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

June 27, 2024
1:00 p.m. Central Time

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

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

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

BOARD MEMBERS ABSENT: Gene Jones, Jr.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS: None.

OTHERS: See attached attendance sheet.

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

APPROVE MINUTES OF MARCH 28, 2024, MEETING: Motion by Bernhard, seconded by Drewes, to approve the minutes of the March 28, 2024, Board of Water and Natural Resources meeting. Motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

Tina McFarling introduced new board member Bruce Jennings who was appointed to fill the vacancy left by Dr. Paul Gnirk.

Ms. McFarling also announced that engineer Abbey Larson resigned, and Bailey McTigue, engineer, was hired.

DRINKING WATER STATE REVOLVING FUND INTEREST RATES: NONPROFIT CORPORATIONS AND PUBLIC ENTITIES WITH AN MHI LESS THAN 60 PERCENT OF THE STATEWIDE MHI: Pursuant to Administrative Rules of South Dakota Section 74:05:11:17 the Board of Water and Natural Resources shall set the interest rates for the

Drinking Water State Revolving Fund. On the screen now are the current interest rates that were adopted on November 8, 2023. Interest rates shall be based on the following criteria: 1) current market rates, 2) rates secured on state issued matching funds, and 3) current demand for program funds.

Tina McFarling reported that department staff, along with the board's financial advisors, completed a cash flow and capacity assessment of the SRF programs. The Clean Water SRF program was found to have enough capacity to meet current and expected future needs.

The Drinking Water SRF has enough capacity to meet current needs, however analysis indicated that the program is nearing capacity for future funding. The concern of staff is that if projects are continued to be fully funded, the program will not be able to meet debt obligations and future payments. DANR staff, the financial advisor, and bond counsel had discussions on what measures need to be taken to ensure the program stays financially stable in the future.

In discussions with the financial advisor and bond counsel, staff learned that there are several programmatic changes that make a significant impact to the fund stability.

Ms. McFarling stated that staff is proposing interest rate changes to certain categories of drinking water fund borrowers. Proposed changes include separate interest rates to nonprofit corporations and changes to the interest rates for public entity borrowers whose median household income, also known as MHI, is less than 60 percent of the statewide MHI.

Regarding the nonprofit corporation drinking water SRF interest rates, the federal Drinking Water SRF program and ARSD 74:05:11:02(3)(d) state that a nonprofit corporation is eligible to receive funding under the drinking water SRF loan program. This is different from the Clean Water SRF program, which limits the eligibility to publicly owned treatment works. Nonprofit corporations that have applied for SRF funding include rural water systems and homeowner associations.

According to bond counsel, nonprofit corporations can only receive funding from either federal funds or taxable bonds to meet IRS requirements. The number of requests and amount of funding requested for nonprofit corporations has significantly increased recently, and the program cannot cover all the payments through federal funding, therefore, the board needs to go to the bond market and leverage taxable bonds. The interest rate difference between taxable and tax-exempt bonds is one area that was identified where changes to the program can be made.

Ms. McFarling presented slides, which were prepared by financial advisor, PFM, that show the trends between taxable and tax-exempt bonds. The slides show the taxable bond yields versus the tax-exempt yields since 2016. In 2020 when COVID hit, there was a time when the yields were very close, however, since then the spread between the two yields is significant. On average, the difference between taxable and tax-exempt yield is 106 basis points or 1.06 percent. The ratio of the two yields show on average the taxable bond yields are 148 percent more than the tax-exempt yield. This means that for taxable bonds the Conservancy District is paying bond holders an additional 148 percent for a taxable bond. As the need for taxable funds increases, the current interest rates for taxable borrowers are not keeping up with payment obligations. With

that in mind, DANR staff recommended a separate interest rate category for nonprofit corporations that will be 1.00 percent higher than the public entity rate for that term. Additionally, if these entities are considered to meet the ARSD 74:05:11:01 (8) definition of disadvantage community, they will not be eligible for the disadvantage rate; however, they will still be eligible for principal forgiveness. The BABA incentive of a 0.25 percent interest rate reduction will still apply.

Ms. McFarling presented the staff recommendations for the Drinking Water SRF Program interest rates for non-profit corporation borrowers and non-profit borrowers subject to the Build America, Buy America, Public Law 117-58 provisions.

The current and proposed rates were included in the board packet.

Staff recommended the board approve a resolution adopting the new interest rates for the Drinking Water State Revolving Fund Program nonprofit corporation borrowers.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-80** setting the **Drinking Water SRF interest rates for non-profit corporation borrowers and non-profit borrowers subject to the Build America, Buy America (BABA), Public Law 117-58 provisions** as follows:

Drinking Water SRF loan rates for non-profit corporation borrowers

- 4.25 percent for loans with a term up to 10 years, which consists of a 4.00 percent interest rate and 0.25 percent administrative surcharge;
- 4.50 percent for loans with a term greater than 10 years up to a maximum of 20 years, which consists of a 4.25 percent interest rate and 0.25 percent administrative surcharge; and
- 4.75 percent for loans with a term greater than 20 years up to a maximum of 30 years, which consists of a 4.50 percent interest rate and 0.25 percent administrative surcharge.

Drinking Water SRF loan rates for non-profit corporation borrowers subject to BABA:

- 4.00 percent for loans with a term up to 10 years, which consists of a 3.75 percent interest rate and 0.25 percent administrative surcharge;
- 4.25 percent for loans with a term greater than 10 years up to a maximum of 20 years, which consists of a 4.00 percent interest rate and 0.25 percent administrative surcharge; and
- 4.50 percent for loans with a term greater than 20 years up to a maximum of 30 years, which consists of a 4.25 percent interest rate and 0.25 percent administrative surcharge.

The motion carried unanimously.

These interest rates will apply to loans awarded after July 1, 2024.

Ms. McFarling stated that currently, the interest rates for public entities that have an MHI less than 60 percent of the statewide MHI qualify for a 0.00 percent interest rate if they meet all disadvantage community requirements in ARSD 74:05:11:01 (8). This is a small subset of loans in the program, but for the future the 0.00 percent interest rate has a negative impact on the program stability. Staff proposed increasing the interest rate to the same rate as communities with an MHI between 60 percent and 80 percent of the MHI and waiving the administration fee. The total overall rate will be 0.25 percent less than the total rate for communities with an MHI between 60 percent and 80 percent of the statewide MHI. Staff also proposed adding a 10-year loan term for this category of borrower. This will help public entity borrowers with loans for projects with short useful lives, such as water meter projects. The interest rate is the same as the disadvantage communities with an MHI between 60 percent and 80 percent of the statewide MHI, but without the administrative fee. Staff will review the financial abilities of these communities and propose funding packages based on the communities' rates and ability to repay. These communities also qualify for principal forgiveness and other subsidy to assist with funding these projects.

Ms. McFarling presented the staff recommendations for the Drinking Water SRF Program interest rates for disadvantaged communities, public entity borrowers, and public entity borrowers subject to the Build America, Buy America, Public Law 117-58 provisions.

The current and proposed rates were included in the board packet.

Motion by Bernhard, seconded by Jennings, to approve **Resolution No. 2024-81** setting the **Drinking Water SRF interest rates for disadvantaged communities, public entity borrowers and public entity borrowers subject to the Build America, Buy America, Public Law 117-58 provisions** as follows:

Disadvantaged communities and public entity borrowers with an MHI less than 60 percent of the statewide MHI

- 2.25 percent for loans with a term up to 10 years, which consists of a 2.25 percent interest rate and 0.00 percent administrative surcharge; and
- 3.00 percent for loans with a term up to a maximum of 30 years, which consists of a 3.00 percent interest rate and 0.0 percent administrative surcharge.

Drinking Water SRF loan interest rates for these borrowers subject to the Build America, Buy America, Public Law 117-58, also known as BABA, provisions

- 2.00 percent for loans with a term up to 10 years, which consists of a 2.00 percent interest rate and 0.0 percent administrative surcharge; and
- 2.75 percent for loans with a term up to a maximum of 30 years, which consists of a 2.75 percent interest rate and 0.0 percent administrative surcharge.

The motion carried unanimously.

These interest rates will apply to loans awarded after July 1, 2024.

AMENDMENTS TO STATE WATER PLAN, 2024 CLEAN WATER SRF AND 2024

DRINKING WATER SRF INTENDED USE PLANS: Water projects which will require state funding or need state support for categorical grant or loan funding need to 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 onto the plan at this meeting will remain on the facilities plan through December 2025.

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

Six State Water Plan applications were received by the May 1, 2024, deadline. The list of projects was included in the board packet. As he presented the State Water Plan applications, Mr. Bruels also identified those projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists.

State Water Facilities Plan

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

Project Sponsor	Priority Points	Project Description	Projected State Funding (\$)	Rate & Term
Lincoln County Rural Water System	7	This is an amendment to a prior application; the original project included the need to move the existing watermain to a new alignment to avoid Veterans Parkway road construction and better accommodate the planned use of the area to include the installation for approximately 1.25 miles of 8- and 12-inch pipe. The new portion of the project is an additional 1.5 miles of increased pipe size along 473 rd Avenue and 272 nd Street to meet needed capacity in this area.	\$1,740,000	4.75%, 30 yrs.
Mitchell	18	Mitchell has previously received funding for a portion of the work included for phase 2 improvements at the wastewater treatment facility. The project scope has been expanded though to include new equalization storage, a back-up generator for the treatment plant, and two miles of forcemain to serve a new industrial facility area.	\$12,908,038	3.75%, 30 yrs.
Pierre	13	Replacement 7,950 feet of watermain with new PVC along and adjacent to Euclid Avenue.	\$5,075,823	3.75%, 30 yrs.

Project Sponsor	Priority Points	Project Description	Projected State Funding (\$)	Rate & Term
Pierre	10	Replacement of approximately 800 feet of sanitary sewer along and adjacent to Euclid Avenue.	\$1,009,096	3.75%, 30 yrs.
Webster	9	Relining of the industrial park area sanitary sewer to reduce infiltration into the system. The project will also install a new aeration unit.	\$1,185,000	3.75%, 30 yrs.
Wessington Springs	104	Replacement of 5,120 feet of existing watermain with new PVC and replacement of existing meters that are no longer functioning throughout the community.	\$1,960,000	3.25%, 30 yrs.

