

The audio recording for this meeting is available on the South Dakota Boards and Commissions Portal at <http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

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

September 30, 2021  
1:00 p.m. Central Time

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

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

BOARD MEMBERS PARTICIPATING: Jerry Soholt, Dr. Paul Gnirk, and Todd Bernhard participated in person. Gene Jones, Jr., Jackie Lanning, and Vance Newman participated remotely.

BOARD MEMBERS ABSENT: Karl Adam.

LEGISLATIVE OVERSIGHT COMMITTEE: Representative Mike Weisgram.

OTHERS: See attached attendance sheet.

Mike Perkovich, DANR, introduced new board member Vance Newman from Rapid City, and new staff engineers Abbey Larson and Oliver Izana.

APPROVE AGENDA: Motion by Gnirk, seconded by Bernhard, to approve the agenda. A roll call vote was taken, and the motion carried unanimously.

APPROVE MINUTES OF JUNE 24, 2021, AND AUGUST 3, 2021, MEETINGS: Motion by Gnirk, seconded by Bernhard, to approve the minutes of the June 24, 2021, and August 3, 2021, Board of Water and Natural Resources meetings. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

PUBLIC HEARING TO ADOPT BROWNFIELDS REVITALIZATION AND ECONOMIC DEVELOPMENT PROGRAM WORK PLAN: Chairman Soholt opened the hearing at 1:05 p.m. Central Time.

The purpose of the hearing was to receive public input and adopt the FFY 2022 Brownfields Revitalization and Economic Development Program Work Plan. The primary purpose of the work plan is to identify Brownfields projects to be funded through the Brownfields Assessment and Cleanup Subfund and amounts available to fund such projects.

The effect of adoption of the FFY 2022 work plan for the Brownfields Revitalization and Economic Development Program will be to identify projects and procedures for administration of the State's Brownfields funds as provided by the U.S. Environmental Protection Agency. The FFY 2022 work plan outlines information on the Assessment and Cleanup Subfund and a list of projects being assessed or cleaned up using the State Brownfields Assessment and Cleanup Subfund.

Nayyer Syed, DANR Division of Agriculture and Environmental Services, Inspection, Compliance and Remediation Program, presented and discussed the proposed FFY 2022 Brownfields Revitalization and Economic Development Work Plan.

Each year the department receives funds from EPA for the development and enhancement of the state Brownfields Program. There are currently no funds available to capitalize the revolving loan fund. Limited funding is available for the Assessment and Cleanup Subfund. The funds will be used by the department to hire contractors to perform assessment and cleanup work on eligible Brownfields sites. The work plan includes a list of Brownfields assessment and cleanup projects to be funded.

Notice of the public hearing was published in the Aberdeen American News, Rapid City Journal, and Pierre Capital Journal on August 26, 2021. The notice is also available on the Department of Agriculture and Natural Resources' website. Copies of the work plan were provided to those parties requesting a copy.

Chairman Soholt requested public testimony regarding the proposed work plan. There was no public testimony.

Mr. Syed noted that no public comments were received after publication of the notice. He requested approval of the work plan.

Mr. Syed answered questions from Dr. Gnirk regarding funding for assessment and cleanup projects. After the meeting he will email the board members with the web link to the reports for these projects.

Motion by Gnirk, seconded by Bernhard, to adopt the FFY 2022 Brownfields Revitalization and Economic Development Program Work Plan. A roll call vote was taken, and the motion carried unanimously.

GAME, FISH AND PARKS UPDATE ON AQUATIC INVASIVE SPECIES: John Lott, Game, Fish and Parks, provided a slide presentation discussing Aquatic Invasive Species (AIS) in South Dakota.

The slide presentation is available on the Boards and Commissions Portal at <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

AMENDMENTS TO STATE WATER PLAN, 2021 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN, AND 2021 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN

**Amendments to State Water Plan**

Tyler Zettl reported that 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 the State Water Facilities Plan and provides for amendments of projects onto the plan on a quarterly basis. Placement of a project on the State Water Plan by the board provides no guarantee of funding. The projects placed on the plan at this meeting will remain on the facilities plan through December 2022.

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 (IUP). The State Water Plan applications are used to determine which projects should be amended onto the State Revolving Fund Project Priority Lists.

