



**DENR**  
SOUTH DAKOTA

**BOARD OF WATER  
AND NATURAL RESOURCES**

**June 25, 2020**

**1:00 p.m. CT**

**Remote Meeting Via Audio/Visual Conference  
June 25, 2020 at 1:00 p.m. CT**

The public may participate by live audio or by streaming through a computer or other mobile device. The full board packet and directions for access to the meeting and live streaming can be found on the South Dakota Boards and Commissions Portal at

<http://boardsandcommissions.sd.gov/Meetings.aspx?BoardID=108>

**AGENDA**

**\*\*Scheduled times are estimates only. Some items may be delayed due to prior scheduled items or may be moved up on the agenda.\*\***

**June 25, 2020**

**1:00 p.m. CT**

1. Call meeting to order and roll call
2. Approve Agenda
3. Approve Minutes of April 17, 2020 and April 27, 2020 Meetings
4. Public Comment Period
5. Rescission of Madison Clean Water SRF loans C461024-03 and C461024-04 – Stephanie Riggle
6. Rescission of Westport Consolidated Water Facilities Construction Program loan 2019L-104 – Jon Peschong
7. Amendments to State Water Plan, 2020 Clean Water SRF and 2020 Drinking Water SRF Intended Use Plans – Andy Bruels
8. Amendments to the FY 2019 Clean Water SRF Intended Use Plan – Andy Bruels
9. Sanitary/Storm Sewer Facilities Funding Applications – Mike Perkovich
  - a. Fort Pierre (31)
  - b. Huron (24)
  - c. Pierre (18)
  - d. Eagle Butte (15)
  - e. Delmont (13)
  - f. Claremont (12)
  - g. Aurora (10)
  - h. Renner Sanitary District (9)
  - i. Andover (8)
  - j. Eureka (8)
  - k. Lake Norden (7)
  - l. Westport (6)
10. Drinking Water Facilities Funding Applications – Andy Bruels
  - a. Springfield (145)
  - b. Kingbrook Rural Water System (123)
  - c. Deer Mountain Sanitary District (102)
  - d. Brandon (22)
  - e. Burke (19)

11. Kingbrook Additional Funding Request C462432-07 – Andy Bruels
12. Series 2020 Bond Issue Recap – Mike Perkovich
13. Election of Board Officers – Mike Perkovich
14. September 24-25<sup>th</sup> Meeting
15. Adjourn

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  
Conducted via Teleconference/Microsoft Teams  
April 17, 2020  
10:00 a.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, Gene Jones, Jr., Todd Bernhard, Dr. Paul Gnirk, Jackie Lanning, Dr. Kathryn Johnson, and Karl Adam.

BOARD MEMBERS ABSENT: None.

APPROVE AGENDA: Motion by Adam, seconded by Jones, to approve the agenda. A roll call vote was taken, and the motion with Adam, Bernhard, Johnson, Jones, Lanning and Soholt voting aye.

APPROVE MINUTES OF JANUARY 3, 2020, MEETING: Chairman Soholt noted that there is a typo in the first line on page 21 of the draft minutes; \$2,548,000,000 needs to be changed to \$2,548,000.

Motion by Johnson, seconded by Adam, to approve the minutes of the January 3, 2020, Board of Water and Natural Resources meeting, as amended. A roll call vote was taken, and the motion carried with Adam, Bernhard, Johnson, Jones, Lanning and Soholt voting aye.

PUBLIC COMMENT PERIOD: There were no public comments.

Mr. Perkovich announced that the Water and Waste Funding Program has a new engineer, Suzanne McKinley. Ms. McKinley was not present for the meeting.

REVIEW INTEREST RATES FOR THE CLEAN WATER STATE REVOLVING FUND, DRINKING WATER STATE REVOLVING FUND, CONSOLIDATED WATER FACILITIES CONSTRUCTION FUND, AND SOLID WASTE MANAGEMENT PROGRAMS: Mike Perkovich noted that included in the board packet was a graph showing the current Rural Development and SRF Interest rates. Rural Development's rates declined significantly on April 1, 2020, and DENR staff believes that in order to be competitive with the Rural Development rates, the SRF program interest rates needed to be reviewed. Staff does not believe the rate decline was in reaction to the Covid 19 pandemic.

The current interest rates for the SRF programs were adopted in November 2019. The rules allow rates to be adjusted at any meeting if the action is on the agenda.

The current interest rates for SRF loans are 2.5 percent for a term up to 30 years; 2.25 percent for a term up to 20 years, 2 percent for a term up to 10 years. The new Rural Development interest rate for market is 2.375 percent, intermediate is 1.875 percent, and poverty is 1.375 percent.

Mr. Perkovich noted that the new proposed base rates are 2.125 percent for a term up to 30 years, 2 percent for a term up to 20 years, and 1.875 percent for a term up to 10 years. Proposed adjustments were also made to the administrative surcharges.

Dr. Johnson asked if the department expects the declining interest rates to continue in the future. Mr. Perkovich stated that the board's financial advisor expects the interest rates will be about where they were before Covid 19 and that there will not be any substantial movement in the near future. He noted that the board may need to review the interest rates again in November.

Mr. Perkovich presented the proposed interest rates for the Clean Water State Revolving Fund Program. Staff recommended approval of the proposed interest rates.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2020-18** setting the **Clean Water State Revolving Fund** interest rates as follows:

1. The interest rate for conventional loans at 1.875 percent (consisting of 1.375 percent interest rate and 0.50 percent administrative surcharge) for loans with a term up to 10 years, 2.00 percent (consisting of 1.50 percent interest rate and 0.50 percent administrative surcharge) for loans with a term greater than 10 years up to a maximum of 20 years, and 2.125 percent (consisting of 1.625 percent interest rate and 0.50 percent administrative surcharge) for loans with a term greater than 20 years up to a maximum of 30 years;
2. The interest rate for interim financing at 2.00 percent (with no administrative surcharge component) for a term up to 5 years; and
3. The interest rate for NPS-Watershed Incentive loans at 1.00 percent (consisting of 0.50 percent interest rate and 0.50 percent administrative surcharge) for loans with a term up to 10 years, 1.25 percent (consisting of 0.75 percent interest rate and 0.50 percent administrative surcharge) for loans with a term greater than 10 years up to a maximum of 20 years, and 1.375 percent (consisting of 0.875 percent interest rate and 0.50 percent administrative surcharge) for loans with a term greater than 20 years up to a maximum of 30 years; and

The interest rates established above apply only to loans awarded after April 17, 2020, pursuant to applications submitted prior to that date.

A roll call vote was taken, and the motion carried unanimously.



Mr. Perkovich presented the proposed interest rates for the Drinking Water State Revolving Fund Program. Staff recommended approval of the proposed interest rates.

Motion by Jones, seconded by Johnson, to adopt **Resolution No. 2020-19** setting the **Drinking Water State Revolving Fund** interest rates as follows:

1. The interest rates for conventional loans at 1.875 percent (consisting of 1.375 percent interest rate and 0.50 percent administrative surcharge) for loans with a term up to 10 years, 2.00 percent (consisting of 1.50 percent interest rate and 0.50 percent administrative surcharge) for loans with a term greater than 10 years up to a maximum of 20 years, and 2.125 percent (consisting of 1.625 percent interest rate and 0.50 percent administrative surcharge) for loans with a term greater than 20 years up to a maximum of 30 years;
2. The interest rate for disadvantaged communities at 1.875 percent (consisting of a 1.625 percent interest rate and 0.25 percent administrative surcharge) for loans up to 30 years for communities with a median household income (MHI) between 80 percent to 100 percent of the statewide MHI, and 1.625 percent (consisting of a 1.375 percent interest rate and 0.25 percent administrative surcharge) for loans up to 30 years and 1.00 percent (consisting of a 1.00 percent interest rate and no administrative surcharge) for loans up to 10 years for communities with an MHI between 60 percent to 80 percent of the statewide MHI, and loans with zero percent interest up to 30 years for communities with an MHI less than 60 percent of the statewide MHI; and
3. The interest rate for interim financing at 2.00 percent (with no administrative surcharge component) for a term up to 5 years; and

The interest rates established above apply only to loans awarded after April 17, 2020, pursuant to applications submitted prior to that date.

A roll call vote was taken, and the motion carried unanimously.

Mr. Perkovich presented the proposed interest rates for the Consolidated Water Facilities Construction Program. Staff recommended approval of the proposed interest rates.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2020-20** setting the Consolidated Water Facilities Construction Program interest rates at 1.875 percent for a term not to exceed the useful life of the project or ten years, whichever is less, 2.00 percent for a term greater than ten years, or the useful life of the project, up to a maximum of twenty years, and 2.125 percent for a term greater than twenty years, or the useful life of the project, up to a maximum of thirty years; and the interest rates established above apply only to loans awarded after April 17, 2020 pursuant to applications submitted prior to that date.

A roll call vote was taken, and the motion carried unanimously.

Mr. Perkovich presented the proposed interest rates for the Solid Waste Management Program. Staff recommended approval of the proposed interest rates.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2020-21** setting the Solid Waste Management Program interest rates at 1.875 percent for a term not to exceed the useful life of the project or ten years, whichever is less, and 2.00 percent for a term greater than ten years, or the useful life of the project, up to a maximum of twenty years; and the interest rates established above apply only to loans awarded after April 17, 2020 pursuant to applications submitted prior to that date.

AMENDMENTS TO THE 2020 CLEAN WATER STATE REVOLVING FUND INTENDED USE PLAN AND 2020 DRINKING WATER STATE REVOLVING FUND INTENDED USE PLAN: Andy Bruels reported that with the board's adoption of new interest rates for the Clean Water SRF and Drinking Water SRF Programs, the Intended Use Plans need to be amended to correctly identify applicable rates and terms.

Mr. Bruels requested that the board amend Table 2 on page 2 of the Clean Water SRF Intended Use Plan as follows:

Table 2 – Clean Water SRF Interest Rates				
	Up to 5 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs
<u>Interim Rate</u>				
Interest Rate	2.00%			
Admin. Surcharge	0.00%			
Total	2.00%			
<u>Base Rate</u>				
Interest Rate		<del>1.25</del> 1.375%	<del>1.50</del> 1.50%	<del>1.75</del> 1.625%
Admin. Surcharge		<del>0.75</del> 0.50%	<del>0.75</del> 0.50%	<del>0.75</del> 0.50%
Total		<del>2.00</del> 1.875%	<del>2.25</del> 2.00%	<del>2.50</del> 2.125%
<u>Nonpoint Source Incentive Rate</u>				
Interest Rate		0.50%	0.75%	<del>1.00</del> .875
Admin. Surcharge		0.50%	0.50%	0.50%
Total		1.00%	1.25%	<del>1.50</del> 1.375%
*Term cannot exceed useful life of the project.				

Staff also recommended amending all anticipated interest rates for unfunded projects listed in Attachment I of the Project Priority List to agree with the table above.

Motion by Johnson, seconded by Adam, to approve the changes to Table 2 on page 6 of the Clean Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

Mr. Bruels also requested that the board amend Table 1 on page 3 of the Drinking Water SRF Intended Use Plan as follows:

Table 1 – Drinking Water SRF Interest Rates				
	Up to 5 Yrs	Up to 10 Yrs	Up to 20 Yrs	Up to 30 Yrs
<u>Interim Rate</u>				
Interest Rate	2.00%			
Admin. Surcharge	<u>0.00%</u>			
Total	2.00%			
<u>Base Rate</u>				
Interest Rate		<del>1.50</del> <u>1.375%</u>	<del>1.75</del> <u>1.50%</u>	<del>2.00</del> <u>1.625%</u>
Admin. Surcharge		<del>0.75</del> <u>0.50%</u>	<u>0.50%</u>	<u>0.50%</u>
Total		<u>2.00</u> <u>1.875%</u>	<u>2.25</u> <u>2.00%</u>	<u>2.50</u> <u>2.125%</u>
<u>Disadvantaged Rate – 80% to 100% of MHI</u>				
Interest Rate				<del>1.75</del> <u>1.625%</u>
Admin. Surcharge				<u>0.50</u> <u>0.25%</u>
Total				<u>2.25</u> <u>1.875%</u>
<u>Disadvantaged Rate – 60% to 80% of MHI</u>				
Interest Rate		1.00%		<del>1.50</del> <u>1.375%</u>
Admin. Surcharge		<u>0.00%</u>		<u>0.50</u> <u>0.25%</u>
Total		1.00%		<u>2.00</u> <u>1.625%</u>
<u>Disadvantaged Rate – Less than 60% of MHI</u>				
Interest Rate				0.00%
Admin. Surcharge				<u>0.00%</u>
Total				<u>0.00%</u>
<ul style="list-style-type: none"> <li>• Term cannot exceed useful life of the project.</li> </ul>				

Staff also recommended amending all anticipated interest rates for unfunded projects listed in Attachment I of the Project Priority List to agree with the table above.

Motion by Bernhard, seconded by Gnirk, to approve the changes to Table 1 on page 3 of the Drinking Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

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

For a project to utilize principal forgiveness allowed by the 2019 capitalization grant it must be on the Intended Use Plan associated with that capitalization grant. In order to maximize the use of each year's capitalization grant principal forgiveness funds, it is necessary to amend projects onto prior years' Intended Use Plans.

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

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
13	Montrose	\$1,008,000	2.125%, 30 years

Staff recommended approval of the amendment to the FY 2019 Clean Water SRF Intended Use Plan.

Motion by Adam, seconded by Lanning to approve the amendment to the 2019 Clean Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

AMENDMENTS TO THE FFY 2019 DRINKING WATER SRF INTENDED USE PLAN: Mr. Bruels stated that the FY 2019 Drinking Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2018 and amended in March, June, and September 2019.

For a project to utilize principal forgiveness allowed by the 2019 capitalization grant it must be on the Intended Use Plan associated with that capitalization grant. In order to maximize the use of each year's capitalization grant principal forgiveness funds, it is necessary to amend projects to prior years' Intended Use Plans.

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

<b>Priority Points</b>	<b>Loan Recipient</b>	<b>Estimated Loan Amount</b>	<b>Expected Loan Rate &amp; Term</b>
27	Saint Lawrence	\$1,148,000	2.125%, 30 years
25	Webster	\$6,631,000	1.625%, 30 years

Staff recommended approval of the amendment to the FY 2019 Drinking Water Intended Use Plan.

Motion by Gnirk, seconded by Bernhard, to approve the amendment to the 2019 Drinking Water SRF Intended Use Plan. A roll call vote was taken, and the motion carried unanimously.

REVISE RANDALL COMMUNITY WATER DISTRICT'S CONTINGENCY REQUIREMENTS FOR LOAN C462128-03: Stephanie Riggle pointed out that there was a change to the title page that was included in the board packet. Staff had planned to remove Cobank and First National bank

as parties to the intercreditor agreement, but due to last-minute developments, the only change to the parties of the intercreditor agreement is to remove First National Bank, and to add US Bank.

On June 27, 2019, the Board of Water and Natural Resources awarded Randall Community Water District a \$4,600,000 Drinking Water SRF loan with 49.2 percent principal forgiveness not to exceed \$2,263,000 for improvements to the system and to provide individual service to the residents of Geddes.

Originally, South Dakota Conservancy District required an Intercreditor Agreement among the United States of America, CoBank, The First National Bank in Sioux Falls, as trustee and the Conservancy District being approved and executed. Since that time US Bank took over from The First National Bank in Sioux Falls as trustee on the 2017, 2018 and 2019 Bonds. The new debt with the South Dakota Conservancy District is authorized by Randall's Trust Indentures of the 2017, 2018 and 2019 Bonds. At that time, the loan was also contingent upon receipt of the 2019 capitalization grant. The 2019 capitalization grant has since been received by the District.

Staff recommended rescinding Resolution No. 2019-60 and adopting a resolution approving a Drinking Water State Revolving Fund Loan up to a maximum committed amount of \$4,600,000 with up to 49.2 percent principal forgiveness not to exceed \$2,263,000. Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective, the borrower establishing rates sufficient to provide the required debt coverage, the borrower approving and executing a security agreement and mortgage, and an Intercreditor Agreement among the United States of America, Department of Agriculture, acting through its Rural Utilities Service (RUS), US Bank, as trustee, CoBank, and the Conservancy District being approved and executed.

Motion by Adam, seconded by Johnson, to rescind Resolution No. 2019-60 and to adopt **Resolution No. 2020-22** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$4,600,000 at 2.25 percent interest for 30 years with up to 49.2 percent principal forgiveness not to exceed \$2,263,000 to **Randall Community Water District** for 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, the borrower establishing rates sufficient to provide the required debt coverage, the borrower approving and executing a security agreement and mortgage, and an Intercreditor Agreement among the United States of America, Department of Agriculture, acting through its Rural Utilities Service (RUS), US Bank, as trustee, CoBank, and the Conservancy District being approved and executed. A roll call vote was taken, and the motion carried unanimously.

**RESCIND LAKE BYRON SANITARY DISTRICT CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM GRANT 2019G-100 AND CLEAN WATER STATE**

**REVOLVING FUND LOAN C461482-01:** Mike Perkovich reported that the Lake Byron Sanitary District was formed in 2015. The primary reason for forming the district was to construct a wastewater system around the lake. In March 2018 the district was awarded a \$2,000,000

Consolidated Water Facilities Construction Program grant and \$3,475,000 Clean Water State Revolving Fund Loan to construct the wastewater system.

It has come to the department's attention that certain fundamental errors were made in the formation of the Lake Byron Sanitary District, and as a result, the district was not legally formed. Legal counsel with the Office of the Attorney General has concluded that because the district was not properly formed, it is ineligible to receive funding from either the Consolidated Water Facilities Construction Fund Program or the Clean Water State Revolving Fund Program, and that the funding approved by the board should be rescinded.

Staff recommended that the board rescind Resolution No. 2018-16 approving \$3,475,000 Clean Water State Revolving Fund loan and rescind Resolution No. 2018-17 approving the \$2,000,000 Consolidated Water Facilities Construction Program grant.

Motion by Gnirk, seconded by Jones, to rescind Resolution No. 2018-16 approving \$3,475,000 Clean Water State Revolving Fund loan and to rescind Resolution No. 2018-17 approving the \$2,000,000 Consolidated Water Facilities Construction Program grant.

In response to a question from Kathy Johnson, Mr. Perkovich stated that the loan was never closed, and no money was expended from either the loan or the consolidated grant.

Ted Dickey, NECOG, commented that the Lake Byron group is working to correct the errors that were made. Once that is done, the group will again request funding from the board.

A roll call vote was taken on the motion, and the motion carried unanimously.

MILLER'S REQUEST TO AMEND THE SCOPE OF THE CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM GRANTS 2018G-108 AND 2020G-104, DRINKING WATER CONSTRUCTION GRANT 2020G-DW-101, AND DRINKING Water SRF LOANS C462128-03 AND C462128-04: Drew Huisken reported that On March 31, 2017, the city of Miller was awarded a \$1,099,000 Drinking Water SRF loan and a \$1,300,000 Consolidated Water Facilities Construction Program grant to replace water infrastructure as part of its Phase II utility improvements project.

Additionally, on March 28, 2019, Miller was awarded a \$400,000 Drinking Water SRF loan, a \$2,000,000 Consolidated Water Facilities Construction Program grant, and a \$100,000 Drinking Water Construction grant to replace water infrastructure as part of its Phase III utility improvements project.

On December 2, 2019, DENR received a letter from the city of Miller requesting that the scope of the Phase II funding be amended to include a new water main on the south end of East 3rd Avenue to address a problem area in the water system as well as eliminate dead end mains by providing looping.

On March 3, 2020, DENR was notified that due to other project expenses in Phase II, there may not be sufficient project funds to address the new water main under the current contract. Miller sent

another letter requesting that the scope of the Phase III funding be amended to also include this work should there be insufficient funding in Phase II.