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

Clean Water IUP

Mr. Bruels stated that the 2024 capitalization grant amounts have been released by EPA and estimated values throughout the narrative have been adjusted for the actual final figures.

In addition to the three clean projects the board placed on the State Water Facilities Plan there was one additional project to be placed on the Clean Water SRF IUP.

Ipswich received a previous Clean Water SRF loan and an ARPA grant to construct and improve stormwater conveyance in the community. Due to increased project costs, Ipswich submitted a new funding application to complete the project, which was presented to the board later in the board meeting. Additional funds necessary are estimated at \$390,100. Staff recommended adding Ipswich to the Clean Water IUP with 8 priority points and an estimated loan amount of \$390,100 at 3.75 percent interest for 30 years.

Staff recommended amending the narrative, as discussed, and adding the following projects to the 2024 Clean Water SRF Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
18	Mitchell	\$12,908,038	3.75%, 30 years
10	Pierre	\$1,009,096	3.75%, 30 years
9	Webster	\$1,185,000	3.75%, 30 years
8	Ipswich	\$390,100	3.75%, 30 years

Motion by Jennings, seconded by Becker, to amend the narrative of the IUP and place the four projects on the 2024 Clean Water SRF Project Priority List. Motion carried unanimously.

Drinking Water IUP

Mr. Bruels stated that the 2024 capitalization grant amounts have been released by EPA and estimated values throughout the narrative have been adjusted for the actual final figures.

Adjustments to the interest rate table have been included to address those changes the board approved in the previous agenda item.

To reduce the need for additional bonds staff recommended the use of up to \$1,000,000 of administrative surcharge fees to provide the required state match for capitalization grants.

In addition to the three drinking water projects the board placed on the 2024 State Water Facilities Plan there were five additional projects to be placed on the Drinking Water SRF IUP.

Chamberlain previously received a Drinking Water SRF loan and an ARPA grant to replace watermain and make improvements at the water treatment facility. Due to increased project costs the city submitted a new funding application to complete the project, which was presented to the board later in the board meeting. Additional funds are estimated at \$500,000. Staff recommended adding the project to the Drinking Water Project Priority List with 70 priority points and an estimated loan amount of \$500,000 at 3.75 percent interest for 30 years.

Joint Well Field previously received a Drinking Water SRF loan and an ARPA grant to construct a water treatment facility and additional wells to provide additional capacity for the system to meet current and future user needs. Due to increased project costs, Joint Well Field submitted a new funding application to complete the project, which was presented to the board later in the meeting. Additional funds necessary are estimated at \$5,500,000. Staff recommended adding the project to the Drinking Water Project Priority List with 73 priority points and an estimated loan amount of \$5,500,000 at 3.75 percent interest for 30 years.

Mid-Dakota RWS – The original project is currently listed on the IUP for Wessington Springs to either construct a new water treatment system or connect to Mid-Dakota for bulk water supply. Wessington Springs' current system needs complete replacement, the city also has manganese and e. coli levels in its source water which exceed EPA recommended levels and treatment would be necessary. It has been determined that the most cost-effective solution to provide the necessary water capacity is for the city to connect to Mid-Dakota RWS for bulk water purchase. Mid-Dakota submitted a funding application for the project, which was presented to the board later in the meeting. Staff recommended adding the Mid-Dakota RWS project to the Drinking Water Project Priority List with 318 priority points and an estimated loan amount of \$14,730,000 at 3.75 percent interest for 30 years.

Miller previously received a Drinking Water SRF loan and an ARPA grant to replace watermain, make improvements to the water storage tank, and abandon unused wells. Due to increased project costs, the city submitted a new funding application to complete the project, which was presented to the board later in the meeting. Additional funds are estimated at \$1,100,000. Staff recommended adding the project to the Drinking Water Project Priority List with 95 priority points and an estimated loan amount of \$1,100,000 at 3.25 percent interest for 30 years.

Northville previously received a Drinking Water SRF loan and an ARPA grant to construct a 40,000-gallon ground water storage tank and make waterline improvements. Due to increased project costs, Northville submitted a new funding application to complete the project which was presented to the board later in the meeting. Additional funds necessary are estimated at \$125,000. Staff recommended adding the project to the Drinking Water Project Priority List with 27 points and an estimated loan amount of \$125,000 at 3.75 percent interest for 30 years.

Staff recommended amending the narrative, as discussed, and adding the following eight projects to the 2024 Drinking Water SRF Project Priority List:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
318	Mid-Dakota Rural Water System	\$14,730,000	3.75%, 30 years
104	Wessington Springs	\$1,960,000	3.25%, 30 years
95	Miller	\$1,100,000	3.25%, 30 years
73	Joint Well Field, Inc.	\$5,500,000	3.75%, 30 years
70	Chamberlain	\$500,000	3.75%, 30 years
27	Northville	\$125,000	3.75%, 30 years
13	Pierre	\$5,075,823	3.75%, 30 years
7	Lincoln County Rural Water System	\$1,740,000	4.75%, 30 years

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

AMENDMENTS TO PRIOR ARPA FUNDED PROJECTS: Mr. Burels reported that during the 2024 Legislative Session Senate Bill 53 was passed, which appropriated an additional \$89,384,221 of American Rescue Plan Act (ARPA) funds for water and wastewater infrastructure. These funds will be awarded by the Board of Water and Natural Resources to eligible projects.

Additionally, some projects originally funded through the \$600,000,000 in ARPA funds provided by 2022 Senate Bill 62 have deobligated portions of the funding.

In the 2023 legislative session Senate Bill 20 was passed to provide the board discretion on the reallocation of those funds. In January 2024, the board passed a resolution recommending that those funds be provided only to projects having previously received ARPA funding and that the systems sponsoring those projects serve regional areas. Entities meeting these criteria were contacted to submit requests for consideration of these funds.

For many projects staff utilized a percentage of the original project for the recommendations for additional funds to equitably distribute the dollars. Some projects, due to the large dollar amount or remaining eligible costs, were capped to assure all projects received meaningful additional funds. There are some projects of significant regional impact and are part of larger projects in

their full scope that will be recommended for a higher amount of grant funds based on total current project costs.

A portion of Section 2 of the grant agreements for the projects receiving additional funding will be removed. The original grant agreements for all ARPA grants included provisions that if bids were received that were less than 95 percent of the original estimated costs for the work the grant would be reduced accordingly. With these projects being considered for additional funding for regional impacts and many projects already having received bids, this section is no longer necessary.

Mr. Bruels presented the following prior funded projects that submitted requests for additional ARPA grant fund consideration:

On April 13, 2022, the **Aurora-Brule Rural Water System** was awarded a \$4,244,734 Drinking Water SRF loan and a \$1,855,266 ARPA grant. This project was to install 10 miles of new parallel water main, a new water storage reservoir, multiple loops within the system, a booster station, and distribution line improvements.

Staff recommended awarding an additional \$846,775 in ARPA grant funds, which is the remaining eligible costs bringing the total ARPA grant to \$2,702,041.

Wade Blasius, manager of the rural water system, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-82** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-107 to increase the total grant amount to \$2,702,041 for **Aurora-Brule Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **BDM Rural Water System** was awarded a \$7,499,150 Drinking Water SRF loan, with \$507,867 in principal forgiveness and a \$3,530,083 ARPA grant. This project was to construct a new water treatment plant, install a 400,000-gallon water reservoir, install 18 miles of pipe to expand the water system and loop lines for added redundancy, and replace 382 water meters.

Staff recommended awarding an additional \$1,738,345 in ARPA grant funds bringing the total ARPA grant to \$5,268,428.

Rodney Kappes, BDM general manager, discussed the project and thanked the board for consideration of additional funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2024-83** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-110 to increase the total grant amount to \$5,268,428 for **BDM Rural Water System**. Motion carried unanimously.

On June 23, 2022, the **Black Hawk Water User District** was awarded a \$1,181,600 Drinking Water SRF loan and a \$506,400 ARPA grant. This project was to install approximately 3,800 feet of new 12-inch water main crossing I-90 near Exit 52. A large portion of the existing crossing is 6-inch water main which is undersized and operates with substantial head loss during high flow periods.

Staff recommended awarding an additional \$254,340 in ARPA grant funds bringing the total ARPA grant to \$760,740.

Mr. Bruels stated that he received a call from Ken LeBon, manager of the water user district, thanking the board for consideration of additional funding.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2024-84** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-400 to increase the total grant amount to \$760,740 for **Black Hawk Water User District**. Motion carried unanimously.

On April 13, 2022, the **city of Brookings** was awarded a \$50,963,200 Drinking Water SRF loan and a \$21,039,300 ARPA grant. On January 5, 2023, an additional \$40,700,000 Drinking Water SRF loan was awarded. This project was to construct a new 6 MGD lime softening water treatment facility along 34th Avenue. The treatment plant will require 28,500 feet of 16-inch raw water line and a 16-inch finished water line to feed into the distribution system and includes the construction of SIX new municipal wells and an additional 17,400 feet of new 20-inch transmission main.

Staff recommended awarding an additional \$8,000,000 in ARPA grant funds bringing the total ARPA grant to \$29,039,300.

Gabe Laber, HDR Engineering, discussed the project and thanked the board for consideration of additional funding for the project.

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2024-85** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-117 to increase the total grant amount to \$29,039,300 for **city of Brookings**. Motion carried unanimously.

On April 13, 2022, the **Brookings-Deuel Rural Water System** was awarded a \$5,607,560 Drinking Water SRF loan and a \$2,703,240 ARPA grant. The SRF loan was increased to \$7,207,560 in September 2023. This project was to construct 22 miles of 12-inch watermain to interconnect the system's two primary water sources, the Joint Well Field and the Clear Lake water treatment plant. The existing glued-joint pipe is prone to leaking so it will be replaced with new gasket joint pipe. The project will also include six miles of 6-inch watermain to the Lake Cochrane service area to improve low pressure around the lake during periods of peak water use.

Staff recommended awarding an additional \$1,357,708 in ARPA grant funds bringing the total ARPA grant to \$4,060,948.

