

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardIDis108>

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

June 26, 2025  
1:00 p.m. Central Time

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

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

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

BOARD MEMBERS ABSENT: Jackie Lanning

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

OTHERS: See attached attendance sheet.

APPROVE AGENDA: Motion by Bernhard, seconded by Jennings, to approve the agenda, as posted. The motion carried unanimously.

APPROVE MINUTES OF MARCH 27 AND MAY 1, 2025, MEETINGS: Motion by Jennings, seconded by Jones, to approve the minutes of the March 27 and May 1, 2025, Board of Water and Natural Resources meetings. The motion carried unanimously.

Tina McFarling introduced newly hired engineer, Sam Sapkota. She announced that Karin Zhao would be resigning on July 3.

PUBLIC COMMENT PERIOD: There were no public comments.

EXTENSION OF PFM FINANCIAL ADVISORS LLC CONTRACT: Andy Bruels reported that in June 2021, the Board of Water and Natural Resources, acting as the South Dakota Conservancy District, entered into a consultant contract with PFM Financial Advisors LLC to provide services to the state in connection with the Clean Water State Revolving Fund Program and the Drinking Water State Revolving Fund Program.

PFM Financial Advisors LLC has served as the SRF Financial Advisor since 2003. The Board's current contract with PFM Financial Advisors LLC ends on June 30, 2025. The contract includes a clause that allows it to be extended for an additional four years.

The primary purpose of the amendment is to extend the contract period to June 30, 2029, and increase the total contract amount to an amount not to exceed \$1,000,000. The amendment was prepared with assistance from the Office of the Attorney General and reviewed by PFM Financial Advisors, LLC.

Mr. Bruels stated that the current contract was for \$360,000 for the four-year period. The reason for the increase is primarily driven by the additional bonding that has taken place and is anticipated to take place in order to assure funding for projects. PFM provides many services to the board throughout the bonding process.

Staff recommended approval of the first amendment to the PFM Financial Advisors LLC contract.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2025-79** authorizing the first amendment to the PFM Financial Advisors LLC contract to extend the term until June 30, 2029 and increasing the total contract amount not to exceed \$1,000,000 for the period July 1, 2025 through June 30, 2029, and authorizing the chairman of the Board of Water and Natural Resources to execute the Amendment to Consultant Contract. Motion carried unanimously.

AMENDMENTS TO THE JOINT POWERS AGREEMENT CONTRACTS: Mr. Bruels reported that the board has contracted with the planning districts to assist entities with SRF applications and administration since 2005 and with Davis-Bacon monitoring requirements since 2009. Pursuant to Intended Use Plans and Omnibus bills, the board has allocated funds to each of the planning districts to continue to provide this assistance to recipients of SRF funding.

In June 2021, the board entered into new Joint Powers Agreements with each of the planning districts to provide for SRF application and administration and Davis-Bacon monitoring.

In January 2023, the board approved an amendment to the Joint Powers Agreement contracts to increase the allocated funds towards payment for SRF applications, administration, and Davis-Bacon monitoring. The increase was due to receipt of ARPA funding and the resulting increase of additional SRF loan applications. Some of the planning districts have had more applications than what was estimated at the time of the first amendment. Several of the planning districts are now anticipated to exceed the estimated amount of the amendment, and funds need to be added to have availability to pay the remaining contractual obligations.

Staff recommended approval of the Second Amendment to the Joint Powers Agreements with Black Hills Council of Local Governments, Central South Dakota Enhancement District, Northeast Council of Governments, and South Eastern Council of Governments for SRF loan application and administration and Davis-Bacon monitoring.

Mr. Bruels noted that the contract amounts are paid to the planning districts based on services incurred and the process outlined in the contracts.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2025-80** approving the Second Amendment to the Joint Powers Agreement increasing the contract with **Black Hills Council of Governments** to \$590,000; **Resolution No. 2025-81** approving the Second Amendment to the Joint Powers Agreement increasing the contract with **Central South Dakota Enhancement District** to \$205,000; **Resolution No. 2025-82** approving the Second Amendment to the Joint Powers Agreement increasing the contract with **Northeast Council of Governments** to \$540,000; and **Resolution No. 2025-83** approving the Second Amendment to the Joint Powers Agreement increasing the contract with **South Eastern Council of Governments** to \$1,080,000. Motion carried unanimously.