Staff recommended that the board amend the scopes of Consolidated Water Facilities Construction Program grants 2018G-108 and 2020G-104, Drinking Water Construction Grant 2020G-DW-101, and Drinking Water SRF loans C462128-03 and C462128-04 to include the proposed work.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2020-23** approving an amendment to the project scope for Consolidated Water Facilities Construction Program grant agreement 2018G-108 to the city of Miller, to adopt **Resolution No. 2020-24** approving an amendment to the project scope for Consolidated Water Facilities Construction Program grant agreement 2020G-104 to the city of Miller, to adopt **Resolution No. 2020-25** approving an amendment to the project scope for State Revolving Fund Program Drinking Water Grant agreement 2020G-DW-101 to the city of Miller, to adopt **Resolution No. 2020-26** approving an amendment to the project scope for Drinking Water SRF loan C462128-03, and to adopt **Resolution No. 2020-27** approving an amendment to the project scope for Drinking Water SRF loan C462128-04. A roll call vote was taken, and the motion carried unanimously.

REVISE INTEREST RATES FOR VIBORG CWSRF LOAN C461240-03: Mr. Perkovich reported that at the January Board of Water and Natural Resources meeting, Viborg was awarded a \$1,771,000 Clean Water SRF loan with an interest rate of 2.75 percent for 30 years.

Viborg's application was submitted by the July 1, 2019, deadline and was first presented to the Board of Water and Natural Resources at its September meeting. Due to pending grant applications with other agencies, the funding award was deferred until January 2020. Had the application been awarded in September the interest rate on the loan would have been 2.75 percent. In November 2019, the board lowered interest rates. Because the application was submitted for the funding round preceding the rate change, the loan was awarded at the old rate of 2.75 percent.

After re-reading the interest rate resolution, it was discovered the interest rate of 2.75 percent is incorrect, and Viborg should get the new, lower interest rate of 2.50 percent that was approved in November.

Staff recommended the board authorize staff to prepare loan documents identifying an interest rate of 2.50 percent.

Motion by Adam, seconded by Johnson, to authorize staff to prepare loan documents for Viborg identifying an interest rate of 2.50 percent for Clean Water SRF loan C461240-03. A roll call vote was taken, and the motion carried unanimously.

UPDATED WELLS FARGO INVESTMENT BROKER AGREEMENT: Jon Peschong reported that the board packet included an updated investment broker agreement with Wells Fargo. The agreement was renegotiated to match the South Dakota Investment Council's agreement. Some of the changes include the removal of the investment advisor representation clause, changes to the waiver of jury by trial clause, and some changes to the general terms.

Staff has been working with the South Dakota Investment Council to review processes for investing in fixed income trading of U.S. Government and Agency securities. There has also been discussion with working with Bank of America and JP Morgan to serve as brokers, but they currently do not require customer agreements. Staff will be working with the South Dakota Investment Council to assist with the purchase or sale of investments in the future.

Staff recommended that the board authorize the chairman to execute the updated Wells Fargo investment broker agreement.

Motion by Bernhard, seconded by Adam, to authorize the chairman of the Board of Water and Natural Resources to execute the updated Wells Fargo investment broker agreement. A roll call vote was taken, and the motion carried unanimously.

BOARD OF WATER AND NATURAL RESOURCES STATE FISCAL YEAR 2021 MEETING SCHEDULE: Mr. Perkovich presented the tentative meeting schedule for the coming fiscal year.

Motion by Gnirk, seconded by Lanning, to adopt the following tentative meeting schedule for SFY 2021:

September 24-25, 2020  
November 5, 2020  
January 7, 2021  
March 25-26, 2021  
June 24-25, 2021

A roll call vote was taken, and the motion carried unanimously.

APRIL 27, 2020 MEETING: Mr. Perkovich stated that the funding applications will be presented to the board at the April 27, 2020, meeting, which will be held using Microsoft Teams.

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

Approved this \_\_\_\_ day of \_\_\_\_\_ 2020.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Water and  
Natural Resources

ATTEST:

\_\_\_\_\_  
Secretary, Board of Water and  
Natural Resources



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  
Via Microsoft Teams  
April 27, 2020  
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, Gene Jones, Jr., Todd Bernhard, Dr. Paul Gnirk, Jackie Lanning, Dr. Kathryn Johnson, and Karl Adam.

BOARD MEMBERS ABSENT: None.

APPROVE AGENDA: Motion by Jones, seconded by Bernhard, to approve the agenda. A roll call vote was taken, and the motion carried with Bernhard, Gnirk, Johnson, Jones, Lanning and Soholt voting aye. Adam was not present for the vote.

Mr. Adam joined the meeting.

APPROVE MINUTES OF MARCH 31, 2020, MEETING: Motion by Gnirk, seconded by Lanning, to approve the minutes of the March 31, 2020, Board of Water and Natural Resources meeting, as amended. A roll call vote was taken, and the motion carried unanimously.

PUBLIC COMMENT PERIOD: There were no public comments.

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

COMBINED FUNDING APPLICATIONS: Mr. Perkovich reported that seven project sponsors submitted two funding applications. He and Andy Bruels presented the combined applications and the staff recommendations for funding.

**Dell Rapids** requested funding for a project to replace sewer lines and address storm water runoff as part of an infrastructure improvements project on 5th Street, 6th Street, and Iowa Avenue.

The request includes a \$394,400 nonpoint source component to install best management practices in the Big Sioux River Watershed.

The city anticipates bidding the project in March 2021 with project completion in October 2021.

The estimated total project amount is \$3,292,285, which included approximately \$184,000 in local cash for ineligible roadwork. The amount requested is \$3,108,400, with \$2,714,000 of that amount for the sanitary and storm sewer and \$394,400 for the nonpoint source component.

Rates in Dell Rapids are \$61.60 based on 5,000 gallons usage.

Staff recommended awarding a \$2,177,500 Clean Water SRF loan at the Nonpoint Source Incentive Rate of 1.375 percent interest for 30 years and a Consolidated grant for 27.7 percent of eligible costs not to exceed \$750,000. The loan amount consists of \$1,964,000 for the wastewater and storm water improvements and \$213,500 for the nonpoint source activities. The decreased nonpoint source amount is due to the interest rate change and the grant award decreasing the loan amount.

Dell Rapids pledged a project surcharge for repayment of the loan. Staff analysis indicates that current residential wastewater rates in Dell Rapids are \$61.60 based on 5,000 gallons usage. The surcharge required for repayment of the loan is \$5.85 bringing overall rates to \$67.45.

Staff recommended the loan being contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Staff recommended the special condition that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project. Staff also recommended a special condition for the loan: The borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan.

**Dell Rapids** requested funding to replace approximately 1,600 feet of 6-inch water main, fire hydrants, valves and other appurtenances on 6th Street and Iowa Avenue in conjunction with sanitary and storm sewer project.

Dell Rapids anticipates bidding the project in March 2021 with project completion in October 2021.

The estimated total project amount is \$1,008,615, and the amount requested is \$926,000. The remaining \$82,615 will come from local funds for ineligible street work.

Rates in Dell Rapids are \$42.20 for 5,000 gallons.

Staff recommended awarding a \$926,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Dell Rapids pledged a project surcharge for repayment of the loan. Staff analysis showed that the required surcharge for repayment of the loan is \$2.70, bringing the overall rates to \$44.90.

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.

Justin Weiland, city administrator, discussed the both projects.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2020-28** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,177,500 at 1.375 percent interest for 30 years to the city of **Dell Rapids** for storm and sanitary sewer 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 two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and the special condition that the borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan, and to adopt **Resolution No. 2020-29** approving the South Dakota Consolidated Water Facilities Construction Program grant agreement for the city of **Dell Rapids** for up to 27.7 percent of eligible costs not to exceed \$750,000 for storm and sanitary sewer improvements with the special condition that grant funds must be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project. A roll call vote was taken, and the motion carried unanimously.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2020-30** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$926,000 at 2.125 percent interest for 30 years to the city of **Dell Rapids** for water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

**Garretson** requested funding for a wastewater collection system project. In June 2017, the city received a \$1,160,000 Clean Water SRF loan to replace clay tile pipe in its wastewater collection system. This loan did not cover the total project cost, but the application indicated local cash would be used to cover the remaining project costs. As the project progressed Garretson realized it did not have sufficient local cash to finance the remainder of the project. The city is requesting additional funds to complete the project.

The final portion of this project was bid in February 2020 with construction anticipated to be completed in December 2020.

The estimated total project cost is now \$2,302,000, and the amount requested is \$1,142,000.

Rates in Garretson are \$45.00 for 5,000 gallons usage.

Staff recommended awarding a \$917,000 Clean Water SRF loan, at 2.125 percent interest for 30 years and awarding a Build America Bonds grant for 19.8 percent of eligible costs not to exceed \$225,000.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$7.85. Staff analysis indicates Garretson could restructure its rates and cover the required surcharge and operating expenses with rates of \$48.00 for 5,000 gallons usage.

Staff recommended the award being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Staff also recommended the special condition to the Build America Bonds grant that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

**Garretson** requested funding to replace water main on 3rd Street, Main Avenue, and the truck route. Approximately 2,100 feet of 4-inch asbestos cement pipe will be replaced with 6-inch PVC pipe and will include hydrants, valves, and other necessary appurtenances associated with water main construction. This proposal is a continuation of a project previously funded in 2017 and will be done in conjunction with sanitary, storm sewer, and street replacement.

The final portion of the project was bid in February 2020 with construction anticipated to be completed in December 2020.

The estimated total project amount is \$2,196,000, and the amount requested is \$917,000.

Rates in Garretson are \$46.05 per 5,000 gallons.

The city received a \$639,500 Drinking Water SRF loan and a \$639,500 Consolidated grant in June 2017 to fund a portion of the project. The funding package did not cover the total project cost, but the application indicated local cash would be used to cover the remaining project costs. As the project progressed, Garretson realized it did not have sufficient local cash to finance the remainder of the project, and the city has requested funding to finish the project.

Staff recommended awarding a \$458,500 Drinking Water SRF loan at 2.125 percent interest for 30 years and a \$458,500 Consolidated grant at 50 percent of total project costs.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$3.95, bringing the total rates to \$50.00 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 a surcharge at a level sufficient to provide the required debt coverage. Staff also recommended a special condition that grant funds for reimbursement of project costs must be drawn concurrently with the Drinking Water SRF loan funds.

Motion by Jones seconded by Lanning, to adopt **Resolution No. 2020-31** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$917,000 at 2.125 percent interest for 30 years to the city of **Garretson** for Phase II sewer improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and to adopt **Resolution No. 2020-32** approving a Wastewater Facility Grant Agreement to the city of **Garretson** for up to 19.8 percent of eligible costs not to exceed \$225,000 for Phase II sewer improvements. A roll call vote was taken, and the motion carried unanimously.

Motion by Gnirk, seconded by Bernhard, to adopt **Resolution No. 2020-33** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$458,500 at 2.125 percent interest for 30 years to the city of **Garretson** for water distribution improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and to adopt **Resolution No. 2020-34** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city of **Garretson** for up to 50 percent of eligible costs not to exceed \$458,500 for drinking water improvements with the special condition that grant funds must be drawn concurrently with Drinking Water State Revolving Fund loan C462063-03 awarded for this project. A roll call vote was taken, and the motion carried unanimously.

**Lake Preston** requested funding to replace approximately 10,000 feet of clay sewer line and reline another 3,800 feet of clay pipe and replace manholes and service line connections. This is the first of two phases, and the second phase is estimated to cost approximately \$3,440,000.

Lake Preston anticipates bidding the project in February of 2021 with project completion in June 2023.

The estimated total project amount is \$2,992,000, and the amount requested is \$2,992,000.

Rates in Lake Preston are \$52.50 based on 5,000 gallons usage.

Staff recommended awarding a \$758,000 Clean Water SRF loan at 2.125 percent interest for 30 years, a Consolidated grant for 66.9 percent of eligible costs not to exceed \$2,000,000, and a Water Quality grant for 7.9 percent of eligible costs not to exceed \$234,000.

The city has pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$10.65. Staff analysis indicated the current rates are sufficient to cover the surcharge on this loan and provide additional debt capacity on a future loan for phase II.

Staff recommended the loan being contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Staff also recommended a special condition of both the Consolidated and Water Quality Grants that grant funds must be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

**Lake Preston** requested funding to replace the existing water tower, replace approximately 21,700 feet of watermain, 24 hydrants, and install 48 gate valves. This is phase 1 of a two-phase project and will be completed in conjunction with the wastewater replacement project Mike just presented.

The city anticipates bidding the project in February of 2021 with a project completion date of June 2023.

The estimated total project amount is \$5,610,000, and the amount requested is \$5,610,000.

Rates in Lake Preston are \$68.75 for 5,000 gallons.

Staff recommended awarding a \$2,610,000 Drinking Water SRF loan at 1.875 percent interest for 30 years with 38.4 percent principal forgiveness not to exceed \$1,000,000, award a \$2,000,000 Consolidated grant at 35.7 percent of total project costs, and to award a \$1,000,000 Drinking Water BABs grant at 17.9 percent.

The city pledged a project surcharge for repayment of the loan. In anticipation of this project, Lake Preston raised its rates in January of this year from \$43.75 to \$68.75 for 5,000 gallons usage. The surcharge required for repayment of the \$1,610,000 net loan is \$21.80. Staff analysis indicates that the current rate of \$68.75 can be restructured to cover operating expenses and the required surcharge. The total subsidy for the drinking water portion of the project is \$4,000,000, which is 71.3 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.

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

A representative of Lake Preston discussed the project.

Mr. Perkovich answered questions from the board.

Motion by Adam, seconded by Bernhard, to adopt **Resolution No. 2020-35** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$758,000 at 2.125 percent interest for 30 years to the city of **Lake Preston** for wastewater collection 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, adopt **Resolution No. 2020-36** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city of **Lake Preston** for up to 66.9 percent of eligible costs not to exceed \$2,000,000 for wastewater collection system improvements with the special condition that grant funds must be drawn concurrently with Clean Water State Revolving Fund loan C461011-01, and adopt **Resolution 2020-37** approving a State Revolving Fund Program Water Quality Grant Agreement to the city of **Lake Preston** for up to 7.9 percent of approved total project costs not to exceed \$234,000 for wastewater collection system improvements with the special condition that grant funds must be drawn concurrently with Clean Water State Revolving Fund loan C461011-01. A roll call vote was taken, and the motion carried unanimously.

Motion by Gnirk, seconded by Lanning, to adopt **Resolution No. 2020-38** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,610,000 at 1.875 percent interest for 30 years with up to 38.4 percent principal forgiveness not to exceed \$1,000,000 to the city of **Lake Preston** for water distribution 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, adopt **Resolution No. 2020-39** approving a Drinking Water Facility Grant Agreement to the city of **Lake Preston** for up to 17.9 percent of all approved total project costs not to exceed \$1,000,000 for water distribution system improvements with the special condition that grant funds for reimbursement of project costs must be drawn concurrently with the C462011-01

Drinking Water SRF loan funds, and adopt **Resolution No. 2020-40** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city of **Lake Preston** for up to 35.7 percent of eligible costs not to exceed \$2,000,000 for water distribution system improvements with the special condition that grant funds must be drawn concurrently with Drinking Water State Revolving Fund loan C462011-01. A roll call vote was taken, and the motion carried with Adam, Bernhard, Gnirk, Johnson, Lanning and Sohlt voting aye. Jones abstained from voting.

**Marion** requested funding for a project to replace approximately 300 feet of sanitary sewer and 2,400 feet of storm sewer along Broadway Avenue, which is being done in conjunction with water line replacement.

Marion anticipates bidding the project in January 2021 with project completion in October 2021.

The estimated total project amount is \$1,968,500, and the amount requested is \$1,285,000. The city will also use \$383,500 in Community Development Block Grant funds and \$300,000 in Community Access Grant funds for this portion of the project. This is one of several phases of identified sanitary and storm sewer needs.

Rates in Marion are \$41.50 based on 5,000 gallons usage.

Staff recommended awarding a \$420,000 Clean Water SRF loan at 2.125 percent interest for 30 years, and a Consolidated grant for up to 67.4 percent of eligible costs not to exceed \$865,000.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$4.50. Staff analysis indicates that Marion could restructure its rates and cover the required surcharge and operating expenses with rates of \$43.00 per month based on 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.

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

**Marion** requested funding to replace approximately 1,750 feet of 12-inch, 250 feet of 8-inch and 400 feet of 6-inch water main, fire hydrants, valves and other appurtenances on Broadway Avenue in conjunction with a sanitary and storm sewer project.

Marion anticipates bidding the project in January 2021 with project completion in October 2021.

The estimated total project amount is \$1,918,500, and the amount requested is \$1,235,000. CDBG and Community Access grants will be used primarily for ineligible street work.



Rates in Marion are \$52.60 per 5,000 gallons.

Staff recommended awarding a \$1,235,000 Drinking Water SRF loan at 1.875 percent interest for 30 years with 26.4 percent principal forgiveness not to exceed \$325,000.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the \$910,000 net loan is \$9.45. Staff analysis indicates that by restructuring the current rate, no increase is required.

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.

Representatives for Marion discussed the projects.

Motion by Bernhard, seconded by Jones, to adopt **Resolution No. 2020-41** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$420,000 at 2.125 percent interest for 30 years to the city of **Marion** for Broadway Avenue utility improvements – Phase I, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and adopt **Resolution No. 2020-42** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city **Marion** for up to 67.4 percent of eligible costs not to exceed \$865,000 for Broadway Avenue utility improvements – Phase I with the special condition that grant funds must be drawn concurrently with Clean Water State Revolving Fund loan C461020-03. A roll call vote was taken, and the motion carried unanimously.

Motion by Gnirk, seconded by Jones, to adopt **Resolution No. 2020-43** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,235,000 at 1.875 percent interest for 30 years with up to 26.4 percent principal forgiveness not to exceed \$325,000 the city of **Marion** for Broadway Avenue utility improvements – Phase I, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

**Saint Lawrence** requested funding to clean and televise the sanitary sewer system. Approximately 64 percent of the system is composed of vitrified clay pipe, and the age is

unknown. The current system is believed to have excessive inflow and infiltration. This will allow the town to prioritize pipe repairs for future projects.

Saint Lawrence anticipates bidding the project in May 2020 with project completion in November 2020.

The estimated total project amount is \$71,000, and the amount requested is \$71,000.

Rates in Saint Lawrence are \$41.00 per 5,000 gallons.

Staff recommended awarding a \$71,000 Clean Water SRF Water Quality grant.

Mr. Bruels stated that while Consolidated grants are limited to 80 percent of project costs, this limitation does not apply to Water Quality grants. With limited users, the 100 percent grant recommendation keeps debt capacity available that will be needed on the future line rehabilitation project.

**Saint Lawrence** requested funding to replace water meters and install an automatic water meter reading system, rehabilitate the water tower, and replace approximately 4,000 feet of cast iron water main with PVC.

Saint Lawrence anticipates bidding the project in February 2021 with project completion in November 2021.

The estimated total project amount is \$1,148,000, and the amount requested is \$1,148,000.

Rates in Saint Lawrence are \$50.00 for 5,000 gallons.

Staff recommended awarding a \$1,148,000 Drinking Water SRF loan at 2.125 percent interest for 30 years with 89.8 percent principal forgiveness not to exceed \$1,030,000.

Saint Lawrence pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the \$118,000 net loan is \$4.75. Staff analysis indicates that a \$5.00 increase is also needed to cover operation and maintenance bringing overall rates to \$59.75 per user based on 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.

Representatives for Saint Lawrence discussed the projects.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2020-44** approving a State Revolving Fund Program Water Quality Grant Agreement to the city of **Saint Lawrence** for 100

percent of eligible costs not to exceed \$71,000 for cleaning and televising the sanitary sewer system. A roll call vote was taken, and the motion carried unanimously.