Matt Oedekoven, DGR Engineering, discussed the project and thanked the board for consideration of additional funding for the project.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-86** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-118 to increase the total grant amount to \$4,060,948 for **Brookings-Deuel Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **Clay Rural Water System** was awarded a \$10,736,050 Drinking Water SRF loan, a \$825,850 Consolidated grant, and a \$4,955,100 ARPA grant. This project was to construct a 1,000,000-gallon ground storage reservoir near the existing Greenfield reservoir and a 750,000-gallon ground storage tank near the Wakonda water treatment plant. A new booster station at the Greenfield reservoir is also included. This project proposes four distribution line improvements to provide additional capacity and accommodate a Highway 46 construction project. Approximately 20.6 miles of watermain of varying sizes will be installed.

Staff recommended awarding an additional \$2,488,710 in ARPA grant funds bringing the total ARPA grant to \$7,443,810.

Steve Muilenburg, general manager of the rural water system, discussed the project and thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2024-87** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-125 to increase the total grant amount to \$7,443,810 for **Clay Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **Department of Agriculture and Natural Resources** was awarded a \$1,000,000 ARPA grant. These funds are being used for DANR's Riparian Buffer Initiative (RBI), which provides payments to landowners to implement buffer strips along property bordering waterbodies. These buffer strips provide the ability for natural filtration and improve the water quality within the watershed. DANR has placed more than \$862,000 under contract, buffering nearly 33.9 miles of shoreline. An additional 13 potential contracts are under consideration with more than \$407,000 in known costs which will buffer an additional 26.3 miles of shoreline. DANR staff has additional potential contracts being discussed and continues to see a strong interest in the program and funds. DANR requested an additional \$5,000,000 in ARPA funds. Based on the current demands, DANR believes all funds can be expended prior to the 2026 deadline and make meaningful impacts towards water quality protection.

Staff recommended awarding an additional \$5,000,000 in ARPA grant funds bringing the total ARPA grant to \$6,000,000. The funding provided for this grant amendment will be provided specifically from the unallocated 2022 ARPA funds, as this project does not meet the eligibility requirements for funding based on the language in 2024 Senate Bill 53.

Paul Lorenzen, administrator of the DANR Watershed Protection Program, discussed the project and thanked the board for consideration of additional funding.

Chairman Soholt asked that after this project is up and running staff provide the board with a map showing the riparian buffer areas.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2024-88** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-134 to increase the total grant amount to \$6,000,000 for the **Department of Agriculture and Natural Resources**. Motion carried unanimously.

On April 13, 2022, the **Davison Rural Water System** was awarded a \$810,385 Drinking Water SRF loan and a \$439,615 ARPA grant. The SRF loan was increased to \$1,810,385 in January 2024. The funding was for a project to install water line to parallel and loop existing mains and upgrade to automatic meter reading technology.

Staff recommended awarding an additional \$189,255 in ARPA grant funds bringing the total ARPA grant to \$628,870.

Nathan Danner, Bartlett and West, discussed the project and thanked the board for consideration of additional funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-89** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-132 to increase the total grant amount to \$628,870 for **Davison Rural Water System**. Motion carried unanimously.

On June 23, 2022, the **Fall River Water Users District** was awarded a \$2,915,450 Drinking Water SRF loan and a \$7,091,550 ARPA grant. The project was to install a submersible pump and finish piping at the existing Fairburn well, construct a pump station and well house, a control building/pump station, a 150,000-gallon ground storage reservoir at the well site, 20 miles of 8-inch pipeline to connect the Fairburn well to the existing distribution system in two locations, and a 150,000-gallon ground storage reservoir along the new pipeline route.

Staff recommended awarding an additional \$1,400,007.62 in ARPA grant funds bringing the total ARPA grant to \$8,491,557.62.

Jeff Davidson, vice chair of the water users district, discussed the project and thanked the board for consideration of additional funding.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2024-90** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-414 to increase the total grant amount to \$8,491,557.62 for **Fall River Water Users District**. Motion carried unanimously.

On April 13, 2022, the **Grant-Roberts Rural Water System** was awarded a \$4,360,400 Drinking Water SRF loan and a \$2,433,600 ARPA grant. This project was to add transmission capacity so that the system's two reservoirs can fill during high water use periods in summer months. Additional pipeline looping and parallels will be completed to distribute water to existing and new customers and improve the reliability of the water system. It also includes 24 miles of pipeline and other appurtenances to allow the town of Corona to access the Grant-Roberts Rural Water System.

Staff recommended awarding an additional \$1,023,690 in ARPA grant funds bringing the total ARPA grant to \$3,457,290.

Matt Oedekoven, DGR Engineering, discussed the project and thanked the board for consideration of additional funding.

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2024-91** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-137 to increase the total grant amount to \$3,457,290 for **Grant-Roberts Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **Hanson Rural Water System** was awarded a \$2,356,165 Drinking Water SRF loan, which was increased to \$6,056,165 in January 2024, and a \$1,273,835 ARPA grant to install water line to parallel and loop existing mains and upgrade to automatic meter reading technology.

Staff recommended awarding an additional \$548,388 in ARPA grant funds bringing the total ARPA grant to \$1,822,223.

Nathan Danner, Bartlett and West, discussed the project and thanked the board for consideration of additional funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-92** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-140 to increase the total grant amount to \$1,822,223 for **Hanson Rural Water System**. Motion carried unanimously.

On April 13, 2022, **Joint Well Field, Inc.** was awarded a \$6,592,000 Drinking Water SRF loan and a \$2,868,000 ARPA grant. Joint Well Field has submitted a request for additional funding of \$5,500,000, which will be presented later in the meeting today. Joint Well Field, Inc. is a jointly owned and operated water source and treatment facility that serves both Brookings-Deuel Rural Water System and Kingbrook Rural Water System. The project is to construct a new gravity filtration water treatment plant and includes aeration, detention, filtration, transfer pumping, raw water supply wells, and generation equipment.

Staff recommended awarding an additional \$1,440,459 in ARPA grant funds bringing the total ARPA grant to \$4,308,459. Based on discussions with Joint Well Field, the request for the

additional \$5,500,000 will be reduced accordingly based on the board action on this ARPA award.

Heath Thompson, Kingbrook Rural Water System, discussed the project and thanked the board for consideration of additional funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2024-93** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-151 to increase the total grant amount to \$4,308,459 for **Joint Well Field, Inc.** Motion carried unanimously.

On April 13, 2022, the **Kingbrook Rural Water System** was awarded a \$22,850,000 Drinking Water SRF loan and a \$9,900,000 ARPA grant. This project was to upgrade the Badger pump station, DeSmet water treatment plant, Chester water treatment plant, Oakwood pump station, and the Orland pump station. The project also involves construction of an elevated tank near Arlington and booster pump station near Bryant, and relocation and resizing of pipeline segments along Highway 25 north of DeSmet.

Staff recommended awarding an additional \$4,972,298 in ARPA grant funds bringing the total ARPA grant to \$14,872,298.

Heath Thompson, Kingbrook Rural Water System, discussed the project and thanked the board for consideration of additional funding.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-94** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-155 to increase the total grant amount to \$14,872,298 for **Kingbrook Rural Water System.** Motion carried unanimously.

On June 23, 2022, the **Lead-Deadwood Sanitary District** was awarded a \$2,604,000 Drinking Water SRF loan and a \$1,116,000 ARPA grant. Due to a reduction in project scope the ARPA grant was reduced in March 2024 to \$686,340. This project was to abandon the Hanna raw water transmission and install approximately 700 feet of new 8-inch ductile iron or steel pipe. Both low- and high-pressure lines will be re-routed to bypass the Englewood power generation facility, and a portable backup power generator will be purchased for use at multiple locations.

Staff recommended awarding an additional \$339,623 in ARPA grant funds bringing the total ARPA grant to \$1,025,963.

Motion by Drewes, seconded by Becker, to adopt **Resolution No. 2024-95** approving the Second Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-429 to increase the total grant amount to \$1,025,963 for **Lead-Deadwood Sanitary District.** Motion carried unanimously.

On June 23, 2022, the **Lead-Deadwood Sanitary District** was awarded a \$634,900 Clean Water SRF loan and a \$272,100 ARPA grant. This project was to make improvements to the wastewater treatment plant that treats wastewater from the cities from Lead, Deadwood, Central

City, and other unincorporated areas. Improvements include replacement of five aeration blowers, installation of fine bubble diffusers and aeration piping, and installation of a blower control system.

Staff recommended awarding an additional \$136,662 in ARPA grant funds bringing the total ARPA grant to \$408,762.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2024-96** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-428 to increase the total grant amount to \$408,762 for **Lead-Deadwood Sanitary District**. Motion carried unanimously.

On April 13, 2022, the **Lewis & Clark Regional Water System** was awarded a \$13,136,100 ARPA grant. In March 2023, an existing State Water Resources Management System loan was converted to a grant, and the ARPA grant was reduced to \$7,300,000 as part of the board's originally approved award. The project includes constructing two solids contact units, a sludge thickener, three lime sludge drying beds, and a 3,000,000-gallon clear well and high service pump station. These improvements are necessary to increase the treatment plant capacity from 45 MGD to 60 MGD.

Staff recommended awarding an additional \$5,000,000 in ARPA grant funds bringing the total ARPA grant to \$12,300,000.

Troy Larson, executive director of the regional water system, discussed the project and thanked the board for consideration of additional funding.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-97** approving the Second Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-161 to increase the total grant amount to \$12,300,000 for **Lewis & Clark Regional Water System**. Motion carried unanimously.

On April 13, 2022, the **Lincoln County Rural Water System** was awarded a \$2,653,700 Drinking Water SRF loan and a \$1,137,300 ARPA grant. Due to bids coming in lower than original estimates the ARPA grant was reduced to \$976,941. This project was to install transmission improvements to serve newly constructed residences without negatively impacting existing customers. The project will install approximately 16.5 miles of pipeline and will include looping of dead-end lines.

Staff recommended awarding an additional \$571,211 in ARPA grant funds bringing the total ARPA grant to \$1,548,152.

Robin Dykstra, manager of the rural water system, discussed the project and thanked the board for consideration of additional funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2024-98** approving the Second Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-162 to

increase the total grant amount to \$1,548,152 for **Lincoln County Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **Mid-Dakota Rural Water System** was awarded a \$29,467,750 Drinking Water SRF loan, a \$2,000,000 Consolidated grant, and a \$13,867,250 ARPA grant. This project was to update the existing water system by installing an advanced metering infrastructure system for water meters, paralleling of pipe, the addition of a backwash recovery system, and additional membrane capacity.

