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

September 26, 2024
1:00 p.m. Central Time

CALL MEETING TO ORDER: Vice Chairman Gene Jones, Jr. 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: Todd Bernhard, Gary Drewes, and Bruce Jennings participated in person. Gene Jones, Jr., Jackie Lanning, and Cameron Becker participated remotely.

BOARD MEMBERS ABSENT: Jerry Soholt.

LEGISLATIVE OVERSIGHT COMMITTEE MEMBERS: Representative Mike Weisgram.

OTHERS: See attached attendance sheet.

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

APPROVE MINUTES OF JUNE 27 AND JULY 30, 2024, MEETINGS: Motion by Bernhard, seconded by Lanning, to approve the minutes of the June 27 and July 30, 2024, Board of Water and Natural Resources meetings. Motion carried unanimously.

PUBLIC COMMENT PERIOD: None.

PUBLIC HEARING TO ADOPT THE FFY 2025 BROWNFIELDS REVITALIZATION AND ECONOMIC DEVELOPMENT PROGRAM WORK PLAN: Vice Chairman Jones opened the hearing at 1:05 p.m. Central Time.

The purpose of the hearing was to receive public input and adopt the FFY 2025 Brownfields Revitalization and Economic Development Program Work Plan. The purpose of the work plan is to identify Brownfields projects and their allocated funding.

Macy Jo Peterson, DANR Inspection, Compliance and Remediation Program, presented and discussed the proposed FFY 2025 Brownfields Revitalization and Economic Development Work Plan.

The Brownfields Program receives annual funding from the EPA to help communities across South Dakota with assessment and cleanup of properties. These properties may desire expansion or redevelopment but are bound by the presence or potential presence of a hazardous substance, pollutant, or contaminant.

This year, in addition to the regular money in the amount of \$506,800, the department received grants of \$818,834 and an additional \$2,000,000 in Bipartisan Infrastructure Law (BIL) funds. DANR will utilize these funds to assess and clean up the Brownfields sites into properties that will provide increased tax resources, an economic boost and/or affordable housing to communities. This is one hundred percent federal money and does not require match either from the State or local communities.

By law, DANR is required to include the public notice in three newspapers 30 days prior to this board hearing. Notice of the public hearing was published in the Rapid City Journal, Pierre Capital Journal and Aberdeen American News. Affidavits of Publication were received for these public notices. The notice was also available on the Department of Agriculture and Natural Resources' website. No comments or concerns were received after publication of the notice.

The board members received a copy of the 2025 Brownfields work plan in the board packet. Ms. Peterson noted that Table 1 on page 4 of the workplan contains a list of the projects and the amounts allocated or spent on those projects.

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

There were no questions from the board regarding the work plan.

Ms. Peterson requested approval of the work plan.

Motion by Drewes, seconded by Jennings, to adopt the FFY 2025 Brownfields Revitalization and Economic Development Program Work Plan. A roll call vote was taken, and the motion carried unanimously.

Vice Chairman Jones closed the hearing at 1:10 p.m.

PUBLIC HEARING TO CONSIDER AMENDMENTS TO ARSD 74:05:05:20 AND 74:05:05:21.01, WATER DEVELOPMENT DIRECTOR AREAS: The Board of Water and Natural Resources convened at 1:15 p.m. on September 26, 2024, in the Matthew Training Center, 523 East Capitol Avenue, Pierre, SD 57501.

The purpose of the hearing was to consider amendments to ARSD 74:05:05:20 and 74:05:05:21.01, Water Development Director Areas.

The hearing officer was Board of Water and Natural Resources vice chairman Gene Jones, Jr. Other board members participating included Cameron Becker, Todd Bernhard, Gary Drewes, Bruce Jennings, and Jackie Lanning. Board chairman Jerry Sohlt was absent.

The attached attendance sheet includes others who attended the hearing in-person.

Andy Bruels, Director, DANR Division of Financial and Technical Assistance, presented the proposed rule amendments. The rules are being amended to update director areas for the East Dakota and Vermillion Basin Water Development Districts.