Motion by Bernhard, seconded Adam, to adopt **Resolution No. 2020-45** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,148,000 at 2.125 percent interest for 30 years with up to 89.8 percent principal forgiveness not to exceed \$1,030,000 the city of **Saint Lawrence** to install an automatic water meter system, 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, and the motion carried with Adam, Bernhard, Gnirk, Johnson, Lanning, and Soholt voting aye. Jones abstained from voting.

**Webster** requested funding to replace aging sewer line that will be encountered during the water line replacement project that will be discussed later.

The city of Webster anticipates bidding the project in the spring of 2021 with project completion in the fall of 2022.

The estimated total project amount is \$1,184,000, and the amount requested is \$1,184,000.

Rates in Webster are \$37.20 based on 5,000 gallons usage.

Staff recommended awarding a \$1,184,000 Clean Water SRF loan, at 2.125 percent for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$4.35 bringing rates to \$41.55.

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.

**Webster** requested funding to replace approximately 45,000 feet of cast iron and asbestos cement pipe with 6-inch PVC water main and appurtenances associated with water line construction. The line replacement will be completed in conjunction with the sanitary sewer project.

The city anticipates bidding the project in the spring of 2021 with project completion in the fall of 2022.

The estimated total project amount is \$6,631,000, and the amount requested is \$6,631,000.

Rates in Webster are \$51.00 per 5,000 gallons.

Staff recommended awarding a \$5,031,000 Drinking Water SRF loan at 1.625 percent interest for 30 years with 27.9 percent principal forgiveness not to exceed \$1,400,000 and awarding a \$1,600,000 Consolidated grant at 24.2 percent of total project costs.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the net loan of \$3,631,000 is \$12.45. Webster has a loan that will be paid in full by July 2022 and another that will be paid in full in July 2023. Staff analysis indicates that upon repayment of the loans, if the city restructures its existing rates, the surcharge could be implemented with total rates of \$55.40. Webster may need to enact all or a portion of the surcharge prior to repayment of the loans, depending on the timing of the project completion.

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

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

Representatives for Webster discussed the projects.

Motion by Johnson, seconded by Adam, to adopt **Resolution No. 2020-46** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,184,000 at 2.125 percent interest for 30 years to the city of **Webster** for sanitary sewer line replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Motion by Lanning, seconded by Jones, to adopt **Resolution No. 2020-47** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$5,031,000 at 1.625 percent interest for 30 years with up to 27.9 percent principal forgiveness not to exceed \$1,400,000 the city of **Webster** for drinking water line replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and to adopt **Resolution No. 2020-48** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city **Webster** for up to 24.2 percent of eligible costs not to exceed \$1,600,000 for

drinking water line replacement with the special condition that grant funds must be drawn concurrently with Drinking Water State Revolving Fund loan C462054-03. A roll call vote was taken, and the motion carried unanimously. A roll call vote was taken, and the motion carried, and the motion carried

**Valley Springs** requested funding to replace approximately 8,100 feet of sanitary and storm sewer and 23 manholes.

Valley Springs anticipates bidding the project in February 2021 with project completion in October 2021

The estimated total project amount is \$1,779,000, and the amount requested is \$1,779,000.

Rates in Valley Springs are \$30.00 based on 5,000 gallons usage.

Staff recommended awarding a \$1,779,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$20.60. Staff analysis indicates Valley Springs can restructure its rates and cover the required surcharge and operating expenses with no rate increase.

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

**Valley Springs** requested funding to replace approximately 4,700 feet of cement asbestos water main with PVC and re-coat the water tower. The line replacement will be completed in conjunction with the sanitary sewer project.

Valley Springs anticipates bidding the project in February 2021 with project completion in October 2021.

The estimated total project amount is \$1,603,000, and the amount requested is \$1,603,000.

Rates in Valley Springs are \$22.92 per 5,000 gallons.

Staff recommended awarding a \$1,603,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$18.45. Staff analysis indicates Valley Springs can restructure its rates and cover the required surcharge and operating expenses with rates less than \$30.00 based on 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.

The finance officer for Valley Springs discussed the projects.

Motion by Johnson, seconded by Adam, to adopt **Resolution No. 2020-49** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,779,000 at 2.125 percent interest for 30 years to the city of **Valley Springs** for utility and street improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2020-50** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,603,000 at 2.125 percent interest for 30 years to the city of **Valley Springs** for drinking water line replacement, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried with Adam, Bernhard, Gnirk, Johnson, Lanning, and Soholt voting aye. Jones abstained from voting.

**Volga** requested funding to reline approximately 10,800 feet of sanitary sewer and 460 feet of manhole depth.

Volga anticipates bidding the project in January 2021 with project completion in October 2021.

The estimated total project amount is \$2,405,000, and the amount requested is \$2,405,000.

Rates in Volga are \$22.56 based on 5,000 gallons usage.

Staff recommended awarding a \$2,405,000 Clean Water SRF loan at 2.00 percent in for 20 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$15.10 per user bringing overall rates to \$37.66.

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

The administrator for the city of Volga discussed the project.

**Volga** requested funding to construct a new 750,000-gallon water tower. The current system storage does not meet the daily demand.

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

The estimated total project amount is \$2,790,000, and the amount requested is \$2,790,000.

Rates in Volga are \$19.47 per 5,000 gallons.

Staff recommended awarding a \$2,790,000 Drinking Water SRF loan at 2.00 percent interest for 20 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$15.60 per user, bringing overall rates to \$35.07, assuming the surcharge is applied evenly to all users. If the soybean processing facility is charged proportionate to its water usage, residential rates would be less than \$30.00.

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

The administrator for the city of Volga discussed the projects.

Motion by Johnson, seconded by Jones, to adopt **Resolution No. 2020-51** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$2,405,000 at 2 percent interest for 20 years to the city of **Volga** for wastewater improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

Motion by Lanning, seconded by Adam, to adopt **Resolution No. 2020-52** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,790,000 at 2 percent interest for 20 years to the city of **Volga** for a water tower construction project, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other

documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried with Adam, Bernhard, Gnirk, Johnson, Lanning, and Soholt voting aye. Jones abstained from voting.

**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATIONS:** Mr. Perkovich presented the sanitary/storm sewer facilities applications and staff recommendations for funding.

**Eureka** requested funding to rehabilitate approximately 32,000 feet of clay tile pipe and brick and concrete block manholes in the wastewater collection system. This is the last phase of a multi-phase collection system project.

The estimated total project amount is \$4,959,448, and the amount requested is \$4,959,448.

Eureka also has submitted applications for Rural Development funding and a Community Development Block Grant, and decisions on these requests have not yet been made. As per administrative rule, funding decisions can be deferred for up to 120 days.

Staff recommended the board defer the application until the June meeting.

Motion by Gnirk, seconded by Bernhard, to defer the **Eureka** funding application until the June 2020 Board of Water and Natural Resources meeting. A roll call vote was taken, and the motion carried unanimously.

**Green Valley Sanitary District** is an unsewered community located east of Rapid City near the city's wastewater treatment facility. Failing septic systems have been an issue in the community for quite a while. Green Valley is seeking funding to replace the on-site septic systems with a conventional wastewater collection system and install a lift station and force main to connect to Rapid City's collection system.

Green Valley Sanitary District anticipates bidding the project in April 2021 with completion in October 2022.

The estimated total project amount is \$9,722,000, and the amount requested is \$9,722,000.

Staff recommended awarding a Consolidated grant for 20.6 percent of eligible costs not to exceed \$2,000,000 and a Water Quality grant for 3.9 percent of eligible costs not to exceed \$370,000.

Mr. Perkovich noted that staff is working with USDA Rural Development to co-fund this project. The intermediate rate for a Rural Development loan is currently 1.875 percent. Rural Development also offers 40-year loans. Without the lower rate and a long-term Rural Development loan and additional grant funds from Rural Development, residential rates would



exceed \$100 per month. Staff is optimistic that by partnering with Rural Development, the wastewater rates for Green Valley residents will be less than \$100 per month.

Green Valley is the second highest ranked project on the Clean Water Intended Use Plan.

Representatives of the Green Valley Sanitary District discussed the project and answered questions.

Motion by Johnson, seconded by Gnirk, to adopt **Resolution No. 2020-53** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the **Green Valley Sanitary District** for up to 20.6 percent of eligible costs not to exceed \$2,000,000 for the construction of a sewer collection system, and to adopt **Resolution No. 2020-54** approving a State Revolving Fund Program Water Quality Grant Agreement to **Green Valley Sanitary District** for up to 3.9 percent of approved project costs not to exceed \$370,000 for a sewer collection system. A roll call vote was taken, and the motion carried unanimously.

**Hudson** requested funding to replace a lift station and install new force main from the lift station to the wastewater treatment facility. The project also includes replacing control structures at the wastewater treatment facility, undertaking a survey of the sludge in the lagoons, and cleaning and televising the sanitary sewer.

The town of Hudson anticipates bidding the project in early 2020 with project completion in the fall of 2020.

The estimated total project amount is \$898,000, and the amount requested is \$898,000.

Rates in Hudson are \$45.00 based on 5,000 gallons usage.

Staff recommended awarding a \$898,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city has pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$21.75. Staff analysis indicated current rates are sufficient to cover the surcharge on this loan and provide additional debt capacity on a future loan for line replacement and sludge removal.

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.

The engineer for the Hudson project discussed the project.

Motion by Jones, seconded by Adam, so adopt **Resolution No. 2020-55** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$898,000 at 2.125 percent interest for 30 years to the city of **Hudson** for a sewer improvements project – Phase I,

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

**Hurley** requested funding to replace approximately 1,200 feet of sanitary sewer and five manholes along Center Avenue, which serves downtown. The sewer is being replaced in conjunction with a road reconstruction project

The city plans to bid the project in January 2021 with a completion date in October 2021.

The estimated total project amount is \$2,089,000, and the amount requested is \$900,000. The city will also be using \$589,000 in local cash and a \$600,000 Community Access Grant for the project.

Rates in Hurley are \$56.75 based on 5,000 gallons usage,

Staff recommended awarding a \$188,000 Clean Water SRF loan, at 2.125 percent interest for 30 years and a Build America Bonds grant for 79.2 percent of eligible costs not to exceed \$712,000.

The city pledged a project surcharge for repayment of the project. The surcharge required on the loan is \$3.90. Staff analysis indicates Hurley could restructure its rates, and a rate increase would not be needed.

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

Staff also recommended the special condition to the Build America Bonds Grant that funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

A representative for the city of Hurley discussed the project.

Motion by Bernhard, seconded by Lanning, to adopt **Resolution No. 2020-56** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$188,000 at 2.125 percent interest for 30 years to the city of **Hurley** for a 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 and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and

to adopt **Resolution No. 2020-57** approving a Wastewater Facility Grant Agreement to the city of **Hurley** for up to 79.2 percent of approved total project costs not to exceed \$712,000 for a sewer improvement project with the special condition that funds for reimbursement must be drawn concurrently with the Clean Water SRF loan funds. A roll call vote was taken, and the motion carried unanimously.

**Madison** requested funding to replace approximately 5,000 feet of storm water lines. The existing storm sewer is deteriorating, and inlet structures are causing sediment loss and street failure in their proximity. The curb and gutter are also in poor condition, and the sidewalks at the selected intersections are not ADA-compliant.

The city of Madison plans to bid this project in February 2021 with substantial completion in August 2022.

The estimated total project amount is \$3,287,000, and the amount requested is \$3,287,000.

Staff recommended awarding a \$3,287,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged sales tax for repayment of the loan. Staff analysis indicates the sales tax pledge will provide coverage of more than 2,400 percent, which exceeds the 120 percent coverage required for sales tax pledges.

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

A representative for the city of Madison discussed the project.

Motion by Jones, seconded by Bernhard, to adopt **Resolution No. 2020-58** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,287,000 at 2.125 percent interest for 30 years to the city of **Madison** for storm water system improvements , and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective. A roll call vote was taken, and the motion carried unanimously.

**Madison** requested funding to replace approximately 8,500 feet of clay pipe and reline another 13,500 feet. This project will also replace manholes, service lines, road surface, and other necessary appurtenances associated with sanitary sewer construction.

The city of Madison plans to bid this project in February 2021 with substantial completion in August 2022.

The estimated total project amount is \$3,073,000, and the amount requested is \$3,073,000.

Rates in Madison are \$49.32 based on 5,000 gallons usage.

Staff recommended awarding a \$3,073,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required on the loan is \$4.95. Staff analysis indicates Madison could restructure its rates, and a rate increase would not be needed.

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 Johnson, seconded by Lanning, to adopt **Resolution No 2020-59** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$3,073,000 at 2.125 percent interest for 30 years to the city of **Madison** for wastewater collection 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. A roll call vote was taken, and the motion carried unanimously.

**Mellette** requested funding to upgrade its existing lift station and controls and install a new force main from the lift station to the wastewater treatment facility.

Mellette anticipates bidding the project in August 2020 with project completion in June 2021.

The estimated total project amount is \$286,000, and the amount requested is \$286,000.

Mellette has a flat rate of \$30.00.

Staff recommended awarding a \$286,000 Clean Water SRF loan at 2.125 percent interest for 30 years.

Mellette pledged a project surcharge for repayment of the loan. The surcharge required on the loan is \$10.50. Staff analysis indicates the city could restructure its rates and cover the required surcharge and operating expenses with rates less than \$40.00 per month.

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

Representatives for the city of Mellette discussed the project.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2020-60** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$286,000 at 2.125 percent interest for 30 years to the city of **Mellette** for lift station improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

**Mitchell** requested funding for phase II of a project to upgrade storm water and sanitary sewer infrastructure along various street segments located within the city's east central drainage basin. The application also includes a nonpoint source component to install nonpoint source best management practices in the Firesteel Creek Watershed.

Mitchell anticipates bidding the project in 2020 with completion in late 2020.

The estimated total project amount is \$4,618,000, and the amount requested is \$4,618,000, which consists of \$4,200,000 for the sanitary and storm sewer and \$418,000 for the nonpoint source component.

Rates in Mitchell are \$31.52 based on 5,000 gallons usage.

Staff recommended awarding a \$4,511,700 Clean Water SRF loan at the Nonpoint Source Incentive Rate of 1.25 percent interest for 20 years. The loan consists of \$4,200,000 for the wastewater and storm water improvements and \$311,700 for the nonpoint source activities. The nonpoint source amount decreased due to the interest rate change.

Mitchell pledged a project surcharge for repayment of the loan. Staff analysis indicates the city will need to establish a surcharge of \$4.20 to repay this loan, resulting in monthly rates of \$35.72 per residential user for 5,000 gallons usage.

Staff recommended the loan being contingent upon the borrower adopting two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. Staff also recommended a special condition to the loan that the borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan.

Representatives for the city of Mitchell discussed the project.

Motion by Bernhard, seconded by Johnson, to adopt **Resolution No. 2020-61** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,511,700 at 1.25 percent interest for 20 years to the city of **Mitchell** for a Phase II east central drainage basin stormwater and sanitary sewer 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 two bond resolutions and the resolutions becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and with the special condition that the borrower may not draw funds from the proceeds of the Series NPS Borrower Bond until EPA approves the revised budget for the Project Implementation Plan. A roll call vote was taken, and the motion carried unanimously.

**Montrose** requested funding to rehabilitate a lift station by raising the structure to prevent flooding, installing a standby generator and replacing the pumps. Riprap will be installed along the Vermillion River directly adjacent to the treatment ponds to prevent erosion of the treatment system. The access road to the treatment facility will also be reconstructed to allow access during flooding events, and 1,600 feet of clay pipe will be replaced or relined to reduce the amount infiltration into the collection system.

Montrose anticipates bidding the project in April 2021 with project completion in November 2021.

The estimated total project amount is \$1,008,000, and the amount requested is \$1,008,000.

Montrose has a flat rate of \$29.50.

Staff recommended awarding a \$1,008,000 Clean Water SRF loan at 2.125 percent interest for 30 years with 19.9 percent principal forgiveness not to exceed \$200,000.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the net loan of \$808,000 is \$14.70, which will bring overall rates to \$44.20.

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.

Representatives for the city of Montrose discussed the project.

Motion by Jones, seconded by Lanning, to adopt **Resolution No. 2020-62** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$1,008,000 at 2.125 percent interest for 30 years with 19.9 percent principal forgiveness not to exceed \$200,000 to the city of **Montrose** for sanitary sewer collection and treatment 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. A roll call vote was taken, and the motion carried unanimously.

**Tea** requested funding for payment of system development charges to buy into the Sioux Falls Water Reclamation Facility and engineering costs associated with the design of a pumping station and force main for the connection to Sioux Falls.

The city anticipates payment of the system development charge by July 1, 2020. Project design will begin in May of 2020 and be complete by January 2021.

The estimated total project amount is \$5,539,000, and the amount requested is \$5,539,000.

Rates in Tea are \$42.00 for 5,000 gallons usage.

Staff recommended awarding a \$4,431,00 Clean Water SRF loan at 2.125 percent interest for 30 years and a Consolidated grant for 20.1 percent of eligible costs not to exceed \$1,108,000.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$8.60. Staff analysis indicates the current rates can be restructured to cover the surcharge with no rate increase. The total project cost for the pumping station and force main to Sioux Fall is approximately \$6.9 million. Assuming no subsidy on the pumping station/force main project, it is estimated that monthly residential rates in Tea will be approximately \$75.00 to \$80.00 based on 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. Staff also recommended a special condition to the Consolidated grant that grant funds will be drawn concurrently with the Clean Water State Revolving Fund loan awarded for this project.

A representative for the city of Tea discussed the project and answered questions.

Motion by Bernhard, seconded by Gnirk, to adopt **Resolution No. 2020-63** approving a Clean Water State Revolving Fund loan up to a maximum committed amount of \$4,431,000 at 2.125 percent interest for 30 years with to the city of **Tea** for sanitary sewer regionalization – Phase 1, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage, and

adopt **Resolution No. 2020-64** approving a South Dakota Consolidated Water Facilities Construction Program grant agreement for the city **Tea** for up to 20.1 percent of eligible costs not to exceed \$1,108,00 for sanitary sewer regionalization – Phase 1 with the special condition that grant funds for reimbursement must be drawn concurrently with Clean Water State Revolving Fund loan C461028-08 funds. A roll call vote was taken, and the motion carried unanimously.

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

**Clay Rural Water System (RWS)** requested funding for the construction of approximately nine miles of pipeline, a new booster station, and miscellaneous appurtenances. The project also includes improvements to the controls and telemetry system.

The Clay RWS anticipates bidding the project in May of 2020 with project completion in May of 2021.

The estimated total project amount is \$2,185,000, and the amount requested is \$2,185,000.

In January 2020 the rural water system raised rates from \$70.10 to \$75.10 per 7,000 gallons.

Staff recommended awarding a \$2,185,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

Clay RWS pledged system revenue for repayment of the loan. Staff analysis indicates that current rates will provide 355 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, Cobank, Clay Rural Water System and the District.

A representative for the rural water system discussed the project.

Motion by Gnirk, seconded by Lanning, to adopt **Resolution No. 2020-65** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,185,000 at 2.125 percent interest for 30 years to **Clay Rural Water System** for 2020 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 an Intercreditor Agreement being approved and



executed by Rural Utilities Service, Cobank, Clay Rural Water System and the District. A roll call vote was taken, and the motion carried unanimously.

**DeSmet** requested funding to install approximately 2,040 feet of 6-inch water mains, fire hydrants, valves and other appurtenances that will complete line looping in the system to improve water quality and line pressure.

DeSmet anticipates bidding the project in November 2020 with project completion in September 2021.

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

Rates in DeSmet are 34.15 per 5,000 gallons.

Staff recommended awarding a \$565,000 Drinking Water SRF loan at 1.875 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$4.35 bringing overall rates to \$38.50.

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.

The Mayor of DeSmet and the project engineer discussed the project.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2020-66** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$565,000 at 1.875 percent interest for 30 years to the city of **DeSmet** for water system looping improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried unanimously.