Staff recommended awarding an additional \$6,830,882 in ARPA grant funds bringing the total ARPA grant to \$20,698,132.

Scott Gross, general manager of the rural water system, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-99** approving the Second Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-165 to increase the total grant amount to \$20,698,132 for **Mid-Dakota Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **Mni Waste Water Company** was awarded a \$6,448,598 ARPA grant, as partial funding for a \$43,400,000 project. This project consists of installing approximately 28.2 miles of 16-inch treated water pipeline, 9.6 miles of 10-inch treated water pipeline, a 1,000,000-gallon water tower, and appurtenances including valves, pumps, and air releases. The pipeline along Highway 63 is undersized, causing pressure to fall below 20 psi. This project replaces the undersized pipeline along Highway 63 and will serve as the main pipeline for the northern tier of the Cheyenne River Sioux Tribe.

Staff recommended awarding an additional \$6,545,503 in ARPA grant funds bringing the total ARPA grant to \$12,994,101.

Jared Larson, Banner and Associates, discussed the project and thanked the board for consideration of additional funding.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2024-100** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-171 to increase the total grant amount to \$12,994,101 for **Mni Waste Water Company**. Motion carried unanimously.

On June 23, 2022, the **Randall Community Water District** was awarded a \$38,734,175 Drinking Water SRF loan and an \$11,256,825 ARPA grant. On September 29, 2022, an additional \$45,000,000 Drinking Water SRF loan was awarded to provide remaining funds needed for the full project scope. The project will 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 be necessary to complete the proposed improvements.

Staff recommended awarding an additional \$10,000,000 in ARPA grant funds bringing the total ARPA grant to \$21,256,825.

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

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-101** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-439 to increase the total grant amount to \$21,256,825 for **Randall Community Water District**. Motion carried unanimously.

On April 13, 2022, the **city of Rapid City** was awarded a \$101,500,000 Clean Water SRF loan and a \$43,500,000 ARPA grant. On March 28, 2024, an additional \$35,000,000 Clean Water SRF loan was awarded. This project is to build out the South Plant with the addition of secondary clarifiers and hydraulic improvements which will allow the South Plant to assume the inflow while meeting permit limits. This project will also decommission the North Plant.

Staff recommended awarding an additional \$8,000,000 in ARPA grant funds bringing the total ARPA grant to \$51,500,000.

Eddie Lopez, operations manager and engineer for the city of Rapid City, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-102** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-187 to increase the total grant amount to \$51,500,000 for the **city of Rapid City**. Motion carried unanimously.

On April 13, 2022, **Shared Resources** was awarded a \$69,983,400 Drinking Water SRF loan and a \$38,226,600 ARPA grant. Shared Resources is a joint effort between Minnehaha Community Water Corporation and the Big Sioux Community Water System. The project includes an 8,000,000-gallon treatment plant, well field, distribution pipeline, and two storage tanks. Shared Resources will treat and deliver water to both systems, and they will then distribute water to their existing customer base.

Staff recommended awarding an additional \$10,000,000 in ARPA grant funds bringing the total ARPA grant to \$48,276,600.

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

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2024-103** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-192 to increase the total grant amount to \$48,276,600 for **Shared Resources**. Motion carried unanimously.

On November 4, 2021, the **city of Sioux Falls** was awarded a \$123,000,000 Clean Water SRF loan, and on May 17, 2022, a \$41,900,000 ARPA grant was awarded. Sioux Falls was also awarded two additional Clean Water SRF loans totaling \$60,125,000 for what is now over a \$225,000,000 total project. This project will make substantial improvements throughout the city's wastewater reclamation facility to existing processes and equipment and expand the plant capacity for growth to serve the region.

Staff recommended awarding an additional \$8,000,000 in ARPA grant funds bringing the total ARPA grant to \$49,900,000.

Ryan Johnson, Sioux Falls Public Works Department, discussed the project and thanked the board for consideration of additional funding.

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2024-104** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-321 to increase the total grant amount to \$49,900,000 for the **city of Sioux Falls**. Motion carried unanimously.

On April 13, 2022, the **Sioux Rural Water System** was awarded a \$3,202,650 Drinking Water SRF loan and a \$1,778,350 ARPA grant, due to bids coming in lower than original estimates the ARPA grant was reduced to \$1,547,165. The project was to construct of a 300,000-gallon elevated tank in the southwest part of the system and two segments of pipeline will be installed to increase pressure and capacity.

Staff recommended awarding an additional \$765,583 in ARPA grant funds bringing the total ARPA grant to \$2,312,748.

Travis Steffensen discussed the project and thanked the board for consideration of additional funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2024-105** approving the Second Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-193 to increase the total grant amount to \$2,312,748 for **Sioux Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **South Lincoln Rural Water System** was awarded a \$10,384,082 Drinking Water SRF loan and a \$5,677,918 ARPA grant. On September 29, 2022, an additional \$11,502,000 Drinking Water SRF loan was awarded. The project is to make system wide improvements including the installation of an elevated water tank, a new pump station and a new water treatment plant. This project addresses capacity issues in portions of the distribution system and increasing demands within the existing service area.

Staff recommended awarding an additional \$2,444,355 in ARPA grant funds bringing the total ARPA grant to \$8,122,273.

John Stearns, manager of the South Lincoln Rural Water System, discussed the project and thanked the board for consideration of additional funding.

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2024-106** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-194 to increase the total grant amount to \$8,122,273 for **South Lincoln Rural Water System**. Motion carried unanimously.

On April 13, 2022, the **Southern Black Hills Water System** was awarded a \$540,000 Drinking Water SRF loan and a \$3,060,000 ARPA grant. On March 28, 2024, an additional \$1,584,000 Drinking Water SRF loan and a \$1,597,000 Consolidated grant were awarded. The project will extend the existing water system main from the two wells at Paramount Point Subdivision approximately five miles northeast to the Spring Creek Acres Subdivision to provide redundancy. The project will also include construction of a well, booster pump station, elevated storage reservoir, chlorination and SCADA systems, and pressure-reducing valve stations.

Staff recommended awarding an additional \$542,432 in ARPA grant funds bringing the total ARPA grant to \$3,602,432.

Due to technical difficulties, representatives of the Southern Black Hills Water System were unable to discuss the project. Mr. Bruels noted that he had spoken to Don Peterson, general manager, prior to today's meeting, and Mr. Peterson indicated that he was thankful for the board's consideration of additional ARPA funding for the project.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2024-107** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-196 to increase the total grant amount to \$3,602,432 for **Southern Black Hills Water System**. Motion carried unanimously.

On April 13, 2022, the **TM Rural Water District** was awarded a \$5,913,600 Drinking Water SRF loan and a \$2,534,400 ARPA grant. The project was to install four miles of parallel 12-inch water main to address low water pressure situations during high water demand periods.

Staff recommended awarding an additional \$1,272,908 in ARPA grant funds bringing the total ARPA grant to \$3,807,308.

Cullen Kohles, Banner and Associates, discussed the project and thanked the board for consideration of additional funding.

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2024-108** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-204 to increase the total grant amount to \$3,807,308 for **TM Rural Water District**. Motion carried unanimously.

On April 13, 2022, the **Tripp County Water User District** was awarded a \$9,250,000 Drinking Water SRF loan and a \$4,050,000 ARPA grant. On January 5, 2023, an additional \$9,500,000

Drinking Water SRF loan fund was awarded. The project was to replace two storage tanks that are currently beyond their service life, to parallel and loop water lines to increase the water pressure within the system, and to develop a new well field to address water supply issues.

Staff recommended awarding an additional \$2,034,121 in ARPA grant funds bringing the total ARPA grant to \$6,084,121.

Lisa Stiehl, manager of the Tripp County Water User District, discussed the project and thanked the board for consideration of additional funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-109** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-205 to increase the total grant amount to \$6,084,121 for **Tripp County Water User District**. Motion carried unanimously.

On September 29, 2022, the **WEB Water Development Association** was awarded a \$39,650,000 Drinking Water SRF loan and in June 2023 WEB was awarded a \$14,623,380 ARPA grant. The project has also received \$10,000,000 in State Water Resources Management System grant funds. The funding is part of a much larger project to increase water capacity for WEB and to provide a bulk water connection for Aberdeen and BDM Rural Water. The project is known as the Water Investment in Northern South Dakota or WINS project, undertaken by all three entities with WEB acting as the lead contracting entity at this time.

Staff recommended awarding an additional \$10,500,000 in ARPA grant funds bringing the total ARPA grant to \$25,123,380.

Shane Phillips, general manager of WEB Water Development Association, discussed the project and thanked the board for consideration of additional funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-110** approving the First Amendment to American Rescue Plan Act Grant Agreement 2023G-ARP-200 to increase the total grant amount to \$25,123,380 for **WEB Water Development Association**. Motion carried unanimously.

On April 13, 2022, the **Western Dakota Regional Water System** was awarded a \$8,000,000 ARPA grant and has also received \$2,000,000 in State Water Resources Management System grant funds. The funding is for a feasibility study to explore the use of Missouri River water to supply a large portion of western South Dakota with a bulk water transmission line that conveys Missouri River water to various communities, tribes, and water systems. The current funding is to hire an engineering firm to complete facilities plan and preliminary design for the project.

Staff recommended awarding an additional \$2,165,000 in ARPA grant funds bringing the total ARPA grant to \$10,165,000.

Cheryl Chapman, executive director, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2024-111** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-218 to increase the total grant amount to \$10,165,000 for **Western Dakota Regional Water System**. Motion carried unanimously.

On April 13, 2022, the **West River/Lyman-Jones Rural Water System** was awarded a \$2,800,000 Drinking Water SRF loan and a \$1,200,000 ARPA grant. The project is to install 2,000 feet of 8-inch PVC, 21,600 feet of 6-inch PVC, and 32,400 feet of 4-inch PVC water mains serving areas in Mellette, Haakon, and Lyman counties. A new 300,000-gallon ground storage tank and necessary electrical controls will also be installed in Pennington County.

Staff recommended awarding an additional \$602,702 in ARPA grant funds bringing the total ARPA grant to \$1,802,702.