The reason for adopting the proposed rules is the addition of McCook County into the Vermillion Basin Water Development District (WDD) from a public vote in November 2022 and codified during the 2023 legislative session with amendments to SDCL Chapter 46A-3A-7.1, and by further adjustments to the both district's boundaries during the 2024 legislative session to SDCL Chapters 46A-3A-3 and 46A-3A-7.1.

SDCL 46A-3B-3 requires the board to review the district populations, determine if adjustment to the number of directors in each district is necessary, and redistrict the director areas to maintain equitable representation based on the above changes.

The WDD area boundaries were updated in GIS layers. This allowed DANR to overlay them with 2020 Census Bureau information. Population information could be broken down into county, township, voting district, census tracts, and even census block level information, which give detailed population numbers for small areas, when needed. Total WDD populations could be determined from this information. These totals are necessary to determine the number of directors for each district.

SDCL 46A-3B-2 states that for districts with a population up to 25,000 there are five directors, for populations up to 75,000 there are seven directors, and for districts over 75,000 there are nine directors. The total population for the district then allows the number of directors and the average population for each director to represent to be determined.

With the area added to Vermillion Basin WDD it was determined the district now has over 25,000 in population, so that district will have seven director areas. With this information staff was able to look at the existing director areas and attempt to keep new director areas similar, where possible, and make adjustments to have the populations represented by each director be close to the average.

The accepted deviation goal for each director area is plus or minus five percent from the average. With each WDD having a different population the average representation of directors from district to district varies, but within each district itself the director area representation is equitable.

Along with the population goals and existing areas another factor was to keep the director areas contiguous. This can be clearly seen on the maps provided.

Much of this initial GIS-related work was completed by David Hertle, one of DANR's GIS experts, and without his help this would have been a very difficult effort. Once Mr. Hertle had the maps, population information and legal areas listed, staff began the actual rule amendment language showing the changes with existing information where needed being overstruck and new information as underscored. Staff tried to use the largest areas possible to describe each director area throughout the districts. When necessary, staff would go to more detail with townships, and voting districts. The attempt was to always describe the areas in the least complex way possible.

Prior to the official public notice, the draft rule amendments and revised maps were sent to the water development districts, all affected county auditors, and the Secretary of State's office for review. This was done at a few different stages in the process to allow the stakeholders time to review and comment. Some adjustments were made after those initial outreaches and have been incorporated into the published draft rules.

The Legislative Research Council (LRC) reviewed the draft rules for form, style, and legality. The changes made by LRC were incorporated into the final rules.

The amended rules were published as required by law. Official comments after public noticing to date were received only from LRC. No other written comments were received.

A copy of the LRC comments, proposed amendments to the rules, and maps were included in the board packet and available online.

Vice Chairman Jones requested public comments on the proposed rule amendments.

Jay Gilbertson, East Dakota WDD, and Robin Dykstra, Vermillion Basin WDD, commented in favor of the proposed amendments.

There were no further public comments.

Mr. Bruels requested that the board approve the amendments to ARSD chapters 74:05:05:20 and 74:05:05:21.01.

Motion by Bernhard, seconded by Becker, to adopt amendments to ARSD 74:05:05:20 and 74:05:05:21.01, Water Development District Director Areas. Motion carried unanimously, as presented.

Vice Chairman Jones closed the hearing at 1:35 p.m. Central Time.

AMENDMENTS TO THE STATE WATER PLAN, 2024 CLEAN WATER STATE REVOLVING FUND AND 2024 DRINKING WATER STATE REVOLVING FUND 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 on 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.

Mr. Bruels presented the two State Water Plan applications that were received by the August 1, 2024, deadline. A 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.

Project Sponsor	Description	Projected State Funding (\$)	Recommendation
Sioux Falls	Water Reclamation Facility Expansion	\$31,926,000	Place on Facilities Plan
Sioux Falls	Southeast Sanitary Sewer Expansion	\$15,535,000	Place on Facilities Plan

Staff recommended amending both Sioux Falls projects on to the State Water Facilities Plan.