AMENDMENTS TO STATE WATER PLAN, 2025 Clean Water SRF AND 2025 DRINKING WATER SRF INTENDED USE PLANS: Water projects which will require state funding or need state support for categorical grant or loan funding must be on the State Water Plan. The Board of Water and Natural Resources annually approves projects for placement onto State Water Facilities Plan and provides for amendment of projects onto the plan. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2026.

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

#### State Water Plan

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

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

<b>Project Sponsor</b>	<b>Description</b>	<b>Projected State Funding (\$)</b>	<b>Recommendation</b>
B-Y Water District	Existing water lines need to be moved and realigned due to a DOT project to adjust the alignment of Highway 18. This includes 7 miles of 24-inch pipe, 7 miles of 10-inch pipe, and nearly 4 miles of smaller 2- to 4-inch pipe, needing to be moved. Work will include associated valves, air releases, and a pump station.	\$13,200,000	Place on the Facilities Plan

B-Y Water District	B-Y customers spread over a seven-county area currently read and self-report water usage from meters for billing. This is prone to errors and mistakes, and it also increases the time for leaks to be found and creates higher water loss. The project will replace approximately 30 percent of all meters that are beyond their useful life. The remaining 70 percent will have new remote read capable equipment installed for remote reading and billing purposes. This will reduce water loss and assure accurate charges for water customers.	\$4,000,000	Place on the Facilities Plan
Roberts County	Construction of a new solid waste disposal cell, leachate pond, and storm water run-off pond, and associated fencing and roads for operations.	\$2,000,000	Place on the Facilities Plan
Toronto	Existing water lines need to be moved and realigned due to a DOT project to adjust the alignment of Highway 28 which is also Main Street. This includes approximately 2,600 feet of water main, hydrants and valves to be relocated and installed.	\$700,000	Place on the Facilities Plan

Motion by Jones, seconded by Jennings, to place the four projects on the 2025 State Water Facilities Plan. The motion carried unanimously.

#### Clean Water SRF IUP

Mr. Bruels noted that Pierre received a previous Clean Water SRF loan and a Solid Waste Management Program grant to construct landfill cell No. 4. Due to increased project costs, Pierre has submitted a request to amend its current funding package for additional funding. The board considered the additional funding request later in the meeting.

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

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
16	Pierre	\$516,000	3.25%, 10 years
16	Roberts County	\$2,000,000	3.75%, 30 years

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

Drinking Water SRF IUP

Mr. Bruels reported that Deer Mountain Sanitary District received two previous Drinking Water SRF loans and an ARPA grant to make improvements throughout its water system. Due to increased project costs, Deer Mountain submitted a new funding application to fully fund the estimated costs.

Randall Community Water District received two previous Drinking Water SRF loans and an ARPA grant to increase water treatment and distribution capacity, especially related to assisting Mitchell in meeting customer water demands. Due to increased project costs, Randall submitted a new funding application to fund the estimated costs.

The board considered both funding requests later in the meeting.

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

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
177	Deer Mountain Sanitary District	\$450,000	3.50%, 30 years
138	Randall Community Water District	\$5,000,000	3.50%, 30 years
77	Toronto	\$700,000	3.25%, 30 years
18	B-Y Water District – Meter Upgrades	\$4,000,000	3.25%, 10 years
8	B-Y Water District – Line Relocation	\$13,200,000	3.75%, 30 years

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

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Mr. Bruels provided an overview of all available funds.

Mr. Bruels presented the applications and staff recommendations for funding.

**Deer Mountain Sanitary District** requested funding for a system-wide improvements project including a well house and water treatment building and related equipment, a 110,000-gallon storage tank, water meters, complete distribution system replacement, and a booster station.

Funding for the proposed project was awarded by the board in June of 2020 with a \$2,174,000 Drinking Water SRF loan and additional funding was awarded in September of 2022 with a \$3,001,552 Drinking Water SRF loan and a \$45,798 ARPA grant. Due to increases in construction costs, the district is requesting additional funds at this time.

The total project amount is \$5,671,350, and the amount requested is \$450,000.