Jake Fitzgerald, manager of the West River/Lyman-Jones RWS, discussed the project and thanked the board for consideration of additional funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-112** approving the First Amendment to American Rescue Plan Act Grant Agreement 2022G-ARP-217 to increase the total grant amount to \$1,802,702 for **West River/Lyman-Jones Rural Water System**. Motion carried unanimously.

DRINKING WATER FACILITIES FUNDING APPLICATIONS: Mr. Bruels presented the applications and staff recommendations for funding.

Mid-Dakota Rural Water System (Mid-Dakota RWS) requested funding for improvements to its system to enable it to provide water service to Wessington Springs. Wessington Springs' current water source has manganese and E. Coli levels above the limits. The current treatment plant adequately treats for these contaminants; however, the treatment plant needs to be completely replaced or a new water source. It has been determined that the most cost-effective and best long-term solution for the city's water needs is a bulk connection to Mid-Dakota RWS. This project will make necessary improvements and upgrades within the Mid-Dakota RWS system to provide bulk water for Wessington Springs and assure continued service levels to existing users.

The estimated total project amount is \$14,730,000, and the amount requested is \$14,730,000.

The manganese levels in Wessington Springs current water source are above EPA's Health Action Level. While not a primary drinking water standard, it is considered an Emerging Contaminant by EPA. This designation allows the use of the Drinking Water SRF BIL Emerging Contaminants funds for this project, which are required to be provided at 100 percent principal forgiveness when utilized. The other requirement of these funds is that the funding must be provided to or for the benefit of a small or disadvantaged community. Wessington Springs qualifies as both, so while funding is being provided to Mid-Dakota RWS, the project is eligible for these funds. DANR staff has discussed this with EPA to assure allowability as well.

Staff recommended awarding a \$14,730,000 Drinking Water SRF loan with 100 percent principal forgiveness.

Mid-Dakota RWS pledged system revenue for repayment of the loan. Rates are \$83.55 for 7,000 gallons.

Since the funding is to be provided at 100 percent principal forgiveness there is no financial impact to Mid-Dakota. Wessington Springs users will see some additional costs associated with connection to Mid-Dakota. This will be discussed in more detail in the next application being presented, which is for Wessington Springs funding. Current Wessington Springs rates are \$55.40 and total rates are anticipated to be \$70.00 for 5,000 gallons with both funding requests combined.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon receipt of the 2023 and 2024 Drinking Water SRF Emerging Contaminants grants from EPA.

Scott Gross, general manager of the Mid-Dakota RWS, discussed the project and thanked the board for consideration of funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-113** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$14,730,000 with 100 percent principal forgiveness to **Mid-Dakota Rural Water System** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon receipt of the 2023 and 2024 Drinking Water SRF Emerging Contaminants grants from EPA. Motion carried unanimously.

Wessington Springs requested funding for improvements to its water system to enable the city to receive water from Mid-Dakota RWS. Wessington Springs' current water source has manganese and E. Coli levels above the limits. The current treatment plant adequately treats for these contaminants; however, the treatment plant needs to be replaced or needs a new water source. It has been determined that the most cost-effective and best long-term solution for the city's water needs is a bulk connection to Mid-Dakota RWS. This project will make necessary improvements and upgrades within the city's system to allow the bulk service connection to reach the distribution system.

The estimated total project amount is \$1,663,930, and the amount requested is \$1,660,000. Wessington Springs will contribute \$3,930 in local cash for the project.

Staff recommended awarding a \$1,660,000 Drinking Water SRF loan at 3.25 percent interest for 30 years. Mr. Bruels noted that the project is related to the Mid-Dakota RWS project; however, staff recommended funding the project through the regular Drinking Water SRF program funding.

Wessington Springs pledged a project surcharge for repayment of the loan. Current rates are \$55.40 for 5,000 gallons.

Staff analysis indicates a surcharge of \$17.35 is needed for repayment of the loan. Staff has reviewed the city's existing rates and structure and the anticipated costs from transitioning to bulk water from Mid-Dakota RWS. The analysis indicates that for a 5,000-gallon user the rate anticipated would total approximately \$70.00 per 5,000 gallons, which is consistent with other recent funding awards. The total subsidy provided for costs directly attributable to Wessington Springs users for the whole project is 85.7 percent.

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.

Linda Willman, finance officer, thanked the board for consideration of funding.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-114** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,660,000 at 3.25 percent interest for 30 years to the **city of Wessington Springs** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Miller requested additional funding for the Phase IV water project. The city is proposing to complete several water projects including abandoning wells, replacing and looping water main, and making improvements to the existing ground storage tank.

The estimated total project amount is \$5,634,263, and the amount requested is \$1,100,000. The remainder of the funding package includes \$226,842 in local cash, \$226,842 in local ARPA funds, a \$1,460,755 Drinking Water SRF loan (05), and \$2,619,824 in state ARPA funds.

Staff recommended awarding a \$1,100,000 Drinking Water SRF loan at 3.25 percent interest for 30 years with 65.5 percent principal forgiveness not to exceed \$720,000.

Miller pledged a project surcharge for repayment of the loan. Current rates are \$65.79 for 5,000 gallons.

Staff analysis indicates a surcharge of \$2.20 is needed for repayment of the loan. In reviewing the city's financial information, it appears a rate increase is necessary to fully fund existing operational costs, with rates of approximately \$72.80. When combined with the surcharge for the loan total rates are anticipated at \$75.00.

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

Cindy Deuter, finance officer, thanked the board consideration of funding for the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2024-115** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,100,000 at 3.25 percent interest for 30 years with 65.5 percent as principal forgiveness not to exceed \$720,000 to the **city of Miller** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

Meadow Crest Sanitary District requested funding to drill a new well, construct a new wellhouse, and connect to the existing water system. The well will provide for system redundancy and allow for future growth of currently undeveloped lots to be served.

The estimated total project amount is \$818,000, and the amount requested is \$818,000.

Staff recommended awarding a \$650,000 Drinking Water SRF loan at 3.75 percent interest for 30 years and to award a Consolidated grant at 20.6 percent not to exceed \$168,000.

The sanitary district pledged a special assessment for repayment of the loan. Current rates are \$101.50 for 5,000 gallons. This rate includes the cost of an in-home water softener that is required treatment needs.

Staff analysis indicates that a yearly assessment for each lot of \$996.00 per year or \$83.00 per month is necessary to provide the required debt coverage. The sanitary district has already begun steps to implement this assessment. While these rates are high, the cost of having a small development lacking economies of scale is a fact when living in these areas. This project also has the potential to allow for future growth that may result in some reduction in cost once all users are connected and using water.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and a special loan condition that the borrower shall provide documentation annually to the Conservancy District regarding the amount being levied for the Drinking Water SRF loan prior to filing with the Lawrence County auditor.

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

John Keene, president of Meadow Crest Sanitary District, thanked the board for consideration of funding.

Motion by Lanning, seconded by Jennings, to adopt **Resolution No. 2024-116** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$650,000 at 3.75 percent interest for 30 years to **Meadow Crest Sanitary District** for the construction of a new well, 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 a special loan condition that the borrower shall provide documentation annually to the Conservancy District regarding the amount being levied for the Drinking Water SRF loan prior to filing with the Lawrence County auditor; and to adopt **Resolution No. 2024-117** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement between the Board of Water and Natural Resources and **Meadow Crest Sanitary District** for up to 20.6 percent of approved total project costs not to exceed \$168,000 for the construction of a new well with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water State Revolving Fund loan awarded for this project. Motion carried unanimously.

Deadwood requested funding for improvements to its water system to provide redundancy and address known problems. A dedicated 12-inch water line is proposed from Highway 85 to the maintenance shop area. A booster station would also be built to serve existing lines and potentially create a new pressure zone.

The estimated total project amount is \$2,897,000, and the amount requested is \$2,897,000.

Based on Deadwood's MHI level, the city would qualify for disadvantaged interest rate consideration; however, the anticipated user rates, including this project funding, will be less than the \$45.00 per 5,000 gallon minimum in administrative rules. Staff informed the city of the need to either raise rates to the minimum level or receive a higher interest rate. Deadwood informed the department that the city would prefer the higher interest rate and allow user rates to remain lower.

Staff recommended awarding a \$2,897,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

The city pledged system revenue for repayment of the loan. Current rates are \$38.90 for 5,000 gallons.

Staff analysis indicates that current revenues need to be increased by approximately \$45,000 annually to provide the required debt coverage. This would result in a \$3.00 increase for a 5,000-gallon user and bring total rates to \$41.90 for 5,000 gallons.

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.

Marty Stalder, Deadwood public works director, discussed the project and thanked the board for consideration of funding for the project.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2024-118** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,897,000 at 3.75 percent interest for 30 years to the **city of Deadwood** for the Highway 85 water main extension and new shop booster pump station, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Grant-Roberts Rural Water System requested funding for a system improvements project that consists of three components: improving the capacity into the Hilltop Reservoir, consolidating Marvin's water system, and building an emergency connection between Grant-Roberts and the city of Milbank to provide source redundancy.

The estimated total project amount is \$2,549,000, and the amount requested is \$2,549,000.

One aspect of this project is to provide funding for the town of Marvin, which currently has its own water system. Marvin's water system and source need repair, and this would allow the town to no longer need to operate a water system. Inclusion in this project would allow Grant-Roberts to provide individual service to those customers to provide safe and quality drinking water. The estimated cost for this portion of the project is approximately \$619,000 when including engineering costs. Marvin is considered a disadvantaged community and eligible to be provided principal forgiveness from funds reserved for disadvantaged communities.

Staff recommended awarding a \$2,549,000 Drinking Water SRF loan at 3.75 percent interest for 30 years with 24.3 percent as principal forgiveness not to exceed \$619,000.

Mr. Bruels stated that the principal forgiveness being recommended is to fully cover the project costs for the town of Marvin-related construction. With this funding DANR staff would

recommend those users not be charged any additional debt surcharge and instead pay normal Grant-Roberts RWS customer rates.

The rural water system pledged system revenue for repayment of the loan. Current rates are \$62.10 for 7,000 gallons.

Staff analysis indicates that revenues need to be raised by approximately \$119,000 annually to provide the 110 percent debt coverage. Staff estimated that this will increase user rates by approximately \$5.85 per month for a 7,000-gallon user bringing total rates to \$67.95 for 7,000 gallons.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2024 Drinking Water SRF capitalization grant.