**Lake Norden** is currently working on a project to develop a new well field, install transmission lines to the water treatment plant, and replace filters and controls at the treatment plant. Due to high groundwater, the raw water line between the well field and the treatment plant cannot be installed using conventional open trench methods. It has been proposed to directional bore the transmission lines from the new well field to the water treatment plant.

The project is currently under construction with anticipated completion in July 2020.

The estimated total project amount is \$3,791,000, and the amount requested is \$1,345,000.

The city recently established a new rate of \$30.00 per 5,000 gallons.

Lake Norden received a \$1,477,000 Drinking Water SRF loan in March 2018 and has a \$969,000 EDA grant for this project. The additional funds are necessary for the increased costs related to having to directionally bore the transmission line instead of conventional open trench construction methods.

Staff recommended awarding a \$1,345,000 Drinking Water SRF loan at 1.625 percent interest for 20 years.

Lake Norden pledged a project surcharge. The surcharge needed for repayment of the loan would be \$29.00 per user if applied evenly to all users. The Agropur cheese factory accounts for 95 percent of the water system revenue. On the previous loan the surcharge was structured such that Agropur paid a large part of the surcharge. Lake Norden will need to establish a surcharge that generates \$86,815 annually at the recommended loan amount. If applied proportional to the usage residential users would be assessed a \$1.95 surcharge, bringing monthly residential rates to \$31.95 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.

Representatives for Lake Norden discussed the project.

Motion by Johnson, seconded by Lanning, to adopt **Resolution No. 2020-67** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$1,345,000 at 1.625 percent interest for 20 years to the city of **Lake Norden** for water system improvements, and authorizing the execution of the loan agreement, the acceptance of the Local Obligation, the assignment of the Local Obligation to the Trustee, and the execution and delivery of such other documents and the performance of all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust, contingent upon the borrower adopting a bond resolution and the resolution becoming effective and contingent upon the borrower establishing a surcharge at a level sufficient to provide the required debt coverage. A roll call vote was taken, and the motion carried Adam, Bernhard, Johnson, Jones, Lanning, and Soholt voting aye. Gnirk did not vote.

**North Sioux City** requested funding to construct a 750,000-gallon elevated water storage tank with piping and appurtenances necessary to connect the new tower to the distribution system.

North Sioux City anticipates bidding the project in May of 2020 with project completion in September of 2021.

The estimated total project amount is \$2,700,000, and the amount requested is \$2,700,000.

Rates in North Sioux City are \$24.00 per 5,000 gallons.

Staff recommended awarding a \$2,700,000 Drinking Water SRF loan at 2.125 percent interest for 30 years.

The city pledged system revenue for repayment of the loan. Based on estimated 2022 revenues and operating expenses, staff analysis indicates a coverage of 423 percent, which exceeds the 110 percent requirement; thus, no rate increase is necessary.

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

Motion by Lanning, seconded by Bernhard, to adopt **Resolution No. 2020-68** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$2,700,000 at 2.125 percent interest for 30 years to the city of **North Sioux City** for a water tower 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. A roll call vote was taken, and the motion carried with Adam, Bernhard, Gnirk, Johnson, Lanning, and Sohlt voting aye. Jones abstained from voting.

**Wolsey** requested funding to replace a pumphouse, pumps, and controls. A standby generator will also be purchased.

Wolsey anticipates bidding the project in June 2020 with project completion in December 2020.

The estimated total project amount is \$326,000, and the amount requested is \$326,000.

Rates in Wolsey are \$42.00 per 5,000 gallons.

Staff recommended awarding a \$326,000 Drinking Water SRF loan at 1.625 percent interest for 30 years.

The city pledged a project surcharge for repayment of the loan. The surcharge required for repayment of the loan is \$6.25; however, staff analysis indicates Wolsey can restructure its rates and cover the required surcharge and operating expenses with current rates.

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

A representative for the city of Wolsey discussed the project.

Motion by Adam, seconded by Jones, to adopt **Resolution No. 2020-69** approving a Drinking Water State Revolving Fund loan up to a maximum committed amount of \$326,000 at 1.625 percent interest for 30 years to the city of **Wolsey** for a pumphouse 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. A roll call vote was taken, and the motion carried unanimously.

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

**SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS:** Drew Huisken presented an overview of available funds, the funding applications, and staff recommendations.

**Day County Conservation District** requested funding to purchase a 25-cubic-yard recycling trailer for #1 and #2 (Polyethylene Terephthalate and HDPE) plastic materials in its service area. Currently, there are no collection sites for plastic recyclables in Day County. Day County is responsible for upkeep of the trailer and will be hauling collected plastics to a recycling center when the trailer is full. The trailer will be located at Day County Conservation District property located approximately one mile south of Webster.

The estimated total project amount is \$13,500, and the amount requested is \$7,000.

Day County Conservation District plans to acquire the trailer as soon as funding is available.

Staff recommended awarding a Solid Waste Management Program grant for up to 50 percent of eligible project costs not to exceed \$6,750.

For recycling projects, grant awards have historically been between 35 percent and 50 percent of total project costs. Day County Conservation District is not interested in a Solid Waste Management loan and has committed to funding the remaining project costs with local cash.

A representative of Day County Conservation District discussed the project.

Motion by Gnirk, seconded by Adam, to adopt **Resolution No. 2020-70** approving the South Dakota Solid Waste Management Program grant agreement to **Day County Conservation District** for up to 50 percent of approved total project costs not to exceed \$6,750 for the purchase of a recycling trailer. A roll call vote was taken, and the motion carried unanimously.

**Huron** requested funding to purchase a new recycling collection truck. The current truck is over seven years old and beyond its useful life. The new truck will have a compactor body and automated collection arm as well as software to log collection data.

The estimated total project amount is \$300,000, and the amount requested is \$150,000.

The city has a \$2.25 per month recycling fee for a single-family domestic dwelling.

Huron anticipates purchase and acquisition of the truck in May 2020.

Staff recommended awarding a Solid Waste Management Program grant for up to 50 percent of the total project cost not to exceed \$150,000.

For recycling projects, grant awards have historically been 35 percent to 50 percent of total project costs. The city of Huron indicated they are not interested in a Solid Waste Management Program loan and will fund the remainder of the project with local cash.

A representative of Huron discussed the project.

Motion by Gnirk, seconded by Johnson, to adopt **Resolution No. 2020-71** approving the South Dakota Solid Waste Management Program grant agreement to the city of **Huron** for up to 50 percent of approved total project costs not to exceed \$150,000 for the purchase of a recycling collection truck. A roll call vote was taken, and the motion carried unanimously.

**Vermillion** requested funding to renovate the Missouri Valley Recycling Center, which was built as a private warehouse in 1972 and began operating as a recycling center in 1994. Significant renovations are being proposed to improve operations and public health and safety at the facility. Proposed renovations include constructing a fire rated wall between the processing area and cold storage, installing fire detection and a smoke/heat removal system, adding ADA compliant bathrooms, and separating the public drop off area and operating areas.

The estimated total project amount is \$686,650, and the amount requested is \$343,325.

Vermillion anticipates beginning renovations in the summer of 2020 if funding is awarded.

Staff recommended awarding a Solid Waste Management Program grant for up to 50.0 percent of the total project costs not to exceed \$343,000.

For recycling projects, grant awards have historically been 35 percent to 50 percent of total project costs. The City of Vermillion indicated they will fund the remainder of the project with local cash.

A representative from the city of Vermillion discussed the project.

Motion by Jones, seconded by Gnirk, to adopt **Resolution No. 2020-72** approving the South Dakota Solid Waste Management Program grant agreement to the city of **Vermillion** for up to 50 percent of approved total project costs not to exceed \$343,000 for the purchase of a recycling collection truck. A roll call vote was taken, and the motion carried unanimously.

Mr. Huisken provided an overview of remaining Solid Waste Management Program funds.

BOND ISSUE DISCUSSION: Mr. Perkovich reported that the Clean Water SRF Program balance is \$15,400,000. For the June funding round, sanitary/storm sewer requests total more than \$55,800,000; therefore, staff proposes going out for a leverage bond issue.

This bond issue will be for Sioux Falls projects only. One of the requirements is that staff has to identify the Sioux Falls projects on which the money will be used for. Currently, Sioux Falls has the following SRF loans with substantial outstanding balances:

Loan 40 – Main Pump Station Replacement; \$24,400,000 with approximately \$17.6 million remaining

Loan 41 - Water Rec. Facility Expansion; \$41,625,000 with approximately \$40.3 million remaining

Loan 42 – Stormwater Improvements; \$9,000,000 with none spent to date

Mr. Perkovich stated that if these projects are shifted over to a Sioux Falls only bond series, that will free up \$67 million (less with future draws), money to cover the June 2020 sanitary/storm sewer requests, with some money left over.

Anticipated Sioux Falls projects include:

\$18,500,000 for Water Reclamation Facility Expansion (2020)

\$8,790,000 for Storm Water Management (2020)

\$42,850,000 for Pump Station 240 Parallel Forcemain (2021)

\$87,500,000 for Water Reclamation Facility Expansion (2021)

\$10,119,000 for Basin 15 Sanitary Sewer Line Extension (2021)

\$11,375,000 for Water Reclamation Facility Expansion (2022)

TOTAL = \$179,134,000

Staff anticipates doing two bond issues for the city of Sioux Falls, with one now and the second one at a future date.

Bank of America, Citigroup, and JP Morgan are under contract until September 30, 2021. The plan is to have Bank of America act as Senior Manager with the others serving as Co-managers. The first meeting on the bond issue is scheduled for Wednesday, April 29, 2020, and staff hopes to have bonds issued in late June or early July 2020.

Mr. Perkovich noted that schedule will require at least one, or possibly two, special board teleconferences. Staff will contact the board members at a later date regarding a date for the teleconference.

JUNE BOARD MEETING: The next meeting is scheduled for June 25-26, 2020. Mr. Perkovich discussed possible agenda items for that meeting.

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

Approved this \_\_\_\_ day of \_\_\_\_\_ 2020.

(SEAL)

\_\_\_\_\_  
Chairman, Board of Water and  
Natural Resources

ATTEST:

\_\_\_\_\_  
Secretary, Board of Water and  
Natural Resources

DRAFT

June 25, 2020

Item 5

TITLE:	Rescind Madison's Clean Water SRF Loans C461024-03 and C461024-04
EXPLANATION:	<p>On April 27, 2020 the Board awarded two Clean Water SRF loans for \$3,287,000 and \$3,073,000 to the city of Madison for improvements to the storm water and the wastewater collection systems, respectively.</p> <p>After the presentation of the funding recommendations, the city of Madison decided to seek funding through RD instead due to lower interest rates.</p>
RECOMMENDED ACTION:	Rescind Resolutions #2020-58 and #2020-59 approving the two Clean Water SRF loans
CONTACT:	Stephanie Riggle, 773-4216





May 26, 2020

Stephanie Riggle  
Grant & Loan Specialist I  
SD Department of Environment and Natural Resources  
523 E Capitol  
Pierre, SD 57501

RE: Clean Water State Revolving Fund Loans

Dear Ms. Riggle:

Please be informed that the City of Madison has accepted wastewater/sanitary sewer system and storm sewer system financing from USDA Rural Development rather than the Department of Environment and Natural Resources Clean Water State Revolving Fund. This decision was based on the financial implication of interest savings afforded by a lower USDA RD interest rate.

I truly want to thank you and your team for our application review and subsequent funding offers, but as a public body we must do what is in the best financial interest of the citizens of the City of Madison.

Respectfully,

Marshall Dennert  
Mayor

June 25, 2020

Item 6

TITLE: Rescind Westport's Consolidated Water Facilities Construction Program Loan 2019L-104

EXPLANATION: On March 27, 2018 the Board awarded a \$270,000 Consolidated loan to the Town of Westport for the replacement of the existing lift station with a duplex submersible lift station and install 2,800 feet of sewer line. The loan was closed on July 1, 2019, but no reimbursements have been made and no progress has been made on this project.

Staff received the enclosed document from Westport that states that the "Borrower does hereby waive any written notice requirement as provided in the Loan Agreement and acknowledges this suspension of loan and revocation of the commitment amount". Westport has submitted a new application for the project since the initial funding package included a Consolidated grant that has expired.

RECOMMENDED ACTION: Rescind Resolution #2018-39 approving the \$270,000 Consolidated loan 2019L-104 to the Town of Westport.

CONTACT: Jon Peschong, 773-4216

BORROWER: Town of Westport, South Dakota

RECEIVED

MAY 18 2020

Division of Financial  
& Technical Assistance

***Suspension of Loan and Revocation of Committed Amount***

Please find enclosed two copies of the Suspension of Loan and Revocation of Committed Amount. All capitalized terms shall have the meanings set forth in the Loan Agreement.

The Board of Water and Natural Resources (the "Board") approved Loan number 2019L-104 for up to a Maximum Committed Amount of \$270,000 (the "Loan"). The Loan was closed on July 1, 2019, but the Borrower requests the Loan be suspended or canceled due to factors beyond its control. No proceeds of the loan have been disbursed to the borrower.

Nothing contained in this letter will prohibit the Borrower from making another loan application under any of the Board's loan programs. Please execute both copies, return one for the Board's records, and retain one for the Borrower's records.


The Borrower does hereby waive any written notice requirement as provided in the Loan Agreement and acknowledges this suspension of loan and revocation of the commitment amount.

Date this 4<sup>th</sup> day of May 2020

**BORROWER:**

**TOWN OF WESTPORT, SOUTH DAKOTA**

By:



Its Mayor

June 25, 2020

Item 7

**TITLE:** Amendments to State Water Plan, 2020 Clean Water State Revolving Fund and 2020 Drinking Water State Revolving Fund Intended Use Plans

**EXPLANATION:** 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 amendments 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 2021.

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

The following is the list of State Water Plan applications received by the May 1, 2020 deadline.

- a) Gregory
- b) Mitchell
- c) Rapid City – Elk Vale Lift Station Area Sewer Lines
- d) Rapid City – WRF Aeration Basin and Siphon Upgrades
- e) Rapid City – Landfill Cell #16 Cover and Gas Collection System Improvements
- f) Tea

Staff is recommending that the following projects be amended onto the 2020 Clean Water State Revolving Fund Project Priority List:

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

June 25, 2020

Item 7

Additionally, staff is recommending that the following projects be amended onto the 2020 Drinking Water State Revolving Fund Project Priority List:

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

RECOMMENDED  
ACTION:

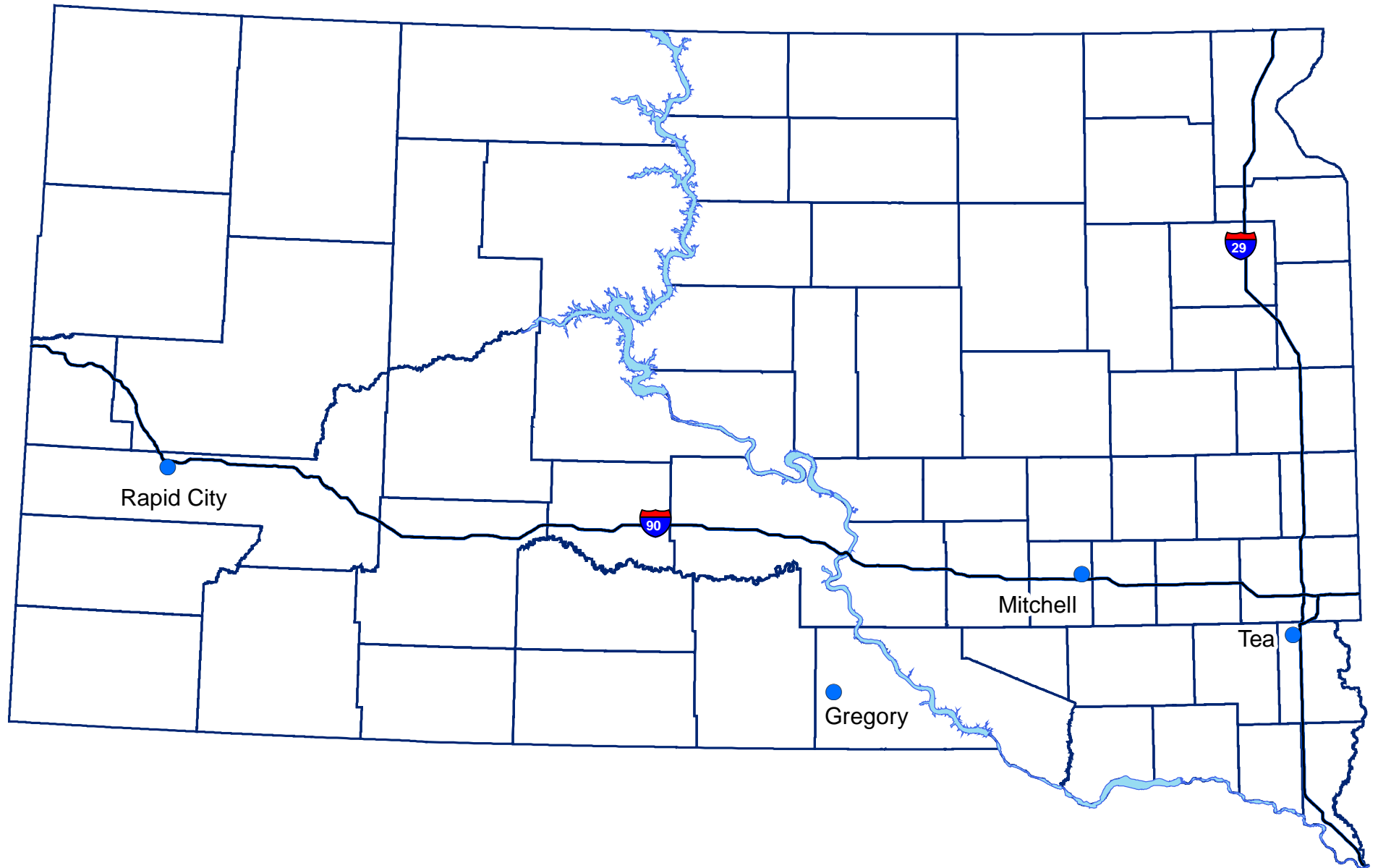
Approve amendments of projects onto the State Water Plan, 2020 Clean Water State Revolving Fund and 2020 Drinking Water State Revolving Fund Intended Use Plans

CONTACT:

Andy Bruels, 773-4216

# State Water Plan Applications

## June 2020



## State Water Plan Application

<b>Applicant:</b> City of Gregory  <b>Address:</b> PO Box 486 Gregory, SD  <b>Phone Number:</b> (605) 835-8270	<b>Proposed Funding Package</b>  <div style="text-align: right;">         Projected State Funding    <u>\$19,944,400</u> </div> <div style="text-align: right;">         Local Cash    _____       </div> <div style="text-align: right;">         Other: _____       </div> <div style="text-align: right;">         Other: _____       </div> <div style="text-align: right;"> <b>TOTAL</b>    <u>\$19,944,400</u> </div>
--	---

**Project Title:** Gregory Wastewater System & Water Distribution Improvements

**Description:** (Include present monthly utility rate.)

The City of Gregory retained SPN to prepare a PER on its wastewater and water systems. The engineer evaluated the collection system and the wastewater treatment system and several deficiencies were noted. SPN developed sewer improvements totalling \$13,192,400.

The engineer noted that over half of the distribution system consists of either cast iron pipe (CIP) or asbestos cement pipe (ACP). The total for all distribution system improvements is estimated to be \$6,752,000.