Eight State Water Plan applications were received by the August 1, 2021 deadline. Included in the board packet was a map showing the location of those projects. While presenting the State Water Plan applications, Mr. Zettl also identified the projects to be placed on the Clean Water SRF and Drinking Water SRF project priority lists.

**Apple Springs Sanitary District** requested placement on the facilities plan to purchase and assume operation of the existing water supply and distribution system that serves the Apple Springs subdivision. The estimated total project cost is \$643,000. This project is not eligible to be placed on the Drinking Water SRF intended use plan.

**Apple Springs Sanitary District** also requested placement on the facilities plan to purchase and assume operation of the existing wastewater collection and treatment system that serves the Apple Springs subdivision. The estimated total project cost is \$1,319,000. This project is not eligible to be placed on the Clean Water SRF intended use plan.

**Aurora-Brule Rural Water System** requested placement on the facilities plan to install 10 miles of new parallel water main, construct a new storage reservoir, loop multiple portions of the system, construct a booster station and demolish a water tower and booster station that are beyond their useful life. The estimated total project cost is \$4,170,000. The project will be

placed on the Drinking Water IUP with 46 priority points and an estimated loan amount of \$4,170,000 at 1.625 percent interest for 30 years.

**Box Elder** requested placement on the facilities plan to replace its water tower with a new 1,500,000-gallon water tower. The estimated total project cost is \$1,700,000. The project will be placed on the Drinking Water IUP with 22 priority points and an estimated loan amount of \$1,700,000 at 1.625 percent interest for 30 years.

**Box Elder** requested placement onto the facilities plan to construct a new supply well, storage reservoir, and associated piping to provide adequate supply. The estimated total project cost is \$4,129,600. The project will be placed on the Drinking Water IUP with 22 priority points and an estimated loan amount of \$4,129,600 at 1.625 percent interest for 30 years.

**Box Elder** requested placement on the facilities plan to install approximately 3,200 feet of water main to equalize pressures and provide looping. The estimated total project cost is \$670,400. The project will be placed on the Drinking Water IUP with 17 priority points and an estimated loan amount of \$670,400 at 1.625 percent interest for 30 years.

**Box Elder** requested placement on the facilities plan to install approximately 16,500 feet of sewer trunk main to provide service to 870 acres of new development. This project is in preparation of the Ellsworth Air Force Base expansion, which will bring an estimated 3,100 people to the area. The estimated total project cost is \$1,800,000. The project will be placed on the Clean Water IUP with nine priority points and an estimated loan amount of \$1,800,000 at 2.125 percent interest for 30 years.

**Timber Lake** requested placement on the facilities plan to clean and televise the entire collection system and replace or reline of approximately 16,400 feet of sewer lines, manholes, and related appurtenances throughout the city. The estimated total project cost is \$3,513,400. The project will be placed on the Clean Water IUP with seven priority points and an estimated loan amount of \$3,513,400 at 2.125 percent interest for 30 years.

Staff recommends amending all eight of the projects onto the facilities plan.

Motion by Gnirk, seconded by Lanning, to amend the eight projects onto the State Water Facilities Plan. A roll call vote was taken, and the motion carried unanimously.

#### **Amendments to the 2021 Clean Water SRF IUP**

Staff recommended that the board approve the addition of the Box Elder wastewater project and the Timber Lake project to the Project Priority List of the Clean Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

Motion by Bernhard, seconded by Jones, to add the two projects to the 2021 Clean Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

### **Amendments to the 2021 Drinking Water SRF IUP**

Staff recommended that the board approve the addition of the Aurora-Brule Rural Water System project, the Box Elder reservoir replacement project, the Box Elder well project, and the Box Elder main extension project to the Project Priority list of the Drinking Water SRF IUP.

Motion by Gnirk, seconded by Lanning, to add the four projects to the 2021 Drinking Water SRF IUP. A roll call vote was taken, and the motion carried unanimously.

SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION: Mr. Perkovich presented the sanitary/storm sewer facilities application and staff recommendation for funding.

**Sioux Falls** requested funding for water reclamation facility expansion – Phase III.

The estimated total project amount is \$87,500,000 and the amount requested is \$87,500,000.