Matt Odekoven, DGR, thanked the board for consideration of funding the project.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2024-119** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,549,000 at 3.75 percent interest for 30 years with 24.3 percent as principal forgiveness not to exceed \$619,000 to **Grant-Roberts Rural Water System** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent on receipt of the 2024 Drinking Water SRF capitalization grant. Motion carried unanimously.

Joint Well Field, Inc. requested funding for construction of a new water treatment plant due to higher than anticipated project costs. Joint Well Field, Inc. proposes to construct a new pump building with high service pumps, process piping and HVAC system; demolish the existing backwash ponds and construct new ones; construct a new 1.2-million-gallon ground storage reservoir; and install new pump room controls and other necessary appurtenances to complete the project.

Joint Well Field, Inc. is a jointly owned and operated water source and treatment facility that serves both Brookings-Deuel Rural Water System and Kingbrook Rural Water System.

The estimated total project amount is \$15,060,000, and the amount requested is \$5,500,000. The funding package also includes a \$6,592,000 Drinking Water SRF (02), \$2,868,000 in ARPA funding, and \$100,000 in local cash.

Earlier in the board meeting Joint Well Field was awarded an additional \$1,440,459 in ARPA grant funds. Mr. Bruels stated that in discussions with Joint Well Field in advance of this meeting, they indicated a preference that the funds requested with this application to be reduced by the amount of additional ARPA funds provided.

Staff recommended awarding a \$4,059,541 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Joint Well Field, Inc. pledged system revenue for repayment of the loan. Current rates are \$1.25 for 1,000 gallons bulk usage.

Staff analysis indicates a that overall revenues need to be raised by approximately \$555,000 annually to provide the 110 percent debt coverage. Staff estimated that this will increase the per 1,000-gallon bulk rate by \$0.26 per 1,000 gallons. The estimate is based on a 40 percent increase in usage from the expanded plant capacity. For 7,000 gallons of water usage, this would increase total rates for Brooking-Deuel and Kingbrook RWS customers by approximately \$1.82 per month bringing total rates to \$72.47 and \$82.97, respectively.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent upon an Intercreditor Agreement being approved and executed by CoBank, Citizens Bank, Joint Well Field, Inc. and the Conservancy District.

Matt Odekoven, DGR, thanked the board for consideration of funding the project.

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2024-120** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,059,541 loan at 3.75 percent interest for 30 years to **Joint Well Field, Inc.** for the construction of a water treatment plant, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent upon an Intercreditor Agreement being approved and executed by CoBank, Citizens Bank, Joint Well Field, Inc. and the Conservancy District. Motion carried unanimously.

Chamberlain requested funding for proposed upgrades to its water system including water line replacement on Mott Street, looping on Byron Boulevard, and improvements to its water treatment plant.

The estimated total project amount is \$1,350,000, and the amount requested is \$500,000. The funding package also includes \$50,000 in local ARPA funds, \$271,000 in state ARPA funds, and a \$529,000 Drinking Water SRF loan.

Based on Chamberlain's MHI level, the city would qualify for disadvantaged interest rate consideration; however, the user rates are less than the \$45.00 per 5,000 gallons minimum in administrative rules.

Staff recommended awarding a \$500,000 Drinking Water SRF loan at 3.75 percent interest for 30 years. Mr. Bruels noted that the staff recommendation is based on the non-disadvantaged rate.

Chamberlain pledged sales tax revenue for repayment of the loan. Rates are \$36.20 for 5,000 gallons.

Staff analysis indicates that current annual sales tax revenues will provide over 7,000 percent debt coverage.

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

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-121** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$500,000 loan at 3.75 percent interest for 30 years to the **city of Chamberlain** 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. Motion carried unanimously.

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

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

In March 2024, DANR staff presented this application to the board with a deferral recommendation to allow more time for the sanitary district to continue discussions with the current system owner. Valley Heights Estates has been working for several years with the current private owner to take ownership of the system and make system improvements as the district. Unfortunately, these discussions have not yet resulted in a purchase agreement. The private owner has provided a cost for the acquisition, but neither Valley Heights Estates or DANR staff believe the amount is reasonable for the condition of the system and what it is

worth. The existing system needs significant improvements, which the current owner has not been interested in undertaking, to assure water is available for residents.

DANR wants to ensure that Valley Heights Estates users are not subject to burdensome rates beyond what is typical for a system like this.

Since March, Valley Heights Estates has had some discussion with the current owner and their legal counsel, with the appraisal for the current system being shared. It is the opinion of DANR and the Valley Heights Estates Sanitary District that the appraisal does not accurately represent the valuation of a water system, specifically with the known issues of the current system needing to be repaired once purchased.

DANR has continued discussions with the sanitary district and the city of Box Elder on ways to move forward with the needed improvements and ensure water service to residents. Additional discussion and a revised funding application are necessary to allow this to occur.

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

If the owner will not agree to a reasonable price, discussions have been held with the city of Box Elder that the city is willing to construct a new system that will abandon the existing private system and provide no funds to the current owner. The existing storage tank serving the sanitary district is located on city property, and if the existing system is not purchased, the city will require the tank to be removed at the current owner's cost.

Staff recommended no funding.

Mr. Bruels answered questions from the board.

Motion by Jennings, seconded by Bernard to **deny funding** for **Valley Heights Estates Sanitary District**. Motion carried unanimously.

West River/Lyman-Jones Rural Water System requested funding to construct 26 miles of parallel or increased size pipeline in various locations to meet user demands, pressurize the system, and install a total of 600,000 gallons of additional storage capacity in the Elbon service area.

The estimated total project amount is \$14,500,000, and the amount requested is \$14,500,000.

Based on the system's MHI level, the rural water system would qualify for disadvantaged interest rate consideration; however, the anticipated user rates, including this project funding, will be less than the \$70.00 per 7,000 gallon minimum in administrative rules. Staff informed the system of the need to either raise rates to the minimum level or receive a higher interest rate. West River/Lyman-Jones would prefer the higher interest rate and allow user rates to remain lower.

Staff recommended awarding a \$14,500,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

West River/Lyman-Jones pledged system revenue for repayment of the loan. Current rates are \$58.20 for 7,000 gallons.

Staff analysis indicates a that revenues need to be raised approximately \$470,000 annually or 12 percent to provide the 110 percent debt coverage. Staff estimates this will increase user rates approximately \$6.95 per month for a 7,000-gallon user bringing total rates to \$65.15 for 7,000 gallons.

Staff recommended the loan being contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage.

Jake Fitzgerald, manager of West River/Lyman-Jones Rural Water System, thanked the board for consideration of funding.

Motion by Jennings, seconded by Drewes, to adopt **Resolution No. 2024-122** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$14,500,000 loan at 3.75 percent interest for 30 years to **West River/Lyman-Jones Rural Water System** for the system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, and contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Northville is in the process of constructing a 40,000-gallon storage tank, for which funding was awarded in May 2022. Due to increased costs, Northville requested additional funds to complete the project.

The estimated total project amount is \$1,375,250, and the amount requested is \$125,000. Other funding for the project includes a \$1,044,562 state ARPA grant, a \$179,758 Drinking Water SRF loan, and a \$25,930 local ARPA grant.

Staff recommended awarding a \$125,000 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Northville pledged a project surcharge for repayment of the loan. Rates are currently \$58.87 for 5,000 gallons.

Staff analysis indicates that a surcharge of \$8.50 is needed for repayment of the loan bringing total rates to approximately \$67.40.

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

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2024-123** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$125,000 loan at 3.75 percent interest for 30 years to the **town of Northville** for drinking water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Madison requested funding to replace outdated and inadequate water infrastructure throughout the seven-block corridor on Egan Avenue and bring the distribution system up to current design standards.

The estimated total project amount is \$2,645,916, and the amount requested is \$2,645,916.

Staff recommended awarding a \$2,645,916 Drinking Water SRF loan at 3.50 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Current rates are \$43.70 for 5,000 gallons.

Staff analysis indicates a surcharge of \$4.00 is needed for repayment of the loan bringing total rates to approximately \$47.70.

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 the borrower establishing rates at a minimum of \$45.00 per user for 5,000 gallons to receive the disadvantaged rate.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-124** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,645,916 loan at 3.50 percent interest for 30 years to the **city of Madison** for the Egan Avenue water main replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan

approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and contingent upon the borrower establishing rates at a minimum of \$45.00 per user for 5,000 gallons to receive the disadvantaged rate. Motion carried unanimously.

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

Powder House Pass Community Improvement District (CID) requested funding for a water resource recovery facility expansion and lift station project. This project received funding in April 2022. The additional funding is due to the costs for the original project coming in over budget and the addition of the Outlaw Pass lift station project.

Powder House Pass CID is expanding its wastewater treatment facility unit processes to accommodate peak flow demand. The original plan includes a mirrored Moving Bed Bioreactor (MBBR) system, which will mimic the original phase system, upgrading screening, flow and load capacity of the secondary treatment system, altering the effluent flow measurement, and installing a new lift station and conveyance piping to pump flow from Phase III of the development to the existing Outlaw Pass lift station. This funding request also adds improvements to the Outlaw lift station so that it can accommodate increased pumping capacity from the new Phase III lift station.

The estimated total project amount is \$ 9,576,000, and the amount requested is \$ 2,075,000. Other funding for the project includes a \$337,500 state ARPA grant and a \$7,163,500 Clean Water SRF Loan.

Staff recommended awarding a \$2,075,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Powder House Pass CID pledged a special assessment for repayment of the loan. Current rates are \$68.50 for 7,000 gallons usage.

Since the security pledge is a special assessment, all platted lots will pay towards the special assessment. Powder House Pass CID has 386 platted lots. Staff analysis indicates an annual assessment amount of \$128,075, which equates to a \$27.65 assessment per platted lot per month or \$331.80 per platted lot per year.

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

Staff recommended the following special loan condition: The borrower must provide documentation annually to the Conservancy District regarding the amount being levied for the State Revolving Fund loan prior to filing with the Lawrence County Auditor.

