focused on analyzing rate impacts to Nunda users if Kingbrook RWS chooses to assess debt taken out back to those users, since they are the only ones to benefit from the project.

For this project, since all of the costs are related to serving Nunda, Kingbrook RWS would qualify for the disadvantaged rate and term that Nunda is eligible for, which is 1.625 percent interest for 30 years.

Staff recommended awarding a \$836,500 Drinking Water SRF loan at 1.625 percent interest for 30 years with 89.4 percent as principal forgiveness not to exceed \$747,000.

Kingbrook RWS pledged system revenue for repayment of the loan. Kingbrook RWS' existing revenues will provide in excess of the required 110 percent debt coverage requirement. Staff focused its financial analysis on the 25 users of the Nunda system and what rate impact they would have from the net loan of \$89,500. Based on Nunda's users being Kingbrook RWS individual users, their rates will be \$54.00 for 5,000 gallons usage plus an additional \$13.90 for debt service. This will bring total rates to \$67.90. While this is higher than many communities, Nunda will no longer have any responsibilities for operation and maintenance of the system and will realize a cost savings based on that. A project on its own for Nunda would have been greater cost, and they would still need to provide for ongoing operation and maintenance. This rate is similar to what other towns that have recently been connected to rural water systems as individual users will pay.

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, Kingbrook Rural Water System, and the District, and contingent upon receipt of the 2020 Capitalization Grant.

Erin Hayes, manager of Kingbrook RWS, provided information on the project.

Motion by Johnson, seconded by Adam, to adopt **Resolution No. 2020-88** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$836,500 at 1.625 percent interest for 30 years with 89.4 percent as principal forgiveness not to exceed \$747,000 to **Kingbrook 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, Kingbrook Rural Water System, and the District, and contingent upon receipt of the 2020 Capitalization Grant. A roll call vote was taken, and the motion carried unanimously.

Deer Mountain Sanitary District requested funding to make improvements to an existing water system or to construct an entirely new system including new treatment building, pump station, 110,000-gallon reservoir, water meters, a new or replaced water distribution system, and a new booster station.

The sanitary district proposes to bid the project in January 2021 with completion of construction in December 2021.

The estimated total project amount is \$2,174,000, and the amount requested is \$2,174,000.

The private owner of the water system charges \$125 per month for water use.

The district is currently negotiating to acquire the existing system from the private owner. If an agreement cannot be reached, the district will construct a new system. Whether the district is able to acquire the existing system or needs to construct an entirely new system, the needed improvements remain very similar as the current system condition is poor and in need of total replacement.

Staff recommended awarding a \$2,174,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The sanitary district pledged a Property Tax General Obligation Bond for repayment of the loan. The General Obligation Bond will generate \$200,000 per year, which will be more than enough to provide the 110 percent debt coverage required. Currently, the cost to purchase water from the Lead-Deadwood Sanitary District and operate the system is approximately \$11,000 per month. A usage based fee schedule will be developed when the district begins operation of its system. An exact rate for the overall project is not determined, but it is anticipated to be less than residents are currently paying in combined assessment and rates to the private owner.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower demonstrating financial, managerial, and technical capacity, and contingent upon a certified copy of any other approvals of the levy of ad valorem taxes.

Osborne Enderby, Deer Mountain Sanitary District, and Dustin Dale, AE2S provided information on the project.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2020-89** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,174,000 at 2.125 percent interest for 30 years to the **Deer Mountain Sanitary 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 bond resolution and the resolution becoming effective, contingent upon the borrower demonstrating financial, managerial, and technical capacity, and contingent upon a certified copy of any other approvals of the levy of ad valorem taxes. A roll call vote was taken, and the motion carried unanimously.

Brandon requested funding to construct a 1,250,000-gallon water tower to provide adequate storage and uniform pressure throughout the city. In addition, the booster station servicing the new tower will be modified and an altitude valve building will be constructed to circulate water between the pressure zones.

Brandon anticipates bidding the project in November of 2020 with project completion in September 2022.

The estimated total project amount is \$5,687,000, and the amount requested is \$5,687,000.

Rates in Brandon are \$32.20 for 5,000 gallons.

Staff recommended awarding a \$5,687,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Brandon pledged system revenue for repayment of the loan. Staff analysis indicates current rates will provide 174 percent debt coverage upon project completion.

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

Motion by Johnson, seconded by Adam, to adopt **Resolution No. 2020-90** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,687,000 at 2.125 percent interest for 30 years to the city of **Brandon** 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. A roll call vote was taken, and the motion carried unanimously.