Staff recommended awarding a \$450,000 Drinking Water SRF loan at 3.50 percent interest for 30 years.

The sanitary district pledged a project surcharge for repayment of the loan. Beginning July 1, 2025, rates will be \$70.00 for 5,000 gallons.

Staff analysis indicates that a surcharge of \$19.10 is needed for repayment of the loan. Deer Mountain Sanitary District's rates that have been adopted to start on July 1 already include a \$15.00 surcharge within the rate anticipated for this debt. With the recommended funding the sanitary district will need to add an additional \$4.10 to the total surcharge. Staff anticipates total monthly rates for 5,000 gallons usage to be \$74.10.

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.

Osborne Enderby, Board of Trustees President, discussed project and requested board consideration of funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2025-84** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$450,000 at 3.50 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

**Randall Community Water District** was awarded a \$38,734,175 Drinking Water SRF loan and a \$11,256,825 ARPA grant in June 2022. In September 2022 a \$45,000,000 Drinking Water SRF loan was awarded to provide additional funds for the full project scope. In June 2024 and in May 2025 the ARPA grant was amended to award additional ARPA grant funds, bringing the total ARPA grant to \$22,422,375.05. Total project funding to date is \$106,156,550. This project is being done 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 the 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 also be necessary to complete the proposed improvements. The project has been fully bid, and costs have exceeded the currently awarded funding as well. To allow for upsizing of pipe to better serve future capacity Randall is requesting additional funds.

The total project amount is \$111,156,550, and the amount requested is \$5,000,000.

Randall Community Water District would not qualify as a disadvantaged community system for a reduced interest rate due to the district's user rates being less than the minimum rate in SRF rule. However, the board's Drinking Water SRF loans allow for the disadvantaged rate to be provided if

a primary beneficiary to be served by the overall project qualifies as a disadvantaged community. The city of Mitchell is the main beneficiary of the overall project and meets the criteria for disadvantaged community status. Therefore, the recommendation from staff includes providing the qualifying disadvantaged interest rate for the loan to Randall Community Water District.

Staff recommended awarding a \$5,000,000 Drinking Water SRF loan at 3.50 percent interest for 30 years.

Randall Community Water District pledged system revenues for repayment of the loan. Current rates are \$65.10 for 7,000 gallons for Randall rural household users. The city of Mitchell users' rates, based on March 2025 funding, are anticipated to be \$85.33 in 2027, which exceeds the \$45.00 minimum rate for disadvantaged qualification for a municipality.

Staff analysis indicates that system revenues for Randall Community Water District, based on projected 2027 rates and revenues from their customers and bulk water sales to Mitchell and other entities, will be 164 percent which is above the required 110 percent debt coverage requirement.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon an Intercreditor Agreement being approved and executed by Cobank, Randall Community Water District and the Conservancy District.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2025-85** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,000,000 at 3.50 percent interest for 30 years to the **Randall Community Water District** for a regional waterline upgrade project and connection to Mitchell, 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 an Intercreditor Agreement being approved and executed by Cobank, Randall Community Water District and the Conservancy District. The motion carried unanimously.

**Henry** requested funding for improvements to the existing system that is cracking and breaking and consists of dead-end lines watermain. The town plans to replace the existing watermain and install a ground storage tank with booster pump station.

The total project amount is \$4,075,170, and the amount requested is \$4,075,170.

Staff recommended awarding a \$4,075,000 Drinking Water SRF loan at 2.75 percent interest for 30 years with 85.1 percent as principal forgiveness not to exceed \$3,464,000.

Mr. Bruels noted that the 2.75 percent interest rate is 0.25 percent lower than the disadvantaged rate the town would otherwise qualify for. This project has been selected for compliance with Build American, Buy American material procurement requirements. The board adopted rates in November 2023 to allow for projects meeting this requirement to receive a 0.25 percent interest rate reduction.

Henry pledged a project surcharge for repayment of the loan. Rates are \$50.25 for 5,000 gallons.

Staff analysis indicates that a surcharge of \$22.55 is needed for repayment of the \$611,000 net loan. Based on staff review the current rate structure is not sufficient to meet ongoing operation and maintenance costs. Staff believes rates need to be raised by approximately \$4.75 to \$55.00 per month for 5,000 gallons. With the \$22.55 surcharge for the loan total rates would be \$77.55 per user.