The actual cost of implementing the recommendations in the engineer's study will vary depending on which alternatives the City selects. The City of Gregory charges its 710 users \$34.00 for 5,000 gallons of water and \$32.00 for 5,000 gallons of wastewater.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Scott Anshutz, Mayor

Name & Title of Authorized Signatory  
(Typed)


30 April 2020

Signature

Date

## State Water Plan Application

Applicant: City of Mitchell  Address: 612 N. Main Mitchell, SD 57301  Phone Number: 605 995-8143	Proposed Funding Package  <div style="text-align: right;">           Projected State Funding    \$23,100,000             Local Cash    _____             Other: _____             Other: _____   <div style="text-align: right;">TOTAL    \$23,100,000</div> </div>
--	---

Project Title: Mitchell Wastewater System Improvements

Description: (Include present monthly utility rate.)

The project consists of several proposed improvements to Mitchell's wastewater collection system, including TV inspection of sewer lines, replacement of deficient sewer lines throughout the city, replacement of lines with insufficient capacity, and replacement or rehabilitation of several sewage lift stations. The City plans to implement the projects over the next five years.

The highest priority project is replacement of the Dailey Drive lift station, which is expected to cost approximately \$1.2 million. Funding for that project will be requested at the earliest opportunity.

Mitchell's current sewer rate for 5,000 gallons of water used is \$30.42.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert Everson, Mayor

\_\_\_\_\_  
 Name & Title of Authorized Signatory  
 (Typed)

\_\_\_\_\_  
 Signature

\_\_\_\_\_  
 Date

02-20-2020



RECEIVED

MAY - 4 2020

SD EForm - 0487LD V3

Division of Financial  
& Technical Assistance**State Water Plan Application**

Applicant:

City of Rapid City

Address:

300 6th Street  
Rapid City, South Dakota 57701

Phone Number:

605-394-4154

Proposed Funding Package

Projected State Funding \$7,800,000

Local Cash \$200,000

Other: \_\_\_\_\_

Other: \_\_\_\_\_

TOTAL \$8,000,000

Project Title: Elk Vale Lift Station Gravity Main and Force Main Upgrades

Description: (Include present monthly utility rate.)

This project includes upgrades to the downstream force main and gravity main from the Rapid City Elk Vale Lift Station. A project was completed to upgrade the lift station in 2013 to add capacity for recent and future anticipated growth. This is a follow up project for the single 8" force main from the lift station to be replaced with dual, 16" diameter force mains each approximately 11,150 linear feet and the downstream 12" gravity main to be replaced with a 24" gravity main approximately 3,900 linear feet to allow for the full capacity of the lift station to be used. Project funding request covers the estimated cost of Design Services, Easement Acquisition, Construction and Construction Administration Services for the project.

2020 Monthly Residential Sewer Rate = \$32.69 based on a usage of 5000 gallons

2020 Monthly Residential Water Rate = \$37.43 based on a usage of 5000 gallons

A minimum reserve balance is maintained within the City's Sewer Enterprise Fund at an amount established by previous rate studies.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dale Tech, Public Works Director

Name & Title of Authorized Signatory  
(Typed)

Signature

04/29/2020

Date

MAY - 4 2020

Division of Financial  
& Technical Assistance

SD EForm - 0487LD V3

**State Water Plan Application**

Applicant: City of Rapid City - Public Works	Proposed Funding Package
Address: City of Rapid City - Public Works 300 6th Street Rapid City, SD 57701	Projected State Funding <u>\$6,075,000</u>
Phone Number: (605) 394-4165	Local Cash <u>\$100,000</u>
	Other: _____
	Other: _____
	TOTAL <u>\$6,175,000</u>

Project Title: WRF Aeration Basin Clariflocculator and Siphon Piping Construction

Description: (Include present monthly utility rate.)

The City of Rapid City (City) in 2016 completed a Facility Plan (Plan) for the City's Water Reclamation Facility. The Plan evaluated the facility for compliance with future permits, hydraulic capacity, and maintenance/existing component replacement needs. The evaluation results were itemized, prioritized, and cost estimates were developed. The proposed clariflocculator project is a priority 1 project and consists of the construction of a new clariflocculator, curtain wall, pumps, and improved flow handling structures. The Siphon component is needed because two existing buried steel siphon pipes, just downstream of the facility's screening building, have exceeded their design life and need to be replaced. The funding request covers the cost of Design, Construction Administration, and Project Construction. The City maintains a minimum reserve balance within the City's Sewer Enterprise Fund at an amount established by the latest cost of services analysis (rate study). Please refer to Attachment A for a more detailed project description. The City's 2020 sewer and water rates are:

- Monthly Residential Sewer Rate = \$32.69 based on a usage of 5000 gallons.
- Monthly Residential Water Rate = \$37.43 based on a usage of 5000 gallons.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dale Tech, Public Works Director  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

04/29/2020  
Date

MAY - 4 2020

Division of Financial  
& Technical Assistance

SD EForm - 0487LD V3

**State Water Plan Application**

Applicant: City of Rapid City - Public Works	Proposed Funding Package
Address: City of Rapid City - Public Works 300 6th Street Rapid City, SD 57701	Projected State Funding \$4,760,000
Phone Number: (605) 394-4165	Local Cash \$200,000
	Other: _____
	Other: _____
	TOTAL \$4,960,000

Project Title: Solid Waste Cell #16 Cover and GCCS Construction and Flare Replacement

Description: (Include present monthly utility rate.)

The City of Rapid City (City) has contracted with FMG Engineering, Inc. for engineering services for the installation and placement of a final cover system and Gas Collection and Control System (GCCS) over the in-place municipal solid waste (MSW) in Cell 16 and to complete a feasibility study to possibly incorporate an adjacent future MSW cell (Cell 15) with Cell #16. At this time, the City has not determined whether incorporating Cell #15 with Cell #16 is prudent. However, the funding application reflects a funding level of \$2,000,000 for the incorporation Cell #15 and #16. Please refer to Attachment A for a more detailed project description. The City's Residential MSW Collection rates are:

- \$14.99\* per month for 35-gallon container.
- \$16.83\* per month for 65-gallon container.
- \$18.68\* per month for 95-gallon container.

\* There is a blanket 25% rate relief for low income seniors that can be applied.

- The City is required by State statute to have a separate perpetual care fund to cover closing the facility and providing long term maintenance after closure. In addition, a minimum reserve is also maintained within the City's Solid Waste Enterprise Funds.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dale Tech, Public Works Director  
Name & Title of Authorized Signatory  
(Typed)



Signature

04/29/2020

Date

RECEIVED

APR 30 2020

Division of Financial  
& Technical Assistance

SD EForm - 0487LD V3

## State Water Plan Application

<b>Applicant:</b> City of Tea <b>Address:</b> PO Box 128 Tea, South Dakota 57064  <b>Phone Number:</b> (605) 498-5191	<b>Proposed Funding Package</b>  Projected State Funding <u>\$3,152,000</u> Local Cash _____ Other: _____ Other: _____  TOTAL <u>\$3,152,000</u>
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**Project Title:**

**Description: (Include present monthly utility rate.)**

The City of Tea needs an additional elevated storage tank to serve existing customers. The current proposed location is near Bakker Landing Avenue, directly west of Interstate 29. Currently, this area is only served by a second Lewis and Clark Rural Water System connection for the City. Due to ground elevation and distance, this area cannot be serviced by the existing tanks because they would not be able to provide adequate pressure. The current monthly water rate for a 5,000 residential user with a meter not exceeding one inch is \$31.80. Water rates are based on usage; additional information regarding rates is included in the attached rate document. The City has a reserve, but anticipates needing a funding package to cover eligible project costs.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Dan Zulkosky, City Administrator  
Name & Title of Authorized Signatory  
(Typed)

Signature

04/27/2020

Date

June 25, 2020

Item 8

**TITLE:** Amendments to the FY 2019 Clean Water SRF Intended Use Plan

**EXPLANATION:** The FY 2019 Clean Water State Revolving Fund Intended Use Plan was approved by the Board of Water and Natural Resources in November 2018 and amended in March, June and September 2019 and April 2020.

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

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

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

**RECOMMENDED ACTION:** Approve the proposed amendments to the 2019 Clean Water SRF Intended Use Plan

**CONTACT:** Andy Bruels, 773-4216

TITLE: Sanitary/Storm Sewer Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting.

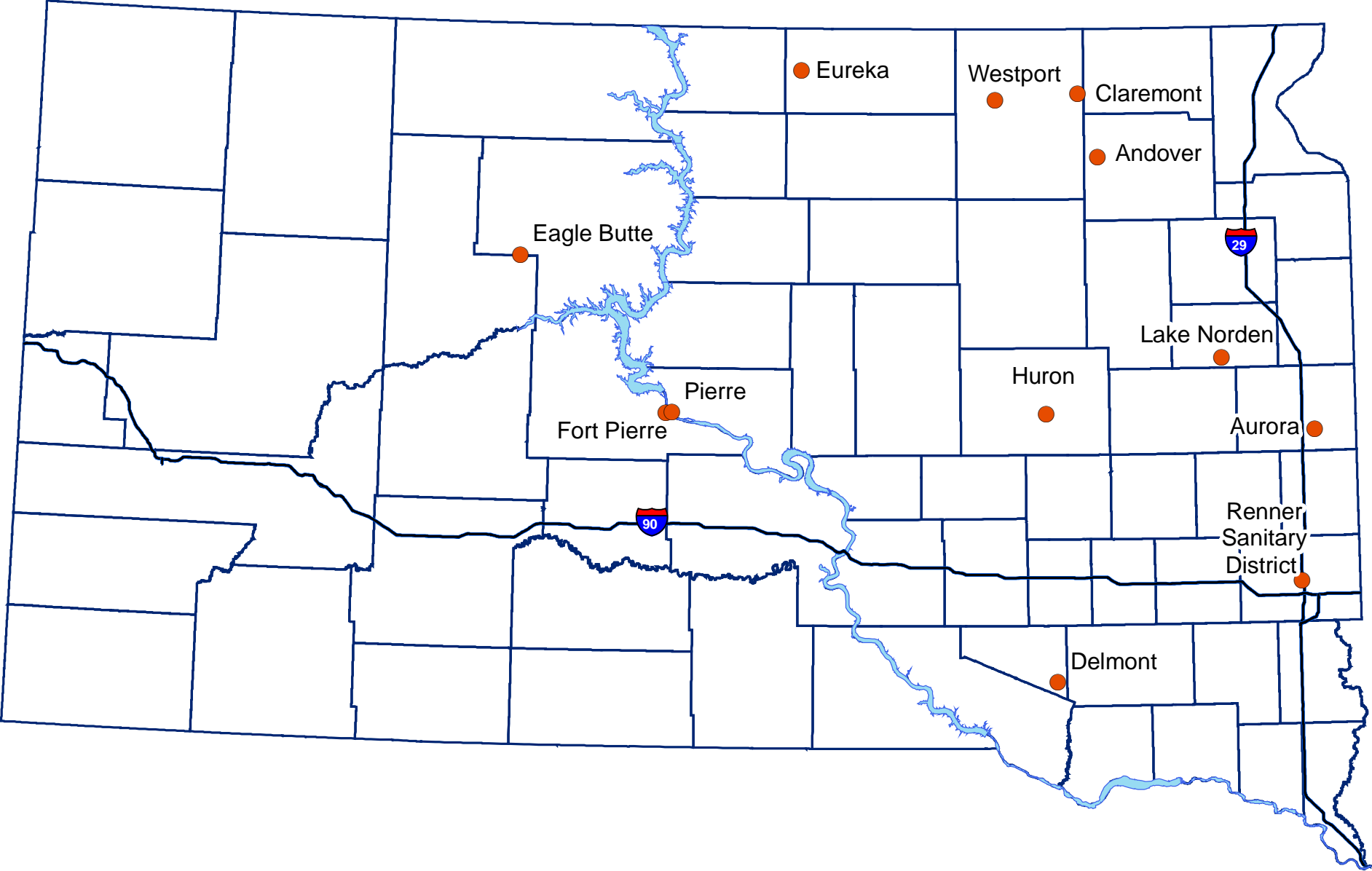
a)	Fort Pierre (31)	g)	Aurora (10)
b)	Huron (24)	h)	Renner Sanitary District (9)
c)	Pierre (18)	i)	Andover (8)
d)	Eagle Butte (15)	j)	Eureka (8)
e)	Delmont (13)	k)	Lake Norden (7)
f)	Claremont (12)	l)	Westport (6)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets with a financial analysis have been provided as part of the board packet. The complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRapps06agenda062520.pdf>

If you would like a hard copy of the applications, please contact Mike Perkovich at (605) 773-4216.

# June 2020 Sanitary/Storm Sewer Facilities Funding Applications



**Sanitary/Storm Sewer Facilities Funding Application**

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Fort Pierre	Proposed Funding Package	
Address: PO Box 700 08 East 2nd Ave Fort Pierre, SD 57532	Requested Funding	\$3,701,000
Subapplicant:	Local Cash	
DUNS Number: 127829554	Other:	
	Other:	
	Other:	
	TOTAL	\$3,701,000

Project Title: Fort Pierre Waste Water Improvement Project

## Description:

The City proposes to undertake wastewater system improvements that include rerouting the flow through most of the lagoons to eliminate short circuiting, installing an aeration system to reduce BOD, adding additional treatment to reduce ammonia, installing UV disinfectant and modifying the discharge technique.

These improvements will bring the City into compliance with its discharge permit and remedy discharge citations in accordance with the City's settlement agreement with DENR.

## The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Gloria Hanson, Mayor  
Name & Title of Authorized Signatory  
(Typed)

 3-26-2020  
Signature Date



**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF FORT PIERRE**

Project Title: Wastewater Treatment Improvements

Funding Requested: \$3,701,000

Other Proposed Funding: None

Total Project Cost: \$3,701,000

Project Description: Fort Pierre proposes to reroute flow to eliminate short circuiting in the treatment ponds, install an aeration system, add additional ammonia treatment, and install UV disinfection. The current deficiencies in the system have resulted in multiple permit violations.

Alternatives Evaluated: The "No Action" alternative was not considered as it does not address the deficiencies in the treatment system to bring the city back into compliance.

Alternatives that were considered include the following:

1. Adding an additional stabilization pond
2. Requesting revisions to the permitted ammonia limits
3. Discharging into the Missouri River
4. Adding partial mix aeration to primary ponds
5. Adding partial mix aeration in addition to suspended attached growth reactors
6. Adding fine bubble aeration and nitrification reactor
7. Partial aeration and moving bed bioreactor

Alternative 7 was chosen as it is the most viable and cost effective option for bringing the system back into compliance.

Implementation Schedule: Fort Pierre anticipates bidding the project in October 2020 with a project completion date of July 2022.

Service Population: 2,160

Current Domestic Rate: \$35.60 per 5,000 gallons

Interest Rate: 2.125%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Fort Pierre would have to establish a surcharge of approximately \$12.65. When added to current rate of \$35.60/5,000 gallons residents would be paying \$48.25/5,000 gallons. However, staff analysis indicates that Fort Pierre can adjust rates to \$45 or less.
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ENGINEERING REVIEW COMPLETED BY: TYLER ZETTL

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

**Sanitary/Storm Sewer Facilities Funding Application**

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Huron	Proposed Funding Package
Address: PO Box 1369 Huron SD 57350	
Subapplicant:	
DUNS Number: 078670106	
	Requested Funding <u>\$14,946,000</u>
	Local Cash <u>                    </u>
	Other: <u>                    </u>
	Other: <u>                    </u>
	Other: <u>                    </u>
	TOTAL <u>\$14,946,000</u>

Project Title: Wastewater Pretreatment Improvements

Description:

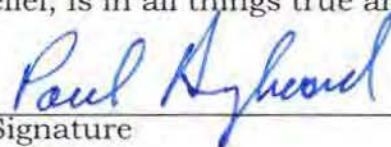
The City of Huron is proposing to construct a new Sequencing Batch Reaction (SBR) system near the existing SBR site. They are also proposing to rehabilitate the pretreatment facility. There is a detailed project description and cost estimate enclosed with the application. The current rate for wastewater per 5,000 gallons is \$30.72.

This is Phase I of a 3 phase project. The costs and project descriptions for the other phases are also included in the application.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Paul Aylward, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

March 09, 2020  
Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF HURON

Project Title:	Wastewater Pretreatment Improvements
Funding Requested:	\$14,946,000
Other Proposed Funding:	None
Total Project Cost:	\$14,946,000
Project Description:	Huron proposes to construct new sequencing batch reactors (SBR) and abandon the existing ones, as well as rehabilitate the pretreatment building. The current SBRs are undersized for current demands and cannot provide adequate BOD and ammonia removal.
Alternatives Evaluated:	<p>Multiple alternatives were evaluated to address the capacity issues that the existing SBRs face. These include the following:</p> <ol style="list-style-type: none"><li>1. Expanding the existing SBRs and replacing equipment</li><li>2. Raising the SBR basin walls and replacing equipment</li><li>3. Adding additional SBRs and replacing equipment</li><li>4. Abandon existing SBRs and construct new ones at the existing site</li></ol> <p>Abandoning the existing SBRs and constructing new ones was chosen because it is the most cost-effective alternative.</p>
Implementation Schedule:	Huron anticipates bidding the project in August of 2020 with a project completion date of December 2021.
Service Population:	13,291
Current Domestic Rate:	\$30.72 per 5,000 gallons
Interest Rate:	2.125%
Term:	30 years
Security:	Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Huron would have to establish a surcharge of approximately \$11.65. When added to current rate of \$30.72/5,000 gallons residents would be paying \$42.07/5,000 gallons. However, staff analysis indicates that Huron could adjust its rates and have little impact on its rate for 5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: TYLER ZETTL

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Pierre  Address: 2301 Patron Parkway Suite #1 Pierre, SD 57501  Subapplicant:   DUNS Number: 070745583	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$15,310,602</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other: _____</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$15,310,602</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$15,310,602	Local Cash		Other: _____		Other: _____		Other: _____		TOTAL	\$15,310,602
Proposed Funding Package															
Requested Funding	\$15,310,602														
Local Cash															
Other: _____															
Other: _____															
Other: _____															
TOTAL	\$15,310,602														

Project Title: Wastewater Treatment Plant Redesign

### Description:

The redesign of the Plant both addresses hydraulic issues that arise during flood conditions and improves the overall resiliency of the facility. The treatment plant upgrades will enhance removal of increased solids and enhance handling capabilities that protect critical equipment. These upgrades include installing new grinding equipment, replacing the screening and grit removal systems, and selecting pumps designed to pass solids. The new in-line grinding equipment is designed to macerate large debris from the collection system, and the new grit removal system is designed to extract 95% of the dense sand, silt, and gravel that has scoured and damaged mechanical equipment during recent periods of high releases. The screening equipment will remove rags and stringy material, and the WWTP pumps are designed to handle solids up to three inches in diameter. This multiple-stage approach to solids removal enhances equipment longevity and facility operational reliability. Basins will be rehabilitated. Options include rerouting treated effluent for use to wash screening equipment and grinding.

The engineers estimate for these improvement is \$15.3 million inclusive of engineering fees, construction oversight, and legal and administrative fees.

### The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Steve Harding, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

Signature

March 31, 2020

Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF PIERRE

Project Title: Wastewater Treatment Facility Improvements

Funding Requested: \$15,310,602

Other Proposed Funding: None

Total Project Cost: \$15,310,602

Project Description: Pierre is proposing to construct Phase I of a two-phase wastewater treatment system improvement project. The work includes a new submersible lift station, influent pumping and solids-screening upgrades, modifications to the digester and solids handling processes, replacement of the outfall line pipe, and installation of an emergency pump facility on the outfall line in case of flooding. In addition, primary and secondary treatment processes will be upgraded.

Alternatives Evaluated:

Preliminary Treatment Alternatives:

1. No Action Alternative – the current facility has outlived its useful life, and it produces hazardous gases that create issues with odor as well as operation and maintenance. This alternative was not selected.
2. New Submersible Lift Station with a New Screening and Grit Removal Facility Alternative – this alternative consists of replacement of abandoned anaerobic digesters with a new deep submersible lift station, installation of new screening and ventilation equipment, addition of aerated grit removal chambers, and installation of a biofilter odor control unit. This alternative was selected by the City.