Burke requested funding to loop several dead-end lines to improve water quality and pressures. The existing 4-inch cast iron pipes will be replaced with approximately 2,060 feet of 6- and 8-inch PVC. Installation will be concurrent with reconstruction of the road surface.

Burke anticipates bidding the project in the spring of 2021 with project completion in November 2021.

The estimated total project amount is \$540,302, and the amount requested is \$540,000.

Rates in Burke are \$35.00 per 5,000 gallons.

Staff recommended awarding a \$540,000 Drinking Water SRF loan at 1.625 percent interest for 30 years.

Burke pledged system revenue for repayment of the loan. Staff analysis indicates that the 110 percent debt coverage requirement could be achieved with little or no increase to current rates.

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

Wade Broome, city of Burke, provided information on the project.

Motion by Jones, seconded by Adam, to adopt **Resolution No. 2020-91** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$540,000 at 1.625 percent interest for 30 years to the city of **Burke** 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. A roll call vote was taken, and the motion carried with Adam, Johnson, Jones, and Soholt voting aye. Gnirk abstained.

KINGBROOK RWS REQUEST TO AMEND DRINKING WATER SRF LOAN C462432-07: Mr. Bruels stated that in June 2019 Kingbrook RWS received a \$1,245,000 Drinking Water SRF loan with \$945,000 (76 percent) in principal forgiveness for a project to provide individual water service to residents of Oldham. The project was recently bid, and the low bid was approximately \$400,000 over the estimate. Kingbrook RWS has requested an increase in the loan amount by \$400,000.

This project is planned to begin soon with completion in the fall of 2020.

Kingbrook RWS' rates are \$54.00 for 5,000 gallons and \$62.40 for 7,000 gallons.

For this project, since all of the costs are related to serving Oldham, Kingbrook RWS was eligible for the disadvantaged rate and term that Oldham was eligible for at the time of the original application, which is 2.25 percent interest for 30 years.

Staff recommended the board rescind resolution #2019-59, which awarded the original loan, and adopt a new resolution awarding a \$1,645,000 Drinking Water SRF loan at 2.25 percent interest for 30 years with 76.0 percent as principal forgiveness not to exceed \$1,249,000.

Kingbrook RWS pledged system revenue for repayment of the loan. Kingbrook RWS' existing revenues will provide in excess of the required 110 percent debt coverage requirement. Staff focused its financial analysis on the 88 users of the Oldham system and what rate impact they would have from the net loan of \$396,000. When the loan was made in 2019, it was expected that rates for the Oldham users would be about \$68.00 based on 5,000 gallons usage if Kingbrook assessed the debt back to the Oldham users. With this recommendation, Oldham users would be expected to pay about \$72.00.

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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, CoBank, Kingbrook Rural Water System, and the District, and contingent upon receipt of the 2020 Capitalization Grant.

Erin Hayes, Kingbrook RWS provided information on the project.

Motion by Gnirk, seconded by Johnson, to rescind Resolution No. 2019-59, and to adopt **Resolution No. 2020-92** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,645,000 at 2.25 percent interest for 30 years with 76 percent as principal forgiveness not to exceed \$1,249,000 to **Kingbrook Rural Water System** for water service to Oldham, 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, Kingbrook Rural Water System, and the District, and contingent upon receipt of the 2020 Capitalization Grant. A roll call vote was taken, and the motion carried unanimously.

Mr. Bruels provided an overview of available funds for the next funding round.

SERIES 2020 BOND ISSUE RECAP: Mr. Perkovich reported that the sale of the tax exempt bonds, which will provide \$100 million for loans and to fund existing loans to the city of Sioux Falls. There was a lot of demand for the bonds, and the bond sale was very successful.

The par value for the bonds is \$76,310,000, and the issue includes \$24,232,482 in premium. This is a total of \$100,542,482, and that \$542,000 will be used for the cost of issuance. The bonds had an

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all-interest cost of 2.35 percent and the bonds were rated AAA by both Moody's and Standard and Poor's. Bank of America was the underwriter. The Issue will be closed on July 1, 2020.

SEPTEMBER 2020 MEETING: The next meeting is scheduled for September 24-25, 2020. Mr. Perkovich highlighted some possible agenda items for that meeting.

ADJOURN: Motion by Jones, seconded by Gnirk, that the meeting be adjourned. Motion carried unanimously.

Approved this ___ day of September 2020.

(SEAL)

Chairman, Board of Water and Natural Resources

ATTEST:

Secretary, Board of Water and Natural Resources