Motion by Jennings, seconded by Lanning, to place the two Sioux Falls projects on the State Water Facilities Plan. Motion carried unanimously.

Clean Water Intended Use Plan

Staff recommended the following projects be added to the Project Priority list of the 2023 Clean Water SRF Intended Use Plan:

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
20	Sioux Falls	\$31,926,000	3.50%, 20 years
12	Sioux Falls	\$15,535,000	3.25%, 20 years

Motion by Bernhard, seconded by Drewes, to approve the addition of both projects to the Project Priority List of the 2024 Clean Water SRF Intended Use Plan. Motion carried unanimously.

Drinking Water Intended Use Plan

Mr. Bruels stated that Fort Pierre previously received a Drinking Water SRF loan and an ARPA grant to construct a water storage tank, booster station, removal of an existing tank and installation of watermain to connect the new tank to the distribution system and loop the system. Due to

increased project costs, Fort Pierre has submitted a new funding application to fully fund the estimated costs. The new funding application was presented later in the board meeting.

Staff recommended that the Fort Pierre project be added to the Project Priority List of the 2024 Drinking Water SRF Intended Use Plan.

Priority Points	Loan Recipient	Estimated Loan Amount	Expected Loan Rate & Term
20	Fort Pierre	\$2,470,434	3.75%, 30 years

Motion by Becker, seconded by Drewes, to approve the addition of Fort Pierre to the Project Priority List of the 2024 Drinking Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried with Becker, Drewes, Jennings, and Lanning voting aye. Bernhard and Jones abstained.

AVAILABLE FUNDS: Andy Bruels provided an overview of available funds.

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

Fort Pierre is currently constructing a drinking water storage improvements project. Improvements include a new 1,000,000-gallon water storage tank, a booster station, removal of an existing tank, water mains to connect the new construction to the city water infrastructure, and all necessary appurtenances to complete the project. Fort Pierre was awarded a funding package in September 2022, totaling \$4,629,381. The city is applying for additional funding for this project.

The estimated total project amount is \$7,500,750, and the amount requested is \$2,470,434. The funding package also included \$400,935 in local ARPA grant funds, a \$4,230,684 Drinking Water SRF loan, and \$398,697 in state ARPA grant funds.

Staff recommended awarding a \$2,470,434 Drinking Water SRF loan at 3.75 percent interest for 30 years.

Fort Pierre pledged a project surcharge for repayment of the loan. Rates are currently \$48.50 for 5,000 gallons. Staff analysis indicates a surcharge of \$9.45 is needed for repayment of the loan, which will bring overall rates to \$57.95.

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.

Mr. Bernhard stated that at this time the city is in dire need of a larger drinking water storage tank.

Motion by Drewes, seconded by Lanning, to adopt **Resolution No. 2024-139** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,470,434 at 3.75

percent interest for 30 years to the **city of Fort Pierre** for a drinking water storage project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried with Becker, Drewes, Jennings, and Lanning voting aye. Bernhard and Jones abstained.

The **city of Pierre** requested funding to replace outdated and inadequate water infrastructure along Euclid Avenue. New, larger PVC watermain will be installed. This project is being completed as part of a larger DOT road reconstruction project.

The estimated total project amount is \$5,075,823, and the amount requested is \$5,075,823.

Staff recommended awarding a \$5,075,823 Drinking Water SRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Pierre are \$42.49 for 5,000 gallons. Staff analysis indicates a surcharge of \$4.50 is needed for repayment of the loan, which will bring overall rates to \$47.00.

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

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

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-140** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,075,823 at 3.75 percent interest for 30 years to the **city of Pierre** for the Euclid Avenue drinking water improvements project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Motion carried unanimously.

Lincoln County Rural Water System is proposing to relocate an existing watermain to avoid construction conflicts with the Veterans Parkway construction near Sioux Falls. This will also allow them to upsize the existing watermain to meet the water needs and demands of the communities.