Outfall Pipeline Improvement Alternatives:

1. No Action Alternative – this alternative was not selected because it does not address erosion around the existing discharge station, nor the operation and maintenance costs associated with an existing pipeline that is longer than necessary.
2. New Outfall Pipeline & Discharge Structure Alternative – construction of a new PVC outfall pipe is recommended from the UV effluent discharge pipe to a new outfall structure that discharges into the Missouri River. Construction of a new concrete

discharge structure is also recommended. This alternative was selected by the City.

**Effluent Emergency Pumping Alternatives:**

1. No Action Alternative – if the Missouri River elevation becomes higher than that of the treatment plant, there is currently no capability to safely discharge effluent. Therefore, this alternative was not selected.
2. New Effluent Emergency (Flood) Pumping Facility – construction of a concrete structure downstream of the UV disinfection system will allow gravity flow during normal operation, while pumps can be used to discharge effluent during flooding events. This alternative was selected by the City.

**Digesting and Solids Handling Alternatives:**

1. No Action Alternative – if no action is taken, Pierre will continue to be at risk for sludge leaks, and corrosion on one tank's roof will continue to cause odor problems. This alternative was not selected.
2. Second-Generation Autothermal Thermophilic Aerobic Digestion (ATAD) Alternative – Improvements are recommended to the current ATAD system, including installation of a new roof, application of high-performance coating to the tanks, and conversion of two reactors into a storage-nitrification-denitrification reactor and a sludge storage tank. This will reduce total solids and odors and enable more efficient dewatering. This alternative was selected by the City.
3. Schwing Bioset Alternative – construction of two buildings, one to house the Schwing Bioset and one to house the lime silo, is recommended. Installation of a new thickener is recommended as well. The city also selected this alternative.
4. Screw Press and Dryer Alternative – this enables Class A biosolids to be processed in the Dissolved Air Floatation building. This alternative may be undertaken in a future improvement project.

**Supplemental Modification Alternatives:**

1. No Action Alternative – this alternative was not selected because it does not address nuisance odor issues reported by Pierre residents.
2. Primary Treatment Alternative – agitation of solids causes odor issues, and removal of the primary clarifiers and trickling filter will not increase BOD and



TSS loading rates above standard design values. Therefore, removal and demolition of these components is recommended. This alternative was selected by the City.

3. Secondary Treatment Alternative – modifications are recommended to the Complete Mixing Activated Sludge (CMAS) basin structures, aeration system, and final clarification sludge and scum conveyance systems. The City selected this alternative.

Implementation Schedule: Pierre anticipates bidding the project in July 2020 with a project completion date of December 2021.

Service Population: 14,004

Current Domestic Rate: \$48.84 for 5,000 gallons

Interest Rate: 2.00%      Term: 20 years      Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Pierre would have to establish a surcharge of approximately \$13.50. When added to current rate of \$48.84/5,000 gallons residents would be paying \$62.34/5,000 gallons. However, staff analysis indicates that Pierre can fund the project without an increase in rates.
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ENGINEERING REVIEW COMPLETED BY: SUZANNE MCKINLEY

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

**Sanitary/Storm Sewer Facilities Funding Application**

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<b>Applicant:</b> City of Eagle Butte, South Dakota  <b>Address:</b> 209 Main St., PO Box 150 Eagle Butte, SD 57625  <b>Subapplicant:</b>   <b>DUNS Number:</b> 027915123	<b>Proposed Funding Package</b>  <table> <tr> <td>Requested Funding</td> <td>\$5,506,000</td> </tr> <tr> <td>Local Cash</td> <td>\$0</td> </tr> <tr> <td>Other: _____</td> <td>\$0</td> </tr> <tr> <td>Other: _____</td> <td>\$0</td> </tr> <tr> <td>Other: _____</td> <td>\$0</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$5,506,000</b></td> </tr> </table>	Requested Funding	\$5,506,000	Local Cash	\$0	Other: _____	\$0	Other: _____	\$0	Other: _____	\$0	<b>TOTAL</b>	<b>\$5,506,000</b>
Requested Funding	\$5,506,000												
Local Cash	\$0												
Other: _____	\$0												
Other: _____	\$0												
Other: _____	\$0												
<b>TOTAL</b>	<b>\$5,506,000</b>												

**Project Title:** Sanitary Sewer and Wastewater Treatment Facilities Improvements

**Description:**

Replacement of 10 Manholes, 1700 LF of 8-inch sanitary sewer, and 1200 LF of 10-inch sanitary sewer is proposed, utility mapping, and GIS implementation.

No Heart Lift Station: The No Heart Lift Station has had electrical and control problems causing the pumps to burn out. The trash basket is also undersized. Replacement of the concrete wet well, 2 pumps and trash basket is proposed. This would include new electrical, control, SCADA system and stand-by generator. Highway 212 Lift Station: The existing VCP sanitary collection pipe under Highway 212 has been in poor condition for a number of years and requires frequent flushing. The Hwy 212 Lift Station is also deteriorating. It is located on private property causing access issues. The replacement of the sanitary sewer under Hwy 212 and the lift station is proposed. Directional drilling 850 LF of 8-inch sanitary sewer pipe, 6 manholes, 10 sanitary sewer service connections, concrete wet well, 2 pumps, trash basket, valve vault, winch and support would be included. Also installed would be new electrical, control, SCADA, and perimeter fence and gate.

Treatment Facility Improvements: Treatment facility improvements proposed include clearing, grubbing and cleaning 2900 LF of existing drainageway, pond dewatering, removal of approximately 7,000 tons of existing rip rap, 3,000 cubic yards of pond dredging, 4,700 tons of gravel surfacing, installation of 7,000 tons of clean graded rip rap, 14,000 square yards of geotextile fabric, 3 concrete splash pads, 10,000 LF of fencing, gates, signage, and 6,500 square yards of seeding.

An estimated clean water project cost for these improvements is \$5,506,000. The current sewer rate is a flat monthly fee of \$30.85. There are currently 1,186 sewer users.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Verzella LaPlante, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

*Verzella LaPlante* 12-11-19  
 Signature Date

**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF EAGLE BUTTE**

Project Title: Wastewater System Improvements

Funding Requested: \$5,506,000

Other Proposed Funding: None

Total Project Cost: \$5,506,000

Project Description: The project will replace two of the existing lift stations and associated sewer main to increase capacity to handle anticipated flows, 2,900 feet of collection line and ten manholes that are in poor condition, and make improvements at the treatment facility to include improving the existing facility drainage, replacement of rip-rap, sludge removal to increase the pond capacity, and other associated improvements to the facility to improve operation.

Alternatives Evaluated: The “no action” alternative was evaluated for the lift stations, collection and treatment systems, but because of the significant deficiencies these alternatives were determined to not be feasible.

Rehabilitation of Collection System and Manholes – This alternative would use relining process to improve the pipe and manhole condition. The techniques are not always as effective and have similar costs to replacement. Full replacement was determined to be a more viable alternative.

Lift Station Rehabilitation – This alternative would have replaced almost all mechanical components of the lift station and required relining of the vaults. The added cost of replacement and bypass pumping were not enough to be a savings compared to total replacement of both lift stations.

Wastewater Treatment Improvements – The improvements reviewed were all selected for this project as they will allow the facility to continue operating as designed and provide for treatment of the wastewater in compliance with the city’s discharge permit.

Implementation Schedule: Eagle Butte anticipates bidding the project in April 2021, with a project completion date of November 2021.

Service Population: 3,272

Current Domestic Rate: \$30.85 flat rate

Interest Rate: 2.125%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Eagle Butte would have to establish a surcharge of approximately \$20.30. When added to current rate of \$30.85/5,000 gallons residents would be paying \$51.15/5,000 gallons.
25% Funding Subsidy:	\$1,376,500 subsidy with a loan of \$4,129,500.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$4,129,500, Eagle Butte would have to establish a surcharge of approximately \$15.25 thereby paying a rate \$46.10/5,000 gallons.
50% Funding Subsidy:	\$2,753,000 subsidy with a loan of \$2,753,000.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$2,753,000, Eagle Butte would have to establish a surcharge of approximately \$10.15 thereby paying a rate \$41.00/5,000 gallons.
75% Funding Subsidy:	\$4,129,500 subsidy with a loan of \$1,376,500.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$1,376,500, Eagle Butte would have to establish a surcharge of approximately \$5.10 thereby paying a rate \$35.95/5,000 gallons.

ENGINEERING REVIEW COMPLETED BY: ANDY BRUELS

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

APR - 1 2020

Division of Financial  
& Technical Assistance  
SD EForm - 2127LD V5**Sanitary/Storm Sewer Facilities Funding Application**Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Town of Delmont	Proposed Funding Package	
Address: PO Box 202 Delmont, SD 57330	Requested Funding	\$1,770,000
	Local Cash	\$2,734
Subapplicant:	Other: CDBG	\$770,000
	Other: USDA	\$1,000,000
DUNS Number: 15-014-2086	Other:	
	TOTAL	\$3,542,734

Project Title: Delmont Sewer System Project

## Description:

The Town of Delmont is proposing to make major upgrades to its wastewater system. The primary component will be replacement or relining of deficient sewage mains throughout the community. Other project elements will include improvements at the sewage treatment facility and rehabilitation of the sewage lift station.

Plans and specifications for the project will be developed in 2020 in anticipation of bid letting in early 2021.

## The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Robert Hotchkiss, Town Board President  
Name & Title of Authorized Signatory  
(Typed)

*Robert Hotchkiss*  
Signature

3-3-2020  
Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: TOWN OF DELMONT

Project Title:	Sewer System Improvements
Funding Requested:	\$1,770,000
Other Proposed Funding:	\$1,643,845 – USDA Rural Development \$770,000 - Community Development Block Grant
Total Project Cost:	\$3,631,845
Project Description:	<p>The Town of Delmont is proposing to make major upgrades to its wastewater system. Sewer mains will be relined or replaced throughout the community as well as improvements to the treatment facility and rehabilitation of the sewage lift station.</p> <p>The project will consist of replacing or relining approximately 18,500 feet of deficient sewer lines, replacing several manholes, and construction 3 new manholes. Improvements to the treatment facility include the installation of over 2,000 tons of riprap, embankment construction, dike shaping, sludge removal, and improvements the gravel access road at the facility. The lift station will be rehabilitated with replaced pumps, updated controls, and coating exposed pipes, fittings, and valves.</p>
Alternatives Evaluated:	<p>The “Do Nothing” alternative was not considered as it would not address any of the existing deficiencies in the system.</p> <p>The “Discharging Facility” alternative was not recommended as the current facility would need to be reclassified to allow discharges.</p>
Implementation Schedule:	Delmont anticipates bidding the project in early 2021 with a completion date in December 2021.
Service Population:	140
Current Domestic Rate:	\$37.00 flat rate

Interest Rate: 2.125%

Term: 30years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Delmont would have to establish a surcharge of approximately \$68.50. When added to current flat rate of \$37.00 residents would be paying a flat rate of \$105.50.
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25% Funding Subsidy:	\$442,500 subsidy with a loan of \$1,327,500.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$907,500, Delmont would have to establish a surcharge of approximately \$61.65 thereby paying a flat rate of \$98.65.
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50% Funding Subsidy:	\$885,000 subsidy with a loan of \$885,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$885,000, Delmont would have to establish a surcharge of approximately \$34.25 thereby paying a flat rate of \$71.25
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75% Funding Subsidy:	\$1,327,500 subsidy with a loan of \$442,500.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$302,500, Delmont would have to establish a surcharge of approximately \$17.15 thereby paying a flat rate of \$54.15.
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

**Sanitary/Storm Sewer Facilities Funding Application**

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<b>Applicant:</b> Town of Claremont  <b>Address:</b> 507 6th St. Claremont, SD 57432  <b>Subapplicant:</b>   <b>DUNS Number:</b> 120713198	<b>Proposed Funding Package</b>  <table> <tr> <td>Requested Funding</td> <td>\$986,000</td> </tr> <tr> <td>Local Cash</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$986,000</b></td> </tr> </table>	Requested Funding	\$986,000	Local Cash		Other:		Other:		Other:		<b>TOTAL</b>	<b>\$986,000</b>
Requested Funding	\$986,000												
Local Cash													
Other:													
Other:													
Other:													
<b>TOTAL</b>	<b>\$986,000</b>												

**Project Title:** Claremont Wastewater Improvements

**Description:**

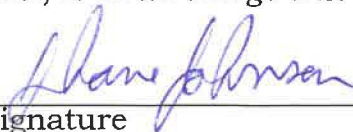
The Town of Claremont is proposing to replace several blocks of wastewater lines in town, repairing the existing lift station and the lagoon.

Changes made by the city to the design and current climate of contractor bid results necessitated an additional application to cover additional costs. Total project cost is now \$2,818,000. The City has already received \$1,832,000 in DENR funding.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Shane Johnson, Town President  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

May 21, 2020  
Date



FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: TOWN OF CLAREMONT

Project Title:	Wastewater Improvements
Funding Requested:	\$986,000
Other Proposed Funding:	\$1,832,000 – Previous CWSRF Loan
Total Project Cost:	\$2,818,000
Project Description:	<p>Replacement of most of the wastewater collection system throughout the town with approximately 8,500 feet of PVC pipe, rehabilitation of existing lift stations by installing new pumps and making wetwell repairs and replacement of the clay liner in the treatment ponds with synthetic liners.</p> <p>High groundwater was discovered while conducting investigations during the design phase. The engineer has determined that extensive dewatering will likely be necessary to construct the new collection system which was not considered when estimating the project cost. The engineer now projects a shortfall of \$??? between current funding and actual costs to complete the project due to the groundwater conditions and higher costs associated with the current bidding climate.</p>
Alternatives Evaluated:	<p>The “No Action Alternative” was evaluated and rejected for the collection and treatment system. The collection system is old with inflow and infiltration problems while the treatment pond dikes are eroding and the liners do not adequately contain the wastewater.</p> <p>Three collection system alternatives were evaluated. They include replacing the clay pipe with PVC pipe, lining the clay pipe using cured in place technology, or a combination of both methods. All three alternatives include rehabilitating the 5<sup>th</sup> Street lift station. The chosen alternative is to replace the collection system with PVC pipe.</p> <p>Two alternatives were considered for improvements needed at the wastewater treatment facility. They include bank stabilization using riprap or installing a synthetic liner. The synthetic liner option was chosen and has the added benefit of eliminating excessive seepage through the pond floors.</p>
Implementation Schedule:	Claremont anticipates bidding the project in the summer of

2020 with project completion by the end of the 2020 construction season.

Service Population: 127

Current Domestic Rate: \$47.00 flat rate

Interest Rate: 2.125%      Term: 30 years      Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan the town of Claremont would have to establish a surcharge of approximately \$66.95. When added to current rate of \$47.00/5,000 gallons residents would be paying \$113.95/5,000 gallons.
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50% Funding Subsidy:	\$493,000 subsidy with a loan of \$493,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$493,000, the town of Claremont would have to establish a surcharge of approximately \$33.45 thereby paying a rate \$80.45/5,000 gallons.
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75% Funding Subsidy:	\$739,500 subsidy with a loan of \$246,500.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$246,500, the town of Claremont would have to establish a surcharge of approximately \$16.75 thereby paying a rate \$63.75/5,000 gallons.
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90% Funding Subsidy:	\$887,400 subsidy with a loan of \$98,600.
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Coverage at 90% Subsidy:	Based on a 90% subsidy and a loan of \$98,600, the town of Claremont would have to establish a surcharge of approximately \$6.70 thereby paying a rate \$53.70/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Aurora  Address: PO Box 335 Aurora, SD 57002-0335  Subapplicant: N/A  DUNS Number: 167164412	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="border-bottom: 1px solid black; text-align: right;">\$4,352,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="border-bottom: 1px solid black; text-align: right;">\$4,352,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$4,352,000	Local Cash		Other:		Other:		Other:		TOTAL	\$4,352,000
Proposed Funding Package															
Requested Funding	\$4,352,000														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$4,352,000														

Project Title: Wastewater System Improvements

**Description:**

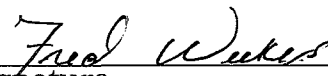
Aurora is experiencing major infiltration entering the collection system which has stressed the lift stations and wastewater treatment facility. Phase 1, sanitary sewer collection and treatment system improvements will consist of installing cured-in-place pipe (CIPP) and/or replacement. Services will be lined from the sanitary sewer main to the right-of-way (ROW). Cleanouts will be installed at the ROW. There will be approximately 14,154 feet of 8 inch diameter sanitary sewer main that will be lined along with the lining of services. Each manhole will also be lined so that the quantity of infiltration that is entering the system through the manhole and pipe joints is reduced. Along with the sanitary sewer collection system improvements, the main lift station and valve vault will undergo improvements to increase pumping capacity. Finally, a new 8 inch diameter forcemain will be installed from the main lift station to the wastewater treatment facility. This new forcemain will operate in parallel to the existing 6 inch diameter forcemain. The opinion of probable project cost for these improvements is approximately \$4,352,000.