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

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

Motion by Drewes, seconded by Jennings, to adopt **Resolution No. 2025-86** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,075,000 at 2.75 percent interest for 30 years with 85.1 percent as principal forgiveness not to exceed \$3,464,000 to the **town of Henry** for Phase 2 and 3 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 establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2025 Drinking Water SRF capitalization grant. The motion carried unanimously.

**Rapid City** requested funding for improvements to its municipal well No. 4. The project includes construction of a new well house and includes a new well pump and motor, drop pipe, and pitless adapter.

The total project amount is \$3,932,000, and the amount requested is \$3,932,000.

Staff recommended awarding a \$3,932,000 Drinking Water SRF loan at 3.50 percent interest for 30 years.

Rapid City pledged a project surcharge for repayment of the loan. Rates are \$51.81 for 5,000 gallons.

Staff analysis indicates that a surcharge of \$0.85 is needed for repayment of the loan bringing total rates to \$52.66.

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.



Brandon Quiett, city of Rapid City, discussed the project and thanked the board for consideration of funding.

Motion by Jones, seconded by Drewes, to adopt **Resolution No. 2025-87** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$3,932,000 at 3.50 percent interest for 30 years to the **city of Rapid City** for municipal well No. 4 improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

**Springfield** requested funding to replace approximately 1,290 feet of asbestos cement pipe water main along segments of 11th Street and Oak Street near the Springfield Elementary School. The project will also include the replacement of service lines and valves within the rights-of-way and the installation of several fire hydrants. This project will be completed in conjunction with a sanitary sewer project.

The total project amount is \$505,000, and the amount requested is \$505,000.

Staff recommended awarding a \$505,000 Drinking Water SRF loan at 3.25 percent interest for 30 years.

Springfield pledged a project surcharge for repayment of the loan. Rates are \$75.00 for 5,000 gallons.

Staff analysis indicates that a surcharge of \$6.20 is needed for repayment of the loan. Staff believes that Springfield can restructure its current rates and include the surcharge as well as operational, maintenance, and debt costs with total rates remaining at the current \$75.00 per month.

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

Mayor Scott Kostal discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2025-88** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$505,000 at 3.25 percent interest for 30 years to the **city of Springfield** to replace asbestos cement pipe water main along segments of 11th Street and Oak Street, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and

contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

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

**Springfield** requested funding for a sanitary sewer replacement project. The city proposes to replace sanitary sewer lines along segments of 11th Street and Oak Street in the vicinity of the Springfield Elementary School. A total of approximately 1,150 feet of vitrified clay pipe will be replaced with 8-inch PVC pipe. Manholes adjacent to the proposed sanitary sewer will be replaced and sewer services within the right-of-way will be replaced with 4-inch PVC pipe.

The total project amount is \$565,000, and the amount requested is \$565,000.

Staff recommended awarding a \$565,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Springfield pledged a project surcharge for repayment of the loan. The city has a \$24.00 flat rate.

Staff analysis indicates that a surcharge of \$7.40 per month is needed for repayment of the loan bringing rates to \$31.40 per month.

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

Mayor Kostal discussed the project and thanked the board for consideration of funding.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2025-89** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$565,000 at 3.75 percent interest for 30 years to the **city of Springfield** to replace sanitary sewer lines along segments of 11th Street and Oak Street, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. The motion carried unanimously.

PIERRE ADDITIONAL FUNDING REQUEST FOR CLEAN WATER SRF LOAN: Ms. McFarling reported that on March 28, 2024, the city of Pierre was awarded a \$1,303,200 Clean Water SRF loan and a \$325,800 Solid Waste Management Program grant for the Landfill Cell No. 4 construction project.

On May 27, 2025, DANR received correspondence from the city Pierre stating that after reviewing bid results additional funding is needed to move forward with the project.

The city has requested an additional \$516,000 to cover the remainder of the project cost. This increase will bring the project total to \$2,145,000.

Staff recommended the board rescind Resolution No. 2024-73, which awarded the original Clean Water SRF Loan and award a \$1,819,200 Clean Water SRF loan at 3.25 percent interest for 10 years.