Mr. Perkovich stated that the water reclamation upgrade project is experiencing substantial cost increases related to construction and material pricing. The cost of the project has increased from \$159,000,000 to \$194,500,000.

The city of Sioux Falls has requested that the application be deferred until the November 4, 2021, board meeting.

Staff recommended the board defer action on the application until the November 4, 2021, board meeting.

Motion by Bernhard, seconded by Gnirk, to defer action on the Sioux Falls funding application until November 4, 2021. A roll call vote was taken, and the motion carried unanimously.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: Tyler Zettl provided an overview of available funds.

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

Two applications for Solid Waste Management Program Funding were received by the July 1, 2021. The board packet contained a map showing the location of the two applications.

**Brookings** requested funding to develop a solid waste master plan. The master plan will be used as a road map for successful long-term solid waste and recycling management.

Brookings anticipates beginning development of the master plan in the fall of 2021 with project completion in December 2022.

The estimated total project amount is \$248,000, and the amount requested is \$198,400.

Staff recommended awarding a Solid Waste Management Program grant up to 25 percent of the total project costs not to exceed \$62,000.

Mr. Zetl noted that for non-recycling related projects, grant awards have historically been between 15 and 25 percent of total project costs. Brookings has indicated that the city is not interested in a Solid Waste Management Program loan to fund the remainder of the project costs.

Motion by Jones, seconded by Newman, to approve **Resolution No. 2021-86** approving a South Dakota Solid Waste Management Program grant agreement for the **city of Brookings** for up to 25.0 percent of eligible costs not to exceed \$62,000 for the Brookings solid waste master plan project. A roll call vote was taken, and the motion carried unanimously.

**Roberts County** requested funding for a proposed landfill expansion project. The project will entail construction of a new landfill Cell 3 and add additional disposal space to landfill Cell 1.

Construction began in July of 2021 and the project is anticipated to be complete in October 2021.

The estimated total project amount is \$457,000, and the amount requested is \$228,500.

Staff recommended awarding a Solid Waste Management Program grant up to 25 percent of total project costs not to exceed \$114,250.

Mr. Zetl noted that for landfill projects and equipment purchases, grant awards have historically been between 15 and 25 percent of the total project costs. Roberts County indicated the county is not interested in a Solid Waste Management Program loan to fund the remainder of the project costs.

Dr. Gnirk asked what the projected lifetime of the additional space in the new waste cell is.

Mr. Bruels answered that typically most landfills are constructed for a five to ten-year life expectancy to become full before the next waste cell needs to be constructed.

Dr. Gnirk asked if Roberts County was aware that this project was being presented to the board at this meeting.

Mr. Zetl answered that Roberts County was aware that the application would be presented to the board at this meeting.

Dr. Gnirk asked Mr. Perkovich if Roberts County was contacted regarding this meeting.

Mr. Perkovich stated that staff usually sends letters to the applicants notifying them that the project will be considered by the board, but he was away from the office for several days before the board meeting, and he does not believe the letters were sent for this meeting.

Dr. Gnirk said he has a hard time approving funding for projects when he cannot talk to the applicant.

Mr. Perkovich stated that, although it is not his preference, the board has the option to defer the application.

Mr. Bruels stated that construction of the waste cell is underway at this time because the landfill is running out of space to place the waste.

Ms. Lanning asked if Roberts County is aware that staff recommended funding for 25 percent of the project costs rather than the full amount requested.

Mr. Zetzl stated that staff does not release the recommendations for funding until the board meeting.

Mr. Bruels stated that when applications come with a higher grant amount being requested and no loan funds requested, staff typically reaches out to the applicant and confirm that they have no interest in a loan and that they have the local cash to support the project if the full grant amount requested was not received. In addition, the financial information submitted by Roberts County shows that the county has the ability to fund the remainder of the project.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2021-87** approving a South Dakota Solid Waste Management Program grant agreement for **Roberts County** for up to 25.0 percent of eligible costs not to exceed \$114,250 for the landfill waste cell improvements project. A roll call vote was taken, and the motion carried unanimously.

Mr. Zetzl provided a recap of available funds.

DRINKING WATER STATE REVOLVING FUND PROGRAM SMALL SYSTEM TECHNICAL ASSISTANCE REQUEST FOR PROPOSALS: Mr. Perkovich reported that the board currently has a contract with the South Dakota Association of Rural Water Systems to provide technical assistance to small systems.