Aurora's wastewater rate is a flat fee of \$42.60 per month per customer. This includes an \$8.00 surcharge.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Fred Weekes, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature

3-16-20  
 Date

**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: TOWN OF AURORA**

Project Title:	Sanitary Sewer Improvements
Funding Requested:	\$4,352,000
Other Proposed Funding:	None
Total Project Cost:	\$4,352,000
Project Description:	<p>Phase I of a two-phase wastewater system improvements project that involves collection system improvements to reduce inflow and infiltration of clear water into the collection system and the need to treat excess water.</p> <p>Open-cut replacement of pipes and possible pipe bursting will occur in areas which require increased size for additional capacity. Cured-in-place pipe lining will be completed on approximately 14,154 feet of 8-inch sanitary sewer and adjacent manholes.</p> <p>Improvements to the existing main lift include an increase in interior piping from 4-inch to 6-inch along with modifications to recently installed pumps, the valve vault, and wetwell. An additional 8-inch forcemain pipe will be installed to convey wastewater to the treatment facility.</p>
Alternatives Evaluated:	<p>The “no action” alternative was evaluated but not recommended. Infiltration and inflow through failing joints will continue to hydraulically overload the wastewater treatment facility making emergency discharges likely.</p> <p>Wastewater treatment alternatives were evaluated and recommended to be undertaken in a later improvement project to reduce the amount of excess water and need for oversized treatment abilities prior to selection. Collection system improvements were recommended for Phase I.</p>
Implementation Schedule:	Aurora anticipates bidding the project in March 2021 with a project completion date of July 2022.
Service Population:	803
Current Domestic Rate:	\$42.60 flat rate

Interest Rate: 2.125%

Term: 30 years

Security: Project Surcharge

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Aurora would have to establish a surcharge of approximately \$46.35. When added to current flat rate of \$42.60 would be paying a flat rate of \$88.95.
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25% Funding Subsidy:	\$1,088,000 subsidy with a loan of \$3,264,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$3,264,000, Aurora would have to establish a surcharge of approximately \$34.75 thereby paying a flat rate of \$77.35.
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50% Funding Subsidy:	\$2,176,000 subsidy with a loan of \$2,176,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$2,176,000, Aurora would have to establish a surcharge of approximately \$23.20 thereby paying a flat rate of \$65.80.
--------------------------	--

75% Funding Subsidy:	\$3,264,000 subsidy with a loan of \$1,088,000
----------------------	--

Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$1,088,000, Aurora would have to establish a surcharge of approximately \$11.60 thereby paying a flat rate of \$54.20.
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ENGINEERING REVIEW COMPLETED BY: SUZANNE MCKINLEY

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

Applicant: Renner Sanitary District	Proposed Funding Package
Address: PO Box 89907 Sioux Falls, South Dakota 57109	Requested Funding <u>\$2,125,000</u>
	Local Cash _____
	Other: _____
	Other: _____
	Other: _____
	TOTAL <u>\$2,125,000</u>
Subapplicant: N/A	
DUNS Number: 019434567	

1

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: RENNER SANITARY DISTRICT

Project Title:	Sanitary Sewer Improvements
Funding Requested:	\$2,125,000
Other Proposed Funding:	None
Total Project Cost:	\$2,125,000
Project Description:	Renner Sanitary District is proposing improvements to its sanitary and stormwater sewer systems. Three of the district's five lift stations which experienced flooding in 2019 will undergo improvements to prevent a recurrence. SCADA and controls will also be updated as needed. Emergency piping and valves will be installed to allow back-up pumping during floods. Sanitary sewer lines will be extended to the restroom building in City Park. In addition, a low-pressure stormwater collection system for sump pump discharges will be installed to reduce the amount of water discharged onto the ground surface by the community. This will help eliminate infiltration and inflow into the sanitary sewer system.
Alternatives Evaluated:	<p>The "no action" alternative was rejected because it does not correct the deficiencies that cause excessive inflow and infiltration of clear water into the collection system.</p> <p>A gravity discharge sump pump collection system was considered but not recommended. There is insufficient grade to convey water from the collection area to the proposed discharge area while maintaining sufficient cover for the pipes.</p>
Implementation Schedule:	Renner anticipates bidding the project in March 2021 with a project completion date of October 2021.
Service Population:	299
Current Domestic Rate:	\$71.00 flat rate

Interest Rate: 2.125%

Term: 30 years

Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan, Renner Sanitary District would have 47% coverage based on the current flat rate of \$71.00.
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25% Funding Subsidy:	\$531,250 subsidy with a loan of \$1,593,750.
----------------------	---

Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$1,593,750, Renner Sanitary District would have 63% coverage based on the current flat rate of \$71.00.
--------------------------	---

50% Funding Subsidy:	\$1,062,000 subsidy with a loan of \$1,062,000.
----------------------	---

Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$1,062,000, Renner Sanitary District would have 94% coverage based on the current flat rate of \$71.00.
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75% Funding Subsidy:	\$1,593,750 subsidy with a loan of \$531,250.
----------------------	---

Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$531,250, Renner Sanitary District would have 188% coverage based on the current flat rate of \$71.00.
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ENGINEERING REVIEW COMPLETED BY: SUZANNE MCKINLEY

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE



## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Andover  Address: PO Box 35 Andover SD 57422-0035  Subapplicant:  DUNS Number: 117130334	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,168,750</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$1,168,750</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$1,168,750	Local Cash		Other:		Other:		Other:		TOTAL	\$1,168,750
Proposed Funding Package															
Requested Funding	\$1,168,750														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$1,168,750														

Project Title: Andover Sewer Improvement Project

### Description:


In 2016 the City of Andover installed an overflow pipe to bypass the lift station during heavy flows. This helped reduce the down time but during even small rain events a backup still occurs within the system. It is paramount that a large portion of the existing storm sewer be disconnected from the sanitary sewer system for the lift station and WWTP to function properly. It should be noted that in 2019 the ponds needed to be discharged around 7 times. Some of these discharges exceeded the limits required by the Permit, but the Town was unable to store for a longer period of time. The City is proposing to install a storm sewer pipe along Railroad Ave from the east end of Rail Road Ave and discharge adjacent to the WWTP on the west end. Additional pipes can be extended to the south across Railroad Avenue. In 2014 the existing wastewater treatment facilities were expanded and a lift station was added. The City is proposing to rehabilitate the existing sanitary sewer main by utilizing the proven method of CIPP. Based on the televising previously completed, approximately 90% of the existing sewer can be lined for repair.

The City's monthly sewer rate is a flat \$38.00 per user.

### The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Ilene Helmer, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)


3/23/2020  
 Signature Date

**FUNDING REQUEST EVALUATION FORM**  
**SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION**  
**APPLICANT: TOWN OF ANDOVER**

Project Title:	Sanitary and Storm Sewer Improvements
Funding Requested:	\$1,168,750
Other Proposed Funding:	None
Total Project Cost:	\$1,168,750
Project Description:	<p>The wastewater system currently collects storm water from intakes located throughout the community which results in hydraulic overloading at the lift station and wastewater treatment plant. This project improves the entire sanitary collection system with cured in place pipe (CIPP) or new pipe. The project also includes constructing a storm sewer trunk line that will remove a large amount of the storm flow from the sanitary sewer system.</p>
Alternatives Evaluated:	<p>The “No Action” alternative was evaluated and dismissed because of the need to resolve compliance issues stemming from excessive flows to the lift station and treatment ponds during storm events.</p> <p>Alternatives involving combinations of sanitary sewer system rehabilitation and separate storm water conveyance were evaluated. Sanitary sewer alternatives included constructing a pressure system, replacing the existing gravity system with new pipe, lining the existing gravity system with CIPP, and replacing the system with a combination of new pipe and CIPP.</p> <p>Several alternatives were evaluated to remove storm water flow from the sanitary sewer system. These include conveying storm water over land by constructing ditches, using the current wastewater collection system for just storm water and constructing a new wastewater collection system, and constructing a separate trunk storm sewer in the area of town that contributes a large amount of the storm flow.</p> <p>The selected alternative is to improve the sanitary collection system with CIPP and new pipe along with installing a storm sewer trunk line. This alternative does not completely rid the sewer system of storm water; however, it will provide significant relief so the system can operate in compliance with environmental requirements at a manageable project cost. The storm sewer system can easily be expanded in the future if it is determined that additional storm flow relief is necessary.</p>
Implementation Schedule:	The town of Andover anticipates bidding the project in the spring of 2021 with a project completion in the fall of 2021.

Service Population: 84

Current Domestic Rate: \$38.00 flat rate

Interest Rate: 2.125%

Term: 30 years

Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, Andover would have to establish a surcharge of approximately \$110. When added to current flat rate of \$38 residents would be paying \$148/month. In addition, Andover needs to raise base rate by approximately \$11/month to cover O&M which would bring rates to \$159/month.
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30% Funding Subsidy:	\$350,625 subsidy with a loan of \$818,125.
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Coverage at 30% Subsidy:	Based on a 30% subsidy and a loan of \$818,125, Andover would have to establish a surcharge of approximately \$77.50 thereby paying \$115.50/month. In addition, Andover needs to raise base rate by approximately \$11/month to cover O&M which would bring rates to \$126.50/month.
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60% Funding Subsidy:	\$701,250 subsidy with a loan of \$467,500.
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Coverage at 60% Subsidy:	Based on a 60% subsidy and a loan of \$467,500, Andover would have to establish a surcharge of approximately \$44 thereby paying \$82/month. In addition, Andover needs to raise base rate by approximately \$11/month to cover O&M which would bring rates to \$93/month.
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90% Funding Subsidy:	\$1,051,875 subsidy with a loan of \$116,875.
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Coverage at 90% Subsidy:	Based on a 90% subsidy and a loan of \$116,875, Andover would have to establish a surcharge of approximately \$11.15 thereby paying \$49.15/month. In addition, Andover needs to raise base rate by approximately \$11/month to cover O&M which would bring rates to \$60.15/month.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE

## Sanitary/Storm Sewer Facilities Funding Application

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Eureka  Address: PO Box 655 Eureka, SD 57437-0655  Subapplicant:   DUNS Number: 166261438	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,959,448</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 1px solid black;">\$4,959,448</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$4,959,448	Local Cash		Other:		Other:		Other:		TOTAL	\$4,959,448
Proposed Funding Package															
Requested Funding	\$4,959,448														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$4,959,448														

Project Title: Eureka Sewer Improvement Project

**Description:**

Much of Eureka's sewer system was installed prior to 1960, with little improvements to the system over the years. The City of Eureka completed a Small Community Planning Grant in 2012, with recommendations for future improvements to their sewer system. The City has completed four smaller phases since 2012 including: replacing existing pipe under Highway 10, rehabilitation to all existing pipe south of Highway 10, rehabilitation to all existing pipe north of Highway 10 & replacing existing pipe with PVC pipe under Ave. G.

The City has televised their sewer lines during the summer of 2019 and it has been recommended that this project will rehabilitate the remaining existing sanitary sewer pipe with a combination of replacement with PVC and lining with CIPP. This project will also replace the existing brick and concrete block manholes, connecting the pipe with new concrete manholes. Lastly, the project will require the movement of a manhole from a lower elevation that backs up the City's lift station to higher elevation along Hwy 10.

The City's monthly sewer rate for 5,000 gallons is a flat \$27.00 per user.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Lloyd Miller  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature

December 9, 2019  
 Date

# CITY OF EUREKA

*"This institution is an equal opportunity employer"*

P.O. Box 655  
Eureka, South Dakota 57437  
605-284-2441

RECEIVED

MAY 18 2020

Division of Financial  
& Technical Assistance

Andy Bruels  
DENR  
Engineering Manager  
523 E Capitol Ave.  
Pierre, SD 57501

Andy,

Due to the recent funding package provided by USDA-RD, which provides funding for the City of Eureka's Wastewater Project in its entirety, along with being advised by South Dakota's Department of Environment and Natural Resources that they would be unable to match such package, the City of Eureka has decided to rescind its Sanitary Sewer Facilities Funding Application. We appreciate the opportunity and consideration given to the City of Eureka.

Sincerely,



Lloyd Miller  
Mayor



**Sanitary/Storm Sewer Facilities Funding Application**

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Lake Norden	Proposed Funding Package	
Address: 508 Main Avenue Lake Norden, SD 57248	Requested Funding	\$671,000
	Local Cash	
Subapplicant: N/A	Other:	
DUNS Number: 830638586	Other:	
	Other:	
	TOTAL	\$671,000

Project Title: Lake Norden Wastewater Lift Station Improvements

Description:

The City of Lake Norden is proposing to replace their existing main lift station that conveys sanitary sewer flow into the wastewater treatment ponds. The existing station is severely deteriorated, the equipment is failing and it undersized to meet current and projected needs. The project also includes gravity sewer to connect the new lift station to the existing collection system, force main, removal of the existing main lift station structure, a generator, and related piping, valves, and appurtenances. The new lift station will be constructed on the existing wastewater treatment facility site. Banner Associates completed the preliminary engineering and cost estimates for the project.

RECEIVED

MAR 31 2020

Division of Financial  
& Technical Assistance

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Jason Aho, Mayor  
Name & Title of Authorized Signatory  
(Typed)

Signature

Date

3/26/2020

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF LAKE NORDEN

Project Title:	Wastewater Lift Station Replacement
Funding Requested:	\$671,000
Other Proposed Funding:	None
Total Project Cost:	\$671,000
Project Description:	Lake Norden proposes to replace the main lift station with a new lift station located at the wastewater treatment facility. The existing list station is beyond its useful life and undersized to meet current needs.
Alternatives Evaluated:	<p>Do Nothing – This alternative was not chosen as it does not address the issues with the current lift station.</p> <p>Lift Station Replacement &amp; Relocation – Chosen alternative as relocating the lift station addresses additional short-circuiting issues that the treatment ponds are currently facing.</p> <p>Lift Station Replacement – Not chosen as it would not address the short-circuiting issues in the treatment ponds.</p> <p>List Station Rehabilitation – Not recommended as it is not economically feasible to rehabilitate the existing lift station.</p>
Implementation Schedule:	Lake Norden anticipates bidding the project in July of 2020 with a project completion date of June 2021.
Service Population:	480
Current Domestic Rate:	\$43.70 per 5,000 gallons
Interest Rate:	2.125%
Term:	30 years
Security:	Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, Lake Norden would have to establish a surcharge of approximately \$10.70. When added to current rate of \$43.70/5,000 gallons residents would be paying \$54.40/5,000 gallons.
----------------------------------	--

10% Funding Subsidy:	\$67,100 subsidy with a loan of \$603,900.
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Coverage at 10% Subsidy:	Based on a 10% subsidy and a loan of \$603,900, Lake Norden would have to establish a surcharge of approximately \$9.65 thereby paying a rate \$53.35/5,000 gallons.
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20% Funding Subsidy:	\$134,200 subsidy with a loan of \$536,800.
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Coverage at 20% Subsidy:	Based on a 20% subsidy and a loan of \$536,800, Lake Norden would have to establish a surcharge of approximately \$8.55 thereby paying a rate \$52.25/5,000 gallons.
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50% Funding Subsidy:	\$335,500 subsidy with a loan of \$335,500.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$335,500, Lake Norden would have to establish a surcharge of approximately \$5.35 thereby paying a rate \$46.35/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: TYLER ZETTL

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG



**Sanitary/Storm Sewer Facilities Funding Application**

Clean Water State Revolving Fund Program (CWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: Town of Westport	Proposed Funding Package
Address: PO Box 18 West port SD 57481	Requested Funding <u>\$352,000</u>
Subapplicant:	Local Cash <u>                    </u>
DUNS Number: 011414755	Other: <u>                                    </u>
	Other: <u>                                    </u>
	Other: <u>                                    </u>
	TOTAL <u>\$352,000</u>

Project Title: Westport Wastewater Improvement Project

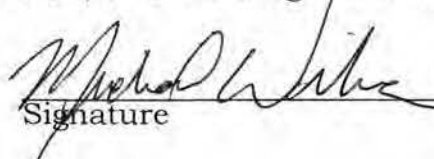
Description:

The Town of Westport is proposing to replace the existing lift station in town.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Mike Wilson, Town President  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

March 02, 2020  
Date

FUNDING REQUEST EVALUATION FORM  
SANITARY/STORM SEWER FACILITIES FUNDING APPLICATION  
APPLICANT: TOWN OF WESTPORT

Project Title:	Wastewater Lift Station Replacement
Funding Requested:	\$352,000
Other Proposed Funding:	None
Total Project Cost:	\$352,000
Project Description:	This project includes replacing the existing lift station with a duplex submersible lift station.
Alternatives Evaluated:	<p>“No Action Alternative” is not recommended as it does not correct the deteriorating condition of the lift station.</p> <p>“Submersible Lift Station Alternative” includes replacing the existing lift station and installing a duplex submersible lift station, alarms, and new air release valves. This alternative also includes purchasing an additional pump to have on standby.</p>
Implementation Schedule:	Westport anticipates bidding the project in January 2021 with a project completion date of December 2021.
Service Population:	105
Current Domestic Rate:	\$35.00 flat rate
Interest Rate: 2.0%	Term: 20 years      Security: Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan, Westport would have to establish a surcharge of approximately \$32.50. When added to current rate of \$35.00/5,000 gallons residents would be paying \$67.50/5,000 gallons.
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25% Funding Subsidy:	\$88,000 subsidy with a loan of \$264,000.
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Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$264,000, Westport would have to establish a surcharge of approximately \$24.35 thereby paying a rate \$59.35/5,000 gallons.
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50% Funding Subsidy:	\$176,000 subsidy with a loan of \$176,000.
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Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$176,000, Westport would have to establish a surcharge of approximately \$16.25 thereby paying a rate \$16.25/5,000 gallons.
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75% Funding Subsidy:	\$264,000 subsidy with a loan of \$88,000.
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Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$88,000, Westport would have to establish a surcharge of approximately \$8.10 thereby paying a rate \$43.10/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: JON PESCHONG

TITLE: Drinking Water Facilities Funding Applications

EXPLANATION: The following applications have been received by DENR for funding consideration at this meeting.

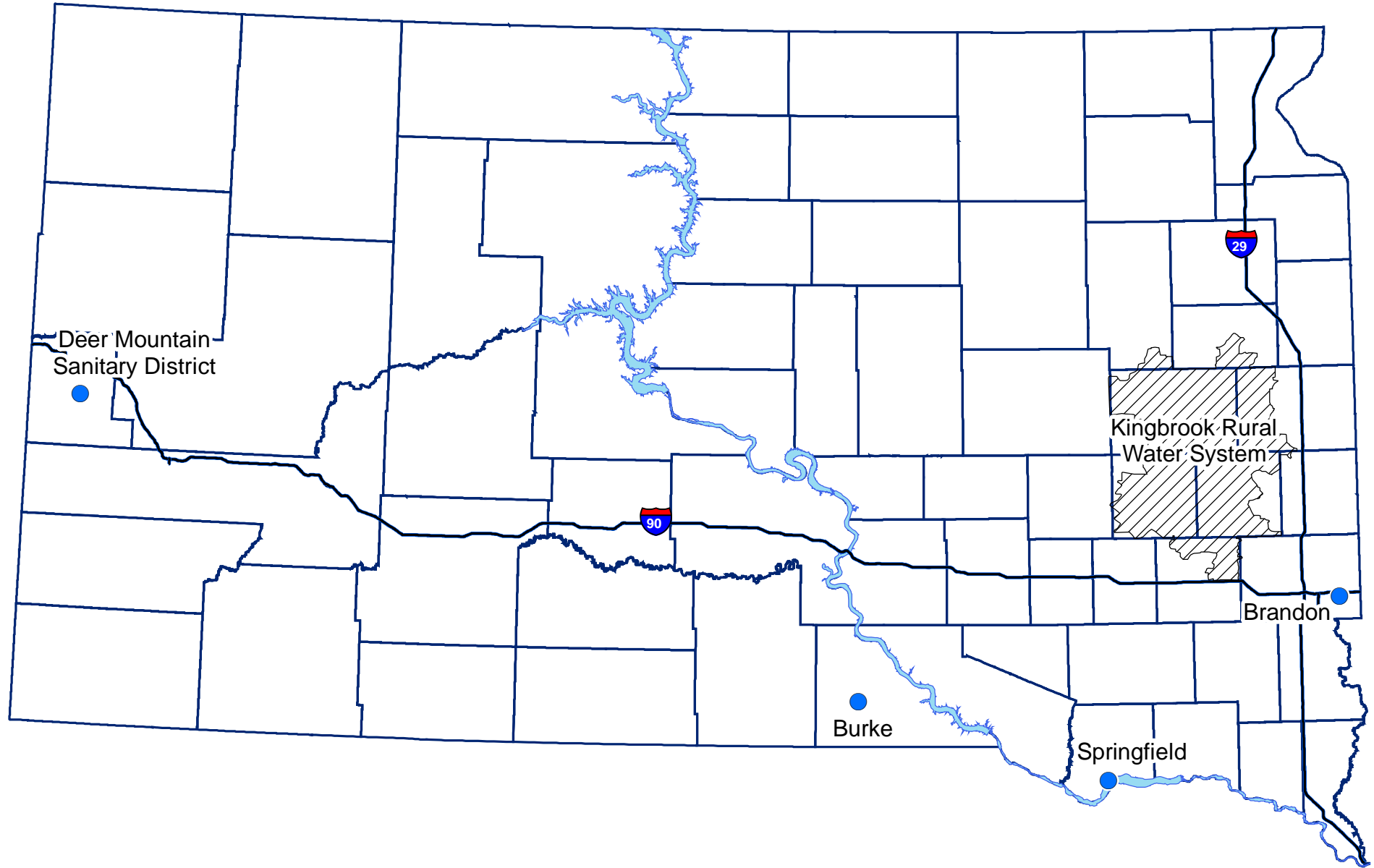
- a) Springfield (145)
- b) Kingbrook Rural Water System (123)
- c) Deer Mountain Sanitary District (102)
- d) Brandon (22)
- e) Burke (19)

COMPLETE APPLICATIONS: The application cover sheets and summary sheets with a financial analysis have been provided as part of the board packet. Complete applications are available online and can be accessed by typing the following address in your internet browser:

<http://denr.sd.gov/bwnrapps/BWNRapps07agenda062520.pdf>

If you would like a hard copy of the applications, please contact Andy Bruels at (605) 773-4216.