The estimated total project amount is \$1,740,000, and the amount requested is \$1,740,000.

Staff recommended awarding a \$1,740,000 Drinking Water SRF loan at 4.75 percent interest for 30 years.

Lincoln County RWS pledged system revenue for repayment of the loan. Rates are \$81.50 for 7,000 gallons. Staff analysis indicates that revenues at current rates will provide 150 percent debt coverage.

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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, Lincoln County Rural Water System, and the Conservancy District.

Robin Dykstra, Lincoln County Rural Water System, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Drewes, to adopt **Resolution No. 2024-141** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,740,000 at 4.75 percent interest for 30 years to the **Lincoln County Rural Water System** to relocate a watermain to avoid construction conflicts with the Veterans Parkway construction near Sioux Falls, 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 an Intercreditor Agreement being approved and executed by Rural Utilities Service, Lincoln County Rural Water System and the Conservancy District. Motion carried unanimously.

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

The **city of Mitchell** is requesting additional funding for improvements needed at the city's wastewater treatment facility. This project was originally awarded funding in April 2022. The additional funds requested are due to higher construction costs and the addition of work elements.

The city proposes major upgrades at the wastewater treatment facility including headworks process improvements, refurbishing of the electrical building, equalization at the South Plant, new activated sludge blower building, new clarifier and aerobic sludge digestion and dewatering. The additional work elements proposed with the additional funding is for equalization at the North plant, a 600-kW

generator, and extension of approximately two miles of sewer force main from a soybean processing plant.

The estimated total project amount is \$42,998,822, and the amount requested is \$13,000,000. Other funding for this project includes \$2,803,822 in local cash, a \$12,899,436 Clean Water SRF loan, a \$1,519,868 Consolidated grant, and a \$12,775,696 ARPA grant.

Staff recommended awarding a \$13,000,000 CWSRF loan at 3.75 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. Rates in Mitchell are \$57.98 for 5,000 gallons. Staff analysis indicates a surcharge of \$10.75 is needed for repayment of the recommended loan. However, staff believes that rates could be restructured, with rates at approximately \$67.40 for 5,000 gallons usage, and still provide the necessary debt coverage.

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.

Joe Schroeder, Mitchell Public Works Director, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2024-142** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$13,000,000 at 3.75 percent interest for 30 years to the **city of Mitchell** for wastewater treatment facility upgrades, 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.

The **city of Box Elder** is requesting additional funding for improvements to the collection system. This project was originally awarded funding in May 2022. The additional funds are being requested due to bids coming in over budget.

The city has identified deficiencies in the wastewater collection system and is proposing to replace sewer mains on Highway 14/16 and add lines to accommodate recent growth. The project will replace approximately 13,000 feet of existing undersized mains on Box Elder Road and another 13,500 feet of sewer main located in the Hwy 14/16 median. Upsizing these lines will also address needs on the west side of town for areas of new development.

The estimated total project amount is \$7,800,000, and the amount requested is \$2,000,000. Other funding for this project includes a \$1,800,000 local ARPA grant, a \$2,460,000 state ARPA grant, and a \$1,540,000 Clean Water SRF loan.

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

Box Elder pledged a project surcharge for repayment of the loan. Rates are \$65.87 for 5,000 gallons. Staff analysis indicates a surcharge of \$3.40 is needed for repayment of the loan, bringing rates to \$69.27/5,000 gallons.

Staff has noted that with the current rapid growth in the area, in the loan surcharges can be reviewed and possibly reduced as new users are added to the system.

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.

Scott Lang, city engineer, discussed the project and thanked the board for consideration of funding.

Motion by Drewes, seconded by Bernhard, to adopt **Resolution No. 2024-143** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,000,000 at 3.75 percent interest for 30 years to the **city of Box Elder** for wastewater collection system improvements and replacing sewer mains on Highway 14/16, 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.

Mr. Bruels provided a recap of available funds for future funding rounds.