Under the contract, the South Dakota Association of Rural Water Systems does leak detections for the small systems, helps the small systems with vulnerability assessment plans, helps perform general maintenance on the water systems.

The contract expires at the end of 2021. Because the services exceed \$50,000, the board is required to go through the RFP process.

Mr. Perkovich reported that a draft Request for Proposals to Provide Small System Technical Assistance for the Drinking Water State Revolving Fund Program was included in the packet the board received prior to the meeting. The following is a list of activities and estimated timelines relevant to the RFP process:

Board of Water and Natural Resources  
September 30, 2021, Board Meeting Minutes

- RFP advertisement – Possibly October 1, 2021
- Proposals due – October 22, 2021
- Technical Assistance provider selection – November 4, 2021
- Contract execution – January 1, 2022

Mr. Perkovich stated that the staff will review the proposals that are submitted and be prepared to make a consultant selection recommendation to the board at its meeting on November 4, 2021.

Staff recommended that the board authorize distribution of the Request for Proposal to Provide Small System Technical Assistance for the Drinking Water State Revolving Fund Program.

Motion by Lanning, seconded by Jones, to authorize distribution of the Request for Proposal to Provide Small System Technical Assistance for the Drinking Water State Revolving Fund Program. A roll call vote was taken, and the motion carried unanimously.

STATE FISCAL YEAR 2021 STATE REVOLVING FUNDS REPORT TO THE INTERIM BONDING REVIEW COMMITTEE: The South Dakota Conservancy District is required to present an annual report to the Legislature's Interim Bonding Review committee at its meeting in November 2021.

A combined report for both SRF programs for the legislative committee's review was developed for this purpose. Information in this report presents program activity and financial statements on a state fiscal year basis and contains additional information on the Conservancy District's bond issues.

Mr. Perkovich presented the report and answered questions from the board.

Staff recommended that the board approve the SFY 2021 State Revolving Funds report to the Interim Bonding Review Committee and authorize distribution of the report.

Motion by Bernhard, seconded by Gnirk, to approve the SFY 2021 State Revolving Funds report to the Interim Bonding Review Committee and authorize distribution of the report. A roll call vote was taken, and the motion carried unanimously.

ELECTION OF OFFICERS: Dr. Gnirk nominated Jerry Soholt as Chair, Gene Jones, Jr. as Vice Chair, and Todd Bernhard as Secretary. There were no further nominations.

Motion by Lanning, seconded by Gnirk, to elect Jerry Soholt as Chair, Gene Jones, Jr. as Vice Chair, and Todd Bernhard as Secretary. A roll call vote was taken, and the motion carried unanimously.

AMERICAN RESCUE PLAN ACT DISCUSSION: Andy Bruels and Mike Perkovich provided a slide presentation discussing the American Rescue Plan Act funding.



A copy of the presentation is available on the Boards and Commissions Portal at <https://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>.

NOVEMBER BOARD MEETING: The next meeting is scheduled for November 4, 2021. Mr. Perkovich discussed possible agenda items for that meeting.

ADJOURN: Motion by Bernhard, seconded by Gnirk, to adjourn. Chairman Soholt declared the meeting adjourned.

Approved this 4<sup>th</sup> day of November 2021.

(SEAL)

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Chairman, Board of Water and  
Natural Resources

ATTEST:

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Secretary, Board of Water and  
Natural Resources

BOARD OF WATER AND NATURAL RESOURCES  
ATTENDANCE SHEET

DATE 9-30-21

LOCATION Matthew Training Center, Pierre

Name (PLEASE PRINT)

Address

Representing

Name (PLEASE PRINT)	Address	Representing
Andy Bruels	Pierre	DANR
POD BERNHARD	FORT PIERRE	BWNR
David Ruhnke	Pierre	DANR
John Lott	Pierre	GFP
Mike Weisgram	Fort Pierre	state rep.
Mike Parkovich	Pierre	DANR
Oliver Izam	Pierre	DANR
Naylyr Zettl	Pierre	DANR
Tyler Zettl	Pierre	DANR
Drew Huisken	"	"
PAUL GNIRK	New Underwood	BWNR