# June 2020 Drinking Water Facilities Funding Applications



**Drinking Water Facilities Funding Application**

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<b>Applicant:</b> City of Springfield  <b>Address:</b> PO Box 446 Springfield, SD 57062  <b>Subapplicant:</b>   <b>DUNS Number:</b> 14-182-9486	<b>Proposed Funding Package</b>  <table> <tr> <td>Requested Funding</td> <td>\$6,600,000</td> </tr> <tr> <td>Local Cash</td> <td>\$5,200</td> </tr> <tr> <td>Other: CDBG</td> <td>\$750,000</td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td>Other:</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$7,355,200</b></td> </tr> </table>	Requested Funding	\$6,600,000	Local Cash	\$5,200	Other: CDBG	\$750,000	Other:		Other:		<b>TOTAL</b>	<b>\$7,355,200</b>
Requested Funding	\$6,600,000												
Local Cash	\$5,200												
Other: CDBG	\$750,000												
Other:													
Other:													
<b>TOTAL</b>	<b>\$7,355,200</b>												

**Project Title:** Springfield Water Treatment Plant Construction

**Description:**

The City of Springfield is proposing to undertake construction of a new water treatment plant to replace the city's current plant. The facility will intake water from the Missouri River using a process consisting of initial pretreatment followed by membrane treatment and disinfection.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Michael Lee, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

Signature

Date

*Michael Lee* 3/24/2020

**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: CITY OF SPRINGFIELD**

Project Title:	Water Treatment Plant Construction
Funding Requested:	\$6,600,000
Other Proposed Funding:	\$5,200 - Local Cash \$750,000 - Community Development Block Grant
Total Project Cost:	\$7,355,200
Project Description:	The City of Springfield is proposing to undertake construction of a new water treatment plant to replace the existing plant. The facility will intake water from the Missouri River and then proceed through pre-treatment, a membrane ultra-filtration treatment, and disinfection system.
Alternatives Evaluated:	<p>The “Do Nothing” alternative was not considered as it would not address any of the existing deficiencies in the system.</p> <p>The “Connect to Rural Water” alternative was not chosen due to high capital costs and loss of control of the water system.</p> <p>The “Rehabilitate WTP” alternative was not chosen as it would not provide any pretreatment nor redundancy to the water system.</p> <p>The “New Lime Softening WTP” alternative was not chosen because it was not the most economical choice when compared to the membrane option.</p>
Implementation Schedule:	Springfield anticipates bidding the project in November of 2020 with a construction completion date of December 2021.
Service Population:	1,938
Current Domestic Rate:	\$37.00 per 5,000 gallons
Interest Rate:	1.625%
Term:	30 years
Security:	Project Surcharge

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If all funding is provided as loan Springfield would have to establish a surcharge of approximately \$73 per account. When added to current rate of \$37/5,000 gallons residential customers would be paying \$110/5,000 gallons. If Springfield establishes a surcharge on the prison according to water usage they could reduce the residential surcharge to approximately \$29.30 bring rates to \$66.30.
25% Funding Subsidy:	\$1,650,000 subsidy with a loan of \$4,950,000.
Coverage at 25% Subsidy:	Based on a 25% subsidy and a loan of \$4,950,000 Springfield would have to establish a surcharge of approximately \$54.40. When added to the current rate of \$37/5,000 residential customer would be paying a rate \$91.40/5,000 gallons. If Springfield establishes a surcharge on the prison according to water usage they could reduce the residential surcharge to approximately \$21.80 bring rates to \$58.80.
50% Funding Subsidy:	\$3,300,000 subsidy with a loan of \$3,300,000.
Coverage at 50% Subsidy:	Based on a 50% subsidy and a loan of \$3,300,000 Springfield would have to establish a surcharge of approximately \$36.50. When added to the current rate of \$37/5,000 residential customer would be paying a rate \$73.50/5,000 gallons. If Springfield establishes a surcharge on the prison according to water usage they could reduce the residential surcharge to approximately \$14.60 bring rates to \$51.60.
75% Funding Subsidy:	\$4,950,000 subsidy with a loan of \$1,650,000.
Coverage at 75% Subsidy:	Based on a 75% subsidy and a loan of \$1,650,000 Springfield would have to establish a surcharge of approximately \$18.15. When added to the current rate of \$37/5,000 residential customer would be paying a rate \$55.15/5,000 gallons. If Springfield establishes a surcharge on the prison according to water usage they could reduce the residential surcharge to approximately \$7.30 bring rates to \$44.50.

ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE



## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<b>Applicant:</b> Kingbrook Rural Water System, Inc.  <b>Address:</b> 302 E Ash St PO Box 299 Arlington SD 57212  <b>Subapplicant:</b>   <b>DUNS Number:</b> 11-978-1029	<b>Proposed Funding Package</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$836,500</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;">\$12,500</td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 3px double black;"><b>\$849,000</b></td> </tr> </table>	Requested Funding	\$836,500	Local Cash	\$12,500	Other:		Other:		Other:		<b>TOTAL</b>	<b>\$849,000</b>
Requested Funding	\$836,500												
Local Cash	\$12,500												
Other:													
Other:													
Other:													
<b>TOTAL</b>	<b>\$849,000</b>												

**Project Title:** Rural Water Service to the Town of Nunda, South Dakota

**Description:**

The Town of Nunda owns and operates a public drinking water supply system for the benefit of its citizens. Customers pay a flat fee of \$20 per month for water service. The existing well water is untreated and has a high hardness and concentrations of iron and manganese which exceed EPA secondary limits. Nunda residents indicate that the water stains, clogs, and ultimately ruins fixtures more quickly than higher quality water would. Furthermore, the town consensus is that the water tastes bad. The Town of Nunda has expressed that it does not wish to continue to operate a water utility. They have approached Kingbrook Rural Water System to consider providing water service to Nunda residents as individual customers.

We recommend that Nunda residents become individual Kingbrook customers. We further recommend that a new distribution system and meter pits be installed to serve Nunda residents. Kingbrook's water rates are \$33.00 per month plus \$4.20 per 1,000 gallons used resulting in a monthly bill of \$54.00 for 5,000 gallons used.

**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Erin Hayes, General Manager  
 Name & Title of Authorized Signatory  
 (Typed)

*Erin Hayes*  
 Signature

3/16/2020  
 Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: KINGBROOK RURAL WATER SYSTEM

Project Title:	Water Service to Nunda
Funding Requested:	\$836,500
Other Proposed Funding:	\$12,500 - Local Cash
Total Project Cost:	\$849,000
Project Description:	<p>Provide individual service to the residents of the town of Nunda. This involves replacing the water distribution system with new PVC water lines, meter pits, and service lines. Improvements in the Kingbrook RWS system will also be necessary in order to maintain service to the rural customers while supplying service to Nunda. This will include replacing a booster station and line work.</p>
Alternatives Evaluated:	<p>No Action Alternative: Under this alternative the town will continue to operate and maintain the water system. The current water supply is untreated water supplied by the town from a well. The water is high in iron and manganese with undesirable taste and order.</p> <p>Alternative 2: Under this alternative the town will make improvements to the water system to address the high iron and manganese, rehabilitate the existing well, and possibly replace the existing hydropneumatic tank that provides pressure to the system.</p> <p>Alternative 3: Under this alternative the town will purchase bulk water from Kingbrook RWS and continue to operate and maintain the system.</p> <p>Alternative 4: Under this alternative Kingbrook RWS will replace the distribution system and make upgrades to the Kingbrook system outside the town. Each resident will become individual customers of Kingbrook RWS. This is the chosen alternative.</p>
Implementation Schedule:	<p>Kingbrook RWS anticipates bidding the project in the spring of 2021 with a project completion in the fall of 2021.</p>

Applicant: Kingbrook Rural Water System

Page 2 of 2

Service Population: 14,854

Current Domestic Rate: \$62.40 per 7,000 gallons

Interest Rate: 1.625 %

Term: 30 years

Security: System Revenue

#### DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan, Kingbrook would have 123% coverage based on the current rate of \$62.40/7,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: ERIC MEINTSMA

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

<b>Applicant:</b> Deer Mountain Sanitary District  <b>Address:</b> P.O. Box 195 Lead, SD 57754  <b>Subapplicant:</b>   <b>DUNS Number:</b> 116945490	<b>Proposed Funding Package</b>  <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$2,174,000</td> </tr> <tr> <td style="text-align: right;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right;"><b>TOTAL</b></td> <td style="text-align: right; border-bottom: 1px solid black;"><b>\$2,174,000</b></td> </tr> </table>	Requested Funding	\$2,174,000	Local Cash		Other:		Other:		Other:		<b>TOTAL</b>	<b>\$2,174,000</b>
Requested Funding	\$2,174,000												
Local Cash													
Other:													
Other:													
Other:													
<b>TOTAL</b>	<b>\$2,174,000</b>												

**Project Title:** Water System Improvements

**Description:**

Deer Mountain Sanitary District (DMSD), located near Lead, SD, is seeking funding for water system improvements to service approximately 125 users. The project will include the following improvements: 1) Water treatment building & equipment (or Main pump station); 2) 110,000 gallon reservoir; 3) Water Meters; 4) Distribution system; and, 5) North booster station.

The proposed project will involve either improvements to the existing water system, if DMSD is able to acquire the system from the current private owner, or installation of a new public water system entirely. According to the project engineer, the improvements and costs identified are applicable either way as the existing water system is over 40 years old and in need of the same improvements included in a new water system design (Alt. 4.3).

DMSD does not currently operate a water system so there is no present monthly utility rate. Users of the existing private water system are currently being charged a flat rate of approx. \$125 per month.

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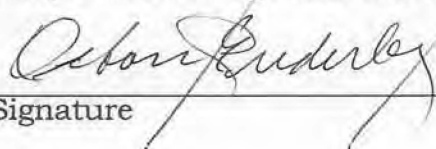
**The Applicant Certifies That:**

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Osborne Enderby, President  
 Name & Title of Authorized Signatory  
 (Typed)

Signature

Date


 3/25/2020

**FUNDING REQUEST EVALUATION FORM**  
**DRINKING WATER FACILITIES FUNDING APPLICATION**  
**APPLICANT: DEER MOUNTAIN SANITARY DISTRICT**

Project Title: Water System Installation

Funding Requested: \$2,174,000

Other Proposed Funding: None

Total Project Cost: \$2,174,000

Project Description: Deer Mountain Sanitary District (DMSD) is proposing to make improvements to its entire water system including new treatment building, pump station, 110,000-gallon reservoir, water meters, new or replaced water distribution system, and a new booster station.

DMSD is currently negotiating to acquire the existing water distribution network. Whether the existing network is acquired or not, the above improvements will be needed as the system is over 41 years old and in need of repair.

Approximately 30,000 feet of 4-inch and 11,000 feet of 2-inch PVC water main will be installed. The construction also includes 110 water meters, construction of a water treatment plant, storage tank, and two booster stations.

Alternatives Evaluated: The "No Action" alternative for both private or public ownership was not considered acceptable because it would not address the multitude of problems within the aging water system.

A "Regionalization" alternative was considered that would require DMSD to construct most of the improvements above but instead of treating its own water it would purchase bulk treated water from the neighboring Powder House Pass CID water system and pump water from that system into the DMSD water reservoir. This alternative would limit DMSD's control over water rates and future development of the system and was not chosen.

Implementation Schedule: Deer Mountain Sanitary District is proposing to bid the project in January 2021 with completion of construction in December 2021.

Service Population: 62

Current Domestic Rate: None (Currently Milan Investment Club charges \$125 per month to existing users)

Interest Rate: 2.125%

Term: 30 years    Security: Property Tax -General Obligation Bond

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	Levy will have to be set at a rate to provide 110% coverage. OR .28% based on tax levy of \$35,381,050
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ENGINEERING REVIEW COMPLETED BY: DREW HUISKEN

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE



## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Brandon  Address: PO Box 95 Brandon, South Dakota 57005  Subapplicant: N/A  DUNS Number: 556300200	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: center; border-bottom: 1px solid black;">Proposed Funding Package</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Requested Funding</td> <td style="text-align: right; border-bottom: 1px solid black;">\$5,687,000</td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Local Cash</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">Other:</td> <td style="text-align: right; border-bottom: 1px solid black;"></td> </tr> <tr> <td style="text-align: right; padding-right: 20px;">TOTAL</td> <td style="text-align: right; border-bottom: 3px double black;">\$5,687,000</td> </tr> </table>	Proposed Funding Package		Requested Funding	\$5,687,000	Local Cash		Other:		Other:		Other:		TOTAL	\$5,687,000
Proposed Funding Package															
Requested Funding	\$5,687,000														
Local Cash															
Other:															
Other:															
Other:															
TOTAL	\$5,687,000														

Project Title: Brandon Drinking Water System Improvements

**Description:**

The City of Brandon proposes to construct a 1,250,000 gallon composite water tank to provide adequate storage and provide uniform pressure throughout the city. The tower will be serviced by the Redwood Booster Station. Pumps will be modified in the Redwood Booster Station to provide additional hydraulic elevation to fill the tower. Chlorination equipment will also be installed to maintain disinfection residual in the pressure zone. An altitude valve building will be constructed to allow water to circulate between the upper Redwood zone to the lower central zone. The Bluffs Booster pumps will also be modified to provide more uniform pressure in its service zone.

The current water rate for 5,000 gallons of usage is \$32.20.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Paul Lundberg, Mayor  
 Name & Title of Authorized Signatory  
 (Typed)

  
 Signature

3-27-20  
 Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF BRANDON

Project Title:	Water Tower Construction and Booster Station Improvements				
Funding Requested:	\$5,687,000				
Other Proposed Funding:	None				
Total Project Cost:	\$5,687,000				
Project Description:	Brandon proposes to construct a new 1.25 MG water tower to provide adequate storage and uniform pressure throughout the city. In addition, the booster station servicing the new tower will be modified and an altitude valve building will be constructed to circulate water between the pressure zones.				
Alternatives Evaluated:	Do Nothing – not chosen as it does not address the lack of adequate storage.  New Water Tower – chosen alternative as it will provide adequate storage and help with the system’s pressure.				
Implementation Schedule:	Brandon anticipates bidding the project in November of 2020 with a project completion date of September 2022.				
Service Population:	9,731				
Current Domestic Rate:	\$32.20 per 5,000 gallons				
Interest Rate:	2.125%	Term:	30 years	Security:	System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan, Brandon would have 174% coverage based on the current rate of \$32.20/5,000 gallons.
----------------------------------	--

ENGINEERING REVIEW COMPLETED BY: TYLER ZETTL

FINANCIAL REVIEW COMPLETED BY: DAVID RUHNKE



RECEIVED

MAR - 9 2020

Division of Financial  
& Technical Assistance

SD EForm - 2126LD V6

## Drinking Water Facilities Funding Application

Drinking Water State Revolving Fund Program (DWSRF)  
Consolidated Water Facilities Construction Program (CWFCP)

Applicant: City of Burke  Address: PO Box 250 Burke, SD 57523  Subapplicant:  DUNS Number: 83-273-1983	Proposed Funding Package  Requested Funding <u>\$540,000</u>  Local Cash <u>\$302</u>  Other: _____ Other: _____ Other: _____  TOTAL <u>\$540,302</u>
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Project Title: Burke Water Main Replacement

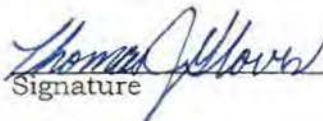
Description:

The City of Burke proposes to upgrade the water distribution system in the vicinity of the Burke Regional Hospital by replacing old cast iron water mains under Eighth and Jefferson Streets, and extending water main along Eighth Street from Jefferson Street to County Road 23. The project will be undertaken in conjunction with the reconstruction of the street segments. A total of approximately 2,060 feet of 6" and 8" PVC piping will be installed.

The Applicant Certifies That:

I declare and affirm under the penalties of perjury that this application has been examined by me and, to the best of my knowledge and belief, is in all things true and correct.

Thomas Glover, Mayor  
Name & Title of Authorized Signatory  
(Typed)

  
Signature

2-10-2020  
Date

FUNDING REQUEST EVALUATION FORM  
DRINKING WATER FACILITIES FUNDING APPLICATION  
APPLICANT: CITY OF BURKE

Project Title: Water Main Replacement – Hospital Area

Funding Requested: \$540,000

Other Proposed Funding: \$302 - Local Cash

Total Project Cost: \$540,302

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

Alternatives Evaluated: The “no action” alternative was rejected because it does not address the issues with poor water quality and pressures in dead end lines. In addition, the cast iron pipes are old and deteriorating beyond their useful life. Water loss is regularly in excess of 30% and the system currently has potentially dangerous vacuum pressures.

No other alternatives beyond the no action and the chosen project were evaluated.

Implementation Schedule: Burke anticipates bidding the project in the spring of 2021 with a project completion of November 2021.

Service Population: 649

Current Domestic Rate: \$35.00 per 5,000 gallons

Interest Rate: 1.625%      Term: 30 years      Security: System Revenue

DEBT SERVICE CAPACITY

Coverage at Maximum Loan Amount:	If funding is provided as all loan, Burke would have 110% coverage based on the current rate of \$35.00/5,000 gallons.
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ENGINEERING REVIEW COMPLETED BY: SUZANNE MCKINLEY

FINANCIAL REVIEW COMPLETED BY: STEPHANIE RIGGLE

June 25, 2020

Item 11

TITLE:	Kingbrook Rural Water System's Request to Amend Drinking Water SRF Loan C462432-07
EXPLANATION:	<p>In June 2019, Kingbrook Rural Water System received a \$1,245,000 Drinking Water SRF loan with \$945,000 (76 percent) of principal forgiveness for a project to provide individual water service to residents of Oldham. The project was recently bid, and the low bid was approximately \$400,000 over the estimate.</p> <p>On May 21, 2020, the department received a request from the Kingbrook Rural Water system to increase the Drinking Water SRF loan by \$400,000 for a total loan amount of \$1,645,000.</p>
RECOMMENDED ACTION:	Rescind resolution #2019-59 which awarded the original Drinking Water SRF loan and award a \$1,645,000 Drinking Water SRF loan at 2.25% for 30 years, with 76.0% principal forgiveness, not to exceed \$1,249,000.
CONTACT:	Andy Bruels, 773-4216



# Kingbrook

## Rural Water System, Inc.

PO Box 299 • 302 E. Ash St. • Arlington, SD 57212 • Phone 605-983-5074 • 1-800-605-5279 • Fax 605-983-5636 • office@kingbrookruralwater.com

May 21, 2020

Eric Meintsma  
DENR Water & Waste Funding Program  
Joe Foss Building  
523 East Capitol Avenue  
Pierre, SD 57501

**RE: Kingbrook Rural Water System  
Service to the City of Oldham  
DWSRF Project Number C462432-07**

Dear Mr. Meintsma:

This letter is to request additional funding for the Oldham Project. Construction costs are higher than anticipated, but Kingbrook wants to continue to support the City of Oldham and support the project. However, additional funding from the SRF program is needed.

The facilities plan and funding application for the Kingbrook Rural Water System – Rural Water Service to the City of Oldham project was submitted to the DENR in March 2019. Funding was obligated in June 2019. The funding application and funding amount was based on the engineer's opinion of probable cost included in the facilities plan. A total project cost of \$1,245,000 was identified.

Even with a 10% contingency included, the estimate on which the funding application was based was too low. There are several factors contributing to this. One factor is that several customers were added to the project which were not originally anticipated. Three customers are outside city limits and will be served directly from the Kingbrook rural distribution system. Another factor is that DGR underestimated the number of road crossings and road surface repair which would be required to complete the project. A third factor is that material and labor costs simply are higher than we expected at the time that we submitted the funding application.

Altogether, the cost to construct the project described in the facilities plan is now expected to be \$400,000 more than what is included in the original funding application. Kingbrook Rural Water System is requesting consideration from the board that the funding amount be increased \$400,000 from \$1,245,000 to \$1,645,000.

Sincerely,

Erin Hayes  
KBRW General Manager

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**MISSION STATEMENT:** To provide member-owners with reasonably priced, reliable, quality water.



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Kingbrook Rural Water System, Inc. is an equal opportunity provider and employer.