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

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 \$125,000, and the amount requested is \$100,000.

Staff recommended awarding a Solid Waste Management Program grant at 80.0 percent of total project costs not to exceed \$100,000.

Sophie Johnson, SECOG, answered questions from the board and thanked them for consideration of funding.

Motion by Lanning, seconded by Drewes, to adopt **Resolution No. 2024-144** 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 \$100,000 for the Regional Revolving Loan Fund Recapitalization project. Motion carried unanimously.

Walworth County requested funding for a 40-foot by 60-foot cold storage facility to be located at the landfill site. The landfill provides service to nine counties, 22 municipalities, and one tribal entity. The facility will be for the storage of landfill equipment. There is currently no storage facility onsite.

The estimated total project amount is \$150,000, and the amount requested is \$75,000. Other funding for the project includes \$75,000 in local cash.

Walworth County indicated they are not interested in a Solid Waste Management Program loan and would use local cash for any portion of the project not awarded by the board.

Staff recommended awarding a Solid Waste Management Program grant at 20.0 percent of eligible total project costs not to exceed \$30,000. The recommendation for a 20 percent grant is consistent with other recent board awards, especially when the applicant is not interested in a loan and has sufficient local funds to pay for the remainder of the project.

Duane Moore, Walworth County Commissioner, discussed the project and thanked the board for consideration of funding.

Motion by Bernhard, seconded by Becker, to adopt **Resolution No. 2024-145** approving a South Dakota Solid Waste Management Program grant agreement to **Walworth County** for up to 20.0 percent of eligible project costs not to exceed \$75,000 for the construction of a cold storage facility at the landfill. Motion carried unanimously.

Mr. Bruels provided a recap of available funds for the next funding round.

PLATTE REQUEST TO DEOBLIGATE CLEAN WATER SRF LOAN C461130-03 AND DRINKING WATER SRF LOAN C462130-03: Mr. Bruels reported that on April 13, 2022, the Board of Water and Natural Resources awarded the city of Platte a \$482,100 Clean Water SRF loan for a wastewater utility improvements project. The board also awarded the city of Platte a \$370,000 Drinking Water SRF loan on March 28, 2024, for its water storage tank rehabilitation project.

On July 25, 2024, DANR received a letter from the city of Platte requesting to rescind the SRF Clean Water and Drinking Water loans. The clean water project is no longer being pursued, and the city was able to fund the drinking water project with the Drinking Water SRF 02 loan with assistance from local funding.

Staff recommended the board rescind the Clean Water and Drinking Water SRF loans.

Motion by Jennings, seconded by Bernhard, to rescind Resolution No. 2022-179, which awarded Clean Water SRF Loan C461130-03 to the city of Platte. Motion carried unanimously.

Motion by Drewes, seconded by Bernhard, to rescind Resolution No. 2024-42, which awarded Drinking Water SRF Loan C462130-03 to the city of Platte. Motion carried unanimously.

WEB WATER DEVELOPMENT ASSOCIATION REQUEST TO DEOBLIGATE DRINKING WATER SRF LOAN C462426-04: Mr. Bruels stated that on September 29, 2022, the Board of Water and Natural Resources awarded WEB Water Development Association a \$39,650,000 Drinking Water SRF loan for its WINS water system upgrades project.

DANR received a letter from WEB Water Development Association requesting to rescind the SRF Drinking Water loan stating that the proposed scope of the project has changed, and this funding cannot be used for the project.

Staff recommended the board rescind the resolution that awarded the SRF loan.

Motion by Bernhard, seconded by Becker, to rescind Resolution No. 2022-447, which awarded Drinking Water SRF loan C462426-04 to WEB Water Development Association. Motion carried unanimously.

LINCOLN COUNTY RURAL WATER SYSTEM'S REQUEST FOR PARTIAL RELEASE OF MORTGAGE: Mr. Bruels stated that Lincoln County Rural Water System is preparing to sell a portion of its land, which was mortgaged to the South Dakota Conservancy District in January 2003 as a contingency of Drinking Water SRF loan C462445-01. The system wishes to sell the lot and has requested that the board allow the release of the mortgage on the plot of land so the property can be sold.