The city of Pierre pledge sales tax revenue for repayment of the loan. Staff analysis of sales tax revenue indicates that the city has enough revenue to meet the required 120 percent debt coverage.

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

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

Motion by Drewes, seconded by Bernhard, to rescind Resolution No. 2024-73, and to adopt **Resolution No. 2025-90** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,819,200 at 3.25 percent interest for 10 years to the **city of Pierre** for the Landfill Cell No. 4 construction 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. The motion carried unanimously.

CORONA REQUEST FOR A PROJECT SCOPE AMENDMENT: Ms. McFarling reported that on March 30, 2023, the town of Corona was awarded a \$540,000 Clean Water SRF loan and a \$772,000 Clean Water SRF Water Quality Grant for Phase I sanitary and storm sewer system improvements.

On April 10, 2025, DANR received a letter from the town of Corona requesting the scope of the Clean Water SRF loan and Clean Water SRF Water Quality Grant be amended. The town originally included work in and around the wastewater treatment facility lagoons on the State Water Plan application but did not include that work at the time the funding application was submitted due to funding limitations. Since recent bids were lower than estimated amount the town of Corona now requests to amend the project scope to include the wastewater treatment facility improvements.

Improvements at the wastewater treatment facility include removing and disposing of sludge, installing riprap on the interior dike face to prevent erosion caused by high water and wind damage, remove and replace existing fencing around the exterior of the treatment system and replacing signage, and work to prevent interior and exterior dike damage.

Staff recommended amending the project scope of Clean Water SRF loan C461088-01 and Clean Water SRF Water Quality 2024G-WQ-101 to include the proposed wastewater treatment facility improvements.

Motion by Jennings, seconded by Jones, to adopt **Resolution No. 2025-91** approving amendment of the scope of Clean Water SRF loan C461088-01 for the **town of Corona** to include water treatment facility improvements; and to adopt **Resolution No. 2025-92** approving amendment of the scope of SRF Water Quality grant 2024G-WQ-101 to include water treatment facility improvements. Motion carried unanimously.

WEBSTER ADDITIONAL FUNDING REQUEST FOR CLEAN WATER SRF LOAN: Ms. McFarling reported that on March 27, 2025, the city of Webster was awarded a \$1,129,000 Clean Water SRF loan for an industrial park wastewater improvements project.

On June 5, 2025, DANR received a letter requesting additional funding for this project as the updated cost estimates indicate that an additional \$835,000 is needed to complete this project.

Staff recommended the board rescind Resolution No. 2025-46, which awarded the original Clean Water SRF Loan, and award a \$1,964,000 Clean Water SRF loan at 3.75 percent interest for 30 years. The city pledged a project surcharge for this loan.

Current wastewater rates are \$55.05 for 5,000 gallons. Staff analysis indicates that a \$9.15 surcharge is needed for repayment of loan bringing rates to \$64.20 for 5,000 gallons usage.

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

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

Motion by Drewes, seconded by Bernhard, to rescind Resolution No. 2025-46, and to adopt **Resolution No. 2025-93** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,964,000 at 3.75 percent interest for 30 years to the **city of Webster** for industrial park 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. The motion carried unanimously.

Ms. McFarling provided a recap of available funds.

DEADWOOD REQUEST TO DEOBLIGATE DRINKING WATER SRF LOAN: Ms. McFarling reported that on June 27, 2024, Deadwood was awarded a \$2,897,000 Drinking Water SRF loan for a dedicated 12-inch water line from Highway 85 to the maintenance shop area and a booster station to serve existing lines and potentially create a new pressure zone.

On May 7, 2025, DANR received a letter from the city of Deadwood stating that bids for the project came in lower than expected and the city would like to self-fund the project. The letter requested to deobligate the \$2,897,000 Drinking water SRF Loan.

Staff recommended the board rescind Resolution No. 2024-118 which awarded Drinking Water SRF Loan C462001-01 to the city of Deadwood.

Motion by Jennings, seconded by Jones, to rescind Resolution No. 2024-118 which awarded Drinking Water SRF Loan C462001-01 to the city of Deadwood. Motion carried unanimously

HENRY REQUEST TO DEOBLIGATE CLEAN WATER SRF LOAN: Ms. McFarling reported that on June 20, 2023, the town of Henry was awarded a \$2,000,000 Clean Water SRF loan for a wastewater system improvements project.