Mike Stahl thanked the board for consideration of funding.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2024-125** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,075,000 at 3.75 percent interest for 30 years to **Powder House Pass Community Improvement District** for a water resource recovery facility expansion and lift station 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 the special condition that the borrower must provide documentation annually to the Conservancy District regarding the amount being levied for the State Revolving Fund loan prior to filing with the Lawrence County Auditor. Motion carried unanimously.

Sioux Falls requested funding for Phase 2B and 2C of the Basin 15 project. Basin 15 is located northwest of the current city limits. This area is near 12th Street (SD Hwy. 42) and Ellis Road. The full Basin 15 project will be constructed in phases and will open over 1,200 acres of land for future development. Phase 1 is underway to install a pipe and infrastructure from the existing collection system to the west two miles. Phases 2A and 2B will connect to the stopping point of Phase 1 and extend infrastructure to the south of 12th Street for roughly a mile. Funding for the Phase 2A portion of the project was awarded in March 2024. The last Phase 2C will consist of an equalization basin, and expanded lift/pump station, and gravity sewer and force main pipe installation.

The estimated total project amount is \$25,103,000, and the amount requested is \$11,000,000. Other funding for the project includes \$14,103,000 from the SD Housing Infrastructure Financing Program.

Staff recommended awarding a \$11,000,000 Clean Water SRF loan at 3.50 percent interest for 20 years.

The city pledged a revenue bond for repayment of the loan. Current rates are \$43.55 per month.

Staff analysis indicates anticipated revenues will provide 113 percent debt coverage.

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

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-126** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$11,000,000 at 3.50 percent interest for 20 years to the **city of Sioux Falls** for the Basin 15 Phase 2B and project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. Motion carried unanimously.

Madison requested funding for reconstruction of Egan Avenue between 2nd Street and 9th Street. The existing sewer main is more than 80 years old and at the end of its service life. The existing manholes are also of outdated quality and there are infiltration concerns. The project will replace the current infrastructure and bring the collection system up to current design standards and service requirements of the city.

The estimated total project amount is \$2,692,547, and the amount requested is \$2,692,547.

Staff recommended awarding a \$2,692,547 Clean Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Current rates are \$49.30 for 5,000 gallons usage.

Staff analysis indicates that a surcharge of \$4.30 is needed for repayment of the loan bringing overall user rates to \$53.60 for 5,000 gallons usage.

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

Motion by Jennings, seconded by Lanning, to adopt **Resolution No. 2024-127** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,692,547 at 3.75 percent interest for 30 years to the **city of Madison** for the Egan Avenue sewer main replacement project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Britton requested funding for a wastewater lift station and sewer improvements project. This project was originally awarded funding in April 2022. The additional funding is due to high bids.

The city was planning on completing three different pieces of their wastewater system, but due to higher costs, the city chose two parts of the project that are essential to the system upgrades – improvements at the main lift station and the sanitary sewer reconstruction project. Costs are still above what was initially requested, even after cutting the scope of the project.

The estimated total project amount is \$2,264,000, and the amount requested is \$733,000. The funding package also includes a \$114,170 local ARPA grant, a \$504,968 state ARPA grant, and a \$911,862 Clean Water SRF loan.

Staff recommended awarding a \$733,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Current rates are \$54.76 for 5,000 gallons usage.

Staff analysis indicates that a surcharge of \$5.55 is needed for repayment of the loan bringing overall rates to \$60.35 for 5,000 gallons usage.

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

Michael Redenbaugh with ISG thanked the board for consideration of funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-128** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$733,000 at 3.75 percent interest for 30 years to the **city of Britton** for Phase II of a wastewater 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 the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Weston Heights Sanitary District requested funding to upgrade its sewer collection system. This will be done in conjunction with the Weston Heights Homeowners Association drinking water project to ensure cost-effectiveness and eliminate the need to reconstruct the road twice.

The project includes the replacement of 1,450 feet of sanitary sewer main with 8-inch PVC, six new manholes, and 550 feet of 4-inch PVC service lines on Rosilee Lane. The project also includes the replacement of sanitary sewer on Krista and Susan Streets. The system is experiencing low slope pipe, pipe sages, rock bulges caused by inadequate pipe bedding, leakage, root intrusion, and cracking in some locations.

The estimated total project amount is \$1,168,372, and the amount requested is \$1,111,000. Other funding for the project includes \$57,372 in local cash.

Staff recommended awarding a \$1,111,000 Clean Water SRF loan at 3.75 percent interest for 30 years.

Weston Heights Sanitary District pledged a revenue bond for repayment of the loan. The district currently has a \$45.00 per month flat rate.

Staff analysis indicates that an annual revenue of \$68,500 is needed for repayment of the loan. This equates to approximately \$30.00 per month per user bringing overall rates to \$75.00 per month.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, and contingent upon the borrower establishing a separate fund to only track sewage and wastewater income and expenses.

Jay Evanson, Weston Heights Sanitary District, thanked the board for consideration of funding.

Motion by Jennings, seconded by Becker, to adopt **Resolution No. 2024-129** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,111,000 at 3.75 percent interest for 30 years to the **Weston Heights Sanitary District** for a sanitary sewer main 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 rates at a level sufficient to provide the required debt coverage, and contingent upon the borrower establishing a separate fund to only track sewage and wastewater income and expenses. Motion carried unanimously.

Ipswich requested funding for a storm sewer system project. This project received funding in June 2022. Additional funding is needed due to high bids.

The funding application is for Phase 2 of a 5-phase project. This phase of the project includes a storm drainage system to the southwest part of town including trunk line storm sewer piping, lateral storm sewer piping, asphalt surfacing and curb and gutter.

The estimated total project amount is \$2,974,582, and the amount requested is \$390,100. Other funding for the project includes a \$1,770,370 state ARPA grant and an \$814,112 Clean Water SRF loan.

Staff recommended awarding a \$390,100 Clean Water SRF loan at 3.75 percent interest for 30 years with principal forgiveness of 25.7 percent not to exceed \$100,000.

The city pledged a project surcharge for repayment of the loan. Current rates are \$55.05 for 5,000 gallons usage.

Staff analysis indicates that a surcharge of \$3.55 is needed for repayment of the loan. In reviewing the city's financial information, it appears a rate increase is necessary to fully fund existing operational costs, with rates of approximately \$69.05. With the \$3.55 surcharge, total rates of \$72.60 are anticipated.

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

Amanda Metzinger, finance officer, thanked the board for consideration of funding.

Motion by Bernhard, seconded by Jennings, to adopt **Resolution No. 2024-130** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$390,100 at 3.75 percent interest for 30 years with 25.7 percent principal forgiveness not to exceed \$100,000 to the **city of Ipswich** for a storm sewer 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 2024 Clean Water State Revolving Fund capitalization grant from EPA. Motion carried unanimously.

SMALL WATER FACILITIES FUNDING APPLICATIONS: Ms. McFarling presented the application and staff recommendation for funding.

Central City requested funding to address drainage issues in the western portion of town. This project includes the placement of a concrete pan across Golden Gate Street on the southwest side of the bridge as well as further study to assess low points and drainage paths to determine the best location for the placement of area inlets to collect stormwater and safely direct it towards Deadwood Creek.

The estimated total project amount is \$182,000, and the amount requested is \$182,000.

Staff recommended awarding a \$182,000 Consolidated Water Facilities Construction Program loan at 3.50 percent interest for 20 years.

Central City pledged system revenues for repayment of the loan. Central City does not currently have any wastewater or storm water rates; however, all residents pay \$24.00 per month as a wastewater fee to the Lead-Deadwood Sanitary District.

Staff analysis indicates that a surcharge of \$19.00 is needed for repayment of the loan bringing rates for users to \$43.00 per month including the wastewater rates to Lead-Deadwood Sanitary District.

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.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-131** approving a South Dakota Consolidated Water Facilities Construction Program revenue obligation loan up to a maximum committed amount of \$182,000 at 3.50 percent interest for 20 years to the **town of Central City** for a storm drainage improvements project, 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. A roll call vote was taken, and the motion carried unanimously.

Ms. McFarling provided a recap of all available funds for future funding rounds.

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

South Eastern Council of Governments (SECOG) requested funding to recapitalize the South Eastern Development Foundation revolving loan fund program. The fund is used to originate loans for eligible purposes, as defined under the DANR Solid Waste Management Program, to for-profit businesses in Clay, Lincoln, McCook, Minnehaha, Turner, and Union counties.

The estimated total project amount is \$625,000, and the amount requested is \$500,000.

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

Sophie Johnson, SECOG, thanked the board for consideration of funding.

Motion by Jennings, seconded by Bernhard, to adopt **Resolution No. 2024-132** approving a South Dakota Solid Waste Management Program grant agreement to **South Eastern Council of Governments** for up to 80.0 percent of eligible costs not to exceed \$500,000 for the Regional Revolving Loan Fund Recapitalization project. Motion carried unanimously.

Southern Missouri Recycling and Waste Management District requested funding plans to purchase a replacement baler to manage solid waste disposal at the landfill.

The estimated total project amount is \$507,271, and the amount requested is \$500,000. Southern Missouri Recycling and Waste Management District will provide \$7,271 in local cash for the project.

Staff recommended awarding a \$400,000 Solid Waste Management Program loan at 3.50 percent interest for 20 years and a Solid Waste Management Program grant at 19.8 percent of approved total project costs not to exceed \$100,000.

Southern Missouri Recycling and Waste Management District pledged solid waste revenue for repayment of the loan.

Staff analysis indicates that district's current system revenue provides 194 percent debt coverage for the recommended loan.

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

Motion by Becker, seconded by Lanning, to adopt **Resolution No. 2024-133** approving a South Dakota Solid Waste Management Program loan agreement up to a maximum committed amount of \$400,000 at 3.50 percent interest for 20 years to the **Southern Missouri Recycling and Waste Management District** to purchase a new baler for the landfill, contingent upon the borrower adopting a bond resolution and the resolution becoming effective, and to adopt **Resolution No. 2024-134** approving a South Dakota Solid Waste Management Program grant agreement to the **Southern Missouri Recycling and Waste Management District** for up to 19.8 percent of eligible costs not to exceed \$100,000 to purchase a new baler for the landfill. Motion carried unanimously.

Mr. Bruels provided a recap of Solid Waste Management Program funds available for future funding rounds.