Staff and legal counsel have reviewed the request and have determined that the release of mortgage on this plot of land will not impact Lincoln County Rural Water System's ability to meet loan coverage and repayment requirements.

Robin Dykstra, Lincoln County RWS, was available for questions. There were no questions.

Motion by Jennings, seconded by Bernhard, to authorize the chairman of the Board of Water and Natural Resources to sign the partial release of mortgage. Motion carried unanimously.

STATE FISCAL YEAR 2024 STATE REVOLVING FUNDS REPORT TO THE INTERIM BONDING REVIEW COMMITTEE: Mr. Bruels stated that the South Dakota Conservancy District is required to present an annual report to the Legislature's Interim Bonding Review Committee at its November 2024 meeting.

A draft combined report for both the Drinking Water and Clean Water 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.

In SFY 2024 the Board of Water and Natural Resources awarded 32 Drinking Water SRF loans and four loan amendments totaling \$108,790,070. The board awarded 37 Clean Water SRF loans and one loan amendment totaling \$219,689,847. This leads to a total of 69 loans, five loan amendments, and a total award of \$328,479,917.

As of June 30, 2024, there were 10 outstanding bond series with an overall principal balance of \$451,780,000.

The SFY 2024 report does not include information related to the August 20, 2024, bond issuance. This will be reported on the SFY 2025 report. However, as a quick update, the Conservancy District received seven bidders, with Truist Securities, Inc. being the winning bidder. The par amount was \$160,450,000 with a true interest rate of 4.0577 percent. This will provide \$120,000,000 in tax-exempt leverage funds for the Clean Water SRF and \$60,000,000 in tax-exempt leverage funds for the Drinking Water SRF.

Staff recommended the board approve the SFY 2024 State Revolving Funds Report to the Interim Bonding Review Committee and authorize distribution of the report.

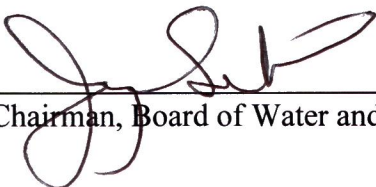
Motion by Bernhard, seconded by Jennings, to approve the State Fiscal Year 2024 State Revolving Funds Report to the Interim Bonding Review Committee and authorize distribution of the report. Motion carried unanimously.


NOVEMBER 7, 2024, MEETING: Mr. Bruels discussed possible agenda items for the November 7, 2024, board meeting, which will be held at the Matthew Training Center in Pierre.

ADJOURN: Motion by Lanning, seconded by Bernhard, to adjourn the meeting. Motion carried unanimously.

Approved November 7, 2024.




Chairman, Board of Water and Natural Resources


Secretary, Board of Water and Natural Resources

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE Sept. 26, 2024 LOCATION Matthew Training Center - Pierre

Name (PLEASE PRINT)	Address	Representing
Holly Briggs	Pierre	DANR
Megan Briggs	Pierre	DANR
Karin Zhao	Pierre	DANR
Andy Bruels	Pierre	DANR
Bailey McIngvie	Pierre	DANR
Nayyer Syed	Pierre	DANR
Suzanne McKinley	PIERRE	DANR
Macy Jo Peterson	Pierre	DANR
Shay Ritsman	Pierre	DANR
TODD BERNHARD	FORT PIERRE	BWNR
Cory Kahler	Pierre	DANR
Kayla Fawcett	Pierre	DANR
Jay Gilbertson	Brookings	East Dakota WTD
Bruce Jennings	Belle Fourche	BWNR
Robert Townley	Pierre	Water
Nick Waters	Pierre	City of Pierre
Mike Perkovich	Brookings Eng	Pierre
Gary Drewes	Rapid City	Board
Mike Weisgram	Fort Pierre	Leg Oversight
Josh Bible	Pierre	City of Pierre