On May 29, 2025, DANR received a letter from Henry requesting to deobligate the Clean Water SRF loan as the scope of work for the project has changed.

Staff recommended the board rescind Resolution No. 2023-72 which awarded Clean Water SRF Loan C461277-01.

Motion by Jennings, seconded by Drewes, to rescind Resolution No. 2023-72 which awarded Clean Water SRF Loan C461277-01 to the town of Henry. Motion carried unanimously.

LINCOLN COUNTY RURAL WATER SYSTEM REQUEST TO DEOBLIGATE DRINKING WATER SRF LOAN: Ms. McFarling reported that on September 26, 2024, the Lincoln County Rural Water System was awarded a \$1,740,000 Drinking Water SRF loan for the Veterans Parkway relocation project.

On May 5, 2025, DANR staff received a letter from Lincoln County Rural Water System stating the system will not be utilizing the loan funds due to the rural water system securing funding from Rural Development.

Staff recommended the board rescind Resolution No. 2024-141 which awarded the Drinking Water SRF Loan C462445-05 to Lincoln County Rural Water System.

Motion by Bernhard, seconded by Jennings, to rescind Resolution No. 2024-141 which awarded the Drinking Water SRF Loan C462445-05 to Lincoln County Rural Water System. Motion carried unanimously.

VERMILLION REQUEST TO DEOBLIGATE CLEAN WATER SRF LOAN: Ms. McFarling reported that on March 28, 2024, the city of Vermillion was awarded a \$4,211,500 Clean Water SRF loan to for its northeast Sanitary sewer basin extension project.

On April 14, 2025, DANR received a letter from the city of Vermillion stating the developer is changing the plans for the sewer installation in the project area, and the funds for the project are no longer needed. The city requested to deobligate the SRF loan.

Board of Water and Natural Resources  
June 26, 2025, Meeting Minutes

Staff recommended the board rescind Resolution No. 2024-61 which awarded Clean Water SRF Loan C461022-13.

Motion by Drewes, seconded by Jones, to rescind Resolution No. 2024-161 which awarded Clean Water SRF Loan C461022-13 to Lincoln County Rural Water System. Motion carried unanimously.

2025A SERIES UPDATE: Ms. McFarling reported that the South Dakota Conservancy District issued Series 2025 Bonds with a par value of \$197,205,000 in June 2025 to provide funds for the Clean Water and Drinking Water SRF Programs. The issue consisted of a tax-exempt series with a thirty-year maturity. The series provided \$120,000,000 of leveraged funds for the Drinking Water SRF program, \$60,000,000 of leverage funds for the Clean Water SRF Program, and \$30,980,000 for refunding the 2014B Bond. The Series 2025 Bonds had an all-in true interest cost of 4.4921 percent.

NEXT MEETING: The next board meeting is scheduled for September 25 or 26, 2025. Ms. McFarling discussed possible agenda items.

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

The meeting adjourned at 2:10 p.m. Central Time.

Approved September 25, 2025.

(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 6-26-25

LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)

Address

Representing

Bruce Jennings

Belle Fourche

BWNR

Andy Brvels

Pierre

DANR

Sam Sapolsky

Pierre

DANR

Shawenne

Pierre

DANR

Tina McFarling

Pierre

DANR

Bailey McTigue

Pierre

DANR

Gary Drewes

Rapid City

Board

Casey Kellner

Pierre

DANR

Suzanne McKinley

Rapid City

DANR

BRANDON QUIETT

RAPID CITY

CITY OF RAPID CITY

Kristin Conzel

RAPID CITY

WDRWS

Bob Mercer

Pierre

Kelo

Holly Briggs

Pierre

DANR

Meegen Briggs

Pierre

DANR

TODD BEANHARD

Fort Pierre

BWNR

DAN GERHARDT

Pierre

DANR

Karin Zhao

Pierre

DANR

Nick Waters

City of Pierre

City of Pierre

Greg Jones Jr.

SF

BWNR

Jerry Scholtz

SF

BWNR