COLTON REQUEST TO CHANGE SECURITY PLEDGE FOR DRINKING WATER SRF LOAN C462135-05: Casey Kahler reported that on March 28, 2024, the city of Colton was awarded a \$766,000 Drinking Water SRF loan for the 4th Street utilities improvements project using system revenue as the pledged collateral.

On April 19, 2024, DANR received a letter from the city of Colton requesting that the pledged loan collateral be changed to a surcharge.

Staff recommended the board rescind Resolution No. 2024-40, which awarded the original Drinking Water SRF loan with system revenue as the pledged collateral and approve a surcharge as the pledged collateral.

The city of Colton will need to implement a surcharge of \$12.00 per user to meet required debt coverage. Staff analysis indicates that Colton can restructure rates, which will result in new overall rates of \$61.75 per user.

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

Motion by Drewes, seconded by Jennings, to rescind Resolution No. 2024-40 which awarded the which awarded the original Drinking Water SRF loan that pledged system revenue for repayment of the loan, and adopt **Resolution No. 2024-135** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$766,000 at 3.75 percent interest for 30 years to the **city of Colton** for the 4th Street water infrastructure improvements project, and authorizing

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

SIoux RURAL WATER SYSTEM REQUEST TO DECREASE LOAN AMOUNT FOR DRINKING WATER SRF LOAN C462433-04: Casey Kahler reported that on March 28, 2024, Sioux Rural Water System was awarded a \$11,252,165 Drinking Water State Revolving Fund loan with 5.30 percent principal forgiveness not to exceed \$600,000 for the 2025 water system improvements project.

On May 22, 2024, the DANR received a letter from the Sioux Rural Water System stating that they intend to drop the two lowest priority subprojects, which will result in project costs being lower than originally expected. Sioux Rural Water System requested a decrease in the loan amount of \$2,971,165. The decrease will bring the total loan to \$8,281,000. Sioux Rural Water also wishes to retain the \$600,000 of principal forgiveness. The principal forgiveness portion of the project is to assist the Pelican Plaza mobile home system with connection to Sioux Rural Water and will allow those users to join with no additional debt charge.

Staff recommended the board rescind Resolution No. 2024-27 which awarded the original Drinking Water SRF loan and award an \$8,281,000 Drinking Water SRF loan at 3.50 percent interest for 30 years with 7.3 percent as principal forgiveness not to exceed \$600,000.

According to staff analysis Sioux RWS will need to increase rates to \$90.40 per user to meet the 110 percent debt coverage requirement.

Staff recommended the loan being contingent upon the borrower establishing rates at a level sufficient to provide the required debt coverage, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and mortgage, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Sioux Rural Water System and the Conservancy District, and contingent upon receipt of the 2024 Drinking Water State Revolving Fund capitalization grant from EPA.

Motion by Jennings, seconded by Bernhard, to rescind Resolution No. 2024-27, which awarded the original Drinking Water SRF loan, and adopt **Resolution No. 2024-136** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$8,281,000 at 3.50 percent interest for 30 years with up to 7.3 percent principal forgiveness not to exceed \$600,000, to **Sioux Rural Water System, Inc.** 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 establishing rates at a level

sufficient to provide the required debt coverage, contingent upon the borrower adopting a resolution approving the form of the loan agreement, the promissory note, and the pledge of revenues for repayment of the loan, contingent upon the borrower approving a security agreement and a mortgage, contingent upon an Intercreditor Agreement being approved and executed by Rural Utilities Service, Sioux Rural Water System, and the Conservancy District, and contingent upon receipt of the 2024 Drinking Water State Revolving Fund capitalization grant from EPA. Motion carried unanimously.

NORTHDALÉ SANITARY DISTRICT REQUEST TO DEOBLIGATE CONSOLIDATED LOAN 2022L-108: Ms. McFarling reported that on March 25, 2021, the Board of Water and Natural Resources awarded Northdale Sanitary District a \$440,000 Consolidated Water Facilities Construction Program loan for its sanitary sewer line relocation project.

On March 20, 2024, DANR staff received a letter from Northdale Sanitary District requesting to rescind the Consolidated Water Facilities Construction Program loan stating that it will not be moving forward with the project at this time.

Staff recommended rescinding Resolution No. 2021-45, which awarded the Consolidated Water Facilities Construction Program loan 2022L-108.

Motion by Drewes, seconded by Becker, to rescind Resolution No. 2021-45, which awarded Consolidated Water Facilities Construction Program loan 2022L-108. Motion carried unanimously.

PERKINS COUNTY RURAL WATER SYSTEM REQUEST TO DEOBLIGATE DRINKING WATER SRF LOAN C462474-03: Ms. McFarling reported that on April 13, 2022, the board awarded Perkins County Rural Water System a \$4,589,000 Drinking Water SRF loan for a water storage tank and pipeline improvements project.

DANR staff received a letter from Perkins County Rural Water System requesting to rescind the Drinking Water SRF loan stating that it will not be moving forward with the project at this time.

Staff recommended rescinding Resolution No. 2022-169, which awarded Drinking Water SRF Loan C462474-03.

Motion by Bernhard, seconded by Jennings, to rescind Resolution No. 2022-169, which awarded Drinking Water SRF Loan C462474-03. Motion carried unanimously.

RAYMOND REQUEST TO DEOBLIGATE CONSOLIDATED LOAN 2019L-300: Ms. McFarling reported that on September 27, 2018, the board awarded Raymond a \$60,000 Consolidated Water Facilities Construction Program loan for a lift station and lagoon improvements project.

On March 8, 2024, DANR staff received a letter from Raymond requesting to rescind the Consolidated Water Facilities Construction Program loan stating that they had used funds from different loan they received to complete this project.

Staff recommended rescinding Resolution No. 2018-60, which awarded Consolidated Water Facilities Construction Program loan 2019L-300.

Motion by Jennings, seconded by Bernhard, to rescind Resolution No. 2018-60, which awarded Consolidated Water Facilities Construction Program loan 2019L-300. Motion carried unanimously.

GEDDES REQUEST TO DEOBLIGATE CLEAN WATER SRF LOAN C461274-01: Ms. McFarling reported that on January 4, 2024, the board awarded Geddes a \$1,186,000 Clean Water State Revolving Fund loan for its Storm Sewer Replacement project.

On June 7, 2024, DANR staff received a letter from Planning and Development District III stating that Geddes requested to rescind the Clean Water State Revolving Fund loan stating that the city has discussed other alternatives to the project and plans to borrow from a local bank for short-term funding.

Staff recommended rescinding Resolution No. 2024-13, which awarded Clean Water State Revolving Fund loan C461274-01.

Motion by Bernhard, seconded by Lanning, to rescind Resolution No. 2024-13, which awarded Clean Water State Revolving Fund loan C461274-01. Motion carried unanimously.

WAUBAY REQUEST TO DEOBLIGATE CLEAN WATER SRF LOAN C461025-04: Ms. McFarling reported that on March 25, 2021, the board awarded the city of Waubay a \$1,365,000 Clean Water SRF loan for a lagoon restoration project.

On June 6, 2024, DANR staff received a letter from Waubay requesting to rescind the Clean Water SRF loan because the city is unable to move forward with the project at this time.

Staff recommended rescinding Resolution No. 2021-41, which awarded Clean Water SRF Loan C461025-04.

Motion by Jennings, seconded by Becker, to rescind Resolution No. 2021-41, which awarded Clean Water SRF Loan C461025-04. Motion carried unanimously.

LEAD DEADWOOD SANITARY DISTRICT REQUEST TO DEOBLIGATE CLEAN WATER SRF LOAN C461002-02 AND DRINKING WATER SRF LOAN C462002-02: Ms. McFarling reported that on June 23, 2022, the board awarded the Lead-Deadwood Sanitary District a \$634,900 Clean Water SRF loan for a wastewater treatment facility improvements project and a \$2,604,000 Drinking Water SRF loan for drinking water system improvements.

On June 12, 2024, DANR staff received a letter from the Lead-Deadwood Sanitary District requesting to rescind the Clean Water SRF loan and the Drinking Water SRF loan because the sanitary district can accomplish the improvements with the ARPA funding that was approved.

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Staff recommended rescinding Resolution No. 2022-365, which awarded the Clean Water SRF Loan C461002-02 and Resolution No. 2022-363, which awarded the Drinking Water SRF Loan C462002-02.

Ms. McFarling requested the board make one motion to address deobligation of the Clean Water SRF loan and one motion to address the deobligation of the Drinking Water SRF loan.

Motion by Drewes, seconded by Lanning, to rescind Resolution No. 2022-365, which awarded Clean Water SRF Loan C461002-02. Motion carried unanimously.

Motion by Jennings, seconded by Bernhard, to rescind Resolution No. 2022-363, which awarded Drinking Water SRF Loan C462002-02. Motion carried unanimously.

UPCOMING MEETINGS: The board will hold a special meeting on July 30, 2024, regarding the State Revolving Fund Program Bonds, Series 2024A.

The next regularly scheduled meeting is September 26, 2024. Ms. McFarling discussed possible agenda items.

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

Chairman Soholt declared the meeting adjourned.

Approved September 26, 2024.



Chairman, Board of Water and Natural Resources

Secretary, Board of Water and Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE June 27, 2024

LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)	Address	Representing
Megan Briggs	Pierre	DANR
Shaughn Kitzman	Pierre	DANR
Cheryl Chapman	Rapid City	WDRWS
Nathan Dauner	Bismarck	Bartlett & West
Travis Steffensen	Watertown	Sioux Rural Water
Scott Pick	Lake Andes	R.C.W.D
Scott Gross	M.d-Dakota RW	M.d Dakota
Greg Powell	Chamberlain	Brosz Eng
Cassy Kahler	Pierre	DANR
Jerry Scholt	Sioux Falls	DANR
TODD BERNHARD	FOOT PIERRE	BUNR
Andy Bruehl	DANR Pierre	DANR DANR
Tina McFarling	Pierre	DANR
Gary Drewes	Rapid City	BUNR
Jan Lisa Stiehl	Winniek	TCWUD
Roger Kingsbury	Wood	TCWUD
Mike Perkovich	Pierre	Brosz Engineering
Bill Smith	Pierre	DANR
Heath Thompson	Arlington SD	KBRW
Bruce Jennings	Belle Fourche SD	Board
Karen Zhao	DANR Pierre	DANR